



United States Department of Agriculture
Risk Management Agency

January 2009

2009 COMMODITY INSURANCE FACT SHEET

Processing Beans

North Carolina

Crop Insured

This policy covers processing beans (**snaps and limas**) grown under the requirements of a processor contract executed by the acreage reporting date and that are not excluded from the contract at any time during the year.

Note: Lima beans following snap beans harvested in the same crop year will **not** be insurable.

Counties Available

Processing beans are insurable in Hyde county. Processing beans may be insurable in other counties if specific criteria are met. Contact a crop insurance agent for more details.

Causes of Loss

Adverse weather conditions¹
Failure of irrigation water supply²
Fire
Insects³
Plant disease³
Wildlife

¹Includes excessive moisture that prevents timely harvesting and abnormal temperatures that result in bypassed acreage because too much acreage was ready for harvest than could be feasibly harvested, or the processing of such production was beyond the capacity of the processor. ²If due to insurable causes. ³Does not cover damage resulting from an insufficient or improper application of pest or disease control measures.

Note: This policy does not cover insect or disease damage on any snap bean acreage that follows a crop of snap beans, lima beans, or green peas harvested within the same crop year.

Insurance Period

Coverage begins when the beans are planted but **not before March 25th** for spring snap beans, **May 10th** for lima beans, or **July 15th** for fall snap beans. Coverage will end at the earliest of: (1) the date the processing beans were destroyed, abandoned, harvested, or should have been harvested but were not

harvested; (2) the date you harvest sufficient production to fulfill your processor contract (if the contract stipulates a specific amount of production to be delivered); (3) final adjustment of a loss; or (4) the following dates: **September 20th** (spring-planted snap beans), **October 5th** (lima beans), or **October 31st** (fall-planted snap beans).

Reporting Requirements

Acreage Report— By the acreage reporting date, you must report to your agent all acres of processing beans in which you have a share, and provide a copy of all your processor contracts.

Important Dates

Spring Snap Beans:

Sales Closing March 15, 2009
Initial Planting Date March 25, 2009
Final Planting Date June 10, 2009
Acreage Report Due June 15, 2009
End of Insurance September 20, 2009

Lima Beans:

Sales Closing March 15, 2009
Initial Planting Date May 10, 2009
Final Planting Date July 10, 2009
Acreage Report Due July 15, 2009
End of Insurance October 5, 2009

Fall Snap Beans:

Sales Closing March 15, 2009
Initial Planting Date July 15, 2009
Final Planting Date September 5, 2009
Acreage Report Due September 15, 2009
End of Insurance October 31, 2009

Note: Lima Bean varieties: M-15, Cypress, and C-elite Select only, will have a final planting date of July 20 and the acreage reporting date will be July 25.

Definitions

Base Contract Price—The price stipulated in the processor contract for the grade factor or sieve size that is designated in the special provisions, if applicable, without regard to discounts or incentives that may apply.

Bypassed Acreage—Land on which production is ready for harvest but the processor elects not to accept such production so it is not harvested.

Good Farming Practices—The cultural practices generally in use in the county for the crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee and are those required by the bean processor contract with the processing company, and recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the county.

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

Duties in the Event of Damage or Loss

(1) Protect the crop from further damage by providing sufficient care; (2) notify your agent within 72 hours of your initial discovery of damage; and (3) leave representative samples intact for each field of the damaged unit.

Price Elections

Price used to calculate your premium or indemnity:

Limas—\$500 per ton	Italian—\$210 per ton
Wax—\$210 per ton	Petite—\$210 per ton
Green and Other Unlisted Types—\$210 per ton	

Price elections will be posted on the RMA Web site at: <http://www3.rma.usda.gov/apps/pricesinquiry/>

Coverage Levels and Premium Subsidies Amount of Insurance

Insurance is provided against a decline in your average APH yield due to the perils named in the Causes of Loss section.

Coverage level options range from 50 to 75 percent of your average yield and are subsidized as shown in the following table. As an example, an average snap bean yield of 2 tons per acre results in a guarantee of 1.5 tons per acre at the 75-percent coverage level.

In the table, if you select 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.

Loss Example

These examples are based on the 65-percent coverage level.

2.5*	Average yield per acre (tons)	1.2**
x .65	Coverage level	x .65
1.6	Tons per acre guarantee	.8
- .5	Tons per acre produced	- .3
1.1	Tons per acre loss	.5
x \$210	Price election	x \$500
\$231	Gross indemnity per acre	\$250
- 15	Estimated premium (varies)	- 20
\$216	Net indemnity per acre	\$230

*Snap beans (spring, non-irrigated).

**Lima beans (late, non-irrigated).

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