



United States Department of Agriculture
Risk Management Agency

February 2009

2009 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: Alameda, Colusa, Placer, 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 conditions¹
 Failure of irrigation water supply²
 Fire³
 Insects⁴
 Plant disease⁴
 Wildlife⁵

¹Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

²If caused by an insured peril during the insurance period.

³Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

⁴But not damage due to insufficient or improper application of control measures.

⁵Unless wildlife control measures have not been taken.

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 catastrophic (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; 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.

Important Dates

Sales Closing July 31
 Final Planting Date May 20
 Acreage Report Due May 31

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 \$241 per acre. At the time of loss, the following is established; 10 acres had a remaining stand of 75 percent or greater. Your indemnity would calculate as follows:

30	Acreage
<u>X \$255</u>	Amount per acre
\$7,230	Amount of insurance
- \$2,550	Production to count (10 acres with stand of 75 percent or greater)
\$4,680	Loss
<u>x 1.0</u>	Share
\$ 4,680	Gross Indemnity

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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Visit our online publications/fact sheets page at: http://www.rma.usda.gov/aboutrma/fields/ca_rso/

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