United States Department of Agriculture
Risk Management Agency

April 2005

2005 COMMODITY INSURANCE FACT SHEET

Fresh Market Sweet Corn

Virginia

Crop Insured

Acreage planted to sweet corn to be harvested and sold as **fresh market sweet corn** is insurable, including non-irrigated acreage. To be insurable, the producer must have grown sweet corn for commercial sale or participated in managing a sweet corn farming operation in at least one of the three previous years.

Exclusion: Sweet corn interplanted with another crop or in established grasses or legumes is not covered.

Counties Available

Fresh market sweet corn insurance is available in Hanover and New Kent counties. The crop may be insurable in other counties if specific criteria are met.

Causes of Loss

- Drought
- Excess Rain
- Excess Wind
- Failure of Irrigation Water Supply[1]
- Fire
- Freeze
- Hail
- Tornado

[1] If caused by an insured cause of loss.

Note: This policy does not cover any loss of production due to disease or insect infestation, unless effective control measures do not exist for such infestation; or failure to market the sweet corn, unless such failure is due to actual physical damage caused by an insured cause of loss that occurs during the insurance period.

Note: Revenue loss caused by low market prices or low consumer demand are not covered.

Reporting Requirements

Acreage Report—You must give a report of all your sweet corn acreage in the county by the acreage reporting date (July 15).

Important Dates

Sales Closing	March 15, 2005
Final Planting Date	July 3, 2005
Acreage Report Date	July 15, 2005
End of Insurance	September 5, 2005

Definitions

Allowable Cost—An amount not to exceed $3.05 per container for harvesting and marketing costs (e.g., picking, hauling, packing, shipping, etc.) that is subtracted from the average price received to determine value of sold production.

Container—Fifty (50) ears of fresh sweet corn.

Guarantee—A guaranteed dollar amount of coverage that you select prior to planting.

Minimum Value—A minimum value of $2.75 per container will be used to determine value of production.

Insurance Period

Coverage begins when the sweet corn is planted and ends the earliest of: (1) total destruction of the crop, (2) the date harvest should have started on any acreage that will not be harvested, (3) abandonment of the crop, (4) completion of harvest, (5) final adjustment of a loss, (6) September 5 following planting.

Coverage Levels and Premium Subsidies

Instead of guaranteeing production, the policy guarantees a dollar amount of coverage, depending on the level of coverage selected. Crop insurance premiums are subsidized as shown. For example if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium:

DOLLAR AMOUNTS OF COVERAGE

Coverage Level %	$ Amount of Coverage	Your Premium Share
CAT*	$207	0%
50	$375	33%
55	$413	36%
60	$450	36%
65	$488	41%
70	$525	41%
75	$562	45%

* Catastrophic (CAT) coverage is equal to 55 percent of the dollar amount of coverage at the 50-percent coverage level. CAT is 100 percent subsidized with no premium cost to you except for an administrative fee of $100, regardless of the acreage.

Loss Example

A loss occurs when the crop value falls below the guaranteed dollar amount as a result of damage from a covered cause of loss.

The example below assumes that, for example, only 35 containers per acre were produced and sold for $8 each. Subtracting the allowable cost of $3.05 leaves a net value of $4.95 per container.

$450	Dollar amount of coverage per acre
– $173	Production-to-count (35 containers @ $4.95)
$277	Loss per acre
– $33	Estimated premium per acre
$244	**Net indemnity per acre**

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