



United States Department of Agriculture  
Risk Management Agency

January 2011

## 2011 COMMODITY INSURANCE FACT SHEET

# Buckwheat

## Minnesota

### Crop Insured

The crop insured will be all the buckwheat grown in the county on insurable acreage for which premium rates are provided, in which you have a share, planted for harvest as grain, and grown under and in accordance with the requirements of a processor contract executed on or before the acreage reporting date. Only buckwheat planted annually is insurable. The provisions of this policy exclude volunteer/regenerative buckwheat and associated farming practices.

### Counties Available

Buckwheat is insurable in the following eight Minnesota counties: Beltrami, Freeborn, Hubbard, East Otter Tail, West Otter Tail, Pope, Todd, and Wadena. In counties where premium rates are not published, buckwheat may be insurable by written agreement.

### 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>Including hail, frost, freeze, drought, and excess precipitation.

<sup>2</sup>If caused by an insured cause of loss.

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

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

### Insurance Period

Insurance coverage begins when the buckwheat is planted, and will end at the earliest of: (1) total destruction of the crop, (2) abandonment of the crop, (3) harvest of the crop, (4) October 31, 2011 or, (5) final adjustment of a loss.

### Reporting Requirements

**Acreage Report** — You must give a report of all your buckwheat acreage in the county and provide a copy of all processor contracts to your agent by the acreage reporting date.

### Important Dates

|   |           |
|---|-----------|
| Sales Closing/Cancellation Date .....           | March 15  |
| Earliest Planting Date (Beltrami).....          | May 10    |
| Earliest Planting Date (Central MN Counties)... | May 5     |
| Earliest Planting Date (Freeborn).....          | April 30  |
| Final Planting Date.....                        | June 10   |
| Acreage Reporting Date .....                    | June 30   |
| Premium Billing Date .....                      | October 1 |
| Production Reporting Date .....                 | April 29  |

### Definitions

**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 (loss payment).

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

### Coverage Levels and Premium Subsidies

Buckwheat may be insured at the coverage levels shown in the table. Crop insurance premiums are subsidized as shown. For example if you select the 75-percent coverage level, your coverage will be 75 percent of your approved APH yield, the premium subsidy is 55 percent, and your premium share is 45 percent of the base premium. Catastrophic coverage (CAT) is available at 50 percent of your APH yield and 55 percent of the established 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.

| 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 |

## Price Election

Price of compensation per bushel in case of loss:  
The price per bushel stated in the processor contract (contracted price), not to exceed \$10.08 per bushel. If the contract price is expressed on a hundredweight basis, multiply it by 0.48 to determine the contract price per bushel.

## Insurance Units

**Basic Unit:** A basic unit includes all of your insurable buckwheat 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

APH is the only plan of insurance available for buckwheat. The production guarantee is based on your individual yield history.

## Replant Provisions

(Not available under catastrophic coverage)

A replanting payment is allowed if your buckwheat crop is damaged by a covered cause of loss to the extent that the remaining stand will not produce at least 90 percent of your bushel guarantee and it is practical to replant. The maximum replanting payment will be the lesser of 20 percent of the bushel guarantee or 2 bushels, times your price election and share.

## Late and Prevented Planting

These provisions provide protection on acreage that is planted after the final planting date or that cannot be planted. Please consult a crop insurance agent for details.

## Loss Example

A loss occurs when the bushels of buckwheat produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. This example assumes a 20 bushels per acre APH yield, 65-percent coverage level, 100 percent of the established price, and basic unit coverage.

$$\begin{array}{r} 20 \text{ bushels per acre APH yield} \\ \times .65 \text{ coverage level} \\ \hline 13 \text{ bushel guarantee*} \\ - \quad 8 \text{ bushels per acre actually produced} \\ \hline 5 \text{ bushels per acre loss} \\ \times \$10.08 \text{ price election (maximum)} \\ \hline \$50.40 \text{ gross indemnity*} \\ - \$15.33 \text{ estimated premium per acre (varies)} \\ \hline \mathbf{\$35.07 \text{ net indemnity*}} \end{array}$$

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

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