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Revenue Assurance (RA) Feed Barley Canola / Rapeseed



Revenue Assurance Now Available in Idaho

USDA's Risk Management Agency (RMA) has granted the continuation of the Revenue Assurance Program for **Feed Barley and Spring Canola / Rapeseed in Idaho.**

Innovative Pilot Program

Continuing their effort to place a special emphasis toward refining current crop insurance programs for U.S. farmers, the insurance industry through **RMA** will offer this program which includes an innovative pricing mechanism for feed barley and canola - the first commodities with pricing to be determined by a Canadian Futures Exchange (because U.S. exchanges do not trade these commodity futures).

RA Protection

RA provides coverage to protect against loss of revenue caused by low price or low yields or a combination of both.

RA Availability

RA covers **feed barley and spring canola / rapeseed** in Idaho counties where MPC1 barley and canola insurance is currently available.

RA Time-Line

The sales closing date is the final date for which a producer may make application for an RA policy. **The sales closing date for Idaho producers is: March 15.**

Unit

Policyholders must insure all acreage of the insurable crop types in the county. RA policy offers basic units, optional units, enterprise units or whole farm unit. Basic units may be subdivided into optional units based on sections and/or irrigated and nonirrigated practices, if the insured has records of planted acreage and harvested production for each proposed unit.

Enhanced Unit Options

Unit structures available under RA are basic, optional, enterprise and whole farm. RA provides a premium discount for enterprise units (all insurable acres of a single

RA crop in a county). An additional premium discount is available when an insured elects the whole farm unit (**all spring wheat, feed barley, and spring canola / rapeseed** acreage in the county.)

Coverage Levels

Coverage is established by first calculating a producer's expected revenue per acre (approved yield X projected harvest price). The producer selects a per-acre revenue guarantee that falls between 65 and 85% for basic and optional units. Coverage levels for whole farm and enterprise units range from 65 to 85%.

RA Guarantee

The RA revenue guarantee per acre is calculated by multiplying the approved yield for the unit times the projected harvest price times the coverage level selected by the producer. The revenue guarantee equals the per-acre revenue guarantee, times the number of insurable acres in the unit, times the producer's share. **Note:** *Procedures used to calculate available revenue premiums vary by the selected unit structure.*

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Projected Harvest Price

(PHP) is the price used to determine the expected per-acre revenue and the per-acre revenue guarantee.

For **feed barley**, the PHP is the simple average of the final daily settlement prices in February for the Winnipeg Commodity Exchange (WCE) October feed barley futures contract multiplied by 0.02177. This factor converts the WCE price from Canadian dollars per metric ton to Canadian dollars per bushel. To convert into U.S. dollars, multiply the price in Canadian dollars per bushel by the simple average of the final daily settlement prices in February on the September Canadian dollar futures contract on the Chicago Mercantile Exchange (MERC), using the current U.S./Canadian exchange rate.

For **spring canola / rapeseed**, the PHP is the simple average of the final daily settlement prices in February for the WCE November canola futures contract divided by 2,205. This factor converts the WCE price from Canadian dollars per metric ton to Canadian dollars per pound. To convert into U.S. dollars, multiply the price in Canadian dollars per pound by the simple average of the final daily settlement prices in February on the September Canadian dollar futures contract on the Chicago Mercantile Exchange (MERC), using the current U.S./Canadian exchange rate.

RA Indemnities

RA indemnities will be paid if the production to count times the fall harvest price is less than the per-acre guarantee times the number of acres.

Fall Harvest Price (FHP)

Harvest revenue equals all of the production to count times the fall harvest price. For feed barley, the FHP is the simple average of the final daily settlement prices in August for the Winnipeg Commodity Exchange (WCE) October feed barley futures contract multiplied by 0.02177. This factor converts the WCE price from Canadian dollars per metric ton to Canadian dollars per bushel. To convert into U.S. dollars, multiply the price in Canadian dollars per bushel by the simple average of the final daily settlement prices in August on the September Canadian dollar futures contract on the Chicago Mercantile Exchange (MERC), using the current U.S./Canadian exchange rate.

For **spring canola / rapeseed** the FHP is the simple average of the final daily settlement prices in September for the WCE November canola futures contract divided by 2,205. This factor converts the WCE price from Canadian dollars per metric ton to Canadian dollars per pound. To convert into U.S. dollars, multiply the price in Canadian dollars per pound by the simple average of the final daily settlement prices in September on the September Canadian dollar

futures contract on the Chicago Mercantile Exchange (MERC), using the current U.S./Canadian exchange rate.

Fall Harvest Price Option

The FHP Option is designed to provide additional insurance to those producers who market their crop before harvest. If an insured selects the RA FHP Option (by the sales closing date) their revenue guarantee will be based on the greater of the fall harvest price or the projected harvest price. The option is continuous, unless canceled by the crop sales closing date.

Detailed Information

This summary is for general illustration purposes only. Please contact your crop insurance agent to learn more details about RA.

Where to Purchase

RA insurance policies are only available from private insurance agents. A list of crop insurance agents is available at all USDA Service Centers or at the website address:
www.rma.usda.gov/tools/agents/

Additional Information

Contact Dave P. Paul, Director, USDA/Risk Management Agency/Spokane Regional Office.

