

Guide to Agricultural Risk Management

CROP INSURANCE
Keeps America Growing

2024

Weaned Calf Risk Protection

Cow-calf producers in Colorado, Nebraska, South Dakota, and Texas have new crop insurance coverage available for 2024: Weaned Calf Risk Protection (WCRP).

Other Federal livestock policies are price-based, with daily or weekly sales throughout each crop year. WCRP is different.

Weaned calves are a new commodity insurable under yield protection (YP), revenue protection (RP), or revenue protection with harvest price exclusion (RP-HPE) plans of insurance.

WCRP has a single sales closing date of January 31, 2024. Coverage is available only for live calves born and reported on a calf report during a specified timeframe. Weaned calf coverage is available for spring calves in the beef class (excludes dairy, miniature, double-muscle, and specialty breeds). Producers can select catastrophic coverage or additional coverage levels from 50 to 85 percent and have separate units on a share basis. WCRP also includes provisions for handling early calf sales, backgrounding, and moving cow-calf pairs to another county, state, or country before weaning.

The policy provides a yield or revenue protection guarantee based on a producer's actual production history (APH) approved yield, built from the producer's historical average weaning weight per calf. The WCRP yield or revenue protection guarantee is determined by multiplying the number of insurable live beef calves a rancher reports by the approved yield by the selected coverage level by the applicable projected or harvest price.

Like many annual and perennial commodities, WCRP requires a first-year pre-acceptance inspection, production reports, calf reports instead of acreage reports, a notice of loss process, and loss adjuster inspections. Producers will also need sales and weaned calf weight records for this program.

Weaned calves are covered for naturally occurring perils, such as adverse weather conditions, fire, disease (but not due to insufficient/improper disease control measures), causes that directly damage pastures and other forms of grazing, and calf death due to a covered peril during the insurance period. Revenue coverage also indemnifies the difference between projected and harvest prices.



Calves must be weighed by a disinterested third party at weaning, with the weights and weaning dates used in determining the crop year's production to count. Loss processes also include appraisals, determining causes of loss, and confirming the number of insured and uninsured calves within each insurance unit. An indemnity is due when the value of the production to count is less than the applicable guarantee.

Producers cannot purchase both WCRP and Feeder Cattle Livestock Risk Protection.

Producers should review options with their crop insurance agent to determine whether WCRP or another program best suits their risk management needs.



Crop Insurance and Conservation Work Together

Conservation practices such as no-till, cover crops, barrier strips, and others are important to maintaining soil health and have become a large part of many farming operations.

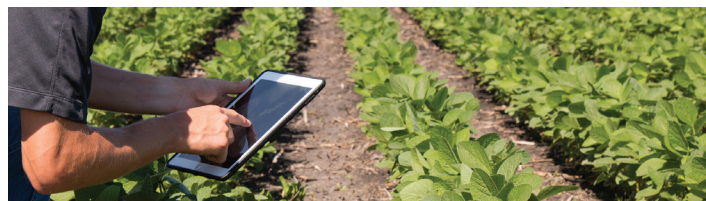
Crop insurance must be flexible enough to embrace the newest tools, technologies, and techniques being used to improve the land, conserve resources, and mitigate risk. Conversely, recent conservation efforts must be consistent with the economics that underpin crop insurance as a successful risk management strategy.

America's farmers are the most efficient and productive in the world. They are determined to take care of the land that takes care of them. And they do the job right. This is officially known as Good Farming Practices (GFPs), defined by the USDA's Risk Management Agency and required as a condition of insurance.

GFPs help ensure the production methods do not adversely affect the quantity or quality of production. To keep up with the latest science and technology, they are continually monitored and improved.

Flexibility within the crop insurance system helps expand the list of GFPs as farmers look to new proven technologies and techniques to improve conservation practices, land management, soil health, water conservation, tackle climate change and any challenges tomorrow brings.

No one is closer to the earth than farmers, and they work hard to keep the land and soil healthy now and for future generations.



Risk Management Checklist Crop, Revenue, and Livestock Insurance Deadlines

File your AD-1026 Conservation Compliance form with FSA on time or you may risk losing all of your crop insurance premium assistance!

- Do I know all critical dates and sign-up deadlines?**
- Sales closing date**—last date to apply for coverage is:
- Cancellation date**—last date to give notice if I do not want insurance next year:
- Production reporting date**—actual production history must be reported by:
- Final planting date**—if unable to plant, I must contact my agent by:
- Acreage reporting date**—I must report my acreage planted to my agent by:
- Payment due date**—interest charges begin to incur after:
- Final date to file notice of crop damage**—any perceived damage I must report no later than:
- End of insurance period**—latest date of coverage for the current year's crop:
- Debt termination date**—insurance coverage for next year will be canceled if payment is not made by:



Get Acreage Reporting Right.

It Saves You Money.

Why is Acreage Reporting so Important?

You have a lot at stake in making sure your crop insurance acreage reporting is accurate and timely. If you fail to report on time, you may not be protected. Overreport your acreage and you may pay too much premium. If you underreport your acreage, you may recover less when you file a claim. Crop insurance agents often say that mistakes in acreage reporting are the easiest way for farmers to have an unsatisfactory experience with crop insurance.

The acreage report shows: the 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 planted them; what insurance unit they are located on, and the cultural practice followed (i.e. irrigated, double cropped, etc.). This report cannot be revised after the acreage reporting date.

Remember

- Acreage reporting is your responsibility. Doing it right will save you money.
- It is your responsibility to report crop damage to your agent within 72 hours of discovery for most crops.
- Never put damaged acreage to another use without prior written consent from the insurance company. You don't want to destroy any evidence of a possible claim.



Micro Farms Insurance

Do you grow many different types of crops on your farm? Do you sell your fruits and vegetables with value-added products? If yes, then a Micro Farms crop insurance policy may be the right fit to protect your farming income.

A Micro Farms policy is similar to a Whole Farm Revenue Policy but has fewer reporting requirements. These policies are tailored for any farm with up to \$350,000 in approved revenue (or \$400,000 if you had Micro Farm the previous year), including farms with specialty or organic commodities.

A key feature of Micro Farm coverage that is different from coverage under a Whole Farm Revenue Policy is that commodities are not assigned individual values. A single value for all commodities produced on your farm operation is established based on the average allowable revenue of your revenue history. The requirement to establish an expected value for each commodity on your farm is eliminated, greatly simplifying the reporting process.

This policy covers post-production costs and added-valued products associated with selling the crops, such as the containers for selling tomatoes at a farmer's market. Farmers who select Micro Farms automatically qualify for the best available coverage level of 85 percent, affording the best protection at an affordable price.

To arrive at the amount of coverage under Micro Farms, you will need to provide a minimum of three years of tax records and sales records to build a revenue history. Consolidated sales records are acceptable, but the Approved Insurance Provider may

request sales records that comprise a complete marketing record of commodities on the farm to ensure that the farm operation is properly covered.

The Micro Farm policy still requires a beginning and ending inventory, along with a beginning and ending accounts receivable. However, expenses are NOT required to be reported.

In summary, the Micro Farms policy reduces reporting requirements, offers meaningful coverage by allowing post-production costs and added values to be included in approved revenue, automatically qualifies the farmer for the highest level of coverage, and all farms insured under Micro Farm receive a whole-farm premium discount.

Contact your crop insurance agent to see if a Micro Farms policy is right for you!



How to Evaluate Crop-Hail Insurance

Hail is the one catastrophe that is most likely to destroy a part of your crop and leave the rest looking fine. The portion of your acres that hail destroys may well be less than the deductible of your Federal crop insurance policy or it may not impact your yield enough to generate a revenue loss.

Crop-Hail insurance can fill that gap.

While Federal policies protect you against losses severe enough to significantly drop the yield per insured unit, Crop-Hail insurance gives you acre-by-acre protection that can be up to the actual cash value of the crop. If you buy a 65/100 (65 percent of yield and 100 percent of price) or greater crop insurance policy, you can, under many policies, delete the hail coverage and replace it with private hail coverage. Some farmers find it more effective to leave the hail coverage provided by the Federal policy in place and get a companion Crop-Hail policy to cover their crop insurance policy deductible.

Crop-Hail is especially important to those with Area Risk Protection Insurance (ARPI) policies that leave individuals exposed to spot losses due to hail. You can also buy additional Crop-Hail coverage during the growing season (prior to damage) to protect added profit potential from bumper crop yields or higher-than-normal crop values.

Even if your frequency of hail damage is low, remember that Crop-Hail coverage is rated for your area. It is an inexpensive way to protect against hail damage.



America Relies on Crop Insurance

In 2023, farmers invested more than **\$6.8 billion** to purchase **1.2 million** crop insurance policies, protecting more than **130** different crops, including specialty and organic crops.

Crop insurance policies protected more than **90 percent** of planted cropland in 2023, a total of **more than 539 million acres**.

Since 2010, farmers have spent more than **\$68 billion out of their own pockets** to purchase crop insurance.

Family farms make up **98 percent** of America's **2.1 million** farms.

Get the answers to your crop insurance questions.



It is important to contact a local crop insurance agent to get policy information specific to your farming operation. There are deadlines that must be met to ensure your policy is in force so visiting with an agent early and often is strongly recommended.

To learn more about the importance of crop insurance, please visit any of these websites:

- CropInsuranceInAmerica.org
- CropInsurance101.org
- CropInsuranceInMyState.org
- RMA.USDA.gov



Additional links to help you learn more about crop insurance.

facebook.com/CropInsuranceInAmerica

youtube.com/ncisamerica

instagram.com/cropinsuranceinamerica

twitter.com/UScropinsurance