

## Topeka Regional Office — Topeka, KS

Revised June 2015

# 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;
- Grown under a processor contract executed on or before the acreage reporting date; and
- It is planted for harvest as popcorn.

Popcorn is not insurable if:

- Planted into an established grass or legume, unless excepted;
- Interplanted with another crop (unless allowed by written agreement);
- It follows a cover crop that does not meet the criteria outlined in the Insurance Availability section of the Special Provisions;
- It is a non-irrigated crop planted on acreage where perennial hay crop was harvested; or
- It is a non-irrigated crop planted on acreage where 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.

Contact a crop insurance agent for more details.

### Counties Available

Popcorn insurance is available in Atchison, Audrain, Buchanan, Chariton, Dade, Grundy, Harrison, Holt, Jasper, Lafayette, Lawrence, Linn, Marion, Mercer, New Madrid, Nodaway, and Stoddard counties. Coverage in other counties may be available by written agreement if certain criteria are met. 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, if caused by an insured peril during the insurance year;
- Fire;

- Insects or plant disease, but not damage due to insufficient or improper application of control measures;
- Price change for revenue protection (see Popcorn Revenue Crop Provisions for more information);
- Volcanic eruption; or
- Wildlife.

Frost or freeze is not an insurable cause of loss after the date specified in the Special Provisions.

### Insurance Period

Coverage begins when the popcorn is planted and ends with the earliest occurrence of one of the following:

- Total destruction of the crop;
- Abandonment of the crop;
- The date the popcorn should have been harvested but was not harvested;
- Final adjustment of a loss;
- Final harvest;
- Acceptance of the contracted amount by the processor (when production amount is specified in the contract); or
- December 10.

### Important Dates

Sales Closing/Cancellation.....	March 15, 2015
Earliest/Final Planting Date.....	Varies by County
Acreage Reporting.....	July 15, 2015
Premium Billing.....	August 15, 2015
End of Insurance.....	December 10, 2015

### Reporting Requirements

**Acreage Report** - You must give an acreage report and a copy of all processor contracts to your crop insurance agent of all your popcorn acreage in the county by the acreage reporting date.

### Insurance Plans

One policy provides the choice of three plans.

**Yield Protection** is insurance coverage that provides protection against a production loss.

**Revenue Protection Plan** is insurance coverage that provides protection against loss of revenue due to a production loss, price decline or increase, or a combination of both.

**Harvest Price Exclusion** is insurance coverage that provides 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.

### Coverage Levels and Premium Subsidies

Popcorn may be insured at the coverage levels shown in the table. Crop insurance premiums are subsidized as shown.

Coverage Level		0.50	0.55	0.60	0.65	0.70	0.75	0.80	0.85
Subsidy Factors	Enterprise Unit	0.800	0.800	0.800	0.800	0.800	0.770	0.680	0.530
	Basic Unit	0.670	0.640	0.640	0.590	0.590	0.550	0.480	0.380
	Optional unit	0.670	0.640	0.640	0.590	0.590	0.550	0.480	0.380

If you select the 75-percent coverage level and basic unit, your coverage will be 75 percent of your approved actual production history (APH) yield, 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.

### Catastrophic Coverage (CAT)

CAT is available at 50 percent of your APH yield and 55 percent of the projected price. The total cost for CAT coverage is an administrative fee of \$300 per crop per county. Available for Yield Protection plan only.

### Price Elections

Prices are calculated according to the Commodity Exchange Price Provisions. Missouri corn prices are based on the December futures market price for corn. The projected price discovery period is February 1 through February 28. For Yield Protection, the price election will equal the projected price for grain-type corn in the county multiplied by a conversion factor, and will be published concurrently with the projected price for grain-type corn in the county. The harvest price discovery period is October 1 through October 31. 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: [www.rma.usda.gov/tools/pricediscovery.html](http://www.rma.usda.gov/tools/pricediscovery.html).

### Insurance Units

**Enterprise Unit (EU)** - Generally, all insured crop acreage in a county. Separate EUs for irrigated and non-irrigated acreage are allowed in counties where irrigated and non-irrigated practices are insurable and EUs are available. Premium discounts apply.

**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; or
- The amount of production to be delivered, the provisions that allow optional units are not applicable.

### Area Risk Protection Insurance (ARPI) Basic Provisions

ARPI may not be available in every county. Some of the information on this fact sheet does not apply. For more information see the ARPI fact sheet at: [www.rma.usda.gov/pubs/rme/arpi.pdf](http://www.rma.usda.gov/pubs/rme/arpi.pdf).

### Coverage Level by Practice

If you produce a crop on both irrigated and non-irrigated land, you can elect a different coverage level for each production practice. The election will be available for additional coverage policies only when the actuarial documents provide separate coverage by irrigated and non-irrigated practices. Even if you have an additional coverage level policy, purchasing the CAT Endorsement is not allowed as one of the separate coverage levels.

### APH Yield Exclusion

The Yield Exclusion (YE) option, when elected, allows you to exclude yields from your actual production history when the actuarial documents provide that the county average yield for that crop year is at least 50 percent below the 10 previous consecutive crop years' average yield. A crop year that has been determined eligible for exclusion in a county will also be eligible for exclusion in contiguous counties. Producers who have either CAT or buy-up insurance policies can use this program. For further information visit the APH Yield Exclusion fact sheet at: [www.rma.usda.gov/pubs/rme/aphye.pdf](http://www.rma.usda.gov/pubs/rme/aphye.pdf).

### Replant Provision

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. No replanting payment will be made on acreage first planted before the earliest planting date. When popcorn is replanted using a practice that is uninsurable as an original planting, our liability for the damaged unit will be reduced by the amount of the replanting payment. The premium amount will not be reduced. Not available with the CAT coverage.

## Late Planting

For Common Crop Insurance Policy plans, 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. Not available for ARPI plans of insurance.

1,500	Pounds per acre produced
<u>x \$0.1487</u>	Harvested price
\$223.05	Value of production
\$590.10	Insurance guarantee
<u>- \$223.05</u>	Value of production
<b>\$367.00</b>	<b>Gross indemnity</b>

## Prevented Planting

These provisions provide protection on acreage that cannot be planted. Your prevented planting coverage will be 60 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. Not available for ARPI plans of insurance.

The price used to determine value in the revenue protection example above is the 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 at all USDA service centers and on the RMA website at: [www3.rma.usda.gov/apps/agents/](http://www3.rma.usda.gov/apps/agents/).

## 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.

## Contact Us

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Assume a 4,000 pound per acre APH yield, 75-percent coverage level, 100 percent of the price, a projected price of \$0.1967, a harvest price of \$0.1487, and basic unit coverage.

### Yield Protection

4,000	APH yield pounds/acre
<u>x 0.75</u>	Coverage level
3,000	Pound guarantee
<u>x \$0.1967</u>	Projected price
\$590.10	Insurance guarantee
1,500	Pounds per acre produced
<u>x \$0.1967</u>	Projected price
\$295.05	Value of production
\$590.10	Insurance guarantee
<u>- \$295.05</u>	Value of production
<b>\$215.00</b>	<b>Gross indemnity</b>

### Revenue Protection

4,000	APH yield pounds/acre
<u>x 0.75</u>	Coverage level
3,000	Pound guarantee
<u>x \$0.1967</u>	Price used to determine value
\$590.10	Insurance guarantee

## Download Copies from the Web

Visit our online fact sheets page at: [www.rma.usda.gov/aboutrma/fields/ks\\_rso/](http://www.rma.usda.gov/aboutrma/fields/ks_rso/).

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