



# 2003 CROP INSURANCE FACT SHEET

## FORAGE PRODUCTION APH

### Iowa, Minnesota, and Wisconsin

*THIS FACT SHEET POINTS OUT CERTAIN FEATURES OF CROP INSURANCE AND IS NOT INTENDED TO BE COMPREHENSIVE. THE INFORMATION BELOW NEITHER MODIFIES NOR REPLACES TERMS AND CONDITIONS OF THE BASIC PROVISIONS, CROP PROVISIONS, OR COUNTY ACTUARIAL DOCUMENTS. CONTACT A CROP INSURANCE AGENT FOR FURTHER DETAILS.*

#### CROP INSURED

**The crop insured will be all the forage in the county in which you have a share and may be a stand of:**

- pure alfalfa, or alfalfa and grass in which 60 percent or more of the ground cover is alfalfa.
- mixed alfalfa and grasses in which alfalfa comprises more than 25 percent but less than 60 percent of the ground cover.
- red clover, or a stand of red clover and grass in which 60 percent or more of the ground cover is red clover.

To be insurable, the crop must be:

- Grown after the year of establishment.\*
- **\* Year of establishment:** the calendar year of seeding if seeded prior to July 1; the calendar year following the year of seeding if seeded July 1 or later.

**We do not insure** any acreage that:

- Does not have an adequate stand\* at the beginning of the insurance period;
- Is grown with a non-forage crop.
- Is grown for rotational grazing purposes.
- Exceeds the age limitation for forage stands contained in the Special Provisions (shown below)

\*An adequate stand requires the following minimum living plants per square foot after the year of establishment:

	First Year	Second Year	Third thru Fifth Year *
Alfalfa	9	6	4½
Alfalfa-Grass Mixture	6	4	3
Red Clover	12	8	8 * (Third Year Only)

#### CAUSES OF LOSS

Adverse Weather Conditions (including hail, frost, freeze, drought, and excess precipitation)  
 Insects\*    Plant Disease\*    Wildlife    Fire    Failure of Irrigation Water Supply\*\*

\*But not damage due to insufficient or improper application of pest or disease control measures.

\*\*If caused by an insured peril that occurs during the insurance period.

We will not insure against damage that occurs after removal from the windrow.

#### IMPORTANT DATES

Sales Closing Date: ..... **September 30, 2002**  
 Acreage Reporting Date: ..... **November 15, 2002**  
 Billing Date: ..... **July 1, 2003**  
 Production Reporting Date: ..... **November 14, 2003**

#### ESTABLISHED PRICE ELECTIONS

Iowa: \$94/Ton                      Minnesota: \$71/Ton                      Wisconsin: \$65/Ton

#### DEFINITIONS

**APH Yield**                      Actual Production History yield used to determine the production guarantee. The APH Yield is based on up to 10 years of actual and/or assigned yields.

**Unit**                                      The insurable acreage used to determine the APH Yield, the Production Guarantee, and any indemnity (loss payment).

**Production Guarantee** Number of tons guaranteed per unit. Multiply your APH yield per acre x the coverage level percentage you select x number of acres in the unit.

**High Risk Land (HRL)** Land designated on a map in the actuarial documents with a high risk rate classification, requiring a higher premium rate due to higher risk.

**APH COVERAGE OPTIONS**

**Catastrophic Coverage (CAT)** 50% of your APH yield and 55% of the Established Price  
**Additional Coverage** 50, 55, 60, 65, 70 or 75% of your APH yield and up to 100% of the Established Price.

**INSURANCE PERIOD**

Insurance coverage will begin October 16, 2002 on acreage that has an adequate stand and that was seeded prior to the 2002 crop year. Insurance coverage will begin May 22, 2003 on acreage that has an adequate stand and that was Spring seeded in 2002 (seeded prior to 7/1/02). Insurance will end at the earliest of:

1. Total destruction of the forage crop;
2. Removal from the windrow or the field for each cutting;
3. Final adjustment of a loss;
4. The date grazing commences on the forage crop (grazing is allowed during winter dormancy of the crop; see Special Provisions of Insurance).
5. Abandonment of the forage crop; or
6. October 15, 2003.

**LOSS EXAMPLE**

*(Based on an APH yield of 4.0 tons/ac, 65% coverage level, 100% established price, and one basic unit.)*

4.0	tons per acre APH yield
<u>x .65</u>	coverage level
2.6	tons per acre guarantee*
<u>- 1.6</u>	tons per acre actually produced
1.0	ton per acre loss
<u>x \$ 71</u>	price election
\$ 71	gross indemnity per acre*
<u>-\$ 9</u>	premium per acre (varies by county)
\$ 62	net indemnity per acre*

\*Figures shown on a per acre basis; yield guarantees and losses are paid on a unit basis. See policy provisions.

**ADMINISTRATIVE FEES**

These fees are charged in addition to the insurance premium. The insurance premium is subsidized by USDA.  
**Catastrophic (CAT) Coverage:** \$100/crop/county. (No insurance premium is charged for CAT coverage.)  
**Additional Coverage:** \$30/crop/county.

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