

St. Paul Regional Office — St. Paul, MN

Revised January 2014

Popcorn

Iowa and Minnesota

Crop Insured

All popcorn may be insurable if:

- Grown in a county on insurable acreage;
- Premium rates are provided;
- You have a share; and
- It is grown under and in accordance with the requirements of a processor contract executed on or before the acreage reporting date.

Counties Available

See actuarial documents at <http://prodwebnlb.app.rm.usda.gov/apps/ActuarialInformationBrowser2014/CropCriteria.aspx> for insurable counties. The crop may be insurable in other counties by written agreement if specific criteria are met. Contact an insurance agent for more details.

Causes of Loss

You are protected against the following:

- Adverse weather conditions such as natural perils of hail, frost, freeze, wind, drought, and excess moisture, but not frost or freeze damage after the designated frost/freeze date;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if due to natural causes;
- Insects and plant disease, but not damage due to insufficient or improper application of pest or disease control measures; or
- Wildlife.

Insurance Period

Insurance coverage begins on the later of:

- The date we accept your application; or
- The date when the popcorn is planted.

Insurance coverage ends with the earliest occurrence of one of the following occurrences:

- Total destruction of the crop;
- When the popcorn should have been harvested, but was not;

- Harvest of the unit;
- The date you harvest sufficient production to fulfill your processor contract if the processor contract stipulates a specific amount of production to be delivered;
- Final adjustment of a loss;
- Abandonment of the crop; or
- December 10, 2014.

Reporting Requirements

Acreage Report - You must give a report of all your popcorn acreage in the county and provide a copy of all processor contracts by the acreage reporting date.

Important Dates

Sales Closing Date.....	March 15, 2014
Earliest Planting Date	April 11, 2014
Final Planting Date	May 20, 2014
Acreage Reporting Date.....	July 15, 2014
Premium Billing Date	August 15, 2014
Production Reporting Date.....	April 29, 2015

Definitions

APH Yield - Actual production history (APH) yield used to determine the production guarantee. The APH yield is based on up to 10 years of actual and/or assigned yields.

Unit - The insurable acreage used to determine the APH yield, the production guarantee, and any indemnity (loss payment).

Production Guarantee - Number of pounds guaranteed per unit. Multiply your APH yield per acre by the coverage level percentage you select by the number of acres in the unit.

High Risk Land (HRL) - Land designated on a map in the actuarial documents with a high risk rate classification, requiring a higher premium rate due to higher risk.

HRL Exclusion Option - An agreement to exclude from crop insurance coverage all high risk land by crop and county. You must submit the signed form by the sales closing date. Catastrophic Risk Protection (CAT) coverage is still available when this option is in effect.

Coverage Levels and Premium Subsidies

Popcorn may be insured at the coverage levels shown in the following table. Crop insurance premiums are subsidized as shown. For example if you select the 75-percent coverage level, your coverage is 75 percent of your approved APH yield, the premium subsidy is 55 percent, and your premium share is 45 percent of the base premium.

CAT coverage 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, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

Item	Percent							
Coverage Level	50	55	60	65	70	75	80	85
Subsidy	67	64	64	59	59	55	48	38
Your Share	33	36	36	41	41	45	52	62

Projected and Harvest Price

The projected price is the projected price for grain type corn determined using the **Commodity Exchange Price Provisions (CEPP)** multiplied by a factor published in the actuarial documents. The harvest price is the harvest price for grain type corn multiplied by a factor published in the actuarial documents.

Unit Division

Basic Unit (BU) - If the processor contract specifies the number of acres to be planted, a basic unit consists of all your insurable popcorn 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 (OU) - When the processor contract specifies the number of acres to be planted, and 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. Optional units are not available if the processor contract stipulates the amount of production to be delivered.

Plans of Insurance

One policy provides the choice of three plans:

Yield Protection (01) - Production guarantee based on individual yield history. Optional, basic, and enterprise units are available.

Revenue Protection (02) - Revenue protection including price protection with optional, basic, enterprise, and whole farm units.

Revenue Protection with Harvest Price Exclusion (03) - Revenue protection with harvest price exclusion with optional, basic, enterprise, and whole farm units.

Replant Provisions

A replanting payment is allowed only if the crop is damaged by a covered cause of loss to the extent that the remaining stand will not produce at least 90 percent of your bushel guarantee and it is practical to replant. The replanting payment will be the lesser of 20 percent of the production guarantee or 150 pounds, multiplied by the projected price multiplied by your share. No replanting payment will be made on acreage initially planted prior to the earliest planting date. Replanting payments are not available with CAT coverage.

Late and Prevented Planting

These provisions provide protection on acreage that is planted after the final planting date or that cannot be planted. Please contact a crop insurance agent for details.

Loss Example

Yield Protection Example - A loss occurs when the pounds of popcorn produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. This example assumes a 3,500 pounds per acre APH yield, 75-percent coverage level, and basic unit coverage.

3,500	Pounds per acre APH yield
x .75	Coverage level
2,625	Pounds guarantee
- 1,700	Pounds per acre actually produced
925	Pounds per acre loss
x \$0.28	Projected price (est. - announced in March)
\$259.00	Gross indemnity
- \$12.00	Estimated premium per acre (varies)
\$247.00	Net indemnity

Revenue Protection Example:

2,625	Pounds (see yield Example)
x \$0.28	Projected price (est. - announced in Mar.)
\$735.00	Guarantee
1,700	Pounds per acre actually produced
x \$0.30	Harvest price (est. - announced in Nov.)
\$510.00	Revenue

\$225.00	Gross indemnity (\$735 - \$510 = 225)
- \$24.00	Est. producer premium per acre (varies)
\$201.00	Net indemnity

Figures shown on a per acre basis; guarantees and losses paid are on a unit basis. See policy provisions.

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/.

Contact Us

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