



United States Department of Agriculture
Risk Management Agency

December 2007

2008 COMMODITY INSURANCE FACT SHEET

Coarse Grains

Montana, Wyoming, North and South Dakota

Crop Insured.

Corn, grain sorghum, and soybeans planted for harvest as grain (corn and grain sorghum or as silage for corn where applicable) or beans (for soybeans) are covered under the coarse grains policy. The crops insured will be each coarse grain crop for which a premium rate is provided for in the county actuarial and which is planted on insurable acreage.

Counties Available

Corn, grain sorghum, and soybeans are insurable where listed on the county actuarial table. Corn is insurable in many counties in this region. Grain Sorghum is insurable in Sargent County, North Dakota and many counties in central to eastern South Dakota. Soybeans are insurable in most central to eastern counties in North and South Dakota. Corn, grain sorghum and soybeans 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 conditions¹
Failure of irrigation water supply²
Fire
Insects³
Plant disease³
Wildlife

¹Includes excessive moisture that prevents timely harvesting and abnormal temperatures that result in bypassed acreage because too much acreage was ready for harvest than could be feasibly harvested, or the processing of such production was beyond the capacity of the processor.

²If caused by an insured cause of loss.

³But not due to insufficient or improper application of control measures.

Insurance Period

Coverage begins when the coarse grain is planted, and ends at the earliest of: (1) total destruction of the unit, (2) harvest of the unit, (3) abandonment of the unit, (4) final adjustment of a unit, or (5) the date denoted in the coarse grains provisions as the end of insurance period.

Reporting Requirements

Acreage Report- You must report all acreage of the insured crop, both insured and uninsured.

Important Dates

Sales Closing/Cancellation March 15
Acreage Reporting June 30
Premium Billing October 1

Production Guarantee

Number of bushels or tons guaranteed determined by multiplying your average yield (based on your records) times the coverage level percentage you elect.

Duties in the Event of Damage or Loss

(1) Protect the crop from further damage by providing sufficient care; (2) notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period.)

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent (80 and 85 percent for corn and soybeans) of your average yield. For example, an average yield of 100 bushels per acre would result in a guarantee of 75 bushels per acre at the 75-percent coverage level. Crop insurance premiums are subsidized as shown below. For example, if you select 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 your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$100, regardless of the acreage.

Price Elections

Price at which you are compensated per bushel or ton in the event of a loss. Choice of **55** to **100** percent of the established price election. Contact your crop insurance agent for price election changes for the current crop year.

Insurance Units

Your insurable acreage will be grouped into one or more units in order to establish the approved yield, calculate a guarantee, and determine any indemnity.

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

Optional Units: If a basic unit consists of two or more sections or irrigated and nonirrigated acreage and certain record-keeping criteria are met, you may apply for optional units. The 10-percent discount will not apply.

Enterprise units are available for corn and soybeans, comprising all insurable acreage of the insured crop in the county in which you have a share (consisting of two or more basic or optional units). An additional premium discount applies.

Production to Count

The total production counted for a unit includes the amount of production of any unharvested (appraised) and harvested production.

Replant Provisions

(not available under catastrophic coverage)

A replanting payment is allowed if your crop is damaged by a covered cause of loss to the extent that the remaining stand will not produce at least 90 percent of the final stage production guarantee and it is practical to replant. The maximum replanting payment will be the lesser of 20 percent of the production guarantee or the amount specified in the crop provisions, times your price election. No **replanting payment** will be made on acreage initially planted prior to the **earliest planting date**.

Loss

(Based on APH plan of insurance)

A loss occurs when crop production falls below the guaranteed bushel or ton amount as a result of damage from a covered cause of loss. If, due to insurable causes, your harvested and appraised production to count (adjusted for quality) is less than your unit guarantee, an indemnity will be paid at the price election you selected.

Where to Purchase

All multi-peril crop insurance, including catastrophic coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site 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/aboutrma/fields/mt_rso/

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Regional Contact for RMA

USDA/Risk Management Agency

Billings Regional Office

3490 Gabel RD Suite 100

Billings, MT 59102

Telephone 406-6576447 - Fax 406-657-6573

E-mail: mtro@rma.usda.gov