



United States Department of Agriculture
Risk Management Agency

September 2008

2008 COMMODITY INSURANCE FACT SHEET

Sugar Beets

Colorado and Nebraska

Crop Insured

Crop insured will be all sugar beets in the county on insurable acreage, for which you have a share, planted for harvest as sugar beets, and grown under a sugar beet processor contract executed before the acreage reporting date and are not excluded from the contract at any time during the crop year.

Exclusions: Sugar beets inter-planted with another crop are not insurable.

Rotation requirements: Insurance will not attach to any acreage on which sugar beets were grown the preceding crop year unless the following requirements apply:

- Plant growth on sugar beet acreage planted the preceding year was mechanically or chemically terminated prior to June 20th of that year and,
- Sugar beet acreage being terminated was not affected by disease and,
- Acreage terminated was fallowed or planted to another crop which is not a host to the sugar beet nematode.

As provided by the terms and conditions of the sugar beet policy, insurance will not attach on acreage in any crop year following discovery of rhizomania unless planted to a rhizomania-resistant variety approved by the contracting sugar beet company.

Counties Available

Sugar beet insurance is available in 10 counties in Colorado, and 14 counties in Nebraska.

Causes of Loss

Adverse weather conditions¹

Failure of irrigation water supply²

Fire³

Decline in fall harvest price below projected harvest price

Plant disease⁴

Insects⁴

Wildlife

¹ Such as hail, freeze, excess wind, excess rain, drought, and tornado. ² If caused by an insured cause of loss within the insurance period. ³ If due to natural causes. ⁴ Only if effective control measures do not exist for such infestation.

Insurance Period

Coverage begins when the sugar beets are planted and ends the earliest of: (1) when the production delivered to the processor equals the amount of production stated in the sugar beet processor contract, (2) total destruction of the crop, (3) final adjustment of a loss, or (4) November 15, 2008.

Reporting Requirements

Acreage Report—You must give a report of all your sugar beet acreage in the county by the acreage reporting date which is June 15 for counties in Colorado, and June 30 for counties in Nebraska.

Important Dates

Sales Closing	March 15, 2008
Final Planting Date	May 20, 2008
Acreage Report Date*	June 15, 2008
Acreage Report Date**	June 30, 2008
End of Insurance.....	November 15, 2008

*counties in Colorado.

**counties in Nebraska.

Definitions

Crop Year—The period within which the sugar beets are normally grown, which is designated by the calendar year in which the sugar beets are harvested.

Harvest—Topping and lifting of sugar beets in the field.

Local Market Price—The price per pound of raw sugar offered by buyers in the area in which you normally market the sugar beets.

Processor—Any business enterprise regularly engaged in processing sugar beets for sugar that possesses all licenses and permits for processing sugar beets required by the state in which it operates, and that possesses facilities, or has contractual access to such facilities, with enough equipment to accept and process the contracted sugar beets within a reasonable amount of time after harvest.

Raw Sugar—Sugar that has not been extracted from the sugar beet.

Standardized ton—A ton of sugar beets containing the percentage of raw sugar specified in the special provisions.

Sugar beet processor contract— A written contract between the producer and the processor, containing at a minimum: (1) The producer’s commitment to plant and grow sugar beets, and to deliver the production to the processor, (2) A price formula or a price based on third party data that will be paid to the producer for the production stated in the contract.

Production guarantee (per acre): (a) First stage production guarantee - The final stage production guarantee multiplied by 60 percent.
(b) Final stage production guarantee - The number of tons determined by multiplying the approved yield per acre by the coverage level percentage you elect.

Guarantee Choices

Choice of 50 to 85 percent of your approved average yield in 5 percent increments. Catastrophic (CAT) coverage is available at the 50-percent coverage level.

Item	Percent							
Coverage Level	50	55	60	65	70	75	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Premium Share	33	36	36	41	41	45	52	62

The total cost for CAT coverage will be an administrative fee of \$100 per crop per county, regardless of the acreage.

Production Guarantee

Yields are based on actual production records reported to your insurance agent and/or company. Sugar beet production guarantees are based on two stages. First stage provides 60 percent of the final stage guarantee; first stage is from planting until July 1. Final stage provides 100 percent of the final stage production guarantee. Final stage applies to all insured beets that complete the first stage. The production guarantee will be expressed in standardized tons.

Price Elections

Price of compensation in case of loss:
Established price: \$36/ton.
Additional price election: \$39/ton.

Insurance Units

Basic Unit: A basic unit includes all of your insurable sugar beet acreage in the county by share arrangement.

Optional Unit: basic units may be divided into optional units only if you have a sugar beet processor contract that requires the processor to accept all production from a number of acres specified in the sugar beet processor contract. Acreage insured to fulfill a sugar beet processor contract which provides that the processor will accept a designated amount of production or a combination of acreage and production will not be eligible for optional units.

Plans of Insurance

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

Replant Payment

A replant payment is provided for within the crop provisions.

Loss Example

If, due to insurable causes, your harvested and/or appraised production to count (adjusted for quality) is less than your unit production guarantee, an indemnity will be paid at the percentage of the price election you selected. Production to count will be adjusted using the raw sugar percent compared to the sugar percent contained in the actuarial documents. Your guarantee is measured as tons of beets at a standardized sugar percent. For example, harvested production of 20.0 tons/acre of beets at 17.0-percent sugar will be recorded as 21.3 tons/acre in a county which has 16% sugar on the actuarial documents. In this way, the production for producers in a county is recorded in their APH documents in a standardized manner.

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