United States Department of Agriculture
Risk Management Agency

January 2009

2009 COMMODITY INSURANCE FACT SHEET

Processing Beans

Minnesota and Wisconsin

Crop Insured

The crop insured will be all processing beans (snap type and limas type) grown in the county on insurable acreage, for which premium rates are provided, in which you have a share, and grown under and in accordance with the requirements of a processor contract executed by the acreage reporting date.

Counties Available

Processing beans are insurable in 15 counties in Minnesota and 42 counties in Wisconsin. In counties where premium rates are not published, processing beans may be insurable by written agreement.

Causes of Loss

Adverse weather conditions[1]
Failure of irrigation water supply[2]
Fire[3]
Insects[4]
Plant disease[4]
Wildlife

[1]Including hail, frost, freeze, drought, and excess precipitation.*
[2]If caused by an insured cause of loss.
[3]If due to natural causes.
[4]But not damage due to insufficient or improper application of pest or disease control measures.

*Specifically: Excessive moisture that prevents harvesting equipment from entering the field or prevents the timely operation of harvesting equipment. Also abnormally hot or cold temperatures that cause an unexpected number of acres over a large producing area to be ready for harvest at the same time, affecting the timely harvest of a large number of acres or processing of such production is beyond the capacity of the processor, either of which causes the acreage to be bypassed.

Insurance Period

Insurance coverage begins when the processing beans are planted, and will end at the earliest of: (1) total destruction of the crop, (2) when the processing beans should have been harvested, but were not, (3) abandonment of the crop, (4) harvest of the crop, (5) the date you harvest sufficient production to fulfill your processor contract if the processor contract stipulates a specific amount of production to be delivered, (6) September 20, 2009 for snap beans and October 5, 2009 for lima beans or, (7) final adjustment of the loss.

Reporting Requirements

Acreage Report — You must give a report of all your processing bean acreage in the county and provide a copy of all processor contracts to your agent by the acreage reporting date.

Important Dates

Sales Closing/Cancellation Date	March 15
Final Planting Date (snap type in MN)	July 20
Final Planting Date (limas type in MN)	June 25
Final Planting Date (snap type in WI - varies)	July 15-25
Final Planting Date (limas type in WI - varies)	June 25-30
Acreage Reporting Date	July 31
Premium Billing Date	October 1
Production Reporting Date	April 29

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 and/or assigned yields.
Unit — The insurable acreage used to determine the APH yield, the production guarantee, and any indemnity (loss payment).
Production Guarantee — Number of tons guaranteed per unit. Multiply your APH yield per acre *x* the coverage level percentage you select *x* the number of acres in the unit.
High Risk Land (HRL) — Land designated on a map in the actuarial documents with a high risk rate classification, requiring a higher premium rate due to higher risk.
HRL Exclusion Option — An agreement to exclude from crop insurance coverage **all** high risk land by crop and county, as signed on our form by the sales

closing date. Catastrophic coverage is still available when this option is in effect.

Coverage Levels and Premium Subsidies

Processing beans may be insured at the coverage levels shown in the table below. Crop insurance premiums are subsidized as shown. For example if you select the 75-percent coverage level, your coverage will be 75 percent of your approved APH yield, the premium subsidy is 55 percent, and your premium share is 45 percent of the base premium. Catastrophic coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the established price election. 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.

Item	Percent							
Coverage Level	50	55	60	65	70	75	80	85
Prem. Subsidy	67	64	64	59	59	55	48	38
Your Share	33	36	36	41	41	45	52	62

Price Elections

Price of compensation per ton in case of loss:

	Snap	Limas
Established price:	$170.00 per ton	$500.00 per ton

Insurance Units

Basic Unit: If the processor contract specifies the number of acres to be planted, a basic unit consists of all your insurable processing bean 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 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. In addition to, or instead of, optional units by section, units may be established by type of processing bean grown. 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.

Plans of Insurance

APH is the only plan of insurance available for processing beans. The production guarantee is based on your individual yield history.

Late Planting

No late planting period is applicable to processing beans. Any acres of the crop planted after the final planting date are uninsurable.

Prevented Planting

This provision provides protection on acreage that cannot be planted by the final planting date due to an insurable cause of loss. Please consult a crop insurance agent for details.

Loss Example (Snap Type)

A loss occurs when the tons of processing beans produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. This example assumes 3.2 tons per acre APH yield, 75-percent coverage level, 100 percent of the established price, and basic unit coverage.

3.2	tons per acre APH yield
x .75	coverage level
2.4	tons guarantee*
- 1.0	tons per acre actually produced
1.4	ton per acre loss
x $170.00	price election
$238.00	gross indemnity*
- $27.00	estimated premium per acre (varies)
$211.00	**net indemnity***

* Figures shown on a per acre basis; guarantees and losses paid are on a unit basis. See policy provisions.

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