



United States Department of Agriculture  
Risk Management Agency

March 2007

## 2007 COMMODITY INSURANCE FACT SHEET

# Small Grains

## California

### Crop Insured

Insurable types of small grains are **wheat, barley, and oats** that are grown for the production of grain, not forage. Both irrigated and non-irrigated production practices are insurable in many counties, as are fall- and spring-planted crops. Additional coverage endorsements are available for winter wheat. Coverage for all types of small grains, irrigation practices, and planting periods may not be available in all counties.

Producers must insure all or none of their acreage of each type of small grain in the county but do not have to insure all types of small grain. For example, a producer may insure all of his wheat and none of his barley planted. The insurance coverage on one type of small grain can differ from coverage on another small grain insured by the same producer.

### Counties Available

Small Grains are insurable in Alameda, Fresno, Lassen, Merced, Modoc, Riverside, Sacramento, San Benito, San Joaquin, San Luis Obispo, Shasta, Siskiyou, Solano, Stanislaus, Sutter, Tehama, Tulare and Yolo counties \*\*. Small grains in other counties may be insurable by written agreement if specific criteria are met..

\*\* additional counties not listed, contact an agent for more details.

### Causes of Loss

- Adverse weather conditions<sup>1</sup>
- Failure of irrigation water supply<sup>2</sup>
- Fire<sup>3</sup>
- Insects<sup>4</sup>
- Plant disease<sup>4</sup>
- Wildlife<sup>5</sup>

<sup>1</sup>Natural perils such as hail, frost, freeze, wind, drought, and excess moisture.

<sup>2</sup>If caused by an insured peril during the insurance period.

<sup>3</sup>Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.

<sup>4</sup>But not damage due to insufficient or improper application of control measures.

<sup>5</sup>Unless wildlife control measures have not been taken.

### Insurance Period

Producers must contact a crop insurance agent to apply for coverage by October 31 or change their coverage before June 30 to insure the small grains they intend to plant. Insurance coverage begins when the crop is planted and ends no later than the following October 31.

### Important Dates

Sales Closing .....	October 31
Final Planting Dates	
Barley / Oats.....	January 31
Wheat .....	December 31
Acreage Report Due.....	March 15

**\*\*See an agent for actual dates in your area.**

### Coverage Levels and Premium Subsidies

The insurance guarantee is production measured in bushels of grain. Individual amounts of insurance are based on the grower's production history. An insurance agent calculates each grower's approved-average yield from 4 to 10 years of production records. Producers can select a level of coverage ranging from 50 to 75 percent of their approved average yield and 50 to 100 percent of a price announced by USDA, or Catastrophic (CAT) coverage based on 50 percent of their approved yield and 55 percent of the price.

**Price election**, the price below used to calculate your premium or indemnity:

Barley .....	\$2.15
Oats .....	\$1.80
Wheat .....	\$3.25

## Cost of Crop Insurance

The Agricultural Risk Protection Act of 2000 raised the subsidies for federal crop insurance premiums substantially. For CAT coverage, growers pay an application fee of \$100, per county with 100 percent of the premiums being subsidized. Higher coverage levels are subsidized at lower rates; USDA pays at least 50 percent of the premium. For more detailed information about the amounts of coverage and premiums, please contact a crop insurance agent or your local county FSA office for an agent listing.

## Loss Example

A claim can be filed whenever production falls short of the guarantee selected by the insured. The amount of a loss is determined by multiplying the production shortfall by the pre-selected price.

Assumes a basic unit with 65-percent coverage level, 100-percent price election, and yield of 90 bushels per acre, 100-percent share.

90	Bushels per acre average yield (APH)
x .65	Coverage level percentage
59	Bushels per acre guarantee
- 14	Bushels per acre actually produced
45	Bushels per acre loss
x \$3.25	Price election
<b>\$146.25</b>	<b>Gross indemnity per acre</b>

## Where to Purchase Crop Insurance

All multi-peril crop insurance, including CAT coverage insurance policies, are available from private insurance agents. A list of crop insurance agents is available on the RMA Web site at:

<http://www3.rma.usda.gov/tools/agents/>

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