Valdosta Regional Office - Valdosta, GA

August 2016

Canola

Alabama, Georgia, South Carolina

Crop Insured

All canola and rapeseed are insurable by yield or revenue protection plans in the county if:

- The actuarial documents provide premium rates;
- It is planted for harvest as seed;
- Not interplanted with another crop;
- Not planted into an established grass or legume, unless allowed by special provisions or by written agreement; and
- You have a share in the crop.

Counties Available

Alabama - Limestone County.
Georgia - Bartow, Calhoun, Chattooga, Cherokee, Floyd, Franklin, Gordon, Hart, Murray, Polk, Walker, and Whitfield counties.
South Carolina - Dillon County.
Canola may be insurable in other counties by written agreement if specific criteria are met. Talk to your crop insurance agent for more details.

Causes of Loss

You are protected against the following:

- Adverse weather conditions;
- Earthquake;
- Failure of irrigation water supply, if caused by an insured peril during the insurance year;
- Fire;
- Insects or plant disease, but not damage due to insufficient or improper application of control measures;
- Price change (for revenue protection);
- Volcanic eruption; or
- Wildlife.

Insurance Period

Coverage begins when the crop is planted and ends with the earliest of one of the following:

- Total destruction of the crop;
- Removal from the field;
- Final adjustment of a loss;
- Abandonment of the crop; or
- October 31.

Important Dates

Sales Closing/Cancellation …....... September 30, 2016
Final Planting …………… Varies by State and County
Acreage Reporting ……..……….…. January 15, 2017
Premium Billing ………..……………..…. July 1, 2017

Reporting Requirements

Acreage Report - You must report all acres of the crop, in which you have a share in the county, to your crop insurance agent by the acreage reporting date.

Duties in the Event of Damage or Loss

You must perform the following duties in the event of damage or loss:

- Protect the crop from further damage by providing sufficient care;
- Notify your agent within 72 hours of your initial discovery of damage; and
- Representative samples for each field in the damaged unit must not be destroyed or harvested until the earlier of our inspection or 15 days after harvest of the balance of the unit is completed and written notice of loss provided.

Insurance Plans

One policy provides the choice of three plans.
Yield Protection - Insurance coverage providing protection only against a production loss.
Revenue Protection - Insurance coverage providing protection against loss of revenue due to a production loss, price decline/increase, or a combination of both.
Revenue Protection with Harvest Price Exclusion - Insurance coverage providing protection only against revenue loss due to a production loss, price decline, or a combination of both.

Prices

Projected Price - Determined from the Intercontinental Exchange (ICE) average daily settlement price of the July futures contracts for August 15 through September 14, according to the Commodity Exchange Price Provisions

(CEPP). The projected price is used to calculate your premium and any prevented planting payment.

Harvest Price - Determined from the ICE average daily settlement price of the July futures contracts for June 1 through June 30, according to the CEPP. For more information talk your crop insurance agent or go to webapp.rma.usda.gov/apps/actuarialinformationbrowser/.

Definitions

Approved Yield - The average of actual production history (APH) yields, assigned or adjusted yields, or unadjusted transitional yields that your insurance company calculates and approves.

Cancellation Date - The calendar date when coverage for the crop automatically renews unless canceled in writing by either you or the company, or terminated according to the policy terms.

Harvest Price Exclusion - Revenue protection with the harvest price excluded when determining the revenue guarantee. The harvest price is not excluded for determining value of production for losses.

Production Guarantee - Bushels guaranteed per acre determined by multiplying your approved yield (based on your records) by the coverage level percentage you choose.

Revenue Protection Guarantee - For revenue protection only, amount determined by multiplying the production guarantee by the greater of the projected price or the harvest price. If you choose the harvest price exclusion, the production guarantee is only multiplied by the projected price.

Insurance Units

Basic Units - A basic insurance unit includes all your insurable canola acreage in the county in which you have 100-percent share and includes any cash-rented land. If you also grow canola on shares with another entity, that acreage is a separate basic unit. A 10-percent premium discount applies.

Optional Units - A basic unit may be divided into two or more optional units by Farm Service Agency farm number (FN), irrigated and non-irrigated acreage, or organic practice. No premium discount applies.

Enterprise Unit - All insurable canola in the county in which you have a share. To qualify for an enterprise unit, you must insure under yield or revenue protection and:

- Have at least two FNs that each have the lesser of 20 acres or 20 percent of the insured crop acreage in the enterprise unit; or
- Have one FN with at least 660 planted acres.

A variable premium discount and increased premium subsidy apply.

Whole Farm Unit - Available for revenue protection policies only. A variable premium discount applies. You are required to pay separate administrative fees for each crop included in the whole-farm unit. Talk to your crop insurance agent for more details about units.

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your approved yield. You may choose one coverage level for all your irrigated acreage in the county and a different coverage level for all your non-irrigated acreage. For example, an approved yield of 1,700 pounds per acre would result in a guarantee of 1,105 pounds per acre at the 65-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. Your share of the premium is 100 percent minus the subsidy amount. For example, if you choose the 75-percent coverage level, your premium share is 45 percent of the premium for optional or basic units (100 - 55 = 45 percent), 23 percent for an enterprise unit (100 -77 =23 percent), or 20 percent for a whole farm unit (100 - 80 = 20 percent).

Item	Percent					
Coverage Level	50	55	60	65	70	75
Unit Type	Percent Premium Subsidy					
Basic/Optional Unit	67	64	64	59	59	55
Enterprise Unit	80	80	80	80	80	77
Whole Farm Unit	80	80	80	80	80	80

Catastrophic Risk Protection (CAT) coverage is fixed at 50 percent of your approved yield and 55 percent of the projected price. CAT is 100-percent subsidized with no premium cost to you. There is an administrative fee of $300 per crop per county, regardless of the acreage.

Prevented Planting

Prevented planting coverage is 60 percent of your production guarantee for timely planted acreage. If you pay an additional premium, you may increase your prevented planting coverage to a level specified in the actuarial documents.

Late Planting

The late planting period begins the day after the final planting date for the insured crop and ends 5 days after the final planting date. For insured crop acreage planted during the late planting period, the production guarantee for each acre is reduced by 3 percent for each day planted after the final planting date.

Replant Provision

The replanting payment is allowed if the canola is damaged by an insurable cause of loss so the remaining stand will not produce at least 90 percent of the production guarantee and it is practical to replant. The amount of the replanting payment per acre is the lesser of 20 percent of the production guarantee or 175 pounds multiplied by:

- The projected price for the canola crop; and
- The percent share.

20 percent of the production guarantee is applied separately to each crop replanted if a whole farm unit is applicable.

Loss Example

A yield protection loss occurs when canola production for the unit falls below the production guarantee because of damage from a covered cause of loss. Revenue protection loss occurs when the value of production-to-count is less than the revenue protection guarantee because of a production loss and/or a revenue loss.

Assume canola with an approved yield of 1,652 pounds per acre, 75-percent coverage level, 100-percent share and a one-acre basic unit. The projected price is $0.229

Yield Protection		Revenue Protection
1,652	Pounds/acre APH yield	1,652
x 0.75	Coverage level	x 0.75
1,239	Pounds/acre guarantee	1,239
x $0.229	Projected price	x $0.229
$283.73	Insurance guarantee	$283.73
500	Pounds produced	500
x $0.229	Projected price	—
—	Harvest price	x $0.196
$114.50	Production-to-count value	$98.00
$283.73	Insurance guarantee	$283.73
- $114.50	Production-to-count value	- $98.00
$169.23	**Indemnity/acre**	**$185.73**

and the harvest price is $0.196. Due to an insurable cause of loss, the production-to-count is 500 pounds. Notes for Loss Example:

- For Revenue Protection, insurance guarantee (initially based on the projected price until the harvest price is established) is equal to the production guarantee multiplied by the greater of the projected price or the harvest price. In the example, the Revenue Protection insurance guarantee equals $283.73 (1,239 pounds per acre guarantee x $0.229 projected price).
- For Revenue Protection, the production-to-count value is equal to the production-to-count multiplied by the harvest price (500 pounds x $0.196 per pound harvest price = $98.00).

Where to Buy Crop Insurance

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