



United States Department of Agriculture
Risk Management Agency

July 2011

2012 COMMODITY INSURANCE FACT SHEET

Forage (Alfalfa) Seed Pilot

Idaho, Oregon and Washington

Crop Insured

The **forage seed** crop insured will be all types and practices of each **forage seed crop** (initially limited to alfalfa seed) a producer elects to insure, that is grown in the county for which a premium rate is provided by the actuarial document in which the insured has a share; that is grown for **harvest** as certified forage seed or seed grown under a forage seed contract executed on or before the acreage reporting date. For contracted acreage of forage seed crops only, you will not be considered to have a share in the insured crop unless under the terms of the contract, you are at risk of a financial loss at least equal to the amount of insurance on such acreage. A forage seed producer who is also a forage seed company may establish an insurable interest under certain situations. **Note:** We will **not** insure any forage seed crop that is not a certified forage seed crop or is not a contracted forage seed crop; is interplanted with another crop, unless otherwise specified in the special provisions; is planted into an established grass or legume; does not have an adequate stand at the beginning of the insurance period; or exceeds the age limitations for forage seed crop or type listed in the special provisions.

Counties where Available *

Idaho: Canyon and Owyhee County

Oregon: Malheur County

Washington: Grant and Walla Walla counties

***New for 2012:** Coverage can be provided via written agreement for producers farming in counties other than those listed. Submit requests through your insurance agent to the Spokane Regional Office by September 30, 2011.

Catastrophic Coverage

Catastrophic (CAT) coverage is available at the 50-percent coverage level and 55 percent of maximum price election. See your crop insurance agent for specific details.

Unit Structure

The pilot forage seed crop policy allows basic units by share. Optional units by section are also allowed.

Important Dates

Sales Closing.....	September 30
Acreage Report Date
Fall Planted Seed-to-Seed and Established Stands
.....	December 15
Spring Planted Seed-to-Seed Year Stands	June 30
Cancellation and Termination Date	September 30
Production Reporting Date...earliest acreage reporting date	

Insurance Period

Basic Coverage Begins: Insurance coverage begins on acreage with an adequate stand on the later of the date we accept your application or October 1 for fall planted seed-to-seed year and established stands in Idaho, Oregon and Washington counties or May 1 for spring planted seed-to-seed year stands in all Washington counties for and May 15 in all Idaho and Oregon counties.

Basic Coverage Ends: Insurance coverage ends for each unit or part of a unit at the earliest of: 1) total destruction of the insured crop on the unit; 2) final adjustment of a loss on a unit; 3) final harvest; 4) abandonment of the crop on the unit; or 5) September 30 in Idaho, Oregon and Washington.

Guarantee and Price Election Options

Coverage is based on actual production history (APH) with choices of variable percentages of your approved average yield, from 50 percent up to 75 percent, in 5-percent increments. The price election at which you are compensated per pound in the event of a loss is a choice of various percentages of the price established for the crop year. You may elect only one percentage of base price and one coverage level for each forage seed crop grown in the county and designated in the special provisions.

Causes of Loss

Adverse weather conditions; fire; insects and plant disease (but not damage due to insufficient or improper application of control measures); wildlife; earthquake; volcanic eruption; **or**, failure of the irrigation water supply, if caused by an insured cause of loss that occurs during the insurance period. We will not insure against damage or loss of production due to the crop not being timely harvested, unless such delay in harvesting is solely and directly caused by an insurable cause of loss; insufficient supply of pollinators, unless lack of pollinators or pollination is solely and directly caused by an insurable cause of loss; or failure of certification or forage seed company contract acceptance caused by inadequate weed control not solely and directly due to an insurable cause, or improper isolation requirements.

Acreage Report

You must report to your insurance agent all of the acreage which you have a share (your share at the time insurance attaches), reporting the crop by type and practice.

Definitions

Established Stand - An adequate stand of live plants for crop years after the seed to seed year.

Fall Planted - Forage seed crop planted after May 31 of the previous crop year.

Forage Seed Crop - Small seeded legume plants grown for seed (such as alfalfa, clovers) shown in the special provisions.

Harvest - Removal of seed from the windrow or field.

Seed-to-Seed Year - The calendar year in which planting occurs for spring planted forage seed and the subsequent calendar year for all fall planted forage seed.

Spring Planted - Forage seed crop planted before June 1 of the current crop year.

Type - Classes of forage seed crop with similar characteristics that are grouped for insurance purposes and shown in the Special Provisions.

Late or Prevented Planting

Not applicable to the forage seed pilot policy.

Administrative Fees

Catastrophic (CAT) coverage: \$300 per crop per county. **Additional coverage:** \$30 per crop per county. Waivers of administrative fees for **all** coverage levels (CAT and additional) are available for limited resource farmers.

Loss Example - Forage Seed

Assume: 100 acres of forage seed in the unit (80 acres of an established stand at 600 pounds per acre and 20 acres of a spring planted seed to seed year stand at 300 pounds per acre). All acreage is contracted with a base price of \$1.15 per pound, producer has selected 100 percent of the base price). Producer harvested 37,000 pounds of seed – 12,000 pounds failed to achieve the contract minimum germination requirement. Salvaged production sold for \$0.80 per pound.
80 acres X 600 pounds = 48,000 pound guarantee

20 acres X 300 pounds = 6,000 pound guarantee

54,000 pound **total** guarantee X @1.39 per pound price election = \$75,060 **total** value guarantee

25,000 pounds met the contract quality (production to count) X \$1.39 per pound = \$34,750

12,000 pounds X (\$0.80/pound divided by \$1.39 per pound) = 6,906 pounds of production to count

6,906 pounds X \$1.39 = \$9,599

\$34,750 + \$9,599 = \$44,349 **total** value of production to count

\$75,060 - \$44,349 = \$30,711 Loss Indemnity Due Policy Holder

Where to Purchase

All multi-peril crop insurance (MPCI), including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site: <http://www3.rma.usda.gov/tools/agents/>

Regional Contact for RMA USDA/Risk Management Agency

Spokane Regional Office

11707 E Sprague Ave #201

Spokane Valley, WA 99206

Telephone: 509-228-6320

Fax: 509-228-6321

E-mail: rsowa@rma.usda.gov

Download Copies from the Web

Visit our online publications/fact sheets page at: http://www.rma.usda.gov/aboutrma/fields/wa_rso/

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.