Insuring BMR Corn in 2013

Looking forward to 2013, it is time to start thinking about ordering corn seed. If brown midrib (BMR) varieties are being considered, be sure to insure it properly. BMR corn is strictly a silage variety of corn, so it can only be insured under a silage corn policy with a tonnage guarantee. Corn varieties other than BMR can be insured as grain corn since they are considered to be dual purpose (i.e. once the silo is full, the remaining corn can be left in the field until maturity and then harvested as grain). If you plant corn that must be insured as tonnage, your other corn acreage in the county will be limited to the yield guarantee (revenue protection will not be available to you in the county.)

When silage is to be harvested, be sure to contact your crop insurance agent before harvesting begins (if loss is anticipated) so that they can inform the adjuster of your intent and make a valid appraisal of your yield/quality of silage.

The deadline for purchasing crop insurance on grain crops will be March 15. If you have questions or concerns regarding using crop insurance on your grain crops in 2013, feel free to contact the Garden State Crop Insurance Initiative team at (800) 308-2449 or contact your crop insurance agent.

LGM Sign-Up: December 28

Funding is expected to be available for the Dairy Livestock Gross Margin (LGM) Program once again in November. Limited funding is expected to be available for the Dairy LGM program, effective for the December sign-up period. The program is authorized in the lower 48 states, the funding will likely be quickly utilized. Dairy producers should give the LGM for dairy program consideration based on the extreme volatility in feed pricing alone. A policy could help to set a guaranteed margin and provide relief in an unstable environment.

If you feel that dairy LGM may benefit you, contact your crop insurance agent as soon as possible to get details for your farm and to take care of pre-enrollment issues. Sign ups will begin on Friday, December 28 and continue through December 29, if funds are not exhausted.
**Winter Precautions for Dairy Animals**

As winter brings Arctic air to many areas, dairy producers should be prepared for conditions that can affect young stock and lactating cows.

South Dakota Cooperative Extension Dairy Specialist Alvaro Garcia says producers should protect young calves from inclement weather and air drafts and should provide clean, dry bedding.

“If using milk replacer, choose those that contain 20 percent fat, as they provide additional energy,” Garcia says.

“Although usual recommendations are to feed milk at 10 percent of bodyweight, during extremely cold weather, it will be necessary to increase this amount.”

Encourage starter intake by making drinking water available at all times.

“Make sure the water does not freeze in the pails and offer lukewarm water two to three times a day to encourage feed consumption,” Garcia says. “This also counteracts the effects of cold stress, and it’s important to keep the coats of calves as clean and dry as possible.”

Lactating cows that are adequately fed should withstand cold conditions provided they are kept dry and not exposed directly to winds.

Keep the housing area dry and free of manure and provide an ample supply of dry, clean bedding daily. Garcia notes that teat-skin chapping or frostbite can become a problem in lactating cows during cold, windy weather. Chapping makes the teat more susceptible to bacterial infections, particularly Staphylococcus.

“Mastitis is a possible outcome, and the cows affected will have to be monitored closely,” Garcia says. “If injury has already occurred, skin chapping and loss of at least the teat end is likely.”

When the teat end is damaged, the sphincter that closes the teat canal is also non-functional, predisposing the quarter to bacterial invasion.”

Recent research indicates teat dipping should be continued during cold, windy days. Pre-milking and post-milking teat dips should include skin conditioners.

Garcia also points out the cold weather guidelines from the National Mastitis Council. They include:

- **Dip only the teat end and blot off any excess with a single-use paper towel.**
- **Teats should be dry before turning cows out of barn.**
- **Warming teat dip reduces drying time.**
- **Fresh cows with swollen udders are more susceptible to chapping.**

Source: South Dakota State University News Release

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**Winter Calf Care Facts** *borrowed from 4-H Dairy Quiz Bowl*

- The ideal outdoor temperature for young calves is about 68 degrees F. Cold stress starts at temperatures below 60 degrees F for calves less than 3 weeks of age. Calves need twice the amount of milk solids when the temperature hits 0 degrees F.
- According to Iowa State Researchers, calves born in the winter are 36% more likely to be dead within 48 hours after birth than those born in summer.
- Enteritis is a calfhood disease more commonly known as scours. Milk should be fed along with electrolytes, to a scouring calf.
- Diarrhea is the biggest health problem in young calves. To help prevent scours in calves, dry cows should be vaccinated against rotavirus, coronavirus and an E. coli toxoid. E. coli is the most common cause of scours in young calves.
Livestock Gross Margin (LGM) for Dairy

Livestock Gross Margin (LGM) for dairy is an insurance program that provides protection against unexpected declines in the gross margin of a dairy operation. The market value of milk (gross revenue) minus feed costs (variable cost) equals gross margin. This expected value is calculated based on the futures prices of milk (Chicago Class III) and feed (corn and soybean meal) based on the futures market of the Chicago Mercantile Exchange. Unlike crop insurance where the majority of revenue risk exists with production, the risk with LGM dairy lies predominately with price of milk and feed. This program does not set a support price on milk nor does it consider variable costs beyond feed. Instead, LGM for dairy strictly covers the difference between the expected gross margin and the actual gross margin. Other causes of revenue loss such as production loss, damage to livestock, livestock death, etc. are not covered. LGM for dairy is a risk management tool for dairymen to help them remain sustainable.

To participate in the LGM for dairy program, expected prices would be determined for both feed and milk in the futures market. The next step would be to determine how many cwt of milk are to be insured. Once this is determined, the gross margin guarantee is established and then at month’s end, the actual prices of milk and feed are determined. Actual gross margin may then be calculated to determine if an indemnity payment is owed.

Any amount of milk may be insured assuming that specified amount can in fact be produced. The limit of milk that can be covered in a year is 240,000cwt.

Premiums are determined using a premium calculator program based on the amount of milk insured, expected gross margins for each period, and deductibles. Producers may select deductible levels between $0 and $2.00 per hundredweight of milk in $0.10 increments.

An application must be completed and filed while funds remain available but not later than the sales closing date of the initial insurance period for which coverage is requested. Coverage for the milk described in the application will not be provided unless the insurance company receives and accepts a completed application and a target marketing report, premium is paid in full, and the insurance company sends the producer a written summary of insurance. Coverage begins one full month following the sales closing date of the policy. In the eleven months in an insurance policy, ten months are insured because the month following sign up is not covered. To participate in the LGM for dairy program, consult your crop insurance agent.
### LGM: Available Resources

To find more information on LGM Dairy, visit/call the following resources:

- **U-WI Dairy Web:** [http://future.aae.wisc.edu](http://future.aae.wisc.edu)
- **Calculator/analyzer:** [http://future.aae.wisc.edu/lgm_analyzer/](http://future.aae.wisc.edu/lgm_analyzer/)
- **Information including:** available from the Garden State Crop Insurance Education Team by calling (856) 769-0090.
- **You can download recording from the following location:** [http://future.aae.wisc.edu/LGM_Dairy/recording/Vermont_LGM_10_12.wmv](http://future.aae.wisc.edu/LGM_Dairy/recording/Vermont_LGM_10_12.wmv)  (Be aware that this file is 158 Mb)
- **PA Dept. of Ag maintains a variety of:** current charts, graphs and fact sheets: contact is Karen Powell (kapowell@state.pa.us)
- **Official Information is available from crop insurance agents. A list of agents is available at:** [www.rma.usda.gov/tools/agent](http://www.rma.usda.gov/tools/agent)

### Happy Holidays!

The Garden State Crop Insurance Crop Education Initiative Team would like to wish you and your families to have a Happy Holiday Season as well as a happy, healthy, and prosperous New Year! We look forward to working with you and answering all of your crop insurance questions in 2013!

We would like to give special thanks to Bonnie Mohr for allowing the use of her beautiful artwork in this newsletter. If you would like to see more of her creations, please visit her website at [www.bonniemohrstudio.com](http://www.bonniemohrstudio.com)

### Questions about crop insurance?

Call a crop insurance agent or our toll free information line 800-308-2449

Or visit us online at [http://salem.rutgers.edu/cropinsurance](http://salem.rutgers.edu/cropinsurance)

- Dave Lee
- Jasen Berkowitz
- Penny Rammel
- Chad Stanczyk
- Kelly Steimle

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, contact your crop insurance agent, locate a crop insurance agent at [www.rma.usda.gov/tools/agent](http://www.rma.usda.gov/tools/agent), visit our website [http://salem.rutgers.edu/cropinsurance](http://salem.rutgers.edu/cropinsurance) or call our toll free hotline 1-800-308-2449.