

SUMMARY OF CHANGES FOR THE GROUP RISK INCOME PROTECTION PLAN OF INSURANCE, (05-GRIP-Corn), (05-GRIP-Grain Sorghum), and (05-GRIP-Soybean).

The following is a brief description of significant changes to the Group Risk Plan of Insurance (GRIP), Corn Crop Provisions, Grain Sorghum Crop Provisions, and Soybean Crop Provisions, effective for the 2005 crop year. Please refer to the Corn Crop Provisions, Grain Sorghum Crop Provisions, and Soybean Crop Provisions for more complete information.

Corn Crop Provisions (05-GRIP-Corn)

Section 2 – Crop Insured

- Revise the provisions in 2(b) to reference section 9 of the GRIP Basic Provisions.
- Add states with a February 28 cancellation and termination date in section 4.

Grain Sorghum Provisions (05-GRIP-Grain Sorghum)

- Add new crop provisions for the 2005 crop year.

Soybean Crop Provisions (05-GRIP-Soybean)

Section 1 – Definitions

- Add expected price discovery provisions for soybean counties with a cancellation date prior to March 15 and designate as (a).
- Designate as (b) the expected price discovery provisions for soybean counties with a cancellation date of March 15.
- Add harvest price discovery provisions for soybean counties with a cancellation date prior to March 15 and designate as (a).
- Designate as (b) the harvest price discovery provisions for soybean counties with a cancellation date of March 15.

Section 4 – Program Dates

- Revise the provisions by adding program dates for counties and states with February 15, and February 28 cancellation dates.
- Modify the State and County provisions for the March 15 cancellation and termination date to read “All other Texas counties and all other states.” Previously all states were listed by name.



**UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation
GROUP RISK INCOME PROTECTION
GRAIN SORGHUM CROP PROVISIONS**

1. Definitions.

Expected price (CBOT) -

For GRIP grain sorghum counties with a cancellation date:

- (a) Prior to March 15, the December 15 of the pre-harvest year to January 14 of the harvest year's average daily settlement price for the harvest year's CBOT September corn futures contract rounded to the nearest whole cent, multiplied times the price percentage relationship between grain sorghum and corn, as determined by RMA based on the United States Department of Agriculture (USDA) January estimate of corn and grain sorghum prices, and rounded to the nearest whole cent. The expected price will be released as an actuarial document addendum by January 24 of the harvest year.
- (b) Of March 15, the February harvest year's average daily settlement price for the harvest year's CBOT December corn futures contract rounded to the nearest whole cent, multiplied times the price percentage relationship between grain sorghum and corn, as determined by RMA based on the USDA January estimate of corn and grain sorghum prices, and rounded to the nearest whole cent. The expected price will be released as an actuarial document addendum by March 10 of the harvest year.

Harvest - Combining or threshing the sorghum for grain, or severing the stalk from the land and chopping the stalk and head for the purpose of livestock feed.

Harvest price (CBOT) -

For GRIP grain sorghum counties with a cancellation date:

- (a) Prior to March 15, the August harvest year's average daily settlement price for the harvest year's CBOT September corn futures contract rounded to the nearest whole cent, multiplied times the price percentage relationship between grain sorghum and corn, as determined by RMA based on the USDA January estimate of corn and grain sorghum prices, and rounded to the nearest whole cent. The Harvest Price cannot be less than the Expected Price minus one dollar and fifty cents (\$1.50), or greater than the Expected Price plus one dollar and fifty cents (\$1.50). The Harvest Price will be released as an actuarial document addendum by September 10 of the harvest year.
- (b) Of March 15, the October harvest year's average daily settlement price for the harvest year's CBOT December corn futures contract rounded to the nearest whole cent, multiplied times the price percentage relationship between grain sorghum

and corn, as determined by RMA based on the USDA January estimate of corn and grain sorghum prices, and rounded to the nearest whole cent. The Harvest Price cannot be less than the Expected Price minus one dollar and fifty cents ((\$1.50), or greater than the Expected Price plus one dollar and fifty cents (\$1.50). The Harvest Price will be released as an actuarial document addendum by November 10 of the harvest year.

NASS yield - The yield calculated by dividing the NASS estimate of sorghum for grain production in the county, by the NASS estimate of the acres of sorghum for grain in the county, as specified in the actuarial documents. The actuarial documents will specify whether harvested or planted acreage is used to calculate the yield used to establish the expected county yield and calculate indemnities.

Planted acreage - Land in which the sorghum seed has been placed by a machine appropriate for the insured crop and planting method, at the correct depth, into a seedbed that has been properly prepared for the planting method and production practice. Broadcast and subsequent incorporation of the sorghum seed is not allowed.

2. Crop Insured.

- (a) The insured crop will be all sorghum:
 - (1) Grown on insurable acreage in the county or counties listed in the accepted application;
 - (2) Properly planted and reported by the acreage reporting date;
 - (3) Planted with the intent to be harvested as grain, or silage; and
 - (4) Not planted into an established grass or legume or interplanted with another crop.
- (b) Hybrid sorghum seed may be insured if a written agreement exists between you and us in accordance with section 9 of the Basic Provisions.

3. Payment.

- (a) A payment will be made only if the county revenue for the insured crop is less than your trigger revenue.
- (b) County revenues will be determined prior to April 16 following the crop year.
- (c) We will issue any payment to you prior to May 16 immediately following our determination of the county revenue.
- (d) The payment is equal to the payment calculation factor multiplied by your policy protection for each insured crop practice and type specified in the actuarial documents.
- (e) The payment will not be recalculated even though the NASS yield may be subsequently revised.

4. Program Dates.

STATE AND COUNTY	CANCELLATION AND TERMINATION DATES	CONTRACT CHANGE DATE
Val Verde, Edwards, Kerr, Kendall, Bexar, Wilson, Karnes, Goliad, Victoria, and Jackson Counties, Texas, and all Texas counties lying south thereof	January 15	November 30
El Paso, Hudspeth, Culberson, Reeves, Loving, Winkler, Ector, Upton, Reagan, Sterling, Coke, Tom Green, Concho, McCulloch, San Saba, Mills, Hamilton, Bosque, Johnson, Tarrant, Wise, Cooke Counties, Texas, and all Texas counties lying south and east thereof to and including Terrell, Crockett, Sutton, Kimble, Gillespie, Blanco, Comal, Guadalupe, Gonzales, De Witt, Lavaca, Colorado, Wharton, and Matagorda Counties, Texas	February 15	November 30
Alabama; Arizona; Arkansas; California; Florida; Georgia; Louisiana; Mississippi; Nevada; North Carolina; and South Carolina	February 28	November 30
All other Texas counties and all other states	March 15	November 30