



United States Department of Agriculture
Risk Management Agency

January 2006

2006 COMMODITY INSURANCE FACT SHEET

Alfalfa Seed Pilot

Montana, Wyoming

Crop Insured

The crop insured will be irrigated alfalfa seed grown solely for harvest as certified forage seed under certification standards of a certifying agency **or** grown under a forage seed contract. Must have a dormancy rating of 1 to 4.

The policy **does not cover** a forage seed crop that:

- Is interplanted with another crop;
- Does not have an adequate stand at the beginning of the insurance period as shown below;

ESTABLISHED STAND (# Living & fully developed alfalfa plants/sq. ft.)	FALL PLANTED SEED TO SEED (# Living alfalfa plants/sq. ft.)	SPRING PLANTED SEED TO SEED (# Living alfalfa plants/sq. ft.)
.2	1.5	1.5

- Exceeds the earlier of the maximum age of stand stipulated by the originator of the certified seed or the 6th and succeeding crop year after the crop year of initial seeding; or
- Is utilized for any purpose during the crop year other than for seed production.

Counties Available (Pilot)

Montana — Big Horn

Wyoming — Big Horn, Park

Insured Causes of Loss

Adverse weather conditions
Earthquake
Failure of irrigation water supply¹
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.

Uninsured Causes of Loss

- (1) Crop not being timely harvested*;
- (2) Insufficient supply of pollinators*;
- (3) Failure of certification standard or seed contract acceptance caused by failure to follow proper isolation requirements or inadequate weed control*;
- (4) Failure of certification standard or seed contract acceptance due to failure to follow all other certification or contract requirements*.

*Unless solely and directly caused by an insurable cause of loss.

Insurance Period

Insurance **begins** on acreage with an adequate stand on November 1, 2005, for fall planted seed to seed and established stands and May 15, 2006, for spring planted seed to seed.

Insurance **ends** the earliest of: (1) total destruction of the crop, (2) final adjustment of a loss on a unit, (3) abandonment of the crop, (4) harvest (removal of the seed from the windrow or field), (5) the date grazing commences on the crop, or (6) October 31, 2006.

Reporting Requirements

You must report all acreage of your alfalfa seed, both insured and uninsured, to your agent by the acreage reporting date. In addition, you must supply a copy of your forage seed contract for your contracted forage seed acreage or, if not contracted, a copy of the accepted certification application for your certified seed acreage on or before the acreage reporting date.

Important Dates

Sales Closing	September 30, 2005
Acres Reporting	November 15, 2005
for established stands and fall planted seed to seed	
Acres Reporting	June 30, 2006
for spring planted seed to seed	

Definitions

AVRB Ratings — Represents the Alfalfa Variety Review Board or its successor entities responsible for determining fall dormancy ratings of alfalfa cultivars.

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

Price Election— The price basis used to calculate premium and indemnity. For seed grown under contract, the price election is the price/lb stated in the forage seed contract. For certified seed not under a seed contract, the price election is \$1.07 per pound.

Duties in the Event of Damage or Loss

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 & Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield. For example, an average yield of 600 lbs/ac would result in a guarantee of 450 lbs/ac at the 75% 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
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

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 forage seed acreage in the county by share arrangement. Premiums are reduced by 10 percent for a basic unit.

Optional Units: Forage seed grown under a forage seed contract may have optional units established by variety. If optional units by variety are selected, all acres of a variety will be considered to be one optional unit, even if more than one forage seed contract is involved for the variety.

If optional units by variety are not selected or the forage seed is grown solely for harvest as certified seed and not grown under a forage seed contract, you may qualify for optional units by section, provided certain record-keeping criteria are met.

The 10-percent discount will **not** apply.

Production to Count

Production to count includes appraised and harvested production.

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