United States Department of Agriculture
Risk Management Agency

February 2013

2013 COMMODITY INSURANCE FACT SHEET

# Sugarcane APH Plan

## Louisiana

### Crop Insured

The crop insured will be sugarcane grown for processing for sugar or seed. In parishes where premium rates are not provided by an actuarial table, the crop may be insurable by written agreement if specific criteria are met.

### Parishes Available

Acadia, Ascension, Assumption, Avoyelles, Calcasieu, Cameron, East Baton Rouge, Evangeline, Iberia, Iberville, Jefferson Davis, Lafayette, Lafourche, Point Coupee, Rapides, St. Charles, St. James, St. John Baptist, St. Landry, St. Martin, St. Mary, Terrebonne, Vermillion, and West Baton Rouge.

### Causes of Loss

Adverse weather conditions
Insects[1]
Plant disease[2]
Wildlife
Fire
Earthquake
Volcanic Eruption

All Specified causes of loss must be due to a naturally occurring event.
[1]But not damage due to insufficient or improper application of pest or disease control measures.
[2]Failure of the irrigation water supply, if applicable, due to an unavoidable **cause of loss occurring within the insurance period**.

### Important Dates

| | |
|---|---|
| Sales Closing | September 30 |
| Cancellation Date | September 30 |
| Final Planting Date | November 15 |
| Acreage Report Date | July 15 |

### Insurance Period

Coverage usually begins when the crop is planted. In addition, insurance attaches:

(1) On the later of the day we accept your application or at the time of planting for plant cane;
(2) On the first day following harvest of the previous crop for stubble cane with the following exception:

On the later of April 30 or 30 days following harvest of the previous crop for stubble cane damaged during the previous crop year in Louisiana. The calendar date for the end of the insurance period is January 31, 2014.

### Definitions

**Cancellation date -** The calendar date specified in the Crop Provisions on which coverage for the crop will automatically renew unless canceled in writing by either you or us or terminated in accordance with the policy terms.
**Production Guarantee -** Number of pounds of sugar guaranteed per acre, determined by multiplying your average yield per acre (based on your production records) times the coverage level percentage you elect.
**Price Election -** Price of compensation per pound of sugar in case of loss.

### Coverage Levels & Premium Subsidies

**Catastrophic Coverage**: 50 percent of your average yield and 55% of the established price.
**Additional Coverage**: 50, 55, 60, 65, 70, or 75 percent of your average yield and up to 100 percent of the price election.
**Premium Subsidies:** varies based on coverage level.

### Late and Prevented Planting

Late and prevented planting provisions of the Basic Provisions are not applicable.

## LOSS EXAMPLE – (Sugarcane)

Assume you have a 100 percent share in a unit of 100 acres of sugarcane, an approved yield of 6,000 pounds of raw sugar per acre, a coverage election of 65 percent, and a price election of $0.17 a pound. The production guarantee would be 3,900 pounds of raw sugar per acre (6,000 x 65 percent). Further assume that you are only able to harvest 200,000 pounds of raw sugar because the unit was damaged by an insurable cause of loss. Your indemnity would be calculated as follows:

| | |
|---:|---|
| 100 | acres |
| x 3,900.00 | pound of production guarantee |
| 390,000.00 | pound of production guarantee |
| | |
| 390,000.00 | pound of production guarantee |
| 200,000.00 | pound harvested production n |
| 190,000.00 | pound production loss |
| | |
| 190,000.00 | pound production loss |
| x $0.17 | price election |
| 32,300.00 | loss |
| | |
| $ 32,300.00 | loss |
| x 100 | percent share |
| $ 32,3000.00 | indemnity payment |

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