



United States Department of Agriculture
Risk Management Agency

January 2006

2006 COMMODITY INSURANCE FACT SHEET

Wheat

Montana, North Dakota, South Dakota, Wyoming

Crop Insured

The crop insured will be wheat planted for harvest as **grain**.

Counties Available

Montana—All but Lincoln and Silver Bow

North Dakota—All counties

South Dakota—All counties

Wyoming—All but Albany, Hot Springs, Sublette, Sweetwater, Teton, Uinta, and Washakie

Wheat Types Available

Montana

Winter (All but Daniels & Sheridan)

Spring (All)

Durum (Insured as separate type in 18 northern & eastern counties. Insured as spring wheat in all other counties)

Khorasan (Glacier, Pondera, Teton, Cascade, Meagher, Park, and all counties east thereof)

North Dakota

Spring (All)

Durum (Insured as a separate type in all)

Khorasan (Renville, Ward, McLean, Oliver, Morton, Sioux and all counties west thereof)

South Dakota

Winter (Perkins, Ziebach, Dewey, Potter, Hyde, Hand, Jerauld, Sanborn, Hanson, Hutchinson, Bon Homme, and all counties west thereof)

Spring (All)

Durum (Insured as separate type in 18 northern counties. Insured as spring wheat in all other counties)

Wyoming

Winter (All but Big Horn, Fremont, Park)

Spring (All, but only irrigated in 9 counties)

Note: Any acreage of fall planted wheat in a county without a winter type on the actuarial documents is insurable only if you request such coverage by March 15, 2006, and the insurance provider accepts the acreage based on an adequate stand. It will then be insured as the spring type.

Causes of Loss

Adverse Weather Conditions

Failure of Irrigation Water Supply¹

Earthquake

Fire

Insects²

Plant disease²

Volcanic eruption

Wildlife

¹If caused by an insured cause of loss occurring during insurance period.

²But not due to insufficient or improper application of control measures.

Insurance Period

Coverage usually begins when the wheat is planted and ends at the earlier of the following: (1) total destruction of the wheat on the unit, (2) harvest of the unit, (3) final adjustment of a loss on the unit, or (4) October 31, 2006.

Note: Any acreage of wheat damaged before the final planting date, to the extent that producers in the area would not normally further care for the crop, must be replanted to an appropriate type of wheat unless the insurance provider agrees that replanting is not practical. A replant payment may be available.

Reporting Requirements

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

Important Dates

Sales Closing (Winter).....	September 30, 2005
Sales Closing (Spring).....	March 15, 2006
Acreage Report Date (Winter)....	November 15, 2005
Acreage Report Date (Spring).....	June 30, 2006

Definitions

Production Guarantee— Number of **bushels** guaranteed per acre determined by multiplying your average yield per acre (based on your records) times the coverage level you elect.

Price Election— \$3.15 per bushel - the price basis used to calculate premium and indemnity.

Duties in the Event of Damage or Loss

(1) Protect the crop from further damage by providing sufficient care; (2) Notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period); and (3) Leave representative samples intact for each field of the damaged unit.

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 85 percent of your average yield. For example, an average yield of 40 bushels per acre would result in a guarantee of 30 bushels per acre at the 75-percent coverage level. 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	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Premium Share	33	36	36	41	41	45	52	62

Catastrophic (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$100, regardless of the acreage.

Insurance Units

Your insurable acreage will be grouped into one or more units in order to establish the approved yield, calculate a guarantee, and determine any indemnity.

Basic Unit: A basic unit includes all of your wheat acreage in the county by share arrangement. Premiums are reduced by 10 percent for a basic unit.

Optional Units: If a basic unit consists of two or more sections, irrigated/nonirrigated acreage, or two or more crop types (winter/spring/durum) and certain record-keeping criteria are met, you may apply for optional units. The 10-percent discount will not apply.

Enterprise Units: Includes all insurable acreage of wheat in the county (in which you have a share) as a single unit, if requested by the sales closing date and certain criteria apply. An enterprise discount, which

varies by number of acres insured, applies in addition to the 10-percent discount for basic units.

Available Options

Winter Coverage Endorsement - For additional premium, provides additional coverage for winter wheat in MT, SD, and WY counties that have both fall and spring final planting dates. Must be requested by September 30, 2005.

Insurance Plans Available

APH — Actual production history (This fact sheet is based on the APH plan. Other plans may have differences.)

IP — Income protection (MT, ND, SD)

CRC —Crop revenue cCoverage (MT, ND, SD, WY)

RA — Revenue assurance (MT, ND, SD)

GRP — Group risk plan (select counties in MT, ND, SD, WY)

GRIP — Group risk income protection (select counties in MT, ND, SD, WY)

A request to change insurance plans must be made to your agent no later than September 30, 2005, in counties showing the winter type on the actuarial documents; no later than March 15, 2006, for all other counties.

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