



United States Department of Agriculture
Risk Management Agency

February 2009

2009 COMMODITY INSURANCE FACT SHEET

Wheat

Illinois Indiana Michigan Ohio

Crop Insured

The crop insured will be wheat planted for harvest as grain. Wheat is covered in the small grains crop provisions. This fact sheet does not cover wheat revenue products that are currently available.

Counties Available

See your crop insurance agent for a listing of eligible counties. In counties where premium rates are not provided by an actuarial table, the crop may be insurable by written agreement if specific criteria are met.

Causes of Loss

- Adverse weather conditions
- Earthquake
- Failure of irrigation water supply, if applicable, due to an unavoidable cause of loss occurring within the insurance period
- Fire
- Insects*
- Plant disease*
- Volcanic eruption
- Wildlife

All specified causes of loss must be due to a naturally occurring event.
*But not damage due to insufficient or improper application of pest or disease control measures.

Insurance Period

Coverage begins at the time of planting and ends the earliest of: (1) total destruction of the crop; (2) harvest of the unit; (3) final adjustment of a loss; (4) abandonment of the crop; or (5) October 31.

Reporting Requirements

Acreage Report—You must report to your insurance provider all acreage of the insured crop in the county in which you have a share, the practice, and your share at the time of planting.

Important Dates

Sales Closing	September 30
Final Planting	Varies by County
Acreage Report.....	November 15
Cancellation	September 30

Definitions

Production Guarantees - Number of bushels guaranteed per acre determined by multiplying your approved yield per acre times the coverage level percentage you elect. Yields are based on actual production history (APH) records reported to your insurance provider.

Coverage Levels and Premium Subsidies

The wheat policy guarantees a certain amount of production, depending on the level of coverage selected. Crop insurance premiums are subsidized as shown below. For example, if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

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

The total cost for CAT coverage will be an administrative fee of \$300 per crop per county, regardless of the acreage. All other coverage levels require a \$30.00 administrative fee.

Price Elections

Price at which you are compensated per bushel in the event of a loss, based on the percentage of established price you have selected. Price election percentage choices for this crop year are 55 percent to 100 percent of the price shown below.

*Established Price:

APH - \$6.50 per bushel

*Additional price set for 2009 crop year is \$7.35 per bushel.

CRC - \$8.58 per bushel

RA - \$8.58 per bushel

Insurance Units

Basic Unit: A basic unit includes all of your insurable wheat acreage in the county by share arrangement. Premiums are reduced 10 percent for a basic unit.

Optional Unit: If a basic unit consists of two or more sections of land, and certain record keeping requirements are met, you may apply for optional units by section. The 10-percent premium discount will not apply.

Enterprise Unit: Generally, all the insured crop acreage in a county. Premium discounts apply.

Whole Farm Unit: Generally, all the insured crops in the county that are covered by the insurance plan. Premium discounts apply.

Plans of Insurance

Actual Production History (APH) — Production guarantee based on **individual** yield history. Optional and basic units are available.

Crop Revenue Coverage (CRC) — APH plus price protection with optional, basic, and enterprise units.

Revenue Assurance (RA) — APH plus price protection with optional, basic, enterprise, and whole farm units.

Replant Provisions

No replanting payment will be made for acreage initially planted to winter wheat in counties with only a fall final planting date.

Late and Prevented Planting

These provisions provide protection on eligible acreage that is planted late or that cannot be planted by the final planting date or within the 5 day late-planting period. Please consult your crop insurance provider for further details.

Loss Example

A loss occurs when crop production falls below the guaranteed bushel amount as a result of damage from a covered cause of loss. This example assumes 75-percent coverage level and a 100-percent price election of \$6.50 (APH) and an average yield of 60 bushels per acre with .667 share.

APH yield x coverage level x unit acres - production x price election x share

60	Bushels APH yield
x .75	Coverage Level
45	Bushels per acre guarantee
x 10	Acres
450	Bushels unit guarantee
- 200	Bushels production
250	Bushels loss
x \$6.50	Price election
\$1,625	Unit indemnity
x .667	Share
\$1,084	Final indemnity

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