



United States Department of Agriculture
Risk Management Agency

© 2013

2013 COMMODITY INSURANCE FACT SHEET

Forage Seeding

Michigan

What crop is insurable?

You can insure:

- spring planted pure* alfalfa
- alfalfa grass mix*
- pure* birdsfoot trefoil
- birdsfoot trefoil grass mix*

* A pure stand must contain 60% or more of alfalfa or birdsfoot trefoil. A mixed stand contains more than 25%, but less than 60% of either alfalfa or birdsfoot trefoil.

You must:

- have planted the crop for the current crop year,
- have a share, and
- achieve a normal stand.

Fall planted acreage may be insurable through a written agreement.

Insurance is not available for any acreage:

- planted with the intention of grazing, or
- inter-planted with another crop.

When am I protected by insurance?

Coverage begins the later of:

- the date we accept your application, or
- the date you plant the crop.

Coverage ends the earliest of:

- total destruction of the crop,
- the initial harvest of the unit,
- final adjustment of a loss,
- abandonment of the crop,
- the date grazing begins, or
- May 21 following the calendar year of seeding.

Causes of Loss

- Adverse weather conditions
- Failure of irrigation water supply
- Fire
- Insect damage or plant disease*
- Wildlife

*Unless you have insufficiently or improperly applied pest or disease control measures.

What dates should I be aware of?

| | |
|----------------------|----------|
| Sales Closing | March 15 |
| Final Planting..... | May 25 |
| Acreage Report | July 15 |
| Cancellation | March 15 |

Definitions

Normal Stand: A population of live plants per square foot that meets the minimum required number of plants as shown in the Special Provisions.

What am I required to report?

You must report all of your forage acreage and any losses, when evident, to your insurance agent.

How much of my premium is subsidized?

Crop insurance premiums are subsidized as shown in the following table. 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 |

What are my coverage options?

Dollar Plan of Insurance: Offers the producer the opportunity to select one of several dollar amounts of insurance per acre. The available coverage elections and the rates are indicated on the Actuarial Information Browser.

Catastrophic Coverage (CAT): Pays 50 percent of your average yield and 55 percent of the projected price. You pay a \$300 administrative fee per crop per county, regardless of acreage.

How can I insure my acreage?

Basic Unit: Includes all of your insurable forage 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 you meet record keeping requirements, you may apply for optional units by section. The 10-percent premium discount will not apply.

What if I am unable to plant or need to replant?

Replant payments, late planting, and prevented planting are **not available**.

Loss Example

A loss occurs when the crop value falls below the guaranteed dollar amount. This example assumes one basic unit at 65-percent level of coverage and 100 planted acres with 30 acres fully established and 70 acres at 50 percent stand*.

*The amount of indemnity on any spring planted acreage will be reduced 50 percent if the stand is less than 75 percent but more than 55 percent of a normal stand. A stand less than 55 percent will be indemnified at 100 percent.

Liability:

| | |
|----------|------------------------------|
| 100 | Acres |
| x \$190 | Amount of insurance per acre |
| \$19,000 | |

Total Established Stand:

| | |
|---------|--------------------|
| 30 | Acres |
| x \$190 | Insurance per acre |
| \$5,700 | |

Amount of Loss:

| | |
|-----------------|----------------|
| \$19,000 | Liability |
| <u>-\$5,700</u> | Value-to-count |
| \$13,300 | |

Net Indemnity to Producer:

| | |
|----------------|-------------------|
| \$13,300 | |
| <u>- \$500</u> | Estimated premium |
| \$12,800 | |

Where can I get a policy?

You can buy a crop insurance policy from approved participating insurance agents. You can get a list of agents at any USDA service center or on the RMA web site: <http://www3.rma.usda.gov/apps/agents/>.

Regional Contact

USDA/Risk Management Agency

Springfield Regional Office

3500 Wabash Avenue

Springfield, IL 62711-8287

Telephone: (217) 241-6600

Fax: (217) 241-6618

E-mail: rsoil@rma.usda.gov

Download Copies from the Web

Visit our online fact sheets page at: http://www.rma.usda.gov/aboutrma/fields/il_rso/

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, complete, sign and mail a program discrimination complaint form, (available at any USDA office location or online at www.ascr.usda.gov), to: United States Department of Agriculture; Office of the Assistant Secretary for Civil Rights; 1400 Independence Ave., SW; Washington, DC 20250-9410. Or call toll free at (866) 632-9992 (voice) to obtain additional information, the appropriate office or to request documents. Individuals who are deaf, hard of hearing, or have speech disabilities may contact USDA through the Federal Relay service at (800) 877-8339 or (800) 845-6136.