



United States Department of Agriculture
Risk Management Agency

October 2008

2009 COMMODITY INSURANCE FACT SHEET

Small Grains — APH

Alabama, Florida, Georgia, South Carolina

Crop Insured

Barley—(Georgia and South Carolina) The crop insured will be barley planted for harvest as grain. A grain mixture in which barley is the predominate grain may be insured if allowed by the actuarial documents.

Oats—The crop insured will be oats planted for harvest as grain. A grain mixture in which oats are the predominate grain may insured if allowed by the actuarial documents.

Rye—(South Carolina)—The crop insured will be rye planted for harvest as grain.

Wheat—The crop insured will be wheat planted for harvest as grain.

Counties Available

More than one insurance plan is offered in some locations. See your crop insurance agent for a listing of eligible counties and plans offered.

Causes of Loss

- Adverse weather conditions
- Earthquake
- Failure of irrigation water supply¹
- Fire
- Insects²
- Plant disease³
- Volcanic eruption
- Wildlife

¹If caused by an insured peril during the insurance period. ²But not damage due to insufficient or improper application of pest control measures. ³But not damage due to insufficient or improper application of disease control measures.

Insurance Period

Insurance attaches at the time of planting and ends the earliest of: (1) Total destruction of the crop; (2) combining, threshing, harvesting for silage or hay; (3) final adjustment of a loss; or (4) July 31.

Reporting Requirements

Acreage Report— You must timely report all acres of the crop in which you have a share.

Notice of Loss— (1) Protect the crop from further damage by providing sufficient care; (2) notify your agent within 72 hours of your initial discovery of damage; (3) leave representative samples intact of unharvested crop at least 10 feet wide and extending the entire length of each field of the damaged unit; and (4) the samples must not be harvested or destroyed until the earlier of the company’s inspection or 15 days after harvest of the balance of the unit is completed.

Important Dates

Sales Closing	September 30
Final Planting	(Dates differ by crop and county. Contact your crop insurance agent.)
Acreage Reporting	December 15
Premium Billing	July 1
Cancellation	September 30

Definitions

Cancellation Date—The calendar date on which coverage for the crop will automatically renew unless canceled in writing by either you or us, or terminated in accordance with the policy terms.

Production Guarantee—Bushels guaranteed per acre determined by multiplying your average yield (based on your records) times the coverage level percentage you elect.

Price Election—The price per bushel set by FCIC each year to be used for premium and indemnity calculations.

Prevented Planting

Prevented planting coverage is 60 percent of your production guarantee for timely planted acreage. If you pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield. For example, an average yield of 50 bushels/acre would result in a guarantee of 32.5 bushels/acre at the 65-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 65-percent coverage level, your premium share would be 41 percent of the base premium.

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you. There is, however, an administrative fee of \$300 per crop per county, regardless of the acreage.

Loss Example

This example is based on wheat with an average yield of 50 bushels per acre, 75-percent coverage level, 100-percent price election of \$6.50, 20 bushels of production to count, 100-percent share, and a one-acre basic unit.

50	Bushels per acre average yield
<u>x .75</u>	Coverage level percentage
37.5	Bushels per acre guarantee
<u>- 20.0</u>	Bushels per acre production
17.5	Bushels per acre loss
<u>x \$6.50</u>	Price election
\$113.75	Indemnity/acre

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