2002 was a year for having crop insurance
NJ farmers collected over $3.7 million to help cover losses

For 2002 there were 1,445 policies written providing $67 million in protection on 164 thousand acres and producers paid $454,992 in premiums for this risk protection. With adverse conditions experienced in NJ, crop insurance companies paid producers with verified losses $3.7 million. On average, for New Jersey's agricultural industry, for each dollar producers paid in premiums, crop insurance paid $8.16 to help cover losses.

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Acreage Reporting

Timely and accurate reporting your acreage of insured crops to your insurance agent has critical impact on your protection for 2003. These are the primary cause for most disappointments at claims time. The following tips are provided to help you with this task. This information is intended to supplement the instructions that you receive from your insurance agent. Specific questions should be referred to your crop insurance agent.

Requirements:

1. Reporting deadline for most annual spring crops is July 15th.

2. Report all acreage for each insured crop in which you have an ownership share that is grown in the county listed on your application.

3. List acreage separately for each insurance unit (locations, each FSA farm serial number, names of persons sharing in the crop, practice (i.e. irrigated and non-irrigated) and planting date.

4. Acreage planted before the normal planting deadline (i.e. 6/10 corn, 6/20 for soybeans, 6/30 fresh market sweet corn) can be totaled for each insurance unit (subject to item 3 above) and the last planting completion date shown. However, if acreage was planted after the normal planting deadline, the acreage planted each day should be reported separately as the insurance guarantee declines daily (example: for corn and soybeans the protection declines 1% per day but reduced protection is proved for an additional 25 days).

5. Sign and date the report after you are certain that it is completed accurately. Be sure to obtain a copy immediately for your records.

Tips:

1. Report your acreage information immediately after planting and before the reporting deadline (7/15 for corn and soybeans; ask agent for deadline for other crops). If you miss the deadline date a crop loss payment may be denied!
2. You may want to report your acreage first to FSA (as they can be very helpful in determining actual acreage planted) and then take a copy of that report to your insurance agent to do your crop insurance acreage report.

3. Under-reporting your acreage or failure to list the farm serial number on any insurance unit can drastically reduce a loss payment.

4. Document differences between your crop insurance and FSA acreage reports as the Farm Law requires an annual comparison of the data reported to each agency and differences must be documented.

5. Review your completed acreage report form for accuracy before you sign and date it (never sign a blank form as you are bound by whatever is on a form bearing your signature).

6. Obtain a copy of your signed report and keep it for your records (it can be used to have processing errors corrected).

7. A Summary of Protection or Schedule of Insurance should be received in 4 to 6 weeks after you file your acreage report. Immediately compare the information for accuracy with your copy of the acreage report that you filed to make sure that it is accurate (comparison of the forms will reflect any processing errors, which can usually be fixed if you notify your insurance agent immediately of the error).

8. If you suffer crop damage, immediately contact your agent and ask what you are required to do to maximize any claims payment that you may be due. If you file the initial report by phone, it’s recommended that you also follow-up with a written notice and keep a copy for your records. If the agent’s instructions sound complicated, ask for a written copy of the instructions. Remember too that some specialty crops require a notice of loss within 72 hours after harvest is completed or when normal harvest would occur if none of the acreage will be harvested.

Remember, all insurance policies require the policyholder to prove timely reporting, the amount and cause of loss, to obtain a loss payment. Therefore it is critical that you maintain a file of written evidence to use to support any claim for loss payment.

**NJ Requests AGR-Lite**

New Jersey was one of 11 states including Delaware, Maryland, New York, West Virginia and all of New England which made requests to FCIC for the pilot AGR-Lite crop insurance program developed by Pennsylvania to be extended into their states. Should the coverage extend to NJ producers, the policy closing date for the 2004 season would be January 31, 2004 – the same as for the traditional AGR policies.

In its current form, AGR-Lite would be available to farmers with under $750,000 in yearly gross agricultural sales (the cap is 6.5 million with traditional AGR policies).

**Written Agreements**

Written agreements allow crops to be insured in locations not specifically designated for coverage. What that means for NJ producers is that a grower in Sussex County can buy a Peach Policy or a processing sweet corn grower in Cumberland County can obtain coverage even though policies for those commodities do not list those counties specifically for coverage.
Although written agreements can provide coverage for a variety of situations, they do have their limitations; mainly they can not be used to obtain insurance for crops covered under a pilot program. For example, the blueberry policy available in Atlantic and Burlington counties is a pilot program and therefore blueberry producers in Ocean county would not be able to obtain coverage.

**USDA Announces Sign-Up For New Crop Disaster Program**

Agriculture Secretary Ann M. Veneman announced that sign-up for the Crop Disaster Program (CDP) for the 2001 or 2002 crop began on June 6th. The closing date for sign-up will be announced at a later date, but producers will be given ample opportunity to complete the process.

Payments for CDP are authorized by the Agricultural Assistance Act of 2003, signed into law on Feb. 20, 2003, to provide some $2 billion in aid for producers suffering from natural disasters. The CDP has no funding limitation but each producer is limited to $80,000.

“Over the past two years, severe weather conditions in many parts of the nation have brought economic hardships.” said Veneman. “We’re working hard to provide these benefits to our farmers and ranchers as soon as possible.”

Under CDP, producers will be reimbursed for qualifying crop production and quality losses to crops (other than sugar cane, sugar beets or tobacco) for either the 2001 or 2002 crops. Payments will be issued for losses exceeding 35 percent of expected production at:

- 50 percent of the established price for crops that were covered by crop insurance;
- 50 percent of the established price for crops for which crop insurance was not available; and
- 45 percent of the established price to producers for crops that could have been insured but were not.

Producers who receive disaster payments are required to purchase buy-up crop insurance policies (if available) for 2004 & 2005, unless they were insured in the year of the disaster claim.

The statute requires 2001 and 2002 crop disaster payments for production and quality losses to be calculated by the same formula and loss thresholds used for the 2000 crop disaster program. This means the prices used to calculate disaster payments for crops insured under the Federal Crop Insurance Program will be the Actual Production History (APH) prices. For crops not insured, five-year average market prices will be used.

The statute also requires the 2001 or 2002 crop disaster payments be reduced if the sum of:
- (1) the disaster payment;
- (2) the net crop insurance indemnity; and
- (3) the value of the crop that was not lost, exceeds 95 percent of what the value of the crop would have been in the absence of a loss. Payments will be made to producers shortly after sign-up begins.

USDA’s Farm Service Agency (FSA) has developed a Web site that provides producers with one convenient location for details on new and existing disaster assistance. The Web site can be accessed at [http://disaster.fsa.usda.gov](http://disaster.fsa.usda.gov)

For more information on disaster assistance, contact or visit your local county FSA office or USDA Service Center.

For additional information regarding crop insurance or related risk management programs please contact: Rutgers Cooperative Extension of Salem County at 856-769-0090 or visit our web site at [http://salem.rutgers.edu/cropinsurance](http://salem.rutgers.edu/cropinsurance)