United States Department of Agriculture
Risk Management Agency

February 2013

2013 COMMODITY INSURANCE FACT SHEET

Spring Barley

Michigan

What crop is insurable?

You can insure barley:

- grown in the county on insurable acreage,
- for which premium rates are provided,
- in which you have a share, and
- planted for harvest as grain.

Spring-planted barley is the only type insurable in Michigan.

When am I protected by insurance?

Coverage begins on the later of:

- the date your application is accepted, or
- the date you plant the barley.

Coverage ends at the earliest of:

- total destruction of the crop,
- harvest of the crop,
- final adjustment of a loss,
- abandonment of the crop, or
- October 31

What am I protected against?

You are protected against the following:

- Adverse weather
- Failure of irrigation water supply
- Fire
- Insect damage and/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 .... Varies by county
Acreage Report .... July 15
Cancellation .... March 15

What am I required to report?

You must report all of your barley acreage, production 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?

Yield Protection: Only protects against a production loss. Your guarantee is determined by multiplying your production guarantee (per acre) by the projected price. The harvest price is not used.

Revenue Protection: Protects against loss of revenue due to a production loss, change in price, or a combination of both. Your guarantee is determined by multiplying your production guarantee (per acre) by the greater of the projected price or the harvest price.

Revenue Protection with Harvest Price Exclusion: Protects against loss of revenue due to a production loss, price decline, or a combination of both. Your guarantee is determined by multiplying your production guarantee (per acre) by the projected price.

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.

What are projected and harvest prices?

Projected Price: Based on the Chicago Board of Trade average daily settlement price of the September Futures Contract from February 1 to February 28.

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

Harvest Price: Based on the Chicago Board of Trade average daily settlement price from August 1 to August 31 for September Futures Contracts. A harvest price protects you when prices are above the projected price. *If you choose revenue protection with harvest price exclusion, you will not use the harvest price to calculate your guarantee.*

How can I insure my acreage?

Basic Unit: Includes all of your insurable barley 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.

Enterprise Unit: Combines all of your insurable barley acreage in the county. Premium discounts apply.

Whole Farm Unit: All of the insured crops in the county that are covered by your insurance plan. Premium discounts apply.

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

Replant Provisions:

You may receive a replant payment if:

- it is practical to replant on a unit, and
- the appraisal does not exceed 90 percent of your guarantee, and
- you replant at least 20 acres or 20 percent of the unit.

Your replanting payment will be the lesser of:

- 20 percent of the bushel guarantee, or
- 5 bushels multiplied by your price election, multiplied by your share.

Replant payments are **not available** on CAT coverage.

Late Planting Period: If you choose to plant after the final planting date, the insurance guarantee is reduced by one percent for each day after the final planting date. After 25 days, the guarantee is 60 percent.

Prevented Planting: You may receive a prevented planting payment if you are unable to plant on or before the final planting date because of an insurable cause.

Loss Example

This example assumes 75-percent coverage level on a Revenue Protection with Harvest Price Exclusion plan and an average yield of 45 bushels per acre with 100 percent share. The projected price is $5.37 and the harvest price is $7.26.

45	Average yield
x .75	Coverage level
34	Bushels per acre guarantee
x 100	Acres
3,400	Bushels unit guarantee
x $5.37	Projected price
$18,258	Revenue protection guarantee
2,000	Actual bushels harvested
x $7.26	Harvest price
$14,520	Value of bushels harvested
$18,258	Revenue protection guarantee
- $14,520	Value of bushels harvested
$3,738	Unit indemnity
x 1.000	Share
$3,738	**Final Indemnity**

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/