



United States Department of Agriculture  
Risk Management Agency

February 2005

## 2005 COMMODITY INSURANCE FACT SHEET

# Fresh Market Beans Pilot

## North Carolina

### Crop Insured

The insurance will cover snap beans, pole beans, or wax beans grown for human consumption that are:

- Of a fresh market variety adapted to the county;
- Planted within the designated planting periods to be harvested and sold for fresh market; and
- Grown by someone who has grown fresh market beans for three previous crop years; or
- Grown by someone who has participated in managing a fresh market bean operation in the county.

### Counties Available

Fresh Market Beans are insurable in **Hyde** and **Tyrrell** counties as part of a pilot program in selected states.

### Causes of Loss

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

<sup>1</sup>Including hail, drought, excess moisture, freeze, frost, and wind. <sup>2</sup>If due to an insurable cause of loss. <sup>3</sup>But not on acreage following snap beans, lima beans, or green peas harvested in the same year.

Note: This policy does **not** cover loss of production due to (1) failure to harvest in a timely manner; (2) failure to market the beans (unless directly due to damage from an insured cause of loss); (3) any decrease in the market price for fresh market beans; (4) no replant provisions; or (5) stage guarantees.

### Insurance Period

Coverage begins when the beans are planted (but not before the planting period) and will end at the earliest of: (1) total destruction of the crop, (2) harvest of the

beans, (3) final adjustment of a loss, (4) abandonment of the crop, or (5) July 3, 2005 for spring crop or October 31, 2005 for fall crop.

### Reporting Requirements

**Acreage Report**— By the acreage reporting date, you must report all the acreage of your fresh market beans in the county, including the date(s) the acreage was planted and the row width.

### Important Dates

#### Spring Crop:

Sales Closing .....	March 15, 2005
Planting Period .....	March 25—May 8, 2005
Acreage Report Due.....	May 31, 2005

#### Fall Crop:

Sales Closing .....	March 15, 2005
Planting Period .....	July 15—September 5, 2005
Acreage Report Due.....	September 15, 2005

### Definitions

**Acreage Limitation Percent**—The maximum allowable annual percentage increase in insured acres, as specified in the special provisions.

**Allowable Cost**— An allowance for actual harvesting cost (picking, grading, packing, hauling) not to exceed \$5.50 per 30-pound bushel/carton.

**Bushel**—Thirty pounds avoirdupois.

**Crop Year**— The period beginning with the first day of the spring planting period (March 25) continuing through the last day of insurance period for fall-planted beans (Oct. 31).

**Market Price**— The cash price per 30-pound bushel/carton of fresh market beans (U.S. No. 2 grade or

better) offered in the area where you normally market your fresh market beans.

**Minimum Value**—A floor of \$2.60 per bushel/carton (30 lbs) is applied to harvested or appraised production.

**Planting Period**—The period of time designated in the actuarial documents in which fresh market beans must be planted to be considered fall, winter, or spring-planted fresh market beans.

**Potential Production**—The number of bushels of fresh market beans that will or would have been produced per acre by the end of the insurance period, assuming normal growth conditions and cultural practices.

### 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:

CAT Coverage	\$156 per acre
Minimum Amount of Coverage	\$283 per acre
Maximum Amount of Coverage	\$423 per acre

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 the amount of income due only to the perils named in the causes of loss section.

Coverage levels range from 50 to 75 percent of your amount of coverage and are subsidized as shown in the table.

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 27.5 percent of the reference maximum price. CAT is 100 percent subsidized with no premium cost to you except for an administrative fee of \$100, regardless of the acreage.

### Minimum Value Option

In lieu of section 17 of the fresh market bean crop provisions, minimum value option: There will be no minimum value options available for the 2005 crop year.

### Loss Example

This example is based on spring-planted, non-irrigated beans at 65-0percent coverage level with one basic unit and 100-percent share.

100	Acres fresh market beans
x \$367	Amount of insurance per acre
\$36,700	Dollar guarantee
- \$10,000	Value of production (harvested and/or appraised)
\$26,700	Dollar loss (due to insured causes)
- \$ 1,400	Estimated premium (\$14 per acre)
<b>\$25,300</b>	<b>Net indemnity</b>

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