



Summer Newsletter

Summer 2016

Inside this issue:

- 7/15 Acreage Reporting Deadline 2
- If You Suffer Damage You Must... 2
- What Happens When There Isn't a Crop Policy For The Crop I Want To Insure? 3
- Record Keeping Is So Important! 3
- A Brief Look At Crop Insurance Participation Throughout The Years In New Jersey 4

Special Points of Interest:

- Acreage reports are the basis of determining the amount of insurance protection provided and the premium charged
- It is important that you contact your agent within 72 hours of your initial discovery of crop damage
- With the Whole Farm Revenue Protection Program, all farm revenue is insured together under one policy

Replanting Payments On An Insured Crop

By Bob Bruch

There are three different and separate payments a grower may receive when there is a specific loss on a crop covered by crop insurance. They are replanting payments, prevented planting payments, and indemnity payments. This article focuses on replanting payments.

To receive a replanting payment a crop insurance policyholder **must** obtain written consent from the Approved Insurance Provider prior to replanting. A crop insurance policy only provides authority for a replanting payment when a specific sequence of events occurs: first, damage must occur; second, the Approved Insurance Provider (AIP) must be timely notified by the policyholder; third, the AIP must provide written consent for replanting the damaged crop; and fourth, the replanting must occur.

The written consent provided by the AIP determines that it is practical to replant.

Further, a replanting payment may be made on an insured crop replanted after written consent has been given and the acreage replanted is at least the lesser of 20 acres or 20 percent of the insured planted acreage for the unit (as determined on the final planting date or within the late planting period if a late planting period is applicable). If the crops to be replanted are in a whole-farm unit, the 20 acres or 20 percent requirement is to be applied separately to each crop to be replanted in the whole-farm unit.

As an example for soybeans, the maximum amount of the replanting payment per acre will be the lessor of:

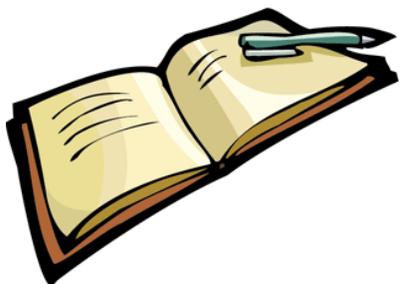
- 1) The product of multiplying the maximum bushels allowed in the policy (3 bushels) by the projected price of the replanted type, times the insured's share in the crop, or
- 2) 20 percent of the production guarantee times the applicable projected price of the replanted type times the insured's share.

For additional information on replanting payments covered under your crop insurance policy contact your crop insurance agent.

Sources: Final Agency Determination FAD-259, Risk Management Agency, USDA, April 4, 2016 Replanting Payment Procedures, FCIC-25440-1 Soybeans, November 2012

7/15 Acreage Reporting Deadline!

Acreage reports are due 7/15/16 for the following crop insurance policies:



Corn

Sweet Corn

Tomato

Soybean

Grain Sorghum

Oats

Potato

Acreage reports are the basis of determining the amount of insurance protection provided and the premium charged. An annual acreage report for each insured crop in the county in which you have an ownership must be submitted to your insurance company (through your agent) on or before the acreage reporting date for that crop.

The acreage report shows:

- * The insured crops you have planted
- * Acreage prevented from planting
- * What share you have in those crops
- * Where the crops are located
- * How many acres you planted
- * The dates you completed planting them
- * What insurance unit they are located on; identifies any acreage not insurable
- * The cultural practice followed (i.e., irrigated, double cropped, etc.)



You may not revise acreage reports after the acreage reporting date has passed, dates vary crop to crop. If you fail to report your acreage on time, you may not be protected. If you report too much acreage, you may pay too much premium, however, if you report too little acreage, you may recover less when you have a loss and file a claim. Crop insurance agents often say that mistakes in acreage reporting are the easiest way for producers to have an unsatisfactory experience with crop insurance. Don't depend on your agent to do this important job for you, your signature at the bottom of the acreage reporting form makes it, legally, your responsibility. Double check it for yourself and make sure that your crop insurance and USDA Farm Service Agency reports are identical (provide written explanation if any differences). The law requires that they be compared. Make sure that you receive and retain a signed copy of the reports that you file, as this is critical to correct any errors that may show up later.

If You Suffer Damage You Must.....

If you suffered a production loss to your crops due to damaging rains, excessive moisture, drought, or any other weather related causes leading to crop damage please contact your crop insurance agent. It is important

that you contact your agent within 72 hours of your initial discovery of the damage and no later than 15 days after the close of the insurance period because you may be eligible for a loss payment. Also continue to protect the crop

from further damage by providing continued sufficient care.





What Happens When There Isn't A Crop 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 agents visit <http://www.rma.usda.gov/tools/agent.html>). 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>

Record Keeping Is So Important!!!

It is extremely important to keep accurate and detailed records of your farm operation should you need to file a crop insurance claim to prove your APH yields. In the event of a loss, your records will be used to provide proof of the amount and cause of loss, verify input and production costs, and to verify production by insurance unit. It is beneficial to have a diary type record to prove that timely and good farming practices were used during production of the crop.

Types of records that should be kept:

- 1) Financial records– for business management and to document the application, kinds and amounts of inputs, and control measures, etc.
 - 2) Acreage and production records– for documentation and proof of performance (APH)
 - 3) Diary type records– to determine such things as planting, spraying, crop scouting, harvesting and other important dates of activities may help to substantiate that good farming practices were followed and deadline dates met.
- You should consider keeping records on production acreage, planting, spraying, yield, weather, marketing and financial matters. At the very least however, you should keep records for each insurance unit, by practice type and variety
 - If you ever want to split your farm into more optional units, you need to have past records for each new unit as well. It may also be beneficial to keep records by field or tract.

A Brief Look at Crop Insurance Participation Throughout The Years In New Jersey



15 Year Crop Insurance History for New Jersey



Year	Policies Earning Premium	Net Acres Insured	Liability	Gross Premium	Losses	Loss Ratio
2001	1,118	166,748	62,302,628	2,862,035	790,649	0.28
2002	1,158	164,670	66,449,047	3,014,706	3,751,661	1.24
2003	1,078	149,378	63,366,499	3,356,025	1,636,166	0.49
2004	1,096	161,091	72,698,186	3,621,223	1,205,756	0.33
2005	1,066	156,842	87,429,768	3,483,354	1,516,429	0.44
2006	994	148,034	78,353,813	3,064,897	715,307	0.23
2007	971	144,709	89,441,344	4,175,927	2,154,874	0.52
2008	981	156,108	105,045,352	6,044,286	4,206,555	0.70
2009	1,107	160,326	100,401,996	6,371,236	1,193,104	0.19
2010	1,054	153,522	85,756,159	5,888,156	5,097,264	0.87
2011	1,133	189,461	110,896,764	8,955,523	3,149,413	0.35
2012	1,139	233,128	113,619,057	8,033,001	3,482,641	0.43
2013	1,156	175,071	107,295,111	8,495,332	4,250,771	0.50
2014	1,146	172,822	81,683,173	7,161,062	2,543,313	0.36
2015	1,067	197,211	77,165,625	5,986,400	4,369,991	0.73

Data current as of February 22, 2016. For current data go to [RMA's Summary of Business tool](http://www.rma.usda.gov/summaryofbusiness.html).



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 a crop insurance agent (<http://www.rma.usda.gov/tools/agent.html>)

or visit our website <http://saalem.njaes.rutgers.edu/cropinsurance/>

or call our toll free hotline 1-800-308-2449

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