



United States Department of Agriculture
Risk Management Agency

January 2006

2006 COMMODITY INSURANCE FACT SHEET

Barley

Montana, North Dakota, South Dakota, Wyoming

Crop Insured

The crop insured will be barley (including hull-less barley) planted for harvest as **grain**. Any acreage planted to hay barley varieties is not insurable, unless grown for harvest and sale as seed.

Counties Available

Montana—All but Lincoln

North Dakota—All counties

South Dakota—All counties

Wyoming—All but Albany, Sublette, Sweetwater, Uinta, and Weston

Causes of Loss

Adverse weather conditions
Earthquake
Failure of irrigation water supply¹
Fire
Insects²
Plant disease²
Wildlife
Volcanic eruption

¹If caused by an insured cause of loss occurring during insurance period.

²But not due to insufficient or improper application of control measures.

Insurance Period

Coverage usually begins when the barley is planted and ends at the earlier of the following: (1) total destruction of the barley on the unit, (2) harvest of the unit, (3) final adjustment of a loss on the unit, or (4) October 31, 2006.

Note: Any acreage of barley damaged before the final planting date, to the extent that producers in the area would not normally further care for the crop, must be replanted to an appropriate type of barley unless the insurance provider agrees that replanting is not practical. A replant payment may be available.

Reporting Requirements

Acreage Report—You must report all acreage of your barley, both insured and uninsured, to your agent by the acreage reporting date.

Important Dates

Sales Closing March 15, 2006
Production Reporting April 29, 2006
Acreage Reporting June 30, 2006

Definitions

Production Guarantee— Number of **bushels** guaranteed per acre determined by multiplying your average yield per acre (based on your records) times the coverage level you elect.

Production Reporting Date—The date you must report your production for the previous crop year to your agent.

Price Election— \$1.85 per bushel - the price basis used to calculate premium and indemnity. (An additional price election **may** be announced 15 days prior to sales closing date.)

Duties in the Event of Damage or Loss

Protect the crop from further damage by providing sufficient care; (2) notify your agent within 72 hours of your initial discovery of damage (but not later than 15 days after the end of the insurance period); and (3) leave representative samples intact for each field of the damaged unit.

Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 85 percent of your average yield. For example, an average yield of 40 bushels per acre would result in a guarantee of 30 bu./ac at the 75-percent coverage level. Crop insurance premiums are subsidized as shown in the following table. For example, if you select the 75-percent coverage level, your premium share would be 45 percent of the base premium:

Item	Percent							
	50	55	60	65	70	75	80	85
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 (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$100, regardless of the acreage.

Insurance Units

Your insurable acreage will be grouped into one or more units in order to establish the approved yield, calculate a guarantee, and determine any indemnity.

Basic Unit: A basic unit includes all of your barley acreage in the county by share arrangement.

Premiums are reduced by 10 percent for a basic unit.

Optional Units: If a basic unit consists of two or more sections or irrigated and nonirrigated acreage and certain record-keeping criteria are met, you may apply for optional units. The 10-percent discount will not apply.

Enterprise Units: Includes all insurable acreage of barley in the county (in which you have a share) as a single unit, if requested by the sales closing date and certain criteria apply. An enterprise discount, which varies by number of acres insured, applies in addition to the 10-percent discount for basic units.

Available Options

Malting Barley Price and Quality Endorsement—

For additional premium, provides additional coverage for malting barley production and quality based on Federal or brewery/maltster standards at an additional value price election, depending on the option selected. Application for the Endorsement and selection of an option must be made no later than March 15, 2006.

Insurance Plans Available

APH — Actual production hHistory (This fact sheet is based on the APH plan. Other plans may have differences.)

IP — Income protection (MT, ND, select counties in SD)

RA — Revenue assurance (MT, ND, SD) - the malting barley price and quality endorsement is not available for RA in North Dakota.

A request to change insurance plans must be made to your agent no later than March 15, 2006.

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