

## Billings Regional Office - Billings, MT

Revised May 2014

# Grain Sorghum

## North Dakota and South Dakota

### Crop Insured

Grain Sorghum is insurable in the county if:

- The crop insured will be grain sorghum;
- Grown on insurable acreage for harvest as grain; and
- Premium rates are shown on the actuarial table.

Grain Sorghum in counties with no actuarial table may be insurable by written agreement.

### Counties Available

**North Dakota** - Sargent County.

**South Dakota** - All counties except Harding, Lawrence, Lincoln, Marshall, Moody, Roberts, and Shannon.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions;
- Change in harvest price from the projected price (Revenue Protection Plans only);
- Failure of irrigation water supply, if caused by an insured peril occurring during the insurance period;
- Fire;
- Insects and plant diseases, but not damage due to insufficient or improper application of pest or disease control measures; or
- Wildlife.

### Insurance Period

Insurance coverage begins on the later of:  
The date your application is accepted; or  
The date the insured crop is planted.

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

- Total destruction of the crop;
- December 10;
- Harvest;
- Abandonment of the crop; or
- Final adjustment of a loss.

### Important Dates

Sales Closing.....	March 15, 2014
Earliest Planting.....	April 25, 2014
Final Planting.....	May 31, 2014
Acreage Reporting.....	July 15, 2014
Premium Billing.....	August 15, 2014

### Reporting Requirements

**Acreage Report** - You must report all acreage of your grain sorghum in the county, both insured and uninsured, including share, type, practice, and land identifiers by the acreage reporting date.

### Coverage Levels and Premium Subsidies

Catastrophic Risk Protection (CAT) coverage is 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$300, regardless of the acreage. There is no additional premium for CAT. For insurance coverage above 50 percent (buy up), a \$30 administrative fee is charged per crop per county. Additional premium applies. Premium is discounted for all units except optional units.

Coverage Level	Premium Subsidy					
	50	55	60	65	70	75
Basic/Optional Unit	67	64	64	59	59	55
Enterprise Unit	80	80	80	80	80	77
Whole Farm Unit	80	80	80	80	80	80

Whole Farm Units are only available with revenue protection

For example, at the 75-percent coverage level, an average yield of 40 bushels per acre would result in a guarantee of 30 bushels per acre and a producer paid premium of 33 percent of the base premium with an enterprise unit.

### Price Elections

The price basis will be according to the Commodity Exchange Price Provisions (CEPP) and is published in the actuarial documents. The CEPP can be found

on the RMA public web site under the Common Crop Insurance Policy. Contract pricing options are available for certified organic crops grown under guaranteed contracts.

### Insurance Plans Available

**Yield Protection** - Provides protection against a production loss only. Guarantee is based on individual yield history multiplied by the projected price.

**Revenue Protection** - Provides protection against loss of revenue due to a production loss, price decline or increase, or a combination. Guarantee is determined by multiplying the production guarantee by the greater of the projected price or the harvest price.

**Revenue Protection with Harvest Price Exclusion** - Provides protection against loss of revenue due to a production loss and/or price decline. Guarantee is determined by multiplying the production guarantee by the projected price.

A request to change insurance plans must be made to your agent no later than the sales closing date.

### Additional Coverage Options

**Trend Adjusted Yield** - Allows producers to increase their yield guarantee based on the county's historical yield trend. Only available in select counties for select types and practices.

### Duties in the Event of Damage or Loss

- Protect the crop from further damage by providing sufficient care;
- Notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period); and
- You cannot destroy or put the crop to another use without prior approval.

### Loss Example

**Yield Protection Example:** This example assumes an actual production history (APH) average yield of 40 bushels per acre, 75-percent coverage level, one basic unit, and 100-percent share in the crop.

	40	Bushels per acre APH yield
x	<u>0.75</u>	Coverage level
	30	Bushel per acre guarantee
-	<u>15</u>	Bushels per acre actual yield
	15	Bushels per acre loss
x	<u>\$4.45</u>	Projected price (estimated)
	<b>\$66.75</b>	<b>Gross indemnity per acre</b>

### Revenue Protection Example:

	30	Bushel per acre guarantee
x	<u>\$4.45</u>	Projected price (estimated)
	\$133.50	Guarantee per acre

	15	Bushels per acre actual yield
x	<u>\$4.05</u>	Harvest price (estimated)
	\$60.75	Revenue to count per acre

	\$133.50	Guarantee per acre
-	<u>\$ 60.75</u>	Revenue to count per acre
	<b>\$72.75</b>	<b>Gross indemnity per acre</b>

Your premium will be deducted from an indemnity payment.

### 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

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