



United States Department of Agriculture
Risk Management Agency

June 2012

2012 COMMODITY INSURANCE FACT SHEET

Grain Sorghum

Arizona

Crop Insured

Grain sorghum planted for harvest as grain is insurable. That is a combine-type hybrid grain sorghum (grown from hybrid seed); and not a dual-purpose type of grain sorghum (a type used for both grain and forage). Coverage for dual-purpose grain sorghum may be insurable by written agreement only.

Counties Available

Grain sorghum is insurable in Maricopa and Pinal counties. Grain sorghum may be insurable in other counties by written agreement if specific criteria are met. Contact an agent for more details.

Causes of Loss

Adverse weather conditions¹
Failure of irrigation water supply²
Fire
Insects³
Plant disease³
Wildlife

¹Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

²If caused by an insured peril during the insurance period.

³But not damage due to insufficient or improper application of control measures.

Important Dates

Sales ClosingFebruary 28
Final Planting Date.....July 31
Acreage Report Due.....August 15

Insurance Period

Coverage on the grain sorghum crop begins immediately following planting and ends the earliest of:

- 1) Total destruction of the crop on the unit;
- 2) Harvest of the crop;
- 3) Final adjustment of a loss on a unit; or
- 4) December 10th.

Coverage Levels and Premium Subsidies

Individual insurance amounts are based on past production and the guarantee is measured in bushels. You will be asked to provide 4 to 10 years of production history to your insurance agent. Your average yield can be calculated from the production history you provide. You can select coverage levels from 50 to 75 percent of your individual approved average yield and 55 to 100 percent of the price announced by USDA. Catastrophic Risk Protection (CAT) coverage is also available and is equal to 50 percent of your approved average yield and 55 percent of the price. Revenue protection or yield protection is available and must be elected by the sales closing date.

Definitions

Harvest Price: A price determined in accordance with the Commodity Exchange Price Provisions and used to value production-to-count for revenue protection.

Projected Price: A price determined in accordance with the Commodity Exchange Price Provisions.

Production Guarantee (per acre): The number of bushels (tons for corn insured as silage) determined by multiplying the approved yield per acre by the coverage level percentage you elect.

Revenue Protection: An insurance plan that provides protection against loss of revenue due to production loss, price decline or increase, or a combination of both.

Revenue Protection Guarantee (per acre): For revenue protection only. Your production guarantee (per acre) multiplied by the greater of the projected price or harvest price.

Yield Protection: An insurance plan that only provides protection against a production loss.

Yield Protection Guarantee (per acre): For yield protection only. Your production guarantee (per acre) multiplied by your projected price.

Late and Prevented Planting

Coverage that provides reduced protection on acreage that is planted late, that cannot be planted by the final planting date, or within the late planting period. Contact a crop insurance agent for more details

Cost of Crop Insurance

CAT coverage has an application fee of \$300 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates though USDA pays at least 50 percent of the premium. For more detailed information about coverage and premium amounts, please contact a crop insurance agent or your local county Farm Service Agency office for an agent listing.

Loss Examples

Yield Protection Example

80	Bushel per acre production guarantee
<u>x \$3.50</u>	Projected price*
\$280.00	Per acre value of production guarantee
40	Bushels per acre actually produced
<u>x \$3.50</u>	Projected price*
\$140.00	Per acre value of production to count
\$280.00	
<u>-\$140.00</u>	
\$140.00	Indemnity per acre

Revenue Protection Example

80	Bushel per acre production guarantee
<u>x \$3.50</u>	Projected price*
\$280.00	Per acre value of production guarantee
40	Bushels per acre actually produced
<u>x \$2.75</u>	Harvest price*
\$110.00	Per acre value of production to count
\$280.00	
<u>-\$110.00</u>	
\$170.00	Indemnity per acre

*Prices used above are for examples only. Contact a crop insurance agent for current information.

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at: <http://www3.rma.usda.gov/apps/agents/>

Regional Contact

USDA/Risk Management Agency

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