



United States Department of Agriculture
Risk Management Agency

December 2010

2011 COMMODITY INSURANCE FACT SHEET

Alfalfa Seed Pilot

Nevada

Crop Insured

- Irrigated **alfalfa seed**
- Grown solely for harvest as certified forage seed under certification standards of a certifying agency **or** grown under a forage seed contract.

The policy **does not cover** a forage seed crop that:

- Is interplanted with another crop;
- Does not have an adequate stand at the beginning of the insurance period as shown below;

ESTABLISHED STAND (# Living & fully developed alfalfa plants/sq. ft.)	FALL PLANTED SEED TO SEED (# Living alfalfa plants/sq. ft.)	SPRING PLANTED SEED TO SEED (# Living alfalfa plants/sq. ft.)
.34	1.03	1.03

- Exceeds the earlier of the maximum age of stand stipulated by the originator of the certified seed or the 6th and succeeding crop year after the crop year of initial seeding; or
- Is utilized for any purpose during the crop year other than for seed production.

Counties Available (Pilot)

Humboldt
Pershing

Insured Causes of Loss

Adverse weather conditions
 Earthquake
 Failure of irrigation water supply¹
 Fire
 Insects²
 Plant disease²
 Volcanic eruption
 Wildlife

¹If caused by an insured cause of loss occurring during insurance period.

²But not due to insufficient or improper application of control measures.

Uninsured Causes of Loss

- (1) Crop not being timely harvested*;
- (2) Insufficient supply of pollinators*;
- (3) Failure of certification standard or seed contract acceptance caused by failure to follow proper isolation requirements or inadequate weed control*;
- (4) Failure of certification standard or seed contract acceptance due to failure to follow all other certification or contract requirements*.

*unless solely and directly caused by an insurable cause of loss.

Insurance Period

Insurance **begins** on acreage with an adequate stand on November 1, 2008, for fall planted seed to seed and established stands and May 15, 2009, for spring planted seed to seed.

Insurance **ends** the earliest of: (1) total destruction of the crop, (2) final adjustment of a loss on a unit, (3) abandonment of the crop, (4) harvest (removal of the seed from the windrow or field), (5) the date grazing commences on the crop, or (6) October 31, 2009.

Reporting Requirements

In addition to the acreage reported by the acreage reporting date, you must supply:

- A copy of your forage seed contract for your contracted acreage or,
- If not contracted, a copy of the accepted certification application for your certified seed acreage.

Important Dates

Sales Closing.....	October 31
Acres Reporting.....	April 15
for established stands and fall planted seed to seed	
Acres Reporting.....	June 30
for spring planted seed to seed	

Coverage Levels and Premium Subsidies

The guarantee is :

- Measured in pounds of seed.
- Based on the grower's past production.

Producers select:

- Coverage levels from 50 to 75 percent of 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— For seed grown under contract, the price election is the price per pound stated in the forage seed contract. For certified seed not under a seed contract, the price election is \$1.64 per pound for 2011.

Cost of Crop Insurance

CAT coverage:

- Pay an application fee of \$300
- 100 percent of the premiums subsidized.

Higher coverage levels

- Pay an application fee of \$30 and
- Premiums are subsidized at lower rates

Loss Example

Example assumes an average yield of 300 pounds per acre, 65-percent coverage on 100 acres of alfalfa seed, a contract price of \$1.64 , irrigated, one basic unit, and 100-percent share.

300	Pounds per acre average yield (APH)
<u>x .65</u>	Coverage level
195	Pounds per acre guarantee
<u>- 100</u>	Pounds per acre actually produced
95	Pounds per acre loss
<u>x \$ 1.64</u>	Contracted price
\$155.80	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:

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

Download Copies from the Web

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

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