USDA RMA

United States Department of Agriculture
Risk Management Agency

February 2007

2007 COMMODITY INSURANCE FACT SHEET

# Forage Production APH

## Illinois

## Crop Insured

The crop insured will be all the forage in the county in which you have a share and may be a stand of:

- Pure alfalfa, or alfalfa and grass in which 60percent or more of the ground cover is alfalfa.
- Mixed alfalfa and grasses in which alfalfa comprises more than 25 percent but less than 60 percent of the ground cover.
- Red clover, or a stand of red clover and grass in which 60 percent or more of the ground cover is red clover.

To be insurable, the crop must be:

- Grown after the year of establishment.
- **Year of establishment:** the calendar year of seeding if seeded prior to July 1; or, the calendar year following the year of seeding if seeded July 1 or later.

We **do not insure** any acreage that:

- Does not have an adequate stand* at the beginning of the insurance period.
- Is grown with a non-forage crop.
- Is grown for rotational grazing purposes.
- Exceeds the age limitation for forage stands contained in the special provisions (shown below).

*An adequate stand requires the following minimum living plants per square foot after the year of establishment:

| | 1st Year | 2nd Year | 3rd - 5th Year ** |
|---|---|---|---|
| Alfalfa | 9 | 6 | 4 1/2 |
| Alfalfa-Grass Mixture | 6 | 4 | 3 |
| Red Clover | 12 | 8 | 8** (Third Year only) |

## Counties Available

This insurance coverage is available in Jo Daviess and Stephenson counties.

## Causes of Loss

Adverse weather conditions
Earthquake
Failure of irrigation water supply, if applicable, due to an unavoidable cause of loss occurring within the insurance period
Fire
Insects*
Plant disease*
Volcanic eruption
Wildlife

All specified causes of loss must be due to a naturally occurring event.
*But not damage due to insufficient or improper applicant of pest or disease control measures.
**We will not insure against damage that occurs after removal from the windrow.**

## Insurance Period

Coverage begins October 16, 2006 on acreage that has an adequate stand and that was seeded prior to the 2006 crop year. Insurance coverage will begin May 22, 2007 on acreage that has an adequate stand and that was **spring** seeded in 2006 (seeded prior to July 1, 2006). Insurance will end at the earliest of: (1) total destruction of the forage crop; (2) removal from the windrow or the field for each cutting; (3) Final adjustment of a loss; (4) tThe date grazing commences on the forage crop (grazing is allowed during winter dormancy of the crop; see special provisions of insurance); (5) abandonment of the forage crop; or (6) October 15, 2007.

## Important Dates

Sales Closing ............................ September 30, 2006
Acreage Report .......................... November 15, 2006
Premium Billing .....................................July 1, 2007
Production Reporting.................. November 14, 2006

*This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.*

## Definitions

APH Yield - Actual production history (APH) yield used to determine the production guarantee. The APH yield is based on up to 10 years of actual and/or assigned yields.

**Unit -** The insurable acreage used to determine the APH yield, the production guarantee, and any indemnity (loss payment).

**Production Guarantee -** Number of tons guaranteed per unit. Multiply your APH yield per acre *x* the coverage level percentage you select *x* number of acres in the unit.

## Coverage Levels and Premium Subsidies

**Catastrophic Coverage (CAT) - 50 percent** of your APH yield and **55 percent** of the established price
**Additional Coverage - 50, 55, 60, 65, 70 or 75 percent** of your APH yield and up to **100 percent** of the established price.

## Premium and Administrative Fees

These fees are charged in addition to the insurance premium. USDA subsidizes the insurance premium. Catastrophic (CAT) coverage: $100/crop/county. (No insurance premium is charged for CAT coverage.) Additional coverage: $30/crop/county.

## Price Elections

**Illinois:** $97/ton

## Loss Example

A loss occurs when the crop production falls below the guaranteed tonnage amount as a result of damage from a covered cause of loss. This example is based on an APH yield of 4.0 tons per acre, 65-percent coverage level, 100 percent established price, and one basic unit.

| | |
|---|---|
| 4.0 | Tons per acre APH yield |
| x .65 | Coverage level |
| 2.6 | Tons per acre guarantee* |
| - 1.6 | Tons per acre actually produced |
| 1.0 | Tons per acre loss |
| x $97 | Price election |
| $97 | Gross indemnity per acre* |
| - $ 9 | Premium per acre (varies by county) |
| **$88** | **Net indemnity per acre*** |

*Figures shown on a per acre basis; yield guarantees and losses are paid on a unit basis. See policy provisions.

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