United States Department of Agriculture
Risk Management Agency

January 2012

2012 COMMODITY INSURANCE FACT SHEET

Soybeans

Minnesota

Crop Insured

The crop insured will be all soybeans grown in the county on insurable acreage, for which premium rates are provided, in which you have a share, and planted for harvest as beans. There are six soybean specialty types for the "Combo" Plans (01)-(03) for 2012, and you must report your acreage by the specialty type(s) you have planted. The specialty types are: All Other Food Grades, Large Seeded Food Grade, Small Seeded Food Grade, Low Linolenic Acid, Low Saturated Fat, and High Protein. If you are not growing any of the specialty types, your soybeans will be insured under the Commodity type. See a crop insurance agent for details.

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.
[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 on the later of the date we accept your application or the date when the soybeans are 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) December 10, 2012 or, (5) abandonment of the crop.

Reporting Requirements

Acreage Report — You must give a report of all your soybean acreage in the county by the acreage reporting date.

Important Dates

Sales Closing/Cancellation Date......... March 15
Earliest Planting Date ....April 21
Final Planting Date .... June 10
Acreage Reporting Date ....July 15
Premium Billing Date .... August 15
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 bushels or tons 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

Soybeans 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 with an enterprise unit (EU), your coverage will be 75 percent of your approved APH yield, the premium subsidy is 77 percent, and your premium share is 23 percent of the base premium. Catastrophic coverage (CAT) is available under the Yield Protection Plan at 50 percent of your APH yield and 55 percent of the projected price. 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	Unit	Percent							
Cov. Lvl.		**50**	**55**	**60**	**65**	**70**	**75**	**80**	**85**
Subsidy	EU	80	80	80	80	80	77	68	53
	BU	67	64	64	59	59	55	48	38
	OU	67	64	64	59	59	55	48	38
	WU	80	80	80	80	80	80	71	56

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

Projected and Harvest Price

Commodity Exchange Price Provisions (CEPP) Contains information necessary to derive the **projected price** and the **harvest price** for the insured crop. Information includes the price discovery period, release dates, board of trade(s) utilized, and additional pricing information. Contact your agent or RMA Web site: http://www.rma.usda.gov.

Insurance Units

Basic Unit (BU): A basic unit includes all of your insurable soybean acreage in the county by share arrangement. Premium discounts apply.
Optional Unit (OU): 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.
Enterprise Unit (EU): Generally, all the insured crop acreage in a county. Premium discounts apply.
Whole Farm Unit (WU): Generally all the insured crops in the county that are covered by the insurance plan. Premium discounts apply. Does not apply to Yield Protection Plan.

Plans of Insurance

One policy provides the choice of Plans (01)-(03):
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.
Group Risk Plan (04) - Insures against **widespread** loss of production based on **county average** yields. No individual loss protection available.
Group Risk Income Protection (06) - 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.
Group Risk Income Protection with Harvest Revenue Option (05) - GRIP with the benefit of a higher guarantee if the harvest price is higher than the expected price.

Trend-Adjusted APH Yield Option

(available in most counties)
Allows you to increase your APH yield based on your county's historical yield trend. This option is not available under CAT or for GRP and GRIP plans of insurance.

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

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 your production guarantee or 3 bushels, times your projected price times your 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 Example: A loss occurs when the bushels of soybeans produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. This example assumes a 48 bushels per acre APH yield, 75-percent coverage level, and basic unit coverage.

48	bushels per acre APH yield
x .75	coverage level
36.0	bushel guarantee*
- 20.0	bushels per acre actually produced
16.0	bushels per acre loss
x 12.75	projected price (est.-announced in Mar.)
$204.00	gross indemnity*
- $9.25	estimated premium per acre (varies)
$194.75	**net indemnity***

Revenue Protection Example:

36.0	bushels* (see prior example)
x $12.75	projected price (est.-announced in Mar.)
$459.00	guarantee*
20	bushels per acre actually produced
x $12.00	harvest price (est.- announced in Nov.)
$240.00	revenue
$219.00	gross indemnity ($459.00 - $240.00)
- $17.25	estimated premium (varies)
$201.75	**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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