

Spokane Regional Office — Spokane, WA

October 2015

Pasture, Rangeland, Forage Pilot RAINFALL INDEX — Idaho, Oregon, Washington

Crop Insured

The Rainfall Index (RI) insurance plan is a pilot area insurance plan for pasture, rangeland, and forage (PRF) grown for the intended use of grazing by livestock or haying. The RI-PRF insurance plan is a risk management tool designed to insure against a decline in an index value that is based on the long-term, historical, average precipitation for the same area of land for the same period of time. This innovative pilot program is based on precipitation, Rainfall Index. This program is designed to give you the ability to buy insurance protection for losses of forage produced for grazing or harvested for hay, which result in increased costs for feed, destocking, depopulating, or other actions.

Program Summary

Unlike other Federal crop insurance area insurance plans that are based on county boundaries, the Rainfall Index (RI-PRF) program uses a numbered grid system. Each grid covers an area equal to 0.25 degrees in latitude by 0.25 degrees in longitude and is identified by a specific number code, referred to as a grid ID. The grids are created by the National Oceanic and Atmospheric Administration Climate Prediction Center (NOAA CPC), and do not follow state, county, or other geopolitical boundaries.

New Coverage Available for 2016

For the pricing methodology will reflect your replacement costs for feed and the actual losses you experience. RMA is also offering an irrigated hay practice in some states that is designed to cover above normal irrigation expenses when normal precipitation shortfalls are observed. However, normal irrigation costs are not covered.

Index Intervals & Insurance Period

For the Rainfall Index, you must select at least two, 2-month period intervals to correlate with months when precipitation is critical for forage growth. These

periods are called index intervals.

- January and February;
• February and March;
• March and April;
• April and May;
• May and June;
• June and July;
• July and August;
• August and September;
• September and October;
• October and November; and
• November and December.

The crop year begins on January 1 and ends on December 31.

Availability in RMA Spokane Region

Idaho: All counties in Idaho

Oregon: All counties in Oregon

Washington: All counties in Washington

Important Dates

Sales Closing Nov. 15, 2015
(preceding the start of the crop year)
Acreage Report Date Nov. 15, 2015

Crop Types Insured

Haying: Severance of the plant from its root by mechanical equipment and cured. Haying does not include green chop, silage, earlage or grain production that may be fed to livestock.

Grazing: Used solely as pasture for livestock to roam and feed on.

Loss Payments

Your insurance payments are determined by using NOAA CPC data for the grid(s) and index interval(s) you have chosen to insure. When the final grid index falls below your "trigger grid index", you may receive an indemnity. This insurance coverage is for a single peril, lack of precipitation. Coverage is based on the experience of the entire grid. It is not based on

individual farms or ranches or specific weather stations in the general area.

Frequently Questions/Answers

Q: What is the Pasture, Rangeland, and Forage Insurance Policy? A: The PRF policy is an area-based insurance plan that covers perennial pasture, rangeland, or forage used to feed livestock.

Q: What does "area-based" mean? A: "Area-based" means payments are not based on an individual rancher's experience; rather, payments are based on a grid's deviation from normal experience. For example, under the Rainfall Index, if your ranch received a surplus of rain, but the area in your grid was below average, you could receive a payment or vice versa.

Q: In 2015 I had a Vegetation Index (VI) PRF policy, what is the difference between the Rainfall Index and the Vegetation Index? A: The Rainfall Index program insures the single peril of lack of precipitation based on National Oceanic and Atmospheric Administration (NOAA) Climate Prediction Center (CPC) Daily Precipitation Data. The Vegetation Index program is based on United States Geological Service Earth Resources Observation and Science (EROS) Normalized Difference Vegetation Index (NDVI) data. The Rainfall Index measures an input (precipitation), and the Vegetation Index measured an output (forage growth).

Q: What is a grid? Why is it important? A: A grid is the physical area under which your operation is insured. You are paid based on the losses interpolated to the grid for the Rainfall Index, which is why it is important that you choose the right grid(s) in which your operation is located. If you have any questions about your grid(s) identification number, or for more information on how grids are measured please contact your crop insurance agent.

Q: How is precipitation measured under the Rainfall Index? When are payments triggered?

A: The Rainfall Index uses NOAA CPC Daily Precipitation Data that interpolates precipitation to the grid. RMA compares the compiled data for each 2-month interval with the historical

precipitation data for the same period that is normally expected in the grid. When the interpolated precipitation falls below average for the index interval it triggers a loss payment to all ranchers who have signed up for the program in the grid that are covered under this interval.

Producers do not need to submit a loss claim or notify their agents. RMA will calculate any loss and your insurance company will process any indemnity due.

Where to Buy Crop Insurance

All multi-peril crop insurance (MPCI), including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at any USDA Service Center or on the RMA web site: <http://www.rma.usda.gov/tools/agent.html>.

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