



United States Department of Agriculture
Risk Management Agency

September 2012

2013 COMMODITY INSURANCE FACT SHEET

Small Grains

Delaware, Maine, Maryland, New Jersey, New York,
North Carolina, Pennsylvania, Vermont, Virginia, West Virginia

Crop Insured

All small grains (wheat, barley, and oats) are insurable if grown in a county on insurable acreage, where premium rates are provided, you have a share of the crop, and is planted for harvest as grain. Coverage for oats is available with the yield protection plan only.

Insurance Plans

Group Risk Plan (GRP): provides protection against widespread production loss based on county average yields.

Group Risk Income Protection (GRIP): similar to GRP but factors in price to offer revenue coverage. A projected price and harvest price is determined from the futures market.

GRP and GRIP are area-based coverage plans and do not provide protection for losses on individual farms. Available only for wheat in Maryland and North Carolina.

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.

Yield Protection: Insurance coverage only providing protection against a production loss.

Note: Wheat and barley may be covered with yield protection or revenue protection. Coverage for oats is available with yield protection only.

Causes of Loss

- Adverse weather conditions¹
- Failure of irrigation water supply²
- Fire
- Insects³
- Plant disease³
- Wildlife

¹Natural perils such as hail, freeze, frost, drought, wind, and excess precipitation.

²If caused by an insured peril during the insurance period.

³Except for insufficient or improper application of control measures.

Insurance Period

Insurance coverage begins on the later of the date we accept your application or the date when the crop is planted, and will end at the earliest of:

- 1) Total destruction of the crop;
- 2) Harvest of the unit;
- 3) Final adjustment of a loss;
- 4) Abandonment of the crop; **or**
- 5) End of insurance period.

Important Dates

Fall-Planted Sales Closing ¹	September 30, 2012
Spring-Planted Sales Closing ²	March 15, 2013
End of Insurance Period ³	July 31, 2013
End of Insurance Period ⁴	August 31, 2013
End of Insurance Period ⁵	October 31, 2013

¹ Wheat and Barley (winter): DE, MD, NJ, NY, NC, PA, VA, and WV.

² Oats (winter): NC, VA eastern/south-central counties (see crop provisions).

³ Barley (spring): ME, NY, VT, and PA (certain counties).

⁴ Oats (spring): All states (except NC and VA eastern/south-central counties).

⁵ Wheat (spring): ME and VT.

⁶ Wheat and Barley (winter): DE, MD, NJ, and NC.

⁷ Oats (winter) NC.

⁸ Wheat (winter): NY, PA VA, and WV.

⁹ Oats (winter): VA.

¹⁰ Wheat, Barley, and Oats (spring): ME, MD, NJ, NY, PA, VT, VA, and WV.

Reporting Requirements

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

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

The premium subsidy percentages and available coverage levels are shown below. Your share of the premium will be 100 percent minus the subsidy amount.

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

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

Basic Unit: A basic unit includes all of your insurable small grains acreage in the county by crop by share arrangement. Premiums are reduced 10 percent for a basic unit.

Optional Unit: If a basic unit consists of two or more Farm Service Agency farm serial numbers and certain record keeping requirements are met, you may qualify for optional units. The 10-percent premium discount will not apply.

Enterprise Unit: Generally, all the insured acreage of the crop in a county. Premium discounts and additional subsidy apply.

Whole Farm Unit: Generally, all the insured crops in the county that are covered by the insurance plan. Premium discounts and additional subsidy apply. Does not apply to the yield protection plan.

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.

Loss Example

Assume the crop is wheat with an approved yield of 60 bushels per acre, 75-percent coverage level, 100-percent share and a one-area basic unit. The projected price is \$7.14 and the harvest price is \$6.96. Due to an insurable cause of loss, the production-to-count is 15 bushels.

Yield Protection

60	APH Yield per acre	60
x .75	Coverage Level	x .75
45	Acre Guarantee	45
x \$7.14	Projected Price	x \$7.14
\$321.30	Insurance Guarantee	\$321.30
15	Bushels Produced	15
x \$7.14	Harvest Price	x \$6.96
\$107.10	Production-to-Count Value	\$104.40
\$321.30	Insurance Guarantee*	\$321.30
\$107.10	Production to Count Value	- \$107.10
\$214.20	Indemnity/Acre	\$216.90

*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 \$321.30 (45 bushels per acre guarantee x \$7.14 projected price).

Regional Contact

USDA/Risk Management Agency

Raleigh Regional Office
4405 Bland Road, Suite 160
Raleigh, NC 27609
Telephone: (919) 875-4880
Fax: (919) 875-4915
E-mail: rsonc@rma.usda.gov

Download Copies from the Web

Visit our online publications/fact sheets page at:
http://www.rma.usda.gov/aboutrma/fields/nc_rso/

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination write to: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.