



United States
Department of
Agriculture

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Risk Management
Agency

INFORMATIONAL MEMORANDUM

Spokane Washington
Regional Office

TO: Pacific Northwest Approved Insurance Providers

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SUBJECT: 2010 Canola & Rapeseed Coverage in the States of Idaho,
Oregon and Washington

BACKGROUND:

The availability of Revenue Assurance (RA) Canola / Rapeseed policy to the states of Washington and Oregon for the 2010 crop year has been approved to be filed. The RA Canola / Rapeseed plan of insurance has been offered in Idaho since 2000.

Two sales closing dates are available for canola / rapeseed: August 31, 2009, for the APH or standard MPC I plan which covers both fall and spring planted types and March 15, 2010, for only the spring planted types regardless of insurance plan, i.e. APH or RA. RMA is providing the following description of the crop insurance plans that are approved to be available when actuarial documents for spring crops are filed later this fall. Agents selling and servicing APH canola / rapeseed policies this summer and fall need to be aware of RMA's plans.

ACTION:

Two separate insurance plans are approved to be available for the 2010 crop year in each of Idaho's, Oregon's, and Washington's predominant canola / rapeseed counties. The following are some highlights of the two different plans of insurance available for canola / rapeseed.

Actual Production History (APH) is a 'production based' plan of insurance provided through the Canola / Rapeseed Crop Provisions and the Common Policy's Basic Provisions. Insurance guarantees and indemnities are calculated with the same predetermined set price. This plan includes the choice of basic, optional, and special unit arrangements.



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Revenue Assurance (RA) is a ‘revenue’ plan of insurance that has been available for several years in Idaho, ***and is approved to be filed in Oregon and Washington for 2010.*** Policy terms are provided through the Revenue Assurance Spring Canola / Rapeseed Crop Provisions and the RA Basic Provisions. Insurance guarantees and indemnities (production and/or value losses) are determined using pre-harvest versus post-harvest values per pound determined from Winnipeg’s Canola Futures Contract and Chicago Mercantile Exchange for Canadian Dollar Futures. The RA plan does offer an optional replacement value protection (similar to the Crop Revenue Coverage ‘CRC’ plan for wheat) to protect against upward price movement and a shortfall in production. The RA plan offers the choice of whole farm, enterprise, basic and optional unit structures. Insurance coverage is limited to acreage initially planted in the spring; therefore fall planted acreage is not covered under this policy.

Important Dates – Sales closing (last date to purchase insurance, or for carry-over insured to change coverage levels), and Cancellation (last date to cancel the policy for the coming crop year, or to change plans of insurance).

Producers who grow fall planted canola / rapeseed and want coverage to attach to such acreage must choose the APH plan of insurance by August 31th 2009. The deductible percentage selected on this date will be applicable to all spring planted types of canola / rapeseed acreage as well. [If an additional price election is announced for 2010 crop year, separate values may be made by type, i.e. winter versus spring.] Insured canola / rapeseed growers who have a policy in effect for 2009, but want the opportunity to re-evaluate all their options until March 15th, must request cancellation of their APH plan policy no later than August 31th, 2009.

The **RA insurance plan** offers protection to only the spring types of canola / rapeseed. Producers electing to not insure their acreage of fall canola / rapeseed types must make selection of insurance plans (i.e. APH or RA) and price & coverage level by **March 15th, 2010.** If an insured applies for APH coverage by March 15th (but after August 31th 2009) insurance coverage for any fall planted canola / rapeseed acreage will not be available.

Please contact the Spokane Regional Office if you have any questions.