



# CROP INSURANCE IN MARYLAND

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MARYLAND DEPARTMENT OF AGRICULTURE



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**Crop Insurance Deadline**

Martin O'Malley  
*Governor*

Anthony G. Brown  
*Lt. Governor*

## THE CHOICE WAS LEARN, OR GIVE UP



Photo by Edwin Remsburg

*Brenda Fleming*

Ten years ago Brenda Fleming could have given up, she could have sold the farm, many new widows have taken that path, but Fleming chose to take over.

"My husband and I had been farming since 1971 and I just knew I had to carry on," said Fleming (60).

Now she farms 1,100 acres of corn, soybeans, wheat, and milo on the flat fields of Dorchester County, but it isn't always easy.

"I have found, on occasion, a lot of the businesses would rather deal with a man. That kind of puts me down a little bit, but I buck up. I say, look, I am running this farm now. My husband is not here," she said.

"My biggest challenges are the weather and grain marketing. I've had to learn a lot," she said.

Now she has detailed records on every field: the soil sample analysis, the manure put down, the fertilizer, the type of seed, the yield, the lime, and more.

"I've learned that managing risk is the key to survival, that's why I have crop insurance. I have 70% coverage across the board and the reason is simple, I don't have irrigation," she said.

That 70% coverage has also allowed Fleming to forward contract a larger part of her expected yield. She watches the Chicago Board of Trade (CBOT) on-line, trying to lock in a profit.

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# NEW FORAGE INSURANCE COMES TO MARYLAND

This year, for the first time, every county in Maryland will have Pasture/Rangeland/Forage and hay (rainfall index) insurance (PRF).

It is very important that all forage producers, whether for livestock, equine, or hay sales, see a crop insurance agent about this policy before the September 30 sign-up deadline.

PRF is a federally subsidized policy that covers pasture and hayland. It also covers apiculture.

Simply put, if you buy 90% coverage in selected 2-month insurance periods, and

have 80% of normal precipitation, you get paid about 10% of the liability purchased.

You don't have to file for a loss. NOAA data will automatically trigger the claims process. The premiums are subsidized from 51% to 59%.

## LAST CHANCE FOR A YEAR

For details on this very important program, see the next page. If you have any other questions, contact your crop insurance agent well before the September 30 deadline. It will be a year before you get another chance at PRF. ■

# SEPTEMBER 30 IS FALL DEADLINE

For Maryland producers of fall planted crops, September 30, 2011 is the deadline for signing up for federally subsidized crop insurance policies.

It is also the deadline for making any changes to existing policies, something many producers may be considering given how much revenue is at stake with high prices for most crops. The higher the level of coverage, the greater the level of revenue protected. This is especially

important for producers who forward price a large percentage of their expected harvest.

Maryland crops that share the September 30 deadline are: winter wheat, barley, and PRF and APH forage production.

If you have any questions, or want to sign up or make changes to your existing policies, contact a crop insurance agent well before the September 30 deadline. ■

## Qualify for SURE Now

### Lack Of Coverage This Fall Means No SURE At All In 2012

In order to qualify for FSA's SURE program you must have crop insurance on every insurable crop, and/or NAP coverage for non-insurable crops, providing SURE is available in 2012.

Failure to insure fall planted crops by September 30 will mean that you will not qualify for any SURE protection in 2012!

For Maryland, that means you must insure your winter wheat, barley, and forage production by September 30.

All forage that is intended for mechanical harvesting must have crop insurance coverage. Pasture that is meant for grazing does not have to be insured in order to qualify for SURE.

Remember, the higher your level of crop insurance protection, the higher will be your SURE guarantee. In a way, SURE is additional, free, crop insurance protection. ■



# DAIRY INSURANCE STARTS AGAIN THIS FALL



Dairy Gross Margin starts a new fiscal year's funding in October.

A large enrollment is expected, which means it will be prudent for you to contact your crop insurance agent well ahead of the enrollment period to get all the details. You will need to schedule a time slot to finalize your enrollment decision before the sales closing date and time.

Remember, Dairy Gross Margin helps you manage the risks of falling prices and/or rising feed costs. It guarantees a pre-determined dollar amount of income over feed cost for up to a year in the future, and the premiums are subsidized!

If you want to run some scenarios to prepare for the meeting with your crop insurance agent, go online to the University of Wisconsin Analyzer at [http://future.aae.wisc.edu/lgm\\_analyzer/](http://future.aae.wisc.edu/lgm_analyzer/) ■



# FORAGE INSURANCE WORKS FOR YOU

- PRF is grid site specific, so the information is there to make good decisions for each individual farm.
- Based on a "rainfall index", PRF protects only against one peril... rain.
- It can help to cover the cost of buying replacement forage if pastures or hayland fail.
- PRF has very little paperwork. You don't even have to file a claim. The satellite images will automatically trigger the claims process. The premiums are subsidized from 51 to 59 percent.
- It treats grazing land and hayland differently, so you can choose different dollar values for each or just insure one or the other.
- You don't have to insure all your acres. You don't have to insure for the entire year. There is a choice of 11 two-month periods. You must insure for at least two 2-month intervals per year. ■

## Apiculture Coverage

PRF also allows beekeepers to purchase insurance protection against production risks. The policy covers honey, pollen collection, wax, and breeding stock for any, or all, of your colonies. The same rainfall indices estimate local plant health. Call a crop insurance agent before September 30, 2011 to learn more.

## Pasture/Rangeland/Forage and Hay Protection Crop Insurance

Approximate amounts of protection available per acre: Hayland \$173 to \$557; Pasture \$19 to \$70; Apiculture \$31 to \$101 per colony

Insurance year: January 1 through December 31, 2012

Grid: Approximately 12 X 12 mile squares identified by NOAA to track historical weather data <http://agforceusa.com/rma/ri/prf/maps/>  
(See Frederick grid below)

Interval: Two consecutive month time period that is the basis for insurance decisions and loss claims determination

Number of intervals per year: 11, each covering a two-month period

Minimum/maximum insured acreage percentage per interval: 10%/60%

Protection factor: The percentage of the county base value(s) selected to establish the amount of insurance protection; 60% to 150%

Last date to adjust insured acreage: The earlier of May 31 of the insurance year or at least 100 days prior to first selected insured interval.

Seeding deadline for insurability: Initial seeding must be completed before July 1 prior to the year of insurance

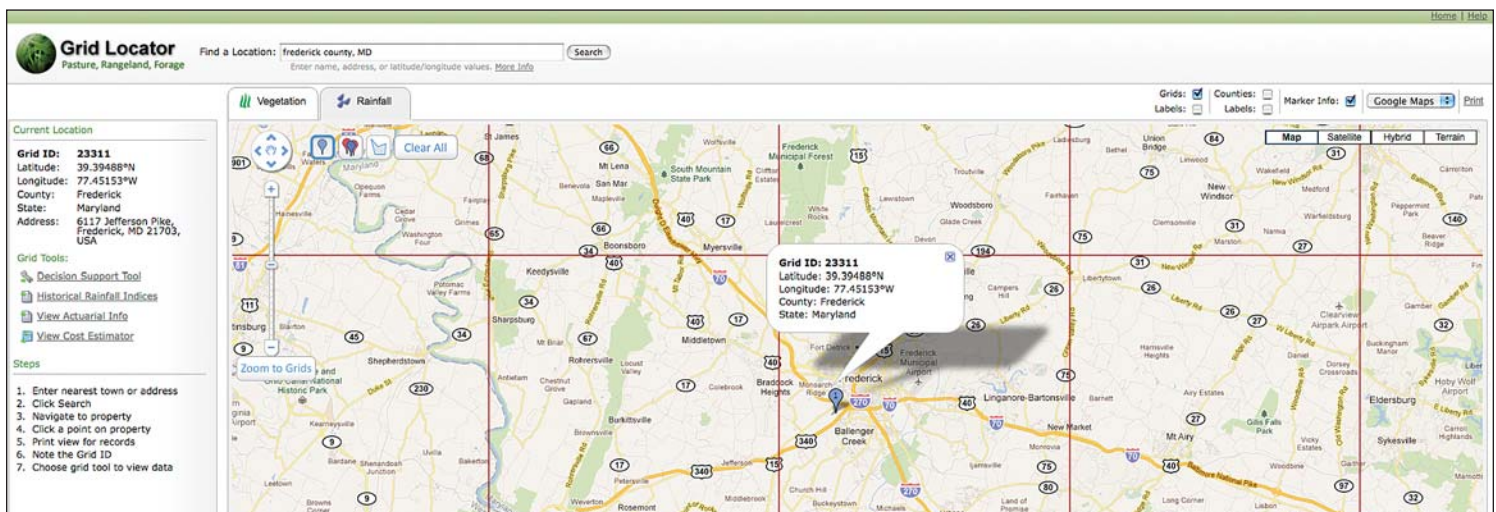
Premium billing date : October 1 of the year of insurance

Administrative fee (in addition to premium): \$30 per policy

Sales closing, cancellation, debt termination deadlines: **September 30, 2011**

Acreage reporting: November 15, 2011

**Finding Your Grid:** <http://agforceusa.com/rma/ri/prf/maps/>



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"I'm still learning. I fight with myself saying why didn't I do this yesterday, but I have learned a lot from Annie's Project."

## ANNIE'S PROJECT

Operating in 28 states, Annie's Project provides risk management education for women.

Jenny Rhodes and Shannon Dill are the co-coordinators of Annie's Project, both are University of Maryland Extension Educators.

"Most of our participants are part of the farm management team, with their husbands, and they come away with some real risk management skills for that team to use, so Brenda is a little different," said Rhodes, from Queen Anne's County.

According to Dill, the program covers all five areas of risk management: production,



Photo by Edwin Remsburg

Jenny Rhodes, Brenda Fleming and Shannon Dill

marketing, legal, human, and financial risks.

"We cover FSA programs, farm insurance policies, USDA programs, and computer skills," said Dill, from Talbot County, adding, "We have computer labs where we show how crop budgets are worked

up and of course we really emphasize crop insurance."

Fleming is still looking to the future.

"My dream is to eventually turn this farm over to my sons, but first, I want to get it running really well." ■

## How to File a Claim



This year's wet spring and dry summer is likely, in many areas of our state, to result in crop insurance claims.

Here are some reminders to help make sure you follow the necessary procedures for making a claim.

Remember....

- Report crop damage promptly to your crop insurance agent (in writing and keep a copy for your records),
- Within 72 hours of discovery of damage,
- 15 days before harvest begins (if loss is possible),
- Within 15 days after harvesting is completed (by insurance unit) but not later than the end of the insurance period (December 10 for grain corn and soybeans),
- Direct marketed crops need to be appraised in the field,
- Do not destroy evidence that is needed to support your claim without clear direction from the insurance company, preferably in writing. ■

## Combo Policy Features Often Overlooked

Many producers may be leaving money on the table when they do not run side-by-side comparisons of the different insurance plans and other options of the Combo grain policy. If they did, they might make changes to better reflect their risk management needs.

For instance, Revenue coverage pays as well or better than Yield Buy-up and Revenue with Harvest Price Exclusion when the price of your crop goes up or down at harvest time.

Where Revenue really shines is when the price goes up (something that may well happen in 2011).

With Yield coverage you can buy less than the full projected price to fine tune your coverage and reduce your premium costs. Also, there are three unit structures (Basic, Optional, and Enterprise) with premium discounts of up to 50% on the Enterprise Unit.

And there are three choices of prevented planting options in each insurance plan... which is a big surprise to many producers.

So ask your crop insurance agent for a side-by-side comparison of the different Combo options. It doesn't cost to ask. ■