



United States Department of Agriculture
Risk Management Agency

January 2007

2007 COMMODITY INSURANCE FACT SHEET

Wheat Revenue Assurance

Oklahoma

Revenue Assurance (RA)

RA provides coverage to protect against loss of revenue caused by low price or low yields or a combination of both.

Regional Availability

The RA program covers **winter types** in all **Oklahoma** counties where multi-peril crop insurance (MPCI) wheat insurance is currently available.

RA Wheat Sales Closing Date

The **sales closing date (September 30)** is the final date for which a producer may make application for a wheat RA policy.

Units

Basic Unit - by crop, county and share.

Optional Unit - Basic units divided by section, type or irrigated/non-irrigated practices - if production records are kept separate.

Enterprise Unit - All winter and spring wheat in the county.

Whole Farm Unit - All spring wheat and feed barley and spring canola in the county. Whole farm unit structure does not extend to winter wheat. Units for winter wheat are limited to basic, optional, or enterprise.

Enhanced Unit Options

Wheat RA provides a premium discount for enterprise units (all insurable acres of a single RA crop in a county), as well as whole farm units.

Establishing Coverage Levels

Coverage is established by first calculating a producer's expected revenue per acre (approved yield \times projected harvest price). The producer selects a per-acre revenue guarantee that ranges from 65 and 85 percent (calculated in 5-percent increments)

RA Guarantee

The **RA** revenue guarantee per acre is calculated by multiplying the approved yield for the unit times the projected harvest price times the coverage level selected by the producer. The revenue guarantee equals the per-acre revenue guarantee, times the number of insurable acres in the unit, times the producer's share. **Note:** Procedures used to calculate available revenue guarantees vary by the selected unit structure.

RA Indemnities

RA indemnities will be paid if the production to count in bushels times the fall harvest price is less than the per-acre guarantee times the number of acres.

Projected Harvest Price (PHP)

PHP is the price used to determine the expected per-acre revenue and the per-acre revenue guarantee. For **winter wheat**, the PHP is the simple average of the final daily settlement prices from August 15 to September 14 for the coming year's Kansas City Board of Trade (KCBT) July soft red winter wheat futures contract. The PHP for winter wheat will be released on or before September 20 of the current crop year.

Fall Harvest Price (FHP)

The FHP is the price used to value production to count (harvest revenue equals all of the production to count times the fall harvest price). For **winter wheat**, the PHP is the simple average of the final daily settlement prices from July 1 to July 14 for the KCBT July soft red winter wheat futures contract.

Fall Harvest Price Option

The FHP option is designed to provide additional insurance to those producers who market their crop before harvest. If an insured selects the RA FHP option (by the sales closing date) their revenue guarantee will be based on the greater of the fall harvest price or the projected harvest price. The option is continuous, unless canceled by the crop sales closing date.

Winter Wheat Coverage Endorsement

This option is available on RA winter wheat. Provides extra protection in cases of winter damage.

Where to Purchase

All MPCl, including RA policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site: <http://www3.rma.usda.gov/tools/agents/>

Download Copies from the Web

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

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, and marital or familial status. (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 USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.