United States Department of Agriculture
Risk Management Agency

May 2012

2012 COMMODITY INSURANCE FACT SHEET

Rice

California

Crop Insured

All types of rice, except wild rice, grown for the production of grain using flood irrigation or one of the recognized planting practices are insurable. You must insure all your rice acreage in the county at the same coverage level. The crop must be replanted if damaged before the final planting date; reduced payments for replanting and prevented planting are available. Organic practice is now insurable.

Yield and Revenue Protection Insurance

One policy provides a choice of three plans.

Yield Protection: Insurance coverage providing protection only against a production loss.
Revenue Protection: Insurance coverage providing protection against loss of revenue due to a production loss, price decline/increase, or a combination of both.
Revenue Protection with Harvest Price Exclusion: Insurance coverage providing protection only against loss of revenue due to a production loss, price decline, or a combination of both.

Counties Available

Rice is insurable in Butte, Colusa, Fresno, Glenn, Merced, Placer, Sacramento, San Joaquin, Stanislaus, Sutter, Tehama, Yolo, and Yuba counties. Rice 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 (except droughts)[1]
Earthquake
Failure of irrigation water supply[2]
Fire
Insects[3]
Plant disease[3]
Wildlife

[1]Natural perils such as hail, frost, freeze, wind, drought, and excess precipitation.
[2]If caused by an insured peril during the insurance period.
[3]But not damage due to insufficient or improper application of control measures.

Important Dates

Sales Closing	February 28
Final Planting	June 1
Acreage Reporting	July 15

Insurance Period

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

Coverage Levels and Premium Subsidies

The unit of measure for production is pounds of rough, whole-kernel, milled weight. Individual insurance amounts are based on your production history. An insurance agent calculates your approved average yield from 4 to 10 years of production records. You can select a coverage level from 50 to 85 percent of your approved average yield. Catastrophic Risk Protection (CAT) coverage is based on 50 percent of your approved yield and 55 percent of the price.

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

Yield protection loss occurs when rice production for the unit falls below the production guarantee from damage loss.

Revenue production loss occurs when the value of production-to-count is less than the revenue protection guarantee due to a production loss and/or a revenue loss.

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

Assume 75-percent coverage level, an average yield of 8,000 pounds per acre, a projected price of $0.16 per pound, a harvest price of $0.18 per pound, 4,000 pounds per acre of production-to-count, and 100-percent share. Yield and revenue protection plans are compared in this example.

Yield Protection		Revenue Protection
8,000	Pounds/acre yield	8,000
x .75	Coverage level	x .75
6,000	Pounds/Acre Guarantee	6,000
x $.16	Projected price	x $.16
$960	Insurance guarantee	$960
4,000	Pounds Produced	4,000
x $.16	Harvest price	x $.18
$640	Production to count value**	$720
$960	Insurance guarantee*	$1080
- $640	Production to count value**	- $720
$320	Indemnity/acre	$360

*For Revenue Protection, the insurance guarantee is equal to the production guarantee multiplied by the greater of the projected price or the harvest price. In this example, Revenue Protection harvest guarantee increased to $1,080 (6,000 pounds per acre guarantee x $0.18 harvest price, rounded).

** For Revenue Protection, the production-to-count value is equal to the production-to-count multiplied by the harvest price.

Prices used above are for example only. Contact an 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

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