



United States Department of Agriculture  
Risk Management Agency

May 2012

## 2012 COMMODITY INSURANCE FACT SHEET

# Small Grains

## Arizona

### Crop Insured

#### Barley and Wheat

- Grown for grain production, not forage.
- Only irrigated production practices are insurable in the counties.
- Additional coverage endorsements are available for winter wheat.
- Coverage for all types of small grains may not be available in all counties.
- You must insure all or none of your acreage of each type of small grain in the county but you do not have to insure all types of small grain.
  - \* For example, you may insure all of your wheat and none of your planted barley.
- The insurance coverage on one type of small grain can differ from coverage on another small grain insured by the same producer.

### Programs Available

**Yield Protection:** The yield protection guarantee is determined by multiplying the production guarantee by the projected price.

**Revenue Protection:** The revenue protection guarantee is determined by multiplying the production guarantee by the greater of the projected price or the harvest price. (Not applicable to Oats)

**Revenue Protection with Harvest Price Exclusion:** The revenue protection guarantee is determined by multiplying the production guarantee by the projected price. (Not applicable to Oats)

### Counties Available

Barley is insurable in Cochise, Graham, Maricopa, Pinal and Yuma Counties. Wheat is insurable in Cochise, Graham, Greenlee, La Paz, Maricopa, Mohave, Navajo, Pima, Pinal, Yavapai and Yuma counties. Barley and wheat 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>3</sup>  
 Plant disease<sup>3</sup>  
 Wildlife

<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.

### Important Dates

#### Barley

Sales Closing ..... October 31  
 Final Planting Date<sup>1</sup> ..... January 31  
 Acreage Report Due ..... March 15

#### Wheat

Sales Closing ..... October 31  
 Final Planting Date<sup>1</sup> ..... January 31  
 Acreage Report Due ..... March 15

<sup>1</sup>See an agent for actual dates in your area.

### Insurance Period

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

### Coverage Levels and Premium Subsidies

Your production measured in bushels of grain. You can select a coverage level from 50 to 75 percent. Your approved average yield is based from 4 to 10 years of production records. Catastrophic Risk Protection (CAT) coverage is available under the yield protection plan but not the revenue plans. CAT coverage is based on 50 percent of your approved yield and 55 percent of the price.

### Cost of 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

### Wheat Claim

Assume a Yield Protection plan, 65-percent coverage level, \$7.54 projected price, 100-percent projected price, a yield of 80 bushels per acre, and 100-percent share.

	80	Bushels per acre average yield
x	.65	Coverage level percentage
	52	Bushels per acre guarantee
-	14	Bushels per acre actually produced
	38	Bushels per acre loss
x	\$7.54	Projected Price <sup>1</sup>
	<b>\$287</b>	<b>Gross indemnity per acre</b>

Assume a Revenue Protection plan, 65-percent coverage level, \$7.54 projected price, 100-percent projected price, a yield of 80 bushels per acre, and 100-percent share.

	80	Bushel per acre production guarantee
x	\$7.54	Projected price <sup>1</sup>
	\$603.00	Per acre value of production guarantee
	90	Bushels per acre actually produced
x	\$5.75	Harvest price <sup>1</sup>
	\$518.00	Per acre value of production-to-count
	\$603.00	Per acre value of production guarantee
-	\$518.00	Per acre value of production-to-count
	\$85.00	Indemnity per acre

<sup>1</sup>Price used above is for example only. Contact a crop insurance agent for current information.

## 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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