What are good farming practices and why are they important?

The Federal crop insurance program covers losses that are unavoidable and due to naturally occurring events. The program does not cover losses due to negligence, or any failure to follow good farming practices. If good farming practices are not followed, lost production attributed to this failure must be assessed and any indemnity will be reduced. This is true for all insured farmers regardless of their plan of insurance. The definition of good farming practices will vary from crop to crop and from region to region. A good rule of thumb is that you should follow all the practices considered prudent and responsible by local extension agents and certified crop consultants to produce your crop’s historic yield. In the basic provisions of the crop insurance policy, the definition of negligence is, “The failure to use such care as a reasonably prudent and careful person would use under similar circumstances.”

Record keeping

Your best protection is to keep detailed records of how and what you do to produce and protect your crop, and document the date and time you do it. Those records should be kept separate for each insurable unit, just like your production records. For instance, if your crop consultant identifies a pest in your crop and gives you recommendations for how to control that pest, you should make a note of what was recommended and when you had that conversation. Next, you should save your receipts for the purchase of the recommended pesticide and then document when and how you made the application. The same would be true for treating any crop disease, such as soybean rust.

Disease

While disease is an insured peril under the Federal crop insurance program, damage due to the insufficient or improper application of available disease control measures is not. Failure to purchase and apply recommended control measures because of the costs of such measures is not an insurable cause of loss. You must be knowledgeable of any pending disease outbreaks and the control methods, recommended by local agricultural experts, used to combat the disease in your area. To determine whether a disease control measure is a good farming practice, your local agricultural expert must answer four questions:

1. Will the recommended disease control measure allow the insured crop to make normal progress toward maturity?

2. Will the recommended disease control measure help you produce or maintain at least the yield used to determine the production guarantee or amount of insurance, including any adjustments for late-planted acreage?

3. Will the recommended disease control measure reduce or adversely affect the yield if it is applied to the insured crop; or will not applying the recommended disease control measure reduce or adversely affect the insured crop yield?
4. Will the recommended disease control measure be generally recognized for the area, or contained in the organic plan, as applicable?

Who is an approved expert?

Agricultural experts currently approved by the Risk Management Agency include:

- Plant pathologists and others who are employed by the Cooperative Extension System, State departments of agriculture, and universities;
- Persons certified by the American Society of Agronomy (ASA) as Certified Crop Advisors or Certified Professional Agronomists;
- Persons certified by the National Alliance of Independent Crop Consultants (NAICC) as Certified Professional Crop Consultants;
- For horticulture, agricultural experts also include persons certified by the American Society for Horticultural Sciences as Certified Professional Horticulturists.

Other experts may be qualified if their research or occupation is related to the specific crop or practice for which such expertise is sought. To obtain approval for such persons, contact RMA’s Deputy Administrator for Insurance Services, Stop 0805, 1400 Independence Avenue SW, Washington, DC 20250-0805.

Summary

- Remember, using good farming practices is your responsibility.
- You are responsible for keeping informed about disease or pest outbreaks in your area.
- You are responsible for keeping informed about what constitutes good farming practices in the event of an outbreak that reaches your farm or ranch.
- You are responsible for frequently scouting your fields and documenting your findings.
- You are responsible for keeping records of your good farming practices, broken out by each insurable unit, just like your production records.

For more information:

Contact your crop insurance agent. To find a crop insurance agent, visit our online locator at http://www3.rma.usda.gov/apps/agents/.

What Do You Do When It Is Too Wet To Harvest Your Crops?


Extremely wet conditions can delay your harvest. In some cases the moisture content is so high the crop cannot be physically harvested with normal harvesting equipment.

Actions You Can Take

- Contact your crop insurance agent and report a loss.
- Tell your agent that your harvest is delayed because of bad weather.
- Continue your normal and customary harvesting practices, if possible.
- Document conditions for your acreage & the actions you take so you can receive an accurate claim payment, if one is due.

You may request an extension of time to harvest if you are unable to harvest by the calendar date for the end of the insurance period. You must harvest your crop during the extension period if a window of opportunity arises. If you do not, the approved insurance provider will appraise the acreage at that time and finalize the claim based on that appraisal. Damage occurring after the window of opportunity to harvest is uninsurable.

Coverage

Your crop insurance policy will cover loss of quality (as specified in the crop provisions), reduced yields, and revenue losses if you chose revenue coverage. The cost of drying the harvested crop is not covered.
**Additional Time To Harvest**

The Risk Management Agency’s procedures (Loss Adjustment Manual Standards Handbook, FCIC 25010) allow your crop insurance company to authorize policyholders, on a case-by-case basis, more time to attempt to harvest so claims can be settled based on harvested production.

Your approved insurance provider may allow additional time to harvest when the following conditions are met:

- You give timely notice of loss to your crop insurance agent;
- Your approved insurance provider determines and documents that the delay in harvest was due to an insured cause of loss;
- You demonstrate to your approved insurance provider that harvest was not possible due to insured causes; and
- The delay in harvest was not because you did not have sufficient equipment or manpower to harvest the crop by the end of the insurance period.

When your approved insurance provider authorizes additional time to harvest, the end of the insurance period is not extended. Rather, you are granted additional time to attempt to harvest the crop in order to settle any loss based on harvested production. Any additional damage to your crop (by an insured cause of loss) during the extension period is covered. Any avoidable production loss will be charged as an appraisal against the guarantee in your policy. Please be aware that if there is significant snow cover, if the crop is under water, or if extreme wet conditions exist, your approved insurance provider should not (and is not required to) perform final inspections when conditions make it impossible to obtain accurate appraisals.

**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 farms 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 expected 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://www3.rma.usda.gov/apps/agents/). 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 is established it will be sent to RMA for approval, and 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/24000/2015/24020.pdf.
NEW! APH Yield Exclusion

RMA has identified, in the actuarial documents, eligible crop years in which producers may elect to exclude actual yields from their actual production history. Crop years are eligible when the average per planted acreage yield for the county was at least 50 percent below the simple average for the previous 10 consecutive crop years. Separate determinations will be made for irrigated and non-irrigated acreage, when data is available. A crop year that has been determined eligible for exclusion for a crop in a county will also be eligible for exclusion in contiguous counties, as identified in the actuarial documents.

Insurance Premiums
You may have a higher approved yield and insurance coverage when an actual yield is excluded from an actual production history database. If excluding a yield results in an increased approved yield, a higher insurance guarantee and greater indemnity payment could occur due to the yield exclusion. This requires an increase in the premium rate for Actual Production History Yield Exclusion to account for the increased risk of loss. For example, a producer with a 65 percent coverage level may get a yield guarantee equivalent to a higher coverage level, such as 70 percent. The premium charged will reflect the higher effective coverage level (70 percent for this example), and higher risk of loss, because of the yield exclusion option. If you elect and use the yield exclusion option your premium will be adjusted while other producers will not be affected.

Selecting an Option
You must choose the Actual Production History Yield Exclusion Option by the sales closing date for your insurance policy. You choose the option by insurance policy, for a crop in a county. The option is continuous until you request that the coverage end. When you choose the option it will automatically exclude all eligible crop years from your actual production history database, unless you specifically opt out of the exclusion for a specific crop year (you wish to retain your yield for an eligible crop year in your actual production history database). You must opt out of the exclusion, by actual production history database, for any specific crop year(s) you wish to keep by the production reporting date for your crop in your county.

Yield Exclusion, Yield Adjustment, and Trend Adjustment
You may choose the Actual Production History Yield Exclusion Option and the Yield Adjustment Option and/or Trend Adjustment Option within an actual production history database. You can only apply one option, either yield exclusion or yield adjustment, to an actual yield for an eligible crop year within an actual production history database. When an actual yield in an eligible crop year is excluded, the excluded actual yield is not considered for trend adjustment.

Currently in New Jersey, Yield Exclusion is available for wheat, barley, corn, grain sorghum, and soybean policies.