

## Topeka Regional Office — Topeka, KS

February 2017

# Popcorn

## Nebraska

### 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 allowed by written agreement);
- Interplanted with another crop (unless allowed by written agreement);
- It is an open pollinated variety (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 a 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 also be available by written agreement if certain criteria are met. Please talk to 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;
- Plant disease, but not damage due to insufficient or improper application of disease control measures;
- Price change for revenue protection (see Popcorn Revenue Crop Provisions for more information);
- Volcanic eruption; or
- Wildlife.

Frost or freeze are not insurable causes of loss if they are 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, 2017
Earliest Planting Date .....	April 10, 2017
Final Planting Date .....	May 20, 2017
Acreage Report Date .....	July 15, 2017
Premium Billing .....	August 15, 2017
End of Insurance .....	December 10, 2017

## 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.

## Coverage Levels and Premium Subsidies

Popcorn may be insured at the coverage levels shown in the table. Crop insurance premiums are subsidized as shown. If you choose the 75-percent coverage level and basic unit, your coverage is 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.

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

For coverage levels above the Catastrophic Risk Protection (CAT) level, in addition to premium costs, administrative fees are \$30 per crop per county.

## Catastrophic Coverage

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 the Yield Protection plan only.

## Price Elections

Prices are calculated according to the Commodity Exchange Price Provisions. Nebraska corn prices are based on the December futures market price for grain type corn. The projected price discovery period is February 1 through February 28. For Yield Protection, the price election is equal to the projected price for grain-type corn in the county

multiplied by a conversion factor, and is 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 are released no later than 3 business days following the end of the price discovery period. Depending on the insurance plan, these prices are used for compensation in case of loss. Contact your crop insurance agent, or for more information see [prodwebnlb.rma.usda.gov/apps/PriceDiscovery/](http://prodwebnlb.rma.usda.gov/apps/PriceDiscovery/).

## 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 may 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. Premium discounts may apply for basic units.

**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.

## 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.

## **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/fctsht.html](http://www.rma.usda.gov/pubs/rme/fctsht.html).

### **Coverage Level by Practice**

If you produce a crop on both irrigated and non-irrigated land, you can choose a different coverage level for each production practice. The election is 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.

### **Supplemental Coverage Option (SCO)**

SCO is a new crop insurance option that provides additional coverage for a portion of your underlying crop insurance policy deductible. The amount of SCO coverage depends on the liability, coverage level, and approved yield of your underlying policy. SCO may not be available in every county. For more information visit the SCO fact sheet at [www.rma.usda.gov/pubs/rme/fctsht.html](http://www.rma.usda.gov/pubs/rme/fctsht.html).

### **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 is also eligible for exclusion in contiguous counties. Producers who have either CAT or buy-up insurance policies can use this program. For more information visit the APH Yield Exclusion fact sheet at [www.rma.usda.gov/pubs/rme/fctsht.html](http://www.rma.usda.gov/pubs/rme/fctsht.html).

### **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 is the lesser of 20 percent of the production guarantee or 150 pounds

times your price election, multiplied by your share. No replanting payment is 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 is reduced by the amount of the replanting payment. The premium amount will not be reduced. Not available with CAT or ARPI 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 insurance plans.

### **Prevented Planting**

These provisions provide protection on acreage that cannot be planted. Your prevented planting coverage is 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. Haying or grazing a cover crop does 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 insurance plans.

### **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 \$0.1698, a harvest price of \$0.1536, and basic unit coverage.

### **Yield Protection**

4,000	APH yield pounds/acre
x 0.75	Coverage level
3,000	Pound guarantee
x \$0.1698	Projected price
\$509.40	Insurance guarantee
1,500	Pounds per acre produced
x \$0.1698	Projected Price
\$254.70	Value of production
\$509.40	Insurance guarantee
- \$254.70	Value of production
<b>\$254.70</b>	<b>Gross indemnity</b>

### **Revenue Protection**

4,000	APH yield pounds/acre
x 0.75	Coverage level
3,000	Pound guarantee
x \$0.1698	Price used to determine value
\$509.40	Insurance guarantee
1,500	Pounds per acre produced
x \$0.1536	Harvested Price
\$230.40	Value of production
\$509.40	Insurance guarantee
- \$230.40	Value of production
<b>\$279.00</b>	<b>Gross indemnity</b>

The price used to determine value in the revenue protection example above is the higher of the projected price or the harvest price. Figures are shown per acre. Guarantees and losses are paid by unit. See the 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 crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at [www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html).

### **Contact Us**

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