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**LGM Sign-Up: February 22**

Funding for the Dairy Livestock Gross Margin (LGM) Program is readily available for the February sign-up period. The program is authorized in the lower 48 states, and with this widespread availability, 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, March 15 is this year’s deadline for the enrollment and/or policy change for the following crops:

- **Corn (grain and silage)**
- **Soybeans**
- **Grain Sorghum**
- **Processing Beans**
- **Processing Tomatoes**
- **Fresh Market Sweet Corn**
- **Spring Forage Seeding**
- **Spring Oats**

The revenue plan AGR-Lite holds the March 15 deadline as well. If you are planning on utilizing crop insurance with any of the crops listed above or AGR-Lite, contact your crop insurance agent as soon as possible. As we approach the March 15 deadline, crop insurance agents will become inundated with work. Don’t procrastinate and call now to assure you have ample time to discuss options and create the best possible policy for your operation with your agent. If you have any questions, please call the New Jersey Crop Insurance Education Team at 1(800) 308-2449.

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**Upcoming Deadline: March 15**

Visit us on the web:

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If you have any questions, give us a call at:

**(856) 769-0090**
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 future prices of milk (Chicago Class III) and feed (corn and soybean meal) 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 240,000 cwt.

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.

New APH Yield Trend Adjustment (TA) Approved

USDA’s Risk Management Agency has approved the expansion of the APH yield trend adjusted yield program (TA) for 2013 crop year for select counties in NJ. For corn, Burlington, Cumberland, Gloucester, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Salem, Somerset, Sussex and Warren counties are eligible and Hunterdon, Somerset and Warren counties are eligible for soybeans. This TA may increase coverage at current rates - resulting in savings compared to purchasing higher levels to get similar amounts of protection. TA gives you credit for technological and genetically yield increases, which are not reflected in past actual production history (APH) records. The average yields have usually increased a small amount each year, sometimes by as much as one bushel (corn) per acre. The TA allows you to insure more bushels per acre while still benefitting from the higher federal subsidy at the level at which you currently insure. Producers who have four or more years of actual yield records for the insurable unit may benefit most.

If you feel TA may benefit you or have further questions on TA, contact your crop insurance agent.
**Crop Insurance for Silage Guidelines**

A separate actual production history (APH) must be established for grain and as tonnage for silage when some of the acreage on the unit will be insured as grain and some will be insured as tonnage for silage.

- If you’re feeding silage, you are responsible for maintaining a formal written record system of fed production and to have those records available for the loss adjuster’s review, or have the production measured by FSA before you begin to feed the production.

Acceptable records of fed production contain the following information:

- **Amount of silage fed each day**
- **Silo/bin ID where production was taken**
- **Number and type of livestock**
- **Estimated average weight of livestock per head**
- **Location or pen number**
- **The unit number from which the fed production was taken**
- **Whether fed production was from previous years production or fed directly from the field or truck**

If silage tonnage is stored on your farm, you must keep production records for each unit. The records can be separate silos, wagon loads, weight records or weight tickets. Production must be weighted with an acceptable type scale prior to storing on the farm if production from different insurance units are co-mingled. If the grain content is less than 4.5 bushels per ton, a field appraisal should be made by an adjuster before harvesting begins.

Acceptable weight tickets/records must provide the following:

- **Insured’s name**
- **Load/ticket number**
- **Crop**
- **Gross weight**
- **Unit number and farm serial number**
- **Location of scales used to weigh production**
- **Tare weight**
- **Date weighted**
- **Net weight of production**
- **Legal description of land harvested**
- **Identification/location of storage structure**

If an event/disaster occurs and damage is noticed, contact your crop insurance agent within 72 hours of the discovery of damage.

If you anticipate a loss before harvesting you must notify your crop insurance agent at least 15 days before harvesting begins.

If you have any questions contact your crop insurance agent or the New Jersey Crop Insurance Education Team at 1(800) 308-2449.
Animal Waste Management Reminder

Since March of 2009, the state of NJ has enacted the Animal Waste Management (AWM) Law where all livestock owners must be in compliance with a set of rules set forth by the New Jersey Department of Agriculture. By now, all dairymen should have completed an AWM plan and submitted a declaration page to their local extension office as proof of their completed plan. If for any reason you have not done so, please act immediately since you would be in violation of a state law. If you have any questions about the AWM Rule, call Jasen Berkowitz or Chad Stanczyk at (856) 769-0090 for more information.

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 grain corn acreage in the county may still be insured as yield or revenue.

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.