



United States Department of Agriculture  
Risk Management Agency

February 2009

## 2009 COMMODITY INSURANCE FACT SHEET

# Small Grains

## Arizona

### Crop Insured

#### Wheat and Barley

- Grown for the production of grain, not forage.
- Only irrigated production practices are insurable in the counties.
- Additional coverage endorsements are available for winter wheat.
- Coverage for all types of small grains may not be available in all counties.
- Producers must insure all or none of their acreage of each type of small grain in the county but do not have to insure all types of small grain.
  - For example, a producer may insure all of his wheat and none of his planted barley.
- The insurance coverage on one type of small grain can differ from coverage on another small grain insured by the same producer.

### Counties Available

Barley is insurable in Cochise, Graham, Maricopa, Pinal and Yuma Counties. Wheat is insurable in Cochise, Graham, Greenlee, La Paz, Maricopa, Mohave, Navajo, Pima, Pinal, Yavapai and Yuma counties. Barley and wheat in other counties may be insurable by written agreement if specific criteria are met. Contact an agent for more details.

### Causes of Loss

Adverse weather conditions<sup>1</sup>  
 Failure of irrigation water supply<sup>2</sup>  
 Fire  
 Insects<sup>4</sup>  
 Plant disease<sup>4</sup>  
 Wildlife<sup>5</sup>

<sup>1</sup>Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

<sup>2</sup>If caused by an insured peril during the insurance period.

<sup>3</sup>Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

<sup>4</sup>But not damage due to insufficient or improper application of control measures.

<sup>5</sup>Unless wildlife control measures have not been taken.

### Insurance Period

Producers must contact a crop insurance agent to apply for coverage by October 31 or change their coverage before June 30 to insure the small grains they intend to plant. Insurance coverage begins when the crop is planted and ends no later than the following July 31.

### Important Dates\*

#### Barley:

Sales Closing .....October 31  
 Final Planting Date..... January 31\*  
 Acreage Report Due .....March 15

#### Wheat:

Sales Closing .....October 31  
 Final Planting Date..... January 31\*  
 Acreage Report Due .....March 15

\*See an agent for actual dates in your area.

### Coverage Levels and Premium Subsidies

The insurance guarantee is production measured in bushels of grain. Individual amounts of insurance are based on the grower's production history. An insurance agent calculates each grower's approved average yield from 4-10 years of production records. Producers can select a level of coverage ranging from 50 to 75 percent of their approved average yield and 50 to 100 percent of a price announced by USDA, or catastrophic (CAT) coverage based on 50 percent of their approved yield and 55 percent of the price.

**Price Election** The price below is used to calculate your premium or indemnity:

Barley:           **\$5.00**  
 Wheat:           **\$7.35**  
                       **\$8.77 (CRC)**  
                       \* TBA - Harvest Price (CRC)

\* To Be Announced.

## Cost of Crop Insurance

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. For CAT coverage, growers pay an application fee of \$300 per county with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates; USDA pays at least 50 percent of the premium. For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent or your local county FSA office for an agent listing.

## Loss Example

A claim can be filed whenever production falls short of the guarantee selected by the insured. The amount of a loss is determined by multiplying the production shortfall by the pre-selected price.

## Wheat Indemnity

Assumes a basic unit with 65-percent coverage level, 100-percent price election, and yield of 80 bushels per acre, 100-percent share.

80	Bushels per acre average yield (APH)
x .65	Coverage level percentage
52	Bushels per acre guarantee
- 14	Bushels per acre actually produced
38	Bushels per acre loss
x \$7.35	Price election
<b>\$279</b>	<b>Gross indemnity per acre</b>

## Where to Purchase Crop Insurance

All multi-peril crop insurance, 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/>

## Download Copies from the Web

Visit our online publications/fact sheets page at:  
[http://www.rma.usda.gov/aboutrma/fields/ca\\_rso/](http://www.rma.usda.gov/aboutrma/fields/ca_rso/)

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (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 to: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

## Regional Contact for RMA

USDA/Risk Management Agency  
Davis Regional Office  
430 G Street, # 4168  
Davis, CA 95616  
Telephone: 530-792-5870  
Fax: 530-792-5893  
E-mail: [rsoca@rma.usda.gov](mailto:rsoca@rma.usda.gov)