

## Topeka Regional Office — Topeka, KS

Revised April 2014

# Hybrid Sorghum Seed Kansas

### Crop Insured

Hybrid sorghum seed is insurable if:

- It is all the irrigated female parent sorghum plants grown in the county on insurable acreage;
- Premium rates are provided;
- You have a share;
- It is grown under a hybrid sorghum seed processor contract executed by the acreage reporting date; and
- It is planted for harvest as commercial hybrid sorghum seed.

Hybrid sorghum seed is only insurable by written agreement if it is on acreage where it is:

- Planted with a mixture of female and male parent seed in the same row;
- Planted for any purpose other than for commercial hybrid sorghum seed;
- Interplanted with another crop; or
- Planted into an established grass or legume.

Hybrid sorghum seed is not insurable if it is on acreage where:

- It is planted and occupied exclusively by male parent plants;
- It is not in compliance with the rotation requirements required by the hybrid sorghum seed processor contract;
- If either the female or male parent plants are damaged before the final planting date and we determine that the insured crop is practical to replant but it is not replanted; or
- It follows a cover crop that does not meet the criteria outlined in the Insurance Availability section of the Special Provisions.

Contact a crop insurance agent for more details.

### Counties Available

Hybrid sorghum seed insurance is available in Lane and Scott counties. Coverage in other counties may

also be available by written agreement if certain criteria are met, including records for at least 3 years of production history. Please contact a crop insurance agent for more information.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions;
- Fire;
- Insects, but not damage due to insufficient or improper application of pest control measures;
- Plant disease, but not damage due to insufficient or improper application of disease control measures;
- Wildlife;
- Earthquake;
- Volcanic eruption; or
- Failure of the irrigation water supply due to a cause of loss specified above that also occurs during the insurance period.

### Insurance Period

Insurance coverage begins on the later of:

- Date your application is accepted; or
- Date when the corn is planted.

Insurance coverage ends at the earliest occurrence of one of the following:

- Total destruction of the crop;
- Harvest of the unit;
- Final adjustment of a loss;
- Abandonment of the crop; or
- October 31.

### Important Dates

Sales Closing/Cancellation Date.....March 15, 2014

Final Planting Date.....June 25, 2014

Acree Report Date.....July 15, 2014  
 Premium Billing.....August 15, 2014  
 End of Insurance.....November 30, 2014

## Reporting Requirements

**Acree Report** - You must give a report to your crop insurance agent of all your corn acreage in the county by the acreage reporting date.

## Definitions

**Adjusted Yield** - An amount determined by multiplying the county yield by the coverage level factor on the coverage and rate table.

**Amount of Insurance** (dollars per acre) - A dollar amount determined by multiplying the adjusted yield by the price election for hybrid sorghum seed minus any guaranteed payment (not to exceed the total compensation in the processor contract).

**Approved Yield** - An amount RMA determines to be representative of the expected yield of the female parent when grown under a specific production practice based on records provided by the seed company and the credibility of the records.

**Dollar Value per Bushel** - An amount that determines the value of any seed production to count. It is determined by dividing the amount of insurance per acre by the result of multiplying the approved yield by the coverage level percentage selected.

**Amount of insurance per acre** - A dollar amount determined by multiplying the adjusted yield times the price election you select and subtracting any minimum guaranteed payment (not to exceed the total compensation specified in the hybrid sorghum seed processor contract).

## Coverage Levels and Premium Subsidies

Instead of guaranteeing an amount of production, the policy guarantees a dollar amount of coverage, depending on the level of coverage selected (see table). Crop insurance premiums are subsidized as shown.

Coverage Level	CAT	0.50	0.55	0.60	0.65	0.70	0.75
Subsidy Factors	Basic unit	1.000	0.67	0.64	0.64	0.59	0.55
	Optional Unit		0.67	0.64	0.64	0.59	0.55

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. For coverage levels above the Catastrophic Risk Protection (CAT) level, in addition to premium costs, administrative fees are \$30 per crop per county.

The amount of insurance per acre formula will be the factor listed below by specific coverage level times the county yield established by RMA minus the minimum payment (in bushels) provided by the seed company times the selected price election.

Coverage Level	CAT	0.50	0.55	0.60	0.65	0.70	0.75
Coverage Level Factor		0.677	0.733	0.800	0.867	0.933	1.000

## Catastrophic Coverage

CAT is available at 50 percent of your APH yield and 55 percent of the established price election. The total cost for CAT coverage is an administrative fee of \$300 per crop per county.

## Price Elections

The established price for hybrid sorghum seed is used unless you select the hybrid seed price endorsement. Established price is \$4.65 per bushel.

## Insurance Units

**Basic Unit** - If the processor contract specifies the number of acres to be planted, a basic unit consists of all your insurable hybrid sorghum seed acreage in the county by share arrangement. If the processor contract specifies the amount of production to be delivered, a basic unit consists of all acreage planted to the insured crop in the county that will be used to fulfill contracts with each processor. Premiums are reduced by 10 percent for a basic unit.

**Optional Unit** - Optional units will not be established.

## Insurance Plans

**Yield-based Dollar Plan** is the dollar guarantee with production to count (\$) based on variable dollars per bushel depending on the approved yield for the variety.

## Replant Provisions

No planting payment is available. If either the male or female parent plants are damaged before the final planting date and it was practical to replant and it was not replanted, the acreage will not be insured. It will not be considered practical to replant unless production from the replanted acreage can be delivered under the terms of the hybrid sorghum seed processor contract, or the seed company agrees that it will accept the production from the replanted acreage.

## Late Planting

These provisions provide protection on acreage that is planted after the final planting date. The late planting period begins the day after the final planting date for the insured crop and ends 25 days after the final planting date. For each late planted acre of the insured crop, the production guarantee or amount of insurance that is applicable to timely planted acreage will be reduced one percent per day for each day planted after the final planting date during the late planting period, equal to 25 days.

## Prevented Planting

These provisions provide protection on acreage that cannot be planted. Prevented planting applies to the female and male parent plants. The male parent plants must be planted in accordance with the requirements of the hybrid sorghum seed processor contract to be considered planted. Your prevented planting coverage will be 60 percent of your amount of insurance for timely planted acreage. If you have additional coverage and pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents. In lieu of Section 17(f)(5) (ii) of the Common Crop Insurance Basic Provisions, haying or grazing a cover crop will not impact eligibility for a prevented planting payment provided such action did not contribute to the acreage being prevented from planting.

## Loss Example

A loss occurs when the value of the hybrid sorghum seed falls below the guaranteed dollar amount as a result of damage from a covered cause of loss. This example assumes a county yield of 85 bushels per acre, 75-percent coverage level, 100 percent established price of \$4.65 per bushel, and an approved yield of 80 bushels, and basic unit coverage.

85	bushels/acre county yield
<u>x 1.00</u>	coverage level factor
85	bushels (adjusted yield)
<u>x \$4.65</u>	price election
\$395.25	amount of insurance/acre
<u>- \$235.20</u>	production to count (seed and non-seed)
<b>\$160.00</b>	<b>gross indemnity</b>

Production to count shown above is 20 bu. x \$6.59/bu. (seed) + 20 bu. x \$5.17/bu.(non-seed) = \$235.20 production to count

\$6.59 seed price/bu. =  $[395.25/(80 \text{ bu.} \times 0.75)]$   
\$5.17 = local market price for non-seed prod.

Figures shown per acre; guarantees and losses are paid by unit. See policy provisions or ask your crop insurance agent for more 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 at all USDA service centers and on the RMA website at: [www3.rma.usda.gov/apps/agents/](http://www3.rma.usda.gov/apps/agents/)

## Contact Us

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