United States Department of Agriculture
Risk Management Agency

January 2009

2009 COMMODITY INSURANCE FACT SHEET

Sugar Beets

Minnesota and Eastern North Dakota

Crop Insured

The crop insured will be all sugar beets grown in the county on insurable acreage, for which premium rates are provided, in which you have a share, and grown under a processor contract.

Exclusion: Insurance will not attach on acreage in any crop year following discovery of rhizomania unless planted to a rhizomania resistant variety approved by the contracting sugar beet company.

Counties Available

Sugar beets are insurable in 33 counties in Minnesota and 7 counties in eastern North Dakota. In counties where premium rates are not published, sugar beets 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.
[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 will begin when the sugar beets 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) November 15, 2009 or, (5) abandonment of the crop.

Reporting Requirements

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

Important Dates

Sales Closing/Cancellation Date	March 15
Earliest Planting Date	April 11
Final Planting Date	May 31
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 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

Sugar beets 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 Elections

Price of compensation per ton in case of loss:
Established price: $38.50 per ton

Insurance Units

Basic Unit: A basic unit includes all of your insurable sugar beet acreage in the county by share arrangement. Premiums are reduced 10 percent for a basic unit.

Optional Unit: 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.

Plans of Insurance

APH is the only plan of insurance available for sugar beets. The production guarantee is based on your individual yield history.

Replant Provisions

(not available under catastrophic coverage)

A replanting payment is allowed if your sugar beet crop is damaged by a covered cause of loss to the extent that the remaining stand will not produce at least 90 percent of the final stage production guarantee and it is practical to replant. The maximum replanting payment will be the lesser of 10 percent of the production guarantee or one ton, times your price election. 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. The prevented planting guarantee is 45 percent of your production guarantee for timely planted acreage. Please consult a crop insurance agent for details.

Options

Stage Removal Option Pilot
(not available under catastrophic coverage)
The stage removal option removes the first stage guarantee, and all indemnities will be calculated using the final stage guarantee. You will pay additional premium for this option.

Duties in the Event of Damage or Loss

You must give notice to your agent within 72 hours of your initial discovery of damage, and **obtain consent** before you destroy any acreage of the crop that is not harvested, or before you put the crop or acreage to an alternative use.

Loss Example

Settlement of Claim: If, due to insurable causes, your harvested and appraised production to count (adjusted for quality) is less than your unit production guarantee*, an indemnity will be paid at the percentage of the price election you selected. Production to count will be adjusted using the raw sugar percent compared to the sugar percent contained in the actuarial documents**.

*Production guarantees are progressive by stage **(unless you have elected the Stage Removal Option)**.
First stage: Planting until July 1 — 60 percent of the Final stage production guarantee.
Final stage: July 1 until end of the insurance period — 100 percent of the final stage production guarantee.

**Tonnage is adjusted for sugar content. What is actually guaranteed are pounds of sugar, expressed as tons of beets at a standardized sugar percent published in the actuarial documents. For example, 20.0 tons per acre of beets at 17.0 percent sugar with an actuarial sugar percent of 16.0 percent will be recorded on the APH form as 21.3 tons per acre [(17.0 percent/16.0 percent) x 20.0]. In this way, everyone's production in the county is adjusted to the same sugar percent so as to record sugar production more accurately.

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