



United States Department of Agriculture  
Risk Management Agency

January 2007

## 2007 COMMODITY INSURANCE FACT SHEET

# Hybrid Sorghum Seed

## New Mexico

### Crop Insured

The crop insured will be female grain sorghum which is planted for harvest and the production is intended for use as commercial seed to produce grain sorghum, forage sorghum, or sorghum sudan and grown under a written contract executed with a seed company before the acreage reporting date.

### Counties Available

Roosevelt, Union counties.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
Failure of irrigation water supply<sup>2</sup>  
Fire  
Disease<sup>3</sup>  
Insects<sup>3</sup>  
Wildlife

<sup>1</sup>Natural perils such as hail, frost, freeze, drought, and excess moisture. <sup>2</sup>If due to insurable causes. <sup>3</sup>Does not include damage to insufficient or improper application of pest or disease control measures.

**Note:** We will not insure against any loss of production due to: the use of unadapted, incompatible, or genetically deficient male or female parent plant seed; frost or freeze after the date set by the special provisions; failure to follow the requirements stated in the processor contract and production management practices of the seed company; inadequate germination, even if resulting from an insured cause of loss, unless you have provided adequate notice; failure to plant the male parent plant seed at a time or in a manner sufficient to assure adequate pollination of the female parent plants, unless you are prevented from planting the male parent plant seed by an insured cause of loss.

### Insurance Period

Coverage begins when completion of planting of the female and male parent plant seed on or before the final planting date and ends at the earliest of: (1) total destruction of the crop, (2) abandonment of the crop, (3) final adjustment of a claim or (4) November 30 immediately following planting.

### Reporting Requirements

**Acreage Report**— You must report by type and variety, the location and acreage of the insured crop; report any acreage that is uninsured, including that portion of the total acreage occupied by male parent plants; and certify that you have a hybrid sorghum seed processor contract and report the amount, if any, of any minimum guaranteed payment.

### Important Dates

Sales Closing/Cancellation Date.....March 15  
Final Planting.....June 15  
Acreage Report Due.....July 15  
Premium Billing.....October 1

### Definitions

**Amounts of Insurance**—A dollar amount determined by multiplying the adjusted yield by the price election you select and subtracting any minimum guaranteed payment, not to exceed the total compensation specified in the hybrid sorghum seed processor contract. If your contract contains a minimum guaranteed payment that is stated in bushels, we will convert that value to dollars by multiplying it by the price election you selected.

**Price Election**—The price used to calculate your premium or indemnity. Price elections are posted on the RMA Web site at:

<http://www3.rma.usda.gov/apps/pricesinquiry/>

### 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); and (3) leave representative samples of at least one complete planting pattern of the male and female parent plant rows that extend the entire length of each field in the unit; and (4) you must provide a completed copy of

your hybrid sorghum seed processor contract unless we have determined it has already been provided by the seed company, and the seed company certifies that such contract is used for all its producers without any waivers or amendments.

### Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of the county yield and are subsidized as shown in the table below. From the table, if you selected 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 average yield and 55 percent of the price election. CAT is 100-percent subsidized with no premium cost to you except for an administrative fee of \$100, regardless of the acreage.

### Insurance Units

For any processor contract that stipulates the amount of production to be delivered:

- A basic unit will consist of all acreage planted to the insured crop in the county that will be used to fulfill a hybrid sorghum seed processor contract;
- There will be no more than one basic unit for all production contracted with each contract;
- All production from any basic unit in excess of the amount under contract will be included as production to count if such production is applied to any other basic unit for which the contracted amount has not been fulfilled; and
- Optional units will not be established.

### Late and Prevented Planting

Your prevented planting coverage will be 60 percent of your amount of insurance for timely planted acreage. If you have limited or additional levels of coverage, and pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.

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