New Jersey’s Comprehensive Risk Management Educational Newsletter

Spring 2020

New Jersey Department of Agriculture
WHAT IS CROP INSURANCE??

“Crop Insurance Protects Rural America, Solidifies Popularity as Risk-Management Tool”

“Crop insurance proved to be a critical risk-management tool for America’s farmers in 2019, keeping rural America afloat during what was one of the most difficult years in recent memory. Crop insurance policies protected a record 380 million acres of land, or more than 90 percent of planted acres.” (Article from “Crop Insurance Keeps America Growing”)

Many farmers and producers don’t realize the importance of crop insurance until it’s too late. The United States Department of Agriculture (USDA) with its Risk Management Agency (RMA) has targeted a few states, New Jersey being one of the lucky few, to educate the public on the various polices revolving around crop insurance.

Crop insurance is a shared responsibility by both the federal government and private sectors. This is because if there were unforeseen circumstances such as a government shutdown, farmers are not left unprotected because the private sectors can help maintain their insurance plans.

Crop insurance is very flexible and covers a majority of crops. More than 130 crops are covered and is not only for grain farmers. Crop insurance does not solely cover weather related incidents it also assists in other natural disaster situations. In addition, crop insurance is not restricted to crops. For example, the Whole Farm Revenue Insurance aid diverse farms by covering both their crops and livestock.

The USDA/RMA assure agricultural business to be at ease and strive to make both producers and consumers experience a better sustainable livelihood.

For more information about crop insurance please visit, https://www.rma.usda.gov/
Whole Farm Revenue Protection (WFRP)

The more diverse your farm, the better!

Why WFRP??
- Covers a large range of commodities on the farm under one insurance policy this includes organic commodities, livestock, and those marketing to locals.
- It is available in all 50 states
- Covers up to $8.5 million (with up to $1 mil each for animal/animal products and greenhouse/nursery) but must have at least 3 commodities to receive a whole farm subsidy
- You help establish prices to value commodities (but these must meet expected value guidelines) and marketing contracts can be used within policy limitations.

Coverage
WFRP protects your farm against the loss of farm revenue that you earn/expect to earn from
- Commodities, including Industrial Hemp, you produce during the insurance period
- Commodities you buy for resale during the insurance period
- All commodities on the farm except timber, forest, and forest products
- This policy also covers replants of crops (with approval)

Buying Whole-Farm Revenue Protection
You can buy Whole-Farm Revenue Protection from a crop insurance agent by the sales closing date shown for each county in the actuarial documents at webapp.rma.usda.gov/apps/actuarialinformationbrowser/. A list of crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/en/Information-Tools/Agent-Locator-Page.

- Documents for your crop insurance Agent
  - Five years of previous tax forms (For the 2020 policy year, tax forms from 2014-2018 are required)
  - Information on what will be produced during insurance year (Farm Operation Report)

Important Dates
- Sales Closing, Cancellation, and Termination Dates
  - NEW JERSEY: Calendar Year and Early Fiscal Year Filers........ March 15, 2020
  - NEW JERSEY: Late Fiscal Year Filers ........ November 20, 2020
- Revised Farm Operation Report Dates
  - All Filers ............................................. July 15, 2020
- Contract Change Date ................................ August 31, 2020
  - Talk to your crop insurance agent about the dates that apply for your county.
*You can locate other counties that may not be listed, just visit the Web Actuarial Information.* Below illustrates the actuarial information locator. Complete the entries and click view report to see the eligibilities.

Commodity Year, as used throughout this application, represents Crop Year / Insurance Year as applicable for the commodity.
Beekeepers in New Jersey now have a reliable way to insure their colonies. It is called API – short for Apiculture Pilot Insurance Program and is brought to us by the USDA’s Risk Management Agency (RMA). Through this new program, beekeepers can choose to insure any number of their colonies against losses due to lower than normal rainfall in the geographic area where their colonies are placed. This new insurance tool can be valuable to the state’s beekeepers, allowing them to remain financially sound and ensuring that the many crops, trees and plants in New Jersey will be thoroughly pollinated.

Using the **API Decision tool**, below is an example of how API can help a typical beekeeper in Central New Jersey.

**Protection Factors for Monmouth County, Grid No. 24222:**

- **Coverage Level:** 80%
- **Productivity Factor:** 130%
- **Insurable Interest:** 100%
- **Insured Colonies:** 25
- **Sample Year:** 2018
- **Intervals of Protection:**
  - May-June (40% insured)
  - July-August (60% insured)

**Level of Protection:**

- **Dollar Amount of Protection:** $63.78
- **Total Policy Protection:** $1,595
- **Subsidy Level:** 55%

❖ If interested, the following article offers more details on API: [Bee Culture – API Article](#).
❖ To see how API can be of benefit to your New Jersey colonies, use the [API Decision tool](#).
❖ For more information, reach out to a qualified [Crop Insurance Agent](#).
The following tool is to help you determine your apiculture quote today!

You can select your appropriate county, production level and view graphics to see how you pre-qualify before even speaking with an agent!!

*Actual prices may differ for more information visit [http://api.agforceusa.com/ri](http://api.agforceusa.com/ri)
Hemp APH Insurance Program

In December 2019, the Federal Crop Insurance Corporation Board of Directors approved the Hemp APH Insurance Program. APH is privately administered under section 508(h) of the Federal Crop Insurance Act.

For New Jersey Producers: Although producers cannot purchase crop insurance for hemp this year, they will be able to in 2021. Hemp coverage is also available through Whole Farm; you can find it listed on each county’s commodity list and it includes: Hemp Industrial, Hemp Fiber, Hemp Flower, and Hemp Seeds. In order to be eligible next year, producers must keep 12 months of records showing hemp production, register with the Farm Service Agency (FSA) and the NJ Department of Agriculture.

Eligibility

Hemp producers must comply with…
- Applicable with state laws
- Tribal or federal regulations for hemp production
- Have at least one year of history producing the crop
- Have a processor contract with a processor for the sale of the insured hemp
- Comply with the 2014 Farm Bill or be licensed under a state or federal program. Being a part of a state or university research pilot would satisfy this requirement.

Tetrahydrocannabinol (THC)

The 2018 Farm Bill defines hemp as containing 0.3 percent or less tetrahydrocannabinol (THC) at its dry properties. According to the Hemp Crop Provisions, hemp having THC above the federal statutory compliance level will not be eligible for an insurable cause of loss. Also, hemp does not qualify for replant payments under this policy.

The following Hemp APH Insurance Program materials will be available and may be accessed on the RMA Web site: https://www.rma.usda.gov.
- Hemp Crop Provisions (20-1218)
- Hemp Crop Insurance Standards Handbook (FCIC-20600U)

Important dates for the 2021 crop year:
- Closing dates for the Hemp APH Insurance Program is March 15, 2021
- Producers have until March 16, 2021, to obtain coverage

For more information on federal regulations for hemp visit…

For more information on NJ regulations on hemp visit…
INSURING GRAPES NJ 2020

How it works: Crop insurance is a safety net for farmers that helps you manage risk. If you have a crop failure, crop insurance can help you plant again next year.

Causes for Loss

- Four Counties are insurable for Grapes in New Jersey.

- Excess Moisture
- Drought
- Cold temperatures
- Hail
- Disease
- Freeze
- HOWEVER, freeze on vinifera is not insurable if recognized cultural practices are not carried out.

Find an Agent Use the Agent Locator tool at rma.usda.gov/tools/agent.html
Learn More Find crop insurance information at www.rm.usda.gov
• Over 40 grape varieties are insurable in these counties.

Requirements -
You must grow grapes:

➢ For wine, juice, raisins, or canning (not as table grapes).
➢ That meet the minimum production requirement of 2 T/A in at least 1 of the 3 previous crop years.
➢ That are grown in a vineyard that is inspected and considered acceptable to us.
➢ Native and Hybrid grapes insurable the fourth growing season.
➢ Vinifera grapes insurable the 5th growing season after set out.

Important Insurance Deadlines and Reporting Requirements

Nov. 20, 2019: Sales Closing, Policy Change, Cancellation, Termination Date
Jan. 15, 2020: Acreage / Production Report Date
Aug. 15, 2020: Premium Billing Date
Nov. 20, 2020: End of Insurance Period

A Grower from NY states:
"I have used crop insurance for my vineyard since the 1980s. A spring frost—a frost after the grapes have budded—is devastating for grape growers. When this happened in 2015, I received an indemnity payment. I will always buy crop insurance. There’s too much at stake.” (Provided by RMA’s Education Partner-Cornell University)
Nursery Value Select (NVS) Pilot Program Training for Nursery Stakeholders

Coverage in Alabama, Colorado, Florida, Michigan, Oregon, Tennessee, Texas, Washington, and NEW JERSEY (Available for 2020 in Atlantic, Cape May, Cumberland, and Gloucester Counties only)

❖ NVS is a pilot program that allows coverage for nursery crops (NO CROP IS TOO SMALL TO RECEIVE COVERAGE)
❖ Crop coverage is between 50 to 75 percent and premiums are subsidized (shown by the table)
❖ NVS is an asset-based insurance
❖ Producers may choose which crops to insure, however, they must meet certain requirements such that
   o It receives 40% of its gross income from the wholesale marketing of nursery plants
   o Is grown to standards set by the program
   o Grown and sold with roots

Nursery plants may not be insurable if:
❖ Grown in containers containing two or more different genera or species
❖ Any plant that is classified by a state or county as illegal to grow or sell
❖ They are grown solely for harvest of buds, flowers, or greenery

The Following situations are not covered:
❖ Collapse or failure of buildings/structures
❖ Disease or insect infestation
❖ Failure of plants to grow to a standard size set by federal regulations
❖ Inadequate power supply, unless such inadequacy is a result of an insurable cause of loss; and
❖ Inability to market nursery products due to a stop sales order, quarantine, etc...

Protected Against (Losses incurred must be reported to agent within 72 hours)
❖ Adverse Weather (droughts)
❖ Failure of irrigation water supply if due to an insurable cause of loss
❖ Fire
❖ Wildlife
❖ Natural disasters

Important Dates
For Alabama, Florida, New Jersey and Texas:
❖ Sales Closing/Cancellation .......... May 1, 2020
❖ Contract Change Date .......... January 31, 2021
❖ Insurance Period Begins .......... June 1, 2020

For more information see: https://www.rma.usda.gov/en/Topics/Nursery/Nursery-Value-Select
Sweet Corn Processing

Processing Corn can only be insured if...

➢ The acreage is reported (acreage report)
➢ Is established under a contract
➢ The contract is compiled throughout the year

*Available is Maryland, Delaware, Pennsylvania, New York, and now in NEW JERSEY (CUMBERLAND and SALEM COUNTIES)

➢ The NJ maximum insurable contract price for 2020 is...
  o $179.00 for conventional
  o $268.00 for organic

Insurance Period
Coverage begins when the processing sweet corn is planted and Ends with:

➢ Destruction of the crop
➢ Abandonment of the crop
➢ Completion of harvest
➢ The date the processing sweet corn should have been harvested
  o but was not harvested;
➢ Adjustments of a claim
  o September 20

Causes of Loss

Protected from:

➢ Wildlife.
➢ Adverse Weather conditions such as frost, wind, drought
➢ Fire
➢ Insect damage and plant disease except for improper application of control measures
➢ Failure of irrigation water supply, if caused by an insured peril during the insurance period.

Important Dates

Sales Closing Date........................March 15, 2020
Acreage Reporting Date.....................July 15, 2020

*For more information on how to purchase a policy, contact your local crop insurance agent or check out the RMA website at https://www.rma.usda.gov/Information-Tools/Agent-Locator-Page. NO CROPS LEFT BEHIND!!!
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