

# Oats Fact Sheet



## 1. Pennsylvania Crop Insurance Webinars

The objective of the Pennsylvania Crop Insurance Webinar series is to help Pennsylvania farmers and ranchers manage risk understand a variety of crop insurance products to make informed insurance decisions.

## 2. Pennsylvania Oats – Scheduled for February 28, 2019

Webinar objectives:

- Review the Federal crop insurance structure and key basic provision principals and forms, as well as the oats plan of insurance.
- Discuss where coverage is available and review types and practices insured.
- Discuss documents and your duties when a loss occurs.

## 3. The Insured Crop

Oats are insurable if they are grown in a county on insurable acreage, where premium rates are provided. Oats must be planted on insurable acreage for harvest as a grain.

This crop is insured by type and practice. In Pennsylvania the spring type is insurable. Available practices are non-irrigated, irrigated, certified organic along with transitional.

In Pennsylvania, oats are insured under the Actual Production History plan of insurance, which is based on the farmer's historic production and provides a yield-based guarantee. Your crop is measured in bushels.

## 4. Coverage Availability

For the 2019 crop year, oats are insurable in every county except Philadelphia county although insurance may be available through a written agreement if specific criteria are met. Details of the coverage offered, including types, practices, rates, prices, dates, options, coverage levels, and special provisions of insurance, are available through the Risk Management Agency's Actuarial Information browser at <https://bit.ly/2NZo44f>. Work with a licensed crop insurance agent to explore your coverage options.

## 5. Select Policy Definitions

### Small Grains

Wheat, including only common wheat (*Triticum aestivum*), club wheat (*T. compactum*), durum wheat (*T. durum*) and Khorasan (*T. turanicum*); barley (*Hordeum vulgare*), including hull-less barley and excluding black barley; **oats**

(*Avena sativa*, and *A. byzantina*), and hull-less oats (*A. Nuda*); rye (*Secale cereale*); flax (*Linum usitatissimum*); and buckwheat (*Fagopyrum esculentum*).

### Adequate Stand

A population of live plants per unit of acreage which will produce at least the yield used to establish your production guarantee.

### Harvest

Combining or threshing the insured crop for grain or cutting for hay or silage on any acreage. A crop which is swathed prior to combining is not considered harvested.

### Initially planted

The first occurrence of planting the insured crop on insurable acreage for the crop year

### Latest final planting date

The final planting date for spring-planted acreage in all counties for which the Special Provisions designate a final planting date for spring-planted acreage only.

## 6. Insurance Period

Coverage begins the later of the date of application or when the oats are planted and ends with the earliest occurrence of one of the following:

- Harvest of the crop;
- The date the crop should have been harvested;
- Final adjustment of a claim;
- Abandonment of the crop;
- Total destruction of the crop; or
- October 31.

## 7. 2019 Crop Year Important Dates

- Sales closing date – 3/15/2019
- Production reporting date – 4/29/2019
- Final plant date – 5/10/2019
- Acreage reporting – 6/15/2019
- Premium billing date – 8/15/2019
- Termination date – 3/15/2020

## 8. Prices

The price election is the price published in the actuarial documents or the contract price stated in your processor contract.

## 2019 Prices

- Established Price for spring type (irrigated or non-irrigated) = \$2.40
  - Catastrophic price = \$1.32
- Certified Organic established price = \$4.90
  - Catastrophic price = \$2.70
  - Maximum contract price = \$12.25
- Transitioning to Organic established price = \$2.40
  - Catastrophic price = \$1.32
  - Maximum contract price = \$4.80

## 9. Coverage Levels and Premium Discounts

Coverage levels range from 50% to 85% of your average yield and are subsidized as shown in the table below.

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% of your average yield and 55% of the price election. The 2019 cost for CAT coverage is an administrative fee of \$300.

## 10. Available Unit Structure

Oats automatically qualifies for basic units. A basic unit covers all acreage in a county you own/operate 100% and land owned by one person and operated by another person on a share basis.

Optional units may also be established by sections or section equivalents in most areas and may be available by irrigated and non-irrigated practices within a single section.

## 11. Perils Protected Against

You are protected against the following:

- Adverse weather conditions, including natural perils such as hail, frost, freeze, wind, drought, and excess precipitation;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if caused by an insured peril during the insurance period;
- Insect damage and plant disease, except for insufficient or improper application of control measures; or

- Wildlife.

## 12. Acreage Reporting Requirements

An acreage report is a report of all insured acreage of your oats crop. A report must be submitted to your crop insurance agent on or before the acreage reporting date.

## 13. Losses

The oats policy covers replanting reimbursements and production loss indemnities.

If you believe you have a loss, you should:

- Protect the crop from further damage by providing sufficient care;
- Notify your crop insurance agent:
  - If damage occurs 15 days or more prior to the beginning of harvest, give notice within 72 hours of discovery;
  - If damage occurs within 15 days of harvest or during harvest, give notice immediately so that a crop inspection can be performed and leave three rows of unharvested crop per field for sampling;
  - If any acreage on the unit will not be harvested, give notice at least 15 days before harvest would normally begin; and
  - If any acreage will be put to a use other than the use identified on the acreage report give notice at the beginning of harvest.

### Your Adjuster's Actions

Your crop insurance adjuster will determine the loss using RMA Loss Adjustment procedures, and your crop insurance company will ensure timely payment after you and the company reach an agreement.

Your adjuster will:

- Set up an appointment to visit your farm location(s) to inspect the damaged acreage
- Determine the causes of loss and how many acres are damaged by each
- Determine the percentage of damage
- Take actual plant counts from representative parts of the field to determine the amount of damage
- Consider different factors based on the crop and the stage of growth
- Photograph the damage, often with a ruler or other measurable object in the picture for scale

- Your adjuster may request paperwork from you (contract, production records and sales, etc.)
- Complete all needed paperwork
- Explain what he or she did and the findings and walk you through the adjustment worksheet
- You and the adjuster will sign documents in agreement of the loss adjustment findings

### Indemnity Calculation Components

- Acres
- Total Production Guarantee (hundredweight)
- Price
- Your share in the crop
- Production to count (PTC)

### Indemnity Calculation Components

1. Multiply acreage by the production guarantee, by type, if applicable.
2. Multiply the result of the above by the price election. Total the results.
3. Multiply the total production to count, by type, by the price election.
4. Subtract the results from 3 from the results of 2 and the multiply the result by your share in the crop.

### Indemnity Calculation Example

100% share

45 production guarantee for the unit

\$2.40 price election

35 production to count for the unit

50 acres

1.  $45 \times 50 \text{ acres} = 2250$  (value of guarantee)
2.  $2250 \times \$2.40 \text{ price election} = \$5,400$
3.  $35 \text{ PTC} \times 50 \text{ acres} \times \$2.40 = \$4,200$
4.  $\$5,400 - \$4,200 = \$1,200$  gross loss
5.  $\$1,200 \times 1.00 \text{ share} = \$1,200$  indemnity payment

## 14. Get Covered: Find an Agent

A crop insurance agent is your local expert and best resource on how, when, and what kind of crop insurance coverage to add to your risk management toolkit.

Crop insurance is available through independent crop insurance agents licensed in your state. Most Federal crop insurance agents also offer private crop-hail and other named peril policies. If you need an agent, review the Risk Management Agency's Agent Locator (<https://bit.ly/2sohz1f>).

## 15. View the Recorded Webinar

A recording of this Pennsylvania oats webinar will be viewable after the live presentation concludes. To view the recording, visit

<https://cropinsuranceinamerica.org/pennsylvaniacropinsurance-webinars/>