



United States Department of Agriculture
Risk Management Agency

February
2013

2013 COMMODITY INSURANCE FACT SHEET

Oats

Kansas

Crop Insured

Oats (including hull-less oats) are insurable if:

- They are grown in the county on insurable acreage;
- Premium rates are provided;
- You have a share, and
- It is planted for harvest as grain under the Small Grains Crop Provisions and the Common Crop Insurance Policy.

Counties Available

Oats are insurable in 92 counties of Kansas. Coverage in other counties may also be available by written agreement if certain criteria are met, including records for at least 3 years of actual production history (APH). Contact a crop insurance agent for more information.

Causes of Loss

Adverse weather conditions¹
Earthquake
Failure of irrigation water supply²
Fire³
Insects⁴
Plant disease⁴
Volcanic eruption
Wildlife

¹Such as hail, freeze, excess wind, excess rain, drought, and tornado.

²If caused by an insured cause of loss within the insurance period.

³If due to natural causes.

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

Insurance Period

Insurance coverage begins on the later of:

- 1) the date we accept your application or
- 2) the date when the oats are planted

Insurance coverage will end 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.

Important Dates

Sales Closing.....	March 15
Final Planting Date.....	March 31
Acreage Report Date.....	July 15
Premium Billing Date.....	August 15
End of Insurance.....	October 31

Reporting Requirements

Acreage Report—You must give a report of all your oat acreage in the county by the acreage reporting date.

Definitions

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

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

High Risk Land (HRL) — Land designated on a map in the actuarial documents with a high risk rate classification, requiring a higher premium rate due to higher risk.

High Risk Land Exclusion Option — An option to exclude from additional coverage all high-risk land by crop and county. Catastrophic Coverage must be obtained. This option must be signed by the sales closing date.

Written Agreement— Document designed to provide coverage for insurable crops when coverage or rates are unavailable and to modify insurance offers when specifically permitted.

Coverage Levels and Premium Subsidies

Oats may be insured at the coverage levels shown in the table. Crop insurance premiums are subsidized as shown. For example, if you select the 75-percent coverage level, your coverage will be 75 percent of your approved APH yield, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

Subsidy Factor		Percent						
Coverage Level	CAT	0.50	0.55	0.60	0.65	0.70	0.75	
Basic Unit	1.00	0.67	0.64	0.64	0.59	0.59	0.55	
Optional Unit		0.67	0.64	0.64	0.59	0.59	0.55	

Catastrophic Coverage

Catastrophic coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the 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.

Price Elections (APH plan)

Price of compensation per bushel in case of loss:
Established price: \$3.55 per bushel

Insurance Units

Basic Unit: A basic unit includes all of your insurable oat acreage in the county by share arrangement. Premiums are reduced ten 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.

Plans of Insurance

Actual Production History (APH) — Production guarantee based on **individual** yield history. Optional and basic units are available.

Replant Provisions (not available under catastrophic coverage)

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 5 bushels, times your price election.

Late and Prevented Planting

These provisions provide protection on acreage that is planted after the final planting date or that cannot be planted. Not available for all plans of insurance. Please consult a crop insurance agent for details.

Loss Example

APH Example: A loss occurs when the bushels of oats produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. This example assumes a 32 bushels per acre APH yield, 75-percent coverage level, 100 percent of the established price, and basic unit coverage.

$$\begin{array}{rcl}
 & 32 & \text{bushels per acre APH yield} \\
 \times & .75 & \text{coverage level} \\
 \hline
 & 24.0 & \text{bushel guarantee*} \\
 - & 14.0 & \text{bushels per acre actually produced} \\
 \hline
 & 10.0 & \text{bushels per acre loss} \\
 \times & \$3.55 & \text{price election} \\
 \hline
 & \$36.00 & \text{gross indemnity*}
 \end{array}$$

* Figures shown on a per acre basis; guarantees and losses paid are on a per acre unit basis. See policy provisions.

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/>

Regional Contact

USDA/Risk Management Agency

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