



United States Department of Agriculture  
Risk Management Agency

January 2007

## 2007 COMMODITY INSURANCE FACT SHEET

# Forage Production

## Nevada

### Crop Insured

The crop insured will be all the alfalfa or alfalfa grass mixture in the county for which a premium rate is provided by actuarial documents:

- In which you have a share; and
- That is grown during one or more years after the year of establishment

Alfalfa is defined as acreage initially seeded as a pure stand of perennial alfalfa (including alfalfa seeded with a cover crop or nurse crop). Acreage not meeting the adequate stand requirements of 4 to 8 plants per sq.ft. depending on the age of the stand will be insured as an alfalfa grass mixture. Alfalfa grass mixture is defined as acreage initially seeded as a mixture of perennial alfalfa and perennial grasses, meeting the adequate stand and age requirements for alfalfa grass mixture shown in the special provisions.

Overage stands of alfalfa are not insurable as the alfalfa type. The alfalfa—grass mixture type includes all overage alfalfa the ninth and succeeding years after year of establishment, as long as there are at least 1.2 living alfalfa plants per square foot. No maximum age limitation applies.

### 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 .....October 31  
Acreage Report Due.....November 15

### Counties Available

Forage production is available for insurance in the following counties: Carson City, Churchill, Clark, Douglas, Elko, Eureka, Esmeralda, Humboldt, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey, Washoe and White Pine counties. Crop may be insurable in other counties by written agreement if specific criteria are met. Contact an agent for more details.

### Insurance Period

Insurance attaches on acreage with an adequate stand on the later of the date we accept your application or

**Spring Seeded** April 15  
**Fall Seeded & Established Stand** October 16

Insurance ends the earliest of:

- total destruction,
- removal from the windrow or the field for each cutting,
- final adjustment of a loss,
- date grazing commences on the forage crop,
- abandonment of the forage crop or
- October 15

### Coverage Levels and Premium Subsidies

The forage production guarantee is an individual amount of annual production measured in tons of air-dried alfalfa or alfalfa grass depending on the type. An individual guarantee is based on the grower's past production. Prospective insureds are asked to provide their insurance agent 4 to 10 years of production and planting history that is used to determine their average yield per acre. Producers can choose coverage levels ranging from 50 to 75 percent of their individual approved average yield and 55 to 100 percent of a price announced by USDA. Catastrophic risk protection (CAT) coverage guarantees 50 percent of their approved average yield will be valued at 55 percent of the announced price.

**Price Election,** Price used to calculate your premium and indemnity: **\$109**

## 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.

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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.

Based on actual production history (APH) yield of 6 tons per acre, 65-percent coverage level on 100 acres of forage, selected price of \$109 per ton, irrigated, and one basic unit, 100-percent share.

6	Tons per acre average yield (APH)
<u>x .65</u>	Coverage level
3.9	Tons per acre guarantee
<u>- 1</u>	Tons per acre actually produced
2.9	Tons per acre loss
<u>x \$ 109</u>	Price election
<b>\$316.10</b>	<b>Gross indemnity per acre</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/>

## Regional Contact for RMA

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