



United States Department of Agriculture  
Risk Management Agency

April 2007

## 2007 COMMODITY INSURANCE FACT SHEET

# Popcorn Alabama

### Crop Insured

The crop insured will be all the popcorn in the county, for which a premium rate is provided by the actuarial table,—

- in which you have a share;
- that is planted for harvest as popcorn;
- that is grown under a processor contract (see your crop insurance agent about specific requirements for contracts); and
- that is not (1) interplanted with another crop; or (2) planted into an established grass or legume.

### Counties Available

Madison.

### Causes of Loss

Adverse weather conditions  
 Earthquake  
 Failure of irrigation water supply<sup>1</sup>  
 Fire  
 Insects<sup>2</sup>  
 Plant disease<sup>3</sup>  
 Volcanic eruption  
 Wildlife

<sup>1</sup>If caused by an insured peril during the insurance period. <sup>2</sup>But not damage due to insufficient or improper application of pest control measures. <sup>3</sup>But not damage due to insufficient or improper application of disease control measures.

### Insurance Period

Coverage begins when the crop is planted 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) harvest of the crop; (4) final adjustment of the loss, (5) when the amount accepted by the processor equals the amount contracted (when production amount is specified in the contract); or (6) December 10, immediately following planting.

### Reporting Requirements

**Acreage Report**— An acreage report, to include all acreage in the county in which you have a share, and a copy of all processor contracts are due to your insurance agent by the acreage reporting date .

**Notice of 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 intact for each field of the damaged unit. See your insurance agent for detailed requirements.

### Important Dates

Sales Closing .....	March 15
Final Planting .....	May 15
Acreage Report .....	June 30
Premium Billing .....	October 1
Cancellation/Termination .....	March 15

### Definitions

**Cancellation Date**—The calendar date specified in the crop provisions on which coverage for the crop will automatically renew unless canceled in writing by either you or us or terminated in accordance with the policy terms.

**Production Guarantee**—Number of pounds guaranteed per acre, determined by multiplying your average yield (based on your records ) times the coverage level you elect.

**Price Election**— The value unit of measure for the purpose of determining premiums and indemnity under the policy (see your insurance agent for additional pricing information).

## Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75-percent of your average yield. Premiums are subsidized as shown in the table below. As an example, an average yield of 2,000 pounds per acre results in a guarantee of 1,300 pounds per acre at the 65-percent coverage level.

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. There is, however, an administrative fee of \$100 per county, regardless of the acreage.

## Replant Provisions

A replant payment is allowed if the crop is damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90-percent of the production guarantee for the acreage.

- The maximum replant payment will be the lesser of: (1) 20-percent of the production guarantee, or (2) 150 pounds times your price election times your share percentage.
- Your production guarantee may be reduced by the replant payment if the crop is replanted using a practice that is uninsurable as an original planting.

## Prevented Planting

Prevented planting coverage is 60-percent of your production guarantee for timely planted acreage. If you pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents (see your crop insurance agent for details.)

## Late Planting

Late planting provisions are applicable if you provide written approval from the processor, by the acreage reporting date, that it will accept the production from the late planted acres when it is expected to be ready for harvest.

## Loss Example

This example assumes 65-percent coverage and a 100-percent price election of \$.12 per pound with 3,000 pounds average yield, a 10-acre unit, 95,000 actual production, and a 100-percent share.

3000	Pounds per acre average yield
<u>x .65</u>	Coverage level
1950	Pounds per acre guarantee
<u>x 10</u>	Acres
19,500	Pounds unit guarantee
- 9500	Pounds produced
10,000	Pounds loss
<u>x .12</u>	Price election
<b>\$1,200</b>	<b>Indemnity per 10-acre unit</b>

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