

# Crop Insurance for Dairy and Livestock Producers

## 2016 Crop Insurance Fact Sheet for New York

*From insuring against weather-related perils to protecting the margin between milk price and feed costs, a range of crop insurance programs can help dairy farmers manage risk.*

**Corn Grain & Silage** crop insurance may provide coverage for unavoidable causes of loss for grain or silage with yield protection or revenue protection with or without harvest price exclusion. Options for insuring silage as grain depend on variety type; only yield coverage is available for silage varieties of corn. The 2015 projected price for corn silage was \$38.50 per ton. The 2015 projected price for grain corn was \$4.15 per bushel. The 2016 insurance-related revenue prices for grain corn are announced the first week of March. Policy costs are federally subsidized; the higher the coverage, the lower the subsidy. Coverage is now available up to 85% of the value of the crop. **Late and prevented planting coverage** is included, and multiple levels of coverage are also available.

The new Farm Bill has changed a key aspect of crop insurance for New York corn growers by adding the Supplemental Coverage Option (SCO). Farmers buying basic crop insurance may decide to increase or replace a portion of their individual coverage above 50% up to 86% with SCO coverage. For farmers with base acres, the ARC or PLC base acre program choice will impact SCO participation.

**Sign-up/policy change date is March 15.**

**Soybean** crop insurance is available in 38 counties in New York. Coverage is for multiple unavoidable causes of loss. **Late and prevented planting**, with multiple levels of coverage, is available. Soybeans may be covered with yield protection or revenue protection. Coverage is now available up to 85% of the value of the crop. The 2015 projected price for soybeans was \$9.73 per bushel.

**Winter wheat** coverage is available in 27 counties, and there is coverage for **winter and spring barley** in 28 counties. The 2015 projected price for wheat was \$5.93 and \$3.41 for winter barley (announced annually in advance of enrollment). SCO is available for winter wheat starting in 2016. **The enrollment date for winter wheat and barley is September 30 for coverage for the following harvest season.**

**Forage Production** insurance provides yield coverage from unavoidable causes of loss. The insured forage crop may be either a stand of pure Alfalfa, or Perennial Grasses in which alfalfa comprises more than 25 percent of the ground cover. Forage production is insurable in eight counties. The coverage for 2015 provided for a guarantee of up to \$215.00 per acre.

**Sign-up/policy change date is September 30.**

### Farmers' Perspectives on Crop Insurance

#### Dairy & Field Crops



**Judi Whittaker**  
Whitney Point, NY

*"Having insurance does give you some peace of mind...Crop insurance is another management tool that gives you a bit more control over your destiny."*

#### Dairy



**Peggy and Lynn Murray**  
Copenhagen, NY

*"Even on our best ground, Mother Nature can win. I would never gamble on a loss, and I would never be without crop insurance"*



**Forage Seeding** coverage is for a forage seed-ing mixture that includes any alfalfa or forage mixture containing at least 50 percent Alfalfa, Clover, Birdsfoot Trefoil, or any other locally recognized and approved forage legume species (by weight). The program is available in eight New York counties. The coverage for 2015 provided a guarantee of up to \$334.00 per acre. **Sign-up/policy change date is March 15 for Spring-seeded Forage and July 31 for Fall- seeded Forage.**

### **No Crop Insurance for Your Crop?**

The Non-Insured Crop Disaster Assistance Program (NAP) is available for nearly every crop in counties where crop insurance is not made available by USDA. This option is avail-able from your county Farm Service Agency. It is much improved, now allowing producers to ‘buy-up” from 50% to 65% coverage and 100% crop value. Crop insurance agents can also seek approval for crop insurance in your county using a “written agreement.” You may wish to compare these two options.

**Hay and Pasture Crop Insurance** for lack of precipitation is available in all New York coun-ties. This Group Risk Protection forage insur-ance program, called the **Pasture, Rangeland, Forage Rainfall Index (PRF)**, was providing from about \$114 to \$366 of protection per acre for hay land with a base value of \$270 per acre for the 2015 growing season. Approximately \$17 to \$60 of protection is available for pasture acres, with base values that vary by county. This insurance coverage is only for a single peril– lack of precipitation. No notice of loss reporting is required; payments are based on the difference between long-term average precipitation and actual precipitation (as reported by NOAA) for every two-month time period insured by the producer, and hay prices in your county. Due to the fact that PRF is only covering lack of precipitation, NAP is available for hay. NAP, the Non-Insured Assistance Program, allows for buy-up protection up to 65% of the crop at 100% of the Farm Service Agency (FSA) value. Crops and grasses intended for

grazing are excluded from NAP buy-up coverage. **Sign-up/policy change date is November 15, 2015 for 2016 protection.**

**The Livestock Gross Margin (LGM)-Dairy** crop insurance policy provides protection against shrinking margins. It is now only available to dairy producers who are not participating in MPP (Margin Protection Program). The LGM-Dairy insurance program covers the difference between the expected gross margin (insurance guarantee) and the actual gross margin for the months the producer selects for coverage, based on the amount of milk the producer chooses to insure. The expected margin is calculated using the Class III milk price minus feed cost (corn and soybean meal or their equivalents), based on Chicago Mercantile Exchange (CME) prices. (LGM does not insure BASIS price differences between local and CME prices). When the actual margin is lower, the policy pays an indemnity. If the actual margin is higher, the farmer’s profit helps offset the insurance premium.

**The enrollment window occurs on the last business Friday and following day of each month, if funding remains available.**

If you would like to learn more about these crop insurance opportunities, you can:

- Visit the NYS Department of Agriculture and Markets crop insurance web page: **[www.agriculture.ny.gov/AP/CropInsurance.html](http://www.agriculture.ny.gov/AP/CropInsurance.html)** to download fact sheets on each type of insurance
- Ask your county cooperative extension office to sponsor a meeting about crop insurance
- Talk to your CCE farm business or dairy management staff person
- Speak with a crop insurance agent to discuss the many ways that crop insurance can help you manage risk on the farm.
- Locate more information and your county office contact information at: **[www.fsa.usda.gov/FSA/](http://www.fsa.usda.gov/FSA/)** Crop insurance agents licensed to sell in New York State are listed on the USDA Risk Management Agency’s website: **[www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html)**



*The New York State Department of Agriculture and Markets has partnered with USDA Risk Management Agency (RMA) to provide crop insurance education to New York State farmers. For more information, please visit the NYS Crop Insurance Education website at [www.agriculture.ny.gov/AP/CropInsurance.html](http://www.agriculture.ny.gov/AP/CropInsurance.html) or call 800-554-4501. The RMA website is: [www.rma.usda.gov](http://www.rma.usda.gov).*

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