United States Department of Agriculture
Risk Management Agency

January 2011

2011 COMMODITY INSURANCE FACT SHEET

Popcorn

Iowa and Minnesota

Crop Insured
The crop insured will be all the popcorn grown in the county on insurable acreage, for which premium rates are provided, in which you have a share, and grown under and in accordance with the requirements of a processor contract executed on or before the acreage reporting date.

Counties Available
Popcorn is insurable in 39 counties in Iowa and 2 counties in Minnesota. In counties where premium rates are not published, popcorn may be insurable by written agreement.

Causes of Loss
Adverse weather conditions[1]
Failure of irrigation water supply[2]
Fire[3]
Insects[4]
Plant disease[4]
Wildlife

[1]Including hail, frost, freeze, drought, and excess precipitation, but not frost or freeze damage after the designated frost/freeze date.
[2]If caused by an insured cause of loss.
[3]If due to natural causes.
[4]But not damage due to insufficient or improper application of pest or disease control measures.

Insurance Period
Insurance coverage begins when the popcorn is planted, and will end at the earliest of: (1) Total destruction of the crop, (2) when the popcorn should have been harvested, but was not, (3) abandonment of the crop, (4) harvest of the crop, (5) the date you harvest sufficient production to fulfill your processor contract if the processor contract stipulates a specific amount of production to be delivered, (6) December 10, 2011 or, (7) final adjustment of a loss.

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 to your agent by the acreage reporting date.

Important Dates
Sales Closing/Cancellation Date	March 15
Earliest Planting Date	April 11
Final Planting Date	May 20
Acreage Reporting Date	June 30
Premium Billing Date	October 1
Production Reporting Date	April 29

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 *x* the coverage level percentage you select *x* 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, as signed on our form by the sales closing date. Catastrophic 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 table below. Crop insurance premiums are subsidized as shown. For example if you select the 75-percent coverage level, your coverage will be 75 percent of your approved APH yield, the premium subsidy is 55 percent, and your premium share is 45

percent of the base premium. 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 will be 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
Prem. Subsidy	67	64	64	59	59	55	48	38
Your Share	33	36	36	41	41	45	52	62

Price Election (APH Plan)

Price of compensation per pound in case of loss:
Established price: $0.185 per pound.
Additional price may be announced prior to the sales closing date.

Insurance Units

Basic Unit: 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: 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

Actual Production History (APH) — Production guarantee based on **individual** yield history. Optional and basic units are available.

Group Risk Plan (GRP) — Coverage available by written agreement only under the GRP Corn policy. GRP Insures against **widespread** loss of production based on **county average** yields. No individual loss protection available.

Group Risk Income Protection (GRIP) — Coverage available by Written Agreement only under the GRIP Corn policy. Combines GRP with price protection to insure against **widespread** loss of revenue due to a combination of low yields and/or low prices. No individual protection available.

Replant Provisions (not available under catastrophic coverage, GRP, or GRIP)

A replanting payment is allowed if your popcorn crop is damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of your production guarantee and it is practical to replant. The maximum replanting payment will be the lesser of 20 percent of the production guarantee or 150 pounds, times your price election, and times your insured share. No **replanting** payment will be made on acreage initially planted prior to the **earliest planting date**.

Late and Prevented Planting

These provisions provide protection on acreage that is planted after the final planting date or that cannot be planted. Not available for all plans of insurance. Please consult a crop insurance agent for details.

Loss Example (APH Plan)

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, 100 percent of the established price, and basic unit coverage.

3500	pounds per acre APH yield
x .75	coverage level
2625	pounds guarantee*
- 1250	pounds per acre actually produced
1375	pounds per acre loss
x $0.185	price election
$254.38	gross indemnity*
- $14.95	estimated premium per acre (varies)
$239.43	**net indemnity***

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

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