



United States Department of Agriculture  
Risk Management Agency

March 2011

## 2011 COMMODITY INSURANCE FACT SHEET

# Soybeans

Illinois    Indiana    Michigan    Ohio

### Crop Insured

The crop insured is all of the soybeans in the county planted for harvest as beans for which a premium rate is provided.

### 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 due to a cause of loss listed in this section 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.

**GRP, GRIP and GRIP—Harvest Revenue Option:** Group Risk Plan and Group Risk Income Protection plans of insurance may also be available in your county. Ask your insurance agent for more details.

### 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 report to your insurance provider all acreage of the insured crop in the county in which you have a share, the practice, and your share at the time of planting.

### Important Dates

Sales Closing .....	March 15
Final Planting .....	Varies by county
Acreage Report.....	July 15
Cancellation .....	March 15

### Definitions

**Production Guarantees** - Number of bushels guaranteed per acre determined by multiplying your approved yield per acre times the coverage level percentage you elect. Yields are based on actual production history (APH) records reported to your insurance provider.

## Coverage Levels and Premium Subsidies

The soybean 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	80	85	
Premium Subsidy	67	64	64	59	59	55	48	38	
Your Share	33	36	36	41	41	45	52	62	

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) November 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 November Futures Contracts. Producers may track the settlement process during the discovery period on the RMA Web site at <http://www.rma.usda.gov>, and see how prices are determined in the **Commodity Exchange Price Provisions (CEPP)**.

## Insurance Units

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

**Optional Unit:** If a basic unit consists of two or more sections of land, and certain record keeping requirements are met, you may apply for optional units by section. The 10-percent premium 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.

## Specialty Types

Effective for the 2010 and successive crop years, the RMA began offering insurance coverage based on contract prices for all practices of certain specialty types of soybeans grown in Michigan and Ohio. Please refer to the Special Provisions of Insurance for more details.

## 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 3 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 eligible 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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