



United States Department of Agriculture
Risk Management Agency

December 2012

2013 COMMODITY INSURANCE FACT SHEET

Small Grains— Oats and Rye

Alabama, Florida, Georgia, South Carolina

Crops Insured

Oats and rye are insurable under the Actual Production History insurance plan.

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

Rye—Rye planted for harvest as grain is insurable only in South Carolina.

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 all acres of the crop in which you have a share to your insurance agent by the acreage reporting date.

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 is provided.

Definitions

Approved Yield—The average of the actual production history (APH) yields, assigned or adjusted yields, or unadjusted transitional yields that your insurance company calculates and approves.

Cancellation Date—The calendar date when coverage for the crop will automatically renew unless canceled in writing by either you or us, or terminated according to the policy terms.

Price Election—Percent of the projected price you choose. Only one price election may be made for all your oats or rye in a county. For more information talk to your agent or see: <http://webapp.rma.usda.gov/apps/ActuarialInformationBrowser/>

Production Guarantee—Bushels guaranteed, per acre, determined by multiplying your approved yield (based on your records) by the coverage level percentage you choose.

Important Dates

Sales Closing.....	September 30
Final Planting.....(Dates differ by state and county)	
Acreage Reporting.....	January 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 grow oats or rye on shares

with another entity, that acreage is 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 Farm Service Agency farm serial number (FSN), irrigated and non-irrigated acreage, or organic practice. No premium discount applies. Talk to 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 is 100 percent minus the subsidy amount. For example, if you choose the 65-percent coverage level, the premium subsidy is 59 percent. Your premium share is 41 percent of the premium for optional or basic units (100-59 = 41 percent).

Item	Percent					
	50	55	60	65	70	75
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 Risk Protection (CAT) coverage is fixed at 50 percent of your approved 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, is the lesser of 20 percent of the production guarantee or five bushels for oats, multiplied by your price election, multiplied by the percent share.

Loss Example

Assume oats with an approved yield of 60 bushels per acre, 75-percent coverage level, 100-percent price election of \$2.80, 100-percent share, and a one-acre basic unit. Due to an insurable cause of loss, the production-to-count is 20 bushels.

60	Bushels/acre approved APH yield
x .75	Coverage level percentage
45	Bushels/acre production guarantee
x \$2.80	Price election
\$126	Insurance guarantee
20	Bushels produced
x \$2.80	Price election
\$56.00	Production-to-count value
\$126	Insurance guarantee
- \$56	Production to count value
\$70	Indemnity/acre

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

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