



United States Department of Agriculture
Risk Management Agency

October 2008

2009 COMMODITY INSURANCE FACT SHEET

Hybrid Seed Corn Texas

Crop Insured

The crop insured will be all the female parent corn plants grown in the county on insurable acreage for which premium rates are provided, in which you have a share, and grown under a hybrid seed corn processor contract executed by the acreage reporting date to be harvested as commercial hybrid seed corn.

Counties Available

Floyd Frio Medina Uvalde

Causes of Loss

Adverse weather conditions¹
Failure of irrigation water supply²
Fire
Disease³
Insects³
Wildlife

¹Natural perils such as hail, frost, freeze, drought, and excess moisture. ²If due to insurable causes. ³Does not include damage to insufficient or improper application of pest or disease control measures.

Note: We will not insure against any loss of production due to: the use of unadapted, incompatible, or genetically deficient male or female parent plant seed; frost or freeze after the date set by the special provisions; failure to follow the requirements stated in the processor contract and production management practices of the seed company; inadequate germination, even if resulting from an insured cause of loss, unless you have provided adequate notice; failure to plant the male parent plant seed at a time or in a manner sufficient to assure adequate pollination of the female parent plants, unless you are prevented from planting the male parent plant seed by an insured cause of loss.

Insurance Period

Coverage begins on the date when the female and male parent plants are planted, and will end at the earliest of: (1) total destruction of the crop, (2) abandonment of the crop, (3) harvest of the crop, (4) final adjustment of a loss, or (4) October 31 immediately following planting.

Reporting Requirements

Acreage Report— You must report by type and

variety, the location and acreage of the insured crop; report any acreage that is uninsured, including that portion of the total acreage occupied by male parent plants; and certify that you have a hybrid seed corn processor contract and report the amount, if any, of any minimum guaranteed payment.

Important Dates

Sales Closing/Cancellation DateMarch 15
*Final Planting.....April 15
Acreage Report Due.....June 30

*Floyd County..... May 25

Definitions

Amounts of Insurance per Acre—A dollar amount determined by multiplying the adjusted yield by the price election you select and subtracting any minimum guaranteed payment, not to exceed the total compensation specified in the hybrid seed corn processor contract.

Approved Yield— An amount RMA determines to be representative of the expected yield of the female parent when grown under a specific production practice based on records provided by the seed company.

Dollar Value per Bushel— An amount that determines the value of any seed production to count. It is determined by dividing the amount of insurance per acre by the result of multiplying the approved yield by the coverage level percentage selected.

Adjusted Yield— An amount determined by multiplying the county yield by the coverage level factor on the coverage and rate table.

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/>

Coverage Levels and Premium Subsidies

The policy guarantees a dollar amount of coverage with level options ranging from 50 to 75 percent of the county yield and are subsidized as shown in the table below. From the table, if you selected 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 \$100, regardless of the acreage.

Options

Hybrid Seed Price Endorsement

With this endorsement in place, the price election for hybrid seed corn will be the higher of the APH price election for field corn, or the February harvest years average daily settlement price for the harvest years Chicago Board of Trade December corn futures contract price, rounded to the nearest whole cent.

Insurance Units

For any processor contract that stipulates the amount of production to be delivered:

- A basic unit will consist of all acreage planted to the insured crop in the county that will be used to fulfill a hybrid sorghum seed processor contract;
- There will be no more than one basic unit for all production contracted with each contract;
- All production from any basic unit in excess of the amount under contract will be included as production to count if such production is applied to any other basic unit for which the contracted amount has not been fulfilled; and
- Optional units will not be established.

Replant Provisions

No planting payment is available. If either the male or female parent plants are damaged before the final planting date and it was practical to replant and it was not replanted, the acreage will not be insured. It will not be considered practical to replant unless production from the replanted acreage can be delivered under the terms of the hybrid seed corn process or contract, or the seed company agrees that it will accept the production from the replanted acreage.

Late and Prevented Planting

Your prevented planting coverage will be 60% of your amount of insurance for timely planted acreage. If you have limited or additional levels of coverage, and pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.

Loss Example*

A loss occurs when the value of the hybrid seed corn falls below the guaranteed dollar amount as a result of damage from a covered cause of loss. For example:

$$\begin{aligned} \text{Bushel Guarantee} &= \text{Approved Yield} \times \text{Coverage Level} \\ &= 50 \times .75 = 37.5 \\ \text{Insurance/Acre} &= \text{County Yield} \times \text{Coverage Level Factor} \times \\ &\quad \text{Price Election} \\ &= 161 \times 1.0 \times \$4.75 = \$765 \\ \text{Value/Bu} &= \text{Insurance per Acre} / \text{Insurance Guarantee} \\ &= \$765 / 37.5 = \$20.00 \\ \text{Production: } & 10 \text{ Bu sold as seed, } 20 \text{ Bu sold as grain}^{**} \\ & 10 \times \$20.00 = \$200.00, 20 \times \$4.25 = \$285.00 \\ \text{Indemnity} &= \text{Insur. per Acre} - \text{Total Production to Count} \\ &= \$765.00 - \$285.00 = \$480.00^{***} \end{aligned}$$

*See your local agent for example calculation details.

**Value of grain sold at Local Market Price

***Figures shown on a per acre basis; guarantees and losses paid are on a unit basis. See policy provisions.

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