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*Spring 2020*

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# New Jersey's Comprehensive Risk Management Educational Newsletter



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 policies 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/](http://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](http://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.

## Actuarial Information Browser 2017

Home

- ▶ AIB Landing Page
- ▶ AIB 2011
- ▶ AIB 2012
- ▶ AIB 2013
- ▶ AIB 2014
- ▶ AIB 2015
- ▶ AIB 2016
- ▶ AIB 2017
  - ◊ Crop
  - ◊ Livestock Gross Margin
  - ◊ Livestock Risk Protection
  - ◊ Rainfall Index
  - ◊ Vegetation Index
- ▶ AIB 2018
- ▶ AIB 2019
- ▶ AIB 2020
- ▶ AIB 2021
- ▶ Agent Locator
- ▶ Cost Estimator
- ▶ Price Discovery
- ▶ Livestock Reports
- ▶ RIRS System

Information Tools > AIB 2017 > Crop



### Crop

Commodity:

Commodity Year:

Insurance Plan:

State:

County:

View Report

Commodity Year, as used throughout this application, represents Crop Year / Insurance Year as applicable for the commodity.



## Apiculture Pilot Insurance Program

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>

## Decision Support Tool

Apiculture

This tool is for illustration purposes only. Your actual information may differ. For additional information, please [click here](#).

Rainfall

Vegetation

Please Select a Location: State: New Jersey County: Monmouth Grid: 24222 [Grid Locator](#) [Print](#)

**Protection Information** ?

Coverage Level (%): 80

Productivity Factor (%): 130

Insurable Interest (%): 100

Insured Colonies: 25

Sample Year: 2018

Table

Graph

Index Interval	Percent of Value (%)	Policy Protection per Unit	Premium Rate per \$100	Total Premium	Premium Subsidy	Producer Premium	Actual Index Value	Indemnity
Jan-Feb		\$0	6.38	\$0	\$0	\$0	92.1	\$0
Feb-Mar		\$0	6.15	\$0	\$0	\$0	94.2	\$0
Mar-Apr		\$0	7.03	\$0	\$0	\$0	59.3	\$0
Apr-May	N/A	\$0	6.85	\$0	\$0	\$0	86.2	\$0
May-Jun	40	\$638	8.72	\$56	\$31	\$25	105.4	\$0
Jun-Jul	N/A	\$0	8.90	\$0	\$0	\$0	89.7	\$0
Jul-Aug	60	\$957	8.66	\$83	\$46	\$37	75.4	\$55
Aug-Sep	N/A	\$0	11.03	\$0	\$0	\$0	120.9	\$0
Sep-Oct		\$0	9.58	\$0	\$0	\$0	155.8	\$0
Oct-Nov		\$0	8.65	\$0	\$0	\$0	157.7	\$0
Nov-Dec		\$0	9.84	\$0	\$0	\$0	129.8	\$0
Per Col	N/A	N/A	N/A	\$5.54	\$3.08	\$2.46	N/A	\$2.20
Policy Total	25	\$1,595	N/A	\$139	\$77	\$62	N/A	\$55

County Base Value	\$61.33	Calculate
Dollar Amount of Protection	\$63.78	
Total Insured Colonies	25	
Total Policy Protection	\$1,595	
Subsidy Level	55%	
Maximum Percent of Value per Index Interval	60.0%	

**Graph** ?

Type:

Index Values  Estimated Indemnities

Range:

Start 2015 End 2019

Intervals:

Jan-Feb  Feb-Mar  Mar-Apr  
 Apr-May  May-Jun  Jun-Jul  
 Jul-Aug  Aug-Sep  Sep-Oct  
 Oct-Nov  Nov-Dec



# 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...

<https://www.fsa.usda.gov/news-room/news-releases/2020/usda-announces-details-of-risk-management-programs-for-hemp-producers>

## For more information on NJ regulations on hemp visit...

- [https://www.nj.gov/agriculture/divisions/pi/prog/nj\\_hemp.html](https://www.nj.gov/agriculture/divisions/pi/prog/nj_hemp.html)



# INSURING GRAPES NJ 2020

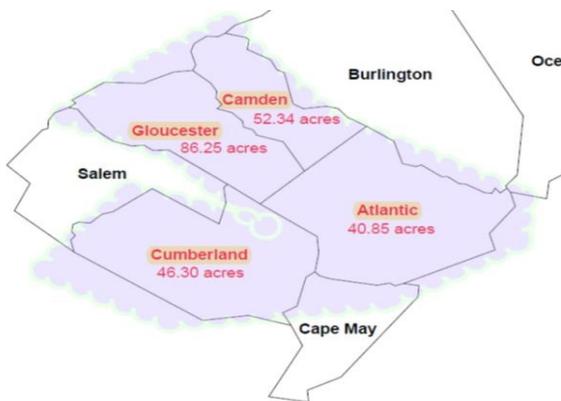


**How it works:** Crop insurance is a safety net for farmers that helps you manage risk. If you have a crop failure, crop insurance can help you plant again next year.



## 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](http://rma.usda.gov/tools/agent.html)  
 Learn More Find crop insurance information at [www.rm.usda.gov](http://www.rm.usda.gov)

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

## NYS Grape Crop Insurance Performance



# *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 RECIEVE 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
  - It receives 40% of its gross income from the wholesale marketing of nursery plants
  - Is grown to standards set by the program
  - Grown and sold with roots

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

### **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

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



- The NJ maximum insurable contract price for 2020 is...
  - \$179.00 for conventional
  - \$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
  - but was not harvested;
- Adjustments of a claim
  - 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-](https://www.rma.usda.gov/Information-Tools/Agent-Locator-Page)

Page . **NO CROPS LEFT BEHIND!!!**



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