



United States Department of Agriculture  
Risk Management Agency

February 2009

## 2009 COMMODITY INSURANCE FACT SHEET

# Small Grains

## Utah

### Crop Insured

- **Wheat, Barley and Oats**
- Grown for the production of grain, not forage.
- Irrigated, non-irrigated and other production practices are insurable, as are fall and spring planted crops.
- Coverage for all types of small grains, irrigation practices, and planting periods may not be available in all counties.
- Additional coverage endorsements are available for winter wheat.
- Producers must insure all or none of their acreage of each type of small grain in the county but do not have to insure all types of small grain.
  - For example, a producer may insure all of his planted wheat and none of his barley.
- The insurance coverage on one type of small grain can differ from coverage on another small grain insured by the same producer.

### Counties Available

Small grains are insurable in multiple counties by type. Please see an insurance agent in your area. Wheat, barley and oats 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  
 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.

### Insurance Period

Insurance coverage begins when the crop is planted and ends no later than the following October 31.

### Important Dates\*\*

#### Barley:

Sales Closing ..... October 31

Acreage Report Due ..... June 30

#### Oats:

Sales Closing ..... March 15

Acreage Report ..... June 30

#### Wheat:

Sales Closing ..... October 31

Acreage Report Due ..... June 30\*

\* Winter Coverage Endorsement— Nov 15

\*\*See an agent for actual dates in your area.

### Coverage Levels and Premium Subsidies

The insurance guarantee is production measured in bushels of grain. Individual amounts of insurance are based on the 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 50 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:** The price below is used to calculate your premium or indemnity:

Barley: **\$5.00**

Oats: **\$2.55**

Wheat: **\$7.35**

**\$8.98 (CRC)**

**\*TBA Harvest Price (CRC)**

\* To Be Announced.

## 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 per county 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.

## Wheat Indemnity

Assume a basic unit with 65-percent coverage level, 100-percent price election, and an average yield of 90 bushels per acre, 100-percent share;

90	Bushels per acre average yield (APH)
<u>x.65</u>	Coverage level percentage
59	Bushels per acre guarantee
<u>-14</u>	Bushels per acre actually produced
45	Bushels per acre loss
<u>x\$7.35</u>	Price election
<b>\$331</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/>

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