

Pennsylvania Crop Insurance Facts

Risk Management Agency
Raleigh Regional Office

November 2007

The Risk Management Agency offers a **federally subsidized crop insurance program** through private insurance companies. Crop insurance covers disasters such as drought, hail, frost, hurricanes, excessive moisture, fire, insects, plant disease and wildlife damage. This fact sheet only highlights certain features about various crop insurance programs and is not intended to be all-inclusive. You may contact your local crop insurance agent, or visit our website at <http://www.rma.usda.gov>, for more specific information about crop insurance in your area.

What Crops Are Insurable?

<u>Sales Closing Date</u>	<u>Crop</u>
May 1	Nursery
July 31	Forage Seeding (fall)
September 30	Barley (fall) Forage Production Wheat (fall)
November 20	Apples Grapes Peaches Pears
November 30	Pasture, Rangeland, Forage
January 31	Adjusted Gross Revenue
March 15	Adjusted Gross Revenue-Lite Barley (spring) Cabbage Corn Forage Seeding (spring) Fresh Market Sweet Corn Fresh Market Tomatoes Grain Sorghum Green Peas Oats (spring) Potatoes Processing Beans Processing Sweet Corn Processing Tomatoes Soybeans Tobacco
Continuous	Livestock Risk Protection

Sales closing dates are in place as the deadline to purchase an insurance plan for a particular crop. An application must be submitted to a crop insurance company representative by this date or else the insurance policy will not attach and your crop losses will not be covered.

What If A Crop Is Not Listed As Insurable?

You may still be eligible to request crop insurance through a *written agreement*. The written agreement is a document designed to

provide crop insurance in counties without an established program for the crop or an organic crop. See your crop insurance agent regarding documentation requirements. Written agreements are not issued for pilot crops.

Are Other Crops Being Considered?

Yes! The RMA is consistently developing new programs. Our agency is working with contractors, universities and researchers to identify local farmer needs and develop new crop programs. Pennsylvania currently has pilot programs for Adjusted Gross Revenue-Lite, Cabbage, and Pasture, Rangeland and Forage. Crops usually stay in a pilot program until the insurance plan is deemed fundamentally sound. Check with your insurance agent to see if a pilot crop is available in your county.

How Much Does It Cost?

A \$100 administrative fee, per crop per county, will apply for a catastrophic (CAT) insurance plan. The premium on CAT coverage is paid by the Federal government. Catastrophic coverage pays 55 percent of the established price of the commodity on crop losses in excess of 50 percent. Limited resource farmers may have this fee waived. CAT coverage is not available on written agreements or crop revenue coverage. Check with your crop insurance agent to see if you qualify as a limited-resource farmer or for CAT availability.

Are Higher Coverage Levels Available?

Yes. The cost for buy-up levels of insurance coverage is a \$30 administrative fee, per crop per county, plus the premium. Simply select the amount of your Actual Production History (APH) yield you wish to insure; from 50 to 75 percent (for some crops in some areas, up to 85 percent).



Are There Other Types of Insurance Plans?

Yes! The agency offers different insurance plans.

- **Adjusted Gross Revenue:** This is a whole farm insurance program providing insurance coverage for multiple agricultural commodities under one insurance product using income tax information from your operation. A farm report is created to determine coverage eligibility. Covered farm revenue includes income from most crops and agricultural commodities. A limited amount of income (not to exceed 35%) from livestock, animal products, and aquaculture products raised in a controlled environment may be covered. Under this plan, you can also cover revenue generated from commodities that are currently uninsurable (such as forage, fruit, and vegetable crops).
- **Adjusted Gross Revenue Lite:** This program is a streamlined whole-farm revenue protection package that can be used as a stand-alone coverage or in addition to other individual crop insurance policies (except AGR). It allows you to insure a portion of the revenue made from crops, animals (such as chickens, dairy cows, hogs, and sheep) and animal products (such as eggs, milk, meat, and wool). Under this plan, you can also cover revenue generated from commodities that are currently uninsurable (such as forage, fruit, and vegetable crops).
- **Crop Revenue Coverage:** This plan provides revenue protection based on price and yield expectations by paying for losses below the guarantee at the higher price. Corn, Soybean and Wheat farmers can receive coverage under Crop Revenue Coverage.
- **Indexed Income Protection:** This plan protects farmers against reductions in gross income when either a crop's price or yield declines from early-season expectations. Corn and Soybean farmers are eligible for this program.
- **Group Risk Plan:** This plan uses a county index as the basis for determining a loss.

When the county yield for the insured crop, as determined by the National Agricultural Statistics Service, falls below the trigger level chosen by the farmer, an indemnity is paid. Payments are not based on the individual farmer's loss records. Corn and Forage Production farmers can participate in this program.

- **Group Risk Income Protection Plan:** This is an area-based revenue insurance product that pays the insured in the event the county average per-acre revenue falls below the insured's "trigger revenue". Payments are not based on the individual farmer's loss records. Corn farmers can participate in this program.
- **Livestock Risk Protection:** Livestock Risk Protection is designed to insure against declining market prices. Pennsylvania producers may select from a variety of coverage levels and insurance periods to correspond with the time their animals would normally be marketed. Livestock Risk Protection may be purchased throughout the year from approved livestock insurance agents.
- **Pasture, Rangeland, Forage:** The Risk Management Agency now offers two new pilot Group Risk Protection risk management programs for pasture, rangeland, and forage. These innovative programs are based on vegetation greenness and rainfall indices and were developed to provide livestock producers the ability to purchase insurance protection for losses of forage produced for grazing or harvested for hay.

Who Can I Contact For More Information?

The Raleigh Regional Office services Pennsylvania. Crop specialists are available to answer specific questions. Call or write the USDA/Risk Management Agency, Raleigh Regional Office, 4407 Bland Road, Suite 160, Raleigh, North Carolina 27609, telephone (919) 875-4880.

Visit the RMA Web Site:
<http://www.rma.usda.gov>



Pennsylvania Insurance Companies Offering Crop Insurance

The following companies have standard reinsurance agreement contracts with the Federal government and are authorized to sell USDA's crop insurance programs. To find an insurance agent in your State contact:

Company	Company
<p>Ace Property and Casualty Insurance Company (Rain and Hail L.L.C.) 9200 Northpark Drive Suite 250 Johnston, Iowa 50131-3006 <i>Toll-Free:</i> 1-800-585-9624 <i>Phone:</i> 515-559-1200 <i>Fax:</i> 515-559-1101 http://www.rainhail.com</p>	<p>Agrinational Insurance Company (Agriserve, Inc.) 1 ASI Drive Findlay, Illinois 62534 <i>Phone:</i> 217-459-2836 <i>Fax:</i> 217-459-2476 http://www.asi-agriserve.com</p>
<p>American Agri-Business Insurance Company (ARMtech Insurance Services, Inc.) 7101 82nd Street Lubbock, Texas 79424 <i>Toll-Free:</i> 1-800-335-0120 <i>Phone:</i> 806-473-0333 <i>Fax:</i> 806-473-0334 http://www.armt.com</p>	<p>Austin Mutual Insurance Company (CGB Diversified Services) 1608 W. Lafayette, Suite A Jacksonville, Illinois 62650 <i>Toll-Free:</i> 1-888-214-1184 <i>Phone:</i> 217-479-6000 <i>Fax:</i> 217-245-4838 http://diversifiedservices.com</p>
<p>NAU Country Insurance Company 733 Sunwood Drive Ramsey, Minnesota 55303-4548 <i>Toll-Free:</i> 1-800-942-6557 <i>Phone:</i> 763-427-3770 <i>Fax:</i> 763-427-6473 http://www.naucountry.com</p>	<p>Producers Agriculture Insurance Company 2025 South Hughes, P.P. Box 229 Amarillo, Texas 79109 <i>Toll-Free:</i> 1-800-366-2767 <i>Phone:</i> 806-372-6785 <i>Fax:</i> 800-755-7026 http://www.proag.com</p>
<p>Rural Community Insurance Services 3501 Thurston Avenue Anoka, Minnesota 55303-1060 <i>Toll-Free:</i> 1-800-451-3836 <i>Phone:</i> 763-323-2280 <i>Fax:</i> 763-427-1591 http://www.rcis.com</p>	<p>Stonington Insurance Company (Agro National LLC) 25 Main Place, Suite 300 Council Bluffs, Iowa 51503 <i>Phone:</i> 712-256-0968 <i>Fax:</i> 712-256-2574 http://www.agronational.com</p>
<p>Westfield Insurance Company (John Deere Risk Protection, Inc.) 6400 N. W. 86th Street P.O. Box 6680 Johnston, Iowa 50131-6680 <i>Toll-free:</i> 1-866-404-9057 <i>Toll-free Fax:</i> 1-800-598-8299 <i>Phone:</i> 515-267-4601 <i>Fax:</i> 515-267-4600 http://www.deere.com</p>	