

St. Paul Regional Office — St. Paul, MN

Revised August 2016

Grass Seed Pilot

Minnesota

Crop Insured

You can insure grass seed if:

- It is produced under a grass seed production contract;
- You have a share;
- An adequate stand is present; and
- It is grown on insurable acreage.

Acreage of Kentucky bluegrass may be insured for as long as the crop meets the requirements for insurability contained in the crop provisions. Perennial ryegrass acreage may only be insured for one year. The stand must be replaced each year.

Counties Available

See counties available in the actuarial documents at <https://webapp.rma.usda.gov/apps/actuarialinformationbrowser2017/CropCriteria.aspx>.

Causes of Loss

You are protected against the following:

- Adverse weather conditions such as hail, frost, freeze, wind, drought, and excess moisture;
- Failure of irrigation water supply, if caused by an insured cause of loss during the insurance period;
- Fire, if due to natural causes;
- Plant disease and insects, but not damage due to insufficient or improper application of pest or disease control measures; or
- Wildlife.

Insurance Period

Kentucky bluegrass coverage begins:

- May 22 of the second calendar year after planting; and
- October 16 following the end of the insurance period for all subsequent years the special provisions allow coverage.

Perennial ryegrass coverage begins:

- May 22 of the calendar year after planting and may only be insured for 1 year.

Insurance 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 15, 2017.

Important Dates

Sales Closing	September 30, 2016
Cancellation	September 30, 2016
Contract Change	June 30, 2017
Acreage Reporting	July 15, 2017
Premium Billing	August 15, 2017
End of Insurance Period	October 15, 2017
Production Reporting	July 15, 2017

Reporting Requirements

Acreage Report - You must report of all your cultivated grass seed acreage in the county by the acreage reporting date.

Definitions

Adequate Stand - A population of live plants per acre of the insured type whose leaf area covers an average of at least 75 percent of the acreage planted to that type.

Coverage Levels and Premium Subsidies

Crop insurance premiums are subsidized as shown in the following table. For example if you choose the 75-percent coverage level for a basic unit, the premium subsidy is 55 percent, and your premium share is 45 percent of the base premium.

Coverage Level (percent)		50	55	60	65	70	75
Subsidy Factor	Enterprise Unit	80	80	80	80	80	77
	Basic Unit	67	64	64	59	59	55
	Optional Unit	67	64	64	59	59	55

Price Election

A price election is the price you are paid per pound if you have a loss.

Kentucky bluegrass.....\$0.92 per finished pound
Perennial ryegrass..... \$0.60 per finished pound

Your price election may be the Grass Seed Production Contract price, up to the limit of 120 percent of the amount contained in the special provisions, or in an addendum, if the Grass Seed Production Contract price is determined before the acreage reporting date.

Unit Division

Basic Unit (BU) - A basic unit includes all of your insurable grass seed acreage in the county by share arrangement. Premium discounts apply.

Optional Unit (OU) - If a basic unit consists of two or more sections of land, and certain recordkeeping requirements are met, you may apply for optional units by section.

Enterprise Unit (EU) - Generally, all the insured crop acreage in a county. Premium discounts apply.

Insurance Plans

Actual Production History (APH) - Your production guarantee is based on your yield history. You have a loss when your production falls below your production guarantee.

Catastrophic Coverage (CAT) - Pays 50 percent of your APH yield and 55 percent of the projected price.

Endorsements and Options

Supplemental Coverage Option (SCO) - provides additional coverage for a portion of your underlying crop insurance policy deductible.

Late and Prevented Planting

Late and prevented planting are not available with this policy.

Loss Example

The examples assumes Kentucky bluegrass with an APH yield of 300 pounds, 75-percent coverage level, a fixed contract price of \$0.94 per pound, and basic unit coverage.

300 Pounds per acre APH yield
x 0.75 Coverage level
225 Pound guarantee
- 175 Clean seed produced
50 Pounds per acre loss

x \$0.94 Price Election
\$47.00 Indemnity

Quality Adjustment Example

Grass seed may fail to meet the quality standards of the production contract due to insurable causes. This example assumes 100 percent of established price of \$0.92 per pound and damaged production price of \$0.75 per pound.

100 Pounds damaged production
x 0.82 Quality adjustment factor (.75/.92)
82 Pounds adjusted damaged production

225 Pounds guarantee (previous example)
- 82 Pounds adjusted damaged production
143 Pounds per acre loss
x \$0.92 Price election
\$131.56 Indemnity

Figures shown on a per acre basis. Guarantees and losses paid are on a unit basis. Your premium will be deducted from any indemnity payment. 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 at all USDA service centers and on the RMA website at <http://www.rma.usda.gov/tools/agent.html>.

Contact Us

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