



United States Department of Agriculture  
Risk Management Agency

January 2011

## 2011 COMMODITY INSURANCE FACT SHEET

# Popcorn

## Kansas

### Crop Insured

The crop insured will be all irrigated popcorn planted for harvest as popcorn, grown on insured acreage under a contract executed with a processor, and for which a premium rate is provided by the actuarial table.

### Counties Available

Popcorn insurance is available in the following counties: Cheyenne, Grant, Hamilton, Morton, Rawlins, Sherman, Stanton, Stevens, and Thomas.

Coverage in other counties may also be available by individual written agreement if certain criteria are met, including records for at least three years of production history.

### Causes of Loss

Adverse weather conditions  
Earthquake  
Failure of irrigation water supply  
Fire  
Insects\*  
Plant disease\*  
Wildlife

<sup>1</sup>If applicable, due to an unavoidable cause of loss occurring within the insurance period.

All specified causes of loss must be due to a naturally occurring event.

\*But not damage due to insufficient or improper application of pest or disease control measures.

### Insurance Period

Coverage begins on the later of the date we accept your application or the date the popcorn is planted, and ends the earliest of:

- (a) The date the popcorn:
  - (1) Was destroyed;
  - (2) Should have been harvested but was not harvested;
  - (3) Was abandoned; or
  - (4) Was harvested;

- (b) When the processor contract stipulates a specific amount of production to be delivered, the date the production accepted by the processor equals the contracted amount of production;
- (c) Final adjustment of a loss; or
- (d) December 10 immediately following planting.

### Reporting Requirements

**Acreage Report** - You must report to your insurance provider all acreage of the insured crop in the county in which you have a share, the practice, and your share at the time of planting. Also, you must provide a copy of all processor contracts by the acreage reporting date to your insurance provider.

### Important Dates

Sales Closing/Cancellation Date ..... March 15, 2011  
Earliest Planting Date ..... April 10, 2011  
Final Planting Date.....May 31, 2011  
Acreage Reporting Date ..... July 15, 2011  
Premium Billing .....October 1, 2011  
End of Insurance.....December 10, 2011

### Coverage Levels and Premium Subsidies

The popcorn policy guarantees a certain amount of production, depending on the level of coverage selected. Crop insurance premiums are subsidized as shown below.

Subsidy Factor	Percent								
Coverage Level	CAT	0.50	0.55	0.60	0.65	0.70	0.75	0.80	0.85
Basic Unit	1.000	0.67	0.64	0.64	0.59	0.59	0.55	0.48	0.38
Optional Unit		0.67	0.64	0.64	0.59	0.59	0.55	0.48	0.38

For example, if you select the 75 % coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

## Catastrophic Coverage

Catastrophic coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the price election. The total cost for CAT coverage will be an administrative fee of \$300 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

## Price Elections

Price at which you are compensated per pound in the event of a loss, based on the percentage established price you have selected. Price election percentage choices for this crop year are 55 percent to 100 percent of the prices shown below.

**Established price:** \$0.185 per pound

## Insurance Units

**Basic Unit:** For processor contracts that stipulate the amount of production to be delivered, a basic unit will consist of all the acreage planted to popcorn in the county that will be used to fulfill contracts with each processor. There will be no more than one basic unit for all production contracted with each processor contract.

**Optional Unit:** For any processor contract that stipulates only the number of acres to be planted, the rules for basic and optional units described in the Basic Provisions will apply.

## Plans of Insurance

**Actual Production History (APH)** — Production guarantee based on **individual** yield history.

## Replant Provisions

A replanting payment is allowed if we determine it is practical to replant on a unit and our appraisal does not exceed 90 percent of your guarantee, and you replant at least 20 acres or 20 percent of the unit. The replanting payment will be the lesser of 20 percent of the production guarantee or 150 pounds times your price election, multiplied by your share. Replant payments are **not available** on the catastrophic coverage endorsement.

## Late and Prevented Planting

Late planting provisions in the basic provisions are applicable for popcorn if you provide written approval from the processor by the acreage reporting date that it will accept the production from the late planted acres when it is expected to be ready for harvest. Prevented planting coverage will be 60 percent of your production guarantee for timely planted acres.

## Loss Example

A loss occurs when the crop production falls below the guaranteed production amount as a result of damage from a covered cause of loss. Revenue losses caused by low market prices or low consumer demand are not covered. Example assumes an APH average yield of 4,000 pounds per acre, the 65-percent coverage level and a 100 percent price election of \$0.185. **(APH yield x coverage level — production x price election)**

$$\begin{array}{r} 4,000 \text{ Pounds APH yield} \\ \times \quad .65 \text{ Coverage level} \\ \hline 2,600 \text{ Pounds per acre guarantee} \\ - \quad 900 \text{ Pounds production} \\ \hline 1,700 \text{ Pounds loss} \\ \times \quad \$0.185 \text{ Price election} \\ \hline \$315.00 \text{ Indemnity} \end{array}$$

\* Figures shown on a per acre basis; guarantees and losses paid are on a per acre unit basis. See policy provisions.

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