

Valdosta Regional Office — Valdosta, GA

August 2017

# Small Grains - Barley and Wheat

## Alabama, Florida, Georgia, South Carolina

### Crop Insured

All barley, or a predominately barley grain mixture, and wheat are insurable in the county if:

- The actuarial documents provide premium rates;
- It is planted for harvest as grain;
- 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

#### Barley

Georgia - Crisp, Jefferson, Pike, and Walton counties  
South Carolina - Anderson, Laurens, Newberry, Oconee, Orangeburg, and York counties.

#### Wheat

Go to the actuarial documents at [Actuarial Information Browser](#) for insurable counties. The crops 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
- July 31.

### 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 is provided.

### Important Dates

Sales Closing/Cancellation ..... September 30, 2017  
Final Planting .....Varies by State and County  
Acreage Reporting ..... January 15, 2018  
Premium Billing ..... July 01, 2018

### 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 Chicago Board of Trade (CBOT) average daily settlement price of the July futures contracts for corn when assessing barley pricing and wheat for wheat pricing. The average daily settlement period used is 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 CBOT average daily settlement price of the July futures contracts for corn when assessing barley pricing and wheat for wheat pricing. The average daily settlement period used is June 1 through June 30 according to the CEPP. For more information talk your crop insurance agent or go to [Actuarial Information Browser](#).

## Definitions

**Approved Yield** - The average of the 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 wheat or barley acreage in the county in which you have 100 percent share and includes any cash-rented land. If you also grow wheat or barley on shares with another entity, that acreage is a separate basic unit. A variable premium discount applies for wheat and a 10 percent premium discount applies for barley.

**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 barley or wheat 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 will be 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 85 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 50 bushels per acre would result in a guarantee of 32.5 bushels per acre at the 65-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. Your share of the premium will be 100 percent minus the subsidy amount. For example, if you choose the 65-percent coverage level, the premium subsidy is 59 percent for basic or optional units. Your premium share is 41 percent of the premium for basic or optional units (100 - 59 = 41 percent), and 20 percent for an enterprise or whole farm unit (100 - 80 = 20 percent).

Item	Percent							
Coverage Level	50	55	60	65	70	75	80	85
Premium Subsidy	67	64	64	59	59	55	48	38
Your Premium Share	33	36	36	41	41	45	52	62

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.

## Replanting

The amount of the replanting payment per acre is the lesser of 20 percent of the production guarantee, or four bushels for wheat, or five bushels for barley, multiplied by the projected price for the small grain crop, and multiplied by the percent share.

## Supplemental Coverage Option

This policy endorsement provides additional coverage for a part of your wheat policy deductible up to the 86 percent coverage level (barley in York, South Carolina only). SCO may be added to individual yield or revenue plans. The coverage is based on your expected crop value. The trigger for a loss is based on an area loss in yield or revenue. Talk to your crop insurance agent for county availability and detailed information on this endorsement.

## Loss Example

A yield protection loss occurs when wheat or barley production for the unit falls below the production guarantee due to 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 due to a production loss and/or a loss of revenue.

Assume wheat with an approved yield of 48 bushels per acre, 75 percent coverage level, 100 percent share, and a one-acre basic unit. The projected price is \$5.04 and the harvest price is \$4.96. Due to an insurable cause of loss, the production-to-count is 20 bushels.

Yield Protection			Revenue Protection	
	48	Bushels/Acre APH yield		48
X	0.75	Coverage Level	X	0.75
	36	Bushels/Acre Guarantee		36
X	\$5.04	Projected Price	X	\$5.04
	\$181.44	Insurance Guarantee		\$181.44
	20	Bushels Produced		20
X	\$5.04	Projected Price		—
	—	Harvest Price	X	\$4.96
	\$100.80	Production-to-Count Value		\$99.20
	\$181.44	Insurance Guarantee		\$181.44
-	\$100.80	Production-to-Count Value	-	\$99.20
	<b>\$80.64</b>	<b>Indemnity/Acre</b>		<b>\$82.24</b>

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 \$181.44 (36 bushels per acre guarantee x \$5.04 projected price).
- For Revenue Protection, the production-to-count value is equal to bushels produced multiplied by the harvest price (20 bushels X \$4.96 per bushel harvest price = \$99.20).

## Where to Buy Crop Insurance

Georgia Farmers Agency, LLC

Joe Bickley (Agent & Owner)

478-244-1695

joe@gafarmersagency.com

[www.gafarmersagency.com](http://www.gafarmersagency.com)

*This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent*

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