



United States Department of Agriculture
Risk Management Agency

January 2009

2009 COMMODITY INSURANCE FACT SHEET

Corn

CT, DE, ME, MD, MA, NH, NJ, NY, NC, PA, RI, VT, VA, WV

Crop Insured

Insurable corn includes field corn planted for harvest as grain or silage (if provided for on the county actuarial tables). Corn may be of yellow dent, white, mixed yellow and white, waxy, or high-lysine varieties. Excluded from coverage are any varieties of high-amylase, high-oil, high-protein, flint, flour, Indian, or blue corn. Corn varieties genetically adapted to provide forage for wildlife and open-pollinated varieties are not insurable. Silage-only corn varieties cannot be insured for grain. Corn is insurable in virtually every county.

Causes of Loss

Adverse weather conditions¹
Fire
Insects²
Plant disease²
Wildlife

¹Natural perils such as hail, frost, freeze, drought, and excess precipitation.

²But not damage due to insufficient or improper application of pest or disease control measures.

Insurance Period

Coverage begins when the crop is planted and ends at the earliest of: (1) total destruction of the crop, (2) harvest of the crop, (3) abandonment of the crop, (4) final adjustment of a claim, (5) December 10, 2009 (grain—all States), (6) September 30, 2009 (silage—NC and VA), or (7) October 20, 2009 (silage—DE, MD, WV and States north thereof).

Important Dates

Sales Closing—NC..... February 28, 2009
Sales Closing—Other¹..... March 15, 2009

¹Other States (CT, DE, ME, MD, MA, NH, NJ, NY, PA, RI, VT, VA, WV).

Note: Final planting and acreage reporting dates vary by state and county. Consult a crop insurance agent for specific dates and other details.

Definitions

Production Guarantee— Number of bushels or tons guaranteed, determined by multiplying your average yield (based on your records) times the coverage level percentage you elect.

Price Election— The price used to calculate your premium or indemnity. Price elections are posted on the RMA Web site at:

<http://www3.rma.usda.gov/apps/pricesinquiry/>

Price Elections

Grain \$4.00 per bushel
Silage \$37.25 per ton

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of your average yield (up to 85 percent in certain counties in DE, MD, NJ, NC, PA, and VA). An average corn yield of 100 bushels per acre, for example, results in a guarantee of 75 bushels per acre at the 75-percent level.

Premiums are also subsidized as shown in the table below. At the 75-percent coverage level, your premium share would be 45 percent of the base premium:

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) coverage is fixed at 50 percent of average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you except for an administrative fee of \$300, regardless of the acreage.

Replant Provision

A replanting payment is allowed if your corn 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 maximum replanting payment per acre will be price election multiplied by the lesser of:

- 20 percent of your production guarantee per acre, or
- 8 bushels (grain) or 1 ton (silage).

Note: Replanting payments are not available with CAT coverage.

Late and Prevented Planting

These provisions provide reduced protection on acreage that is planted late or that cannot be planted by the final planting date or within the late planting period. Consult a crop insurance agent for more details.

Group Risk Plan (GRP) Group Risk Income Protection (GRIP)

These plans of coverage are available in certain counties in Delaware, Maryland, New Jersey, New York, North Carolina, Pennsylvania, Virginia, and West Virginia.

GRP is based on a county-wide average yield rather than individual grower yields. If the county yield for the year falls below a certain level, an indemnity is paid, regardless of your individual yields.

GRIP is similar to GRP but goes one step further and factors price into the equation to place the coverage in revenue terms. If county revenue falls below a certain level, an indemnity is paid, again regardless of your individual yields.

Coverage levels up to 90 percent of the expected county yield can be obtained at rates generally lower than traditional crop insurance. These plans may appeal especially to growers interested in a simplified plan of catastrophic protection, whose yields vary directly with county yields, without having to furnish yield records or evidence of crop loss.

Consult the separate fact sheets for GRP and GRIP for more detailed information.

Insurance Units

Your insurable acreage will be grouped into one or more units in order to establish the approved yield, calculate a guarantee, and determine any indemnity.

Basic Unit: A basic unit includes all of your corn acreage in the county by share arrangement. Premiums are reduced by 10 percent for a basic unit.

Optional Units: If a basic unit consists of two or more farm serial numbers (FSN) and certain record-keeping criteria are met, you may apply for optional units by FSN. The 10-percent discount will not apply.

Loss Example

This example is based on an APH yield of 100 bushels per acre, 65-percent coverage level, non-irrigated, and one basic unit.

100	Bushels per acre average yield (APH)
x .65	Coverage level percentage
65	Bushels per acre guarantee
- 15	Bushels per acre actually produced
50	Bushels per acre loss
x 3.30	Price election
\$165	Indemnity per acre
- \$9	Estimated premium per acre (varies)
\$156	Net indemnity per acre

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