How to Use the Cost Estimator
On the RMA website
First, sign onto the RMA website at www.rma.usda.gov
This window will appear.
Under the “Quick Links” heading, click on cost estimator.
This window will appear.
Click on the Detailed Estimate
This screen will appear. For the sake of this demonstration, we’ll use the year 2014, we’re looking at Revenue protection, New York State and Delaware County.
After using the drop downs for each criteria, it will look like this. Next, click the button “Continue”.
This window will appear.
Corn is the only option for Revenue protection in Delaware county. Click “Add Item”
This window will appear. This is where you put in all your farm data.
We’re looking for an estimate for grain corn, so corn will be in the top box; select “grain” in the “Type” row; under practice, select “non-irrigated”. Next...
Put the acreage that you would like to insure in the “reported acres” row (for easy math, we’re typing in 100 acres), we’re keeping the “No” on prevented planting and ”No” under multiple cropping. Next...
If you have 100% share of the crop, the Insured share percent is 1.000, the projected price for 2014 for grain corn is $4.62 with a volatility factor of 0.19. This farm has an approved yield history (APH) of 120 bushels per acre so type in “120” in the “Approved Yield” row. Use the same number (120) in the “Rate Yield” row. Leave the Unit Structure at Optional.
The page will look like this when it is populated with your data. We’re interested in seeing a comparison of Basic Units verses Optional units. To do this...
Click on the “Add Item button”.

This page will appear. Notice the column you had filled out went to “Item 2”. We will now populate “Item 1” with the same information as “Item 2” except we will click the “Basic” radial button on the “Unit structure” line.
The page should look like this. It's important to make sure all the information is the same in the 2 columns (except for the “Unit Structure” line).
Click on the “Get Estimate” button.
This window will appear. Be patient, it takes a minute or two for the information to appear.
This window will appear. It’s showing you the comparison for the Liability amount between Basic Unit (Item 1) and Optional Unit (Item 2). Divide by 100 to get your per acre liability amount.
If you want to see what your (you as the producer) premium would be, click on the “Producer Premium Amount” button.
This window will appear. This shows you what the premium amount would be for Basic Unit (Item 1) verses Optional Unit (Item 2). Divide the amounts by 100 to get your per acre premium amount. For example, at the 70% level, you would pay $19.62/acre if you insured your farm as a Basic Unit and you would pay $23.06/acre if you insured as an optional unit.
A Basic Unit includes all insurable acreage of the insured crop in the county on the date coverage begins for the crop year, in which you have 100% crop share or which is owned by one person and operated by another person on a share basis.
An **Optional Unit** is a subset of a Basic Unit. A Basic Unit may be divided into Optional Units if any of the following are true:

- Acreage of the insured crop in a county:
  - Spans two or more FSA Farm Serial Numbers (FSN) or Sectional Equivalent Units.
  - Is grown on both irrigated and non-irrigated acreage.
  - Is grown with a combination of organic and conventional.

Optional units are not available for crops insured under Catastrophic (CAT) Risk Protection.
The Administrators of the Natural Resources Conservation Service (NRCS), Risk Management Agency (RMA) and Farm Service Agency (FSA) have developed a consistent set of definitions to ensure that USDA policies are coordinated and up to date with evolving cover crop practices. There is a 6-page handout, issued by NRCS, that is to be used for managing cover crops, including for crop insurance purposes. Make sure that your crop insurance company is aware of how you are managing your cover crops. Also make sure your crop insurance agent reviews the cover crop Special Provisions section of your policy.
New York is located in zone 4, the purple zone on the map, comprising most of the Eastern US. In zone 4, your cover crop must be terminated at or within 5 days after planting your insured crop, but before crop emergence. Prevented Planting acres can be planted with a cover crop and the payment is unaffected if you do not graze or harvest before Nov. 1.
Everyone has a risk management plan. For some, it’s hoping for the best. If you have coverage, you should review your coverage level and price election every year to determine if your amount of coverage is adequate to manage your risk for the coming year.
If you don’t have crop insurance or have not registered your crops with the USDA Farm Service Agency’s NAP program, then you may be leaving money on the table, in the event of a difficult production year or a weather-related disaster. If you are looking for profitability in farming, crop insurance and disaster-related crop coverage programs (NAP) can add income when something out of your control causes some level of crop losses.
Additional information can be found at the web sites listed on the slide.
Crop insurance may be able to safeguard some of the income from your annual production when weather and other insured causes of loss occur. It’s the alternative to just hoping for a good year.