

United States Department of Agriculture Risk Management Agency

February 2009

## 2009 COMMODITY INSURANCE FACT SHEET

# Safflower California

## **Crop Insured**

All types of safflower planted for harvest as safflower seed can be insured. Both irrigated and non-irrigated production practices are insurable. Safflower planted on land on which safflower, sunflowers, beans, mustard, lentils, or rapeseed were grown the preceding crop year is not insurable.

## **Counties Available**

Safflower is insurable in Colusa, Fresno, Kings, Sacramento, San Joaquin, Santa Clara, Solano, Sutter, Tulare and Yolo counties. Safflower in other counties may be insurable 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>4</sup> Insects<sup>3</sup> Plant disease<sup>3</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>But not damage due to insufficient or improper application of control measures.

<sup>4</sup>Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

<sup>5</sup>Unless wildlife control measures have not been taken.

## **Insurance Period**

Producers must contact a crop insurance agent to apply for coverage or change their coverage before December 31 to insure the safflower they intend to plant in the spring. Insurance coverage begins when the crop is planted and ends no later than October 31 immediately following planting.

## **Important Dates**

Sales Closing	December 31
Final Planting Date	March 1
Fresno, Kings, San	Joaquin & Tulare
Final Planting Date	April 30
Colusa, Sacramento, San Joaquin, Santa Clara, Solano	
& Yolo	
Acreage Report Due	July 15

## **Coverage Levels and Premium Subsidies**

The insurance guarantee is production measured in pounds of safflower. Individual amounts of insurance are based on a grower's production history. An insurance agent calculates each grower's approved average yield from 4 to 10 years of production records. Producers can select a level of coverage ranging from 50 to 75 percent of their approved average yield and 55 to 100 percent of a price announced by USDA, or catastrophic (CAT) coverage based on 50 percent of their approved yield and 55 percent of the price.

**Price Election:** Price used to calculate your premium and indemnity.

#### 2009 Price: \$0.256 per pound

## **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 \$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 or your local county FSA office for an agent listing.

## 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 800 pounds per acre, 75-percent coverage level, selected price of \$.256 per pound, 100-percent share.

800	Pounds per acre average yield (APH)
x .75	Coverage level percentage
600	Pounds per acre guarantee
- 200	Pounds per acre actually produced
400	Pounds per acre loss
<u>x \$.256</u>	Price election
\$102.40	Gross indemnity per acre

## 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: <u>http://www3.rma.usda.gov/tools/agents/</u>

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## **Regional Contact for RMA**

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