



United States Department of Agriculture
Risk Management Agency

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2013

2013 COMMODITY INSURANCE FACT SHEET

Popcorn

Missouri

Crop Insured

Popcorn is insurable if:

- It is grown in the county on insurable acreage;
- Premium rates are provided;
- You have a share;
- It is grown under a processor contract executed on or before the acreage reporting date; and
- It is all popcorn planted for harvest as popcorn under the Common Crop Insurance Policy.

Popcorn is not insurable if it is:

- Interplanted with another crop; or
- Planted into an established grass or legume.

Counties Available

Popcorn insurance is available in the following Missouri counties: Atchison, Audrain, Buchanan, Chariton, Dade, Grundy, Harrison, Holt, Jasper, Lafayette, Lawrence, Linn, Marion, Mercer, New Madrid, Nodaway, and Stoddard.

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 actual production history (APH). Contact a crop insurance agent for more information

Causes of Loss

Adverse weather conditions
Earthquake
Failure of irrigation water supply¹
Fire
Insects*
Plant disease*
Wildlife

¹If 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

Insurance coverage begins on the later of:

- 1) Date we accept your application; or
- 2) Date when the popcorn is planted.

Insurance coverage ends at the earliest of

- 1) Date the popcorn:
 - Was destroyed;
 - Should have been harvested but was not harvested;
 - Was abandoned; or
 - Was harvested.
- 2) 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;
- 3) Final adjustment of a loss; or
- 4) 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
Earliest Planting Date ¹	April 10
Final Planting Date ²	May 20
Acreage Reporting Date	July 15
Premium Billing	August 15
End of Insurance	December 10

¹Excluding New Madrid and Stoddard Counties in Missouri, which have an Earliest Planting Date of April 1, 2011.

²Excluding New Madrid and Stoddard Counties in Missouri, which have a Final Planting Date of May 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. 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.

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

Catastrophic Coverage

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

The projected price for Missouri popcorn will be the projected price for grain type corn determined in accordance with the Commodity Exchange Price Provisions multiplied by a factor published in the actuarial documents. In lieu of the definition contained in the Basic Provisions, the harvest price will be the harvest price for grain type corn determined in accordance with the Commodity Exchange Price Provisions multiplied by a factor published in the actuarial documents and used to value production to count. 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 pound in case of loss. Contact your agent or for more information see:

<http://www.rma.usda.gov/tools/pricediscovery.html>

Unit Division

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

Common Crop Insurance Policy Basic Provisions (11br).

Under the Popcorn Crop Provisions, (99-043), Yield Protection Plan: An insurance plan that only provides protection against a production loss is available.

Under the Popcorn Revenue Coverage (Pilot) Crop Provisions, 11-PRC-043:

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 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

Under yield protection a loss occurs when the pounds of popcorn 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 4,000 pound per acre APH yield, 75-percent coverage level, 100 percent of the price, a Projected price of \$0.2272, a Harvest price of \$0.30, and basic unit coverage.

Yield Protection

4,000	APH yield pounds/acre
<u>x .75</u>	Coverage level
3,000	Pound guarantee
x <u>\$0.2272</u>	Projected price
\$681.60	Insurance guarantee
1,500	Pounds per acre produced
x <u>\$0.2272</u>	Projected Price
\$340.80	Value of production
\$681.60	Insurance guarantee
- <u>\$340.80</u>	Value of production
\$341.00	Gross indemnity*

Revenue Protection

4,000	APH yield pounds/acre
<u>x .75</u>	Coverage level
3,000	Pound guarantee
x <u>\$0.30</u>	Price used to determine value*
\$900.00	Insurance guarantee
1,500	Pounds per acre produced
x <u>\$0.30</u>	Harvested Price
\$450.00	Value of production
\$900.00	Insurance guarantee
- <u>\$450.00</u>	Value of production
\$450.00	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.

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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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