



United States Department of Agriculture
Risk Management Agency

February 2013

2013 COMMODITY INSURANCE FACT SHEET

Soybeans

Arkansas, Kentucky, Louisiana, Mississippi and Tennessee

Crop Insured

The crop insured will be soybeans planted for harvest as beans. In counties for which premium rates are not available, soybeans may be insurable by written agreement if specific criteria are met.

Counties Available

See your Crop Insurance Agent for a listing of eligible counties.

Causes of Loss

| | |
|----------------------------|-------------------|
| Adverse Weather Conditions | |
| Insects ¹ | Earthquake |
| Plant Disease ² | Volcanic Eruption |
| Wildlife | Fire |

All specified causes of loss must be due to a naturally occurring event.

¹But not damage due to insufficient or improper application of pest or disease control measures.

²Failure of the irrigation water supply if applicable, due to an unavoidable cause of loss occurring within the insurance period.

Important Dates

| | |
|---|---------------|
| Sales Closing (AR, LA, MS) | February 28 |
| Cancellation Date (AR, LA, MS) | February 28 |
| Sales Closing (KY & TN) | March 15 |
| Cancellation Date (KY & TN) | March 15 |
| Final Planting Date (AR, KY, LA, MS & TN) | |
| NFAC Irr & NFAC Non Irr | June 15, 2013 |
| FAC Irr & FAC Non Irr | June 25, 2013 |
| Acreage Report Date (AR, KY, LA, MS & TN) | July 15, 2013 |

Insurance Period

Coverage usually begins when the crop is planted and ends at the earliest of:

1. Total destruction of the crop;
2. Harvest of the soybeans;
3. Final adjustment of a loss;
4. Abandonment of the crop; or
5. December 10, 2013

Reporting Requirement

You must timely report to your agent all acres of the crop in the county in which you have a share.

Definitions

Catastrophic Coverage (CAT): A plan of insurance established by FCIC that provides coverage comparable to a level for a single crop that is equal to 50 percent of the approved yield indemnified at 55 percent of the established price.

Production Guarantee – Number of bushels guaranteed per acre determined by multiplying your approved yield per acre times the coverage level percentage you elect.

Projected Price – The price for this crop determined in accordance with the Commodity Exchange Price Provisions. The applicable projected price is used for each crop for which revenue protection is available, regardless of whether you elect to obtain revenue protection or yield protection for such crop.

Coverage Levels & Premium Subsidies

Catastrophic Coverage: 50 percent of your average yield and 55 percent of the projected price.

Additional Coverage: 50, 55, 60, 65, 70, 75, 80 or 85 percent of your average yield and up to 100 percent of the projected price.

Premium Subsidies: Varies based on coverage level.

Replant Provisions

Not available under Catastrophic Risk Protection (CAT) Coverage.

A replanting payment is allowed if an insurable cause of loss damages your soybean crop to the extent that the remaining stand will not produce at least 90 percent of production guarantee and it is practical to replant. The maximum payment will be the lesser of 20 percent of the production guarantee or 3 bushels, multiplied by the price election, multiplied by your insured share.

Loss Example

You have 100 percent share in 50 acres of soybeans in the unit with a production guarantee (per acre) of 35 bushels (54 bu approved yield x 65 percent coverage level), your projected price is \$13.49, your harvest price is \$12.14, and your production to count is 500 bushels.

Yield Protection

$$\begin{array}{rcl} & 50 & \text{acres} \\ & 35 & \text{bushel production} \\ \times & \$ 13.49 & \text{projected price} \\ \hline & \$23,607.50 & \text{value of the production guarantee} \end{array}$$

$$\begin{array}{rcl} & 500 & \text{bushel production} \\ & \$ 13.49 & \text{projected price} \\ \$ & 23,607.50 & \text{revenue guarantee} \end{array}$$

$$\begin{array}{r} \$ 23,607.50 \\ - \$ 6,745.00 \\ \hline \$ 16,862.50 \end{array}$$

$$\begin{array}{rcl} \$ 16,862.50 & & \\ \times & 1,000.00 & \text{share} \\ \hline \$ 16,862.50 & & \text{indemnity} \end{array}$$

Revenue Protection

$$\begin{array}{rcl} \$ & 50 & \text{acres} \\ & 35 & \text{bushels} \\ \times & \$ 13.49 & \text{projected price} \\ \hline & \$23,607.50 & \text{revenue production guarantee} \end{array}$$

$$\begin{array}{rcl} & 500 & \text{bushel production} \\ \times & \$ 12.14 & \text{harvested price} \\ \hline & \$ 6,070.00 & \text{value of production} \end{array}$$

$$\begin{array}{r} \$ 23,607.50 \\ - \$ 6,070.00 \\ \hline \$ 17,537.50 \end{array}$$

$$\begin{array}{rcl} \$ 17,537.50 & & \\ \times & 1,000.00 & \text{share} \\ \hline \$5,000.00 & & \text{indemnity} \end{array}$$

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