# CT FARM RISK MANAGEMENT CROP INSURANCE GUIDE For 2018

The current farm bill eliminated crop direct payments and strengthened the crop risk management provisions that are available to producers. It is now each producer's responsibility to develop a risk management plan for their farm(s) before enrollment deadlines. USDA provides tools for the producer's consideration.

The crop insurance and the Non-insurable crop disaster Assistance Program (NAP) are the primary programs available for comprehensive crop protection. They can provide comprehensive protection for almost all crops grown in a county in Connecticut. Additional supplemental crop protection is available through the Ag Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for crops that you grow that have an acreage base at the FSA office. The farm level details for these programs are available from crop insurance agents (list available at: www3.rma.usda.gov/apps/agents/) or your county Farm Service Agency Offices (FSA.usda.gov).

## INTRODUCTION

Multi-peril crop insurance is a valuable risk management tool for Connecticut farmers and growers. The USDA Risk Management Agency offers a **federally subsidized crop insurance program** through private insurance companies. Crop insurance covers disasters such as drought, hail, frost, hurricanes, excessive moisture, fire, insects, plant disease and wildlife damage.

Before considering a particular kind of crop insurance policy, you should first consider how much risk you are willing to accept and what you need to protect. The following are some common objectives:

1) reducing year-to-year income variability.
2) providing a minimum cash flow to cover input costs.
3) securing adequate credit.

### Crop Insurance Programs for Connecticut

Each of the following crop insurance program is found in one or more Connecticut state counties.

| Sales Closing Date | Crop |
|---|---|
| May 1 | Nursery |
| November 20 | Apples |
| | Grapes |
| | Peaches |
| March 15 | Corn |
| | Fresh Market Sweet Corn |
| | Potatoes |
| | Tobacco |
| Continuous | Livestock Gross Margin Dairy |
| | Livestock Gross Margin Swine |
| By County | Pasture, Rangeland, Forrest |
| | Pilot IInsurance Program |

To determine if a specific crop program is available to a particular county, go to: https://webapp.rma.usda.gov/apps/actuarialinformationbrowser/. Signed applications for insurance or requests for written agreements must be submitted to your crop insurance agent by the sales closing date.

## Options When a Crop Program is Unavailable

**The Non-insured crop Disaster Assistance Protection (NAP) from FSA, is designed to provide protection for almost all non-insurable crops at Buy-Up protection levels.** Contact your local Farm Service Agency office for more information.

**Written Agreements** - You may still be eligible to request crop insurance through a *written agreement* with adequate production history. The written agreement is a document designed to provide crop insurance in counties without an established program for the crop or an organic crop. See your crop insurance agent for documentation requirements. Written Agreements are not issued for pilot crops or catastrophic (CAT) policies.

## Coverage and Cost for Crop Insurance

**Buy-Up Level Coverage** - Simply select the amount of your Actual Production History (APH) yield you wish to insure; from 50 to 85 percent (depending on the specific crop program). You will also choose a percent of the RMA published price election (55 to 100 percent).

**Catastrophic Coverage -** The lowest level of crop insurance coverage is CAT insurance. A $300 administrative fee, per crop per county, will apply for a CAT insurance plan. One hundred percent of the premium for CAT coverage is paid by the Federal government. Catastrophic coverage is based on 55 percent of the established price of the commodity on crop losses in excess of 50 percent. Limited resource farmers may have this fee waived. CAT coverage is not available on written agreements. Check with your crop insurance agent to see if you qualify as a limited-resource farmer or for CAT availability.

**Products Features**

**APH** - The yield and revenue protection *insurance* uses actual production history yield to set the production guarantee when determining the amount of insurance you are purchasing. Proving an APH yield requires records for a minimum of four years and a maximum of ten years for each insurance unit. When applying for an APH plan.

**Yield Protection Plan** - These policies are based on producer-selected percentages of the APH yield and the projected price to calculate the insurance coverage. The projected price is determined according to the Commodity Exchange Price Provisions and daily settlement prices for futures contracts or a USDA determined price. You select the percent of the projected price (55 to 100 percent) you want to insure. Yield protection is available for barley, corn, grain sorghum, oats, soybeans, and wheat.

**Revenue Protection** - These policies insure producers against yield loss from most natural causes and revenue loss caused by a change in the harvest price from the earlier established projected price. You select the amount of average yield (50 to 85 percent) you wish to insure. The projected and harvest prices are 100 percent of the amounts determined according to the Commodity Exchange Price Provisions and daily settlement prices for futures contracts during specified dates. The amount of insurance protection is based on the greater of the projected price or the harvest price multiplied times the selected level of coverage times the APH yield. If the harvested production plus any appraised production multiplied by the harvest price is less than the amount of insurance protection, you are paid an indemnity based on the difference in values. This plan covers barley, corn, grain sorghum, soybeans, and wheat.

**Revenue Protection with Harvest Price Exclusion** - These policies are similar to Revenue Protection polices, but without an adjustment in the insurance guarantee. If the harvested plus any appraised production multiplied by harvest price is less than the amount of insurance protection, you are paid an indemnity based on the difference in values. This plan covers crops such as barley, corn, grain sorghum, soybeans, and wheat.

**Whole Farm Revenue Protection** - This is a whole-farm insurance program providing insurance coverage for multiple agricultural commodities under one insurance product using income tax information from your operation. A farm report is required to determine coverage eligibility. Covered farm revenue includes income from most crops and agricultural commodities.

**Late and Prevented Planting Coverages** provide protection on acreage that is planted late or that cannot be planted by the final planting date or within the late planting period. Consult a crop insurance agent for more details.

**Livestock Gross Margin for Dairy** provides protection against loss of gross margin (market value of milk minus feed costs) on milk produced from dairy cows. LGM-Dairy uses the Chicago Mercantile Exchange Group futures prices for corn, soybean meal and class III milk to determine the expected gross margin and the actual gross margin.

The **indemnity is paid** at the end of the insurance period selected by the producer (up to 10 months) is the difference (if positive) between the gross margin guarantee and the actual gross margin. The price the producer receives at the local market is not used in these calculations. Enrollment periods begin the last business Friday of each month that the program is open. Producers interested in LGM Dairy should contact a crop insurance agent. This program is not available to producers that have enrolled in the Milk Margin Protection available from FSA/USDA

**Livestock Gross Margin for Swine** is available to provide gross margin protection (income minus feed cost based on board of trade prices) for swine to be sold for commercial or private slaughter. The program uses futures prices to determine the expected gross margin and the actual gross margin. Types of Operations Covered include Farrow to Finish which covers all aspects of breeding, farrowing, and raising swine to slaughter; Feeder Pig Finishing which specializes in the feeding of swine from about 50 pounds to slaughter; and SEW (Segregated Early Weaned) specializing in the feeding of swine from the age of about 12-21 days to slaughter. Enrollments are 12 times per year (last business Friday of each month), and LGM swine can insure the swine a producer expects to market during each enrollment period. There are 12 insurance periods per year, each is for 6 months, with coverage available for the last 5 months of the 6 month period. The insurance policy is continuous and renews automatically. Producers interested in LGM Swine should contact a crop insurance agent.

**Locating a Crop Insurance Agent**
All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at:
http://www.rma.usda.gov/tools/agent.html

## DEVELOPING A CROP INSURANCE FARM PLAN

**Determining the Actual Production History**
The first step in developing a crop insurance program is to establish your actual production history (APH). This is used to set the guarantees under the APH and CAT plans of insurance. A proven APH yield is not required for crops insured under the dollar plan because the amount of coverage is based on the cost of growing the crop in a specific area. Assessing the need for production risk protection must be based on your farm's

production potential and yield variability. It is a good idea to establish the APH for each insurance unit with a crop insurance agent long before the sign-up date. An APH yield is needed even if you are only interested in the CAT level of coverage.

Establishing an APH yield requires a minimum of four years of records for each crop and land unit to be insured. Examples of information used to prove crop yields include field records, sale receipts, and farm or commercial storage records. The records must be for continuous years, starting with the most recent year and continuing back in time.

Once a missing year is reached, no yield data before that year may be used. Dropping out yield from one year because of poor production is not allowed. When a crop in a county suffers over a 50 percent yield loss, producers in that county and adjacent counties may omit their yield for that year's production. For this provision, the Federal Crop Insurance Corporation may make a separate determination for irrigated and non-irrigated agriculture. It is not considered a missing year of records if the crop to be insured was not planted in a certain year. In that case, a zero acreage report is submitted and continuous records are maintained even without data for that year. This is especially important for growers who rotate crops.

If at least four successive years of records are not available, a transitional or "T"-yield is substituted for each missing year. Each insured crop within a county has an assigned "T"-yield. It is usually based on the latest available 10-year county average yield. Growers with no records at all are assigned 65 percent of the "T"-yield as their APH yield. Growers with one year of records receive 80 percent of the "T"-yield for the other three years to calculate their APH yield. Growers with two records receive 90 percent of the "T"-yield for the other two years. Growers with three years of records receive 100 percent of the "T"-yield for the one remaining year. Once each year has been assigned a yield, the APH is an average of the four yields. If only a couple years of yield records exist, the APH yield may be considerably below the actual expected yield, because of the reduced "T"-yields. New growers or those who have never planted the crop to be insured receive 100 percent of the "T"-yield for determining their APH yield. If they continue to plant the crop for four years, the "T"-yields will be replaced with the actual production each year.

New producers who have previously been closely associated with a particular farming operation, such as children taking over a family farm, may be able to use the previous operator's records to establish their APH yield.

Once at least four years of production history are available, the APH is the average of all of the yearly reported yields. Additional years of data will be averaged into the APH yield until 10 years are included. Once 10 years of yields are available, the APH becomes a moving 10-year average. When a new year of production history is added, the oldest record is dropped from the APH calculation.

When a new yield record is added to the APH history, the APH cannot decrease by more than 10 percent in any one year. The APH cannot fall to less than 70 percent of the "T"-yield for growers with only one year of yield records, 75 percent for growers with two to four years of yield records, and 80 percent for growers with five or more years of yield records. This "floor" prevents one year with a severe crop failure from having a disproportionately large influence on the APH yield, especially when only a few years of yield records are available. There is also an option to substitute 60 percent of the "T"- yield for actual yields that are less than 60 percent of the "T"-yield. There is a slightly higher premium when this option is selected.

**Selecting an Insurance Unit Structure**

You have two options on how you divide your land to determine APH yields, loss payments, and premiums under crop insurance. Each parcel of land for which claims are calculated is called an "insurance unit." Unit types include basic and optional units. One farming operation may have several insurance units. In this situation, it is possible to have a crop loss on one unit and receive a loss payment, while the other units on the same farm produce a record crop. As a result, many growers prefer to divide their land into as many units as possible. You should check with a crop insurance agent to find out how many and what type of insurance units your crops qualify for, and how this could affect your premiums.

You receive one basic unit for the land you own and cash rent within a county. You also receive one basic unit for each landlord with whom you crop share rent. Each crop share landowner can also insure their own interest in the crop as a separate unit. Each different crop also creates a separate unit, and tracts of land in different counties must be insured as separate units. Each crop/county can have a different type of policy and level of coverage, and could receive a loss payment separate from the other units. Separate production records must be kept for each basic unit. Insuring all acres as basic units entitles producers to a 10 percent discount on their premiums.

Basic units may be divided into optional units when a crop is being grown under distinctly different production practices. For example, a grower with both irrigated and non-irrigated acres of the same crop may qualify for optional units. Other special farming types or practices may also qualify acres to be insured as separate units. Organically grown crops may also be eligible for crop insurance coverage. Premiums are adjusted to recognize any additional risk associated with covering organic crop acreage. Optional units may also be established by FSA farm serial number or by section equivalents (similar to one square mile blocks) using a written agreement.

**How Crop Insurance Premiums are Calculated**
Crop insurance premiums depend on your APH yield (or maximum dollar amount of insurance for dollar plans crops), the coverage level you select, the price election you select, and the premium rate for your county. Based on the level of coverage and the crop being insured, you pay between 33 and 67 percent of the calculated premium, with the federal government paying the balance. If you use basic units rather than optional units, you are eligible for about an additional 10 percent discount.
For the yield protection policy, you can select a coverage level of 50, 55, 60, 65, 70, or 75 (up to 85 for some crops) percent of your APH yield (or maximum dollar amount of insurance for Dollar plan crops). In a sense, this establishes your "deductible". For example, if a coverage level of 75 percent is selected, then you "self insure" for the first 25 percent of the loss. If the loss was more than 25 percent, crop insurance would cover the difference. The level of coverage also affects the amount of protection that is available. Like other insurance, high levels of deductible have lower premiums, but also more risk. You also have some choice of the price election (percent of the established crop price), depending on the yield guarantee selected. Selecting a lower level of price election lowers premiums slightly. In practice, however, most growers select the 100 percent price election.

An important thing to remember about crop insurance premiums is that they are directly tied to the value of the crop they are insuring. If commodity prices increase, then crop insurance protection and premiums will also increase.

**Some important crop insurance equations:**
<u>APH Plan yield guarantees and premiums:</u>
*Yield guarantee* = APH yield x coverage level
*Total premium/acre* = Yield guarantee x price election x county premium rate
*Subsidy amount* = Total premium/acre x subsidy factor
*Producer premium/acre* = Total premium/acre – subsidy amount

<u>APH Plan Loss payments:</u>
If actual yield is less than the yield guarantee:
*Loss payment* = (yield guarantee – actual production) x price election
If actual yield is equal to or greater than the yield guarantee:
*Loss payment* = 0

<u>Dollar Plan amount of coverage and premiums:</u>
*Dollar guarantee* = County maximum amount of coverage x coverage level
*Total premium/acre* = Dollar guarantee x county premium rate
*Subsidy amount* = Total premium/acre x subsidy factor
*Producer premium/acre* = Total premium/acre – subsidy amount
<u>Dollar Plan Loss payments:</u>
If the value of production to count is less than the dollar guarantee:
*Loss payment* = Dollar guarantee – value of production to count
If the value of production to count is greater than or equal to the Dollar guarantee:
*Loss payment* = 0

**Beginning Farmer and Rancher Benefits**
Beginning farmers and ranchers are eligible for certain benefits designed to help you as you start your operation. These benefits include:

- Exemption from paying the administrative fee for catastrophic and additional coverage policies;
- Additional 10 percentage points of premium subsidy for additional coverage policies that have premium subsidy;
- Use of the production history of farming operations that you were previously involved in the decision making or physical activities; and
- An increase in the substitute Yield Adjustment, which allows you to replace a low yield due to an insured cause of loss, from 60 to 80 percent of the applicable transitional yield (T-Yield).

**Benefit Availability**
Beginning Farmer and Rancher benefits will be available beginning with crops having a June 30, 2014 contract change date or later. It is important that you fill out the application provided by your crop insurance agent to be eligible for benefits.

**Qualification to be a Beginning Farmer or Rancher**
To qualify for beginning farmer or rancher status:

- You must be an individual. Business entities may receive benefits only if all of the substantial beneficial interest holders (10 percent or more) of the business entity qualify as beginning farmers or ranchers. For example, a son moves home to take over the family farm and incorporates with his spouse and neither have previous farming experience. Their corporation would qualify as a beginning farmer/rancher. However, if a son moves home and forms a corporation with his father, who has had an insurable interest in crops or livestock for more than 5 crop years, the corporation cannot receive Beginning Farmer and Rancher benefits. Although the son qualifies as a beginning farmer or rancher, the father does not so the corporation cannot receive benefits; and
- You must not have actively operated and managed a farm or ranch anywhere, with an insurable interest in any crop or livestock for more than 5 crop years. This includes an insurable interest as an individual or as a substantial beneficial interest holder (10

percent or more) in another person who has an insurable interest in any crop or livestock. You may exclude a crop year's insurable interest if you were under the age of 18, enrolled in post-secondary school studies (not to exceed 5 crop years) or on active duty in the U.S. military.

**How to Apply for Benefits**

You must apply for Beginning Farmer and Rancher benefits by your Federal crop insurance policy's sales closing date. You are required to identify any previous farming or ranching experience and any exclusionary time periods you were under the age of 18, in post-secondary education, or active duty military. Talk to your crop insurance agent for more information,

**How Can I Find a Crop Insurance Agent?**

- Ask your neighbors for their recommendations. Other growers are some of the best sources of information on where to find a knowledgeable crop insurance agent.
- Check with businesses or organizations you use for farm business management services. Your banker, cooperative, or a farm organization you belong to may be able to recommend insurance agencies who handle crop insurance.
- A list of crop insurance agents is available at all USDA service centers and on the RMA website at: http://www.rma.usda.gov/tools/agent.html

**Important Crop Insurance Dates**

Deadlines for sales closing, final planting date, acreage reporting, and billing for Connecticut vegetable, fruit, field and nursery and greenhouse crops are listed in Table 1. As a crop insurance user you should be aware of several important dates for filing information and reporting losses:

**Table 1. Important deadlines for livestock, vegetable, fruit, field and nursery and greenhouse crop insurance in Connecticut.**

| Fruit | Type of Insurance | Sales Closing* | Production Reporting | Acreage Reporting | End of Insurance | Premium Billing |
|---|---|---|---|---|---|---|
| Apples | APH | 11/20 | 1/15 | 1/15 | 11/20 | 8/15 |
| Peaches | APH | 11/20 | 1/15 | 1/15 | 9/30 | 8/15 |

* Prior to year of harvesting

| Vegetable | Type of Insurance | Sales Closing | Final Planting | Acreage Reporting | End of Insurance | Premium Billing |
|---|---|---|---|---|---|---|
| Sweet corn (fresh market) | Dollar | 3/15 | 6/30 | 7/15 | 9/30 | 8/15 |
| Potatoes | APH | 3/15 | 6/10 | 7/15 | 10/31 | 8/15 |

| Field | Type of Insurance | Sales Closing | Final Planting | Acreage Reporting | End of Insurance | Premium Billing |
|---|---|---|---|---|---|---|
| Corn (grain) | Revenue or Yield | 3/15 | 6/10 | 7/15 | 12/10 | 8/15 |
| Corn (silage) | Ton or Bushels | 3/15 | 6/10 | 7/15 | 10/20 | 8/15 |
| Tobacco (Type 61) | APH | 3/15 | 6/10 | 7/15 | 4/30 | 1/01 |
| Tobacco (Type 51) | APH | 3/15 | 6/30 | 7/15 | 4/30 | 1/01 |

| Nursery & Greenhouse | Dollar Amount |
|---|---|
| Sales closing (existing policy) | 5/1 |
| Sales closing (new policy) | 5/1** |
| Waiting period | 30 days |
| Insurance year | 6/1 - 5/31 |
| PIVR Existing Policy | 5/1 |
| PIVR New Policy | w/ application |

** Enrollment can be made through-out the year with a 30 day waiting period before insurance protection begins.

| LGM Dairy Cattle and Swine | |
|---|---|
| Enrollment begins | Last business Friday each month that the program is available |

**Sales closing date**—last day to apply for coverage or make changes to the policy; the sign up deadline.

**Final planting date**—last day to plant with full coverage. Late planting may be insurable at reduced coverage for some crops.

**Acreage reporting date**—last day to report the acreage planted. If not reported, insurance may not be in effect.

**Date to file notice of crop damage**—within 72 hours of initial discovery of damage (but not later than 15 days after the end of the insurance period). There may be additional requirements by crop. An adjuster must have the opportunity to inspect the crop before it is destroyed or put to another use.

**End of insurance period**—date when crop insurance coverage ceases for the crop year.

**Payment due date**—last day to pay the premium without being charged interest.

**Cancellation date**—last day to request cancellation of policy for the next year (same date as sales closing date).

**Production reporting date**—last day to report production for Actual Production History (APH).

**Debt termination date**—date insurance company will terminate policy for nonpayment.

**Billing date**—date crop insurance premiums are due. Crop insurance premiums are not due until after the cropping season is almost over .

## ORGANIC FARMING PRACTICES

Organic farming has become one of the fastest growing segments of U.S. agriculture. USDA's Risk Management Agency (RMA) recognizes organic farming practices as good farming practices and continues to move forward in improving crop insurance coverage for organic producers and producers transitioning to organic production to make viable and effective risk management options available. In general, regulations governing the insurability of organic and transitional practices are the same as for conventional practices

**Coverage Availability**
RMA provides coverage for:Certified organic acreage; and transitional acreage (acreage transitioning to certified organic acreage in accordance with an organic plan).

Insurance can only be provided for any crop grown using organic farming practices when a premium rate for an organic practice is specified in the actuarial documents or there is an approved written agreement.

**Insurable Causes of Loss**
All production loss or insurance amount loss due to an insured cause of loss listed in the crop provisions apply to the organic and transitional to organic practices, unless otherwise specified in the special provisions. The following losses are not covered: The producer did not follow good organic farming practices; the producer failed to comply with the USDA National Organic Program standards; or the crop was contaminated by application of drift of prohibited substances onto land on which crops were grown using organic practices on any certified organic, transitional, or buffer zone acreage.

**Reporting Acreage**
In the date acreage is reported, you must have the following.

**For Certified Organic Acreage:**
A current organic plan and organic certificate (written certificate) are required; or written documentation may be provided from a certifying agent indicating that an organic plan is in effect.

**For Transitional Acreage:**
An organic plan is required or written documentation from a certifying agent that indicates an organic plan is in effect. The organic plan must: Identify the acreage that is in transition for organic certification; List crops grown on the acreage during the 36 month transitioning period; and Include all other acreage (conventional acreage in the farming operation).

**Insurance Guarantees, Coverage Levels, and Premium Determination**
The production guarantee or insurance amount, coverage levels, and prices are available in the actuarial documents, found on the Actuarial Information Browser at https://webapp.rma.usda.gov/apps/actuarialinformationbrowser/

Crops grown in the buffer zone are insured using the applicable price elections, projected prices, harvest prices, insurance plan, and coverage level shown in the actuarial documents for the acreage it buffers.

**Premium Organic Price Elections**
RMA continues to expand premium organic price elections to extend the safety net provided by crop insurance and to provide fair and flexible solutions to organic producers. Premium organic price elections now exist for the majority of crops insured by RMA. RMA continues to evaluate all crops to establish organic price elections in future crop years.

A list of crops that have a premium organic price elections can be found at: www.rma.usda.gov/news/currentissues/organics/organiccroplist.html.

In some cases, premium organic price elections are only available in certain locations and for certain types. For all other crops not listed above, the price elections, insurance amounts, projected prices, and harvest prices that apply to both certified organic and transitional to organic crops are the same as those RMA publishes for crops grown using conventional or sustainable farming practices for the current crop year.

**Price Discovery Tool**
All approved organic price elections, projected prices, and harvest prices (by crop) are available on the Actuarial Information Browser at webapp.rma.usda.gov/apps/actuarialinformationbrowser/ under the 'Prices' tab. To see estimated prices based on current market information for revenue policies, see the Price Discovery Reporting Application at prodwebnlb.rma.usda.gov/apps/PriceDiscovery.

**Whole-Farm Revenue Protection**
Whole-Farm Revenue Protection provides a risk management safety net for all commodities on the farm under one insurance policy. This insurance plan is tailored for any farm with up to 8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets. This product also allows certified organic producers to use organic prices. The Whole-Farm Revenue Pilot Program fact sheet can be found at www.rma.usda.gov/policies/wfrp.html.

**Contract Price Addendum (CPA)**
The CPA allows a producer to use the contract price from a written contract with a buyer instead of the price election established by RMA, up to a maximum contract price.

**Important Dates**
Be aware of the sales closing date to apply for crop insurance. The sales closing date is the last day to buy a new policy or change an existing policy's coverage level. If you are a policyholder you also have until the sales closing date to make any changes to your existing contracts. For crops in your state, you can find sales closing dates at your regional office or on the regional office website at www.rma.usda.gov/aboutrma/fields/rsos.html.

**For More Information**
You can find definitions related to organic practices in the most current Common Crop Insurance Policy, Basic Provisions, at www.rma.usda.gov/policies/2011/11-br.pdf. You can find crop insurance policies, crop provisions and handbooks on the RMA Organic Crops Page at www.rma.usda.gov/news/currentissues/organics/.

**Where to Buy Crop Insurance**
All multi-peril crop insurance, including Catastrophic Risk Protection (CAT) policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers and online at the RMA agent locator at www.rma.usda.gov/tools/agent.html.

A list of insurable crops is available on the policies website at https://www.rma.usda.gov/policies/2018policy.html.

## VEGETABLE CROPS

Vegetable crops covered by individual crop insurance policies in Connecticut include fresh market sweet corn and potatoes. Insurance for sweet corn is available in all counties while potatoes are only covered in Hartford County; however, potatoes can be insurable by written agreement in other counties if specific criteria are met.

**Fresh Market Sweet Corn (2018 Crop Year )** Acreage planted to sweet corn to be harvested and sold as fresh market sweet corn is insurable, including non-irrigated acreage. To be insurable, the producer must have grown sweet corn for commercial sale or participated in managing a sweet corn farming operation in at least one of the three previous years. Sweet corn interplanted with another crop or in established grasses or legumes is not covered.

### Causes of Loss

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.

### Insurance Period

Insurance coverage begins on the later of the date we accept your application or the date when the crop is planted. Insurance coverage ends with the earliest occurrence of one of the following:

- Total destruction of the crop;
- Harvest of the unit;
- Final adjustment of a loss;
- Abandonment of the crop; or
- September 30 of the year the crop is planted.

### Coverage Levels and Premium Subsidies

Instead of guaranteeing production, the policy guarantees a dollar amount of coverage, depending on the level of coverage selected. Crop insurance premiums are subsidized as shown below. For example if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is only 45 percent of the base premium. Catastrophic Risk Protection (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of $300.

### AMOUNTS OF COVERAGE AND SUBSIDY

**Reference Maximum Dollar Amount = $2700**

| Coverage Level | Coverage Amount | Subsidy % | Your Premium Share |
|---|---|---|---|
| CAT | $724 | 100% | 0% |
| 50% | $1,325 | 67% | 33% |
| 55% | $1,446 | 64% | 36% |
| 60% | $1,578 | 64% | 36% |
| 65% | $1,709 | 59% | 41% |
| 70% | $1,841 | 59% | 41% |
| 75% | $1,972 | 55% | 45% |

### Loss Example

A loss occurs when the crop value falls below the guaranteed dollar amount as a result of damage from a covered cause of loss.

The example below assumes a dollar guarantee of $1,709 per acre at the 65 percent coverage level. Assume that 50 containers of sweet corn per acre were produced and sold for $12 each. Subtracting an allowable cost of $4.15 per container leaves a net value of $7.85 per container and a crop value of $393 per acre (50 containers x $7.85).

| | |
|---|---|
| $1709 | Dollar amount of coverage per acre |
| - 393 | Production value per acre |
| $1,316 | **Loss per acre** |

**2018 CROP YEAR**

**Potatoes**
All potatoes are insurable if:

- Planted with certified seed for harvest as either certified seed stock or for human consumption;
- Not interplanted with another crop; and
- Not planted into an established grass or legume.

Additional endorsements are available for an added premium:

- Storage Coverage Endorsement;
- Quality Endorsement; and
- Processing Quality Endorsement.

**Causes of Loss**
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.

**Insurance Period**
Coverage begins when the potatoes are planted and ends the earliest of:

- Total destruction of the crop
- Abandonment of the crop
- Harvest of the crop
- Final adjustment of a claim
- October 31 of the year the crop is planted.

**Coverage Levels and Premium Subsidies**

Coverage levels range from 50 to 85 percent of your average yield and are subsidized as shown below. For example, an average actual production history (APH) yield of 240 hundredweight per acre results in a guarantee of 120 hundredweight per acre at the 50-percent coverage level.

| 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 (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election.The cost for CAT coverage is an administrative fee of $300.

**Insurance Units**

Basic and optional farm unit structures are available for potato program counties. Premium discounts apply to basic farm units.

**Price Elections**

Established Price .......................... $12.90 per cwt.

CAT Price ..................................... $7.10 per cwt.

**Loss Example**

This example assumes an average yield of 260 cwt. per acre, 65-percent coverage level, no options or endorsements, and one basic unit.

| | | |
|---|---|---|
| | 240 | APH yield |
| x | .65 | Coverage level |
| | 156 | Acre guarantee |
| - | 48 | Production-to-Count |
| | 108 | Loss per acre |
| x | $12.90 | Price election |
| | **$1,393** | **Indemnity per acre** |

2018 CROP YEAR

## FRUIT CROPS

Fruit crops covered in Connecticut include apples and peaches. Insurance for apples is available in all counties while peaches are only covered in Litchfield and Middlesex counties; however, peaches can be insurable in other counties by written agreement if specific criteria are met.

### Apples

All apples in a county are insurable if:

- A premium rate is provided by the actuarial documents;
- In which you have a share;
- Grown on tree varieties that are adapted to the area;
- Acreage that has produced at least 150 bushels per acre in one of the past four years; and
- Are grown for fresh apple production or processing apple production.

### Causes of Loss

- Adverse weather conditions, including 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 in the insured period
- Insect damage and plant disease except for insufficient or improper application of control measures
- Wildlife

### Insurance Period

Coverage begins on November 21 and ends the earlier of:

- Total destruction of the crop;
- Harvest of the crop;
- Final adjustment of a claim;
- Abandonment of the crop; or
- November 20

### Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield and are subsidized as shown below. For example, an average APH yield of 600 bushels per acre would result in a guarantee of 300 bushels per acre at the 50-percent coverage level. You may elect different coverage levels for fresh and processing apples. Catastrophic (CAT) coverage is fixed at 50 percent of average yield and 55 percent of the price election. The cost for CAT is an administrative fee of $300.

| Item | Percent | | | | | |
|---|---|---|---|---|---|---|
| Coverage Level | 50 | 55 | 60 | 65 | 70 | 75 |
| Premium Subsidy | 67 | 64 | 64 | 59 | 59 | 55 |
| Your Premium Share | 33 | 36 | 36 | 41 | 41 | 45 |

### Price Elections

Fresh……………………………......**$15.60**

Processing………………………...**$5.45**

Varietal Group A……………….**$51.50**

Varietal Group B…………………$**15.60**

Varietal Group C.......................**$11.40**

### Insurance Units

Basic Unit - A basic insurance unit includes all your insurable apple acreage in the county in which you have 100-percent share or which is owned by one person and operated by another person on shares.

Optional Units - Optional units may be established if you can provide separate records for each unit, and the acreage is not insured under a CAT policy. Optional units may be established by:

- Non-contiguous land;
- Farm Service Agency Farm Serial Numbers;
- Irrigated or non-irrigated practice; or
- By type: Fresh, Processing, Varietal Group A, Varietal Group B, or Varietal Group C

### Varietal Groups Are Defined As:

- **Varietal Group A** - Honeycrisp;
- **Varietal Group B** - Cortland, Empire, Fuji, Gala, Jonagold, Macoun, McIntosh, Ozark Gold, Paula Red, Cripps Pink (Pink Lady), and Red Rome; and
- **Varietal Group C** - All other apple varieties not specified in Varietal Group A or Varietal Group B.

### Options

*Optional Coverage for Quality Adjustment*

Additional protection for loss of quality when apples do not grade U.S. Fancy or better:

- Any block of apple acreage grown and maintained for processing is not eligible for optional coverage under this option;
- You must certify and provide records to support at least 50 percent of the acreage reported as fresh apples was sold as fresh apples in 1 or more of the 4 most recent crop years; and
- This option is not available with a CAT policy.

### Supplemental Coverage Option (SCO)

SCO is available for apples in some counties. If elected, SCO provides additional coverage for a portion of your underlying crop insurance policy deductible.

### Yield Exclusion (YE)

APH Yield Exclusion is available in some apple counties. YE allows you to exclude yields in exceptionally bad years from your production history when calculating yields used to establish your crop insurance coverage.

### Loss Example

Assume fresh apples with an approved yield of 600 bushels per acre, 65-percent coverage level, non-irrigated, 100-percent share and a one-acre basic unit.

| | | |
|---|---|---|
| | 600 | Approved yield per acre |
| x | 0 . 65 | Coverage level |
| | 390 | Acre guarantee |
| – | 100 | Production-to-count |
| | 290 | Loss per acre |
| x | $15.60 | Price election (fresh) |
| | **$4,524** | **Indemnity/acre** |

**2018 CROP YEAR**

## Peaches

All peaches (including nectarines) in a county are insurable if:

- A premium rate is provided by the actuarial documents;
- Any varieties grown for the production of fresh or processing peaches;
- From tree varieties having a chilling hour requirement appropriate for the area;
- From a rootstock adapted to the area;
- In an orchard that is considered acceptable; and
- On trees that have reached at least the fourth growing season after being set out.

### Causes of Loss

- Adverse weather conditions, including hail, frost, freeze, wind, drought, and excess precipitation
- Failure of irrigation water supply if caused by an insured peril during the insurance period
- Fire caused by an insured peril in the insured period
- Insect damage and plant disease except for insufficient or improper application of control measures
- Insufficient chilling hour to break dormancy
- Wildlife

### Insurance Period

Coverage begins on November 21 and ends the earlier of:

- Total destruction of the crop;
- Harvest of the crop;
- Final adjustment of a claim;
- Abandonment of the crop; or
- September 30

### Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your average yield and are subsidized as shown below. For example, an average actual production history (APH) yield of 300 bushels per acre would result in a guarantee of 150 bushels per acre at the 50-percent coverage level. You may choose different coverage levels for fresh and processing peaches. Catastrophic (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of $300, regardless of acreage.

| Item | Percent | | | | | |
|---|---|---|---|---|---|---|
| Coverage Level | 50 | 55 | 60 | 65 | 70 | 75 |
| Premium Subsidy | 67 | 64 | 64 | 59 | 59 | 55 |
| Your Premium Share | 33 | 36 | 36 | 41 | 41 | 45 |

### Price Elections

Fresh Price ............................................... $51.25
Processing Price ....................................... $8.50

### Insurance Units

Basic Unit - A basic insurance unit includes all your insurable peach acreage in the county in which you have 100-percent share or that is owned by one person and operated by another person on shares.

Optional Units - Optional units may be established if you can provide separate records for each unit, and the acreage is not insured under a CAT policy. Optional units may be established by:

- Non-contiguous land;
- Farm Service Agency Farm Serial Numbers; or
- By type; fresh or processing.

### Loss Example

Assume fresh peaches with an approved yield of 300 bushels per acre, 65-percent coverage level, 100-percent share, and a one-acre basic unit.

| | | |
|---|---|---|
| | 300 | Approved Yield per acre |
| x | .65 | Coverage level |
| | 195 | Acre guarantee |
| - | 95 | Production-to-Count |
| | 100 | Bushels per acre loss |
| x | $51.25 | Price election (fresh) |
| | $5,125 | Indemnity per acre |

**Note**: Litchfield and Middlesex counties insurable in Connecticut, other counties possible by written agreement.

**2018 CROP YEAR**

## FIELD CROPS

Field crops covered in Connecticut include corn and tobacco. Insurance for corn is available in all counties while tobacco is only covered in Hartford and Tolland counties; however, tobacco can be insurable by written agreement in other counties if specific criteria are met.

### Corn

All corn grown in the county on insurable acreage is insurable if:

- Premium rates are provided either as grain or silage; and
- You have a share

The silage harvest price equals the projected price.

### Causes of Loss

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

### Insurance Period

Insurance coverage begins on the later of the date we accept your application or the date when the crop is planted, and ends with the earliest occurrence of one of the following:

- Total destruction of the crop;
- Harvest of the unit;
- Final adjustment of a loss;
- Abandonment of the crop;
- October 20 for silage; or
- December 10 for grain.

### Coverage Levels and Premium Subsidies

The premium subsidy percentages and available coverage levels are shown below. Your share of the premium will be 100 percent minus the subsidy amount.

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

### Price Elections

The Commodity Exchange Price Provisions (CEPP) contains information necessary to derive the projected price and the harvest price for the insured crop. The projected price is used to calculate the premium, replant payment and any prevented planting payment. The harvest price will be used to value production-to-count under the Revenue Protection and the Revenue Protection with Harvest Price Exclusion plans. The CEPP includes the price discovery period, release dates, board of trade used, and additional pricing information. Talk to your agent, or for more information see: www.rma.usda.gov/tools/price discovery.html.

### Coverage Options

- **Yield Protection -** provides protection against production losses.
- **Revenue Protection -** provides protection against loss of revenue due to production loss, price decline or increase, or combination of both.
- **Revenue Protection with Harvest Price Exclusion** provides revenue protection based on the projected price only.

### Insurance Units

Basic, optional, enterprise, and whole farm unit structures are available in corn program counties. Premium discounts apply for basic, enterprise, and whole farm units. Additional subsidy is available for enterprise and whole farm units. Yield protection is not available for whole farm unit structure.

*Basic Unit:* A basic unit includes all of your insurable small grains acreage in the county by crop by share arrangement. Premiums are reduced for about 10% for basic unit.

*Optional Unit:* If a basic unit consists of two or more FSA farm serial numbers and certain record keeping requirements are met, you may qualify for optional units. The 10 percent premium discount will not apply.

*Enterprise Unit:* Generally, all the insured acreage of the crop in a county **You must qualify for two or more optional units and agree to combine them into one unit to qualify for an enterprise unit**. Premium discounts and additional subsidy may reduce the premium by more than 50 percent.

*Whole Farm Unit:* Generally, all the insured crops in the county that are covered by the insurance plan. Premium discounts and additional subsidy apply.

**Late and Prevented Planting**
These provisions provide protection on acreage planted after the final planting date or that cannot be planted. Consult a crop insurance agent for details.

**Loss Example**
Assume corn with an approved yield of 90 bushels per acre, 75-percent coverage level, $3.96 projected price, $3.49 harvest price, and 40 bushels produced. For Revenue Protection, the insurance guarantee is equal to the production guarantee multiplied by the greater of the projected price or the harvest price. In this example, the Revenue Protection harvest guarantee is $267.30 (67.5 bushels per acre guarantee multiplied by $3.96 projected price).

| Yield Protection | | Revenue Protection |
|---|---|---|
| 90 | APH yield bushels/acre | 90 |
| x .75 | Coverage level | x .75 |
| 67.50 | Acre guarantee | 67.50 |
| x $3.96 | Projected Price | $3.96 |
| **$267.30** | Insurance Guarantee | **$267.30** |
| 40 | Bushels produced | 40 |
| x $3.96 | Harvest Price | $3.49 |
| **$158.40** | Production-to-Count Value | **$139.60** |
| **$108.90** | **Indemnity per acre** (Insurance Guarantee minus Production-to-Count Value) | **$127.70** |

## Tobacco

The tobacco production guarantee policy covers the following tobacco types in Connecticut:

- Type 51—Cigar Binder
- Type 61—Cigar Wrapper

**Causes of Loss**
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

**Price Elections**

**Cigar Binder**
Established Price ........................................ $8.00
CAT Price .................................................... $4.40

**Cigar Wrapper**
Established Price ....................................... $21.00
CAT Price ................................................. $11.55

**Insurance Period**
Coverage begins at transplanting and ends with the earliest occurrence of one of the following:

- Total destruction of the tobacco on the unit;
- Removal of the tobacco from the unit where grown, except for curing, grading, packing;
- Abandonment of the crop on the unit;
- Final adjustment of a loss on the unit; or
- April 30.

**Coverage Levels and Premium Subsidies**
Coverage level options range from 50 to 75 percent of your approved average yield and are subsidized as follows:

| **Coverage Level % →** | **50** | **55** | **60** | **65** | **70** | **75** |
|---|---|---|---|---|---|---|
| Premium Subsidy % | 67 | 64 | 64 | 59 | 59 | 55 |
| Your Premium Share % | 33 | 36 | 36 | 41 | 41 | 45 |

Catastrophic (CAT) coverage is fixed at 50 percent of your approved yield and 55 percent of the price election. The cost for CAT coverage is $300.

**Loss Example**
This example is for cigar binder type and assumes 60-percent coverage level of approved yield of 1,800 pounds per acre, and one basic unit.

| | |
|---|---|
| 1,800 | APH yield |
| x .60 | Coverage level |
| 1,080 | Pounds per acre guarantee |
| - 580 | Pounds per acre harvested |
| 500 | Pounds per acre loss |
| x $8.00 | Price election |
| $4,000 | **Indemnity per acre** |

**2018 CROP YEAR**

## NURSERY CROPS

Nursery crop insurance is available in all states to all persons operating nurseries that meet certain criteria. Insurance coverage will apply, by practice (field-grown or container), to all of your nursery plants in a county that:

- Are on the Eligible Plant List;
- Are grown in a nursery that receives at least 50 percent of its gross income from the wholesale marketing of nursery plants;
- Meet all the requirements for insurability; and
- Are grown in an appropriate medium.

Nursery plants may not be insured if:

- They are grown in containers containing two or more different genera, species, subspecies, varieties, or cultivars;
- The plants are grown for sale as Christmas trees;
- The plants are grown as stock plants; or
- They are grown solely for harvest of buds, flowers or greenery.

Plants producing edible fruits and nuts can be insured if the plants are available for sale.
Harvesting the edible fruit or nuts does not affect insurability.

Your nursery must be inspected and approved as acceptable before insurance coverage can begin.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions, including wind, hurricane and freeze. If cold protection is required by the Eligible Plant List, adequate and operational cold protection measures must be in place;
- Failure of irrigation water supply, if due to an insurable cause of loss such as drought;
- Fire, provided weeds and undergrowth are controlled; and
- Wildlife

Plant damage or losses in value as a result of the following situations are not covered:

- Collapse or failure of buildings/structures, unless cause by an insurable cause of loss;
- Disease or insect infestation, unless effective control measures for the infestation do not exist;
- Failure of plants to grow to an expected size;
- Inadequate power supply, unless such inadequacy is a result of an insurable cause of loss; and
- Inability to market nursery products, due to a stop sales order, quarantine, boycott, phytosanitary restriction on sales, or buyer refusal.

### Definitions

**Amount of Insurance** – The result of multiplying the full value of all insurable plants in each basic unit by the selected coverage level percentage, multiplied by your share.

**Amount of Insurance Example**

| | | |
|---|---|---|
| | $100,000 | Plant inventory value |
| X | 0.65 | Chose coverage level percentage |
| X | 1.00 | Producer share |
| | $ 65,000 | Unit amount of insurance |

**Contain-Grown Plants –** Nursery plants planted and grown in standard nursery containers either above ground or placed in the ground (directly or when placed in another pot in the ground (in other words pot-in-pot))

**Crop Inventory Valuation Report –** A plant inventory list created on the nursery Inventory Software for assisting in establishing the insurable nursery plant value. The Nursery Inventory Software is available at www.rma.usda.gov/tools/eplpps.

**Eligible Plant List -** A list that includes botanical and common names of insurable plants, winter protection requirements for container-grown material and areas in which they apply, hardiness zone in which field-grown material is insurable designated hardiness zone for each county, and unit classifcation for each plant. A list may be obtained by sending a request to rma.kc.nursery@rma.usda.gov or from crop insurance agents.

**Field-Grown Plants** -Nursery plants planted and grown in the ground without the use of an artificial root containment devise.

**Liners -** Plants produced in standard nursery containers that are equal to or greater than 5/8 inch in diameter (including trays containing 200 or fewer individual cells), but less than 3 inches in diameter at the widest point of the container or cell interior, have an established root system, and are able to maintain a firm root ball when lifted from the containers.

**Nursery** - A business enterprise that grows nursery plants and receives at least 50 percent of its gross income from wholesale marketing of such plants.

**Stock Plants** - Plants used solely for propagation during the insurance period or plants grown only for harvest of buds, flowers, or greenery. Stock plants cannot be insured

**Plant Inventory Value Report**
The PIVR is used to declare the value of your insurable plants. PIRV for each insured practice is required. Two copies of your most recent wholesale catalog or price list must accompany your PIVR unless the catalogs are submitted electronically. If catalogs are submitted electronically they must be in PDF format and suitable for printing.

**Wholesale catalogs musts:**

- Be typewritten and legible;
- Show an issue date on the cover page (may be handwritten);
- Contain name, address, and telephone number of nursery;
- Be used for plant sales to customers; and
- List plant names, container sizes, and wholesale prices.

Your PIVR must also be accompanied by a crop inventory valuation report or physical plant inventory and price documentation.

**Peak Inventory Endorsement**
For increased coverage during peak periods when your inventory value may be significantly higher than your annual plant inventory value, you may consider the additional insurance coverage provided by a Peak Inventory Endorsement (not available with the catastrophic coverage level). Contact your crop insurance agent for further details,

**Rehabilitation Endorsement**
This endorsement is an addition to the basic policy that provides reimbursement for your expenditures on labor and material for pruning and setup (righting, propping, and staking) of field-grown plants that are damaged by an insured cause of loss and have a reasonable expectation of recover. The Rehabilitation Endorsement is not available with the catastrophic coverage level. Contact your crop insurance agent for further details.

**Pilot Nursery Grower's Price Endorsement**
The Pilot Nursery Grower's Price Endorsement, available in 19 states, is an addition to the basic policy that insures specific plants at prices higher than those shown on your eligible plant list. You must purchase this at the time you apply for coverage, or on or before the sales closing date. Contact your crop insurance agent for further details.

**Coverage Levels and Premium Subsidies**
Coverage levels range from 50 to 75 percent of your plant inventory value. Crop insurance premiums are subsidized as shown in the following table.

For example, if you selected the 75-percent coverage level, your premium share would be 45 percent of the base premium: the catastrophic coverage level is fixed at 27.5 percent of your plant inventory value. The only cost for the catastrophic coverage level is an adminis-trative fee of $300.

| Item | Percent | | | | | |
|---|---|---|---|---|---|---|
| Coverage Level | 50 | 55 | 60 | 65 | 70 | 75 |
| Premium Subsidy | 67 | 64 | 64 | 59 | 59 | 55 |
| Your Premium Share | 33 | 36 | 36 | 41 | 41 | 45 |

**Example of a nursery loss covered under the Dollar Amount of Insurance Plan:**
$100,000 Plant Inventory Value
x .65 Coverage Level
$ 65,000 Unit Amount of Insurance
In the event of a loss:
$100,000 Field Market Value before loss
–$50,000 Field Market Value after loss
$50,000 Amount of loss
–$35,000 Deductible (100% – Level of Coverage ) x Inventory Value = (100% – 65%) x $100,000

**= $15,000 Indemnity**

**Conservation Compliance**
In order to receive premium assistance from the federal government for crop insurance, producers will have to comply with highly erodible land and wetland conservation requirements that most already have to comply with as a result of participating in FSA and NRCS programs. RMA will work to utilize the verification process in place to ensure that producers are not overly burdened by this requirement.

Producers who do not comply with conservation compliance can still purchase crop insurance, however, they will no longer be eligible to receive the government paid premium subsidy. Producers who destroy a wetland after enactment of the 2014 Farm Bill (February 7, 2014) risk losing their crop insurance premium subsidy, consistent with the new conservation compliance requirements of the 2014 Farm Bill. This affects eligibility not only for crop insurance premium subsidies but also commodity, conservation, and disaster program benefits. Producers who were eligible for commodity, conservation, or disaster programs under FSA or NRCS will remain eligible for the government paid crop insurance premium subsidy. The changes related to the crop insurance premium subsidy do not change the existing conservation compliance requirements and ramifications for violations for commodity, disaster, or conservation programs offered by FSA or NRSC.

## GRAPES

### Crop Insured
Grape varieties grown for wine or juice are insurable if the vines have:
- Reached the fourth growing season after being set out, for all native and hybrid varieties, and reached the fifth growing season after being set out, for all Vinifera varieties; and
- Produced an average of two tons per acre in at least 1 of the 3 most recent crop years.

### Counties Available
Grapes are insurable in Litchfield, New London, and Windham counties. Grapes in other counties, including Vinifera grapes, may be insurable by written agreement if specific criteria are met. Contact a crop insurance agent for more details.

### Causes of Loss
You are protected against the following:
- Adverse weather conditions, including hail, frost, freeze, wind, drought, and excess precipitation;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire 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.

### Insurance Period
Coverage begins on November 21 and ends with the earliest occurrence of one of the following:
- Total destruction of the crop;
- Harvest of the crop;
- Final adjustment of a claim;
- Abandonment of the crop; or
- November 20.

### Important Dates
Sales Closing Date ............... November 20, 2017
Acreage Reporting Date ....... January 15, 2018
Production Reporting Date ... January 15, 2018
Premium Billing Date ............ August 15, 2018

## Pasture, Rangeland, Forage

The Risk Management Agency's (RMA) Pasture, Rangeland, Forage (PRF) Pilot Insurance Program is designed to provide insurance coverage on pasture, rangeland, or forage acres. The PRF program utilizes a rainfall index to determine precipitation for coverage purposes, and does not measure production or loss of products themselves. The Rainfall Index uses National Oceanic and Atmospheric Administration Climate Prediction Center (NOAA CPC) data, which utilizes a grid system to determine precipitation amounts within an area. Each grid is 0.25 degrees in latitude by 0.25 degrees in longitude, which translates to approximately 17 by 17 miles at the equator. Acres will be assigned to one or more grids based on the location to be insured. The Pasture, Rangeland, and Forage insurance was designed to help protect a producer's operation from the risks of forage loss due to the lack of precipitation. It is not designed to insure against ongoing or severe drought, as the coverage is based on precipitation expected during specific intervals only.

### Availability
PRF is available in the 48 contiguous states with the exception of a few grids that cross international borders.

### Coverage and Claims
Coverage is based on a producer's selection of coverage level, index intervals, and productivity factor. The index interval represents a two-month period, and the period selected should be the one when precipitation is most important to a producer's operation. Policyholders can select a coverage level from 70 to 90 percent. The rainfall index does not measure direct production or loss. The producer is insuring a rainfall index that is expected to estimate production.

Producers select a productivity factor to match the amount of protection to the value of the production that best represents the operation and the productive capacity of the producer's acres. Producers do not have to insure all acres. However, producers cannot insure more than total number of insurable acres.

Insurance payments are determined by using NOAA CPC data for their grid(s) and index intervals that were chosen to insure. When the final grid index falls below the policyholder's "trigger grid index", the producer 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.

**Tools**
Producers need to make several choices when insuring their grazing or hay production, including coverage level, index intervals, irrigated practice, productivity factor, and number of acres. Producers should work with their crop insurance agent to view the Grid ID Locator map and index grids for their area, and assign acreage to one or more grids based on the location and use of the acreage to be insured. RMA encourages the use of the Grid ID Locator, historical indices tool, and decision support tools available on RMA's website tohelp decide whether PRF is the right insurance coverage for a producer's operation.

**Buying a PRF Policy**
PRF policies can be bought from a crop insurance agent by the sales closing date shown for each county in the actuarial documents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/tools/agent.html.

**Contact Us**
USDA/RMA
Mail Stop 0801
1400 Independence Ave., SW Washington, DC 20250
Phone: (202) 720-0723
Fax: (202) 690-2818
Website: www.rma.usda.gov
Email: RMA.Media.Requests@rma.usda.gov

**SOURCES**

USDA, RMA Commodity Insurance Fact Sheets for Connecticut (various).

Connecticut Crop Insurance Guide - 2018 version edited by Joseph Bonelli and updated by MacKenzie White, Department of Extension, University of Connecticut.

Original 2013 document prepared by Marilyn Altobello, Department of Agriculture and Resource Economics, University of Connecticut, Storrs.

U.S. Department of Agriculture
Risk Management Agency

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EXTENSION

Visit us online at:

www.ctfarmrisk.uconn.edu

This information is provided by the Crop Insurance Education and Information for Connecticut Agriculture Project, a cooperative effort of the University of Connecticut Cooperative Extension System, Connecticut Department of Agriculture and the U.S. Department of Agriculture Risk Management Agency. 