



United States Department of Agriculture
Risk Management Agency

January 2006

2006 COMMODITY INSURANCE FACT SHEET

Forage Seeding

Montana, North Dakota, South Dakota, Wyoming

Crop Insured

Forage seeding is a dollar plan of insurance that offers the producer the opportunity to select one of several dollar amounts of insurance per acre.

The crop insured will be perennial alfalfa, perennial grasses, or a mixture thereof in which you have a share that is **spring planted** during the current crop year to establish a normal stand intended for harvest.

The policy **does not cover** any forage that:

- Is grown with the intent to be grazed.;
- Is grazed at any time during the insurance period; or
- Is interplanted with another crop except barley, flax, oats or wheat. (Barley, oats, or wheat must be seeded at a rate of 16 pounds per acre or less and also must be cut for hay no later than milk stage. Flax must be seeded at a rate of 16 pounds per acre or less.)

Fall seeded forage may be insurable by written agreement if requested no later than August 31, 2005.

Insurable types include **alfalfa** and **alfalfa grass mixture** (determined by the number of live alfalfa plants per square foot equal to or exceeding the normal stand requirements shown below for the corresponding counties):

Normal Stand (Alfalfa plants/sq. ft.)

Irrigated Alfalfa	Irrigated Alf/Grass	Nonirr. Alfalfa	Nonirr. Alf/Grass
8.0	3.3		

Albany, Big Horn, Carbon, Fremont, Hot Springs, Natrona, Park, Sublette, Sweetwater, Teton, Uinta, Washakie Counties, Wyoming

Normal Stand (Alfalfa plants/sq. ft.)

Irrigated Alfalfa	Irrigated Alf/Grass	Nonirr. Alfalfa	Nonirr. Alf/Grass
8.0	3.3	6.4	2.7

All Montana Counties

Divide, Williams, Mountrail, and all counties south and west of the Missouri River in North Dakota

All South Dakota counties west of the Missouri River

Sheridan, Johnson, Campbell Crook, Weston, Converse, Niobrara, Platte, Goshen, Laramie, and Lincoln Counties, Wyoming

Normal Stand (Alfalfa plants/sq. ft.)

Irrigated Alfalfa	Irrigated Alf/Grass	Nonirr. Alfalfa	Nonirr. Alf/Grass
12.0	5.1	10.0	4.3

Pembina, Walsh, Grand Forks, Steele, Traill, Cass, Ransom, Sargent, Richland Counties, North Dakota

Roberts, Grant, Hamlin, Deuel, Kingsbury, Brookings, Lake, Moody, McCook, Minnehaha, Hutchinson, Turner, Lincoln, Bon Homme, Yankton, Clay, Union Counties, South Dakota

Normal Stand (Alfalfa plants/sq. ft.)

Irrigated Alfalfa	Irrigated Alf/Grass	Nonirr. Alfalfa	Nonirr. Alf/Grass
12.0	4.0	8.0	2.7

All counties between and including Burke, Ward, McLean, Burleigh, Emmons, Cavalier, Ramsey, Nelson, Griggs, Barnes, LaMoure, Dickey Counties, North Dakota

Marshall, Day, Codington, Clark, Beadle, Miner, Hanson, Douglas, Charles Mix and counties west to the Missouri River in South Dakota

Insurance Period

Insurance **begins** when the forage is seeded and **ends** the earliest of: 1) total destruction of the forage crop; 2) final adjustment of a loss; 3) abandonment of the forage crop; 4) first harvest after August 5, 2006 (MT, WY) or August 15, 2006 (ND, SD); 5) May harvest as often as practical on or before that date; 6) date grazing commences on the forage crop; or 7) May 21, 2007.

Reporting Requirements

Acreage Report—You must report all acreage of your forage seeding, both insured and uninsured, to your agent by the acreage reporting date.

Important Dates

Sales Closing March 15, 2006
 Acreage Reporting June 30, 2006

Definitions

Amounts of Insurance — Insured selects a level of coverage (50-75 percent) of the maximum dollar amount of insurance shown on the actuarial table.

(Catastrophic coverage is available at 50 percent of the 55-percent dollar amount of insurance.)

The **2006** dollar amounts of insurance:

	Minimum	Maximum	Reference \$
Irrigated	\$73.00	\$108.00	\$145.00
Nonirrigated	\$58.00	\$86.00	\$115.00

Example: Insured selected the 75-percent coverage level.

Irrigated: $\$145 \times .75 = \108 per acre amount of insurance
 Nonirrigated: $\$115 \times .75 = \86 per acre amount of insurance

Settlement of Claim

Example (100-percent share):

30 acres irrigated alfalfa at \$108 per acre = \$3240 amount of insurance, and 20 acres nonirrigated alfalfa grass mixture at \$86 per acre = \$1720 amount of insurance

Total Amount of Insurance \$4960

At loss time:

10 acres irrigated alfalfa has 75-percent stand or greater
 (10 acres X \$108 = \$1080)

10 acres nonirrigated alfalfa grass mix has 75-percent stand or greater
 (10 acres X \$86 = ~~\$860~~)

Total Production to Count* \$1940

\$4960 amount of insurance - \$1940 production to count = \$3020 **indemnity**

*Production to count is the dollar amount of the established stand, which includes acreage:

- (1) having at least 75 percent of normal stand;
- (2) abandoned or put to another use without prior written consent;
- (3) damaged solely by uninsured cause; and
- (4) harvested and not reseeded.

The amount of indemnity on any spring planted acreage will be reduced 50 percent if the stand is less than 75 percent but more than 55 percent of a normal stand .

Premium Subsidies

Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 75-percent coverage level, your premium share would be 45 percent of the base premium:

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

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