United States Department of Agriculture
Risk Management Agency

May 2006

2006 COMMODITY INSURANCE FACT SHEET

Fresh Market Sweet Corn

New Jersey

Crop Insured

Acreage planted to sweet corn to be harvested and sold as **fresh market sweet corn** is insurable, including non-irrigated acreage. To be insurable, the producer must have grown sweet corn for commercial sale or participated in managing a sweet corn farming operation in at least one of the three previous years.

Exclusion: Sweet corn interplanted with another crop or in established grasses or legumes is not covered.

Counties Available

Insurance is available in most New Jersey counties.

Causes of Loss

Drought
Excess rain
Excess wind
Fire
Freeze
Failure of irrigation water supply[1]
Hail
Tornado

[1] If caused by an insured cause of loss.

Note: This policy does not cover any loss of production due to disease or insect infestation, unless effective control measures do not exist for such infestation; or failure to market the sweet corn, unless such failure is due to actual physical damage caused by an insured cause of loss that occurs during the insurance period.

Note: Revenue losses caused by low market prices or low consumer demand are not covered.

Reporting Requirements

Acreage Report—You must give a report of all your sweet corn acreage in the county by the acreage reporting date (July 15).

Important Dates

Sales Closing	March 15, 2006
Final Planting Date	June 30, 2006
Acreage Report Date	July 15, 2006
End of Insurance	September 30, 2006

Definitions

Allowable Cost—An amount not to exceed $3.75 per container for harvesting and marketing costs (such as, picking, hauling, packing, shipping,) will be subtracted from the price received for each container of sweet corn to determine value of sold production.

Container—Fifty (50) ears of fresh sweet corn.

Guarantee—A guaranteed dollar amount of coverage that you select prior to planting.

Minimum Value—A minimum value of $5.75 per container will be used to determine the value of any appraised production. In addition, the value of any sold production after subtracting the allowable cost may not be less than $5.75 per container.

Insurance Period

Coverage begins when the sweet corn is planted and ends the earliest of:

- Total destruction of the crop
- The date harvest should have started on any acreage that will not be harvested
- Abandonment of the crop
- Completion of harvest
- Final adjustment of a claim
- September 30, 2006.

Coverage Levels and Premium Subsidies

Instead of guaranteeing production, the policy guarantees a dollar amount of coverage, depending on the level of coverage selected. Crop insurance premiums are subsidized as shown below. 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.

DOLLAR AMOUNTS OF COVERAGE

Coverage Level %	$ Amount of Coverage	Your Premium Share
CAT*	$308	0%
50	$560	33%
55	$616	36%
60	$672	36%
65	$728	41%
70	$784	41%
75	$840	45%

* Catastrophic (CAT) coverage is equal to 55 percent of the dollar amount of coverage at the 50-percent coverage level. CAT is 100-percent subsidized with no premium cost to you except for an administrative fee of $100, regardless of the acreage.

Loss Example

A loss occurs when the crop value falls below the guaranteed dollar amount as a result of damage from a covered cause of loss (see the list of Causes of Loss on the front side of this fact sheet).

The example below is based on the 70-percent level of coverage ($784 per acre). Let's assume that as a result of drought, only 50 containers of sweet corn per acre were harvested and sold for $10 each. Subtracting the allowable cost of $3.75 per container leaves a net value of $6.25 per container and a crop value of $313 per acre (50 containers x $6.25).

	$784	Dollar amount of coverage per acre
–	313	Production value per acre
	471	Loss per acre
–	62	Estimated premium per acre
	$409	**Net indemnity per acre**

Note: In the example above, if the harvested production had been sold for only $8 per container, the net value per container would be $4.25 ($8 – $3.75 allowable cost). Since this is below the Minimum Value of $5.75 per container, the production would be valued at $288 per acre (50 containers x $5.75 MV), resulting in a loss per acre of $496 (784 – 288).

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