



United States Department of Agriculture
Risk Management Agency

October 2005

2006 COMMODITY INSURANCE FACT SHEET

Canola

Idaho, Oregon, Washington

Crop Insured

The **fall*** and **spring** planted **canola** and **rapeseed** crop insured will be oleic canola and high erucic rapeseed. Types and practices are specified on the special provisions of insurance in select counties of Idaho, Oregon, and Washington.

*Includes damaged acreage subsequently reseeded to spring types.

Counties where Available

Idaho: Bannock, Benewah, Bingham, Blaine**, Bonner, Bonneville**, Boundary, Caribou, Cassia, Clearwater, Fremont**, Gooding, Idaho, Jefferson**, Jerome, Kootenai, Latah, Lewis, Lincoln, Madison**, Minidoka, Nez Perce, Oneida, Power, Teton**, and Twin Falls counties

Oregon: Gilliam, Morrow, Sherman, Umatilla, Union, Wallowa and Wasco counties

Washington: Adams, Asotin, Columbia, Garfield, Klickitat, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla and Whitman counties

Important Dates

August 31 - Sales closing date and cancellation date for counties with fall and spring planted types.

****March 15 - Sales closing date and cancellation date** for counties without fall planted types.

December 15 - Acreage reporting date for insurable fall planted types.

June 30 - Acreage reporting date for all insurable spring planted types.

Guarantee Options

Choice of variable percentages of your approved average yield, from 50 percent up to 75 percent.

Acreage Report

You must report to your insurance agent all of the acreage in which you have a share (your share at the time insurance attaches), reporting the crop by type and practice. Policyholders should contact their insurance agent for specific details. Insurance will not attach to any acreage on which canola, mustard or rapeseed was planted the previous crop year.

Causes of Loss

Adverse weather conditions

Failure of the irrigation water supply, if applicable, caused by an insured cause of loss that occurs during the insurance period

Fire

Insects (but not damage due to insufficient or improper application of pest control measures)

Plant disease (but not damage due to insufficient or improper application of disease control measures)

Wildlife, earthquake, or volcanic eruption

Administrative Fees

Catastrophic (CAT) Coverage: \$100 per crop per county.

Additional Coverage: \$30 per crop per county.

Waivers of administrative fees for **all** coverage levels (CAT and additional) are available for limited resource farmers.

Catastrophic Coverage

Catastrophic (CAT) coverage is available at the 50 percent coverage level and 55 percent of maximum price election. See your crop insurance agent for specific details.

Price Election

Price at which you are compensated per pound in the event of a loss. Choices vary by level of guarantee. (Please check with your crop insurance agent for price election changes for the current crop year.)

Insurance Period

Insurance attaches at the time of planting and ends the earliest of: 1) total destruction of the insured crop on the unit; 2) harvest of the unit; 3) final adjustment of a loss on a unit; 4) the calendar date for the end of the insurance period contained in the crop provisions (October 31); or 5) abandonment of the crop on the unit.

Replanting of Fall Types

Beginning with the 2006 crop year, the requirement to replant damaged acreage of fall types has been re-instated. Replanting of damaged fall-seeded acreage with a similar spring type (when appropriate) will retain the winter type guarantee. Damaged crop acreage not replanted when practical shall not be insured.

Replant Payments

A replant payment is allowed if the insured crop is damaged by an insurable cause of loss to the extent that similar farms in the area would no longer continue to care for the crop, and it is practical to replant. Maximum payment: lesser of 20 percent of the production guarantee or 175 pounds, multiplied by your price election and share. Replant payments are not applicable to CAT policies.

Late and Prevented Planting

These provisions provide, under certain circumstances, protection on acreage that is planted late or that cannot be planted by the final planting date or within a 25-day late-planting period. See your crop insurance agent for specific details.

Loss Example - Canola

Assume: 75-percent coverage level and a 100-percent price election per pound of \$0.093 and an average yield of 1600 pounds per acre actual production history (APH):

$$\begin{array}{r} 1,600 \text{ Pound per acre (APH)} \\ \times \underline{75} \text{- Percent coverage level} \\ \hline 1,200 \text{ Pound per acre guarantee} \\ \times \underline{100.0} \text{ Acres} \\ \hline 120,000 \text{ Pound unit guarantee} \\ - \underline{80,000} \text{ Pound production} \\ \hline 40,000 \text{ Pound loss} \\ \times \underline{\$0.093} \text{ Price election dollars per pound} \\ \hline \mathbf{\$ 3,720} \text{ Indemnity due policyholder (less} \\ \text{insurance premium due)} \end{array}$$

Advantages of Risk Management Tools

Risk management tools protect crop investment, borrowed capital and current savings by stabilizing income. This transfers risk and provides an added peace of mind.

Where to Purchase

All MPCI, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is on the RMA website: <http://www3.rma.usda.gov/tools/agents/>

Regional Contact for RMA

USDA/Risk Management Agency
Spokane Regional Office
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Spokane, WA 99206
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