

Billings Regional Office - Billings, MT

Revised May 2014

Grass Seed Pilot

North Dakota

Crop Insured

Grass Seed is insurable if:

- It is grown in the county on insurable acreage;
- Premium rates are provided by the actuarial documents;
- Produced under a grass seed production contract; and
- It has an adequate stand.

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

Counties Available

Grass seed is available in Pembina and Walsh counties. Grass seed is not insurable in other counties.

Causes of Loss

You are protected against the following:

- Adverse weather conditions;
- Failure of irrigation water supply, if caused by an insured peril occurring during the insurance period;
- Fire;
- Insects and plant diseases, but not damage due to insufficient or improper application of pest or disease control measures; or
- Wildlife.

Insurance Period

Kentucky bluegrass insurance coverage begins:

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

Perennial ryegrass insurance coverage begins May 22 of the calendar year after planting and may only be insured for one year.

Insurance coverage ends the earliest of:

- Total destruction of the crop;
- October 15;
- Harvest;
- Abandonment of the crop; or
- Final adjustment of a loss.

Important Dates

Sales Closing.....	September 30, 2013
Production Reporting.....	July 15, 2014
Acreage Reporting.....	July 15, 2014
Premium Billing.....	August 15, 2014

Reporting Requirements

Acreage Report - You must report all acreage of your grass seed in the county, both insured and uninsured, 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.

Clean Seed - Grass seed which has been conditioned.

Grass Seed Production Contract - A written agreement between you and the buyer, signed by both parties on or before the acreage reporting date containing at a minimum:

- Promise to plant;
- Buyer's promise to purchase; or
- A fixed price, or a method to determine such price compiled by a third party, that will be paid to you for at least 50 percent of the production stated in the contract.

Local Market Price - The lesser of the price election or the amount you would be paid for clean seed as stated in your grass seed production contract.

Coverage Levels and Premium Subsidies

Catastrophic Risk Protection (CAT) coverage is 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. There is no additional premium for CAT. For insurance coverage above 50 percent (buy up), a \$30 administrative fee is charged per crop per county. Additional premium applies.

Optional Units are available by type - Premium is discounted for all units except optional units.

For example, at the 75-percent coverage level, an average yield of 285 pounds per acre would result in a guarantee of 214 pounds per acre and a producer paid premium of 45 percent of the base premium.

Price Elections

Established price: \$0.77 per finished pound Kentucky

bluegrass and \$0.51 per finished pound perennial ryegrass. In addition, the price election may be the grass seed production contract price up to a limit of 120 percent of the amount contained in the actuarial provided the grass seed production contract price is determined before the acreage reporting date.

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

Replant Provisions

Replant provisions are applicable with the exception of catastrophic (CAT) coverage policies.

Insurance Plans Available

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

Duties in the Event of Damage or Loss

- Protect the crop from further damage by providing sufficient care;
- Notify your agent within 72 hours of your initial discovery of damage (but not later than fifteen days after the end of the insurance period; and
- You cannot destroy or put the crop to another use without our prior approval.

Loss Example

This example assumes a Kentucky bluegrass APH yield of 300 pounds, 75-percent coverage level, and 100 percent of established price.

300	Pounds per acre APH yield
<u>x 0.75</u>	Coverage level
225	Pounds guarantee per acre
<u>- 100</u>	Clean seed produced
125	Pounds per acre loss
<u>x \$0.77</u>	Price election
\$96.25	Gross indemnity per acre

Quality Standards Example

Grass seed may fail to meet the quality standards of the production contract due to insurable causes. This example assumes a local market price of \$0.75 per pound and damaged production price of \$0.60 per pound.

100	Pounds damaged production
<u>x 0.80</u>	Quality adjustment factor (0.60/0.75)
80	Pounds adjusted damaged production
225	Pounds guarantee per acre
<u>- 80</u>	Pounds adjusted damaged production
145	Pounds per acre loss
<u>x \$0.77</u>	Price election
\$111.65	Gross indemnity per acre

Your premium will be deducted from an indemnity payment.

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: www3.rma.usda.gov/apps/agents/

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