

Guide to Agricultural Risk Management

America Relies on Crop Insurance

In 2019, farmers invested more than **\$3.8 billion** to purchase more than **1.1 million** crop insurance policies, protecting over **100 different crops**.

Crop insurance policies protected more than **90 percent** of planted cropland in 2019.

Since 2000, farmers have spent **\$58 billion out of their own pockets** to purchase crop insurance.

Family farms make up **96 percent** of America's **2.1 million** farms and **89 percent** of ag production.

News from the Farm Bill

The 2018 Farm Bill strengthened crop insurance by adding new policies and directing research to develop products for additional crops, production, and marketing systems.

One or more of these changes below may apply to you.

1. New expanded options for grazing and grain.

Farmers can now buy separate policies for crops that have an intended use of grazing and grain. Catastrophic coverage (CAT) is also available for crops and grasses used for grazing.

2. Enterprise Units expanded.

Enterprise Units can now include land that crosses county lines.

3. Native Sod changes.

Six states (Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota) have new provisions regarding Native Sod with rules and penalty changes.

4. Specialty crops will have even greater emphasis.

There will be expansions and innovations made to the crop insurance products currently available for specialty crops (fruits, vegetables, tree nuts, and horticultural and nursery crops). At least one new specialty crop will be researched and made available every year.

5. Industrial Hemp coverage will soon be available in states where that crop is available.

Crop insurance coverage for hemp grown for fiber, flower, or seeds is available to producers through the Whole-Farm Revenue Protection policy beginning in 2020. Growers must be in areas covered by USDA-approved hemp plans or who are part of an approved state or university research pilot program.

6. Whole-Farm Revenue Protection program enhancements.

The WFRP program was expanded to benefit beginning and/or socially disadvantaged farmers and veterans. Beginning farmers now receive a 10% premium discount for 10 years.

Be sure to visit with your crop insurance agent to get the latest information on your individual policies and options.



Crop insurance is not just about protecting farmers

The average American taxpayer probably has no idea that the benefits of crop insurance extend not just to farmers and ranchers, but to them as well.

We all want healthy, fresh food for our families. America's farmers and ranchers provide that, and more, for your family and families all over the world.

That's where crop insurance comes in. It provides the security farmers need to increase crop yields, improve efficiencies and stay in business. It keeps farmers from failing and protects America's safe, affordable, and abundant food supply.



To learn more about why crop insurance matters to farmers and to all Americans go to www.cropinsuranceinamerica.org

Veterans get help in the Farm Bill



Veterans of any branch of the service, including reserves, who have been discharged or released during the past five years, may qualify for added crop insurance benefits.

Qualifying veterans will be exempt from paying the administrative fee for Catastrophic (CAT) coverage policies.

Benefits also include an additional 10% premium subsidy for additional coverage policies that have a premium subsidy.

Veterans may also be able to use another person's production history if the veteran was previously involved in the decision-making or physical activities of crop production on that specific acreage. There is also an increase in yield adjustment from 60% to 80% of the applicable transitional yield included in the new veterans benefits.

Application forms to apply for these benefits are available from any private crop insurance agent.

Get Acreage Reporting Right. It Saves You Money.

Why is Acreage Reporting so Important?

You have a lot at stake in making sure your crop insurance acreage reporting is accurate and timely. If you fail to report on time, you may not be protected. Overreport your acreage and you may pay too much premium. If you underreport your acreage, you may recover less when you file a claim. Crop insurance agents often say that mistakes in acreage reporting are the easiest way for farmers to have an unsatisfactory experience with crop insurance.

The acreage report shows: the crops you have planted; acreage prevented from planting; what share you have in those crops; where the crops are located; how many acres you planted; the dates you planted them; what insurance unit they are located on, and the cultural practice followed (i.e. irrigated, double cropped, etc.). This report cannot be revised after the acreage reporting date.

Remember

- Acreage reporting is your responsibility. Doing it right will save you money.
- It is your responsibility to report crop damage to your agent within 72 hours of discovery for most crops.
- Never put damaged acreage to another use without prior written consent from the insurance company. You don't want to destroy any evidence of a possible claim.

Risk Management Checklist Crop, Revenue, and Livestock Insurance Deadlines

**File your AD-1026 Conservation Compliance form with FSA on time
or you may risk losing all of your crop insurance premium assistance!**

1. Do I know all critical dates and sign-up deadlines?

2. Sales closing date – last date to apply for coverage is:

3. Cancellation date – last date to give notice if I do not want insurance next year:

4. Production reporting date – actual production history must be reported by:

5. Final planting date – if unable to plant, I must contact my agent by:

6. Acreage reporting date – I must report my acreage planted to my agent by:

7. Payment due date – interest charges begin to incur after:

8. Final date to file notice of crop damage – any perceived damage I must report no later than:

9. End of insurance period – latest date of coverage for the current year's crop:

10. Debt termination date – insurance coverage for next year will be canceled if payment is not made by:

How to Evaluate Crop-Hail Insurance

Hail is the one catastrophe that is most likely to destroy a part of your crop and leave the rest looking fine. The portion of your acres that hail destroys may well be less than the deductible of your federal crop insurance policy or it may not impact your yield enough to generate a revenue loss.

Crop-Hail insurance can fill that gap.

While multiple peril policies protect you against losses severe enough to significantly drop the yield per insured unit, Crop-Hail insurance gives you acre-by-acre protection that can be up to the actual cash value of the crop. If you buy a 65/100 (65 percent of yield and 100 percent of price) or greater crop insurance policy, you

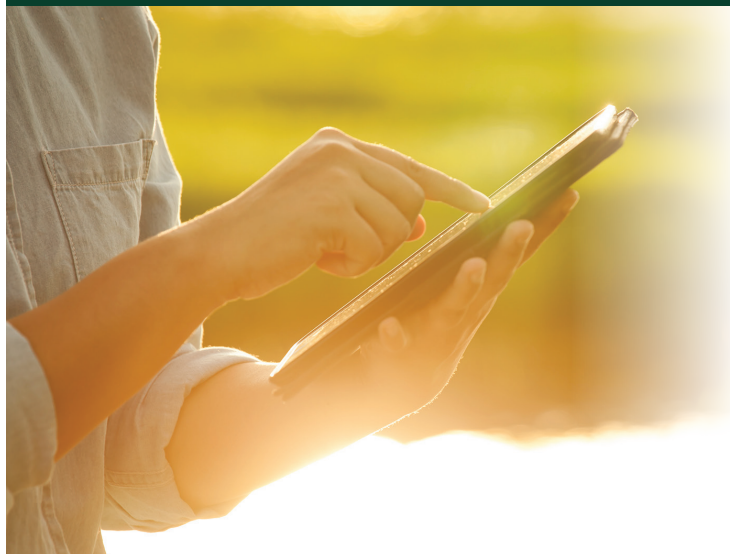
can, under many policies, delete the hail coverage and replace it with private hail coverage. Others find it more effective to leave the hail coverage provided by the federal policy in place and get a companion Crop-Hail policy to cover their crop insurance policy deductible.

Crop-Hail is especially important to those with Area Risk Protection Insurance (ARPI) policies that leave individuals exposed to spot losses due to hail. You can also buy additional Crop-Hail coverage during the growing season (prior to damage) to protect added profit potential from bumper crop yields or higher-than-normal crop values.



Even if your frequency of hail damage is low, remember that Crop-Hail coverage is rated for your area. It is an inexpensive way to protect against hail damage.

Get the answers to your crop insurance questions.







Everything you could want to know about crop insurance, even if you are not a farmer, is available to you on the Crop Insurance 101 website.



Did you know that Benjamin Franklin first identified the need for crop insurance?

The website explains the history of the program, contains a glossary of many specialized terms used in crop insurance, downloadable facts sheets by state, a Crop Insurance 101 video, and much more.

Learn more at www.cropinsurance101.org

Here are some links to help you learn more about crop insurance.

 facebook.com/CropInsuranceInAmerica
 youtube.com/ncisamerica
 instagram.com/cropinsuranceinamerica
 twitter.com/UScropinsurance

 pinterest.com/cropinsurance
 CropInsuranceInAmerica.org
cropinsuranceinmystate.org
rma.usda.gov

Do you have more questions about crop insurance?

Contact a local crop insurance agent or visit www.CropInsuranceInAmerica.org for more information. You can also send your questions to cropinsuranceinamerica@gmail.com.