



United States Department of Agriculture  
Risk Management Agency

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## 2013 COMMODITY INSURANCE FACT SHEET

# Silage Sorghum Pilot

## Colorado

### Crop Insured

Silage Sorghum is insurable if:

- It is grown in the county on insurable acreage;
- Premium rates are provided;
- You have a share, and
- It is a dual purpose grain sorghum variety (a type used for both grain and forage), male sterile grain sorghum variety, or photo-period sensitive grain sorghum variety, that has been developed to produce green matter to be ensiled, and
- It is planted for harvest as silage under the Common Crop Insurance Policy.

Silage Sorghum is not insurable if it is:

- A combine-type hybrid grain sorghum (grown from hybrid seed); or
- A Sudan, Sudax, or Sudex varieties, varieties developed for haying and grazing, or any other variety not intended for the production of silage.

Insurance shall not attach or be considered to have attached to a planted non-irrigated crop on acreage from which, in the same calendar year:

- A perennial hay crop was harvested; or
- A non-irrigated silage sorghum crop is planted following another crop (including a cover crop) that has reached the headed (or budded) stage.

Contact a crop insurance agent for more details.

### Counties Available

Silage Sorghum is insurable in the following Colorado counties: Baca, Prowers.

No written agreements may be authorized to extend coverage to any county for which actuarial documents are not filed.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
Failure of irrigation water supply<sup>2</sup>  
Fire<sup>3</sup>  
Insects<sup>4</sup>  
Plant disease<sup>4</sup>

### Wildlife

<sup>1</sup>Such as hail, freeze, excess wind, excess rain, drought, and tornado.

<sup>2</sup>If caused by an insured cause of loss within the insurance period.

<sup>3</sup>If due to natural causes.

<sup>4</sup>But not damage due to insufficient or improper application of pest or disease control measures.

### Insurance Period

Coverage begins when the grain sorghum is planted and ends the earliest of:

- 1) Total destruction of the crop;
- 2) Abandonment of the crop;
- 3) Harvest is complete;
- 4) Final adjustment of a loss; or
- 5) October 15 immediately following the date the crop is planted.

### Reporting Requirements

**Acreage Report**—An acreage report is due to your agent by July 15th to include all acreage (insurable and uninsurable) in which you have a share. If you have a silage sorghum purchase contract, you must provide a copy of all such contracts on or before the acreage reporting date. If you fail to provide a copy of the silage sorghum purchase contracts on or before the acreage reporting date, your price election for all your silage sorghum will be determined based on the maximum price election.

**Production Report**—Required by date specified in the Basic Provisions. A written record showing the crop's planted acreage and annual production used to determine the actual yields.

### Duties in the Event of Damage or Loss

You must give notice within 72 hours of initial discovery of damage but not later than 15 days after the end of the insurance period. You must give notice at least seven calendar days prior to the harvest of any acreage of the silage sorghum crop that will be placed in silage bags or if the acreage will be utilized for any purpose other than for silage production.

## Important Dates

Sales Closing/Cancellation Date..... March 15  
Earliest Planting Date..... April 26  
Final Planting Date..... June 15  
Acreage Report Date ..... July 15  
Premium Billing Date..... August 15  
End of Insurance ..... October 15

## Definitions

**Maximum price election** - The price determined by multiplying the projected price for corn silage by 80 percent. In lieu of any policy provision that specifies that the price election will be released by the contract change date, the silage sorghum maximum contract price will be determined by RMA and released by January 31 of the crop year on RMA's website.

**Production guarantee (per acre)** - In lieu of the definition of production guarantee (per acre) contained in section 1 of the Coarse Grains Crop Provisions, the term production guarantee (per acre) means your approved yield (in tons) per acre multiplied by the coverage level percentage you elect.

**APH Yield** — Actual production history (APH) yield used to determine the production guarantee. The APH yield is based on up to 10 years of actual, assigned yields, adjusted and/or unadjusted transitional yields.

## Coverage Levels and Premium Subsidies

Crop insurance premiums are subsidized as shown. For example if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

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

## 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

You may elect a price election for all of your silage sorghum grown in the county on insurable acreage based on the maximum price election or if the price received under your silage sorghum purchase contract exceeds \$2.00 over the maximum price election, your price election will be limited to \$2.00 over the maximum price election. The silage sorghum maximum contract price election will be determined by RMA and released by January 31 of the crop year on RMA's website. Contact your agent or for more information see the Actuarial Information Browser: <http://webapp.rma.usda.gov/apps/actuarialinformationbrowser/>

## Insurance Units

**Basic Unit:** A basic unit includes all of your insurable silage sorghum acreage in the county by share arrangement. Premiums are reduced 10 percent for a basic unit.

**Optional Unit:** If a basic unit consists of two or more sections of land, and certain record keeping requirements are met, you may apply for optional units by section. The 10-percent premium discount will not apply.

## Plans of Insurance

APH is the only plan of insurance available for silage sorghum. The production guarantee is based on your individual yield history.

**You must** have the Common Crop Insurance Policy Basic Provisions, the Coarse Grains Crop Provisions, and, if applicable, the Catastrophic Risk Protection Endorsement, in force before you elect this Silage Sorghum Pilot Endorsement. Revenue protection and yield protection does not apply to this endorsement.

## Loss Example

A loss occurs when the production falls below the production guarantee as a result of damage from a covered cause of loss.

This example assumes that you have a unit in which you have a 100-percent share, your approved yield is 10.0 tons per acre, a 70-percent coverage level, 100 percent of the maximum contract price election (\$34.40 for example), and basic unit coverage.

You are able to harvest only 3.0 tons of silage sorghum due to an insured cause of loss that reduced production.

$$\begin{array}{r} 10.0 \text{ tons per acre APH yield} \\ \times .70 \text{ coverage level} \\ \hline 7.0 \text{ ton per acre guarantee} \\ - 3.0 \text{ tons production to count} \\ \hline 4.0 \text{ tons of production loss} \\ \times \$34.40 \text{ maximum contract price election} \\ \hline \text{\$138.00 net indemnity*} \end{array}$$

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

### Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at:

<http://www3.rma.usda.gov/apps/agents/>

### Regional Contact

#### USDA/Risk Management Agency

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