

Massachusetts 2004 Crop Insurance Fact Sheet

United States Department of Agriculture
Risk Management Agency

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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 points out only certain features about various crop insurance programs and is not intended to be all-inclusive. For more specific information on a particular crop, contract your local crop insurance agent or visit our website at www.rma.usda.gov.

What Crops Are Insurable?

<u>Sales Closing Date</u>	<u>Crop</u>
November 20	Apples Cranberries Peaches
November 30	Clams
January 31	Adjusted Gross Revenue
March 15	Corn Fresh Market Sweet Corn Potatoes Tobacco Winter Squash
May 31	Nursery

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 I Have A Crop That 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. Note, written agreements are not issued for pilot crops or catastrophic (CAT) policies.

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. Massachusetts currently has pilot crop programs on: Adjusted Gross Revenue, Clams and Winter Squash. 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).

Can I Get Another Type of Insurance Plan? 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 also be covered. 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 of an early-season price or harvest price. Corn farmers can receive coverage under CRC.

Who Can I Call For More Information?

The Raleigh Regional Office services Massachusetts. 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

For the latest crop insurance and agricultural risk management information, visit our website at <http://www.rma.usda.gov>



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Crop insurance situations vary significantly due to individual crop, county/region, weather conditions, etc. Farmers are encouraged to review their policy and consult with their crop insurance representatives, routinely.