



United States Department of Agriculture
Risk Management Agency

January 2013

2013 COMMODITY INSURANCE FACT SHEET

Forage Production

Colorado

Crop Insured

Forage is insurable if:

- It is all the irrigated alfalfa grown in the county on insurable acreage;
- Premium rates are provided;
- You have a share;
- It was planted for harvest as hay; and
- It is grown during 1 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

Forage production insurance is available in Weld and Yuma counties. Coverage in other counties may also be available by written agreement if certain criteria are met, including records for at least 3 years of production history.

Causes of Loss

Adverse weather conditions¹
 Failure of irrigation water supply²
 Fire³
 Insects⁴
 Plant disease⁴
 Wildlife

¹Such as hail, freeze, excess wind, excess rain, drought, and tornado.

²If due to an insured cause of loss within the insurance period.

³If due to natural causes.

⁴Only 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:

- 1) Spring planted forage, April 15; and
- 2) 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) Date grazing starts on the forage crop,
- 5) Abandonment of the forage crop, or
- 6) October 15.

Reporting Requirements

Acreage Report—You must report all your forage acreage in the county in which you have a share to your insurance agent 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
Cancellation Date	September 30
Acreage Report Date	November 15*
Premium Billing	July 1
<u>End of Insurance.....</u>	<u>October 15</u>

*The acreage report is due April 15 for spring planted acreage following the year of seeding for alfalfa or alfalfa grass mixture.

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 actual production history yield per acre by the coverage level percentage you choose and by 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. Crop insurance premiums are subsidized as shown. For example, if you choose 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	0.670	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 Risk Protection coverage (CAT) is available at 50 percent of your yield and 55 percent of the price election. The total cost for CAT coverage is an administrative fee of \$300 per crop per county. Administrative fees and premium costs, for coverage levels above CAT are \$30 per crop per county.

Price Elections

Price of compensation per ton in case of loss.

Alfalfa.....	\$240 per ton
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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 recordkeeping requirements are met, you may apply for optional units by section. The 10-percent premium reduction does not apply.

Insurance Plans

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. Assume a 4.7 ton per acre APH yield for alfalfa, 70-percent coverage level, 100 percent of the established price, and basic unit coverage.

4.7	Tons per acre APH yield
x .70	Percent coverage level
3.29	Tons guarantee*
- 1.59	Tons per acre actually produced
1.7	Tons per acre loss
x \$240.00	Price election
\$408.00	Gross indemnity*

*Figures shown per acre; guarantees and losses paid by unit. See policy provisions.

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 at: <http://www3.rma.usda.gov/apps/agents/>

Regional Contact

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