



United States Department of Agriculture
Risk Management Agency

August 2011

2012 COMMODITY INSURANCE FACT SHEET

Small Grains– Oats and Rye

Alabama, Florida, Georgia, South Carolina

Crops Insured

The crops insured will be oats and rye under the Actual Production History plan.

Oats - Oats planted for harvest as grain or a grain mixture in which oats are the predominate grain may be insured if allowed by the actuarial documents.

Rye- Rye planted for harvest as grain (SC only).

Counties Available

See your crop insurance agent for a listing of eligible counties and plans offered.

Causes of Loss

Adverse weather conditions	Insects ²
Earthquake	Plant disease ³
Failure of irrigation water supply ¹	Volcanic eruption
Fire	Wildlife

¹If caused by an insured peril during the insurance period.

²But not damage due to insufficient or improper application of pest control measures. ³But not damage due to insufficient or improper application of disease control measures.

Insurance Period

Coverage begins when the crop is planted and ends at the earliest of:

- 1) total destruction of the crop;
- 2) removal from the field;
- 3) final adjustment of a loss;
- 4) abandonment of the crop; or
- 5) July 31.

Reporting Requirements

Acreage Report- You must report to your insurance agent by the acreage reporting date all acres of the crop in which you have a share.

Notice of Loss– In the event of loss: (1) Protect the crop from further damage by providing sufficient care; (2) notify your agent within 72 hours of your initial discovery of damage; and (3) representative samples for each field in the damaged unit must not be destroyed or harvested until our inspection or 15 days after harvest of the balance of the unit is completed and written notice of loss provided.

Definitions

Approved Yield—The average of the actual production history (APH) yields, assigned or adjusted yields, or unadjusted transitional yields that is calculated and approved by your verifier.

Cancellation Date—The calendar date on which coverage for the crop will automatically renew unless canceled in writing by either you or us, or terminated in accordance with the policy terms.

Price Election – Percent of the projected price issued by FCIC that you select. Only one price election may be made for all your oats or rye in a county. For more information consult your agent or see:

<http://webapp.rma.usda.gov/apps/ActuarialInformationBrowser/>

Production Guarantee—Bushels guaranteed per acre determined by multiplying your average yield (based on your records) times the coverage level percentage you elect.

Important Dates

Sales Closing.....	September 30
Final Planting.....(Dates differ by state and county)	
Acreage Reporting.....	December 15
Premium Billing.....	July 01
Cancellation/Termination.....	September 30

Insurance Units

Basic Units: A basic insurance unit includes all your insurable oat or rye acreage in the county in which you have 100-percent share and includes any cash-rented land. If you also grew oats or rye on shares with another entity, that acreage would be a separate basic unit. A 10-percent premium discount applies.

Optional Units: A basic unit may be divided into two or more optional units by FSA farm serial number (FSN), irrigated and non-irrigated acreage, or organic practice. No premium discount applies. Consult your agent for more details.

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your approved yield. For example, an approved yield of 50 bushels per acre would result in a guarantee of 32.5 bushels per acre at the 65-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. Your share of the premium will be 100 percent minus the subsidy amount. For example, if you select the 65-percent coverage level, the premium subsidy is 59 percent. Your premium share is 41 percent of the base premium for optional or basic units (100-59 = 41 percent).

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you. There is, however, an administrative fee of \$300 per crop per county, regardless of the acreage.

Prevented Planting

Prevented planting coverage is 60 percent of your production guarantee for timely planted acreage. If you pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.

Replant Provision

The amount of the replanting payment per acre will be the lesser of 20 percent of the production guarantee or five bushels for oats, multiplied by your price election or the projected price for the small grain crop, multiplied by the percent share.

Loss Example

This example is based on oats with an approved yield of 60 bushels per acre, 75-percent coverage level, 100-percent price election of \$2.25, 100-percent share, and a one-acre basic unit. As a result of an insurable cause of loss, the production to count is 20 bushels.

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