Crop Insurance Improvements Authorized by the 2014 Farm Bill

1. More coverage options - Many are listed below
2. Improved NAP protection from FSA
3. Enterprise insurance units changed from a temporary to a permanent program; separate enterprise insurance units for irrigated and non-irrigated crops
4. Different coverage levels by practice may be selected if producer has both irrigated and non-irrigated production practices
5. Improved Organic Protection
   - Available for more crops
   - Extended for organic price coverage for 16 crops (producer has the option of using organic or conventional prices)
   - RMA has removed the 5% premium surcharge for organic price options
6. New benefits for beginning farmers
7. New T-Yield Options (expected for 2016 crop year)
8. New improved Whole Farm Revenue Protection
9. Supplement Coverage Option (SCO) - An option to buy area/county loss trigger insurance to cover yield or revenue loss
10. Conservation Compliance Certification - By June 1, 2015 farmers must file form AD-1026 with FSA to be eligible for premium subsidy on crop insurance policies

The 2014 Farm Bill provides crop farmers with five different crop protection programs that are available to help cover their farm and manage risk exposures. They are:

- Improved crop insurance (CI)
- Improved Non-insured Crop Disaster Assistance (NAP) (by-up now available)
- New - Agriculture Risk Coverage (ARC) (through FSA)
- New - Price Loss Coverage (PLC) (through FSA)
- New - Supplemental Coverage Option (SCO) (RMA program)
**Beginning Farmer and Rancher Incentives and Opportunities**

**RMA:**

Beginning farmers (those with first 5 years of insurable crop interest) are eligible for:

- An extra 10% of subsidy on their crop insurance policies
- If they have to use T-Yields in substitution of their own records they can use 80% of the county T-Yield instead of the usual 65%
- Exemption from paying the administrative fee for catastrophic and additional coverage policies

**FSA:**

Incentives are available for beginning, traditionally underserved, or limited resource growers. This group includes producers who have farmed for less than 10 years, American Indian, Alaskan natives, Asian/Asian Americans, African/African Americans, Hispanic/Hispanic Americans, Native Hawaiians/Pacific Islanders, women, farmers whose gross farm sales don’t exceed 100 thousand a year, or total household income is at or below the national poverty level for a family of four. These groups are eligible for:

- Service fee to enroll in NAP is waived
- Nap Buy-Up premium reduced by 50%
- Micro loan borrowing limit increased from 35,000 to 50,000

**Conservation Compliance and its Effect on Crop Insurance Premiums**

Producers participating in most FSA and NRCS programs and federal crop insurance programs must abide by certain conditions on any land farmed or owned that is considered highly erodible or a wetland. Producers must agree that they are in compliance by certifying and submitting form AD-1026 with their FSA office. This action must be taken by June 1, 2015, to be eligible for federal subsidy on any FCIC programs. Certifying this form will ensure that producers remain eligible for crop insurance support. **Failure to submit this form may leave farmers ineligible for crop insurance premium subsidies.**
With Livestock Gross Margin for Dairy (LGM) and the introduction of the Margin Protection Program (MPP), there are now two risk management tools available for the insurance of milk margins for the dairy industry. Both programs insure the margin between feed costs and milk price, but in slightly different manners. The most important fact to understand is that both programs may not be used simultaneously. That being said, once a dairyman enrolls in MPP, participation in this program is required through the end of the current Farm Bill (2018), meaning participation in LGM will be suspended through 2018. Please consider both options before making a decision on what program works best for your operation to manage your risk. If you have any questions about either program, please contact the Garden State Crop Insurance Education Initiative Team at (856)769-0090. If you have questions regarding LGM, contact your crop insurance agent. If you have questions regarding MPP and would like to enroll in MPP, contact your local FSA office.

New Whole Farm Revenue Protection Program

The USDA’s Risk Management Agency has created a new “Whole Farm Revenue Protection Program.” This program replaces the Adjusted Gross Revenue and Adjusted Gross Revenue Lite that was previously in place as a whole farm revenue protection program available to New Jersey farmers. 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. WFRP provides protection against loss of revenue that a producer expects to earn or will obtain from commodities produced or purchased for resale during the insurance period. Whole-farm revenue consists of revenue from all insured commodities on the farm operation, including revenue from animals and animal products. There is no protection for timber, forest products and animals for sport, show or pets. This insurance policy insures against loss of approved revenue due to unavoidable natural causes that occur during the insurance period. Coverage is based on the farm operation’s whole farm historic average revenue and expenses using five consecutive tax years information, the commodities the producer expects to earn revenue from during the current insurance period, and the chosen coverage level. Coverage levels range from 50-85% of expected revenue and premium subsidies vary from 55-80%. 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 Allowable 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. Whole Farm Revenue Protection Program may cover replanting payments should you have to replant your crop resulting from an insurable cause of loss. The coverage ceiling is up to 8.5 million dollars for all commodities produced on the farm, this is up significantly compared to ARG and AGR Lite’s coverage ceilings. This program is well suited for highly diversified farms, farms with specialty commodities, and farms selling to direct, specialty, regional, local, or farmers markets. If you are interested in signing up for this program your agent may require you to present them with five years of tax forms as well as your calendar/fiscal year tax filer, a list of commodities planted during insured year and other supporting documents. Sign up deadline for this program is March 15, 2015. For further questions about this new program contact our 1-800-308-2449 number or your crop insurance agent.
Crop Insurance Closing Dates

RMA’s Multiple Peril Crop Insurance Policy Sales Closing Dates:

- January 31, 2015
  Potato Crop Insurance Sales Closing
- March 15, 2015
  Corn/Silage 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, 2015
  Nursery Crop Insurance (for full year of coverage otherwise continuous enrollment)
- May 31, 2015
  Nursery changes to existing policies
- July 31, 2015
  Fall Forage Seeding Sales Closing
- September 30, 2015
  Barley Sales Closing
  Wheat Sales Closing
  Forage Production Sales Closing
- November 20, 2015
  Apple Sales Closing
  Blueberry Sales Closing
  Cranberry Sales Closing
  Peach Sales Closing
- Continuous
  LGM-Dairy
  Nursery

FSA’s NAP Sales Closing Dates:

- March 15, 2015
  Beans, Brussels Sprouts, Cantaloupe
  Celery, Corn, Cucumbers, Eggplant
  Honeydew, Oats, Peppers, Pumpkins
  Sorghum, Soybeans, Squash, Sunflower
  Sweet Potato, Tomatoes, Watermelon, Yams
- May 1, 2015
  Nursery
- August 1, 2015
  Strawberries
- September 1, 2015
  Aquaculture, Christmas Trees, Flowers, Sod
- September 30, 2015
  Barley, Clover, Grass, Mixed Forage, Rye, Wheat
- November 20, 2015
  Apples, Apricots, Blueberries, Cranberries, Cherries, Cranberries, Grapes, Honey,
  Onions Nectarines, Peaches, Pears, Plums
- Dec 31, 2015
  Asparagus, Beets, Broccoli,
  Cabbage, Carrots, Cauliflower,
  Greens, Herb, Horseradish,
  Peas, Leeks, Lettuce, Turnips
  Potatoes, Radishes,

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 visit our website http://salem.rutgers.edu/cropinsurance, call our toll free hotline 1-800-308-2449 http://www.rma.usda.gov/tools/agent.html

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David Lee: Rutgers Salem County Ag.