

USDA - Risk Management Agency - Spokane Regional Office

Fall Crop Changes - Crop Year 2004



112 North University, # 205
Spokane, WA 99206

DISCLAIMER: This summary is for general illustration purposes only. Detailed information: Producers should consult their crop insurance agent to obtain specific information and refer to Crop Provisions and Actuarial Materials (e.g., practices, options, planting dates, and appropriate deadlines).

<http://www.rma.usda.gov>

E-Mail: rsowa@rma.usda.gov



Telephone: 509.353.2147
FAX: 509.353.3149

July 2003

Common Crop Insurance Policy (Basic Provisions)

Significant changes and revisions to the Provisions include:

- **Organic:** Added definitions of buffer zone, certified organic acreage, certifying agent, organic plan, organic standards, prohibited substance, and transitional acreage. These terms are used in the provisions of insurance for crops grown using organic farming practices.
Adds provisions to allow separate optional units for acreage insured under an organic farming practice. Insurance will be provided for crops grown using an organic farming practice if the information needed to determine a premium rate for an organic farming practice is specified on the actuarial table, or insurance is allowed by a written agreement.
- **Good Farming Practices:** Modifies the definition of good farming practices to include sustainable and organic farming practices. The definition has also been revised to specify good farming practices for conventional or sustainable farming practices are those generally recognized by agricultural experts for the area, and for organic farming practices, are those generally recognized by the organic agricultural industry for the area or contained in the organic plan. The definition also specifies the insurance provider may, or the insured may request the insurance provider to, contact RMA to determine whether or not production methods will be considered to be good farming practices.

Continued on page 2

Small Grains Provisions and Winter Coverage Endorsement

Significant changes and revisions to the Provisions include:

- **Winter Coverage Endorsement (WCE):** WCE was expanded to include additional coverage for barley damaged between the time coverage begins and the spring final planting date. If elected, all eligible acreage of the crop must be insured.
This optional Barley WCE is now available in **Idaho** – Cassia, Nez Perce, Payette counties; **Oregon** – Umatilla and Wasco counties; **Washington** – Klickitat and Yakima counties.
By accepting the WCE, the contract change, cancellation and termination dates for wheat in the county will be applicable to the spring and winter barley.
Producers in counties not having the WCE may request coverage by written agreement. Request must be made by sales closing date.
- **Improved Replant Provisions:** Expanded the crops eligible for payment to include barley, flax, and oats and increased the maximum amount of the wheat replanting payment per acre from 3 to 4 bushel; and modifies the date when damage must occur after to be eligible for a winter wheat replanting payment.
- **Hull-less Barley and Hull-less Oats:** The insurability of both hull-less oats and hull-less barley has been clarified and is now provided under standard barley and oat structures.
- **Late Planting Period:** The late planting period begins the day after the final planting date for acreage not covered under the WCE.
- **Durum and Club Wheat:** Adds provisions to allow acreage of initially planted durum or club wheat to qualify as separate optional units. RMA is working to determine if sufficient data and interest exists to allow for inclusion of these crops and types in the Pacific Northwest.

Continued on page 2

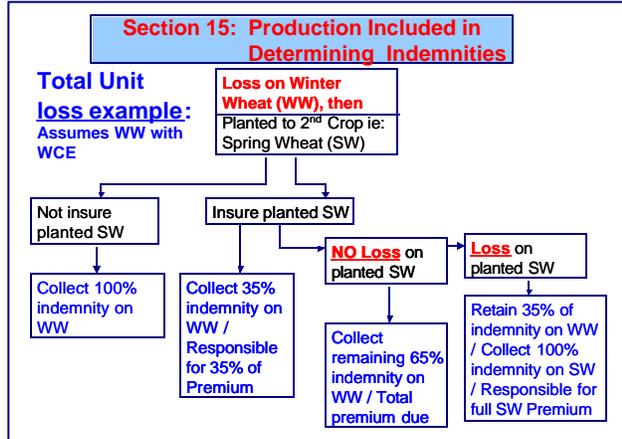
The U.S. Department of Agriculture (USDA) prohibits discrimination in its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact Dave P. Paul, Director, USDA/Risk Management Agency, Spokane Regional Office, at (509) 353-2147. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th & Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

NOTE

All interested producers, including carry over insured's need to schedule ample time with their insurance agent to determine the impact these and other changes not listed in this summary will have on their 2004 crop insurance coverage.

Common Crop Insurance Policy... cont. from page 1

- **Limitations for Multiple Insurance Benefits:** Added definitions of double crop, first insured crop, and second crop. The terms are used in provisions that limit multiple insurance payments in compliance with the requirements of the Agricultural Risk Protection Act of 2000 (ARPA).
- **Double Insurance Provisions**



- **Substitution of Yields/Yield Adjustments (YA):** Clarification to exclude and replace low yields in the APH database due to an insurable cause of loss. Adds provisions indicating the election to exclude and replace low yields in the APH database must be made on or before the sales closing date for the insured crop, and the election will remain in effect for succeeding years unless it is canceled by the cancellation date. Allow an insured to exclude and replace any individual qualifying actual yield within a database instead of replacing all such yields within a database.

Crop Insurance Premium Calculation Example

Multi-Peril Crop Insurance (MPCI) Premium Calculation (For illustration purposes only)

Assume: 100 acres Basic Unit, 60 bu/acre yield, 75% Coverage Level @ \$3.35 price, and 100% Share.

60 Bushel/Acre (approved APH yield)
75% Coverage Level
= 45 Bushel/Acre Guarantee
X 100 acres
= 4500 Bushel Guarantee

- **Wheat Insurance with Winter Coverage Option**
Total Premium: \$662 X Subsidy Factor .55 = \$364 Subsidy;
\$662 Total Premium - \$364 Subsidy = \$298 Producer Premium
- **Wheat Insurance without Winter Coverage Option**
Total Premium: \$438 X Subsidy Factor .55 = \$241 Subsidy;
\$438 Total Premium - \$241 Subsidy = \$197 Producer Premium

Small Grains Provisions... cont. from page 1

Summerfallow (SF) / Continuous Cropping (CC)

RMA has implemented 2004 crop year practice changes (non-irrigated to SF/CC for both winter and spring types) for **Wheat**. Approved counties are shaded within the state maps below.

Oregon



Washington (Darker shade indicates existing SF only counties.)



Qualified Summerfallow Practice

Provisions include wheat after peas, beans, alfalfa or clover, in the following counties: **Oregon** – Umatilla. **Washington** – Asotin, Columbia, Garfield, Spokane, Walla Walla and Whitman.

Programs / Products for Small Grain Growers

