United States Department of Agriculture
Risk Management Agency

March 2009

2009 COMMODITY INSURANCE FACT SHEET

Forage Production GRP

Nebraska

Crop Insured

The crop insured will be non-irrigated alfalfa and alfalfa/grass mixtures, grown on insurable acreage in the county or counties listed in the accepted application, properly planted and reported by the acreage reporting date and intended for harvest. Forage grown with another crop is excluded from insurance coverage.

Type — Includes alfalfa grass mixtures.

Counties Available

GRP forage production insurance is available in Boyd, Buffalo, Cedar, Cuming, Custer, Dawes, Dawson, Holt, and Knox counties.

Coverage in other counties may also be available by individual written agreement if certain criteria are met, including records for at least three years of production history.

Causes of Loss

Adverse weather conditions[1]
Failure of irrigation water supply[2]
Fire[3]
Insects[4]
Plant disease[4]
Wildlife

[1]Such as hail, freeze, excess wind, excess rain, drought, and tornado.
[2]If due to an insured cause of loss within the insurance period.
[3]If due to natural causes.
[4]Only if effective control measures do not exist for such infestation.

Reporting Requirements

Acreage Report—You must report all your forage acreage in the county in which you have a share by the acreage reporting date.

Important Dates

Sales Closing Date	November 30, 2008
Cancellation Date	November 30, 2008
Acreage Report Date	May 15, 2009
Premium Billing	July 1, 2009

Definitions

Expected County Yield — The yield contained in the actuarial documents, on which your coverage for the crop year is based. This yield is determined using historical National Agricultural Statistics Service (NASS) county average yields, as adjusted by the Federal Crop Insurance Corporation (FCIC).

Harvest — Removal of the forage from the field, and rotational grazing.

NASS yield — The yield calculated by dividing the NASS estimate of the production of hay in the county by the NASS estimate of the acres of hay in the county, as specified in the actuarial documents. The actuarial documents will specify whether harvested or planted acreage is used to calculate the yield used to establish the expected county yield and calculate indemnities.

Planted acreage — Land seeded to forage, by a planting method appropriate for forage, into a properly prepared seedbed.

Rotational grazing — The defoliation of the insured forage by livestock, within a pasturing system whereby the forage field is subdivided into smaller parcels and livestock are moved from one area to another, allowing a period of grazing followed by a period for forage regrowth.

Trigger Yield — The result of multiplying the expected county yield by the coverage level percentage chosen by you. When the payment yield falls below the trigger yield, an indemnity is due.

Coverage Levels and Premium Subsidies

Forage production may be insured at the coverage levels shown in the table below. Crop insurance premiums are subsidized as shown.

COVERAGE LEVEL	CAT	70	75	80	85	90
GRP PREMIUM SUBSIDY FACTOR	1.00	.59	.59	.55	.55	.51

Catastrophic coverage (CAT) is available at 65 percent of the expected county yield and 45 percent of the maximum protection per acre. The total cost for CAT coverage will be an administrative fee of $300 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, are $30 per crop per county.

Plans of Insurance

Group Risk Plan (GRP) — Insures against widespread loss of production based on county average yields. No individual protection available.

Replant Provisions

No replant payment is available.

Late and Prevented Planting

No late or prevented planting is available.

Loss Example

A loss occurs when the tons of forage production for the unit fall below your trigger yield. This example assumes a 3.5 ton per acre expected county yield, 80 percent coverage level, and $340 protection per acre.

3.5 tons per acre county expected yield
x .80 percent coverage level selected
2.8 tons per acre trigger yield
- 1.8 tons per acre payment yield for the year
1.0 tons per acre deficiency
1.0 divided by 2.8 = 0.357 payment factor

0.357 payment factor
x $340 protection
$121.00 gross indemnity/acre

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