United States Department of Agriculture
Risk Management Agency

January 2012

2012 COMMODITY INSURANCE FACT SHEET

Fresh Market Sweet Corn

Vermont

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 all Vermont counties.

Causes of Loss

Adverse weather conditions[1]
Failure of irrigation water supply[2]
Fire
Insects[3]
Plant disease[3]
Wildlife

[1]Natural perils such as hail, frost, freeze, drought, excess precipitation, etc. [2]If caused by an insured cause of loss that occurs during the insurance period. [3]Does not include damage due to insufficient or improper application of pest or disease control measures.

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

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
- End of insurance date (see Important Dates).

Important Dates

All Vermont counties:

Sales Closing .... March 15, 2012
Acreage Report Date ....July 15, 2012

Essex, Franklin, Orleans counties:

Final Planting Date .... June 10, 2012
End of Insurance ....September 5, 2012

Addison, Caledonia, Chittenden, Grand Isle, Lamoille, Orange, Washington counties:

Final Planting Date .... June 20, 2012
End of Insurance ....September 15, 2012

Bennington, Rutland, Windham, Windsor counties:

Final Planting Date .... June 30, 2012
End of Insurance ....September 30, 2012

Definitions

Allowable Cost—An amount not to exceed $4.15 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 $6.50 per container will be applied to any sold production that is valued at less than $6.50 after subtracting the allowable cost. Unsold appraised production will also be valued at the minimum value.

Reference Maximum Dollar Amount—The value per acre established for the state. Your guarantee is derived from multiplying the reference maximum dollar amount by the level of coverage (see amounts of coverage and subsidy table on reverse side).

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 only 45 percent of the base premium.

AMOUNTS OF COVERAGE AND SUBSIDY

Reference Maximum Dollar Amount = $2470			
Coverage Level	Guarantee Amount	Federal Subsidy	Your Premium Share
CAT*	$680	100%	0%
50%	$1235	67%	33%
55%	$1359	64%	36%
60%	$1482	64%	36%
65%	$1606	59%	41%
70%	$1729	59%	41%
75%	$1852	55%	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 $300, regardless of the acreage.

The dollar amount of insurance will be posted on the RMA Web site at:

http://webapp.rma.usda.gov/apps/ActuarialInformationBrowser/Default.aspx

Stage Guarantees

In the event of a covered cause of loss, the indemnity will be reduced if damage occurs during the first stage of growth as shown below. This reduction in guarantee reflects the absence of harvesting costs and certain other crop maintenance expenses that will not be incurred if the crop is not carried to harvest.

Stage	Interval	Percent of Guarantee
1	From planting through the beginning of tasseling (i.e., when the tassel becomes visible above the whorl)	65
Final	From tasseling until the acreage is harvested	100

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 a dollar guarantee of $1606 per acre. Assume that only 50 containers of sweet corn per acre were produced and sold for $12 each. Subtracting the allowable cost of $4.15 per container leaves a net value of $7.85 per container and a crop value of $393 per acre (50 containers x $7.85).

	$1606	Dollar amount of coverage per acre
–	393	Production value per acre
	1213	Loss per acre
–	122	Estimated premium per acre
	$1091	**Net indemnity per acre**

Note: The net value per container cannot be less than the minimum value (see definitions) unless you have the minimum value option. In the example above, if the harvested production had been sold for only $10 per container, the actual net value per container would be $5.85 ($10 – $4.15 allowable cost), which is below the minimum value of $6.50. Therefore, the net value per container would be held to $6.50, the production value per acre would be $325 (50 containers per acre x $6.50 MV), and the loss per acre would be $1281 (1606 – 325).

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