

# Fresh Market Sweet Corn Fact Sheet



National Crop Insurance Services®

## 1. Pennsylvania Crop Insurance Webinars

The objective of the Pennsylvania Crop Insurance Webinar series is to help Pennsylvania farmers and ranchers manage risk understand a variety of crop insurance products to make informed insurance decisions.

## 2. Pennsylvania Processing Bean and Fresh Market and Processing Sweet Corn and Tomatoes – Scheduled for February 7, 2019

Webinar objectives:

- Review the Federal crop insurance structure and key basic provision tenets and forms, as well as the primary processing bean and fresh market and processing sweet corn and tomato plans of insurance.
- Discuss where coverage is available for these fresh market and processing crops.
- Review types and practices insured and policy provisions and options available.
- Discuss documents and your duties when a loss occurs.

## 3. The Insured Crop

Fresh market sweet corn is a container crop with a dollar guarantee. The crop is high-sugar corn that grades US No. 1

or higher, grown for sale as fresh sweet corn for human consumption. To be insurable, you must have grown or managed a fresh market sweet corn operation for commercial sale in at least 1 of the 3 previous crop years. Direct marketing is not covered unless allowed by the special provisions.

In Pennsylvania, fresh market sweet corn is insured under the Dollar plan of insurance, which protects against declining value from damage that causes a yield shortfall and provides an amount of insurance based on the cost of growing a crop in a specific area (amount of insurance set by the Risk Management Agency). The crop is measured in containers.

## 4. Coverage Availability

**For the 2019 crop year**, fresh market sweet corn is insurable in almost all Pennsylvania counties.

**Details** of the coverage offered in each county, including types, practices, rates, prices, dates, options, coverage levels, and special provisions of insurance, are available through the Risk Management Agency's **Actuarial Information Browser** at <https://bit.ly/2NZo44f>.

Work with a licensed crop insurance agent to explore your coverage options.

## 5. Select Policy Definitions

### Allowable Cost

The dollar amount per container for harvesting, packing, handling, and marketing costs (e.g., picking, hauling, packing, shipping) as shown in the special provisions. The value is currently \$3.05 per container. The allowable cost is subtracted from the price received for each container of sweet corn to determine the value of your sold production.

### Amount of Insurance (per acre)

The dollar amount of coverage determined by multiplying the reference maximum dollar amount in the actuarial documents by the coverage level percentage you elect.

### Average Net Value per Container

The total of the net values of all containers of sweet corn sold divided by the total number of containers of all sweet corn sold.

### Container

The unit of measure for this crop policy. A container is currently defined as fifty (50) ears of fresh market sweet corn.

### Direct Marketing

The sale of fresh market sweet corn directly to consumers without intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper or buyer. Examples: selling through on-farm or roadside stand, farmer's market, or permitting the general public to enter the field for the purpose of picking a portion of the crop (U-Pick).

**NOTE:** Crop provisions do not allow coverage for direct marketing, but some Pennsylvania counties allow direct marketed sweet corn to be insured through the special provisions of insurance. Work with your crop insurance agent to determine what is allowed in your county.

### Minimum Value

The dollar amount per container used to value marketable production to count shown in the special provisions. The value is currently \$5.75 per container.

The \$5.75 per container is applied to any sold production that is valued at *less than* \$5.75 after subtracting the allowable cost (\$3.05). Unsold appraised production is also valued at the minimum value.

- **Example A:** Receive \$10.50 per container.  $\$10.50 - \$3.05 = \$7.45$  per container value of production (the "net value"). This is greater than the minimum value, so use the calculated value of production.
- **Example B:** Receive \$7.50 per container.  $\$7.50 - 3.05 = \$4.45$  per container value of production (again, the "net value"). This is less than the minimum value, so use the minimum value of \$5.75.

### Reference Maximum Dollar Amount

The value per acre established for the state (currently \$1,305 per acre). Your dollar guarantee is determined by multiplying the reference maximum dollar amount by the coverage level percentage you elect.

## 6. Insurance Period

Insurance on fresh market sweet corn begins the later of the date your insurance provider accepts your application or the date the crop is planted and ends the earliest of:

- By unit, the date the sweet corn is destroyed, abandoned, harvested, or should have been harvested but was not;
- Final loss adjustment; or
- 100 days after the date of planting/replanting or September 30.

## 7. 2019 Crop Year Important Dates

- Sales Closing Date = 3/15/2019
- Final Planting Date = 6/30/2019
- Acreage Reporting Date = 7/15/2019
- Premium Billing Date = 8/15/2019
- Premium Due = 9/30/2019

## 8. Prices

All reference, minimum and maximum prices are published in the actuarial documents.

### 2019 Prices

- Reference Maximum Dollar Amount = \$1,305/acre
- Maximum Dollar Amount = \$978/acre
- Minimum Dollar Amount = \$653/acre
- Catastrophic Dollar Amount = \$359/acre
- Allowable Cost Price = \$3.05/acre

## 9. Coverage Levels and Premium Discounts

Coverage levels range from 50% to 85% of your average yield and are subsidized as shown in the table below.

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

Catastrophic Risk Protection (CAT) coverage is fixed at 50% of your average yield and 55% of the price election. The 2019 cost for CAT coverage is an administrative fee of \$300.

## 10. Available Unit Structure

Fresh Market sweet corn only allows a basic unit structure. A basic unit covers all acreage in a county you own/operate 100% and Basic Unit for each other person or entity you share with.

## 11. Perils Protected Against

You are protected against the following:

- Adverse weather conditions, including natural perils such as hail, frost, freeze, wind, drought, and excess precipitation;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if caused by an insured peril during the insurance period;
- Insect damage and plant disease, except for insufficient or improper application of control measures; or
- Wildlife.

This policy does not cover any damage or loss due to your failure to harvest in a timely manner or to market sweet corn, unless such failure is due to actual physical damage from an insured cause of loss.

## 12. Acreage Reporting Requirements

You must report all your acreage of fresh market sweet corn in the county.

## 13. Losses

The fresh market sweet corn policy covers replanting reimbursements and production loss indemnities.

If you believe you have a loss, you should:

- Protect the crop from further damage by providing sufficient care;

- Notify your crop insurance agent within 72 hours of the earliest of the:
  - Time you discover damage;
  - Time you discontinue harvest of any acreage on a unit;
  - Date harvest normally would start if any acreage on the unit will not be harvested; or
  - Calendar date for the end of the insurance period; and
- Provide any documentation the adjuster needs and allow access to your fields.

### Your Adjuster's Actions

Your crop insurance adjuster will determine the loss using RMA Loss Adjustment procedures, and your crop insurance company will ensure timely payment after you and the company reach an agreement.

Your adjuster will:

- Set up an appointment to visit your farm location(s) to inspect the damaged acreage
- Determine the causes of loss and how many acres are damaged by each
- Determine the percentage of damage and will defer the loss adjustment if can't determine percent of loss; will revisit and reinspect after deferral period
- Take actual plant counts from representative parts of the field to determine the amount of damage
- Consider different factors based on the crop and the stage of growth
- Photograph the damage, often with a ruler or other measurable object in the picture for scale
- Your adjuster may request paperwork from you (production records and sales, etc.)
- Complete all needed paperwork
- Explain what he or she did and the findings and walk you through the adjustment worksheet
- You and the adjuster will sign documents in agreement of the loss adjustment findings

### Stage Guarantee at Loss Time

The fresh market sweet corn price is applied in stages, based crop growth, resulting in a percentage of your full price election applying at loss time based on your crop's maturity. Staging is intended to reflect the absence of harvesting cost and other maintenance expenses not incurred at earlier points in the growing season.

Stage	Percent of amount of insurance per acre	Length of time
1	65	Planting through beginning of tassel
Final	100	Tassel until acreage is harvested

### Indemnity Calculation Components

- Acres
- Per-acre dollar amount of insurance (final stage value)
- Stage percentage (if not final; otherwise, 100%)
- \$5.75 minimum value
- Your share in the crop
- Production to count (PTC)

### Indemnity Calculation (by stage, then sum for unit)

1. Total guarantee x price = value of guarantee
2. Final stage per-acre dollar amt of insurance x acres
3. Result of 1 x stage percentage
4. If more than one stage, total results for each stage
5. Result of 3 – total value of PTC
6. Result of 4 x your share = indemnity payment

### Indemnity Calculation Example

75% share in 80 acres

All acres at final stage (100%)

\$979 per-acre dollar amount of insurance

7,985 containers harvested and sold at \$6.45 (greater than min. value) = \$51,503 PTC

1.  $\$979 \times 80 = \$78,320$
2.  $\$78,320 \times 1.00 \text{ stage percent} = \$78,320$
3. Only one stage for the unit acres.
4.  $\$78,320 - \$51,503 = \$26,817 \text{ loss}$
5.  $\$26,817 \times 0.75 = \$20,113 \text{ indemnity payment}$

## 14. Get Covered: Find an Agent

A crop insurance agent is your local expert and best resource on how, when, and what kind of crop insurance coverage to add to your risk management toolkit.

Crop insurance is available through independent crop insurance agents licensed in your state. Most Federal crop insurance agents also offer private crop-hail and other named peril policies. If you need an agent, review the Risk Management Agency's Agent Locator (<https://bit.ly/2sohz1f>).

## 15. View the Recorded Webinar

A recording of this Pennsylvania Processing Bean and Fresh Market and Processing Sweet Corn and Tomatoes webinar will be viewable after the live presentation concludes. To view the recording, visit <https://cropinsuranceinamerica.org/pennsylvaniacrop-insurance-webinars/>