



# News To Use

Current Information to Help Your Agency

October 5, 2009

## Crop Insurance Coverage for Grain Quality Issues

### TODAY'S NEWS

Plant diseases, such as ear molds like diplodia, fusarium and others are affecting this year's crop in some areas. Pioneer customers are concerned about what coverage their crop insurance provides and what they can expect to recover in the event of crop loss.

### ACTION NEEDED

Remind customers to contact their crop insurance agent to submit a notice of loss if they are concerned that they may have a plant disease problem affecting grain quality.

### THE FACTS

Individual crop insurance policies (APH, CRC, RA) will cover some grain quality issues. Plant disease is an insurable cause of loss so diplodia, fusarium and other plant diseases are covered. The most common damage caused by these diseases is loss of test weight and therefore total grain yield. There could also be some kernel damage. Test weight discount factors for crop insurance for corn start at 48.99 lb. test weight. We know that low test weight will affect total yield so the insured farmer that has low test weight corn will need to turn in a loss notice to their crop insurance agent.

Crops having Quality Adjustment Factors in the Special Provisions of Insurance:

Not all crops covered by Federal Crop Insurance have Quality Adjustment Factors in their provisions. The following crops do have Quality Adjustment Factors:

Barley, Canola, Corn, Flax, Grain Sorghum, Oats, Rye, Safflowers, Soybeans, Sunflowers and Wheat.

### FREQUENTLY ASKED QUESTIONS

Q. What should an insured farmer do if they suspect they have crop damage caused by plant disease?

A: It is critical that the insured farmer contact their crop insurance agent to submit a notice of loss as soon as the damage is discovered.

Q. What quality factors are covered by crop insurance?

A: Quality adjustment factors listed in the special provisions of insurance include sample grade, test weight, kernel damage, musty odor, sour odor, Commercially Objectionable Foreign Odor (COFO), aflatoxin, vomitoxin, and fumonisin.

### *The Bottom Line...*

The individual crop insurance policies, APH (yield insurance) and Crop Revenue Coverage and Revenue Assurance will cover some grain quality issues. The group policies GRP and GRIP would only provide coverage if the damage was widespread enough to affect the county yield as determined by NASS. Plant disease is an insurable cause of loss for crop insurance purposes, so diplodia, fusarium and other plant diseases would be covered. The most common disease damage is loss of test weight/total grain yield and kernel damage.