

Regional Office — Oklahoma City, Oklahoma

August 2014

Sugarcane

Texas

Crop Insured

All sugarcane grown in the county is insurable if:

- You have a share;
- Grown for processing for sugar or for seed; and
- Not inter-planted with another crop.

Insurance shall not attach to any sugarcane that was damaged the previous crop year to the extent the sugarcane is unable to produce the yield used to establish the production guarantee for the unit for the current crop year.

Counties Available

Sugarcane is insurable in Cameron, Hidalgo and Willacy counties. 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 day we accept your application or at the time of planting for plant cane;
- The first day following harvest of the previous crop for stubble cane; or
- April 15 or 30 days following harvest of the previous crop for stubble cane damaged during the previous crop year.

Important Dates

Sales Closing.....	September 30, 2014
Cancellation.....	September 30, 2014
Final Planting.....	December 31, 2014
Acreage Report.....	May 15, 2015
Premium Billing.....	January 1, 2016
End of Insurance.....	April 30, 2016

Please refer to the Actuarial Information Browser at:
<http://webapp.rma.usda.gov/apps/actuarialinformationbrowser/>.

Reporting Requirements

Acreage Report - You must report all of your sugarcane acreage in the county by the acreage reporting date.

Definitions

APH Yield - Actual production history (APH) yield is used to determine the production guarantee. The APH yield is based on up to 10 years of actual assigned yields and adjusted and/or unadjusted transitional yields.

Crop Year - The period within which the insured sugarcane is normally grown and designated by the calendar year in which the harvest of sugarcane normally begins in the county.

Harvest - Cutting and removing the mature sugarcane from the field.

Plant Cane - The insured crop which grows from seed planted for the crop year.

Production Guarantee - The number of pounds of sugar guaranteed (per acre) is determined by multiplying your average yield (per acre, based on your production records) by the coverage level percentage you choose.

Stubble Cane - The insured crop which grows from the stubble of sugarcane that was harvested the previous crop year.

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your approved actual production history (APH) yield. For example, at the 65-percent coverage level an approved yield of 8,000 pounds of raw sugar, per acre, would result in a production guarantee of 5,200 pounds of raw sugar per acre. Crop insurance premiums are subsidized as shown in the following table. For example, if you choose the 65-percent coverage level, your premium share would be 41 percent of the base premium (1.00 – .059).

Coverage Level	CAT	0.50	0.55	0.60	0.65	0.70	0.75
Basic Unit	1.00	0.67	0.64	0.64	0.59	0.59	0.55
Optional unit		0.67	0.64	0.64	0.59	0.59	0.55

Catastrophic Coverage

Catastrophic Risk Protection (CAT) coverage is fixed at 50 percent of your approved yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you. There is an administrative fee of \$300 per crop per county, regardless of the acreage.

Late and Prevented Planting

Late and prevented planting are not available for sugarcane.

Loss Example

Assume you have a 100 percent share in a unit of 100 acres of sugarcane, an approved yield of 8,000 pounds of raw sugar per acre, a coverage election of 65 percent, and a price election of \$0.17 a pound. The production guarantee is 5,200 pounds of raw sugar per acre (8,000 x 0.65). Also assume that you are only able to harvest 400,000 pounds of raw sugar because the unit was damaged by an insurable cause of loss.

Actuarial Production History (APH)

Approved yield	8,000
Acres	100
Pounds production guarantee (65 percent)	<u>X 5,200</u>
Pounds production guarantee	520,000
Pounds harvested production	<u>- 400,000</u>
Pounds production loss	120,000
Price election	<u>X \$0.17</u>
Loss	\$20,400
Percent share	<u>X 1.00</u>
Gross indemnity for the field	\$20,400

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/.

Contact Us

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Visit our online publications/fact sheets page at: http://www.rma.usda.gov/aboutrma/fields/ok_rso/.

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