



United States Department of Agriculture
Risk Management Agency

July 2009

2010 COMMODITY INSURANCE FACT SHEET

Forage (Alfalfa) Seed Pilot

Idaho, Oregon and Washington

Crop Insured

The **forage seed** crop insured will be all types and practices of each **forage seed crop** (initially limited to alfalfa seed) a producer elects to insure, that is grown in the county for which a premium rate is provided by the actuarial document in which the insured has a share; that is grown for **harvest** as certified forage seed or seed grown under a forage seed contract executed on or before the acreage reporting date. For contracted acreage of forage seed crops only, you will not be considered to have a share in the insured crop unless under the terms of the contract, you are at risk of a financial loss at least equal to the amount of insurance on such acreage. A forage seed producer who is also a forage seed company may establish an insurable interest under certain situations. **Note:** We will **not** insure any forage seed crop that is not a certified forage seed crop or is not a contracted forage seed crop; is interplanted with another crop, unless otherwise specified in the special provisions; is planted into an established grass or legume; does not have an adequate stand at the beginning of the insurance period; or exceeds the age limitations for forage seed crop or type listed in the special provisions.

Counties where Available

Idaho: Canyon and Owyhee County
Oregon: Malheur County
Washington: Grant and Walla Walla counties

Important Dates

Sales Closing.....September 30
Acreage Report Date.....
 Fall Planted Seed-to-Seed and Established Stands
 December 15
 Spring Planted Seed-to-Seed Year Stands June 30
Cancellation and Termination DateSeptember 30
Production Reporting Date...earliest acreage reporting date

Insurance Period

Basic Coverage Begins: Insurance coverage begins on acreage with an adequate stand on the later of the date we accept your application or October 1 for fall planted seed-to-seed year and established stands in Idaho, Oregon and Washington counties or May 1 for spring planted seed-to-seed year stands in all Washington counties for and May 15 in all Idaho and Oregon counties.

Basic Coverage Ends: Insurance coverage ends for each unit or part of a unit at the earliest of: 1) total destruction of the insured crop on the unit; 2) final adjustment of a loss on a unit; 3) final harvest; 4) abandonment of the crop on the unit; or 5) September 30 in Idaho, Oregon and Washington.

Guarantee and Price Election Options

Coverage is based on actual production history (APH) with choices of variable percentages of your approved average yield, from 50 percent up to 75 percent, in 5-percent increments. The price election at which you are compensated per pound in the event of a loss is a choice of various percentages of the price established for the crop year. You may elect only one percentage of base price and one coverage level for each forage seed crop grown in the county and designated in the special provisions.

Unit Structure

The pilot forage seed crop policy allows a basic unit by share. Optional units by section are allowed.

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.

Causes of Loss

Adverse weather conditions; fire; insects and plant disease (but not damage due to insufficient or improper application of control measures); wildlife; earthquake; volcanic eruption; **or**, failure of the irrigation water supply, if caused by an insured cause of loss that occurs during the insurance period. We will not insure against damage or loss of production due to the crop not being timely harvested, unless such delay in harvesting is solely and directly caused by an insurable cause of loss; insufficient supply of pollinators, unless lack of pollinators or pollination is solely and directly caused by an insurable cause of loss; or failure of certification or forage seed company contract acceptance caused by inadequate weed control not solely and directly due to an insurable cause, or improper isolation requirements.

Acreage Report

You must report to your insurance agent all of the acreage which you have a share (your share at the time insurance attaches), reporting the crop by type and practice.

Definitions

Established Stand - An adequate stand of live plants for crop years after the seed to seed year.

Fall Planted - Forage seed crop planted after May 31 of the previous crop year.

Forage Seed Crop - Small seeded legume plants grown for seed (such as alfalfa, clovers) shown in the special provisions.

Harvest - Removal of seed from the windrow or field.

Seed-to-Seed Year - The calendar year in which planting occurs for spring planted forage seed and the subsequent calendar year for all fall planted forage seed.

Spring Planted - Forage seed crop planted before June 1 of the current crop year.

Type - Classes of forage seed crop with similar characteristics that are grouped for insurance purposes and shown in the Special Provisions.

Administrative Fees

Catastrophic (CAT) Coverage: \$300 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.

Late or Prevented Planting and Written Agreements

Not applicable to the forage seed pilot policy.

Loss Example - Forage Seed

Assume: 100 acres of forage seed in the unit (80 acres of an established stand at 600 pounds per acre and 20 acres of a spring planted seed to seed year stand at 300 pounds per acre). All acreage is contracted with a base price of \$1.15 per pound, producer has selected 100 percent of the base price). Producer harvested 37,000 pounds of seed - 12,000 pounds failed to achieve the contract minimum germination requirement. Salvaged production sold for \$0.80 per pound.

80 acres X 600 pounds = 48,000 pound guarantee
20 acres X 300 pounds = 6,000 pound guarantee
54,000 pound **total** guarantee X @1.39 per pound
price election = \$75,060 **total** value guarantee
25,000 pounds met the contract quality
(production to count) X \$1.39 per pound = \$34,750
12,000 pounds X (\$0.80/pound divided by \$1.39
per pound) = 6,906 pounds of production to count
6,906 pounds X \$1.39 = \$9,599
\$34,750 + \$9,599 = \$44,349 **total** value of
production to count

**\$75,060 - \$44,349 = \$30,711 Loss Indemnity
Due Policy Holder**

Where to Purchase

All multi-peril crop insurance (MPCI), including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at:
<http://www3.rma.usda.gov/tools/agents/>

Regional Contact for RMA USDA/Risk Management Agency

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