



United States Department of Agriculture  
Risk Management Agency

September 2012

## 2013 COMMODITY INSURANCE FACT SHEET

# Forage Production Pennsylvania

### Crop Insured

All forage is insurable in a county where a premium rate is provided by the actuarial document and you have a share in the crop. The forage may be a stand of:

- 1) Pure alfalfa;
- 2) Alfalfa and perennial grasses where 60 percent or more of the ground cover is alfalfa; **or**
- 3) Mixed alfalfa and perennial grasses where alfalfa makes up more than 25 percent but less than 60 percent of the ground cover.

To be insured, the forage crop must have been grown during one or more years after the year of establishment.

The policy will **not insure** any acreage that:

- 1) Does not have an adequate stand\* at the beginning of the insurance period; **or**
  - 2) Is grown with a non-forage crop.
- An adequate stand requires the following minimum living plants per square foot after the year of establishment:

	<u>First Year</u>	<u>Second Year</u>	<u>Third and Later Years</u>
Alfalfa	9	6	4.5
Alfalfa-Grass Mixture	6	4	3

### 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>Natural perils such as hail, freeze, frost, drought, wind, and excess precipitation.

<sup>2</sup>If caused by insured peril during the insurance period.

<sup>3</sup>Except for insufficient or improper application of control measures.

### Insurance Period

Coverage begins on October 16, 2012, for acreage seeded during the fall of 2011 and on May 22, 2013, for acreage seeded during the spring of 2012, if there is an adequate stand as of those dates. Insurance will end the earliest of:

- 1) Total destruction of the crop;
- 2) Removal from the windrow or the field for each cutting;
- 3) Final adjustment of a loss;
- 4) Abandonment of the crop;
- 5) The date grazing commences on the insured crop; **or**
- 6) October 15.

### Reporting Requirements

An acreage report is a report of all insured acreage of forage. 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
Sales Closing <sup>1</sup> .....	November 30, 2012
Acreage Report Due.....	November 15, 2012
Acreage Report Due <sup>1</sup> .....	July 15, 2013
Premium Billing Date .....	July 1, 2013
Premium Billing Date <sup>1</sup> .....	August 15, 2013

<sup>1</sup>Group Risk Plan (GRP) Coverage

### Definitions

**Adequate Stand:** A population of live forage plants that equals or exceeds the minimum required number of plants per square foot as shown in the Special Provisions.

**Air-dry Forage:** Forage that has dried in windrows by natural means to less than 13 percent moisture before being put into stacks or bales.

**Fall Planted:** A forage crop seeded after June 30.

**Spring Planted:** A forage crop seeded before July 1.

**Windrow:** Forage that is cut and placed in a row.

**Year of Establishment:** The period between seeding and when the forage crop has developed an adequate stand. Insurance during the year of establishment may be available under the forage seeding policy. Insurance under this policy does not attach until after the year of establishment.

The year of establishment is determined by the date of seeding. The year of establishment for spring planted forage is designated by the calendar year in which seeding occurred. The year of establishment for fall planted forage is designated by the calendar year after the year in which the crop was planted.

### 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

Insurance protects against a decline in your average actual production history (APH) yield due to covered natural losses (See Cause of Loss section, page 1). Coverage levels range from 50 to 75 percent of your average yield. Premium subsidies are available based on the percent of coverage you buy (See table below for subsidy levels).

Item	Percent					
	50	55	60	65	70	75
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

State	Established Price	CAT Price
Pennsylvania	\$200	\$110.00

### 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 the insured crop acreage in the county by share arrangement. For example, the crop acreage on your own farm (including land cash rented) would be one basic unit, while other acreage on shares with someone else would be a second basic unit. A 10 percent premium discount applies.

**Optional Unit:** If a basic unit consists of two or more Farm Service Agency (FSA) farm numbers and certain record keeping requirements are met, you may apply for optional units. No premium discount applies.

### Group Risk Plan

A group risk insurance plan (GRP) is available in Pennsylvania. GRP coverage is based on the average yield of the entire county rather than your actual yields. Coverage levels up to 90 percent of the expected county yield are available at rates significantly less than those for standard crop insurance. This lower-cost coverage plan may be best if your yields track directly with county yields or you do not wish to use your individual yield records. The sales closing date for GRP is November 30.

### Loss Example

Assume an alfalfa-grass mixture with an approved yield of 4.0 tons per acre, 65-percent coverage level, 100-percent share and a one-acre basic unit. Due to insurable cause of loss, the production-to-count is 1.0 ton.

4.0	Approved Yield per acre
x .65	Coverage level
2.60	Acre guarantee
- 1.00	Production-to-Count
1.60	Loss per acre
x \$200	Price election
\$320	Indemnity per acre
- \$12	Estimated Premium
<b>\$308</b>	<b>Indemnity/Acre</b>

### Regional Contact

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