



United States Department of Agriculture  
Risk Management Agency

June 2005

## 2005 COMMODITY INSURANCE FACT SHEET

# Grain Sorghum

## Missouri

### Crop Insured

The crop insured will be all the grain sorghum grown in the county on insurable acreage, for which premium rates are provided, in which you have a share, and planted for harvest as grain. Contact a crop insurance agent for more details.

### Counties Available

Grain sorghum insurance is available in 92 counties throughout Missouri.

### 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>1</sup>Such as hail, freeze, excess wind, excess rain, and drought. <sup>2</sup>If due to an insured cause of loss. <sup>3</sup>If due to natural causes. <sup>4</sup>Only if effective control measures do not exist for such infestation.

### Insurance Period

Coverage begins when the grain sorghum is planted and ends the earliest of: (1) total destruction of the crop, (2) abandonment of the crop, (3) completion of harvest, (4) final adjustment of a loss, (5) December 10, 2005.

### Reporting Requirements

**Acreage Report**—You must give a report of all your grain sorghum acreage in the county by the acreage reporting date (July 15).

### Important Dates

Sales Closing/Cancellation Date..... March 15, 2005  
Final Planting Date<sup>1</sup> .....June 20, 2005  
Acreage Report Date ..... July 15, 2005

Premium Billing ..... October 1, 2005  
End of Insurance ..... December 10, 2005

<sup>1</sup>Excludes the following counties: Butler, Dunklin, Mississippi, New Madrid, Pemiscot, Ripley, Scott and Stoddard, which have a final planting date of June 10, 2005.

### Definitions

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

**Unit** — The insurable acreage used to determine the APH yield, the production guarantee, and any indemnity.

**High Risk Land (HRL)** — Land designated on a map in the actuarial documents with a high risk rate classification, requiring a higher premium rate due to higher risk.

**HRL Exclusion Option** — An agreement to exclude from crop insurance coverage all high risk land by crop and county as signed on our form by the sales closing date. Catastrophic coverage is still available when this option is in effect.

### Coverage Levels and Premium Subsidies

Grain sorghum may be insured at the coverage levels shown in the table below. Crop insurance premiums are subsidized as shown. For example, if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

Item	Percent									
Coverage Level	50	55	60	65	70	75	80*	85*	90*	
Premium Subsidy**	67	64	64	59	59	55	48	38	na	
Your Premium Share**	33	36	36	41	41	45	52	62	na	
GRP/GRIP Prem. Sub.	na	na	na	na	64	64	59	59	55	
Your GRP/GRIP	na	na	na	na	36	36	41	41	45	

\*Where applicable.

\*\*Applies to all plans of insurance except GRP and GRIP.

Catastrophic coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the price election. The total cost for CAT coverage will be an administrative fee of \$100 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

### Price Elections

Price of compensation per bushel in case of loss:  
Established price is \$2.15/bushel.

### Insurance Units

**Basic Unit:** A basic unit includes all of your insurable grain sorghum acreage in the county by share arrangement. Premiums are reduced 10 percent for a basic unit.

**Optional Unit:** If a basic unit consists of two or more sections of land, and certain record keeping requirements are met, you may apply for optional units by section. The 10-percent premium discount will not apply.

**Enterprise Unit:** Generally, all the insured crop acreage in a county. Premium discounts apply.

### Plans of Insurance

**Actual Production History (APH)** — Production guarantee based on individual yield history. Optional, basic, and enterprise units are available.

**Crop Revenue Coverage (CRC)** — APH plus price protection with optional, basic and enterprise units.

**Group Risk Plan (GRP)** — Insures against widespread loss of production based on county average yields.

**Group Risk Income Protection (GRIP)** — Combines GRP with price protection to insure against widespread loss of revenue due to a combination of low yields and/or low prices.

### Replant Provisions (not available under catastrophic coverage, GRP, or GRIP)

A replanting payment is allowed only if the crop is damaged by a covered cause of loss to the extent that 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 7 bushels times the base price times your insured share.

### Late and Prevented Planting

These provisions provide protection on acreage that is planted after the final planting date or that cannot be planted at all. Not applicable for GRP and GRIP plans of insurance. Please consult a crop insurance agent for details.

### Loss Example

A loss occurs when the bushels of grain sorghum produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. This example assumes a 70 bushel per acre APH yield, 75-percent coverage level, 100 percent of the established price, and basic unit coverage.

#### APH Example

	70 bushels per acre APH yield
x	.75 coverage level
	52.5 bushel guarantee*
-	30.0 bushels per acre actually produced
	22.5 bushels per acre loss
x	2.15 price election
	\$48.00 gross indemnity*
-	\$8.00 estimated premium per acre (varies)
	<b>\$40.00 net indemnity*</b>

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

### Download Copies from the Web

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

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, and marital or familial status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.