

St. Paul Regional Office — St. Paul, MN

Revised March 2014

Hybrid Corn Seed

Iowa, Minnesota, and Wisconsin

Crop Insured

All female parent corn plants are insurable if;

- Grown in the county on insurable acreage;
- Premium rates are provided;
- You have a share; and
- Grown under a hybrid corn seed processor contract to be harvested as commercial hybrid corn seed.

Hybrid popcorn seed is not included.

- Abandonment of the crop; or
- October 31, 2014.

Important Dates

Sales Closing Date March 15, 2014
 Final Planting Date May 25, 2014
 Acreage Reporting Date July 15, 2014
 Premium Billing Date August 15, 2014

Counties Available

See actuarial documents at <http://prodwebnlb.app.rm.usda.gov/apps/ActuarialInformationBrowser2014/CropCriteria.aspx> for insurable counties. The crop may be insurable in other counties by written agreement if specific criteria are met. Contact an insurance agent for more details.

Causes of Loss

You are protected against the following:

- Adverse weather conditions such as natural perils of hail, frost, freeze, wind, drought, and excess moisture, but not frost or freeze after the designated frost/freeze date;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if due to natural causes;
- Plant disease and insects, but not damage due to insufficient or improper application of pest or disease control measures; or
- Wildlife.

Insurance Period

Insurance coverage begins on the date when the female and male plants are planted.

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

- Total destruction of the crop;
- Harvest of the crop;
- Final adjustment of a loss;

Definitions

Adjusted Yield - An amount determined by multiplying the county yield by the coverage level factor shown in the Special Provisions.

Amount of Insurance (dollars per acre) - A dollar amount determined by multiplying the adjusted yield by the established price election for corn seed 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, determined by dividing the amount of insurance (dollars per acre) by the result of multiplying approved yield by the coverage level percentage you have selected.

Unit - Insurable acreage used to determine the guarantee and indemnity. Optional units will not be established for processor contracts stipulating the amount of production to be delivered.

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. Crop insurance premiums are subsidized as shown in the following table. 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.

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

Catastrophic Risk Protection (CAT) coverage is available at the adjusted yield (county yield times the 50-percent coverage level factor) times 55 percent of the established price. The total cost for CAT coverage is 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 Election

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

Established Price \$4.65 per bushel

Options

Hybrid Corn Seed Price Endorsement

With this endorsement in place, the price election for hybrid corn seed will be the higher of the established price, or the February 2014 average daily settlement price for the Chicago Board of Trade December 2014 corn futures contract price, rounded to the nearest cent.

Unit Division

Basic Unit (BU) - 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 10 percent for a basic unit.

Optional Unit (OU) - 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 (YDO) - Dollar guarantee with production to count (\$) based on variable dollars per bushel, depending on the approved yield for the variety.

Hybrid corn seed is also insurable under the "Seed" type for Area Risk Protection Insurance (ARPI) corn in counties that have a hybrid corn seed program. The following plans are available for ARPI:

Area Yield Protection - Protection against loss of yield due to a county level production loss. No individual loss protection is available.

Area Revenue Protection - Protection against loss of revenue due to a county level production loss, price decline, or combination of both, and includes upside harvest price protection. No individual loss protection is available.

Area Revenue Protection with Harvest Price

Exclusion - Provides protection against loss of revenue due to a county level production loss, price decline, or a combination of both. No individual loss protection is available.

Replant Provisions

No replanting 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 corn seed processor contract or the seed company agrees that it will accept the production from the replanted acreage.

Late and Prevented Planting

These provisions provide protection on acreage that is planted after the final planting date or that cannot be planted. Not available for all plans of insurance. Please contact a crop insurance agent for details.

Loss Example

A loss occurs when the value of the hybrid corn seed falls below the guaranteed dollar amount as a result of damage from a covered cause of loss. This example assumes a county yield of 205 bushels per acre for Standard Planting type, 75-percent coverage level, 100 percent established price, an approved yield of 50 bushels, and basic unit coverage.

205	Bushels per acre county yield
x 1.000	Coverage level factor (75-percent)
205.0	Bushels (adjusted yield)
x \$4.65	Price election
\$953.25	Amount of insurance/acre
- \$593.40	Production to count (seed and non-seed)
\$359.85	Gross indemnity
- \$25.00	Estimated premium per acre (varies)
\$334.85	Net indemnity

(20 bushels seed produced x \$25.42/bu = \$508.40)
(20 bushels non-seed produced x \$4.25/bu = \$85.00)
\$25.42 seed price/bu. = \$953.25/50 bu. x 0.75
\$4.25 = local market price for non-seed production

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

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/.

Contact Us

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