



United States Department of Agriculture
Risk Management Agency

November 2012

2013 COMMODITY INSURANCE FACT SHEET

Forage (Alfalfa) Seed Pilot

Idaho, Oregon, and Washington

Crop Insured

Insurance is available for all types and practices of each **forage seed crop** (initially limited to alfalfa seed) you choose to insure:

- Grown in the county;
- Where a premium rate is provided by the actuarial document;
- You have a share;
- Grown for **harvest** as certified forage seed; or
- Grown under a forage seed contract executed on or before the acreage reporting date.

For contracted acreage of forage seed crops only, you do not 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 the acreage. A forage seed producer who is also a forage seed company may establish an insurable interest under certain situations.

We will **NOT** insure any forage seed crop that:

- Is not a certified forage seed crop;
- 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 a forage seed crop or type listed in the special provisions.

Counties Available

Idaho: Canyon and Owyhee

Oregon: Malheur

Washington: Grant and Walla Walla

Coverage is available in other counties by written agreement if certain criteria are met. Submit requests, through your insurance agent, to the Spokane Regional Office by October 1.

Causes of Loss

- Adverse weather conditions¹
- Earthquake
- Failure of irrigation water supply²
- Fire³
- Insects⁴
- Plant disease⁴
- Pollinators⁵
- Volcanic Eruption
- Wildlife⁶

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

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

³Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

⁴But not damage due to insufficient or improper application of control measures.

⁵Insufficient supply of pollinators, unless lack of pollinators or pollination is solely and directly caused by an insurable cause of loss

⁶Unless wildlife control measures have not been taken.

Important Dates

Sales Closing.....	September 30
Acreage Report Date	
Fall Planted Seed-to-Seed & Established Stands.....	December 15
Spring Planted Seed-to-Seed Year Stands	July 15
Cancellation & Termination Date	September 30
Production Reporting Date. Earliest Acreage Report Date	

Insurance Period

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; or
- May 1 for spring-planted seed-to-seed year stands in Washington; and
- May 15 for spring-planted seed-to-seed year stands in Idaho and Oregon.

Insurance coverage ends for each unit at the earliest of:

- 1) Total destruction of the crop;
- 2) Final adjustment of a loss on a unit;
- 3) Harvest;
- 4) Abandonment of the unit; or
- 5) September 30.

Definitions

Acreage Report —You must give a report of all your forage seed acreage in the county to your insurance agent by the acreage reporting date.

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 crop year before.

Forage Seed Crop —Small seeded legume plants grown for seed (such as alfalfa, clover). See special provisions for more information.

Harvest —Removal of seed from the windrow or field.

Seed-to-Seed Year —The calendar year when planting occurs for spring-planted forage seed and the calendar year after planting 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.

Unit Structure

The pilot forage seed crop policy allows basic units by share. Optional units, by section, are also available.

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 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 choose only one percentage of your base price and one coverage level for each forage seed crop grown in the county and designated in the special provisions.

Late or Prevented Planting

Not applicable to the forage seed pilot policy.

Catastrophic Coverage

Catastrophic Risk Protection coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the established price election. The total

cost for CAT coverage is an administrative fee of \$300 per crop per county. Administrative fees and premium costs for coverage levels above CAT are \$30 per crop per county. Waivers of administrative fees for **all** coverage levels (CAT and additional) are available for limited resource farmers.

Loss Example

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, and you have chosen 100 percent of the base price). You 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
<u>x 600</u>	Pounds
48,000	Pound guarantee
20	Acres
<u>x 300</u>	Pounds
6,000	Pound guarantee
54,000	Pound total guarantee
<u>x \$1.39</u>	Per pound price election
\$75,060	Total value guarantee
25,000	Pounds met the contract quality (production-to-count)
<u>x \$1.39</u>	Per pound price election
\$34,750	
\$0.80	Salvaged production price
<u>÷ \$1.39</u>	Per pound price election
0.567	
<u>x 12,000</u>	Pounds
6,906	Pounds of production-to-count
6,906	Pounds of production-to-count
<u>x \$1.39</u>	Per pound price election
\$9,599	
\$34,750	
<u>+ \$9,599</u>	
\$44,349	Total value of production-to-count
\$75,060	Total value guarantee
<u>- \$44,349</u>	Total value of production-to-count
\$30,711	Loss Indemnity Due Policy Holder

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA Service Centers and on the RMA web site: <http://www3.rma.usda.gov/tools/agents/>

Regional Contact

USDA/Risk Management Agency
Spokane Regional Office
11707 E Sprague Ave #201
Spokane Valley, WA 99206
Telephone: (509) 228-6320
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