



2003 CROP INSURANCE FACT SHEET HYBRID SEED CORN

Iowa, Minnesota, and Wisconsin

THIS FACT SHEET POINTS OUT CERTAIN FEATURES OF CROP INSURANCE AND IS NOT INTENDED TO BE COMPREHENSIVE. THE INFORMATION BELOW NEITHER MODIFIES NOR REPLACES TERMS AND CONDITIONS OF THE BASIC PROVISIONS, CROP PROVISIONS, OR COUNTY ACTUARIAL DOCUMENTS. CONTACT A CROP INSURANCE AGENT FOR FURTHER DETAILS.

CROP INSURED

The crop insured will be all the female parent corn plants in the county in which you have a share and grown under a hybrid seed corn processor contract to be harvested as commercial hybrid seed corn. In counties where premium rates are not published (currently published in select counties in all three states), the crop may be insurable by written agreement. (See your crop insurance agent for details.)

CAUSES OF LOSS

Adverse Weather Conditions (including hail, frost*, freeze*, drought, and excess precipitation)

Insects** Plant Disease** Wildlife Fire **** Failure of Irrigation Water Supply***

* But not damage after the designated frost/freeze date
 ** But not damage due to insufficient or improper application of pest or disease control measures.
 *** If caused by an insured peril that occurs during the insurance period.
 **** If unavoidable and due to natural causes.

IMPORTANT DATES

Sales Closing/Cancellation Date: **March 15**
 Final Planting Date: **May 25**
 Acreage Reporting Date: **June 30**
 Billing Date: **October 1**
 Insurance Begins: **At planting of the Female and Male Parents**
 Insurance Ends at harvest or: **October 31**

DEFINITIONS

- Adjusted Yield** An amount determined by multiplying the County Yield by the Coverage Level Factor on the Coverage and Rate Table.

- Price Elections** The price election for field corn is used for seed corn:
 - Established price: **\$2.20/bu.**
 - Additional Price: Will be published prior to sales closing.
 - Hybrid Seed Price Endorsement (HSPE) is available.

- Amount of Insurance (\$/A)** A dollar amount determined by multiplying the Adjusted Yield by the price election for field corn minus any guaranteed payment (not to exceed the total compensation in the processor contract).

- Approved Yield** An amount FCIC 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.

- Dollar Value per Bushel** An amount determined by dividing the Amount of Insurance (\$/A) by the result of multiplying the Approved Yield by the coverage percentage.

- Unit** Insurable acreage used to determine the guarantee and indemnity. Optional units will not be established for processor contracts stipulating the amount of production to be delivered.

COVERAGE OPTIONS

Catastrophic Coverage (CAT) Additional Coverage 50% of the county yield and 55% of the Additional Price (field corn).
 50, 55, 60, 65, 70, 75, 80, or 85% of the County Yield and up to 100% of the Additional Price.

PLANS OF INSURANCE

YDO Yield-based Dollar Plan - Dollar guarantee with Production to Count (\$) based on variable \$/bu. depending on the Approved Yield for the variety. Optional and basic units are available.
GRP Group Risk Plan - Coverage available by written agreement only under GRP Corn policy. GRP insures against *widespread* loss of production based on *county average yields*. No individual loss protection available.

Optional Unit Generally, all the insured crop acreage in a section by share.
Basic Unit Generally, all the insured crop acreage in a county by share. *

* Reduced premium

REPLANT PROVISION

A replanting payment is not 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 seed corn processor contract or the seed company agrees that it will accept the production from the replanted acreage.

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

(Based on a County Yield of 160 Bu/A, 65% coverage level, 100% additional price of \$2.20, and approved yield of 50 bu.)

160	bushels per acre County Yield
x 0.867	coverage level factor
<u>138.7</u>	bushels (adjusted yield)
x \$2.20	price election
<u>\$305</u>	amount of insurance/acre
-\$224	production to count (seed and nonseed)
	(20 bu x \$9.38/bu) + (20 bu x \$1.80/bu) = \$224.00
\$81	gross indemnity*
-\$10	estimated premium per acre (varies by county)
\$71	net indemnity*

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

ADMINISTRATIVE FEES

These fees are charged in addition to the insurance premium. The premium is subsidized by USDA.
Catastrophic (CAT) Coverage: \$100/crop/county. (No insurance premium is charged for CAT coverage.)
Additional Coverage: \$30/crop/county.

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