

## Regional Office — Oklahoma City, Oklahoma

March 2014

# Grain Sorghum

## Oklahoma

### Crop Insured

All grain sorghum grown in the county is insurable if:

- Premium rates are provided;
- Grown in the county on insurable acreage; and
- Planted for harvest as grain that is a combine-type hybrid.

Insurance shall not attach or be considered to have attached to a planted non-irrigated crop on acreage from which, in the same calendar year:

- A perennial hay crop that was harvested; or
- A crop (other than a cover crop) reached the headed or budded stage prior to termination, regardless of the percentage of plants that reached the headed or budded stage; and
- Not including FAC practice.

### Counties Available

Grain Sorghum is insurable in the majority of the counties in Oklahoma. For a list of insurable counties visit RMA's website at: <http://webapp.rma.usda.gov/apps/actuarialinformationbrowser/>. Coverage in other counties may be available by written agreement if certain criteria are met. Please contact your insurance agent for insurance availability.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions, including hail, frost, freeze, excess precipitation and drought;
- Fire, if due to natural causes;
- Failure of irrigation water supply, if due to an insured cause of loss within the insurance period;
- Insects, but not damage due to insufficient or improper application of pest or disease control measures;
- Plant disease, but not damage due to insufficient or improper application of pest or disease control measures; or
- Wildlife.

### Insurance Period

Insurance coverage begins on the later of the date we accept your application or the date when the grain sorghum is planted.

Insurance coverage ends at the earliest of:

- Total destruction of the crop;
- Harvest of the unit;
- Final adjustment of a loss;
- December 10; or
- Abandonment of the crop.

### Important Dates

Sales Closing/Cancellation Date.....March 15, 2014  
 Earliest Planting Date.....Multiple Dates, See Actuarial  
 Final Planting Date.....June 30, 2014  
 Acreage Report Date.....July 15, 2014  
 Premium Billing.....August 15, 2014  
 End of Insurances.....December 10, 2014  
 Please refer to the Actuarial Information Browser at:  
<http://webapp.rma.usda.gov/apps/actuarialinformationbrowser/>

### Reporting Requirements

You must file a report of planted acreage with your crop insurance agent by the acreage reporting date established for your county. Since acreage reporting dates vary by crop and county, consult your agent, or for more information see: [www.rma.usda.gov/tools/](http://www.rma.usda.gov/tools/).

### Definitions

**Yield Protection Plan** - Only provides protection against a production loss and is available only for crops for which revenue protection is available.

**Revenue Protection Plan** - Provides protection against revenue loss due to a production loss, price decline or increase, or a combination of both.

**Revenue Protection with Harvest Price Exclusion** - Revenue protection with the use of the harvest price excluded when determining your revenue protection guarantee. This election is continuous unless canceled by the cancellation date.

## Coverage Levels and Premium Subsidies

Grain sorghum may be insured at the coverage levels shown in the following table. Crop insurance premiums are subsidized as shown. If you choose the 75 percent coverage level and enterprise units, your coverage will be 75 percent of your approved actual production history (APH) yield, the premium subsidy is 77 percent, and your premium share is 23 percent of the base premium.

Coverage Level	0.50	0.55	0.60	0.65	0.70	0.75	0.80	0.85
Subsidy Factors								
Enterprise Unit	0.80	0.80	0.80	0.80	0.80	0.77	0.68	0.53
Basic Unit	0.67	0.64	0.64	0.59	0.59	0.55	0.48	0.38
Optional unit	0.67	0.64	0.64	0.59	0.59	0.55	0.48	0.38
Whole Farm Unit	0.80	0.80	0.80	0.80	0.80	0.80	0.71	0.56

Coverage level 0.85 is available where applicable. Whole Farm is not available for yield protection.

## Price Elections

Prices are calculated according to the Commodity Exchange Price Provisions. Oklahoma grain sorghum prices are based on the December futures market price for grain sorghum. The projected price discovery period is February 1 through February 28. The harvest price discovery period is October 1 through October 31. These prices will be released no later than three business days following the end of the price discovery period. Depending on the insurance plan, these prices will be used for compensation per bushel in case of loss. Contact your agent for more information or see: [www.rma.usda.gov/tools/pricediscovery.html](http://www.rma.usda.gov/tools/pricediscovery.html)

## Replant Provisions

A replanting payment is allowed only if the crop is damaged by a covered cause of loss so the remaining stand will not produce at least 90 percent of your bushel guarantee and it is practical to replant. The maximum replanting payment will be the lesser of 20 percent of the bushel guarantee, or seven bushels multiplied by your price election. No replanting payment will be made on acreage initially planted before the earliest planting date. A replanting provision is not available with Catastrophic Risk Protection coverage.

## Late and Prevented Planting

These provisions provide protection on acreage that is planted after the final planting date or that cannot be planted. The late planting period begins the day after the final planting date for the insured crop and ends 25 days after the final planting date.

## Loss Example

Under the yield protection option, a loss occurs when the bushels of grain sorghum produced for the unit fall below the production guarantee because of damage from a covered cause of loss. Under the revenue protection option, a loss occurs when the value of production-to-count is less than the revenue protection guarantee due to a production loss and/or a revenue loss. Assume a 70 bushel per acre APH yield, 75-percent coverage level, 100 percent of the price,

### Revenue Protection

APH yield bushels/acre	70
Coverage level	<u>X 0.75</u>
Bushel guarantee	52.50
Projected Price	<u>X \$3.50</u>
Insurance guarantee	\$183.75
Bushels/acre produced	40
Price to determine value	<u>X \$3.00</u>
Value of production	\$120.00
Insurance guarantee	\$183.75
Value of production	<u>- \$120.00</u>
<b>Gross indemnity</b>	<b>\$63.75</b>

### Yield Protection

APH yield bushels/acre	70
Coverage level	<u>X 0.75</u>
Bushel guarantee	52.50
Projected Price	<u>X \$3.50</u>
Insurance guarantee	\$183.75
Bushels/acre produced	40
Price to determine value	<u>X \$3.50</u>
Value of production	\$140.00
Insurance guarantee	\$183.75
Value of production	<u>- \$140.00</u>
<b>Gross indemnity</b>	<b>\$43.75</b>

projected price of \$3.50, harvest price of \$3.00 and basic unit coverage.

## Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at: [www3.rma.usda.gov/apps/agents/](http://www3.rma.usda.gov/apps/agents/).

## Contact Us

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