



United States Department of Agriculture
Risk Management Agency

February
2013

2013 COMMODITY INSURANCE FACT SHEET

Wheat

Colorado

Crop Insured

Wheat is insurable if:

- It is irrigated and non-irrigated wheat grown in the county on insurable acreage;
- Premium rates and program dates are provided;
- You have a share, and
- It is planted for harvest as grain under the Common Crop Insurance Policy.

Counties Available

Winter wheat is insurable in 35 counties statewide. Spring wheat is insurable in 13 counties in the western half of the state.

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 conditions¹
Failure of irrigation water supply²
Fire³
Insects⁴
Plant disease⁴
Wildlife

¹Including hail, frost, freeze, drought, and excess precipitation.

²If due to an insured cause of loss within the insurance period.

³If due to natural causes.

⁴But not damage due to insufficient or improper applications of pest or disease control measures.

Insurance Period

Insurance coverage begins on the later of:

- 1) Date we accept your application; or
- 2) Date when the wheat is planted.

Insurance coverage ends at 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 give a report to your crop insurance agent of all your wheat acreage in the county by the acreage reporting date.

Important Dates

Winter Wheat

Sales Closing/Cancellation Date September 30
Final Planting Date¹ October 15
Acreage Report Date November 15
Premium Billing Date¹ July 1
End of Insurance October 31

¹Counties excluded are Dolores, La Plata, Mesa, Moffat, Montezuma, Rio Blanco, Routt, and San Miguel which have a Final Planting Date of October 31 and a Premium billing Date of August 15.

Spring Wheat

Sales Closing/Cancellation Date March 15
Final Planting Date¹ May 15
Acreage Report Date May 31
Premium Billing Date August 15
End of Insurance October 31

¹Counties excluded are Moffat, Rio Blanco, and Routt which have a Final Planting Date of May 31.

Coverage Levels and Premium Subsidies

Wheat may be insured at the coverage levels shown. Crop insurance premiums are subsidized as shown.

Coverage Level		0.50	0.55	0.60	0.65	0.70	0.75	0.80	0.85
Subsidy Factors	Enterprise Unit	0.800	0.800	0.800	0.800	0.800	0.770	0.680	0.530
	Basic Unit	0.670	0.640	0.640	0.590	0.590	0.550	0.480	0.380
	Optional unit	0.670	0.640	0.640	0.590	0.590	0.550	0.480	0.380
	Whole Farm Unit ¹	0.800	0.800	0.800	0.800	0.800	0.800	0.710	0.560

¹ Not available for Yield Protection Plan

For example, if you select the 0.75-coverage level and Enterprise Units, your coverage will be 75 percent of your approved APH yield, the premium subsidy is 77 percent, and your premium share is 33 percent of the base premium.

Special Provisions of Insurance

Insurance restrictions apply to acreage that has been planted utilizing broadcast seeding methods.

Insurance is available for wheat produced utilizing organic farming practices.

Catastrophic Coverage

Catastrophic coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the established price election. 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, for coverage levels above CAT are \$30 per crop per county. Available for Yield Protection Plan only.

Price Elections

Prices are calculated in accordance with the Commodity Exchange Price Provisions. Colorado Winter wheat prices are based on the September futures market price for wheat. The projected price discovery period is August 15 through September 14. The harvest price discovery period is July 1 through July 31. Colorado Spring wheat prices are based on the September futures market price for wheat. The projected price discovery period is February 1 through February 28. The harvest price discovery period is August 1 through August 31. These prices will be released no later than three business days following the end of the price discovery period. Depending on the insurance plan, these prices will be used for compensation per bushel in case of loss. Contact your agent or for more information see: <http://www.rma.usda.gov/tools/pricediscovery.html>

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 insurable acreage of all the insured crops in the county that are covered by the insurance plan. Premium discounts apply.

Plans of Insurance

Common Crop Insurance Policy Basic Provisions (11br).

Yield Protection Plan: An insurance plan that only provides protection against a production loss and is available only for crops for which revenue protection is available.

Revenue Protection Plan: An insurance plan that provides protection against loss of revenue due to a production loss, price decline or increase, or a combination of both.

Harvest Price Exclusion: Revenue protection with the use of the harvest price excluded when determining your revenue protection guarantee. This election is continuous unless canceled by the cancellation date.

Winter Wheat Coverage Endorsement (not available under CAT)

Under the endorsement, the Winter Coverage Option attaches to the Small Grains Wheat Crop Provisions and provides coverage for fall seeded wheat between the time coverage begins and the spring final planting date. **This is available only in counties where both a fall final planting date and spring final planting date are provided.**

Replant Provisions (not available under CAT)

A replanting payment is allowed only if the crop is damaged by a covered cause of loss to the extent that the remaining stand will not produce at least 90 percent of your bushel guarantee and it is practical to replant. The maximum replanting payment will be the lesser of 20 percent of the bushel guarantee or 4 bushels, times your price election. No replanting payment is available in counties where only winter wheat is insurable.

Late and Prevented Planting

These provisions provide protection on acreage planted after the final planting date or that cannot be planted. Prevented planting is not available for winter wheat in a county where spring wheat is also insurable. Please consult a crop insurance agent for details.

Definitions

APH Yield — Actual Production History (APH) yield used to determine the production guarantee. The APH yield is based on up to 10 years of actual, assigned yields, adjusted and/or unadjusted transitional yields.

Production Guarantee — Number of bushels guaranteed per unit. Multiply your APH yield per acre times the coverage level percentage you select times the number of acres in the unit.

Loss Example

Under yield protection a loss occurs when the bushels of wheat produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. Under revenue protection a loss occurs when the value of production to count is less than the revenue protection guarantee due to a production loss and/or a loss of revenue.

Assume a 40 bushel per acre APH yield, 75-percent coverage level, 100 percent of the price, a Winter Projected Price of \$8.79, a Winter Harvest Price of \$8.70, and basic unit coverage.

Yield Protection

40	APH yield bushels/acre
<u>x .75</u>	Coverage level
30	Bushel guarantee
x <u>\$8.79</u>	Projected price
\$263.70	Insurance guarantee
10	Bushels per acre produced
x <u>\$8.79</u>	Projected Price
\$87.90	Value of production
\$263.70	Insurance guarantee
- <u>\$87.90</u>	Value of production
\$176.00	Gross indemnity*

Revenue Protection

40	APH yield bushels/acre
<u>x .75</u>	Coverage level
30	Bushel guarantee
x <u>\$8.79</u>	Price used to determine value*
\$263.70	Insurance guarantee
10	Bushels per acre produced
x <u>\$8.70</u>	Harvested Price
\$87.00	Value of production
\$263.70	Insurance guarantee
- <u>\$87.00</u>	Value of production
\$177.00	Gross indemnity**

* Higher of Projected Price or Harvest Price

**Figures shown per acre; guarantees and losses are paid by unit. See policy provisions or ask your crop insurance agent for more information.

Regional Contact

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Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at:

<http://www3.rma.usda.gov/apps/agents/>