

February Newsletter



Are You Prepared for the March 15 Crop Insurance Sign Up Deadline?!

February 2016

Inside this issue:

What Happens When There Isn't A Crop Insurance Policy For The Crop I Want To Insure?

2

Cover Crops and Crop Insurance Work Together Allowing Producers To Benefit

2-3

Hobby UAS (Drones) – New FAA Registration Requirements

4

- March 15, 2016
 - Corn/Silage Sales Closing
 - Spring Forage Seeding Sales Closing
 - Fresh Market Sweet Corn Sales Closing
 - Grain Sorghum Sales Closing
 - Oats Sales Closing
 - Processing Beans Sales Closing
 - Soybeans Sales Closing
 - Processing Tomatoes Sales Closing
 - Whole Farm Revenue Sales Closing
- May 1, 2016
 - Nursery Crop Insurance (for full year of coverage otherwise continuous enrollment)
- May 31, 2016
 - Nursery changes to existing policies
- July 31, 2016
 - Fall Forage Seeding Sales Closing
- Continuous
 - LGM-Dairy
 - Nursery

If you are interested in signing up for crop insurance for the March 15 crop insurance sign up deadline or any crop insurance deadline you should contact a crop insurance agent as soon as possible. It is very important to have a strong working relationship with you agent, below are some qualities to look for when choosing a crop insurance agent!

Why is a crop insurance agent important?

Your crop insurance agent is the link between you and the biggest single part of the Federal safety net for agriculture. Crop insurance is available only from private insurance agents. All agents are licensed by the state, must receive federally mandated training, and pass a competency exam.

What should I look for?

Given that **the prices for all crop insurance policies are set by USDA's Risk Management Agency**, how do you decide on an agent? What matters is the quality of service and how well the agent meets your needs. Here's how most farmers would describe a good agent.

Has personal integrity

For starters, the agent should be honest. You need to know that your production records and other personal information will be kept confidential. Unethical agent behavior can have a direct effect on you. For example, if an agent offers a prohibited rebate in an effort to get your business, your insurance coverage could be jeopardized. That's why the agent should be locally known and have a reputation of being trustworthy.

Knows the agribusiness environment

The agent must be able to provide the information you need to answer critical production questions and help you make important management decisions.

Understands how crop insurance works

Agents must have a thorough working knowledge of all the different types of policies that are available in your area. They need an understanding of the big picture, including their role and the roles of others who affect your decisions. The agribusiness environment is complex, so they need to understand marketing and its interaction with crop insurance products.

Communicates well

A good agent is able to clearly explain what policies are available and the protection they offer. The ability to communicate effectively with others — both orally and in writing — is critical. People who communicate well are typically excellent problem solvers because they listen and can address sensitive issues.

Continued...

Is a team player

Today's farmers need a team of advisors, including lenders, insurance agents, lawyers, accountants, brokers, and other specialists. Successful agents realize that they are a part of your team. At your direction, they should be able to explain how crop insurance will work to your lender or other team members. Your lender may be especially interested since crop insurance can sometimes be used to secure your loan.

Stays current

The changing nature of the Federal program represent major challenges for an agent. To provide the quality of service you need, your agent must be committed to an ongoing education program.

Provides guidance

A good agent helps find the best product-to-farming-operation fit to meet your risk management goals. Even more valuable than answering technical questions about crop insurance products is the agent's ability to explain how crop insurance products support your marketing business plans.

Sends reminders

Throughout the year, you must meet critical deadlines to adhere to the terms of your insurance contract. A good agent will help you meet these deadlines and policy requirements by providing timely reminders.

Stays available

Good agents know that convenience is important and that you are often strapped for time at critical points during the year. As a result, they will make themselves available when and where you need help.

Is in for the long haul

Finally, a crop insurance agent should be interested in building and maintaining a long-term client relationship. So look for someone who maintains lasting relationships with clients.

Next step?

To locate a licensed crop insurance agent in your area, get a recommendation from your neighbors, and contact one of the companies that write insurance in your State and they will direct you to the nearest agent. Or go to the "agent locator" at <http://www.rma.usda.gov/tools/agent.html>

What Happens When There isn't a Crop Insurance Policy for the Crop I want to Insure?

If you would like to insure a crop in New Jersey that currently doesn't have a policy in place you have a few options. You can insure your whole farm's revenue through RMA's new Whole Farm Revenue Protection Program. Whole Farm Revenue Protection is an insurance product that provides producers with risk management protection for all commodities on the farm under one insurance policy. With the Whole Farm Revenue Protection Program, all farm revenue is insured together under one policy and individual commodity losses are not considered. Losses are based on whether the Approved Revenue, (farm revenue the IRS requires to be reported on the farm tax records) from the production of commodities produced during the insurance year, falls below the Insured Revenue (the amount of revenue the farm operation is ex-

pected to earn during the insurance year times the coverage level chosen). This program is well suited for highly diversified farms, farms with specialty commodities, and farms selling to direct, specialty, regional, local, or farmers markets. Another option is to insure your crop through FSA's NAP program. FSA's NAP program is available for any crop that isn't insurable through the Risk Management Agencies crop insurance program. The 2014 farm bill brought changes to the NAP program and now producers are able to purchase buy-up coverage for their NAP policies up to 65% of their production. NAP insurance covers losses caused by natural disasters. Lastly to insure an otherwise uninsurable crop, you can have a written agreement drawn up based on a RMA crop insurance policy in place in a neighboring county or state for the

same crop you would like to insure or a similar crop. To request a written agreement, contact your crop insurance agent (for a list of crop insurance agents visit <http://www.rma.usda.gov/tools/agent.html>). Your crop insurance agent will help draw up a written agreement, to do so they will need at least three years of prior yield records for the crop (or a similar crop) you would like to insure. Once the written agreement request is completed by your agent it will be sent to RMA for approval. If RMA approves your written agreement then you have insurance on your crop! For more information on written agreements contact your crop insurance agent or visit:

<http://www.rma.usda.gov/handbooks/24000/2016/24020.pdf>



Cover Crops and Crop Insurance Work Together Allowing Producers to Benefit

Cover crops can:

- Improve soil health
 - * Reducing nutrient mobility and soil erosion
- Increase nutrient and water efficiencies & infiltration
- Increase availability of nitrogen when legumes are used
- Provide for increased forage production for livestock
- Increase profitability

To encourage increased use of cover crops, three USDA agencies- The Farm Service Agency (FSA), the Risk Management Agency (RMA) and the National Resource Conservation Service (NRCS) have developed a single set of basic uniform guidelines based on science to help producers to use cover crops with the USDA programs of the three agencies.

Cover crops are compatible with crop insurance protection. The following describes the most common rules that apply:

Termination of cover crops before planting an insured crop: the final termination date for cover crops is within 5 days after planting of the insured crop and before the insured crop emerges.

Cover crops and prevented planting protection: if you are unable to plant your insured crop acreage for a specific crop, any cover crops that you had on such acreage cannot have caused or contributed to the prevented planting of the insured crop.

If you do file a prevented planting claim: (some additional factors may apply) depending on what occurs or what you choose to do for the current season, if you decide to plant a cover crop after filing for a prevented planting loss payment, there is no penalty if you do not graze or harvest the cover crop until after Nov. 1. If you do choose to graze or harvest the crop before Nov.1, you will receive only 35% of the prevented planting payment. However, this may be a good option if summer forage is needed.

Planting a cover crop after loss of an insured crop : during the growing season, you may graze or hay the cover crop up until the next crop year's final planting date, with no change in crop insurance loss payments.

Over-Seeding/Interseeding: both terms can be defined as planting one or more cover crop species into an existing or established crop. Common uses that involve over-seeding or interseeding include: 1) overseeding a grass and/or legume cover crop into an existing stand of small grain at an appropriate time for the cover and germination 2) seeding a cover crop into an existing crop of soybeans or corn about the time of physiological maturity to get the cover crop started a few weeks earlier. In the two examples the main crop may be insurable if recommend cover crop good farming practices are followed and the cover crop does not interfere with harvesting the main crop.

Interplanting: this involves multiple crop species grown together, with distinct row pattern that does permit separate agronomic maintenance or management of the cash crop which may be insured. However, if a cover crop and cash crop are planted in a way that does not permit separate agronomic maintenance or management, then RMA will not insure the cash crop. This would also apply to cover crops if interplanted into the main crop and the cover crop interfered with the agronomic management and harvest of the main crop.

Questions regarding good farming practices for insured crops should be referred to NRCS. Questions regarding cover crops and FSA programs should be referred to the FSA office for your county. Questions regarding cover crops and crop insurance should be referred to a crop insurance agent (list is available at: <http://www.rma.usda.gov/tools/agent.html>)

Hobby UAS (Drones) – New FAA Registration By Rick Vanvranken

Officially, they're Unmanned Aircraft Systems (UAS), but these days most folks call them drones. The Federal Aviation Administration (FAA) opened a new mandatory registration system for *hobby/recreational* UAS. Be aware that the FAA has a very narrow definition of 'hobby' and 'recreational', which may mean a different registration and certification if you have any plans to use your new 'toy', er, 'tool' around the farm.

The small UAS (sUAS) registry applies only to *hobby/recreational* drones weighing between 0.55 pounds (250 grams) and less than 55 pounds (approx. 25 kilograms), including payloads such as on-board cameras. Deadlines for registering sUAS are Feb. 19, 2016 if you owned your drone before Dec. 21, 2015, or before your first flight for any new drones purchased from Dec 21st on. Register by paper or online at: <http://www.faa.gov/uas/registration>. There's a \$5 registration fee, but that will be refunded if you register within the first 30 days.

But here's the catch...

In the FAA's "Interpretation of the Special Rule for Model Aircraft" [Docket No. FAA-2014-0396], they state:



"... to qualify as a model aircraft, the aircraft would need to be operated purely for recreational or hobby purposes, and within the visual line of sight of the operator. The policy statement also clarified that AC 91-57 applied only to modelers and "specifically excludes its use by persons or companies for business purposes." 72 FR at 6690. ... The policy statement also clarified that AC 91-57 applied only to modelers and "specifically excludes its use by persons or companies for business purposes." 72 FR at 6690. "

And they give the following examples:

Hobby or Recreation	Not Hobby or Recreation
Viewing a field to determine whether crops need water when they are grown for personal enjoyment.	Determining whether crops need to be watered that are grown as part of commercial farming operation.
Taking photographs with a model aircraft for personal use.	Photographing a property, event [or idyllic farm scene] and selling the photos to someone else [or using the photos on the farm website or other forms of advertising].

Simply speaking, if you're taking your drone to a safe site off the farm just to enjoy the fun of flying and taking some photos/videos for your personal enjoyment, you'll be safe with a sUAS registration. However, as soon as you fly your UAS (small or not!) over your farm to check your crops/livestock on the back 40, or take some photos to post on your farm website, you're a commercial operator and need to register as a Civil Operation (non-Governmental) and through the regular Aircraft Registry. Be sure to register for both 'aerial photography' and 'agriculture' in case you decide to add some sensors other than cameras.

These rules are meant to insure the safety of our skies, and the FAA can levy some pretty hefty fines to make their point, including civil penalties up to \$27,500 and criminal penalties include fines of up to \$250,000 and/or imprisonment for up to three years, just for flying an un-registered sUAS.

Whether you plan to play around with a hobby drone are thinking of ways to put a sUAS to use on the farm, safety is a key consideration. The FAA has partnered with several industry associations to educate the public about using unmanned aircraft safely and responsibly. Remember these rules when you fly:

- Fly below 400 feet altitude.
- Never fly over groups of people, stadiums or sporting events.
- Keep your unmanned aircraft in sight at all times.
- Never fly near manned aircraft, airports, or emergency vehicles

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 a crop insurance agent (<http://www.rma.usda.gov/tools/agent.html> or visit our website <http://salem.njaes.rutgers.edu/cropinsurance/> or call our office at 856-769-0090

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