



United States Department of Agriculture  
Risk Management Agency

January 2009

## 2009 COMMODITY INSURANCE FACT SHEET

# Small Grains

DE, ME, MD, NJ, NY, NC, PA, VT, VA, WV

### Crop Insured

The small grains policy includes coverage for **wheat, barley, and oats** grown for harvest as grain on insurable acreage. Grain mixtures are not insurable unless specifically allowed by the special provisions. If a county does not have an insurance program on file for a crop (for example, **rye**), coverage may be available by written agreement if certain criteria are met. Consult a crop insurance agent for more information.

### Causes of Loss

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

<sup>1</sup>Such as hail, drought, wind, excess moisture. <sup>2</sup>Except damage due to insufficient or improper application of appropriate control measures.

### Insurance Period

Coverage usually begins when the crop is planted and ends at the earliest of: (1) total destruction of the crop; (2) harvest (combining the crop for grain or cutting it for hay); (3) final adjustment of a claim; (4) abandonment of the crop; or (5) the date listed below.

Note: The end of insurance date for wheat in DE, MD, NJ, and NC is July 31; NY, PA, VA, and WV is Aug 31; ME and VT is Oct 31.

The end of insurance date for barley in DE, MD, NJ, and NC is July 31; NY (winter), PA (winter), VA, and WV is Aug 31; ME, NY (spring), PA (spring), and VT is Oct 31.

The end of insurance date for oats is DE and NC is July 31; VA (winter) is Aug 31; ME, MD, NJ, NY, PA, VT, VA (spring), and WV is Oct 31.

### Reporting Requirements

You must file a report of planted acreage to your crop insurance agent by the acreage reporting date established for your county. Since acreage reporting dates vary by crop and county, consult your agent or for more information see: <http://www.rma.usda.gov/tools/>

### Important Dates

Fall-Planted Sales Closing<sup>1</sup> ..... September 30, 2008  
Spring-Planted Sales Closing<sup>2</sup> ..... March 15, 2009

<sup>1</sup> Barley and wheat: DE, MD, NJ, NY, NC, PA, VA, WV.

<sup>1</sup> Oats: NC, VA eastern/south-central counties (see crop provisions).

<sup>2</sup> Barley: ME, NY, VT, and PA (certain counties).

<sup>2</sup> Oats: All states (except NC and VA eastern/south-central counties).

<sup>2</sup> Wheat: ME, VT.

### 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 wheat acreage in the county by share arrangement. Premiums are reduced by 10 percent for a basic unit.

**Optional Units:** If a basic unit consists of two or more farm serial numbers (FSN) and certain record-keeping criteria are met, you may apply for optional units by FSN. The 10-percent discount will not apply.

### Price Elections

**Barley—\$4.60      Oats—\$3.50      Wheat—\$6.50**

The price election is used to calculate your premium or indemnity. Price elections are posted on the RMA Web site at:

<http://www3.rma.usda.gov/apps/pricesinquiry/>

## 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); (3) leave representative samples intact for each field of the damaged unit.

## Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average APH yield (up to 85 percent for barley in PA and for certain wheat counties in DE, MD, and PA). Premiums are subsidized as shown in the table below. For example, with an average yield of 60 bushels per acre, your guarantee would be 45 bushels per acre at the 75-percent coverage level and your premium share would be 45 percent of base premium.

	Percent							
Coverage Level	50	55	60	65	70	75	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Share	33	36	36	41	41	45	52	62

Catastrophic (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. Your cost for CAT coverage is an administrative fee of \$300 per crop per county, regardless of the acreage.

## Other Plans of Insurance

The following plans are also available for wheat in certain states:

**Crop Revenue Coverage (CRC)** is available in Delaware, Maryland, New York, North Carolina, Pennsylvania, and Virginia. This plan guarantees a specific amount of revenue (dollars) rather than an amount of production (bushels). Protection is provided against a revenue loss resulting from low prices, low yields, or both.

**Group Risk Plan (GRP)** coverage is based on the average yield of the entire county rather than your individual yields. Coverage levels up to 90 percent of the expected county yield can be obtained at rates generally lower than traditional crop insurance. This lower-cost coverage may best appeal to growers whose yields vary directly with county yields and who do not wish to furnish individual yield records. GRP for wheat is available in certain counties of Delaware, Maryland, and North Carolina.

**Group Risk Income Protection (GRIP)** is similar to GRP but goes one step further and factors price into the equation to place the coverage in revenue terms. If county revenue falls below a certain level, an indemnity is paid, regardless of your individual yields or revenue. Coverage levels up to 90 percent of the expected county yield can be obtained at rates generally lower than traditional crop insurance. GRIP is available in certain counties of Delaware, Maryland, and North Carolina. For more information on these plans, consult the fact sheets for GRP, GRIP, and Wheat-CRC.

## Loss Example

This example is for wheat under the APH plan and assumes a basic unit with 75-percent coverage, an average yield of 60 bushels per acre, and basic units.

60	Bushels per acre APH yield
<u>x .75</u>	Coverage level
45	Bushels per acre guarantee
<u>- 15</u>	Bushels per acre produced
30	Bushels per acre loss
<u>x 4.90</u>	Price election
147	Indemnity per acre
<u>- 9</u>	Estimated premium per acre*
<b>\$138</b>	<b>Net indemnity per acre</b>

\* Varies by crop, state, and county.

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