## Prevented Planting

The definition of prevented planting in the crop insurance policy requires producers to have been prevented from planting due to an insured cause of loss that is general in the surrounding area and that prevents other producers from planting acreage with similar characteristics. Under this definition, there may be circumstances where some producers in the area are able to plant with the expectation for seed to germinate and progress toward maturity. However, other producers in the same area may still qualify for prevented planting because they met all eligibility requirements and had little or no expectation for their seed to germinate and progress to maturity.

### Crops Covered by Prevented Planting in New Jersey

Crops in New Jersey covered by prevented planting include: barley, corn, grain sorghum, oats, potatoes, processing beans, and wheat. To find out if your crop can be insured for prevented planting in your county, contact your insurance agent.

### Carryover and New Policyholders

Producers who had an insurance policy the prior year (carryover policyholders) are eligible for prevented planting payments if the insured cause of loss occurred after the sales closing date for previous crop year, provided insurance was in force continuously since that date, and all other prevented planting requirements are met. New policyholders are eligible for prevented planting payments if the insured cause of loss occurred after the sales closing date for the current crop year, and all other prevented planting requirements are met.

### Prevented Planting for Non-Irrigated Acreage

To be eligible for prevented planting for non-irrigated acreage due to drought, the area that is prevented from being planted must, on the final planting date (or within the late planting period if you choose to try to plant during this period), have insufficient soil moisture for germination of seed or progress toward crop maturity due to a prolonged period of dry weather.

### Prevented Planting for Irrigated Acreage

Prevented planting payments may be made for irrigated acreage when, on the final planting date (or within the late planting period if you choose to try to plant during this period), there is not a reasonable expectation of having adequate water available to carry out an irrigated practice due to an insured cause of loss (such as drought) that occurred during the prevented planting insurance period.

If you have any questions about prevented planting, contact your crop insurance agent, or give the Garden State Crop Insurance Education Team a call at (856) 769-0090.
The Secure Milk Supply (SMS) Plan is a national effort funded by USDA APHIS with the goal of maintaining business continuity for dairy producers and processors during a hoof-and-mouth disease (HMD) outbreak while minimizing disease spread and assuring a continuous supply of milk and milk products to consumers. There are a variety of regional plans in development throughout the U.S. that take into account milk movement patterns and regulatory issues.

In the event HMD is diagnosed in the United States, a national animal health emergency will be declared and livestock as well as allied industries will feel the immediate impact of animal and animal product quarantine and movement restrictions. Quarantine, managed movement and mandatory biosecurity protocols are designed to contain and control the disease and minimize virus spread. In the dairy industry, the just-in-time supply practices of milk movement in the U.S. could be significantly impacted by managed movement and the need for additional biosecurity at farms and processing facilities. This could lead to a disruption of the provision of milk and milk products to consumers impacting normal business. Additionally, there could be significant milk disposal and animal welfare issues on dairies. Most dairy operations and processing plants do not have the capacity to store milk for more than 48 hours; some have less than 24 hours storage capacity. Hence, pre-planning for safe, timely, risk-based, permitted movement of animals and animal products will be critical to maintaining the business continuity (survival) of the dairy industry while controlling and containing the outbreak. The SMS Plan is working to develop the pre-event plan to minimize the impact of an HMD outbreak in the United States.

The USDA-APHIS has developed the HMD Response Plan in the event the disease occurs in the U.S. The response goals are to following:
- Detect, control and contain HMD in animals as quickly as possible
- Eradicate HMD using strategies that stabilize animal agriculture, food supply, economy, protect human health, and
- Provide science- and risk-based approaches and systems that facilitate continuity of business of non-infected animals and non-contaminated animal products

The overall goal of the SMS Plan is “to maintain milk movement form dairy farms with no evidence of infection a Hoof-and-Mouth (HMD) outbreak and to provide a continuous supply of wholesome milk and milk products for consumers.” Accomplishing this goal requires a partnership between industry (producers, haulers and processors), states (animal health officials, regulatory officials), the federal government (animal health officials, planners, policy makers), and academia (subject matter experts, communication facilitators). Participation in the SMS is strictly VOLUNTARY. For those that choose to participate in pre-event planning, the goal is less disruptions for their milk to reach processing plants.

New Jersey is part of the Mid-Atlantic States Projects along with Delaware, Maryland, North Carolina, South Carolina, Tennessee, Virginia, West Virginia and Pennsylvania. In this region, the SMS Plan concepts, including the Biosecurity Performance Standards, will be introduced to producers, milk haulers and processors at meetings to be held in the coming months. Be on the lookout for notifications of these meetings. If you have any questions, give Dave Lee, Jasen Berkowitz or Kelly Steimle at the Salem County Extension Office a call at (856) 769-0090.
Milk Prices, Risks & Margins

With the experience of record high milk prices, it is easy to dismiss some of the business savvy that gives a dairy operation long term financial stability. The dairy price protection program has been repealed by the 2014 Farm Bill. The Milk Income Loss Contract (MILC) is to be replaced by the federally subsidized margin protection program designed to offset low margins caused either by low milk or high input costs, and prevent an erosion of equity. “Higher than average milk margins may provide opportunities to lock in a profit in the future,” according to Alan Zepp, Risk Management Program Manager at the Center for Dairy Excellence.

In planning for the future of your dairy operation look at many of the truths held in common sayings:

**Don’t put all your eggs in one basket:**

The warning is clear – don’t chance everything on a single venture, but spread the risk. If the milk check is the only “basket” you have or it is the most substantial basket, it is important to consider what safety nets are available to spread the risk. It may be increasing sales from crop production or off farm income from family members, or maybe the simplest – placing a floor on milk prices through insurance.

**Don’t count your chickens before they hatch:**

This is a long established warning not to make or act on an assumption which may turn out to be wrong, even if the prospects appear to be favorable. This saying is supposedly based on the story of a milkmaid who was so preoccupied with the eggs she was going to buy with the proceeds from her milk that she lost concentration and spilt the pail of milk that would have provided the wherewithal for the eggs.

**Don’t cry over spilt milk:**

Milk, once spilt, is wasted and cannot be retrieved.

In the same way, a misfortune in the past cannot be remedied. It is like saying “I should have, could have, or would have, if I had known.” Creating a safety net for future milk prices has its place in sustaining a dairy operation when margins go south.

**What goes up must come down:**

This saying especially holds true for milk prices. It is not if, but when. The question to ask is “How long will these prices continue?” According to the Center for Dairy Excellence “Not protecting a price may be a bigger gamble that protecting a price.” What is unknown is whether prices will decline in an orderly fashion, or as history has shown many times before milk prices crash sharply.

**A stitch in time saves nine:**

The Livestock Gross margin for Dairy Cattle Insurance Policy provides protection against the loss of gross margin (market value of milk minus feed costs) on the milk produced from dairy cows. The indemnity at the end of the eleven-month insurance period is the difference, if positive, between the gross margin guarantee and the actual gross margin. LGM Dairy uses future prices for corn, soybean meal, and milk to determine the expected gross margin and the actual gross margin. The price the producer receives at the local market is not used in these calculations.

An excellent source for information on milk prices, risks and margins is the Center for Dairy Excellence at Pennsylvania State University. Alan Zepp, the Center’s manager looked at current dairy markets and margin opportunities on his “Protecting Your Profits” conference.

To listen to the call and view the presentation, go to [www.centerfordairyexcellence.org](http://www.centerfordairyexcellence.org) and click on “Dairy Information,” then on “Protecting Your Profits.” You may also contact the Center at info@centerfordairyexcellence.org or 717-346-0849
**LGM Sign-Up: March 28**

Funding for the Dairy Livestock Gross Margin (LGM) Program is readily available for the March sign-up period. The program is authorized in all 50 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 28 and continue through March 29, if funds are not exhausted.

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**Happy Spring!**

Despite the snow covered ground, we are (hopefully) only a couple of weeks from spring. As we look forward to getting away from winter and into the spring and getting back out in the field, The Garden State Crop Insurance Education Team would like to wish you and your family a safe and productive spring. We are looking forward to seeing green and smelling freshly tilled soil and fresh cut hay just as much as you are!

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.html, visit our website http://salem.rutgers.edu/cropinsurance or call our toll free hotline 1-800-308-2449.

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

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