



United States
Department of
Agriculture

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Risk Management
Agency

INFORMATIONAL MEMORANDUM

Spokane Washington
Regional Office

TO: Pacific Northwest Approved Insurance Providers

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SUBJECT: 2009 Barley Coverage in the States of Idaho, Oregon and
Washington

BACKGROUND:

The availability of Revenue Assurance (RA) Barley to the states of Washington and Oregon for the 2009 crop year has been approved to be filed. RA Barley is currently available in Idaho.

Two sales closing dates are available for barley: September 30, 2008, for fall planted barley with the Winter Coverage Endorsement and March 15, 2009, for all other barley regardless of insurance plan. RMA is providing the following description of the crop insurance plans that are approved to be available when actuarial documents for spring crops are filed later this fall. Agents selling fall barley policies need to be aware of RMA's plans.

ACTION:

Three separate insurance plans are approved to be available for the 2009 crop year in each of Idaho's, Oregon's, and Washington's predominant barley counties. The following are some highlights of the different plans of insurance available for barley.

Actual Production History (APH) is a 'production based' plan of insurance provided through the Small Grains Crop Provisions. Insurance guarantees and indemnities are calculated with the same predetermined set price. This plan includes: additional protection on acreage growing malting varieties, extended coverage for winter damage on acreage planted to fall varieties (available in select counties or by written agreements requested by September 30, 2008), and choice of basic, optional, and special unit arrangements.

Income Production (IP) is an alternative 'revenue' plan of insurance provided through the pilot Income Protection Barley Crop Provisions. Insurance guarantees and indemnities (production and/or value losses) are determined using pre-harvest versus post-harvest bushel values determined from Chicago Board of Trade Corn Futures. Additional protection on acreage growing malting varieties is available. The winter



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coverage endorsement is not available under this plan, however insurance coverage for fall planted barley acreage is available upon your request, and will be contingent upon the determination that an adequate stand exists in the spring. This insurance plan provides for an enterprise unit structure (one unit per county) for determining basic protection; any malt acreage is covered as a separate enterprise unit.

Revenue Assurance (RA), a 'revenue' plan of insurance that has been available for several years in Idaho, ***is approved to be filed in Oregon and Washington for 2009.*** Policy terms are provided through the Revenue Assurance Spring Barley Crop Provisions and the RA Basic Provisions. Insurance guarantees and indemnities (production and/or value losses) are determined using pre-harvest versus post-harvest bushel values determined from Winnipeg's Barley Futures Contract and Chicago Mercantile Exchange for Canadian Dollar Futures. The RA plan does offer an optional replacement value protection (similar to the Crop Revenue Coverage 'CRC' plan for wheat) to protect against upward price movement and a shortfall in production. Additional protection on acreage growing malting varieties is also available, plus the choice of enterprise, basic, and optional unit structures. Insurance coverage is limited to acreage initially planted in the spring; therefore fall planted acreage is not covered under this policy.

Important Dates – Sales closing (and last date to purchase insurance, or for carry-over insured to change coverage levels or plans of insurance)

Producers who grow fall planted barley and want the acreage protected by the Winter Coverage Endorsement must choose the APH plan of insurance by September 30th 2008. The deductible percentage selected on this date will be applicable to all spring planted barley acreage as well. [If an additional price election is announced for 2009 crop year, separate values may be made by type, i.e. winter versus spring.]

Note: Insured barley growers who have previously (2008 crop year) selected the Winter Coverage Endorsement, but want the opportunity to re-evaluate all their options until March 15th, must request cancellation of the WCE no later than September 30th, 2008.

Keep in mind, the ***RA insurance plan offers protection to only barley initially planted in the spring.*** Producers not insuring fall barley under the Winter Coverage Endorsement must make selection of insurance plans (i.e. APH, IP, or RA) and price & coverage level by **March 15th, 2009.** If an insured applies for APH or IP coverage by March 15th (but after September 30th 2008) the insurance coverage for any fall planted barley acreage will be contingent upon the determination that an adequate stand of the crop exists in the spring.

Please contact the Spokane Regional Office if you have any questions.