



United States Department of Agriculture  
Risk Management Agency

January 2011

## 2011 COMMODITY INSURANCE FACT SHEET

# Dry Beans

## Arizona

### Crop Insured

Edible dry beans (Pinto) can be insured under the dry bean crop provisions. Insured acres must be irrigated. Other types may be insured by written agreement.

### Counties Available

Dry beans are available for insurance in Graham and Cochise counties. Crop may be insurable in other counties by written agreement if specific criteria are met. Contact an agent for more details.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
Earthquake  
Failure of irrigation water supply<sup>2</sup>  
Fire<sup>3</sup>  
Insects<sup>4</sup>  
Plant disease<sup>4</sup>  
Volcanic eruption  
Wildlife<sup>5</sup>

<sup>1</sup>Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

<sup>2</sup>If caused by an insured peril during the insurance period.

<sup>3</sup>Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

<sup>4</sup>But not damage due to insufficient or improper application of control measures.

<sup>5</sup>Unless wildlife control measures have not been taken.

### Important Dates

Sales Closing ..... Feb 28  
Earliest Planting ..... June 1  
Final Planting ..... July 10  
Acreage Report Due ..... July 15

### Insurance Period

Insurance period attaches when the beans are planted and ends at the earliest of :

- Total destruction of the beans
- Final adjustment
- Harvest of the unit
- October 31st

### Coverage Levels and Premium Subsidies

The insurance guarantee is production measured in pounds of beans. Individual amounts of insurance are based on the grower's production history. Each grower's approved average yield is calculated from 4 to 10 years of production records by an insurance agent. Producers can select a level of coverage ranging from 50 to 75 percent of their approved average yield and 55 to 100 percent of the price announced by the USDA, or Catastrophic Risk Protection (CAT) coverage based on 50 percent of their approved yield and 55 percent of the price.

### Price Election

Price elections are used to calculate your premium and indemnity. Price elections are re-calculated each year. Contact your crop insurance agent for the current price election.

### Cost of Crop Insurance

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. For CAT coverage, growers pay an application fee of \$300 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates but USDA pays at least 50 percent of the premium. For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent or your local county Farm Service Agency office for an agent listing.

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## Loss Example

Based on actual production history (APH) yield of 600 pounds per acre, 75-percent coverage level, pinto beans with a price election of \$.30 per pound, and 100-percent share.

600	Pounds per acre average yield (APH)
<u>x .75</u>	Coverage level
450	Pounds per acre guarantee
<u>- 200</u>	Pounds per acre actually produced
250	Pounds per acre loss
<u>x \$.30</u>	Price election*
\$75.00	<b>Indemnity per acre</b>

**\*Price used above is for example only. Contact your crop insurance agent for current information.**

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## Where to Purchase Crop Insurance

All multi-peril crop insurance, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at: <http://www3.rma.usda.gov/tools/agents/>

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