



United States Department of Agriculture  
Risk Management Agency

March 2011

## 2011 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

### 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.

### Coverage Options

**Yield Protection:** Insurance coverage only providing protection against a production loss.

**Revenue Protection:** Insurance coverage providing protection against loss of revenue due to a production loss, price decline or 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.

**GRP, GRIP and GRIP—Harvest Revenue Option:** Group Risk Plan and Group Risk Income Protection plans of insurance may also be available in your county. Ask your insurance agent for more details.

### Production Guarantees

**Yield Protection guarantee:** determined by multiplying the production guarantee by the projected price. The harvest price is not used.

**Revenue Protection guarantee:** determined by multiplying the production guarantee (per acre) by the greater of the projected price or the harvest price.

**Revenue Protection with Harvest Price Exclusion guarantee:** determined by multiplying production guarantee (per acre) by the projected price.

### Important Dates

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

### 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.

### 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	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Share	33	36	36	41	41	45	52	62

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.

## Causes of Loss

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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

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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.

## Projected and Harvest Price

Beginning in 2011, the **projected price** for yield and revenue protection in all four states will be based on the Chicago Board of Trade (CBOT) September Futures Contract average daily settlement price from Aug. 15—Sep. 14. Producers who have revenue protection also have a **harvest price** that protects producers when prices are above the projected price at harvest. In a down market the harvest price is used for both the revenue protection and the revenue protection with harvest price exclusion. The **harvest price** is based on the CBOT average daily settlement price from Jul. 1—Jul. 31 for September Futures Contracts. Producers may track the settlement process during the discovery period on the RMA website. The website also has information on how prices are determined in the **Commodity Exchange Price Provisions (CEPP)**. The RMA website is <http://www.rma.usda.gov>.

## Falling Numbers

Falling numbers discounts were added as a quality discount for soft white wheat for 2011. Quality damage caused by sprout damage can be adjusted either by sprout count or falling numbers.

## 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.

## Replant Provisions

No replanting payment will be made for acreage initially planted to winter wheat.

## 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.

## Where to Purchase

All multi-peril crop insurance (MPCI) policies are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site: <http://www3.rma.usda.gov/tools/agents/>

## Regional Contact for RMA USDA/Risk Management Agency Springfield Regional Office

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