



CROP INSURANCE IN MARYLAND

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Acres Reporting
Good Farming Practices

Martin O'Malley
Governor

Anthony G. Brown
Lt. Governor

TRYING NEW THINGS LEADS TO AN OPPORTUNITY FOR THE FIFTH GENERATION



Photo by Edwin Remsburg

Bill Mason Jr. and daughter Kate Mason Kraszewski

Bill Mason Jr. had been running a well diversified farming operation for many years when he had an “aha” moment.

“It was after a year of drought and a year of too much water. The bills kept coming in and they were getting higher, while our per-acre income was static. We had to do something,” he said.

In 2005 he visited the Rodale Institute and planted his first organic crops. Now over 500 of the 850 acres he farms in Queen Anne’s County are certified organic.

“I figured we could earn a little more per acre by going organic, plus we would use less chemicals.”

He already had the right equipment because he had been in the vegetable business for 30 years raising both processing vegetables under contract and fresh produce for his farm market. He used that equipment to shift his grain operation to organic, and he added irrigation to reduce his yield risks.

“Weeds are our foremost risk, so we plant a lot of cover crops. The good news is unlike conventional grain, most of the time organic buyers will call and ask me how much I want for my crop.”

Most of the organic corn and soybeans goes to organic feed mills in New York and Pennsylvania.

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2009 SURE SIGN-UP DEADLINE NEAR

The sign-up period for the 2009 crop year Supplemental Revenue Assistance Payments (SURE) program is open. This is an FSA program and, if you are eligible, the last day you can sign up is July 29, 2011.

To be eligible for SURE a farm must have:

- At least a 10 percent production loss on a crop of economic significance.
- A policy or plan of insurance under the Federal Crop Insurance Act or the Noninsured Crop Disaster Assistance Program (NAP) for all economically significant crops.
- Been physically located in a county that was declared a primary disaster county or contiguous county by the

Agriculture Secretary under a Secretarial Disaster Designation. Without a Secretarial Disaster Designation, individual producers may be eligible if the actual production on the farm is less than 50 percent of the normal production on the farm due to a natural disaster.

In 2009 ten Maryland counties were declared primary disaster counties: Washington, Montgomery, Howard, Carroll, Baltimore, Harford, Cecil, Kent, Queen Anne's, and Talbot. The six contiguous counties were: Allegany, Frederick, Prince Georges, Anne Arundel, Caroline, and Dorchester.

Farmers interested in signing up must do so before July 29th, 2011 ■



Design your own safety net.

Log on and fill out a risk management checklist. Identify your own strengths, weaknesses, opportunities, and threats.

Explore new enterprise options. Do it all with a wealth of risk management information at your fingertips—at a Web site created just for you.



Farm-Risk-Plans.USDA.gov
Helping farmers & ranchers find success

USDA United States Department of Agriculture
Risk Management Agency
USDA is an equal opportunity provider and employer.

FARM ONLINE PLANNING TOOL

FARM-RISK-PLANS.USDA.GOV

USDA's Risk Management Agency (RMA) has an online resource many farmers are using to focus on how to protect against down-side risks, as well as how best to take advantage of up-side opportunities.

The resource, a sub-site of the RMA's website called Farm-Risk-Plans.

USDA.gov, allows producers to complete a risk management checklist, identify their enterprise's strengths, weaknesses, opportunities, and threats, and explore a wealth of risk management information.

The site features four modules: Risk Management Planning, Better Marketing Planning, New Enterprise Planning, and Farm Planning Library. Each contains the best available information, consolidating resources from leading land grant

universities and government agencies.

Producers are able to complete two exercises online that give them a novel look at their risk management situation. First is the Risk Management Checklist, a three-page list of questions to stimulate conversation among the family or leadership team of any farm or ranch operation.

The second is a Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis, a commonly used planning exercise in the business world, recognizing that small- to medium-sized farms are serious businesses that must use the same tools as any other modern business.

The website may be accessed at the address <http://Farm-Risk-Plans.USDA.gov> or from the main RMA site at <http://www.rma.usda.gov> ■

PROTECT YOUR INVESTMENT IN CROP INSURANCE

The most frequent (and often expensive) errors producers make with their crop insurance policies fall into one of three categories: Acreage Reporting; Filing a Claim; and Good Farming Practices.

Here are some guidelines that outline what to do and what not to do.

GETTING ACREAGE REPORTING RIGHT

The acreage report is the basis for determining the amount of insurance provided and the premium charged. An annual acreage report for each insured crop in which you have an ownership share in the county, must be submitted to your insurance company (through your agent) on or before the acreage reporting date for that crop (July 15 for corn and soybeans).

You have a lot at stake in your Acreage Report. If you fail to report on time, you may not be protected. If you report too much acreage, you may pay too much premium. If you report too little acreage, you may recover less when you file a claim.

Mistakes in acreage reporting are the easiest way for producers to have an unsatisfactory experience with crop insurance.

Here is what you should remember...

Acreage reporting is your responsibility. Doing it right will save you money.

Always get a copy of your report immediately after signing and file it with your agent and keep it with your records. The report should be the same information provided to FSA.



HOW TO FILE A CROP INSURANCE CLAIM

Any time you have crop damage that will adversely affect your yield, or the value of your crop, you may be eligible to file a claim. The loss adjuster will determine whether your yield falls below the guarantee stated in your crop insurance policy. This applies to revenue protection policies and yield protection policies.

Here is what you should remember...

Report crop damage promptly:

- Before replanting (many policies have replanting payments);
- Within 72 hours of discovery of damage;
- 15 days before harvest begins (if loss is possible) or if crop will be direct-marketed; and
- 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).

Caution: Do not destroy evidence that is needed to support your claim without clear direction from the insurance company, preferably in writing.

GOOD FARMING PRACTICES

The federal crop insurance program covers losses that are unavoidable and due to naturally occurring events.

The program does not cover losses due to negligence, or any failure to follow “good farming practices.”

The definition of “good farming practices” will vary from crop to crop and from region to region. A good rule of thumb is that you should follow all the practices and timing considered prudent and responsible by local extension agents and certified crop consultants to produce your crop’s historic yield.

In the basic provisions of your crop insurance policy, the definition for negligence is, “The failure to use such care as a reasonably prudent and careful person would use under similar circumstances.”

Here is what you should remember...

Using good farming practices is your responsibility.

You are responsible for keeping informed about disease or pest outbreaks in your area (such as soybean rust or stink bugs).

You are responsible for keeping informed about what control measures constitute good farming practices in the event of an outbreak reaching your farm.

You are responsible for frequently scouting your fields and documenting your findings.

You are responsible for keeping records of your good farming practices and timing, broken out by each insurable unit, just like your production records.

For more information contact a private crop insurance agent. ■

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CROP INSURANCE

“We have had crop insurance for 15 years but this year it will give us even better protection because with the organic standards they have now gone to organic prices for the first time.”

Since most organic crops sell for more than conventional crops, and may have slightly lower yields, this means better protection. For instance, this year’s level of price protection with a Revenue Protection policy on corn is \$6.01 per bushel for conventional production and \$10.75 for organic production.

FINDING A SUCCESSION STRATEGY

Mason, who is 59, has tried a lot of different farming strategies over the years.

“We have run the gamut from pigs and cows to all types of field and vegetable crops.” The Masons have also raised seed for Southern States for 40 years. But the move that eventually led to a succession strategy for the Mason family started off

as just selling some extra sweet corn from a road-side stand 22 years ago.

Bill and Susanne’s only child, Kate, was only five then. Now Kate Mason Kraszewski is returning to the farm to take over the produce business. “I always knew I wanted to come home and be the fifth generation of my family to farm here,” she said. “And we came to the conclusion that we needed more help,” said her father.

Kate, who until this April worked for the Maryland Department of Agriculture, realizes she is giving up a regular salary only to put herself at the mercy of the weather and the customers.

“I’ve seen the eat local movement grow and, even in tough economic times, it does not seem to be fading. People want to know where their food comes from,” she said.

They put up a high tunnel last year and Kate is already thinking about building



Photo by Edwin Remsburg

more. She wants to sell directly to restaurants. In the meantime, you can visit the Mason operation at their website: www.masonsheritage.com.

“We sell ice cream, cheeses, and baked goods as well as all our fresh produce and the only thing that doesn’t come from Maryland is the beef which comes from my husband Steve’s family farm in New York. Even though it is not a Maryland product, our customers know where it comes from,” she added.

“Hopefully, I will be able to teach people more about what we do on the farm.” ■

DOUBLE CROPPING REQUIRES SEPARATE RECORDS

CROP INSURANCE BENEFITS AT STAKE

If you practice double cropping (for example soybeans following winter wheat on the same acres for the same crop year), maintaining required records may mean substantial additional benefits.

Those records are especially important if you suffer prevented planting or yield/revenue losses on the first, second or both crops. In addition to the APH yield and production records for the insurance unit, separate acreage and production records must be maintained for the first and second crops on the specific acreage that is double cropped, within each insurance unit. This requirement must be met each year whether or not there is a crop loss.

In the event of a loss, it is critical that the policyholder has separate records of the acreage and production for the first and second crop(s) for the current year and for previous years. Again, current and previous years’ records must be maintained by crop and county.

These records will be needed to substantiate that you did a double cropping practice at least two of the last four years in the county. They will also be used to determine the maximum limit of double crop acres that may be considered eligible for double cropping benefits for a current year loss.

The policyholder may use the records of a previous crop owner of the exact same acreage on newly acquired land provided the previous owner has such



record for the specific fields and makes them available. ■