

A close-up photograph of winter canola plants. The image shows several green, serrated leaves and clusters of bright yellow flowers. The background is slightly blurred, focusing attention on the foreground plants. The overall scene is vibrant and healthy.

**WINTER CANOLA IN
OKLAHOMA
(Kansas & Texas)**

USDA/RISK MANAGEMENT AGENCY

MULTI-PERIL CROP INSURANCE

2011



2007 – 2010 Canola Insurance Experience - OKLAHOMA

- 2007: 167 policies sold, 59 policies earning premium, 6,100 acres insured, \$113,500 total premium, \$387,440 indemnities, 3.41 loss ratio
- 2008: 106 policies sold, 63 policies earning premium, 6,370 acres insured, \$163,430 total premium, \$230,920 indemnities, 1.41 loss ratio

Oklahoma Experience Cont.

- 2009: 147 policies sold, 101 policies earning premium, 11,000 acres insured, \$430,763 total premium, \$815,744 indemnity, 1.89 loss ratio
- 2010: 219 policies sold, 154 policies earning premium, 20,630 acres insured, \$655,189 total premium, \$287,848 indemnity, .44 loss ratio (as of 7/12/10).

2007 – 2010 Canola Insurance Experience - KANSAS

- 2007: 46 policies sold, 40 policies earning premium, 3,800 acres insured, \$45,570 total premium, \$233,570 indemnity, 5.13 loss ratio
- 2008: 74 policies sold, 29 policies earning premium, 3,550 acres insured, \$56,150 total premium, \$38,790 indemnity, .69 loss ratio

Kansas Experience Cont.

- 2009: 76 policies sold, 32 policies earning premium, 5,540 acres insured, \$150,851 total premium, \$159,218 indemnity, 1.06 loss ratio.
- 2010: 88 policies sold, 46 policies earning premium, 5,670 acres insured, \$121,910 total premium, \$121,703 indemnity, 1.00 loss ratio (as of 7/12/10).

2007 – 2010 Canola Insurance Experience - TEXAS

- 2007: 58 policies sold, 15 policies earning premium, 1,400 acres insured, \$20,940 total premium, \$44,530 indem., 2.13 LR
- 2008: zero policies earning premium
- 2009: 12 policies sold, 3 policies earning premium, 520 acres insured, \$18,985 total premium, \$1,436 indemnity, .08 loss ratio.

Texas Experience Cont.

- 2010: 6 policies sold, 4 policies earning premium, 5,230 acres insured, \$137,906 total premium, 0 indemnity (as of 7/12/10).

New program counties added to Oklahoma for 2011 crop year:

- 2010: Only one canola program county: Dewey OK.
- 2011: Added nine new program counties: Alfalfa, Blaine, Caddo, Custer, Garfield, Grant, Kingfisher, Major, and Woods.
- All other counties in Oklahoma, Kansas, and Texas insured by written agreement.

Sales Closing Date in all 3 states is August 31, 2010

- If in a program county: Must meet with your insurance agent and sign application by this date.
- If not in a program county: Must meet with your insurance agent and sign a request for a written agreement by this date and:
- Supply supporting documentation.

WRITTEN AGREEMENT SIMILAR CROP QUALIFICATION

- **WINTER WHEAT, BARLEY AND OATS CONSIDERED SIMILAR**
- **IF WHEAT, BARLEY OR OATS *IS INSURED* SUBMIT A COMPLETE, SIGNED, DATED APH FORM FOR THE PRODUCER IN THE COUNTY WITH AT LEAST THREE YEARS OF WHEAT BARLEY OR OAT PRODUCTION HISTORY.**
- **IF WHEAT, BARLEY OR OATS *NOT INSURED* SUBMIT ACTUAL RECORDS OF PRODUCTION (578 FORM, SETTMENT SHEETS) AND APH FORM INCLUDING AT LEAST THREE YEARS OF WHEAT ,BARLEY OR OAT PRODUCTION HISTORY**
- **ONLY ONE SIMILAR CROP CAN BE USED**

NEW INSURANCE PLANS FOR 2011 DUE TO NEW COMBO POLICY

- **Only APH Insurance Plan was Available for 2010**
- **For 2011 revenue plans added:**
- **Plan 01: Yield Protection (old APH Plan)**
- **Plan 02: Revenue Protection (old CRC, RA with Harvest Price Option Plans)**
- **Plan 03: Revenue Protection with Harvest Price Exclusion (old RA w/o Harvest Price Option, IP Plans)**
- **If insured last year and you want to stay with Yield Protection (APH), no action is necessary, your policy will automatically be converted to Plan 01.**
- **If you want to switch to a revenue plan, you must meet with your agent and switch by sales closing date – August 31, 2010.**

COVERAGE LEVELS

**COVERAGE LEVELS FOR CANOLA RANGE FROM THE
CATASTROPHIC LEVEL TO THE 75 PERCENT LEVEL.**

TRANSITIONAL YIELDS *

- 1,400 LBS (no change from 2010)**
- PREMIUM**
 - 16.6% Premium Rate (no change from 2010)**

PLANTING DATES

- **FINAL PLANTING DATE = October 10**
- **EARLIEST PLANTING DATE = September 10**
(North Central Oklahoma Counties – Counties in other regions of Oklahoma, Kansas and Texas could have other dates spelled out on Written Agreement)

REPLANT PAYMENT

- **ALLOWED IF CANOLA DAMAGED BY INSURABLE CAUSE OF LOSS**
- **MOST SIMILARLY SITUATED PRODUCERS WOULD NOT CONTINUE TO CARE FOR THE CROP**
- **AND IS PRACTICAL TO REPLANT**
- **PAYMENT IS LESSER OF 20% OF GURANTEE OR 175 POUNDS (x PRICE ELECTION X CROP SHARE)**

PRICE ELECTION

2010 CANOLA PRICE ELECTION WAS 15.62 CENTS PER POUND

All 2011 prices for all crops will be set by procedures in the new Commodity Exchange Price Provisions

For winter Canola, the 2011 projected price (base price) is based on the pre-harvest average daily settlement price for the projected price discovery period of July 15 through August 14 for the harvest year's futures contract on the InterContinental Exchange (ICE). For Revenue plans, the harvest price is based on the harvest year's average daily settlement price for the harvest price discovery period of June 1 through June 30 on the ICE.

LATE PLANTING PERIOD

- **LASTS AN ADDITIONAL 5 DAYS AFTER FPD (10/10)**
- **GUARANTEE FOR EACH ACRE REDUCED 3% FOR EACH DAY PLANTED AFTER THE FPD**

BROADCAST SEEDED CANOLA ACREAGE

INSURABLE IF MECHANICALLY INCORPORATED INTO THE SOIL AND ACCEPTED FOR INSURANCE UPON AN ADEQUATE STAND INSPECTION BY INSURANCE PROVIDER.

QUALITY ADJUSTMENT PROVIDED FOR CANOLA PRODUCTION

- **CANOLA GRADE**
- **CANOLA KERNEL DAMAGE**
- **ODOR**

ORGANIC FARMING PRACTICE

- **Coverage is provided for canola produced using organic farming practices.**
- **No adjustment to guarantee per acre**
- **5% surcharge to premium rate.**

GRAZING OF CANOLA

- **UNINSURABLE AT THIS TIME**

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CROP ROTATION

INSURANCE WILL NOT ATTACH TO ANY ACREAGE ON WHICH CANOLA, CRAMBE, CHICKPEAS, DRY BEANS, MUSTARD, RAPESEED, OR SUNFLOWERS HAVE BEEN PLANTED IN THE PREVIOUS CROP YEAR.

TYPICAL CANOLA COVERAGE – 2011

1400 POUND T-YIELD X .75 (COV. LEVEL) = 1050 lbs/acre
.150 CENT/POUND PROJECTED PRICE x .150
100 % CROP SHARE
COVERAGE \$157.50/ACRE

PRODUCER PREMIUM (.166 rate with .55 SUBSIDY) \$11.78/ACRE

QUESTIONS

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