



United States Department of Agriculture  
Risk Management Agency

Sept 2008

## 2009 COMMODITY INSURANCE FACT SHEET

# Forage Production GRP Nebraska

### Crop Insured

The crop insured will be non-irrigated alfalfa and alfalfa/grass mixtures, grown on insurable acreage in the county or counties listed in the accepted application, properly planted and reported by the acreage reporting date and intended for harvest. Forage grown with another crop is excluded from insurance coverage.

### Counties Available

GRP forage production insurance is available in Boyd, Buffalo, Cedar, Cuming, Custer, Dawes, Dawson, Holt, and Knox counties.

### 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>1</sup>Such as hail, freeze, excess wind, excess rain, drought, and tornado.

<sup>2</sup>If due to an insured cause of loss within the insurance period.

<sup>3</sup>If due to natural causes.

<sup>4</sup>Only if effective control measures do not exist for such infestation.

### 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.

### Important Dates

Sales Closing Date ..... November 30, 2008  
Cancellation Date ..... November 30, 2008  
Acreage Report Date ..... May 15, 2009  
Premium Billing ..... July 1, 2009

### Definitions

**Expected County Yield** — The yield contained in the actuarial documents, on which your coverage for the crop year is based. This yield is determined using historical National Agricultural Statistics Service (NASS) county average yields, as adjusted by the Federal Crop Insurance Corporation (FCIC).

**Trigger Yield** — The result of multiplying the expected county yield by the coverage level percentage chosen by you. When the payment yield falls below the trigger yield, an indemnity is due.

**Harvest** — Removal of the forage from the field, and rotational grazing.

### Coverage Levels and Premium Subsidies

Forage production may be insured at the coverage levels shown in the table below. Crop insurance premiums are subsidized as shown.

COVERAGE LEVEL	CAT	70	75	80	85	90
GRP Premium Subsidy Factor	1.00	.59	.59	.55	.55	.51
GRIP Premium Subsidy Factor	na	.59	.55	.55	.49	.44

Catastrophic coverage (CAT) is available at 65 percent of the expected county yield and 45 percent of the maximum protection per acre. The total cost for CAT coverage will be an administrative fee of \$300 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, are \$30 per crop per county.

### Plans of Insurance

**Group Risk Plan (GRP)** — Insures against widespread loss of production based on county average yields. No individual protection available.

### 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 your trigger yield. This example assumes a 2.0 ton per acre expected county yield, 80 percent coverage level, and \$243 protection per acre.

$$\begin{array}{r} 2.0 \text{ tons per acre county expected yield} \\ \times \text{ .80 percent coverage level selected} \\ \hline 1.6 \text{ tons per acre trigger yield} \\ - \text{ 1.1 tons per acre payment yield for the year} \\ \hline .50 \text{ tons per acre deficiency} \\ .50 \text{ divided by } 1.6 = 0.313 \text{ payment factor} \\ \\ 0.313 \text{ payment factor} \\ \times \text{ \$243 protection} \\ \hline \text{\$76.00 gross indemnity} \end{array}$$

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