



United States Department of Agriculture  
Risk Management Agency

November 2010

## 2011 COMMODITY INSURANCE FACT SHEET

# Forage Production

## Colorado

### Crop Insured

The crop insured will be all the irrigated alfalfa you have in the county, in which you have a share, that was planted for harvest as hay, and that is grown during one or more years after the year of establishment.

**Type** — A pure stand of alfalfa or a stand of alfalfa and grass in which 60 percent or more of ground cover is alfalfa.

**Exclusions** — Forage will not be insured if it is grown with a non-forage crop, is 6 years old or older, or does not meet the following stand requirements at the beginning of the insurance period.

#### Adequate Stand

1st year – 6.0 living plants/sq.ft.

2nd year – 4.0 plants/sq.ft.

3rd year through 5th year – 3.0 plants/sq.ft.

### Counties Available

APH forage production insurance is available for Weld and Yuma counties.

Coverage in other counties may also be available by individual written agreement if certain criteria are met, including records for at least three years of production history.

### Causes of Loss

- Adverse weather conditions<sup>1</sup>
- Failure of irrigation water supply<sup>2</sup>
- Fire<sup>3</sup>
- Insects<sup>4</sup>
- Plant disease<sup>4</sup>
- Wildlife

<sup>1</sup>Such as hail, freeze, excess wind, excess rain, drought, and tornado.

<sup>2</sup>If due to an insured cause of loss within the insurance period.

<sup>3</sup>If due to natural causes.

<sup>4</sup>Only if effective control measures do not exist for such infestation.

### Insurance Period

Insurance begins on acreage with an adequate stand for the calendar year following the year of seeding for spring planted forage, April 15; and for fall planted forage, October 16. Insurance ends at the earliest of: (1) total destruction of the crop, (2) removal from the windrow or the field for each cutting, (3) final adjustment of loss, (4) the date grazing commences on the forage crop, (5) abandonment of the forage crop, or (6) October 15 of the crop year.

### Reporting Requirements

**Acreage Report**—You must report all your forage acreage in the county in which you have a share by the acreage reporting date.

**Underwriting Report**—You must complete the forage production underwriting report and submit a copy to your agent before insurance attaches. This report identifies each field and certifies basic information needed to determine type classification, unit structure, and insurability of the stand.

### Important Dates

Sales Closing Date .....	September 30, 2010
Cancellation Date.....	September 30, 2010
Acreage Report Date .....	November 17, 2010
Premium Billing .....	July 1, 2011
End of Insurance.....	October 15, 2011

### Definitions

**Adequate Stand** — A pure stand of alfalfa or a stand of alfalfa and grass in which 60 percent or more of ground cover is alfalfa.

**Production Guarantee** — Number of tons guaranteed per unit. Multiply your APH yield per acre times the coverage level percentage you select time the number of acres in the unit.

**APH Yield** — Actual production history (APH) yield used to determine the production guarantee. The APH yield is based on up to 10 years of actual and/or assigned yields.

**Unit** — The insurable acreage used to determine the APH yield, the production guarantee and any indemnity.

### Coverage Levels and Premium Subsidies

Forage production may be insured at the coverage levels shown on the reverse. Crop insurance premiums are subsidized as shown. For example, if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

Subsidy Factor	Percent						
<b>Coverage Level</b>	<b>CAT</b>	<b>0.50</b>	<b>0.55</b>	<b>0.60</b>	<b>0.65</b>	<b>0.70</b>	<b>0.75</b>
Basic Unit	1.000	0.670	0.640	0.640	0.590	0.590	0.550
Optional Unit		0.670	0.640	0.640	0.590	0.590	0.550

### Catastrophic Coverage

Catastrophic coverage (CAT) is available at 50 percent of your yield and 55 percent of the price election. The total cost for CAT coverage will be an administrative fee of \$300 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

### Price Elections

Price of compensation per ton in case of loss:  
Established price for alfalfa is \$146.00 per ton.

### Insurance Units

**Basic Unit:** A basic unit includes all of your insurable forage production acreage in the county by share arrangement. Premiums are reduced 10 percent for a basic unit.

**Optional Unit:** If a basic unit consists of two or more sections of land, and certain record keeping requirements are met, you may apply for optional units by section. The 10-percent premium reduction does not apply.

### Plans of Insurance

**Actual Production History (APH)** — Production guarantee based on individual yield history, protection is for yield loss only.

### Replant Provisions

No replant payment is available.

### Late and Prevented Planting

No late or prevented planting is available.

### Loss Example

A loss occurs when the tons of forage production for the unit fall below the production guarantee. This example assumes a 3.7 ton per acre APH yield for alfalfa, 70-percent coverage level, 100 percent of the established price and basic unit coverage.

$$\begin{array}{r}
 3.7 \text{ tons per acre APH yield} \\
 \times .70 \text{ percent coverage level} \\
 \hline
 2.59 \text{ tons guarantee*} \\
 - 1.59 \text{ tons per acre actually produced} \\
 \hline
 1.0 \text{ tons per acre loss} \\
 \times \$130.00 \text{ price election} \\
 \hline
 \mathbf{\$130.00 \text{ gross indemnity*}}
 \end{array}$$

\*Figures shown on a per acre basis; guarantees and losses paid are on a unit basis. See policy provisions.

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