



United States Department of Agriculture  
Risk Management Agency

January 2006

## 2006 COMMODITY INSURANCE FACT SHEET

# Safflower

## South Dakota

### Crop Insured

The crop insured is all safflower in the county that is planted and grown for harvest as seed, in which the producer has a share, and for which a premium rate is provided by the actuarial table. Safflower in counties with no actuarial table is not insurable unless a written agreement is issued. See your crop insurance agent for details on requesting a written agreement.

### Counties Available

Bennett, Corson, Fall River, Haakon, Harding, Jackson, Meade, Pennington, Perkins, Shannon

### 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, or 5) final adjustment of a loss.

### Reporting Requirements

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

### Important Dates

Sales Closing/Cancellation.....March 15  
Initial Planting Date.....March 25  
Final Planting Date .....May 20  
Production Reporting Date.....April 29  
Acreage Reporting Date.....June 30  
Billing Date.....October 1

### 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

Coverage levels range from 50 to 75 percent of your average yield. For example, an average yield of 800 pounds per acre would result in a guarantee of 600 pounds per acre at the 75-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 75-percent coverage level, your premium share would be 45 percent of the base premium:

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 \*

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Safflower.....	\$0.10
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## 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 safflower acreage in the county by share arrangement. Premiums are reduced by 10 percent for a basic unit.

**Optional Units:** All the insured crop acreage in a section by share. 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 replanting payment will be made on acreage initially 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

Acreage on which safflower, sunflower seed, dry beans, soybeans, mustard, rapeseed, or lentils was grown in the preceding crop year are is not insurable unless stated otherwise in the special provision.

## 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

Example assumes a 75-percent coverage level and 100 percent of the established price of \$0.10 per pound for safflower seed at 100-percent share, and actual production history (APH) of 500 pounds per acre.

	500	Pounds APH
x	<u>75%</u>	Coverage Level
	375	Pounds per Acre APH
x	<u>100</u>	Acres
	37,500	LBS unit guarantee
-	<u>10,000</u>	LBS production
	27,500	LBS loss
x	<u>\$0.10</u>	Price election
=	\$2,750	Indemnity payment

Your premium will be deducted from an indemnity payment.

## Regional Contact for RMA

**USDA/Risk Management Agency**  
**Billings Regional Office**  
3490 Gabel Road, Suite 100  
Billings, MT 59102-7302

Phone: 406-657-6447  
Fax: 406-657-6573  
E-mail: [rsomt@rma.usda.gov](mailto:rsomt@rma.usda.gov)

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