



United States Department of Agriculture  
Risk Management Agency

March 2007

## 2007 COMMODITY INSURANCE FACT SHEET

# Forage Seeding

## California

### Crop Insured

Forage seeding will be all the alfalfa (60 percent or more of the ground cover is alfalfa) in the county in which you have a share; and that is planted during the current crop year, or replanted during the calendar year following planting, to establish a normal stand of forage. The policy **does not cover** any acreage that is:

- Grown with the intent to be grazed or grazed at any time during the insurance period; and
- That is inter-planted with another crop, except nurse crops, unless allowed by the special provisions or by written agreement.

### Counties Available

Forage seeding is available for insurance in the following counties: Sacramento, San Joaquin, Solano, Stanislaus, Sutter and Yolo counties. The 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>  
 Failure of irrigation water supply<sup>2</sup>  
 Fire<sup>3</sup>  
 Insects<sup>4</sup>  
 Plant disease<sup>4</sup>  
 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 ..... July 31  
 Final Planting Date ..... May 20  
 Acreage Report Due..... May 31

### Insurance Period

Coverage is for the first year after the crop is planted, before the first cutting, while the stand is being established. To insure their alfalfa during the next year, producers must apply with a crop insurance agent by July 31. Insurance ends the earliest of:

- Total destruction,
- The initial harvest of the unit,
- Final adjustment of a loss,
- The date grazing commences on the forage crop,
- Abandonment of the forage crop, or
- November 30

### Coverage Levels and Premium Subsidies

A producer with forage **seeding** insurance can recover out-of-pocket cultural costs if more than 25 percent of the alfalfa seeding is damaged before the stand is established. The insured selects a percent coverage (27.5 to 75 percent) of a reference dollar amount offered by USDA before the beginning of the insurance period begins.

### 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 \$100 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates; 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 FSA office for an agent listing.

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## Loss Example

A claim can be filed whenever production falls short of the guarantee selected by the insured. The amount of a loss is determined by multiplying the production shortfall by the pre-selected price.

Example: Assume you have 100-percent share on 30 acres of forage, with an amount of insurance of \$255 per acre. At the time of loss, the following is established; 10 acres had a remaining stand of 75% or greater. Your indemnity would calculate as follows:

30	Acreage
<u>X \$255</u>	Amount per acre
\$7,650	Amount of insurance
- \$2,550	Production to count (10 acres with stand of 75 percent or greater)
\$5,100	Loss
<u>x 1.0</u>	Share
<b>\$ 5,100</b>	<b>Gross Indemnity</b>

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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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