

Organic Blue Corn Crop Insurance Proposal

Northern Crops Institute
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Presented by

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Coarse Grain Crop Provisions 5(b)

- (b) For corn only, in addition to the provisions of subsection 5(a), the corn crop insured will be all corn that is:
 - (1) Planted for harvest either as grain or as silage (see subsection 5(c)). A mixture of corn and sorghum (grain or forage-type) will be insured as corn silage if the sorghum does not constitute more than twenty percent (20%) of the plants;
 - (2) Yellow dent or white corn, including mixed yellow and white, waxy or high-lysine corn, and excluding:
 - (i) High-amylose, high-oil, high-protein, flint, flour, Indian, or blue corn, or a variety genetically adapted to provide forage for wildlife or any other open pollinated corn, unless a written agreement allows insurance of such excluded crops.

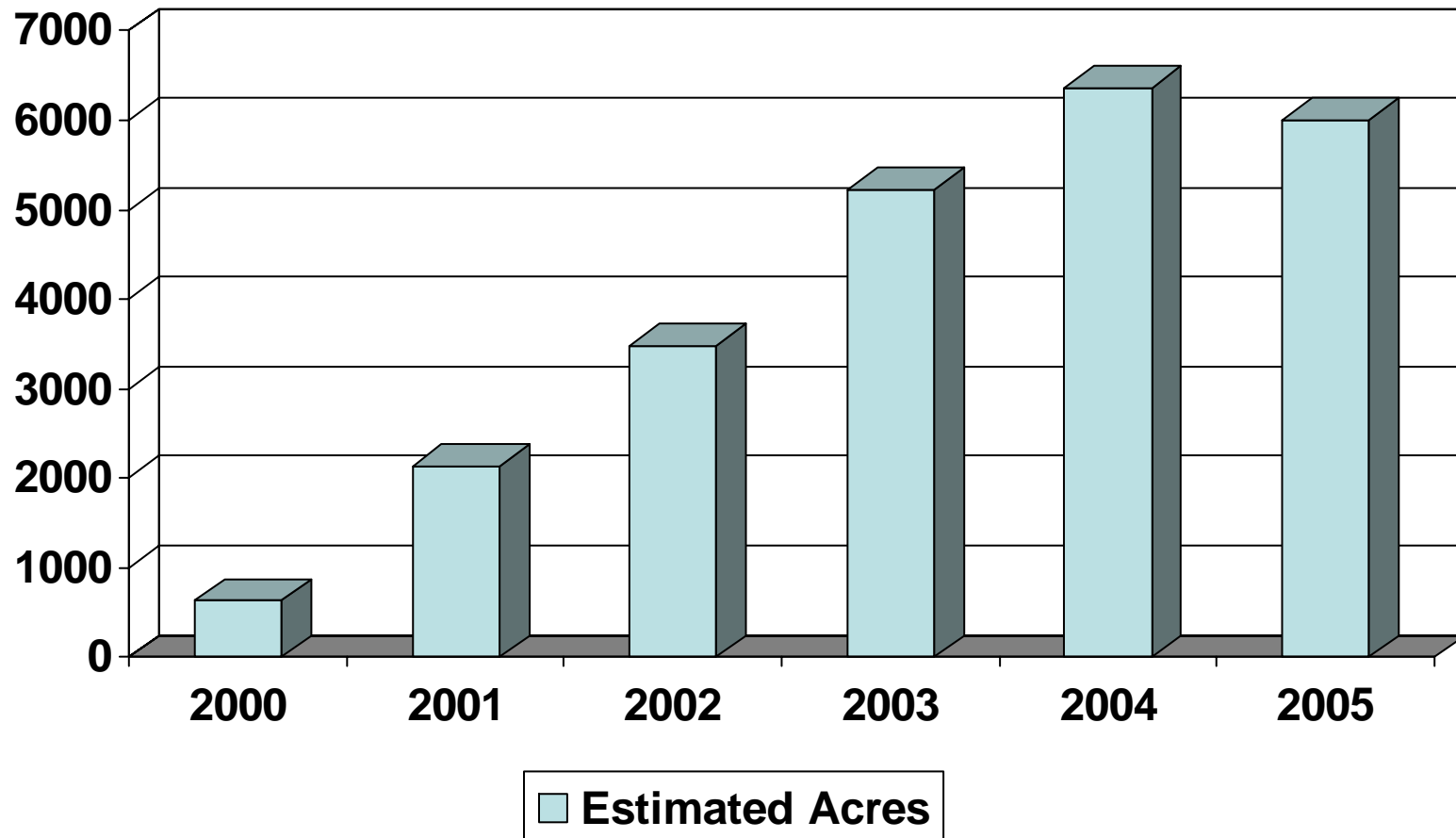
Current insurability lacking for crop.

- NAP program (FSA)
 - 50% coverage x 55% of price.
 - Price level inconsistent.
 - MN = \$6.00, ND= \$4.00
- Written Agreement (RMA)
 - Must have a minimum of 4 years of production history.
 - Must insure at conventional price level offered.
 - Premiums too high relative to dollar coverage if accepted.

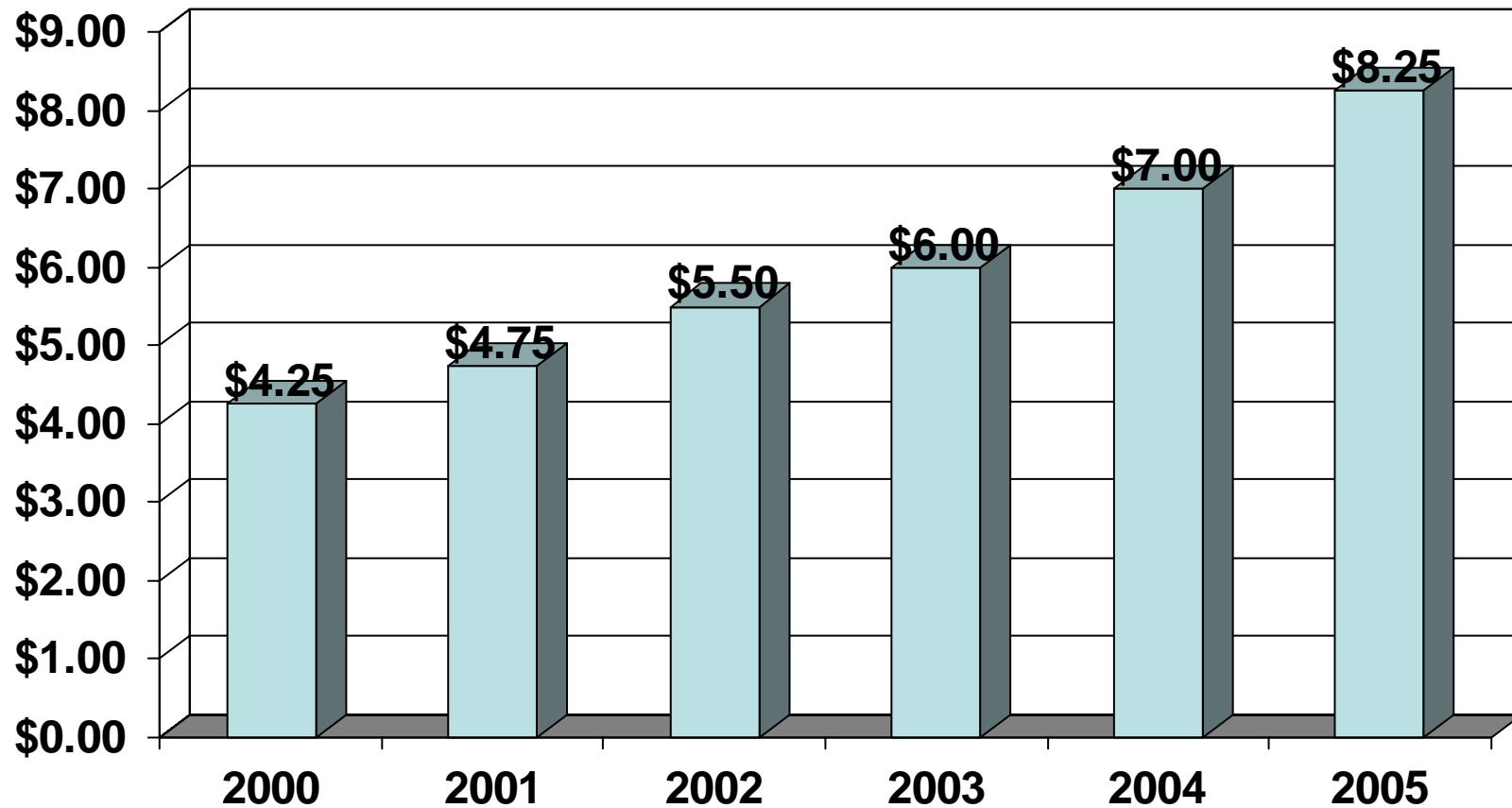
Organic Blue Corn Contract Endorsement

- Purchase endorsement on a traditional MPCl corn policy.
- Yellow corn and blue corn separate unit structure.
- Endorsement only applies to blue corn.
- Blue corn will have a separate APH and T-yield.
- Price determined by production contract price. (different each year).

Contracted Acres Delivered Plant

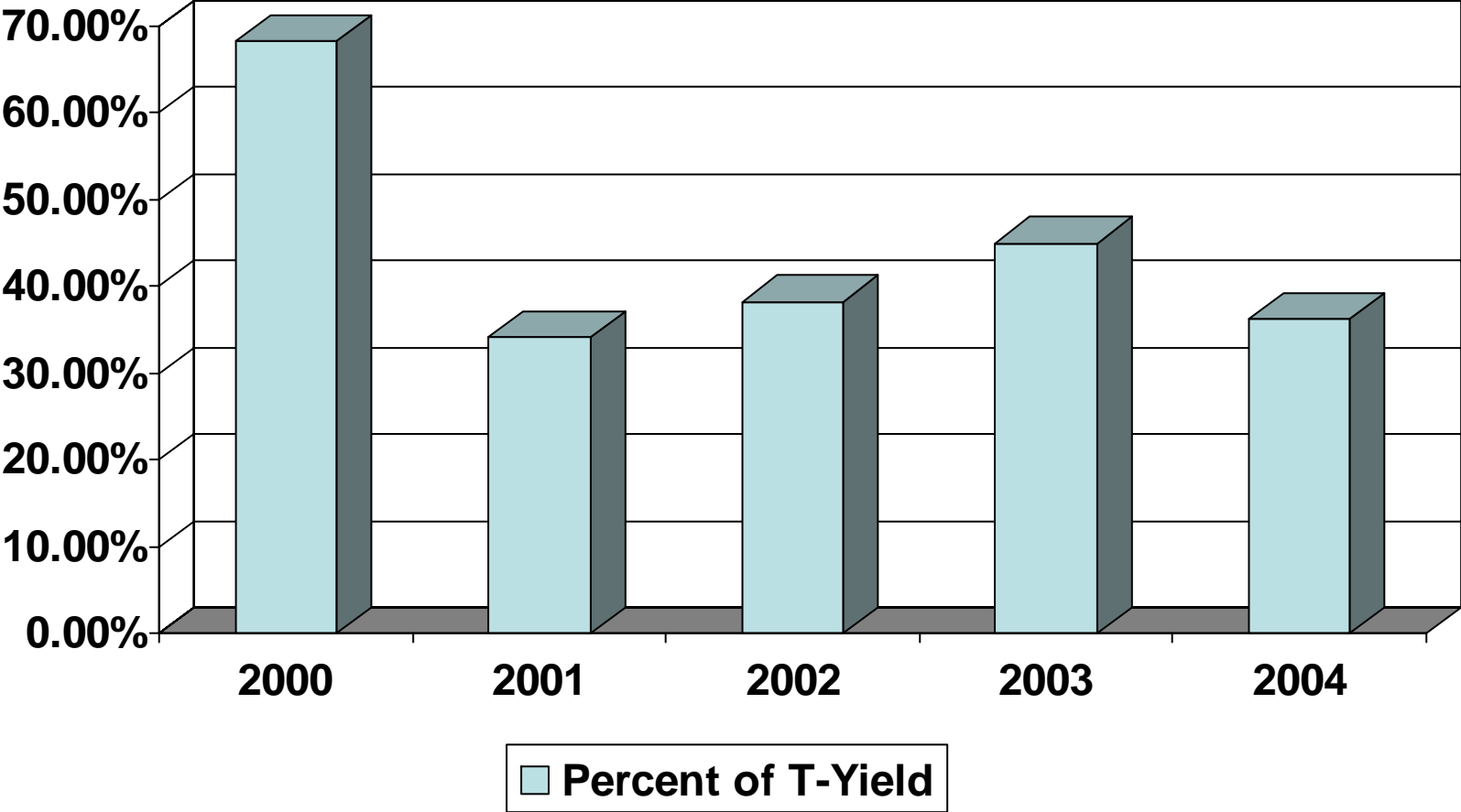


Contracted Base Price Delivered to Plant



Production Experience Limited

44.4% Average of T-Yield over 5 Years.



Review

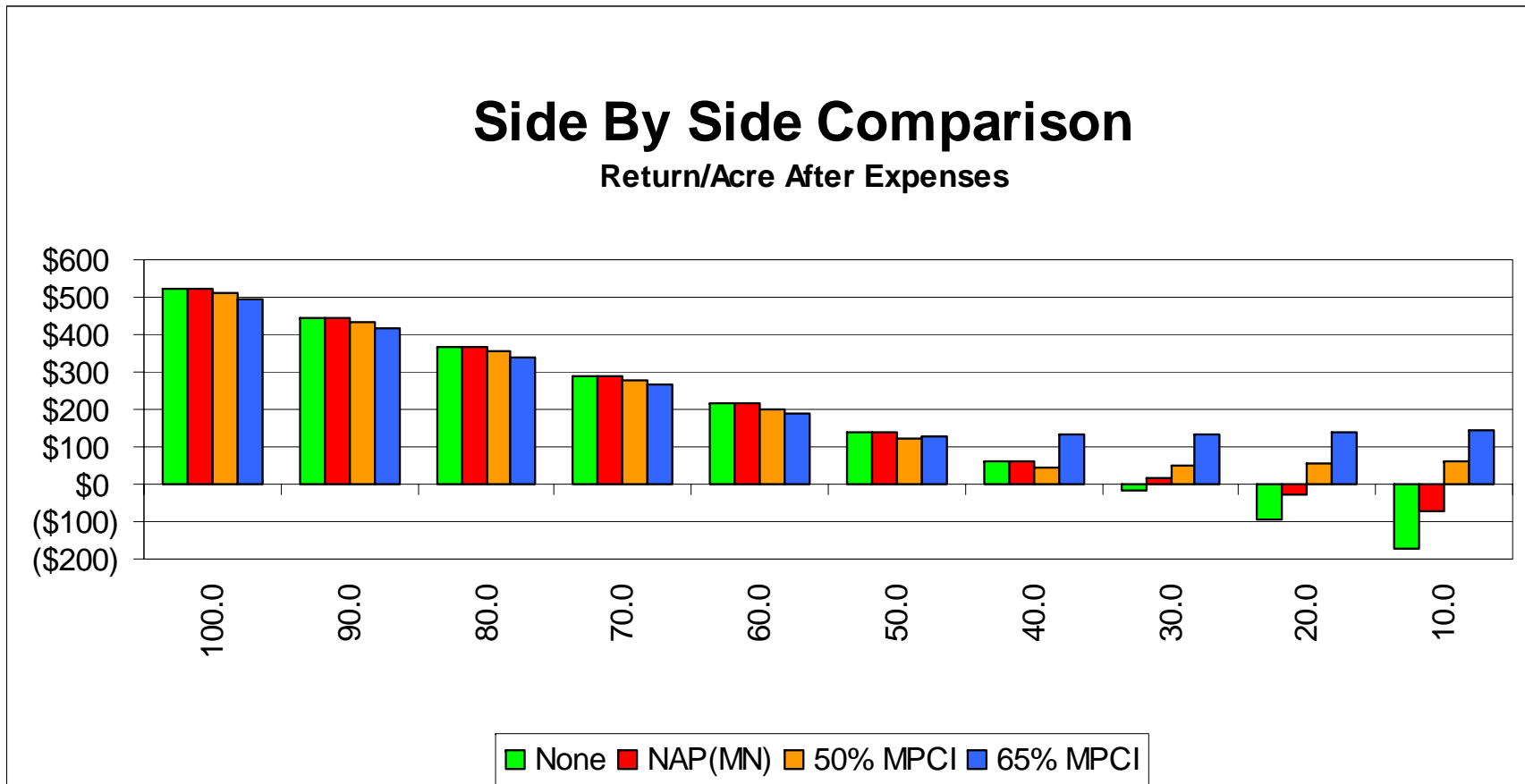
- Data suggests 45% of yellow corn T-yield as a place to start. Your APH would still be the dataset for insurance.
 - Clay County, MN = $92 \times 45\% = 41.4$
 - Polk County (West), MN = $81 \times 45\% = 36.45$
 - Richland County, ND = $99 \times 45\% = 44.55$
- Endorsement would be only available for a traditional MPCl policy (no CRC or RA).
- If you grow both yellow corn and blue corn and want to have the blue corn endorsement, your yellow would be insured separately, but on a traditional MPCl policy
- Endorsement would not be available in silage only counties.

2005 Estimated Premium Data Clay County, MN Using \$8.25 Base Contract Price

APH		50%	55%	60%	65%	70%	75%	80%	85%
80	premium liability	\$330	\$363	\$396	\$429	\$462	\$495	\$528	\$561
	producer premium	\$15.27	\$18.33	\$21.11	\$27.41	\$32.70	\$42.89	\$66.75	\$106.48
60	premium liability	\$248	\$272	\$297	\$322	\$347	\$371	\$396	\$421
	producer premium	\$16.42	\$21.37	\$24.61	\$31.96	\$38.12	\$50.00	\$77.81	\$124.12
40	premium liability	\$165	\$182	\$198	\$215	\$231	\$248	\$264	\$281
	producer premium	\$20.24	\$26.34	\$30.33	\$39.39	\$46.99	\$61.63	\$95.92	\$153.00
25	premium liability	\$103	\$113	\$124	\$134	\$144	\$155	\$165	\$175
	producer premium	\$2.49	\$3.24	\$3.73	\$4.85	\$5.78	\$7.58	\$11.80	\$18.82

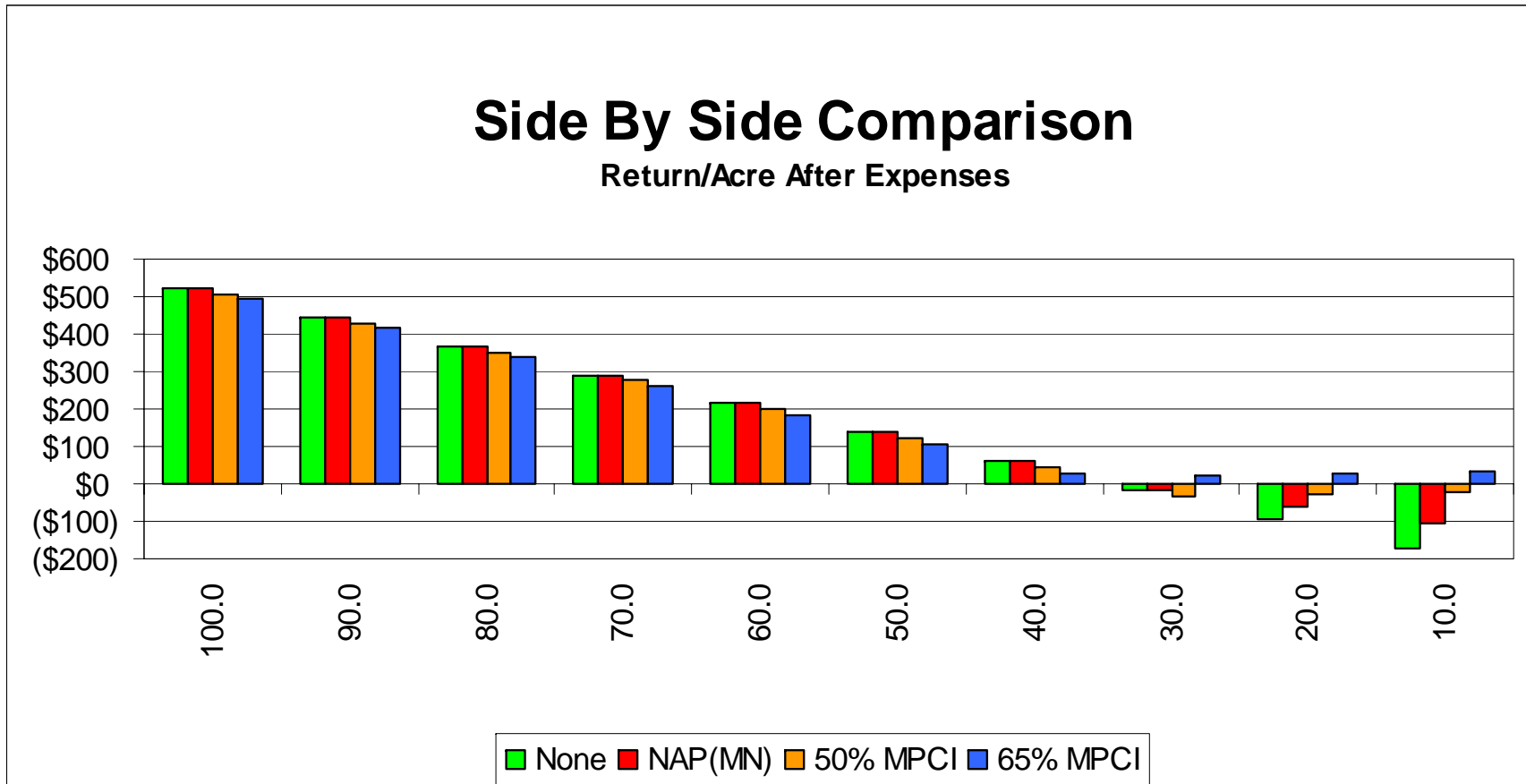
80 Bu APH Insurance Comparison

Inputs including drying, trucking and land @ \$250/A plus insurance cost.



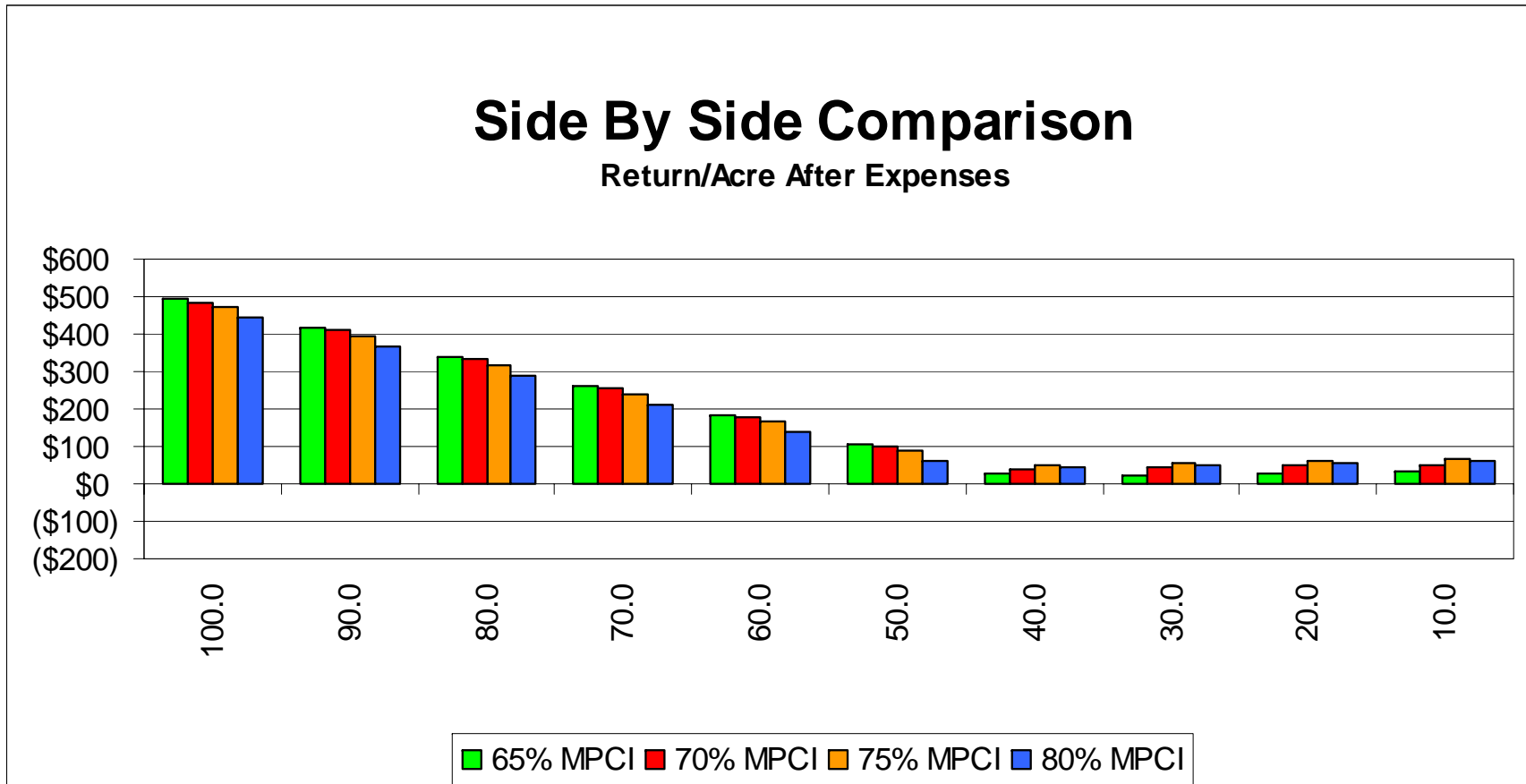
60 Bu APH Insurance Comparison

Inputs including drying, trucking and land @ \$250/A plus insurance cost.



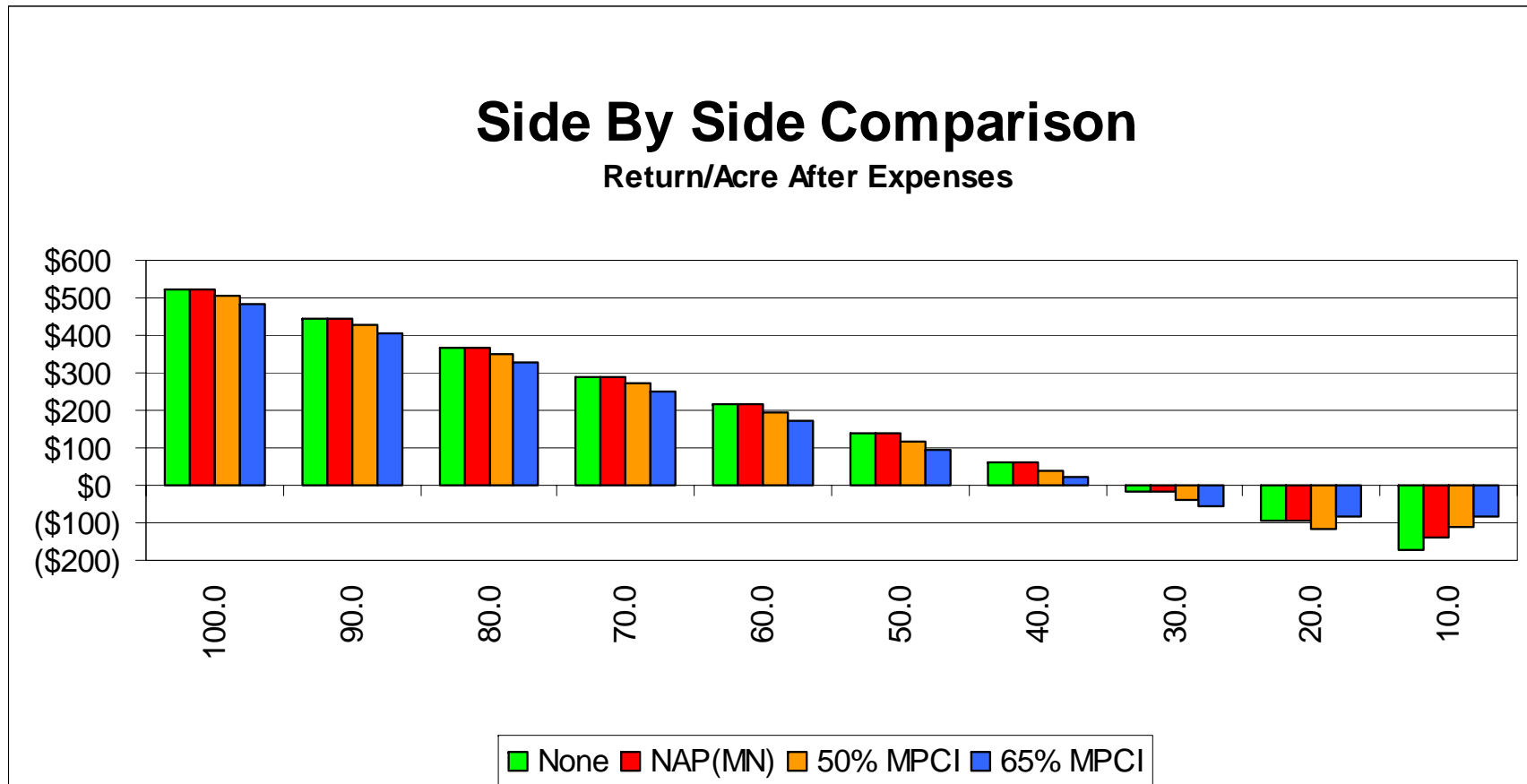
60 Bu APH Insurance Comparison

Inputs including drying, trucking and land @ \$250/A plus insurance cost.
(Higher coverage levels.)



40 Bu APH Insurance Comparison

Inputs including drying, trucking and land @ \$250/A plus insurance cost.



Questions?

Comments?

Discussion?

Thank you for your
participation and
discussion.