



United States Department of Agriculture
Risk Management Agency

February 2011

2011 COMMODITY INSURANCE FACT SHEET

Grain Sorghum

Illinois Indiana Ohio

Crop Insured

The crop insured will be combine-type hybrid grain sorghum planted for harvest as grain.

Counties Available

See your crop insurance agent for a listing of eligible counties. In counties where premium rates are not provided by an actuarial table, the crop may be insurable by written agreement if specific criteria are met.

Causes of Loss

Adverse weather conditions
Earthquake
Failure of irrigation water supply, if applicable, due to an unavoidable cause of loss occurring within the insurance period
Fire
Insects*
Plant disease*
Volcanic eruption
Wildlife

All specified causes of loss must be due to a naturally occurring event.
*But not damage due to insufficient or improper application of pest or disease control measures.

Coverage Options

Yield Protection: Insurance coverage only providing protection against a production loss.

Revenue Protection: Insurance coverage providing protection against loss of revenue due to a production loss, price decline or increase or a combination of both.

Revenue Protection with Harvest Price Exclusion: Insurance coverage providing protection only against loss of revenue due to a production loss, price decline or a combination of both.

Production Guarantees

Yield Protection guarantee: determined by multiplying the production guarantee by the projected price. The harvest price is not used.

Revenue Protection guarantee: determined by multiplying the production guarantee (per acre) by the greater of the projected price or the harvest price.

Revenue Protection with Harvest Price Exclusion guarantee: determined by multiplying production guarantee (per acre) by the projected price.

Insurance Period

Insurance coverage begins on the later of the date we accept your application or the date when the corn is planted, and will end at the earliest of: (1) Total destruction of the crop, (2) harvest of the unit, (3) final adjustment of a loss, (4) abandonment of the crop, or December 10.

Reporting Requirements

Acreage Report - You must give a report to your insurance provider all acreage of the insured crop in the county in which you have a share.

Important Dates

Sales ClosingMarch 15
Final PlantingJune 20
Acreage Report..... July 15
CancellationMarch 15

Coverage Levels and Premium Subsidies

The grain sorghum policy guarantees a certain amount of production, depending on the level of coverage selected. Crop insurance premiums are subsidized as shown below. 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.

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Share	33	36	36	41	41	45

The total cost for CAT coverage will be an administrative fee of \$300 per crop per county, regardless of the acreage. All other coverage levels require a \$30.00 administrative fee.

Projected and Harvest Price

Beginning in 2011, the **projected price** for yield and revenue protection in all four states will be based on the Chicago Board of Trade (CBOT) December Futures Contract average daily settlement price from Feb. 1 — Feb. 28. Producers who have revenue protection also have a **harvest price** that protects producers when prices are above the projected price at harvest. In a down market the harvest price is used for both the revenue protection and the revenue protection with harvest price exclusion. The **harvest price** is based on the CBOT average daily settlement price from Oct. 1 — Oct. 31 for December Futures Contracts. Producers may track the settlement process during the discovery period on the RMA website. The website also has information on how prices are determined in the **Commodity Exchange Price Provisions (CEPP)**. The RMA Web site is <http://www.rma.usda.gov>.

Insurance Units

Basic Unit: A basic unit includes all of your grain sorghum acreage in the county by share arrangement. Premiums are reduced by 10 percent for a basic unit.

Optional Units: If a basic unit consists of two or more farm serial numbers (FSN) and certain record-keeping criteria are met, you may apply for optional units by FSN. The 10-percent discount will not apply.

Enterprise Unit: Generally, all the insured crop acreage in a county. Premium discounts apply.

Whole Farm Unit: Generally all the insured crops in the county that are covered by the insurance plan. Premium discounts apply.

Replant Provisions

A replanting payment is available if we determine it is practical to replant on a unit and our appraisal does not exceed 90 percent of your guarantee, and you replant at least 20 acres or 20 percent of the unit. The replanting payment will be the lesser of 20 percent of the bushel guarantee or 7 bushels times your price election, multiplied by your share. Replant payments are **not available** on the catastrophic risk protection endorsement.

Late and Prevented Planting

These provisions provide protection on acreage that is planted late or that cannot be planted by the final planting date or within the 25-day late-planting period. Please consult your crop insurance provider for further details.

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