



United States Department of Agriculture
Risk Management Agency

May 2012

2012 COMMODITY INSURANCE FACT SHEET

Forage Production

Nevada

Crop Insured

Alfalfa is insurable if it is grown for 1 or more years after the stand is established

Alfalfa is defined as:

- A pure stand of perennial alfalfa (including alfalfa seeded with a cover crop or nurse crop);
- At least 4 living alfalfa plants per square foot, depending on age;
- Age up to and including 8 years.

Alfalfa grass mixture is defined as:

- Mixture of perennial alfalfa and perennial grasses;
- At least 1.2 living alfalfa plants per square foot;
- No maximum age limitations;
- Includes all alfalfa stands that are 9 and older.

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 October 31
 Acreage Report Due November 15

Counties Available

Forage production is insurable in Carson City, Churchill, Clark, Douglas, Elko, Eureka, Esmeralda, Humboldt, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey, Washoe, and White Pine counties. Forage production may be insurable in other counties by written agreement if specific criteria are met. Contact an agent for more details.

Insurance Period

Insurance attaches on acreage with an adequate stand on the later of the date we accept your application or
 Spring Seeded.....April 15
 Fall Seeded & 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) Date grazing commences 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 air dried alfalfa or alfalfa grass depending on the type. An individual guarantee is based on your past production. You will be asked to provide your insurance agent 4 to 10 years of production and planting history. This history 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 at 55 percent of the announced price.

Price Election

The price used to calculate your premium and indemnity.

Forage Production.....**\$149 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 average yield of 6 tons per acre, 65-percent coverage on 100 acres, 100-percent price election of \$149, and 100-percent share.

6	Tons per acre average yield
<u>x .65</u>	Coverage level
3.9	Tons per acre guarantee
<u>- 1.0</u>	Tons per acre actually produced
2.9	Tons per acre loss
<u>x \$ 149</u>	Price election
\$ 432	Gross indemnity per acre

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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