United States Department of Agriculture
Risk Management Agency

March 2008

2008 COMMODITY INSURANCE FACT SHEET

Rice

California

Crop Insured

All types of rice, except wild rice, grown for the production of grain using flood irrigation or one of the recognized planting practices are insurable. Producers must insure all their acreage of rice in the county at the same percent-coverage level. The crop must be replanted if damaged before the final planting date; reduced payments for replanting and prevented planting are available. Organic practice is now insurable.

Counties Available

Rice is insurable in Butte, Colusa, Fresno, Glenn, Merced, Placer, Sacramento, San Joaquin, Stanislaus, Sutter, Tehama, Yolo and Yuba counties. Rice in other counties may be insurable by written agreement if specific criteria are met. Contact an agent for more details.

Causes of Loss

Adverse weather conditions[1]
Failure of irrigation water supply[2]
Fire[4]
Insects[3]
Plant disease[3]
Wildlife[5]

[1]Natural perils such as hail, frost, freeze, wind, drought, and excess precipitation.
[2]If caused by an insured peril during the insurance period.
[3]But not damage due to insufficient or improper application of control measures.
[4]Unless weeds and undergrowth are not controlled or unmulched pruning debris is not removed.
[5]Unless wildlife control measures have not been taken.

Insurance Period

Producers must contact a crop insurance agent to apply for coverage or change their coverage before February 28 to insure the rice 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 ....February 28
Final Planting.. June 1
Acreage Reporting ....July 15

Coverage Levels and Premium Subsidies

The unit of measure for production is in pounds of rough, whole-kernel, milled weight. Individual amounts of insurance are based on the grower's production history. An insurance agent calculates each grower's approved-average yield from a minimum of 4-10 years of production records.

Producers can select a level of coverage ranging from 50 to 85 percent of their approved average yield. Catastrophic (CAT) coverage is based on 50 percent of their approved yield and 55 percent of the price.

Price Election Price used to calculate premium and indemnity:
2008 Base Price: $.144 per pound

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 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 preselected price.

Based on actual production history (APH) yield of 6,800 pounds per acre, 85-percent coverage level, and 100 percent of the 2005 price election at $.144

6800	Pounds per acre average yield (APH)
x .85	Coverage Level
5780	Pounds per acre guarantee
- 4500	Pounds per acre actually produced
1280	Pounds per acre loss
x $.144	Price election
$184.32	**Gross indemnity per acre**

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/

Download Copies from the Web

Visit our online publications/fact sheets page at: http://www.rma.usda.gov/aboutrma/fields/ca_rso/

Regional Contact for RMA

USDA/Risk Management Agency
Davis Regional Office
430 G Street, # 4168
Davis, CA 95616
Telephone: 530-792-5870
Fax: 530-792-5893
E-mail: rsoca@rma.usda.gov