



United States Department of Agriculture  
Risk Management Agency

January 2006

## 2006 COMMODITY INSURANCE FACT SHEET

# Canola and Rapeseed

Montana and North Dakota

### Crop Insured

The **canola** and **rapeseed** crop insured will be all canola and rapeseed in the county for which a premium rate is provided by the actuarial document in which the insured has a share; that is planted for harvest as seed; and that is not, unless allowed by the special provisions or written agreement: interplanted with another crop or planted into an established grass or legume.

### Counties Available

**Montana:** Blaine, Cascade, Chouteau, Daniels, Fergus, Glacier, Hill, Judith Basin, Liberty, Phillips, Pondera, Richland, Roosevelt, Sheridan, Teton, Toole, Valley, and Wibaux.

**North Dakota:** All counties.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
Failure of irrigation water supply<sup>2</sup>  
Fire  
Insects<sup>3</sup>  
Plant disease<sup>3</sup>  
Wildlife

<sup>1</sup>Includes excessive moisture that prevents timely harvesting and abnormal temperatures that result in bypassed acreage because too much acreage was ready for harvest than could be feasibly harvested, or the processing of such production was beyond the capacity of the processor.

<sup>2</sup>If caused by an insured cause of loss.

<sup>3</sup>But not due to insufficient or improper application of control measures.

### Insurance Period

Insurance attaches on the later of the date we accept your application or the date the insured crop is planted and ends the earliest of: 1) total destruction of the crop, 2) October 31, 3) Harvest, 4) abandonment of the crop, 5) final adjustment of a loss.

### Reporting Requirements

**Acreage Report**—You must report all acreage of your canola and rapeseed both insured and uninsured.

### Important Dates

Sales Closing ..... March 15  
Final Planting Date ..... See County Actuarial  
Acreage Reporting Date ..... June 30  
Cancellation and Termination Date ..... March 15

### Duties in the Event of Damage or Loss

- (1) Protect the crop from further damage by providing sufficient care;
- (2) Notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period)

### Coverage Levels and Premium Subsidies

You may select only one price election for all the canola and rapeseed in the county unless the special provisions provide different price elections by type, in which case you may select one price election for each canola and rapeseed type. The price elections you choose must have the same percentage relationship to the maximum price offered. For example, if you choose 100 percent of the maximum price election for a specific type, you must also choose 100 percent of the maximum price election for all other types.

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$100, regardless of the acreage.

## Price Elections

Spring Oleic Canola.....\$0.0965/lbs.  
Spring High Erucic Rapeseed.....\$0.1065/lbs.

## Insurance Units

Your insurable acreage will be grouped into one or more units in order to establish the approved yield, calculate a guarantee, and determine any indemnity.

**Basic Unit:** A basic unit includes all of your canola and rapeseed acreage in the county by share arrangement. Premiums are reduced by 10 percent for a basic unit.

**Optional Unit:** An optional unit includes all of the insured crop acreage in a section by share and type. The 10-percent discount will not apply.

## Replant Provisions

A replanting payment is allowed if the crop is damaged by an insurable cause of loss to the extent that the remaining stand will not produce at least 90 percent of the production guarantee for the acreage and it is practical to replant. No replant payment will be made if the crop is planted prior to the earliest planting date.

## Prevented Planting

Coverage is available at 60 percent of the production guarantee for timely planted acreage. When paying an additional premium, limited or additional levels of coverage may increase the prevented planting payment to a level specified in the applicable county actuarial document.

## Rotation Requirements

Rotation requirements are stated in the Actuarial documents.

## Administrative Fees

### Catastrophic (CAT) Coverage:

\$100/crop/county

No additional insurance premium is charged.

### Buy Up Coverage: \$30/crop/county

An additional insurance premium is charged.

## Loss Example

Assuming: A 75-percent production coverage level, a 100-percent price election of \$.0965 per pound, an average yield of 1,600 pounds per acre (spring oleic canola) actual production history (APH), and 100 acres insured:

1,600	Pound per acre (APH)
x 75%	Coverage level
1,200	Pound per acre guarantee
x 100	Acres
120,000	Pound unit guarantee
x \$.0965	Price election
\$ 11,580	Guarantee value
80,000	Pounds harvested production
x \$.0965	Price coverage
\$ 7,720	Harvested value
<b>\$11,580 - \$7,720 = \$3,860 Loss (Indemnity Due)</b>	

## Regional Contact for RMA

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