



United States Department of Agriculture  
Risk Management Agency

March 2005

## 2005 COMMODITY INSURANCE FACT SHEET

# Processing Beans

## Maryland

### Crop Insured

The policy covers processing beans (**snap and limas**) grown under the requirements of a processor contract executed by the acreage reporting date and that are not excluded from the contract at any time during the year.

Note: Lima beans following snap beans harvested in the same crop year will not be insurable.

### Counties Available

Processing beans are insurable in Baltimore, Carroll, Dorchester, Harford, Kent, Queen Anne's, Somerset, Talbot and Worcester counties. Processing beans may be insurable in other counties if specific criteria are met. Contact a crop insurance agent for more details.

### Causes of Loss

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

<sup>1</sup>Includes excessive moisture that prevents timely harvesting and abnormal temperatures that result in bypassed acreage because too much acreage was ready for harvest than could be feasibly harvested, or the processing of such production was beyond the capacity of the processor. <sup>2</sup>If due to insurable causes. <sup>3</sup>Does not cover damage resulting from an insufficient or improper application of pest or disease control measures.

Note: This policy does not cover insect or disease damage on any snap bean acreage that follows a crop of snap beans, lima beans, or green peas harvested within the same crop year.

### Insurance Period

Coverage begins at planting except acreage planted before **April 20th** for Snap Beans or **May 10th** for Lima Beans (April 20th in Carroll County) **will not** be covered. Insurance will end at the earliest of: (1) the date the processing beans were destroyed, aban-

doned, harvested or should have been harvested but were not harvested; (2) the date you harvest sufficient production to fulfill your processor contract (if the contract stipulates a specific amount of production to be delivered); (3) final adjustment of a loss; or (4) October 15th.

### Reporting Requirements

**Acreage Report**—By the acreage reporting date, you must report to your agent all acres of processing beans in which you have a share, and provide a copy of all your processor contracts.

### Important Dates

Sales Closing .....	March 15, 2005
Initial Planting Date <sup>1</sup> .....	May 10, 2005
Initial Planting Date <sup>2</sup> .....	April 20, 2005
Initial Planting Date <sup>3</sup> .....	April 20, 2005
Final Planting Date <sup>1</sup> .....	July 10, 2005
Final Planting Date <sup>4</sup> .....	July 31, 2005
Final Planting Date <sup>2</sup> .....	August 10, 2005
Acreage Report Due <sup>1</sup> .....	July 15, 2005
Acreage Report Due <sup>2</sup> .....	August 15, 2005
End of Insurance .....	October 15, 2005

<sup>1</sup>Lima beans.

<sup>2</sup>Snap beans.

<sup>3</sup>Lima beans in Baltimore, Carroll, and Harford Counties.

<sup>4</sup>Snap beans in Baltimore, Carroll, and Harford Counties.

### Definitions

**Base Contract Price**—The price stipulated in the processor contract for the grade factor or sieve size that is designated in the Special Provisions, if applicable, without regard to discounts or incentives that may apply.

**Bypassed Acreage**—Land on which production is ready for harvest but the processor elects not to accept such production so it is not harvested.

**Good Farming Practices**—The cultural practices generally in use in the county for the crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee and are those required by the bean processor contract with the processing company, and recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the county.

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

### 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; and (3) leave representative samples intact for each field of the damaged unit.

### Price Elections

Price used to calculate your premium or indemnity:

**Snaps—\$150 per ton                      Limas—\$345 per ton**

Price elections are posted on the RMA website at: <http://www3.rma.usda.gov/apps/pricesinquiry/>

### Coverage Levels and Premium Subsidies

#### Amount of Insurance

Insurance is provided against a decline in your average APH yield due to the perils named in the Causes of Loss section.

Coverage levels range from 50 to 75 percent of your average yield (for example, an average snap bean yield of 2 tons/acre would result in a 1.5 tons/acre guarantee at the 75% coverage level) and are subsidized as shown in the following table.

For example, 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 your 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.

### Loss Example

These examples apply to Carroll County, MD.

2.5*	Average yield per acre (tons)	1.2**
<u>x .65</u>	Coverage level	<u>x .65</u>
1.6	Tons per acre guarantee	.8
- .5	Tons per acre produced	- .3
1.1	Tons per acre loss	.5
<u>x \$150</u>	Price election	<u>x \$345</u>
\$165	Gross indemnity per acre	\$173
- 9	Estimated premium (varies)	- 10
<b>\$156</b>	<b>Net indemnity per acre</b>	<b>\$163</b>

\*Snap beans.

\*\*Lima beans.

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