



United States Department of Agriculture
Risk Management Agency

June 2012

2012 COMMODITY INSURANCE FACT SHEET

Forage Production

Arizona

Crop Insured

All the alfalfa in the county is insurable 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. We do not insure any alfalfa that does not have an adequate stand (specified in the special provisions) at the beginning of the insurance period, is grown with a non-forage crop, or is 4 or more years old after the establishment year.

Counties Available

Forage production is available in Cochise, La Paz, Maricopa, Mohave, Pinal, and Yuma counties. Alfalfa 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
Fire
Insects³
Plant disease³
Wildlife

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

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

³But not damage due to insufficient or improper application of control measures.

Important Dates

Sales Closing**September 30**
Acreage Report Due**January 31**

Insurance Period

Insurance attaches on acreage with an adequate stand on the later of the date we accept your application or:
Spring Seeded.....**May 22**
Fall Seeded and Established Stand.....**October 16**

Insurance ends the earliest of:

- 1) Total destruction;
- 2) Removal from the windrow or the field for each cutting;
- 3) Final adjustment of a loss;
- 4) The date grazing starts on the forage crop;
- 5) Abandonment of the forage crop; or
- 6) October 15.

Coverage Levels and Premium Subsidies

The forage production guarantee is an individual amount of annual production measured in tons of alfalfa hay. An individual guarantee is based on the your past production. You will be asked to provide to your insurance agent 4 to 10 years of production and planting history that is used to determine your average yield per acre. You can choose coverage levels from 50 to 75 percent of your individual approved average yield and 55 to 100 percent of a price selection announced by USDA. Catastrophic risk protection (CAT) coverage guarantees 50 percent of your approved average yield valued at 55 percent of the announced price.

Price Election

The price used to calculate your premium and indemnity.

Alfalfa.....**\$155 per ton**

Cost of Crop Insurance

CAT coverage has an application fee of \$300 with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates though USDA pays at least 50 percent of the premium. For more detailed information about coverage and premium amounts, please contact a crop insurance agent or your local county Farm Service Agency office for an agent listing.

Loss Example

Assume an actual production history (APH) yield of 6 tons per acre, 50-percent coverage level, price election of \$155 per ton, and 100-percent share.

6	Tons per acre average yield (APH)
<u>x .50</u>	Coverage level
3	Tons per acre guarantee
<u>- 1</u>	Tons per acre actually produced
2	Tons per acre loss
<u>x \$ 155</u>	Price election
\$ 310	Indemnity paid

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT 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/apps/agents/>

Regional Contact

USDA/Risk Management Agency

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