



United States Department of Agriculture
Risk Management Agency

February
2013

2013 COMMODITY INSURANCE FACT SHEET

Grain Sorghum

Missouri

Crop Insured

Grain sorghum is insurable if:

- It is grown in the county on insurable acreage;
- Premium rates are provided;
- You have a share;
- It is adapted to the area based on days to maturity and are compatible with agronomic and weather conditions in the area;
- It is a combine-type hybrid grain sorghum (grown from hybrid seed);
- It is not a dual-purpose type of grain sorghum (a type used for both grain and forage), unless a written agreement allows insurance of such grain sorghum; and
- It is planted for harvest as grain under the Common Crop Insurance Policy.

Grain sorghum is not insurable, if it is a non-irrigated crop on acreage where:

- A perennial hay crop was harvested;
- A crop (other than a cover crop) reached the headed or budded stage prior to termination, regardless of the percentage of plants that reach the headed or budded stage; or
- A cover crop is terminated after 50% of the cover crop has headed or budded.

Contact a crop insurance agent for more details.

Counties Available

Grain sorghum insurance is available in 92 Missouri counties. Coverage in other counties may also be available by written agreement if certain criteria are met, including records for at least 3 years of production history. Contact your crop insurance agent for more information.

Causes of Loss

Adverse weather conditions¹
Failure of irrigation water supply²
Fire³
Insects⁴
Plant disease⁴

Wildlife

¹Such as hail, freeze, excess wind, excess rain, and drought.

²If due to an insured cause of loss within the insurance period.

³If due to natural causes.

⁴Only if effective control measures do not exist for such infestation.

Important Dates

Sales Closing/Cancellation Date	March 15
Earliest Planting Date ²	April 11
Earliest Planting Date ¹	April 21
Final Planting Date ²	June 10
Final Planting Date ¹	June 20
Acreage Report Date	July 15
Premium Billing	August 15
End of Insurance.....	December 10

¹Excludes the following counties: Butler, Dunklin, Mississippi, New Madrid, Pemiscot, Ripley, Scott, and Stoddard.

²Includes the following counties: Butler, Dunklin, Mississippi, New Madrid, Pemiscot, Ripley, Scott, and Stoddard.

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;
- (5) December 10.

Reporting Requirements

Acreage Report: You must give a report to your insurance agent of all your grain sorghum acreage in the county by the acreage reporting date.

Definitions

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 or adjusted and/or unadjusted transitional yields.

Unit: The insurable acreage used to determine the APH yield, the production guarantee, and any indemnity.

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

Coverage Levels and Premium Subsidies

Grain sorghum may be insured at the coverage levels shown in the table below. Crop insurance premiums are subsidized as shown. If you select the 0.75 coverage level and enterprise units, your coverage will be 75 percent of your approved APH yield, the premium subsidy is 77 percent, and your premium share is 33 percent of the base premium.

Coverage Level		0.50	0.55	0.60	0.65	0.70	0.75
Subsidy Factors	Enterprise Unit	0.80	0.80	0.80	0.80	0.80	0.77
	Basic Unit	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
	Whole Farm Unit ¹	0.80	0.80	0.80	0.80	0.80	0.80

¹Not available for Yield Protection Plan

Catastrophic Coverage

Catastrophic Risk Protection coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the price election. The total cost for CAT coverage is an administrative fee of \$300 per crop per county. Administrative fees and premium costs for coverage levels above CAT are \$30 per crop per county. Available for Yield Protection Plan only.

Price Elections

Prices are calculated according to the Commodity Exchange Price Provisions. Missouri grain sorghum prices are based on the December futures market price for corn. The projected price discovery period is February 1 through February 29. The harvest price discovery period is October 1 through October 31. The price percentage relationship between grain sorghum and corn, as determined by RMA, and rounded to the nearest whole cent, will be available in the Price Discovery Reporting application on RMA's Web site. These prices will be released no later than 3 business days following the end of the price discovery period. Depending on the insurance plan, these prices will be used for compensation per bushel in case of loss. Contact your agent or for more information see: <http://www.rma.usda.gov/tools/pricediscovery.html>

Insurance Units

Basic Unit: A basic unit includes all of your insurable grain 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.

Enterprise Unit: Generally, all the insured crop acreage in a county. Premium discounts apply.

Whole Farm Unit: Generally, all the insured crops in the county that are covered by the insurance plan. Premium discounts apply (Not available under the Yield Protection Plan).

Insurance Plans

Common Crop Insurance Policy Basic Provisions (11br).

Yield Protection Plan: An insurance plan that only provides protection against a production loss and is available only for crops for which revenue protection is available.

Revenue Protection Plan: An insurance plan that provides protection against loss of revenue due to a production loss, price decline or increase, or a combination of both.

Harvest Price Exclusion: Revenue protection with the use of the harvest price excluded when determining your revenue protection guarantee. This election is continuous unless canceled by the cancellation date.

Replant Provisions*

A replanting payment is allowed only if the crop is damaged by a covered cause of loss so the remaining stand will not produce at least 90 percent of your bushel guarantee and it is practical to replant. The maximum replanting payment will be the lesser of 20 percent of the bushel guarantee, or 7 bushels times your price election. No replanting payment will be made on acreage first planted before the earliest planting date.

*Not available with the Catastrophic Risk Protection insurance plan.

Late and Prevented Planting

These provisions provide protection on acreage that is planted after the final planting date or that cannot be planted at all. Please talk to a crop insurance agent for details.

Trend-Adjusted APH Yield Option

The Trend-Adjusted APH Yield Option, adjusts yields in APH databases to reflect increases in yields through time in the county. Trend adjustments are made on each eligible yield within a qualifying APH database based on the county's historical yield trend, which is provided in the county actuarial documents. The approved APH yield is calculated using trend-adjusted yields, as well as any other applicable yields, within the APH database. It may not be available for all counties or practices, and the factor may vary by practice. This option is not available under CAT or for GRP and GRIP plans of insurance.

Loss Example

Under yield protection a loss occurs when the bushels of grain sorghum produced for the unit fall below the production guarantee because of damage from a covered cause of loss. Under revenue protection a loss occurs when the value of production-to-count is less than the revenue protection guarantee because of a production loss and/or a loss of revenue.

Assume a 70 bushel per acre APH yield, 75-percent coverage level, 100 percent of the price, a projected price of \$5.53, a harvested price of \$7.31, and basic unit coverage.

Yield Protection

70	APH yield bushels/acre
x .75	Coverage level
52.5	Bushel guarantee
x \$5.53	Projected price
\$290.33	Insurance guarantee
40	Bushels per acre produced
x \$5.53	Projected Price
\$221.20	Value of production
\$290.33	Insurance guarantee
- \$221.20	Value of production
\$69.00	Gross indemnity*

Revenue Protection

70	APH yield bushels/acre
x .75	Coverage level
52.5	Bushel guarantee
x \$7.31	Price used to determine value*
\$383.78	Insurance guarantee
20	Bushels per acre produced
x \$7.31	Harvested Price
\$146.20	Value of production
\$383.78	Insurance guarantee
- \$146.20	Value of production
\$238.00	Gross indemnity**

* Higher of Projected Price or Harvest Price

**Figures shown per acre; guarantees and losses are paid by unit. See policy provisions or ask your crop insurance agent for more information.

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

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