



United States Department of Agriculture  
Risk Management Agency

January 2013

## 2013 COMMODITY INSURANCE FACT SHEET

# Safflower

Montana, North Dakota, and 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 may be insurable in counties with no actuarial table by written agreement. See your crop insurance agent for details on requesting a written agreement.

### Counties Available

Safflower is insurable in 23 counties in Montana, 21 counties in North Dakota, and 10 counties in South Dakota.

### Causes of Loss

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

<sup>1</sup>If caused by an insured cause of loss.

<sup>2</sup>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 safflower both insured and uninsured by the acreage reporting date.

### Important Dates

Sales Closing ..... March 15  
Initial Planting ..... March 25 - April 1  
Production Reporting ..... April 29  
Final Planting ..... May 10-May 20\*  
Acreage Reporting ..... July 15  
Premium Billing ..... August 15

\*varies by county

### 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).

### Plan of Insurance

Actual Production History (APH) - Production guarantee based on individual yield history.

### 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 \$300, regardless of the acreage.

## Price Elections

Safflower.....	0.2700
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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 (BU):** 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 (OU):** All the insured crop acreage in a section by share. The 10-percent discount will not apply.

## Replant Provisions

A replanting payment may be 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, 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, sunflowers, dry beans, soybeans, mustard, rapeseed, or lentils was grown in the preceding crop year is not insurable unless sated otherwise in the special provision.

## Administrative Fees

**Catastrophic (CAT) Coverage:** \$300 per crop per county No additional insurance premium is charged.

**Buy Up Coverage:** \$30 per crop per county. An additional insurance premium is charged.

## Loss Example

Assume a 75-percent coverage level, election of 100 percent of the established price (\$0.27) per pound, a 100-percent share, and an average actual production history (APH) of 500 pounds per acre.

	500	Pounds APH yield
x	<u>75%</u>	Coverage level
	375	Pounds per acre guarantee
x	<u>100</u>	Acres in the unit
	37,500	Pounds unit guarantee
-	<u>10,000</u>	Pounds actual production
	27,500	Pounds loss
x	<u>\$ 0.27</u>	Price election (example)
	= \$7,425.00	Indemnity payment

Your premium will be deducted from an indemnity payment.

## Where to Purchase

All multi-peril crop insurance, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available at:

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

## Regional Contact for RMA

### USDA/Risk Management Agency

#### Billings Regional Office

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Billings, MT 59102-7302

Phone: 406-657-6447 || Fax: 406-657-6573

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