

APRIL NURSERY NEWSLETTER

April 2016

GARDEN STATE CROP INSURANCE EDUCATION INITIATIVE

Nursery Commodity Insurance

Nursery crop insurance is available in all states to all persons operating nurseries that meet certain criteria. Insurance coverage applies, 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
- 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;
- Are grown for sale as Christmas trees;
- Are grown as stock plants; or
- 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:

- 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 caused 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.

Important Dates

Sales Closing/Cancellation—May 1

Contract Change Date—January 31

Insurance Period Begins—June 1

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.

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

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 administrative fee of \$300.

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 Chosen coverage level %
x 1.00 Producer share
\$65,000 Unit amount of insurance

Container-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 (pot-in-pot)].

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Special points of interest:

- Christmas tree and cut flower production is not insurable under RMA's nursery insurance policy
- Re-glazing greenhouses can save you money
- Sign up deadline for new nursery crop insurance policies is May 1st 2016!

Nursery Commodity Insurance Continued...

Crop Inventory Valuation Report -

A plant inventory list created in the Nursery Inventory Software for assisting in establishing the insurable nursery plant inventory 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 classification for each plant.

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

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

Duties in the Event of Damage or Loss

Notify your agent within 72 hours (3 days) of your initial discovery of damage and submit a claim for indemnity no later than 60 days after the end of the insurance period.

Plant Inventory Value Report (PIVR)

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

Wholesale catalogs must:

- Be typewritten and legible;
- Show an issue date on the cover page (may be hand written);
- Contain name, address, and telephone number of nursery;
- Be provided to customers and used in the sale of your plants; and
- List each plant name, plant or container sizes, and wholesale price.

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 certain 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 more details.

Rehabilitation Endorsement

This endorsement is an addition to the basic policy and 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 recovery. The Rehabilitation Endorsement is not

available with the catastrophic coverage level. Contact your crop insurance agent for more 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 the Eligible Plant List. You must buy this at the time you apply for coverage or, on or before the sales closing date. Contact your crop insurance agent for more details.

Loss Example

\$100,000 Plant inventory value
x 0.65 Coverage level percentage
\$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 Value of loss
- \$35,000 Deductible

\$15,000 Indemnity

The deductible shown above is $(1 - \text{coverage level}) \times \text{inventory} = (1 - 0.65) \times \$100,000 = \$35,000$

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. 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.



Greenhouse Glazing Replacement Rutgers article: <http://njaes.rutgers.edu/ag/reglazing.asp>

There are many old lapped glass greenhouses remaining in use throughout New Jersey, but these greenhouses present a number of problems. Slipped glass, high energy costs, and drips washing out seedling trays have moved many owners to consider costly replacement or even abandonment.

At Rutgers New Jersey Agricultural Experiment Station, an old greenhouse on the G. H. Cook Campus used by turf breeders sorely needed re-glazing. It was debated whether to reset the original glass, re-glaze with a double-wall plastic panel, or demolish the greenhouse. There were many factors to be weighed: costs of the project, energy conservation, maintenance issues with glass vs. plastic, and overall life expectancy. After calculating how much time it would take to clean, caulk, and reset the glass, it was decided that the greenhouse would be re-glazed with 8-mm polycarbonate. All work was performed by Rutgers' fabrication shop and greenhouse crew to reduce expenses



Before: greenhouse in need of repair



In progress: Removal of glass

Experiment station staff made sure the greenhouse structure was in good shape and that the heating and cooling systems were in working order before starting. A re-glaze is an investment lasting at least 10 years, and these components need to function for that long. If old wood glazing bars remain in good condition, they can be painted and reused to support the new glazing system's aluminum extrusions. This was done for the re-glazing project, which further reduced costs.

Through hard work and a little ingenuity, the greenhouse staff were able to save the greenhouse from demolition, and the result is a leak-proof, draft-free greenhouse and a substantial savings in energy use (approximately 30%).

For information on this project, please contact Joe Florentine; Director of Greenhouse Operations and Planning, NJAES Research Greenhouse 732-932-9034 florentine@njaes.rutgers.edu.



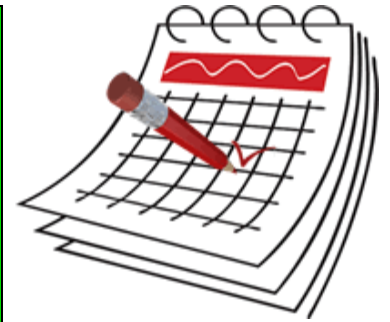
Re-glazing in progress



After: Re-glazed greenhouse

Important Dates

- The insurance period begins June 1 and continues through May 31 of the following year
- The sales closing and coverage modification date is May 1 before the current crop year
- Policy cancellation date is May 31



Where to Buy Crop Insurance

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>



This newsletter is brought to you by the Garden State Crop Insurance Education Initiative, a partnership between the USDA Risk Management Agency, New Jersey Department of Agriculture and Rutgers Cooperative Extension of Salem County. For additional information about crop insurance visit our website <http://saalem.njaes.rutgers.edu/cropinsurance/>, call our toll free hotline 1-800-308-2449 <http://www.rma.usda.gov/tools/agent.html>

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