Crop Insurance Options for Apiaries

Crop Insurance Information for New York

Pasture, Rangeland, Forage (PRF) and Apiary (API) Crop Insurance

The United States Department of Agriculture (USDA) Risk Management Agency's (RMA) Pasture, Rangeland, Forage (PRF) crop insurance program is designed to provide insurance coverage on pasture, rangeland, or forage acres. Instituted in 2007, and modified after inputs from the producer community, PRF was further modified in 2016 to provide protection for apiaries that depend on specific acreage for honey production and the health of hives. This specific coverage is referred to as API. In New York State, PRF/API is available in all counties.

Adequate pasture, rangeland and/or forage are important elements of livestock or dairy production planning. USDA crop insurance policies can be an important risk management strategy. PRF was designed to help protect an operation from the risks of increased costs for feed as a result of losses in a forage crop that is produced for grazing or harvested for hay. Drought is a major cause of loss for these producers.

NYS is included in the national grid system within which a producer's specific acreage can be identified. PRF provides coverage against widespread loss of production of the insured forage crop due to inadequate rainfall during a specified insured two-month period (index interval). The amount of rainfall for the specific grid during an insured coverage period is determined at the end of the interval and compared to the average rainfall or rainfall index (RI) as determined by 50 years of NOAA data for this grid. Coverage is based on the experience of a grid rather than individual farms over a specified interval period.

PRF gives a producer flexibility to meet particular risk management needs. Total acreage need not be insured, but the coverage cannot exceed the total number of grazing or haying acres in operation. The program allows the purchase of coverage on only those acres that are important to the grazing program or hay operation. Productivity factors in the program allow for the individualization of coverage based on the historic productivity of the acreage and range from 60% to 150% in 1% increments.

Coverage levels are available at 70% to 90% of the RI for a specific grid. The expected grid index shown on the actuarial documents multiplied by the selected coverage level is the trigger grid index. Your insurance payments are determined by using NOAA CPC data for the grid(s) and index interval(s) you have chosen to insure. When the final grid index falls below your "trigger grid index", you may receive an indemnity. This insurance coverage is for a single peril, lack of precipitation.

EXAMPLE: if the 90% level of coverage was selected and the current year's precipitation on the grid is 80% of historical average, an indemnity will occur of about 10% of the amount of protection purchased.

The only record that the producer needs to provide is a site map showing what land is pasture and what land is in hay (identical to what is reported to FSA); coverage cost is substantially higher for hay than for pasture.

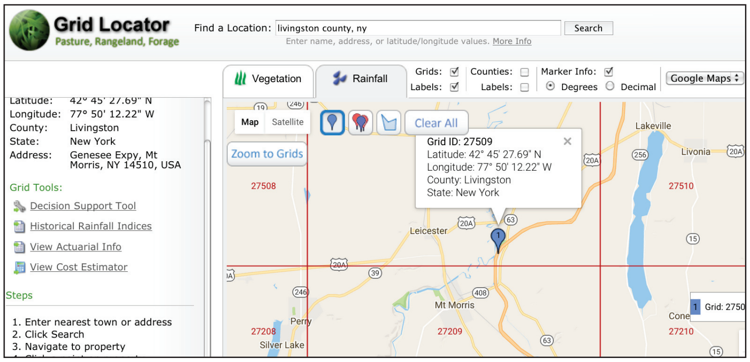
For more information, talk to your local crop insurance agent.

Watch a testimonial by Bob Zufall, a St. Lawrence County dairy farmer (and past President of the CCE St. Lawrence County Board of Directors) who uses this type of crop insurance at ***https://vimeo.com/channels/nyscropinsurance/44327858***.

Crop Insurance for Apiculture (PRF/API)

Not only livestock producers can be affected by a loss of forage crops. Beekeepers rely on adequate rainfall to keep their hives healthy and productive. The API-RI program provides coverage against widespread loss due to a drop in volume of honey caused by drought in the particular section of the grid in which production is insured. API-RI provides coverage for lost honey production due to below normal precipitation. Not all the colonies within the operation must be insured. A recommended industry standard is for the operation to insure 66% of its colonies to ensure a minimum base of productive colonies.

Coverage is based on the experience of the grid in which the base of the operation is located over a specified interval period. Since the program was designed with commercial beekeepers who migrate with their hives in mind, hives are signed up in the grid where the base operation is located. According to program rules, the hives only have to be on that site for one day during the policy period. They then can be relocated for the rest of the year. Apiaries generally insure intervals to cover the entire year. Productivity factors allow for individualization of coverage based on the productivity of the colony in the making of honey and range from 60% to 150%. Coverage levels are available from 70% to 90%, in 5% increments. Most select the 90% level. The coverage for each program is a selected dollar amount of protection per hive. For PRF/API coverage of ten hives in grid 27509, Livingston County, NY, the cost is about $180.00 per year.



Indemnities are based on the deviation from normal precipitation of the insured grid. Precipitation data will be determined by the National Oceanic and Atmospheric Climate Prediction Center (NOAA CPC). A payment may be made if the final grid index for the insured hive is less than the grower's trigger grid index.

If the rainfall index (RI) for a grid was 80% of the expected RI and the trigger index was 90%, the payment calculation factor is about 10%. The payment will be equal to the payment calculation factor multiplied by the policy protection per hive. For more information, consult a local crop insurance agent who is knowledgeable about bees.

Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish Program (ELAP)

ELAP is administered by the Farm Service Agency (FSA) of the USDA and is available to eligible honey producers and beekeepers to help them in a disaster that produces losses of hives and bees. For example, API does not cover losses related to Colony Collapse Disorder (CCD). ELAP covers CCD losses resulting from the additional cost associated with honeybee feed, colony and hive losses.

The colony, hive and feed losses must be:

- Due to an eligible adverse weather or loss condition. (Eligible conditions include: Colony Collapse Disorder (CCD) (colony loss only); Earthquake; Eligible winter storm (colony loss only); Excessive wind; Flood; Hurricane; Lightning; Tornado; Volcanic eruption; Wildfire.)
- Incurred by an eligible honeybee producer in the county where the eligible adverse weather or loss condition occurred.

Losses of colonies must be in excess of normal mortality, which in 2015 FSA pegged at 15%. ELAP covers damage to hives and feed that was purchased or produced, including additional feed purchased above normal quantities to sustain honeybees until such time that additional feed becomes naturally available.

ELAP pays $78/colony, $180/hive, and 60% of replacement feed costs that were greater than normal. There is no fee for ELAP coverage.

Producers can apply to receive ELAP assistance at local FSA service centers. For program year losses, the application period will end no later than November 1 after the end of the program year in which the honeybee loss occurred.

In addition to submitting an application for payment, producers who suffered honeybee losses must submit a notice of loss to the local FSA service center that maintains the farm records for their business. However, if the local FSA service center that maintains the farm records for the honeybee producer is not in close proximity to the physical location county where the honeybee loss occurs, the honeybee producer may submit a notice of loss to the local FSA service center in the county where the loss occurred.

Noninsured Crop Disaster Assistance Program (NAP)

NAP can provide another option to assist a producer of honey. NAP is intended to reduce financial losses that occur when natural disasters cause a catastrophic or other covered loss of eligible crops/commodities. Honey is listed as a special crop in the FSA guidelines for NAP. Basic 50/55 NAP coverage will be equal to 50% of the insured producer's actual production history (APH) of honey production at 55% of the average market price.

NAP differs from ELAP in that it protects the value of a specific level of honey production for insured hives rather than the bees or hives themselves. It pays $1.27 to $2.31/lb. on losses to production levels of honey over the deductible loss levels chosen at signup.

The cost for insuring ten hives is approximately $300 or $250 + $4 per colony. If the producer qualifies as a Beginning Farmer, Limited Resource Farmer, or Socially Disadvantaged Farmer, the service fee is waived and the premium is reduced by 50%.

For more information, contact your local FSA office or visit ***www.fsa.usda.gov/NAP***.

For more information about risk management and crop insurance, visit the NYS Department of Agriculture and Markets website at ***www.agriculture.ny.gov/AP/CropInsurance.html*** or the USDA Risk Management Agency website at ***www.rma.usda.gov***. To discuss or purchase crop insurance, contact a crop insurance agent. To locate an agent, ask a neighbor for a recommendation or use the agent locator tool at ***www.rma.usda.gov/tools/agent.html***.