



United States Department of Agriculture  
Risk Management Agency

April 2008

## 2008 COMMODITY INSURANCE FACT SHEET

# Safflower

## Utah

### Crop Insured

All types of safflower planted for harvest as safflower seed can be insured. Both irrigated and non-irrigated production practices are insurable. Safflower planted on land on which safflower, sunflowers, beans, mustard, lentils, or rapeseed were grown the preceding crop year is not insurable

### Counties Available

Safflower is insurable in Box Elder, Cache, Juab, San Juan and Utah counties. Safflower 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<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

Insurance period attaches when safflower is planted and ends at the earliest of :

- Total destruction of safflower
- Final adjustment
- Harvest of the unit
- October 31st

### Important Dates

Sales Closing ..... March 15  
Final Planting Date..... May 15  
Acreage Report Due ..... June 30

### Coverage Levels and Premium Subsidies

The insurance guarantee is production measured in pounds of safflower. Individual amounts of insurance are based on a grower's past production and planted acres. Prospective insured are asked to provide 4 to 10 years of actual yield history, for which their average yield is calculated. In the absence of four years of actual yield history, the determined yield is calculated using a combination of actual and transitional yields (estimate of county average). Producers can select a coverage level ranging from 50 to 75 percent of their individual approved yield and 55 to 100 percent of the price announced by USDA.

**Catastrophic Risk Protection (CAT)** coverage is equal to 50 percent of their approved average yield and 55 percent of their price.

**Price Election:** Price used to calculate your premium and indemnity

**2008 Price:** \$0.207 per pound to be determined

### 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 pay an application fee of \$30 and premiums 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 Farm Service Agency office for an agent listing.

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## Loss Example

A claim is 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.

Based on actual production history (APH) yield of 800 pounds per acre, 75-percent coverage level, selected price of \$.207 per pound, 100-percent share.

800	Pounds per acre average yield (APH)
<u>x .75</u>	Coverage level percentage
600	Pounds per acre guarantee
<u>- 200</u>	Pounds per acre actually produced
400	Pounds per acre loss
<u>x \$.207</u>	Price election
<b>\$82.80</b>	<b>Gross indemnity per acre</b>

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## 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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