

Crop Insurance Update
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Team Grain Friday WiscLine
Teleconference

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Overview

- Focus on corn and crop insurance issues for this fall
- What's coming from my extension program on crop insurance for this winter/spring
- What's happening in other states that farmers may ask you about
- Future changes (2009 and beyond)

Quick Overview of Policies

- Four main types of policies
- Yield Insurance: yield loss triggers indemnity
 - Individual policy: APH
 - Area-wide (county) policy: GRP
- Revenue Insurance: revenue loss triggers indemnity
 - Individual policy: CRC
 - Area-wide (county) policy: GRIP

Individual Policies

- APH and CRC: farmers could already have filed claims for 2007, or be doing so now
- Recommendation: if you think you have a loss, **contact your crop insurance agent**
 - Documentation of losses and practices is key
 - Likely leave corn standing for loss adjustment
 - Stalk rot/lodged corn a loss
 - Aflatoxin etc. a loss
 - Wildlife damage a loss: deer, wild hogs, geese, etc.
 - Alternative uses: be careful

Area-wide/County Policies

- GRP and GRIP: no indemnities paid until NASS announces official county average yield for 2007
- Sometime next spring before potentially get indemnities

Questions????

Crop Disaster Program

- FSA announced signup for the CDP on October 15, 2007
- For crop losses in 2005, 2006 and before 2/28/2007
- Feb 28, 2007: Means winter wheat or perennial crops orchards, berry crops can qualify for 2007
- Need crop insurance to qualify, NAP coverage acceptable for specialty crops
- All payments based on crop insurance data farmer reported

Crop Disaster Program

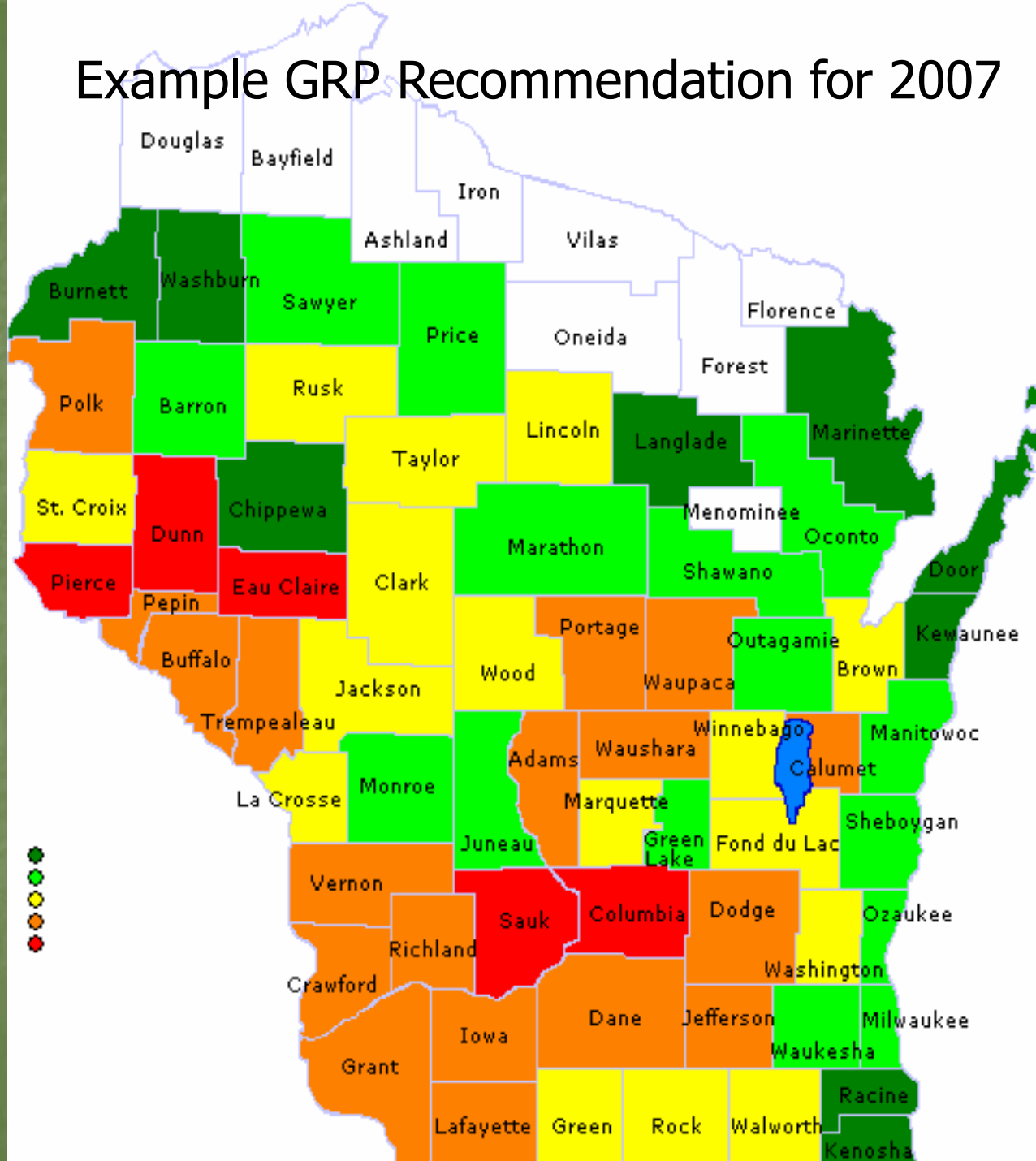
- Crop yield loss must exceed 35% of average yield
- Farmer paid for this loss at a price equal to 42% of county price (beyond crop insurance indemnity)
- Can receive payments up to 95% of crop value, with a max of \$80,000 per farmer
- Includes quality losses, not just yield losses
- UWEX agents: may act as 3rd party verification
- Contact FSA office for details

Questions???

What's coming for 2008

- I will put out a new "Hints for Using Crop Insurance in 2008"
- I will update my GRP recommendation maps for 2008 when have 2008 premiums
- I will not update my "Overview of Federal Crop Insurance in Wisconsin"

Example GRP Recommendation for 2007



Quick List of Things to Remember

- Farmers must buy insurance by March 15
- CAT policies are very cheap and will qualify farmer for disaster programs
- NAP (non-insured assistance program) is CAT policy for specialty crops, so will qualify farmer for disaster programs
- Encourage farmers to buy CAT/NAP policies (\$100/crop, up to \$300/farmer)

Quick List of Things to Remember

- Tell farmers to be careful with alternative uses of insured crops: Don't pasture drought destroyed corn without permission
- Double cropping restrictions: cannot take an early cutting of alfalfa and then plant corn
- Corn maturity restrictions in northern counties
- Wheat "T-yields" are low in many counties: nothing farmers can do to get higher coverage until they establish their own yield history

Crop Insurance in Other States

- Most other states have Revenue Assurance (RA), but not Wisconsin
 - More popular than CRC revenue insurance
 - Some farmers may ask about it
- Biotech Yield Endorsement
 - Approved Sept 12, 2007
 - Premium reduction if plant triple stack (Bt CB, Bt RW, RR), up to 23% lower
 - Piloted in IA, MN, IL, IN, starting 2008 or 2009

What Changes Are Coming?

- Combo Policy: Released in 2009
 - One basic policy with multiple options
 - Combines APH, CRC/RA, GRP, GRIP
 - No longer sell APH, CRC, RA, GRP, GRIP, IP
 - Expect education programs
 - Will mean RA-like policy for Wisconsin
- AGR-Lite and AGR will be combined into AGRI for release in 2009 or 2010

What Changes Are Coming?

- Farm Bill: Expect changes
- USDA Proposal: Supplemental Deductible Coverage: Buy APH and GRP together
- House: tried to pass, but removed at end
- Senate: just out of Ag Committee
 - State-level GRIP revenue insurance instead of farm program price supports for 2010-2012
- Not clear what will finally come out, but expect changes

Resources

- Call/email me and I'll get back to you asap
 - pdmitchell@wisc.edu 608-265-6514
- See my web page
 - <http://www.aae.wisc.edu/mitchell/extension.htm>
 - Overview of Federal Crop Insurance in Wisconsin (24 page booklet)
 - Several short bulletins on various crop insurance topics

Questions????