United States Department of Agriculture
Risk Management Agency

September 2012

2013 COMMODITY INSTURANCE FACT SHEET

Canola

North Carolina

Crop Insured

All canola in a county is insurable if:

1) A premium rate is provided by the actuarial document;
2) You have a share in the crop;
3) The crop is planted for harvest as seed;
4) The crop is **not** interplanted with another crop (unless allowed by special provision or written agreement); **and**
5) The crop is planted into an established grass or legume.

Counties Available

Canola is insurable in Beaufort and Iredell Counties.

Causes of Loss

Adverse weather conditions[1]
Failure of irrigation water supply[2]
Fire
Insects[3]
Plant disease[3]
Wildlife

[1]Natural perils such as hail, freeze, frost, drought, wind, and excess precipitation.
[2]If caused by an insured peril during the insurance period.
[3]Except for insufficient or improper application of control measures.

Insurance Period

Coverage begins at the time of seeding and ends the earliest of:

1) Total destruction of the crop;
2) Harvest of the crop;
3) Final adjustment of a loss;
4) Abandonment of the crop; **or**
5) October 31.

Late and Prevented Planting

These provisions provide protection on eligible acreage that is planted late or that cannot be planted by the final planting date. Please talk to your agent for more details.

Reporting Requirements

An acreage report is a report of all insured acreage of canola. The report must be submitted to your crop insurance agent on or before the appropriate acreage report due date. (Please see the Important Dates section below).

Important Dates

Sales Closing……………………..September 30, 2012
Earliest Planting………………….September 30, 2012
Final Planting………………………...October 25, 2012
Acreage Report Date………..…..December 15, 2012

Duties in the Event of Damage or Loss

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 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 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 Risk Protection (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.

Price Elections

Commodity Exchange Price Provisions (CEPP) contain information necessary to develop the projected price and the harvest price for the insured crop. The projected price is used to calculate the premium, replant payment, and any prevented planting payment. The harvest price is used to value production-to-count under the Revenue Protection and the Revenue Protection with Harvest Price Exclusion insurance plans. The CEPP includes the price discovery period, release dates, boards of trade used, and additional pricing information. Talk to your agent, or for more information see: http://www.rma.usda. gov/tools/pricediscovery.html

Insurance Units

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

Basic Unit: A basic unit includes all of your insured acreage in the county by share arrangement. A 10-percent premium discount applies.

Optional Units: If a basic unit consist of two or more Farm Service Agency farm numbers and you meet certain recordkeeping requirements, you may apply for optional units. No premium discount applies.

Enterprise Unit: All insurable acreage in a county where you have a share. To qualify for an enterprise unit, you must:

1) Insure under yield or revenue protection;
2) Have at least two farm numbers, each having the lesser of 20 acres or 20 percent of the insured crop acreage in the enterprise unit; or
3) Have one farm number with at least 660 planted acres.

A variable premium discount and increased premium subsidy apply.

Insurance Plans

One policy provides a choice of three plans:

Yield Protection: Insurance coverage only providing protection against a production loss.
Revenue Protection: Insurance coverage providing protection against revenue loss due to a production loss, price decline or increase, or a combination of both.
Revenue Protection with Harvest Price Exclusion: Insurance coverage providing protection only against revenue loss due to a production loss, price decline, or a combination of both.

Loss Example

Assume an approved yield of 1,652 pounds per acre, 75-percent coverage level, 100-percent share, and a one-acre basic unit. The projected price is $0.201 and the harvest price is $0.220. Due to insurable cause of loss, the production-to-count is 500 pounds.

Yield Protection		**Revenue Protection**
1,652	Approved Yield per acre	1,652
x .75	Coverage Level	x .75
1,238	Acre Guarantee	1,238
X $0.201	Projected Price	x $0.201
$248.84	Insurance Guarantee	$248.84
500	Pounds Produced	500
x $0.201	Harvest Price	x $0.220
$100.50	Production-to-Count Value	$110.00
$248.84	Insurance Guarantee*	$272.36
- $100.50	Production-to-Count Value	- $110.00
$148.34	**Indemnity/Acre**	**$162.36**

*****For Revenue Protection, the insurance guarantee is equal to the production guarantee multiplied by the greater of the projected price or the harvest price. In example, Revenue Protection harvest guarantee increased to $272.36 (1,238 pounds per acre guarantee times $0.220 harvest price).

Regional Contact

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