



## Topeka Regional Office — Topeka, KS

Revised June 2015

# Hybrid Seed Corn

## Missouri

### Crop Insured

Hybrid seed corn is insurable if:

- It is all the female parent corn plants grown in the county on insurable acreage;
- Premium rates are provided;
- You have a share;
- It is grown under a hybrid seed corn processor contract executed by the acreage reporting date; and
- It is planted for harvest as commercial hybrid seed corn.

Hybrid seed corn is only insurable by written agreement if it is on acreage where it is:

- Planted with a mixture of female and male parent seed in the same row;
- Planted for any purpose other than for commercial hybrid seed corn;
- Interplanted with another crop; or
- Planted into an established grass or legume.

Hybrid seed corn is not insurable if it is on acreage where:

- It is planted and occupied exclusively by male parent plants;
- It is not in compliance with the rotation requirements required by the hybrid seed corn processor contract; or
- If either the female or male parent plants are damaged before the final planting date and we determine that the insured crop is practical to replant but it is not replanted.

Contact a crop insurance agent for more details.

### Counties Available

Hybrid seed corn insurance is available in Atchison, Marion, New Madrid, Scott, and Stoddard 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. Please contact a crop insurance agent for more information.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions;
- Earthquake;

- Failure of the irrigation water supply, due to a cause of loss that also occurs during the insurance period;
- Fire;
- Insects, but not damage due to insufficient or improper application of pest control measures;
- Plant disease, but not damage due to insufficient or improper application of disease control measures;
- Volcanic eruption; or
- Wildlife.

### Insurance Period

Insurance coverage begins on the later of:

- Date your application is accepted; or
- Date when the corn is planted.

Insurance coverage ends with the earliest occurrence of one of the following:

- Total destruction of the crop;
- Harvest of the unit;
- Final adjustment of a loss;
- Abandonment of the crop; or
- October 31.

### Important Dates

Sales Closing/Cancellation Date.....	March 15, 2015
Final Planting Date.....	Varies by County
Acreage Report Date.....	July 15, 2015
Premium Billing.....	August 15, 2015
End of Insurance.....	October 31, 2015

### Reporting Requirements

**Acreage Report** - You must give a report to your crop insurance agent of all your corn acreage in the county by the acreage reporting date.

### Definitions

**Adjusted Yield** - An amount determined by multiplying the county yield by the coverage level factor on the coverage and rate table.

**Amount of Insurance** (dollars per acre) - A dollar amount determined by multiplying the adjusted yield by the price election for hybrid seed corn minus any

guaranteed payment (not to exceed the total compensation in the processor contract).

**Approved Yield** - An amount RMA determines to be representative of the expected yield of the female parent when grown under a specific production practice based on records provided by the seed company and the credibility of the records.

**Dollar Value Per Bushel** - An amount that determines the value of any seed production to count. It is determined by dividing the amount of insurance per acre by the result of multiplying the approved yield by the coverage level percentage selected.

**Amount Of Insurance Per Acre** - A dollar amount determined by multiplying the adjusted yield times the price election you select and subtracting any minimum guaranteed payment (not to exceed the total compensation specified in the hybrid seed corn processor contract).

## Coverage Levels and Premium Subsidies

Instead of guaranteeing an amount of production, the policy guarantees a dollar amount of coverage, depending on the level of coverage selected (see table). Crop insurance premiums are subsidized as shown.

Coverage Level		CAT	0.50	0.55	0.60	0.65	0.70	0.75	0.80	0.85
Subsidy Factors	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-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium. For coverage levels above the Catastrophic Risk Protection level, in addition to premium costs, administrative fees are \$30 per crop per county.

The amount of insurance per acre formula will be the factor listed below by specific coverage level times the county yield established by RMA minus the minimum payment (in bushels) provided by the seed company times the selected price election.

Coverage Level	CAT	0.50	0.55	0.60	0.65	0.70	0.75	0.80	0.85
Coverage Level Factor		0.677	0.733	0.800	0.867	0.933	1.000	1.067	1.133

## Catastrophic Coverage (CAT)

CAT is available at 50 percent of your APH yield and 55 percent of the established price election. The total cost for CAT coverage is an administrative fee of \$300 per crop, per county.

## Price Elections

The established price for hybrid seed corn is used unless you select the hybrid seed price endorsement.

Established price ..... \$3.74 per bushel

## Insurance Units

**Basic Unit** - If the processor contract specifies the number of acres to be planted, a basic unit consists of all your insurable hybrid seed corn acreage in the county by share arrangement. If the processor contract specifies the amount of production to be delivered, a basic unit consists of all acreage planted to the insured crop in the county that will be used to fulfill contracts with each processor. Premiums are reduced by 10 percent for a basic unit.

**Optional Unit** - When the processor contract specifies the number of acres to be planted, and 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. Optional units are not available if the processor contract stipulates the amount of production to be delivered.

## Insurance Plans

**Yield-based Dollar Plan** is the dollar guarantee with production to count based on variable dollars per bushel depending on the approved yield for the variety.

## Replant Provisions

No planting payment is available. If either the male or female parent plants are damaged before the final planting date and it was practical to replant and it was not replanted, the acreage will not be insured. It will not be considered practical to replant unless production from the replanted acreage can be delivered under the terms of the hybrid seed corn processor contract, or the seed company agrees that it will accept the production from the replanted acreage.

## Late Planting

These provisions provide protection on acreage that is planted after the final planting date. The late planting period begins the day after the final planting date for the insured crop and ends 25 days after the final planting date. For each late planted acre of the insured crop, the production guarantee or amount of insurance that is applicable to timely planted acreage will be reduced one percent per day for each day planted after the final planting date during the late planting period, equal to 25 days.

## Prevented Planting

These provisions provide protection on acreage that cannot be planted. Your prevented planting coverage will be 50 percent of your production guarantee for timely planted acreage. If you have additional coverage and pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents. In lieu of Section 17(f)(5)(ii) of the Common Crop Insurance Basic Provisions, haying or grazing a cover crop will not impact eligibility for a prevented planting payment provided such action did not contribute to the acreage being prevented from planting.

## Hybrid Seed Price Endorsement

With this endorsement in place, the price election for hybrid seed corn will be the higher of the price election for hybrid seed, or the February harvest years average daily settlement price for the harvest years Chicago Board of Trade December corn futures contract price, rounded to the nearest whole cent.

## Loss Example

A loss occurs when the value of the hybrid seed corn falls below the guaranteed dollar amount as a result of damage from a covered cause of loss. This example assumes a county yield of 161 bushels per acre, 75-percent coverage level, 100 percent established price of \$3.74 per bushel, and an approved yield of 50 bushels, and basic unit coverage.

161	Bushels/acre county yield
<u>x 1.00</u>	Coverage level factor
161	Bushels (adjusted yield)
<u>x \$3.74</u>	Price election
\$602.14	Amount of insurance/acre
<u>- \$484.20</u>	Production to count (seed and non-seed)
<b>\$118.00</b>	<b>Gross indemnity</b>

Production to count shown above is 20 bu. x \$19.96/bu. (seed) + 20 bu. x \$4.25/bu. (non-seed)=  
\$484.20.

$\$19.96 \text{ seed price/bu.} = [748.65 / (50 \text{ bu.} \times 0.75)]$   
 $\$4.25 = \text{local market price for non-seed production.}$

Figures shown are 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 at all USDA service centers and on the RMA website at:

[www3.rma.usda.gov/apps/agents/](http://www3.rma.usda.gov/apps/agents/).

## Contact Us

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