



United States Department of Agriculture  
Risk Management Agency

January 2011

## 2011 COMMODITY INSURANCE FACT SHEET

# Forage Seeding

## Nebraska

### Crop Insured

The crop insured will be all of the current crop year spring planted perennial alfalfa and alfalfa grass mixtures in which you have a share in the county and is intended for harvest. Acreage planted with the intention of grazing is not insurable. Insurance shall attach only on forage crops planted without a companion crop or planted with a companion crop of oats or flax. Oats must be seeded at a rate of 16 lbs./acre or less and also must be cut for hay no later than the milk stage. Flax must be seeded at a rate of 16 lbs./acre or less.

Normal stand of live alfalfa plants per square foot:

Alfalfa	Irr	12.0
Alfalfa Grass Mixture	Irr	4.0
Alfalfa	Non-Irr	8.0
Alfalfa Grass Mixture	Non-Irr	2.7

### Counties Available

Forage Seeding is insurable in the following counties in Nebraska: Boyd, Cedar, Custer, Howard, Keya Paha, Knox, Sherman, and Valley.

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 rain, drought, and tornado.

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

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

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

### Insurance Period

Coverage begins at the time of seeding and ends the earliest of: (1) total destruction of the crop, (2) the first harvest of the unit after the late harvest date specified in the Special Provisions for the county, (3) final adjustment of a loss, (4) abandonment of the crop, (5) the date grazing commences on the crop, or (6) April 14 of the year following seeding.

### Reporting Requirements

**Acreage Report** — You must submit a report of all insured acreage of forage seeding in the county on or before the acreage report date.

### Important Dates

Sales Closing Date .....	March 15, 2011
Final Planting Date.....	May 31, 2011
Acreage Report Date .....	June 30, 2011
Premium Billing Date.....	October 1, 2011

### Definitions

**Harvest**— Severance of the forage plant from its roots. Acreage that is only grazed will not be considered harvested.

### Duties in the Event of Damage or Loss

The insured's duties are as follows:

- 1.) Protect the crop from further damage by providing sufficient care.
- 2.) Give notice within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period).
- 3.) Leave representative samples intact of the unharvested crop if you report damage less than 15 days before the time you begin harvest or during harvest of the damaged unit. The samples must be at least 10 feet wide and extend the entire length of each field in the unit. The samples must not be harvested or destroyed until the earlier of the insurance company inspection or 15 days after tilling of the balance of the unit is completed.

## Coverage Levels and Premium Subsidies

Instead of guaranteeing production, the policy guarantees a dollar amount of coverage, depending on the level of coverage selected. Crop insurance premiums are subsidized as shown in the table below. 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					
Coverage Level	CAT	0.50	0.55	0.60	0.65	0.70	0.75
Basic Unit	1.000	0.67	0.64	0.64	0.59	0.59	0.55
Optional Unit		0.67	0.64	0.64	0.59	0.59	0.55

## 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.

## Insurance Units

**Basic Unit:** A basic unit includes all of your insurable forage seeding 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 discount will not apply.

## Plans of Insurance

**Dollar Amount of Insurance (DO)** — This plan offers the producer the opportunity to select one of several dollar amounts of insurance per acre. The coverages are as follows:

**SPRING SEEDED NON-IRRIGATED ALFALFA OR ALFALFA GRASS MIXTURE**  
 AMOUNT OF INSURANCE  
 DOLLAR AMOUNT  
 RATE CLASS D01  
 CAT \$ AMT \$37.675  
 MIN-MAX \$ AMT \$69 - \$102  
 REF MAX \$ AMT \$137

**SPRING SEEDED IRRIGATED ALFALFA OR ALFALFA GRASS MIXTURE**  
 AMOUNT OF INSURANCE  
 DOLLAR AMOUNT  
 RATE CLASS D01  
 CAT \$ AMT \$56.925  
 MIN-MAX \$ AMT \$104 - \$155  
 REF MAX \$ AMT \$207

## Replant Provisions

No replanting payment is available on spring planted forage seeding acreage. Insureds are required to replant spring planted forage at their own expense, if practical to replant.

## Late and Prevented Planting

The late and prevented planting provisions of the Basic Provisions are not applicable.

## Loss Example

A loss occurs when the crop value falls below the guaranteed dollar amount as a result of damage from a covered cause of loss. Assume you have 100 percent share in 30 acres of irrigated alfalfa and 20 acres of non-irrigated alfalfa in the unit, with a 65-percent coverage level. At the time of loss, the following findings are established: 10 acres of irrigated alfalfa had a stand of 75 percent or greater and 10 acres of non-irrigated alfalfa had a stand of 75 percent or greater. The remaining acreage had less than 55 percent of a normal stand. Your indemnity would be calculated as follows:

- 1)  $\$207 \times .65 = \$135$  (Irr Ref Max Amt x 65 % coverage level);
- 2)  $\$137 \times .65 = \$89$  (Non-Irr Ref Max Amt x 65% coverage level);
- 3) 30 acres x \$135 = \$4050 amount of insurance for irrigated alfalfa;
- 4) 20 acres x \$89 = \$1780 amount of insurance for non-irrigated alfalfa;
- 5)  $\$4050 + \$1780 = \$5830$  total amount of insurance;
- 6) 10 acres with 75% stand or greater x \$135 = \$1350 production to count for irrigated alfalfa;
- 7) 10 acres with 75% stand or greater x \$89 = \$890 production to count for non-irrigated alfalfa;
- 8)  $\$1350 + \$890 = \$2240$  total production to count;
- 9)  $\$5830 - \$2240 = \$3590$  loss;
- 10)  $\$3590 \times 100\% \text{ share} = \mathbf{\$3590 \text{ indemnity payment.}}$

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