



United States Department of Agriculture
Risk Management Agency

July 2004

2005 COMMODITY INSURANCE FACT SHEET

Processing Beans

New Jersey

Crop Insured

The policy covers processing beans (**snaps and limas**) grown under the requirements of a processor contract executed by the acreage reporting date and that are not excluded from the contract at any time during the year.

Note: Lima beans following snap beans harvested in the same crop year will not be insurable.

Counties Available

Processing beans are insurable in Cape May, Cumberland, and Salem counties. Processing beans may be insurable in other counties if specific criteria are met. Contact a crop insurance agent for more details.

Causes of Loss

Adverse Weather Conditions ¹	Insects ³
Failure of Irrigation Water Supply ²	Plant Disease ³
Fire	Wildlife

¹Includes excessive moisture that prevents timely harvesting and abnormal temperatures that result in bypassed acreage because too much acreage was ready for harvest than could be feasibly harvested, or the processing of such production was beyond the capacity of the processor.

²If due to insurable causes.

³Does not cover damage resulting from an insufficient or improper application of pest or disease control measures.

Note: This policy does not cover insect or disease damage on any snap bean acreage that follows a crop of snap beans, lima beans, or green peas harvested within the same crop year.

Insurance Period

Coverage begins at planting except acreage planted before **April 20th** for Snap Beans or **May 10th** for Lima Beans will not be covered. Insurance will end at the earliest of: (1) the date the processing beans

were destroyed, abandoned, harvested, or should have been harvested but were not harvested; (2) the date you harvest sufficient production to fulfill your processor contract (if the contract stipulates a specific amount of production to be delivered); (3) final adjustment of a loss; or (4) October 15th.

Reporting Requirements

Acreage Report— By the acreage reporting date, you must report to your agent all acres of processing beans in which you have a share, and provide a copy of all your processor contracts.

Important Dates

Sales Closing	March 15, 2005
Initial Planting Date ¹	May 10, 2005
Initial Planting Date ²	April 20, 2005
Final Planting Date ¹	July 20, 2005
Final Planting Date ²	August 10, 2005
Acreage Report Date.....	August 15, 2005
End of Insurance	October 15, 2005

¹Lima Beans

²Snap Beans

Definitions

Base Contract Price—The price stipulated in the processor contract for the grade factor or sieve size that is designated in the Special Provisions, if applicable, without regard to discounts or incentives that may apply.

Bypassed Acreage—Land on which production is ready for harvest but the processor elects not to accept such production so it is not harvested.

Good Farming Practices—The cultural practices generally in use in the county for the crop to make normal progress toward maturity and produce at least

the yield used to determine the production guarantee and are those required by the bean processor contract with the processing company, and recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the county.

Production Guarantee— Number of tons guaranteed per acre determined by multiplying your average yield per acre (based on your records) times the coverage level you elect.

Duties in the Event of Damage or Loss

(1) Protect the crop from further damage by providing sufficient care; (2) Notify your agent within 72 hours of your initial discovery of damage; and (3) Leave representative samples intact for each field of the damaged unit.

Coverage Levels & Premium Subsidies

Amount of Insurance

Insurance is provided against a decline in your average APH yield due to the perils named in the Causes of Loss section. Price elections are posted on the RMA website as they are established and released by RMA:

<http://www3.rma.usda.gov/apps/pricesinquiry/>

Coverage levels range from 50 to 75 percent of your average yield (for example, an average snap bean yield of 2 tons/acre would result in a 1.5 tons/acre guarantee at the 75% coverage level) and are subsidized as shown in the following table.

For example, if you selected the 75 percent coverage level, your premium would be 45 percent of the base premium:

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) Coverage is fixed at 50% of average yield and 55% of the Price Election. CAT is 100% subsidized with no premium cost to you except for an administrative fee of \$100, regardless of the acreage.

Loss Example

These examples apply to Processing Beans in Cumberland County, Map Area 3.

2.5*	Average yield per acre (tons)	1.2**
<u>x .65</u>	Coverage level	<u>x .65</u>
1.6	Tons per acre guarantee	.8
- .5	Tons per acre produced	- .3
1.1	Tons per acre loss	.5
<u>x \$147</u>	Price election	<u>x \$348</u>
\$162	Gross indemnity per acre	\$174
- 9	Estimated premium (varies)	- 11
\$153	Net indemnity per acre	\$163

*Snap Beans (Dual Planting Period, Non-Irrigated)

**Lima Beans (Late, Non-Irrigated)

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