

## St. Paul Regional Office — St. Paul, MN

Revised March 2014

# Grain Sorghum

## Iowa and Wisconsin

### Crop Insured

All grain sorghum is insurable if;

- Grown in the county on insurable acreage;
- Premium rates are provided;
- You have a share; and
- Planted for harvest as grain.

Grain sorghum will be insurable when it is grown from hybrid seed and is not a dual-purpose type (grown for grain or forage).

### 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 damage after the designated frost/freezing date;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if due to natural causes;
- Insects and plant disease, 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 the grain sorghum 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
- December 10, 2014.

### Reporting Requirements

**Acreage Report** - You must give a report of all your grain sorghum acreage in the county by the acreage reporting date.

### Important Dates

Sales Closing Date.....	March 15, 2014
Earliest Planting Date (IA).....	April 16, 2014
Earliest Planting Date (WI).....	April 26, 2014
Final Planting Date (IA and WI) ....	June 10, 2014
Acreage Reporting Date.....	July 15, 2014
Premium Billing Date .....	August 15, 2014
Production Reporting Date.....	April 29, 2015

### 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 bushels guaranteed per unit. Multiply your APH yield per acre by the coverage level percentage you select by 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. You must submit the signed form by the sales closing date. Catastrophic Risk Protection (CAT) coverage is still available when this option is in effect.

### Coverage Levels and Premium Subsidies

Grain sorghum may be insured at the coverage levels

shown in the following table. Crop insurance premiums are subsidized as shown. For example if you select the 75-percent coverage level with an enterprise unit (EU), your coverage is based on 75 percent of your approved APH yield, the premium subsidy is 77 percent, and your premium share is 23 percent of the base premium.

Item	Unit	Percent					
Cov. Level		50	55	60	65	70	75
Subsidy	EU	80	80	80	80	80	77
	BU	67	64	64	59	59	55
	OU	67	64	64	59	59	55
	WU	80	80	80	80	80	80

BU - Basic Unit  
OU - Optional Unit

EU - Enterprise Unit  
WU - Whole Farm Unit

CAT coverage is available under the Yield Protection Plan 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, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

## Projected and Harvest Price

### Commodity Exchange Price Provisions (CEPP)

Contains information necessary to derive the projected price and the harvest price for the insured crop. Information includes the price discovery period, release dates, board of trade utilized, and additional pricing information. Contact your agent or go to the RMA website: [www.rma.usda.gov](http://www.rma.usda.gov).

## Unit Division

**Basic Unit (BU)** - A basic unit includes all of your insurable grain sorghum acreage in the county by share arrangement. Premium apply.

**Optional Unit (OU)** - 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.

**Enterprise Unit (EU)** - Generally, all of the insured crop acreage in a county. Premium discount will apply.

**Whole Farm Unit (WU)** - Generally all the insured crops in the county that are covered by the insurance plan. Premium discounts apply. Does not apply to Yield Protection Plan.

## Plans of Insurance

One policy provides the choice of three plans:

**Yield Protection (01)** - Production guarantee based on **individual** yield history. Optional, basic, and enterprise units are available.

**Revenue Protection (02)** - Revenue protection including price protection with optional, basic, enterprise, and whole farm units.

**Revenue Protection with Harvest Price Exclusion (03)** - Revenue protection with harvest price exclusion with optional, basic, enterprise, and whole farm units. upside harvest price protection. No individual loss protection is available.

## High Risk Alternative Coverage Endorsement (only available in Iowa)

An election to insure grain sorghum on High Risk Land at a different selected coverage level than the non-High Risk Land coverage level. This endorsement is available in eligible counties for yield protection and revenue plans of insurance.

## Replant Provisions

A replanting payment is allowed only if the crop is damaged by a covered cause of loss to the extent that the remaining stand will not produce at least 90 percent of your bushel guarantee and it is practical to replant. The replanting payment will be the lesser of 20 percent of the production guarantee or 7 bushels, multiplied by the projected price multiplied by your share. No replanting payment will be made on acreage initially planted prior to the earliest planting date. Replanting payments are not available with CAT coverage.

## Late and Prevented Planting

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

## Loss Example

**Yield Protection Example:** A loss occurs when the bushels of grain sorghum produced for the unit falls below the production guarantee as a result of damage from a covered cause of loss. This example assumes a 75 bushels per acre APH yield, 65-percent coverage level, and basic unit coverage.

75.0	Bushels per acre APH yield
x 0.65	Coverage level
48.8	Bushels guarantee
- 25.0	Bushels per acre actually produced
23.8	Bushels per acre loss
x \$4.20	Projected price (est.-announced in Mar.)
\$99.96	Gross indemnity
- \$5.75	Est. producer premium per acre (varies)
<b>\$94.21</b>	<b>Net indemnity</b>

**Revenue Protection Example:**

48.8	Bushels (see yield example)
x \$4.20	Projected price (est.-announced in Mar.)
\$204.96	Guarantee

25.0	Bushels per acre actually produced
x \$3.80	Harvest price (est. - announced in Nov.)
\$95.00	Revenue

\$109.96	Gross indemnity (\$204.96 - 95.00)
- \$7.50	Est. producer premium per acre (varies)
<b>\$102.46</b>	<b>Net indemnity</b>

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

**Contact Us**

USDA/RMA

St. Paul Regional Office

30 7th Street East, Suite 1890

St. Paul, MN 55101

**Phone:** (651) 290-3304

**Fax:** (651) 290-4139

**E-mail:** [rsomn@rma.usda.gov](mailto:rsomn@rma.usda.gov)

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