

# Crop Insurance for 2015

## Corn & Soybeans



**Agriculture  
and Markets**



**Risk Management Agency**

*This institution is an equal  
opportunity provider.*

**NYS Department of Agriculture and Markets  
Crop Insurance and Risk Management Education**

[www.agriculture.ny.gov/AP/CropInsurance.html](http://www.agriculture.ny.gov/AP/CropInsurance.html)

1-800-554-4501

# What We Will Cover

- Briefs of concepts that are important
  - Perils – what is covered
  - Units – How your farm is set up
  - Additional Insurance features
  - Subsidies by USDA
- Focus - Yield & Revenue Coverage

# Insured Perils



## Adverse Weather Conditions

Insects - but not damage due to insufficient or improper application of pest control measures

Plant disease - but not damage due to insufficient or improper application of disease control measures

Wildlife - unless control measures have not been taken

Others: Fire, Earthquake, Volcanic Eruption, Failure of irrigation water supply

# Unit Structure

Basic Unit – all insurable acres of insured crop in the county

Optional Unit – separate FSA Farm Serial Numbers or by written agreement as sectional equivalents, or organic/conventional, irrigated v non-irrigated

Enterprise Unit – If you have optional units, you can merge them into one enterprise unit for a premium discount

# Additional Features

## Replant Payment

- Lesser of 20 Acres or 20% of Insured Acres
- 8 Bu./Acre X Projected Price (Grain Corn)
- 1 Ton/Acre X Projected Price (Silage)
- 1 Bu./Acre X Projected Price (Soybeans)

## Late Planting – occurs after 6/10/2015

Guarantee Reduced 1% per Day (for up to 25 Days)

Prevented Planting- is any insurable cause of loss that keeps you out of the fields prior to 6/10/2015, providing the cause is general in the area, and other requirements are met

- 60% of your guarantee for Timely Planted Acres
- 65% option available for an additional 2% premium
- 70% option available for an additional 4% premium

# Crop Insurance Subsidy

Coverage Level	50	55	60	65	70	75	80	85
Gov't Subsidy %	67	64	64	59	59	55	48	38
You pay %	33	36	36	41	41	45	52	62

# 2014 Soy Beans CAT, Yield or Revenue

	<b>Policies Sold</b>	<b>Policies Indemnified</b>	<b>Indemnity Payment</b>
Revenue Protection	989	316	\$6,845,508
Yield Protection	191	30	\$352,039
CAT	119	4	\$18,494

Commodity Year Statistics as of 9/7/2015

# Revenue Protection (RP)

Protects against revenue loss due to yield loss and/or price changes. Converts your bushel guarantee to a dollar guarantee per acre.

## Same as Yield Protection

- Uses APH or County T Yields
- Coverage choices range from 50 to 85%
- Premium subsidized, based on coverage
- Replant & prevented planting included

# Revenue Protection (RP)

Offers 3-way protection

- Coverage if yields are low
- Coverage if prices fall
- Coverage if a short crop and prices rise

# Projected Price

Crop	Contract	Projected Price	Harvest Price
Corn	Dec CBOT	February	October
Soybean	Nov CBOT	February	October

Projected Price announced early March. Used to calculate the minimum revenue guarantee.

$APH \times \% \text{ Coverage} \times \text{Projected Price}$

## Harvest Price (RP & RP-HPE)

Crop	Contract	Projected Price	Harvest Price
Corn	Dec CBOT	February	October
Soybean	Nov CBOT	February	October

Harvest Price announced early November. If higher than projected price, used to calculate a new higher revenue guarantee for RP.

# Yield And Revenue Protection Prices

<b>Crop</b>	<b>Projected</b>	<b>Harvest</b>
Corn (2014)	\$4.62	\$3.49
Corn Silage (2014)	\$41.25	
Soybeans (2014)	\$11.36	\$9.65

## Crop Insurance Comparison

Same Price	Yield (YP)	Revenue (RP)
APH Corn	150 Bu./A	150 Bu./A
Coverage	70%	70%
Projected Price	\$4.62	\$4.62
Guarantee	105 Bu.	\$485.10
Harvest Yield	54 Bu./A	54 Bu./A
Harvest Price		\$4.62
New Guarantee		-----
Harvest Value		\$249.48
Indemnity/Acre	\$235.62	\$235.62

# Crop Insurance Comparison

Price Decrease	Yield (YP)	Revenue (RP)
APH Corn	150 Bu./A	150 Bu./A
Coverage	70%	70%
Projected Price	\$4.62	\$4.62
Guarantee	105 Bu./A	\$485.10
Harvest Yield	54 Bu./A	54 Bu./A
Harvest Price		\$3.49
New Guarantee		-----
Harvest Value		\$188.46
Indemnity/Acre	\$235.62	\$296.64

# Crop Insurance Comparison

Price Increase	Yield (YP)	Revenue (RP)
APH Corn	150 Bu./A	150 Bu./A
Coverage Level	70%	70%
Projected Price	\$4.62	\$4.62
Guarantee	105 Bu./A	\$483.00
Harvest Yield	54 Bu./A	54 Bu./A
Harvest Price		\$5.05
New Guarantee		\$530.25
Harvest Value		\$272.70
Indemnity/Acre	\$235.62	\$257.55

# Crop Insurance Comparison

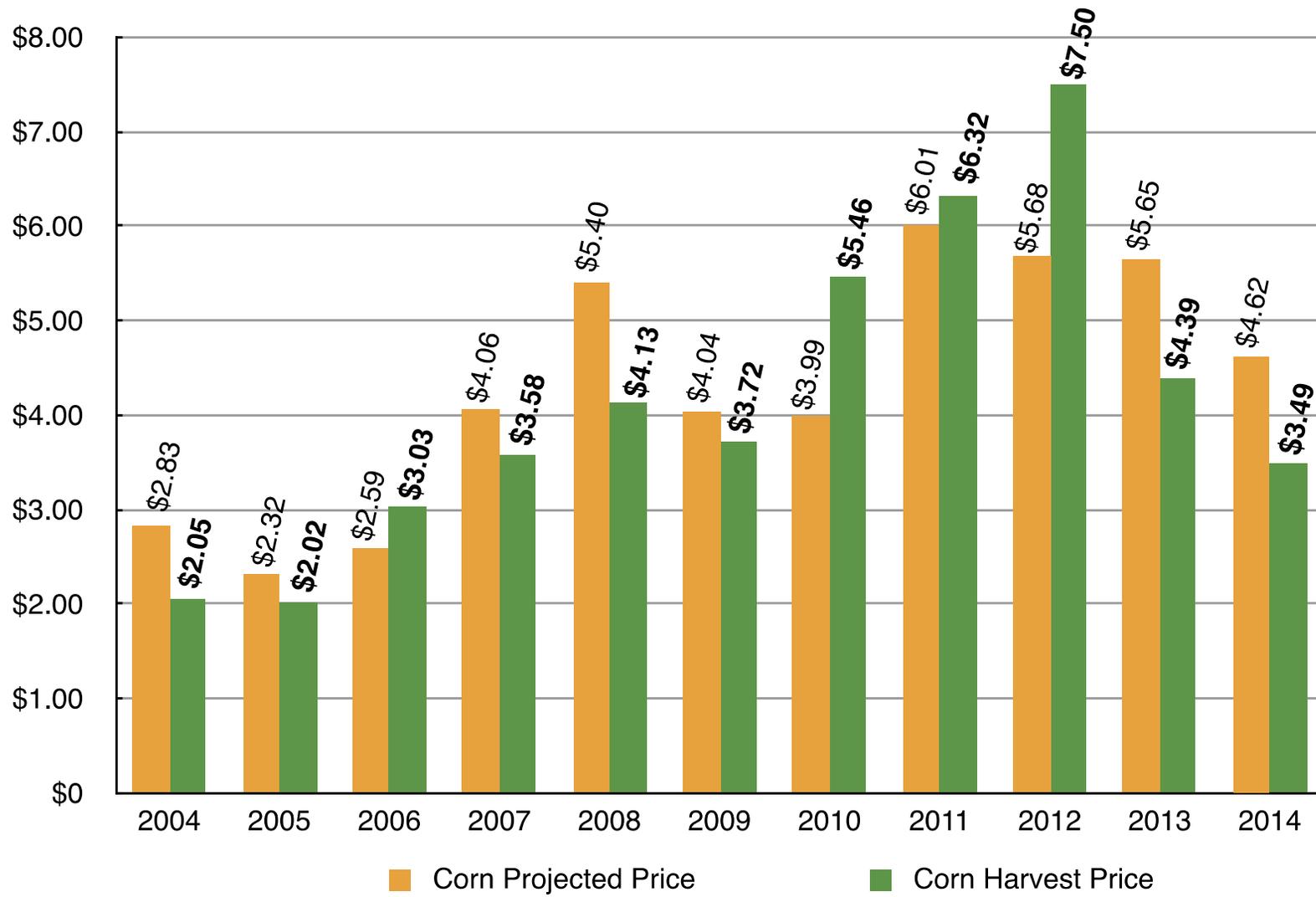
Same Price	Yield (YP)	Revenue (RP)
APH Soybeans	40 Bu./A	40 Bu./A
Coverage	70%	70%
Projected Price	\$11.36	\$11.36
Guarantee	28 Bu./A	\$318.08
Harvest Yield	15 Bu./A	15 Bu./A
Harvest Price		\$11.36
New Guarantee		-----
Harvest Value		\$170.40
Indemnity/Acre	\$147.68	\$147.68

# Crop Insurance Comparison

Price Decrease	Yield (YP)	Revenue (RP)
APH Soybeans	40 Bu./A	40 Bu./A
Coverage	70%	70%
Projected Price	\$11.36	\$11.36
Guarantee	28 Bu./A	\$318.08
Harvest Yield	15 Bu./A	15 Bu./A
Harvest Price		\$9.65
New Guarantee		-----
Harvest Value		\$144.75
Indemnity/Acre	\$147.68	\$173.33

# Crop Insurance Comparison

Price Increase	Yield (YP)	Revenue (RP)
APH Soybeans	40 Bu./A	40 Bu./A
Coverage	70%	70%
Projected Price	\$11.36	\$11.36
Guarantee	28 Bu./A	\$318.08
Harvest Yield	15 Bu./A	15 Bu./A
Harvest Price		\$12.65
New Guarantee		\$354.20
Harvest Value		\$189.75
Indemnity/Acre	\$147.68	\$164.45



# Important Dates For Corn and Soybeans

Sales Closing, Policy Change, Cancellation & Termination Date	<b>March 15, 2015</b>
Final Planting Date:	<b>June 10, 2015</b>
<b>Acreage Report Due Date</b>	<b>July 15, 2015</b>
Premium Billing Date	<b>August 15, 2015</b>
Notice of Loss:	<ul style="list-style-type: none"> <li>- 15 days prior to <u>Harvest</u></li> <li>- Within 72 hours of <u>Damage</u></li> <li>- 3 days prior to when harvest should have started if <u>no harvest</u></li> </ul>
End of Insurance Period	<b>December 10, 2015</b>



**Illustration - 2015 Corn Policies, Side By Side Comparison Of Ins. Plans/Unit Options and Cost Estimates**

Onondaga County	Yield (estimated): <b>141</b> Bu./A.	Projected Price, for 2014 was: <b>\$4.62</b> per Bu.	<b>100</b> Acres
	2015 premium rates with 2014 projected price		

<b>Revenue Protection Note: If harvest price on CBOT is higher than "Projected Price" guarantee will be recalculated at higher price /No added Premium.</b>									
Level of Coverage:	85%	80%	75%	<b>70%</b>	65%	60%	55%	50%	
Amount of Protection/acre:	\$554	\$521	\$489	<b>\$456</b>	\$423	\$391	\$358	\$326	
Producer Premium- <b>Basic Units</b>	\$35.07	\$24.03	\$16.60	<b>\$11.92</b>	\$9.21	\$6.05	\$4.39	\$2.84	
<b>Optional Units:</b>	\$37.75	\$26.68	\$19.10	<b>\$14.17</b>	\$11.47	\$7.90	\$6.02	\$4.09	
<b>*Enterprise Units:</b>	\$25.54	\$14.15	\$6.33	<b>\$4.26</b>	\$3.27	\$2.52	\$1.90	\$1.40	

<b>Yield Protection</b>									
Level of Coverage	CAT	85%	80%	75%	<b>70%</b>	65%	60%	55%	50%
Amount of Protection/acre:	\$179	\$554	\$521	\$489	<b>\$456</b>	\$423	\$391	\$358	\$326
Yield Guarantee (Bu./A.)	71	120	113	106	<b>99</b>	92	85	78	71
Producer Premium- <b>Basic Units:</b>	\$300 T.	\$21.45	\$14.70	\$10.26	<b>\$7.44</b>	\$5.82	\$3.92	\$2.94	\$1.96
<b>Optional Units:</b>	All acres	\$25.32	\$18.08	\$13.16	<b>\$9.98</b>	\$8.18	\$5.77	\$4.54	\$3.18
<b>*Enterprise Units:</b>	of crop in Co.	\$14.20	\$7.87	\$4.54	<b>\$3.13</b>	\$2.45	\$1.92	\$1.51	\$1.16

## NYS Crop Insurance Performance Does it Really Work?

Crop Year	Losses Paid	Total Premium	Producer Premium	CAT Payments
2014	\$40,827,744	\$45,040,478	\$14,534,348	
2013	\$38,885,679	\$43,100,026	\$13,313,278	\$1,140,729
2012	\$67,352,345	\$37,400,949	\$11,523,436	\$2,363,225
2011	\$46,293,879	\$36,210,305	\$10,683,529	\$2,577,161
2010	\$26,003,454	\$28,006,152	\$8,653,837	\$576,709
2009	\$29,585,486	\$27,463,540	\$8,495,521	\$657,211
2008	\$21,679,673	\$26,820,832	\$8,772,954	\$260,029
2007	\$15,046,780	\$21,844,446	\$7,194,830	\$322,404
2006	\$20,181,398	\$18,593,818	\$6,195,863	\$818,990
2005	\$12,711,736	\$17,852,631	\$5,836,370	\$273,653
Totals	\$318,568,174	\$302,333,177	\$95,203,966	\$8,990,111

# New York State Corn Crop Insurance Performance

<b>Crop Year</b>	<b>Losses Paid</b>	<b>Producer Premium</b>	<b>CAT Payments</b>
2014	\$20,157,522	\$4,763,206	\$226,651
2013	\$17,392,246	\$4,644,539	\$672,262
2012	\$8,048,091	\$3,641,025	\$102,664
2011	\$17,231,130	\$3,701,606	\$1,262,759
2010	\$2,344,531	\$2,065,378	\$4,837
2009	\$3,322,013	\$2,487,199	\$62,506
<b>Totals</b>	<b>\$68,495,533</b>	<b>\$21,302,953</b>	<b>\$2,331,679</b>
CAT Loss payments during this period:			\$2,331,679
Buy-Up Loss payment during this period :			\$68,495,533

# New York State Soybeans Crop Insurance Performance

Crop Year	Losses Paid	Producer Premium	CAT Payments
2014	\$7,306,958	\$1,528,300	\$18,494
2013	\$6,094,868	\$1,217,826	\$187,305
2012	\$2,310,323	\$964,464	\$26,022
2011	\$5,398,409	\$1,055,126	\$160,340
2010	\$1,316,877	\$606,575	\$22,344
2009	\$819,975	\$613,330	\$7,432
Totals	\$23,247,410	\$5,985,621	\$421,937

# New York Apples Crop Insurance Performance

Crop Year	Losses Paid	Total Premium	Producer Premium	CAT Payments
2014	\$6,424,581	\$11,130,788	\$3,987,126	\$0.00
2013	\$6,675,387	\$9,694,249	\$3,424,602	\$0.00
2012	\$46,781,438	\$8,463,249	\$2,888,909	\$1,957,004
2011	\$12,141,941	\$7,130,244	\$2,403,012	\$24,295
2010	\$14,001,096	\$7,396,193	\$2,482,527	\$56,398
2009	\$11,576,684	\$6,841,709	\$2,292,994	\$8,732
Totals	\$91,176,546	\$39,525,644	\$13,492,044	\$2,046,429

# Additional Information can be found at:

## **USDA Risk Management Agency (RMA)**

This institution is an equal opportunity provider.

***[www.rma.usda.gov/](http://www.rma.usda.gov/)***



To find a crop insurance agent, go to

***[www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html)***

to use the agent/company locator tool.

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**Agriculture  
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The alternative to having crop insurance.