Specialty Crops Production Workshop:
& Risk Management Tools for Producers

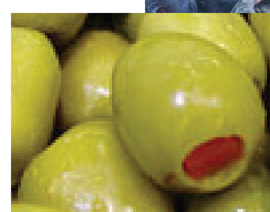
How much risk is right for you?

The University of California Cooperative Extension, in collaboration with the USDA Risk Management Agency, RightRisk, and the San Diego County Farm Bureau invite you to join us for a workshop on Specialty Crop Production and Risk Management Tools for producers in Southern California. The workshop will explore the challenges and opportunities selecting and growing specialty crops and improve your ability to manage the associated risks to help you and your farm thrive in today's challenging environment.

Tuesday, June 16th 2015
7:00 a.m. - 5:00 p.m.

San Diego County Farm Bureau
1670 East Valley Parkway | Escondido, CA 92127

~ Spanish Translation Available on Request ~



7:00 am	**Registration & Continental Breakfast**
7:50 am	Welcome & Workshop Overview - *Ramiro Lobo, Farm Advisor, UCCE San Diego County*
8:00 am	San Diego County Water, Pests and Regulatory Update – *Eric Larson, San Diego County Farm Bureau*
8:30 am	Pitahaya or Dragon Fruit - *Ramiro Lobo, UCCE San Diego County*
9:00 am	Olives and Olive Oil – *Thom Curry, olive and olive oil expert*
9:40 am	**Break**
10:00 am	Wine Grapes - *Alex McGeary, Shadow Mountain Vineyards*
10:40 am	Blueberries - *Manuel Jimenez, UCCE Tulare County*
11:20 am	Blackberries – *Oleg Daugovish, Farm Advisor - Ventura County*
12:00 pm	**Lunch *(Included with Registration)***
1:00 pm	Cherimoyas & Other Minor Crops – *Gary Bender, UCCE San Diego*
1:30 pm	Water Use & Irrigation Efficiency – *Jose Fernandez de Soto, UC Hansen REC*
2:00 pm	Fertility Management for Specialty Crops - *Jose A. Gomez - AGQ Labs*
2:30 pm	Risk Management Tools & Strategies for Specialty Crops - *John Hewlett, Extension Economist, University of Wyoming*
3:00 pm	**Break**
3:15 pm	The Enterprise Risk Analyzer: Comparing & Selecting Crop Alternatives - *John Hewlett, Extension Economist, University of Wyoming*
4:30 pm	Workshop Evaluation, Future Programs, Adjourn – *Ramiro Lobo, UCCE San Diego County*

Registration/Fee:

$40 if paid online or postmarked by June 8 or $50 thereafter.
Please register online: http://ucanr.edu/2015-spcropsworkshop to secure a space and to help us plan for meals and handouts.
The registration fee covers handout materials, refreshments, and lunch.

Information:

For more information or to request special accommodations, including Spanish translation, please call 858-822-7711 for details about the program or for information on how to register by phone or mail.

RightRisk™

http://eRightRisk.com

University of California Agriculture and Natural Resources

RMA USDA

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Project Director John Mangus, Custom Ag Solutions

2014 California Crop Insurance Profile

Insurance Plans Available in CALIFORNIA

Insurable Crops	Insured Acres	Total Acres	Percent Insured
Alfalfa Seed	11,795	36,280	33%
Almonds	721,275	860,000	84%
Apples	5,562	15,200	37%
Avocados	36,130	55,261	65%
Barley	38,635	95,000	41%
Blueberries	3,771	4,542	83%
Cherries	29,063	40,414	72%
Citrus – 8 types of fruit	229,451	270,000	85%
Corn	184,830	430,000	43%
Cotton & ELS Cotton	309,372	315,000	98%
Beans (Dry)	25,972	47,500	55%
Figs	4,076	7,351	55%
Forage Production	144,193	930,000	16%
Grapes (Table)	81,427	95,000	86%
Grapes (Wine)	498,428	570,000	87%
Grain Sorghum	3,328	4,570	73%
Mint	1,641	2,000	82%
Oats	3,624	10,000	36%
Olives	25,557	42,779	60%
Onions	19,570	43,900	45%
Pears	8,455	11,600	73%
Pecans	1,370	3,600	38%
Pistachios	90,097	203,000	44%
Potatoes	23,680	33,500	71%
Prunes	45,972	50,000	92%
Rice	478,856	495,000	97%
Rice (Cultivated Wild)	12,444	13,000	96%
Safflower	35,268	55,000	64%
Stonefruit (Includes Plums)	70,125	102,073	69%
Strawberries	26	41,500	1%
Sugar Beets	4,454	24,500	18%
Tomatoes (Fresh)	11,313	28,000	40%
Tomatoes (Processing)	278,058	288,000	97%
Walnuts	148,497	290,000	51%
Wheat	271,829	585,000	46%

Dollar Liability Program	Total Dollar Liability
Adjusted Gross Revenue	$35,427,458
Apiculture (Rainfall Index)	$28,811,523
Forage Seeding	$2,288,715
Livestock Gross Margin (LGM) Dairy	$58,023,160
Livestock Risk Protection (LRP) Feeder Cattle and Lamb	$11,994,519
Nursery	$140,832,241
Pasture, Rangeland, Forage (Rainfall Index)	$41,605,195
Raisins	$196,617,340

Crop Pilot Programs

Program	County Availability
Adjusted Gross Revenue	Fresno, Kern, Riverside, San Diego, San Joaquin, San Luis Obispo, Tulare, and Ventura Counties
Apiculture (Rainfall Index)	All Counties
Avocados	Orange, Riverside, San Diego, San Luis Obispo, Santa Barbara, and Ventura Counties
Cherries	Butte, Contra Costa, Fresno, Kern, Kings, Madera, Merced, Placer, Sacramento, San Benito, Santa Clara, San Joaquin, Stanislaus, Sutter, Tulare, and Yuba Counties
Forage (Alfalfa) Seed	Kings and Fresno Counties
Strawberries	Fresno, Merced, Monterey, Santa Barbara, Santa Cruz, and Ventura Counties
Citrus Dollar (Navels)	Fresno, Kern, Madera, and Tulare Counties
PRF (Rainfall Index)	All Counties
Olives	Butte, Colusa, Fresno, Glenn, Tehama, Kern, Madera, San Joaquin, Shasta, Stanislaus, Sutter, Tulare, Yolo
Pistachios	Alameda, Butte, Colusa, Contra Costa, Fresno, Glenn, Kern, Kings, Madera, Merced, Riverside, San Benito, San Bernardino, San Joaquin, San Luis Obispo, Santa Barbara, Stanislaus, Sutter, Tehama, Tulare, Yolo, Yuba Counties

Regional Office
Contact: Jeff Yasui, Director
Address: 430 G Street
#4168
Davis, CA 95616
Phone: (530) 792-5870
Fax: (530) 792-5893
E-Mail: jeff.yasui@rma.usda.gov

Western Regional Compliance Office

Contact: Susan Choy, Director
Address: 430 G Street
#4167
Davis, CA 95616
Phone: (530) 792-5850
Fax: (530) 792-5865
E-Mail: susan.choy@rma.usda.gov

Data as of January 2014

California
Fifteen Year Crop Insurance History

Year	Policies Earning Premium	Net Acres Insured	Liability	Gross Premium	Losses	Loss Ratio
2000	29,191	4,278,811	2,796,253,781	143,343,081	92,359,660	0.64
2001	27,958	4,010,128	2,690,254,801	142,519,840	117,359,756	0.82
2002	27,200	3,920,007	2,833,618,262	146,356,279	79,069,948	0.54
2003	26,471	3,990,438	2,951,841,797	150,191,677	79,366,135	0.53
2004	25,629	3,908,123	3,153,568,412	157,913,694	83,152,323	0.53
2005	24,859	3,818,813	3,317,832,621	168,995,411	92,497,107	0.55
2006	24,490	3,732,668	3,658,867,941	186,617,268	88,506,353	0.47
2007	24,207	3,780,829	3,708,288,115	187,455,253	154,139,100	0.82
2008	24,074	3,810,375	3,911,645,612	197,920,945	89,455,031	0.45
2009	24,723	3,932,306	4,648,316,411	243,273,227	177,694,925	0.73
2010	24,649	3,752,230	4,493,432,544	219,282,609	111,142,020	0.51
2011	24,726	4,062,207	4,792,588,280	248,898,972	110,209,054	0.44
2012	25,462	4,600,044	5,394,444,735	260,903,031	112,207,209	0.43
2013	25,408	5,238,284	6,135,260,032	288,391,743	129,091,231	0.45
2014*	26,300	6,765,108	7,720,921,518	392,164,580	302,683,204	0.77

* 2014 numbers are incomplete

NOTE: To see detailed information on the above 15 Year Crop Insurance History by County, go to RMA's Summary of Business Application at: http://prodwebnlb.rma.usda.gov/apps/SummaryOfBusiness.

United States Department of Agriculture

A Risk Management Agency Fact Sheet

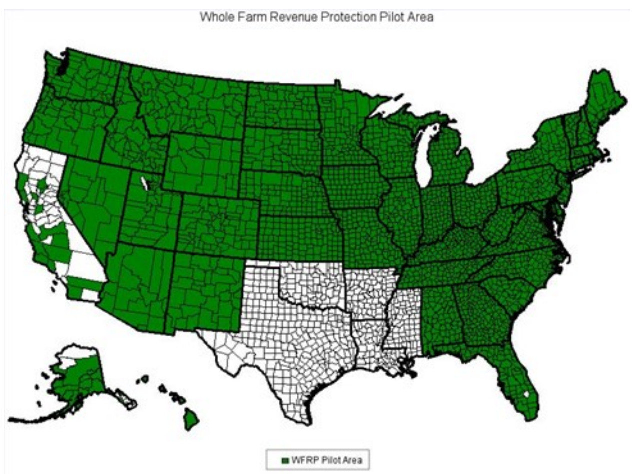
Whole-Farm Revenue Protection for Federal Crop Insurance

November 2014

Whole-Farm Revenue Protection

Whole-Farm Revenue Protection (WFRP) provides a risk management safety net for all commodities on the farm under one insurance policy. This insurance plan is tailored for any farm with up to $8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets.

Availability



Causes of Loss

WFRP provides protection against the loss of insured revenue due to an unavoidable natural cause of loss, that occurs during the insurance period and will also provide carryover loss coverage if you are insured the following year. See the policy for a list of covered causes of loss.

Important Dates

Sales Closing, Cancellation, & Termination Dates
County Specific …………….... February 28 or March 15
Revised Farm Operation Report Dates
Calendar Year Filers ………..………………….. July 15
Early Fiscal Year Filers …………..……………. July 15
Late Fiscal Year Filers: Fiscal Year Begins:
August or September …. 30 days after start of fiscal year
October, November, or December ………… October 31
Contract Change Date ……..…….…………. August 31

Talk to your crop insurance agent about the dates that apply for your county.

Insurance Year

The insurance year is a calendar year if taxes are filed by calendar year, or a fiscal year if taxes are filed on a fiscal year.

Reporting Requirements

Revenue Losses - You must submit a notice of loss within 72 hours after discovery that revenue for the insurance year could be below the insured revenue. Inspections may be required for losses. You must have filed farm taxes for the insurance year before any claim can be made. You must make claims no later than 60 days after the date you submit farm tax forms to the Internal Revenue Service (IRS). Claim payments for a revenue loss under WFRP are paid within 30 days after the determination of a payment due as long as you are in compliance with the policy.

Coverage

WFRP protects your farm against the loss of farm revenue that you expect to earn or will get from:

- Commodities you produce during the insurance period, whether they are sold or not;
- Commodities you buy for resale during the insurance period; and
- All commodities on the farm except timber, forest, and forest products; and animals for sport, show, or pets.

The policy also provides replant coverage:

- For annual crops, except those covered by another policy;
- Equal to the cost of replanting up to a maximum of 20 percent of the expected revenue; and
- When 20 percent or 20 acres of the crop needs to be replanted.

The approved revenue amount is determined on your Farm Operation Report and is the lower of the expected revenue or your whole-farm historic average revenue. Coverage levels range from 50 percent to 85 percent. Catastrophic Risk Protection (CAT) coverage is not available. The number of commodities produced on the farm are counted using a calculation that determines:

- If the farm has the diversification needed to qualify for the 80 and 85 percent coverage levels (there is a 3 commodity requirement);

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

- The amount of premium rate discount you will receive due to farm diversification; and
- To determine the subsidy amount farms with 2 or more commodities will receive whole-farm subsidy and farms with one commodity will receive a basic subsidy.

You can buy WFRP alone or with other buy-up level (additional) Federal crop insurance policies. When you buy WFRP with another policy, the WFRP premium is reduced due to the coverage provided by the other policy. If you have other Federal crop insurance policies at catastrophic levels of coverage you do not qualify for WFRP.

WFRP 'insured revenue' is the total amount of insurance coverage provided by this policy. Your crop insurance agent and approved insurance provider determine the farm's 'approved revenue' using the following information:

- Whole-Farm History Report;
- Farm Operation Report:
- Information regarding growth of the farm; and
- The coverage level you choose (50-85 percent) multiplied by the approved revenue is the insured revenue amount.

Coverage Level	Commodity Count (Minimum Required)	Maximum Farm Approved Revenue
85	3	$10,000,000
80	3	$10,625,000
75	1	$11,333,333
70	1	$12,142,857
65	1	$13,067,923
60	1	$14, 166,167
55	1	$15,454,545
50	1	$17,000,000

The Commodity Count in the table above is a measure of the farm's diversification, determined by the policy. The calculation determines the minimum proportion of revenue a commodity must contribute to the farm to be considered a commodity for WFRP. A farm's revenue would be evenly distributed if an equal percentage of revenue came from each commodity produced, for example, 25 percent from corn, 25 percent from soybeans, 25 percent from spinach and 25 percent from carrots. The minimum proportion to be considered a countable commodity is one-third of that amount. Therefore, in this example, for corn, soybeans, spinach, or carrots to each county, each commodity would have to make up at least 8.3 percent of the total revenue of the farm to count as a commodity under WFRP. Commodities with revenue below the minimum will be grouped together in order to recognize farm diversification (this will make the commodity count higher). The Maximum Farm Approved Revenue represents the maximum approved revenue for a farm to be eligible for WFRP given the $8.5 million maximum liability allowed.

Eligibility

Eligibility for WFRP coverage requires you to:

- Be eligible to receive Federal benefits;
- Be a U.S. citizen or resident;
- File either a Schedule F tax form or other farm tax form that can be converted to a Substitute Schedule F;
- Have 5 consecutive years of farm tax history (for the 2015 WFRP insurance year, farm tax records from 2009-2013 must be available);
- Produce at least 50 percent of your agricultural commodities in counties where WFRP is available and the balance in neighboring counties;
- Have no more than $8.5 million in insured revenue, which is the farm revenue allowed to be insured under the policy multiplied by the coverage level you select (see table above)
- Have no more than 50 percent of total revenue from commodities purchased for resale;
- Have 'buy-up' coverage levels on any Federal crop insurance plans you choose with the WFRP insurance plan.
- Meet the diversification requirements of the policy by having two or more commodities if a commodity you are raising has revenue protection or actual revenue history insurance available; and
- Meet the diversification requirements of the policy by having two or more commodities if there are potatoes on the farm.

Information You Provide

There are certain documents you must provide to your crop insurance agent to get Whole-Farm Revenue Protection insurance. For the Whole-Farm History Report you must provide:

- 5 consecutive years of Schedule F or other farm tax forms (it must be possible to complete a Substitute Schedule F form if you filed farm tax forms other than Schedule F). For the 2015 insurance year, tax forms from 2009-2013 are required;

- If the farm operation has physically expanded in the last few years, information supporting the expansion if you want the farm to be considered as an expanding operation (your insurance company has the discretion to approve this or not); and
- Any supporting information required, including other signed tax forms, to show the farm tax forms are accurate and were filed with the IRS.

Growing Farm Operations

Operations that have been expanding over time may be allowed to increase their approved revenue amount based on an indexing procedure, or, if you can show that your operation has physically expanded (land, animals, facilities) so it has the potential to produce at least 10 percent more revenue than the historic average, your insurance company may approve your operation as an expanding operation to reflect that growth in the insurance guarantee.

Prices

Prices used to value commodities must be based on the guidelines for prices in the policy. Organic prices that meet the policy requirements are allowed for valuing organic commodities.

Market Readiness Operations and Post Production Costs

On-farm activities that occur in the field or in close proximity to the field, are the minimum required to remove the commodity from the field, and make it market ready are considered to be market readiness operations and can be left in the allowable revenue and expenses. The cost from all post production operations that are not considered market readiness operations must be adjusted out of the allowable revenue and expenses, including activities that increase the value of a commodity such as canning, freezing, and processing activities.

Losses Under Whole Farm Revenue Protection

Claims are settled after taxes are filed for the insurance year. A loss under the WFRP policy occurs when the WFRP revenue-to-count for the insured year falls below the WFRP insured revenue. Revenue-to-count for the insured year is:

- Revenue from the tax form that is ‘approved revenue’ according to the policy;
- Adjusted by excluding inventory from commodities sold that were produced in previous years;
- Adjusted by including the value of commodities produced that have not yet been harvested or sold; and
- Any other adjustments required by the policy such as those from uninsured causes of loss.

If the farm operation does not have expenses during the insurance year of at least 70 percent of the “approved expenses” the insured revenue amount will be reduced by 1 percent for each percentage point the actual approved expenses are below 70 percent of the approved expenses.

Premium Subsidy

Farms with two or more commodities will receive a whole -farm premium subsidy as long as the minimum diversification requirements are met. Farms with one commodity will receive the basic level of premium subsidy.

Buying Whole Farm Revenue Protection

You can purchase 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/actuarialinformationbrowser2015CropCriteria.aspx. A list of crop insurance agents is available at all USDA service centers and on the RMA website at: www3.rma.usda.gov/apps/agents/.

Contact Us

USDA/RMA
Mail Stop 0801
1400 Independence Ave., SW
Washington, DC 20250
Phone: (202) 690-2803
Fax: (202) 690-2818
Website: www.rma.usda.gov
E-mail: RMA.CCO@rma.usda.gov

Download Copies from the Web

Visit our online publications/fact sheets page at: www.rma.usda.gov/pubs/rme/fctsht.html.

The Noninsured Crop Disaster Assistance Program for 2015 and Subsequent Years

OVERVIEW

The Noninsured Crop Disaster Assistance Program (NAP), reauthorized by the 2014 Farm Bill and administered by the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA), provides financial assistance to producers of noninsurable crops to protect against natural disasters that result in lower yields or crop losses, or prevents crop planting.

ELIGIBLE PRODUCERS

An eligible producer is a landowner, tenant or sharecropper who shares in the risk of producing an eligible crop and is entitled to an ownership share of that crop. The 2014 Farm Bill specifies that an individual or entity's average adjusted gross income (AGI) cannot exceed $900,000 to be eligible for NAP payments.

ELIGIBLE CROPS

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available and be any of the following:

- Crops grown for food;
- Crops planted and grown for livestock consumption, such as grain and forage crops, including native forage;
- Crops grown for fiber, such as cotton and flax (except trees);
- Crops grown in a controlled environment, such as mushrooms and floriculture;
- Specialty crops, such as honey and maple sap;
- Sea oats and sea grass;
- Sweet sorghum and biomass sorghum;
- Industrial crops, including crops used in manufacturing or grown as a feedstock for renewable biofuel, renewable electricity, or biobased products;
- Value loss crops, such as aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod; and
- Seed crops where the propagation stock is produced for sale as seed stock for other eligible NAP crop production.

Producers should contact a crop insurance agent for questions regarding insurability of a crop in their county. For further information on whether a crop is eligible for NAP coverage, producers should contact the FSA county office where their farm records are maintained.

ELIGIBLE CAUSES OF LOSS

Eligible causes of loss include the following natural disasters:

- Damaging weather, such as drought, freeze, hail, excessive moisture, excessive wind or hurricanes;
- Adverse natural occurrences, such as earthquake or flood; and
- Conditions related to damaging weather or adverse natural occurrences, such as excessive heat, plant disease, volcanic smog (VOG) or insect infestation.

The natural disaster must occur during the coverage period, before or during harvest, and must directly affect the eligible crop.

COVERAGE LEVELS

NAP provides catastrophic level (CAT) coverage based on the amount of loss that exceeds 50 percent of expected production at 55 percent of the average market price for the crop.

The 2014 Farm Bill authorizes additional coverage levels ranging from 50 to 65 percent of production, in 5 percent increments, at 100 percent of the average market price. Additional coverage must be elected by a producer by the application closing date. Producers who elect additional coverage must pay a premium in addition to the service fee. Crops intended for grazing are not eligible for additional coverage.

APPLYING FOR COVERAGE

Eligible producers must apply for coverage using form CCC-471, "Application for Coverage," and pay the applicable service fee at the FSA office where their farm records are maintained. The application and service fee must be filed by the application closing date. Application closing dates vary by crop and are established by the FSA State Committee.

Producers who apply for NAP coverage acknowledge that they have received the NAP Basic Provisions, available at FSA county offices and at www.fsa.usda.gov/nap.

SERVICE FEES AND PREMIUMS

For all coverage levels, the NAP service fee is the lesser of $250 per crop or $750 per producer per administrative county, not to exceed a total of $1,875 for a producer with farming interests in multiple counties.

Producers who elect additional coverage must also pay a premium equal to:

- The producer's share of the crop; times
- The number of eligible acres devoted to the crop; times
- The approved yield per acre; times
- The coverage level; times
- The average market price; times
- A 5.25 percent premium fee.

For value loss crops, premiums will be calculated using the maximum dollar value selected by the producer on form CCC-471, "Application for Coverage."

The maximum premium for a producer is $6,562.50 (the maximum payment limitation times a 5.25 percent premium fee).

Beginning, limited resource, and traditionally underserved farmers are eligible for a waiver of the service fee and a 50 percent premium reduction when they file form CCC-860, "Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification." To be eligible for a service fee waiver or premium reduction, producers must qualify as one of the following:

<u>Beginning farmer</u> – a person who:

- Has not operated a farm or ranch for more than 10 years, and
- Materially and substantially participates in the operation.

For legal entities to be considered a beginning farmer, all members must be related by blood or marriage and must be beginning farmers.

<u>Limited resource farmer</u> – a person or legal entity that:

- Earns no more than $176,800 in each of the two calendar years that precede the complete taxable year before the program year, to be adjusted upwards in later years for inflation; and
- Has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income for both of the previous two years.

Limited resource producer status may be determined using the USDA Limited Resource Farmer and Rancher Online Self Determination Tool located at www.lrftool.sc.egov.usda.gov. The automated system calculates and displays adjusted gross farm sales per year and the higher of the national poverty level or county median household income.

<u>Socially disadvantaged farmer</u> – these traditionally underserved farmers are a member of a group whose members have been subject to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. Groups include:

- American Indians or Alaskan Natives;
- Asians or Asian Americans;
- Blacks or African Americans;
- Native Hawaiians or other Pacific Islanders;
- Hispanics; and
- Women.

For legal entities to be considered socially disadvantaged, the majority interest must be held by socially disadvantaged individuals.

COVERAGE PERIOD

The coverage period for NAP varies depending on the crop.

The coverage period for an annual crop begins the later of:

- 30 days after application for coverage and the applicable service fees have been paid; or
- The date the crop is planted (cannot exceed the final planting date).

The coverage period for an annual crop ends the earlier of the:

- Date the crop harvest is completed;
- Normal harvest date for the crop;
- Date the crop is abandoned; or
- Date the entire crop acreage is destroyed.

The coverage period for a perennial crop, other than a crop intended for forage, begins 30 calendar days after the application closing date and ends the earlier of:

- 10 months from the application closing date;
- The date the crop harvest is completed;
- The normal harvest date for the crop;
- The date the crop is abandoned; or
- The date the entire crop acreage is destroyed.

Contact a local FSA office for information on the coverage periods for perennial forage crops, controlled-environment crops, specialty crops, and value loss crops.

INFORMATION REQUIRED TO REMAIN ELIGIBLE FOR NAP

To be eligible for NAP assistance, the following crop acreage information must be reported:

- Name of the crop (lettuce, clover, etc.);
- Type and variety (head lettuce, red clover, etc.);
- Location and acreage of the crop (field, sub-field, etc.);
- Share of the crop and the names of other producers with an interest in the crop;
- Type of practice used to grow the crop (irrigated or non-irrigated);
- Date the crop was planted in each field; and
- Intended use of the commodity (fresh, processed, etc.).

Producers should report crop acreage shortly after planting (early in the risk period) to ensure reporting deadlines are not missed and coverage is not lost.

In addition, producers with NAP coverage must provide the following production information:

- The quantity of all harvested production of the crop in which the producer held an interest during the crop year;
- The disposition of the harvested crop, such as whether it is marketable, unmarketable, salvaged or used differently than intended; and
- Verifiable or reliable crop production records (when required by FSA).

When those records are required, producers must provide them in a manner that can be easily understood by the FSA county committee. Producers should contact the FSA office where their farm records are maintained for questions regarding acceptable production records.

Failure to report acreage and production information for NAP-covered crops may result in reduced or zero NAP assistance. Be aware that acreage reporting and final planting dates vary by crop and by region. Producers should contact the FSA office where their farm records are maintained for questions regarding local acreage reporting and final planting dates.

For aquaculture, floriculture and ornamental nursery operations, producers must maintain records according to industry standards, including daily crop inventories. Unique reporting requirements apply to beekeepers and producers of Christmas trees, turf-grass sod, maple sap, mushrooms, ginseng, and commercial seed or forage crops. Producers should contact the FSA office where their farm records are maintained regarding these requirements.

REPORTED ACREAGE AND PRODUCTION

FSA uses acreage reports to verify the existence of the crop and to record the number of acres covered by the application. The acreage and the production reports are used to calculate the approved yield (expected production for a crop year). The approved yield is an average of a producer's actual production history (APH) for a minimum of four to a maximum of 10 crop years (five years for apples and peaches). To calculate APH, FSA divides a producer's total production by the producer's crop acreage.

A producer's approved yield may be calculated using substantially reduced yield data if the producer does not report production for a crop with NAP coverage, or reports fewer than four years of crop production.

Beginning with the 2015 crop year, FSA has changed the production reporting requirements to avoid penalizing producers for years when they do not participate in NAP and do not report their production. Those producers will no longer receive an assigned yield or zero-credited yield in their actual production history (APH) for that year. Producers may also request replacement of assigned yields and zero-credited yields in their APH for the 1995 through 2014 crop years with the higher of 65 percent of the current crop year T-yield or the missing crop year's actual yield.

PROVIDING NOTICE OF LOSS AND APPLYING FOR PAYMENT

When a crop or planting is affected by a natural disaster, producers with NAP coverage must notify the FSA office where their farm records are maintained and complete Part B (the Notice of Loss portion) of form CCC-576, "Notice of Loss and Application for Payment." This must be completed within 15 calendar days of the earlier of:

- A natural disaster occurrence;
- The final planting date if planting is prevented by a natural disaster;
- The date that damage to the crop or loss of production becomes apparent; or
- The normal harvest date.

Producers of hand-harvested crops and certain perishable crops must notify FSA within 72 hours of when a loss becomes apparent. The crops subject to this requirement will be listed in the NAP Basic Provisions.

To receive NAP benefits, producers must complete form CCC-576, "Notice of Loss and Application for Payment," Parts D, E, F, and G, as applicable, within 60 days of the last day of coverage for the crop year for any NAP covered crop in the unit. The CCC-576 requires acceptable appraisal information. Producers must provide evidence of production and note whether the crop was marketable, unmarketable, salvaged, or used differently than intended.

DEFINING A NAP UNIT

The NAP unit includes all the eligible crop acreage in the county where the producer has a unique crop interest. A unique crop interest is either:

- 100 percent interest; or
- A shared interest with another producer.

INFORMATION FSA USES TO CALCULATE A PAYMENT

The NAP payment is calculated by unit using:

- Crop acreage;
- Approved yield;
- Net production;
- Coverage level elected by the producer;
- An average market price for the commodity established by the FSA state committee; and
- A payment factor reflecting the decreased cost incurred in the production cycle for a crop that is not harvested or prevented from being planted.

For value loss crops with additional coverage, payments will be calculated using the lesser of the field market value of the crop before the disaster or the maximum dollar value for which the producer requested coverage at the time of application.

PAYMENT LIMITATION

NAP payments received, directly or indirectly, will be attributed to the applicable individual or entity and limited to $125,000 per crop year, per individual or entity.

COMMENTS AND SUGGESTIONS

FSA also wants to hear from producers and other interested stakeholders who may have suggestions or recommendations on the program. Written comments will be accepted *until Feb. 13, 2015* and can be submitted through www.regulations.gov.

MORE INFORMATION

Further information on NAP is available from your local FSA office at offices.usda.gov or on FSA's website at www.fsa.usda.gov/nap.

Sources of Risk in Agriculture – *Ag Risk 5*

1. Marketing/Price Risk
2. Production Risk
3. Institutional/Legal Risk
4. Human Risk
5. Financial Risk

RightRisk Analytics

- Risk Scenario Planner
  - *relatively minor changes*
- Enterprise Risk Analyzer
  - *larger changes*
- RDFinancial
  - whole farm budget, *substantial changes*
- Machine Risk Calculator
  - estimating machinery and field operation costs

http://RightRisk.org/tools

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RightRisk Newsletter


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RightRisk™

RightRisk News

Dates to Remember

- **November 15, 2013**: Pasture, Rangeland, Forage insurance (PRF)
- **November 15, 2013**: Apiculture
- **November 15, 2013**: Noninsured Crop Disaster Assistance Program (NAP) acreage reporting deadline for forage crops including grazing
- **December 1, 2013**: NAP application deadline for fall seeded crops and forage

Risk Management Strategies for Livestock Producers

Livestock and bee producers have several risk management options to manage forage production risk. Given recent periods of extreme drought and price variability, managers might consider addressing forage risks using one or more insurance tools. Programs are available and can help protect against serious production losses, while helping to guarantee revenue levels.

Pasture, rangeland, forage (PRF) and Apiculture insurance protect against a decline in an index. The index is designed to serve as a proxy for pasture, range, and hay production in a specific area of land or grid.

The Noninsured Crop Disaster Program (NAP), administered by the Farm Service Agency (FSA) is designed to provide low cost catastrophic loss coverage to producers when federal crop insurance is not available.

NAP coverage may be used separately but not in conjunction with PRF and Apiculture insurance to provide protection against low yields, loss of inventory or prevented planting that occur due to natural disasters for a typical ranch such as: grains planted for hay (and not insured as grain), native (grass) hay and certain mixed forages, and grazingland.

Coverage begins 30 days following sign-up. NAP covers losses of 50 percent or greater of expected production, at 55 percent of the market price (set by the state committee).

The 2008 Farm Bill required that livestock and apiculture producers enroll under either NAP coverage or crop insurance for all pasture, rangeland and native hay forage crops to qualify for certain disaster assistance programs; including the Livestock Forage Disaster Program (LFP) and Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish Program (ELAP). These requirements are expected under the new Farm Bill (or extension of the 2008 Bill) but are uncertain until new legislation is passed by Congress.

Recent bulletins that outline how these programs may work for operators include: "Production Risk Management Options for Wyoming Ranches: Crop Insurance and Federal Disaster Programs" and "Risk Management Programs for Honey Bee Producers in Wyoming" and may be found in the Western Risk Management Library located under New at http://riskmgt.uwagec.org.

More Information is available for the programs mention in this article on the Internet at- www.rightrisk.org; www.rma.usda.gov; or www.fsa.usda.gov.

Insurance Plan

How Much Risk is Right for You?


Risk Management Profile

VI-PRF pilot insurance minimizes feed risk for Z-F

Early fall 2010 on the Z-F Ranch found owners Bob and Betsy Zomer assessing risk management strategies for their cow-calf and yearling operation. The Zomers are situated on 12,000 acres of pasture and 200 acres of native hay in Fremont County, Wyoming. Both husband and wife were concerned about the coming production year. This year's late summer and early fall had been dry, and they were worried it would carry over into next year.

To read more see:
RightRisk.org > Resources > Risk Mgt Profiles

Highlighted Course

The Pasture, Rangeland, Forage (PRF) Pilot Insurance Program course available at RightRisk.org offers a step-by-step approach to learn more about PRF insurance and how PRF can be applied. The course includes audio and interactive features, while example farm profiles demonstrate application to real-world examples.

Course materials provide maps to assist in first deciding the type of PRF insurance available in the area. Links to appropriate Web pages help determine the grid identification numbers for individual grids. The next two sections in the course go into greater depth on Vegetative and Rainfall Index policies.

A section of the PRF course explains how to go online to the RMA website and make the most of the cost estimator. Finally, users are encouraged to compare their own yield/historical experience for their grids with that presented in the online decision tool/cost estimator Web pages.

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E-mail: information@RightRisk.org
Web: www.RightRisk.org

RightRisk News is brought to you by the RightRisk Team

Contributing authors:
John Hewlett, Ranch/Farm Management Specialist - University of Wyoming, hewlett@uwyo.edu
Jay Parsons, Risk Management Specialist - Colorado State University, Jay.Parsons@ColoState.edu
Rod Sharp, Ag and Business Management Specialist - Colorado State University, Rod.Sharp@ColoState.edu
Jeff Tranel, Ag and Business Management Specialist - Colorado State University, Jeffrey.Tranel@ColoState.edu

Editing and Layout: John Hewlett, hewlett@uwyo.edu

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How much risk is right for you and your operation?

University of Wyoming
Colorado State University Extension

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Contact info:

John Hewlett

jhewlett@eRightRisk.com

307-760-9515

California.eRightRisk.com