



United States Department of Agriculture
Risk Management Agency

September 2008

2008 COMMODITY INSURANCE FACT SHEET

Forage Production

Nebraska

Crop Insured

The crop insured will be planted perennial alfalfa or a mixture of perennial alfalfa and perennial grasses in which you have a share, that is planted for harvest, and is grown after the year of establishment. The policy **does not cover** any forage that:

- Is grown with a non-forage crop;
- Does not have an adequate stand at the beginning of the insurance period. An adequate stand requires a minimum number of living alfalfa plants per square foot for each year after the year of establishment (as shown below); or
- Exceeds the age limitations for forage stands contained in the special provisions and the chart below.

All Counties:

| Living Alfalfa Plants/sq.ft. | 1st Yr | 2nd Yr | 3rd Yr | 4th Yr | 5th Yr | 6th Yr | 7th Yr | 8th Yr |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Irr. Alfalfa | 9.0 | 6.0 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | ** |
| Irr. Alfalfa/Grass Mix | 3.0 | 2.0 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | ** |
| Irr. Grass/Alfalfa Mix | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | ** |
| NI Alfalfa | 6.0 | 4.0 | 3.0 | 3.0 | 3.0 | * | * | ** |
| NI Alfalfa/Grass Mix | 2.0 | 1.3 | 1.0 | 1.0 | 1.0 | * | * | ** |
| NI Grass/Alfalfa Mix | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | ** |

*Overage stands are not insurable as the alfalfa type or alfalfa grass mixture type and must be insured as grass alfalfa mixture type.

**The grass alfalfa mixture type includes all overage alfalfa and alfalfa grass mixtures the 8th and succeeding years after the year of establishment, as long as there are at least 0.2 living alfalfa plants per square foot. No maximum age limitation applies.

Counties Available

Actual Production History (APH) forage production insurance is available in Boyd, Cedar, Custer, Holt, Howard, Keya Paha, Knox, Sherman, and Valley counties.

Causes of Loss

Adverse weather conditions¹
Failure of irrigation water supply²
Fire⁴
Insects³
Plant disease³
Wildlife

¹Such as hail, freeze, excess wind, excess rain, drought, and tornado.

²If due to an insured cause of loss within the insurance period.

³Only if effective control measures do not exist for such infestation.

⁴If due to natural causes.

Insurance Period

Insurance begins on acreage with an adequate stand for the calendar year following the year of seeding for spring planted forage, April 15, and for fall planted forage, October 16. Insurance ends at the earliest of: (1) total destruction of the crop, (2) removal from the windrow or the field for each cutting, (3) final adjustment of loss, (4) the date grazing commences on the forage crop, (5) abandonment of the forage crop, or (6) October 15, 2008.

Reporting Requirements

Acreage Report—You must report all your forage acreage in the county in which you have a share by the acreage reporting date.

Underwriting Report—You must complete the forage production underwriting report and submit a copy to your agent before insurance attaches. This report identifies each field and certifies basic information needed to determine type classification, unit structure, and insurability of the stand.

Important Dates

Sales Closing Date September 30, 2007
Cancellation Date..... September 30, 2007
Fall Seeded Acreage Report Date..... Nov. 15, 2007
Premium Billing July 1, 2008
End of Insurance..... October 15, 2008

| 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 |

Definitions

Adequate Stand — A population of live plants per square foot that meets the minimum required number of plants as shown in the special provisions.

Production Guarantee — Number of tons guaranteed per unit. Multiply your APH yield per acre times the coverage level percentage you select time the number of acres in the unit.

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.

Coverage Levels and Premium Subsidies

Forage production may be insured at the coverage levels shown on the reverse. Crop insurance premiums are subsidized as shown. For example, if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium.

Catastrophic coverage (CAT) is available at 50 percent of your yield and 55 percent of the price election. The total cost for CAT coverage will be an administrative fee of \$100 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

Price Elections

Price of compensation per ton in case of loss: Established price for alfalfa and alfalfa grass mixture is \$69.00/ton. Established price for grass alfalfa mixture is \$66.00/ton.

Insurance Units

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

Optional Unit: If a basic unit consists of two or more sections of land, and certain record keeping requirements are met, you may apply for optional units by section. The 10-percent premium reduction does not apply.

Plans of Insurance

Actual Production History (APH) — Production guarantee based on individual yield history, protection is for yield loss only.

Replant Provisions

No replant payment is available.

Late and Prevented Planting

No late or prevented planting is available.

Loss Example

A loss occurs when the tons of forage production for the unit fall below the production guarantee. This example assumes a 3.5-ton-per-acre APH yield for alfalfa, 70-percent coverage level, 100 percent of the established price and basic unit coverage.

$$\begin{array}{r}
 3.5 \text{ tons per acre APH yield} \\
 \times .70 \text{ percent coverage level selected} \\
 \hline
 2.45 \text{ tons guarantee*} \\
 - 1.45 \text{ tons per acre actually produced} \\
 \hline
 1.0 \text{ tons per acre loss} \\
 \times \$69.00 \text{ price election} \\
 \hline
 \mathbf{\$69.00 \text{ gross indemnity*}}
 \end{array}$$

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

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