



United States Department of Agriculture
Risk Management Agency

January 2007

2007 COMMODITY INSURANCE FACT SHEET

Sugarcane

Texas

Crop Insured

The crop insured will be all the sugarcane in the county for which a premium rate is provided by the actuarial documents that is grown for processing for sugar or for seed; and that is not interplanted with another crop, unless allowed by a written agreement. We will **not insure** any sugarcane that was damaged the precious crop year to the extent the crop is unable to produce the yield used to establish the production guarantee for the unit for the current crop year; or exceeds the age limitations (by variety, if applicable) contained in the special provisions, unless it is agreed in writing to insure such acreage. An agreement in writing will not be provided unless, after an appraisal, it is determined that the crop is able to produce at least the yield used to establish the production guarantee.

Counties Available

Cameron, Hidalgo, Willacy.

Causes of Loss

Adverse weather conditions; fire; insects, but not damage due to insufficient or improper application of pest control measures; plant disease, but not damage due to insufficient or improper application of disease control measures; wildlife; earthquake; volcanic eruption; or failure of the irrigation water supply, if caused by an insured peril that occurs during the insurance period.

Insurance Period

Insurance attaches:

- on the later of the day we accept your application or at the time of planting for plant cane;
- on the 1st day following harvest of the previous crop for stubble cane except as contained in sections 7(a)(3) and (4) of the crop provisions;
- on the later of April 15 or 30 days following harvest of the previous crop for stubble cane damaged during the previous crop year in Texas.

The calendar date for the end of the insurance period is April 30.

Price Elections

Only one price election for all sugarcane in the county may be selected.

\$.115 per pound

Guarantee Choices

Choice of **50 to 75** percent of your approved average yield in 5-percent increments. Catastrophic (CAT) coverage is available at the 50-percent coverage level.

Important Dates

Sales Closing	September 30
Final Planting Date.....	December 31
Acreage Report Date	May 31
Cancellation & Termination Date	September 30

Production Guarantee

Instead of reporting your sugarcane production for the previous crop year, there is a lag period of one year and you are required to report production from two crop years previously; for example, 1994 crop year production must be reported by the required date for the 1996 crop year.

Reporting Requirements

Acreage Report: You must report to your insurance company all acreage of the insured crop in the county in which you have a share, the practice, and your share at the time of planting.

Administrative Fees

Catastrophic (CAT) Coverage: \$100 per crop per county. **Additional Coverage:** \$30 per crop per county. Waivers of administrative fees for **all** coverage levels (CAT and additional) are available for limited resource farmers.

Duties in the Event of Damage or Loss or Cutting the Sugarcane for Seed

In addition to duties under the basic provisions in Section 14, all sugar cane stubble must remain intact for our inspection and you must give at least 15 days before you begin cutting any sugarcane for seed; failure to give timely notice will cause the acreage cut for seed to be considered as put to another use without consent; the production to count for such acreage will not be less than the production guarantee. You must request an appraisal if any time during the crop year sugarcane acreage cut for seed will not produce at least the production guarantee so we can determine the production to count.

Loss Example—Sugarcane

Example assumes 65-percent coverage and a 100-percent price election of \$.115 per pound and an approved yield of 6,000 pounds per acre.

6,000	Pounds per acre (APH)
<u>x.65</u>	Coverage level
3,900	Pounds per acre guarantee
<u>x 100</u>	Acres
390,000	Pounds unit guarantee
<u>- 140,000</u>	Pounds production to count
250,000	Pounds loss
<u>x \$.115</u>	Price election
\$ 28,750	Indemnity

Where to Purchase

All multi-peril crop insurance, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site: <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/ok_rso/.

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