



United States Department of Agriculture  
Risk Management Agency

August 2005

## 2006 COMMODITY INSURANCE FACT SHEET

# Corn

## California

### Crop Insured

Field corn planted for harvest as grain or silage may be insurable.

### Counties Available

Corn is insurable in Butte, Colusa, Contra Costa, Fresno, Glenn, Kern, Kings, Madera, Merced, Riverside, Sacramento, San Joaquin, Solano, Stanislaus, Sutter, Tehama, Tulare, Yolo, and Yuba counties. Corn in other counties may be insurable by written agreement if specific criteria are met. Contact an agent for more details.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
Failure of irrigation water supply<sup>2</sup>  
Fire<sup>3</sup>  
Insects<sup>4</sup>  
Plant disease<sup>4</sup>  
Wildlife<sup>5</sup>

<sup>1</sup>Natural perils such as hail, frost, freeze, wind, drought, and excess moisture. <sup>2</sup>If caused by an insured peril during the insurance period. <sup>3</sup>Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed. <sup>4</sup>But not damage due to insufficient or improper application of control measures. <sup>5</sup>Unless wildlife control measures have not been taken.

### Insurance Period

Coverage usually begins when the crop is planted and ends at the earliest of:

- Total destruction of the crop
- Abandonment of the crop
- December 10 for grains

### Important Dates

Sales Closing ..... February 28  
Final Planting..... June 30  
Acreage Report Due..... July 15

### Coverage Levels and Premium Subsidies

Individual amounts of insurance are based on a grower's production history. Each grower's approved average yield is calculated from 4 to 10 years of production records provided to an insurance agent. Producers can select a level of coverage from 50 to 75 percent of their approved average yield and 55 to 100 percent of a price announced by USDA, or catastrophic (CAT) coverage based on 50 percent of their approved yield and 55 percent of the price.

**Price Election:** Price used to calculate your premium and indemnity.

**Spring Market:** To be announced

**Harvest Market:** To be announced

**Grain:** \$2.20 per bushel

**Silage:** \$22.75 per ton

### Cost of Insurance

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. For CAT coverage, growers pay an application fee of \$100 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates; USDA pays at least 50 percent of the premium. For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent.

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## Loss Example

Based on actual production history (APH) yield of 100 bushels per acre, 75-percent coverage level, 100-percent share

100	Bushel per acre average yield (APH)
<u>x .75</u>	Coverage level
75	Bushel per acre guarantee
<u>- 60</u>	Bushel per acre actually produced
15	Bushel per acre loss
<u>x \$2.20</u>	Allowable cost of picking
<b>\$ 33</b>	<b>Indemnity paid to insured</b>

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## Where to Purchase Crop Insurance

All MPCI, including CAT coverage insurance policies are available from private insurance agents. A list of crop insurance agents is available on the RMA website at: <http://www3.rma.usda.gov/tools/agents/>

## Download Copies from the Web

Visit our online publications/fact sheets page at: <http://www.rma.usda.gov/pubs/#bfr>.

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