



# CROP INSURANCE IN MARYLAND

Special Edition

MARYLAND DEPARTMENT OF AGRICULTURE



*This information made possible in partnership with the USDA Risk Management Agency.*



**Page 2:**  
What's In It For You

**Page 3:**  
Apiculture  
2012 Ag Census

Martin O'Malley  
*Governor*

Anthony G. Brown  
*Lt. Governor*

## *New Deadline for Pasture and Forage Insurance*

# NOVEMBER 15 LOOMS LARGE FOR PASTURE AND FORAGE



The new deadline for signing up for pasture and forage insurance is November 15. This is also the date to make any changes to existing policies.

This year's drought has emphasized the importance of pasture and forage insurance for all the Maryland producers who depend on rainfall to keep the grass and forage growing.

Here is information that we hope will help you ask your crop insurance agent the right questions... just remember to contact a crop insurance agent well before the November 15 deadline.

In 2011, the federally subsidized, Pasture/Rangeland/Forage (PRF) crop insurance program provided up to \$649 of protection per acre for hayland acreage of established perennial forages in Maryland.

Based on a rainfall index developed from nearly 60 years of data from the National Oceanic and Atmospheric Administration (NOAA), PRF provides producers with flexibility to meet their needs.

This insurance coverage is for the single peril – less than normal precipitation. It also has minimal paperwork. You don't even have to file a claim. PRF insurance is only available through crop insurance agents.

Here are answers to some of the most

frequently asked questions.

### Land

**Q.** Can I just insure the acreage where my best, improved grasses are grown or do I have to insure all of my pastures?

**A.** You are NOT required to insure 100 percent of your insurable acres in the county.

**Q.** Can the same acreage be insured with an intended use of grazing one year and insured with an intended use of haying the next? Can my pastureland be insured for grazing in one year and for haying the next?

**A.** The uses and associated insurance can vary from year to year. This determination will be based on the intended use; however, if you change intended use,

*Continued on page 4*

# PASTURE/RANGELAND/FORAGE (PFR) INSURANCE

## What's In It For You?

- It is grid site specific so the information is there to make good decisions for each individual farm.
- It can help cover the cost of buying replacement forage if pastures or hayland fail.
- Unless there is a random spot inspection, it is unlikely that anyone will have to visit your farm in regards to your forage insurance policy.
- You don't have to insure all your acres.
- You don't have to insure for the entire year (there is a choice of 11 specific 2-month index intervals. You must insure for at least two 2-month intervals per year).
- It treats land intended for grazing and land intended for hay differently so you can choose different dollar values for each or just insure one or the other.
- There is very little paperwork involved.
- You don't have to file a claim (weather data will automatically trigger the claims process).
- The premiums are subsidized from 51 to 59%. ■

## Pasture/Rangeland/Forage Protection Crop Insurance

**Approximate amounts of protection available per acre:** Grazing \$19-\$61 per acre, land intended for hay \$ 202-\$649 per acre, apiculture \$34-\$110 per colony

**Insurance period:** Jan. 1 through Dec. 31, 2013

**Grid:** Approximately 12 x 12 mile squares identified by NOAA to track historical weather data <http://agforceusa.com/rma/ri/prf/maps/>

**Index Interval:** Two consecutive month time period that is the basis for insurance decisions

**Number of index intervals per year:** 11, each covering a two-month period

**Minimum/maximum insured acreage percentage per interval:** 10% min. 60% max

**Productivity factor:** The percentage of the county base value(s) selected to establish the amount of insurance protection is 60%-150%

**Seeding deadline for insurability:** Initial seeding must be completed before July 1 prior to the year of insurance

**Premium billing date:** Sept. 1 of the year of insurance

**Administrative fee (in addition to premium):** \$30 per policy

**Sales closing, cancellation, debt termination deadlines:** Nov. 15, 2012

**Acreage reporting deadline:** Nov. 15, 2012

**Find Your Grid:** <http://agforceusa.com/rma/ri/prf/maps/>

**Grid Locator**  
Pasture, Rangeland, Forage

Find a Location:

Grid ID: 23617  
Latitude: 39.54588°N  
Longitude: 75.84583°W  
County: Cecil  
State: Maryland  
Address: 869-899 Elk Forest Rd, Elton, MD 21921, USA

Grid Tools:  
Decision Support Tool  
Historical Rainfall Indices  
View Actuarial Info  
View Cost Estimator

Steps:  
1. Enter nearest town or address  
2. Click Search  
3. Navigate to property  
4. Click a pin on property  
5. Print view for records  
6. Note the Grid ID  
7. Choose grid tool to view data



# RAINFALL INDEX APICULTURE INSURANCE

## *Honey, Pollen Collection, Beeswax and Breeding Stock Are All Covered*

The same rainfall index used for the Pasture/Rangeland/Forage (PRF) insurance program also provides coverage for apiculture in Maryland.

PRF uses rainfall indices as a measure to compare actual local rainfall, allowing beekeepers to purchase insurance protection against production risks. The program provides a safety net for beekeepers.

The Apiculture insurance program is designed to give you maximum flexibility. You do not have to insure all your colonies; however, you cannot insure more than the total number of colonies you own.

By selecting a productivity factor, you can establish a value between 60 and 150 percent of the county base value and match the amount of protection to the value of the

production that best represents your specific operation, as well as the productive capacity of your colonies.



This program is only available through a crop insurance agent. Your agent will ask you to make several choices when completing your application, including coverage level, index intervals, productivity factor, and number of colonies.

Work with your crop insurance agent to view the decision support tool, historical indices tool and grid locator map for your area. A point of reference must be established for the acreage on which the hives of the insured colonies are located.

Rainfall indices do not measure your direct production or loss. You are insuring a rainfall index that is expected to estimate your operation, including honey production. Please review historical indices for your area to make sure that this product will be helpful to you. ■

# HELP GROW YOUR FARM FUTURE

In just a few months, Maryland farmers will have the opportunity to make a positive impact on their communities by taking part in the Census of Agriculture. Conducted every five years by USDA's National Agricultural Statistics Service (NASS), the Census captures a complete count of all U.S. and Maryland farms and those who operate them.

Census data are used by all those who serve farmers and rural communities from federal, state and local governments to agribusinesses and trade associations. Companies and cooperatives can use the information to determine the locations of facilities that will serve agricultural producers. Often legislators use the information when shaping crop insurance and risk management policies and programs.

As preparations continue for this year's Census of Agriculture, we call on Maryland

farmers to talk to their fellow producers about this critical effort. Your answers to the Census help grow your farm future; shape farm programs; and boost services for you, your community and your industry.

NASS will mail out Census forms in late December, and responses are due by February 4th, 2013. Producers also have the option to complete their forms online. After all, the Census is your voice, your future and your responsibility. For more information about the Census, visit [www.agcensus.usda.gov](http://www.agcensus.usda.gov) or call 1-800-4AG-STAT (1-888-424-7828).

For more information, visit [www.agcensus.usda.gov](http://www.agcensus.usda.gov). The Census of Agriculture is your voice, your future, your responsibility. ■



Continued from page 1

and insured acres, you must contact your insurance agent to make the appropriate changes to your policy, prior to the acreage reporting date.

**Q.** Can I insure my hayland that I annually plant to a forage crop?

**A.** No. You cannot insure acreage with annual plantings. However, there are provisions that allow over seeding into an established perennial pasture.

**Q.** If I establish an improved forage pasture, how long do I have to wait until I can insure these acres?

**A.** Land is insurable as long as it is not initially planted to a forage crop after July 1 of the previous crop year, unless allowed by the special provisions. For example, the land may be insurable in 2013 if it was planted to an eligible crop before July 1, 2012.

**Q.** Can my Farm Service Agency (FSA) maps be used to determine acreages for my policy?

**A.** Yes, FSA maps and records are acceptable for determining the number of acres in a field. However, you are responsible for the accuracy of the information you certify to your crop insurance agent.

**Q.** Can I insure the grassed waterways I cut for hay for my livestock?

**A.** Yes, provided such acreage is intended for haying and meets all other eligibility requirements.

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## Value

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**Q.** Will the county base value be the same for all grazing land in my county?

**A.** Yes, county base values are determined and provided on a county basis. They will not change for each grid.

**Q.** What is the productivity factor and why is it included in the program?

**A.** It is a percentage factor, selected by you, that allows you to individualize your coverage based on the productivity of the insured crop. It may be between 60 and 150 percent. Only one protection factor may be selected per count, crop and intended use.

**Q.** Will the county base value of a grid be changed from year to year?

**A.** The county base value will be updated when grazing land and hayland values change. It is anticipated that these values will be updated every three to five years, not yearly.

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## Trigger

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**Q.** If my grid has a loss, how will I be notified?

**A.** Based on your policy, your insurance company will automatically send you an indemnity payment once the final grid index is determined and if the final index value is below your trigger grid index. No action on your part is required. Official final grid index results are posted on the RMA web site.

**Q.** What is the trigger grid index?

**A.** It is the result of multiplying the expected grid index by your selected coverage level.

**Q.** What are the origins of the grid ID system?

**A.** NOAA has used these grids to report weather for many years. Multiple data sets are weighted and interpolated by NOAA for each grid.

**Q.** Will I have to provide the grid ID numbers of the location of my acres I want to insure to my crop insurance agent, or will he or she be able to help me locate them?

**A.** You can determine the grid ID yourself, or your agent will be able to help you locate them. It is recommended that during the application, the agent be involved to ensure you meet all the policy requirements.

**Q.** If I have non-contiguous acreage, which is located in separate grids, can I opt to use one point of reference for all the acreage and use only one grid ID?

**A.** No. A separate point of reference must be selected for each, separate, non-contiguous acreage of the crop that is located in the county. If the non-contiguous acreage is located in separate grids, each non-contiguous parcel must have a separate grid ID.

**Q.** Can all contiguous acreage be combined into a single grid ID using one point of reference for all of the acreage, including acreage that extends into an adjoining grid?

**A.** Yes. ■

## MDA OFFERING FREE GRAIN AND FORAGE TESTING

With many areas of the state severely affected by the drought, the Maryland Department of Agriculture (MDA) is encouraging farmers who use fertilizers containing nitrate on their corn and sudan-sorghum grasses, or who are concerned that their grain corn may have mold, to work closely with their county extension agents before feeding it to their animals.

MDA is offering testing for aflatoxins, nitrates and prussic acid, which may be present in grain and forage. These compounds, which can sicken or be deadly to livestock, or even affect pregnancies, are often present in dry weather conditions.

Producers with crop insurance should notify their insurance agent before harvesting and/or placing harvested grain in storage if their grain is suspected of containing aflatoxin. Crop insurance adjusters will obtain samples for mycotoxin testing from selected representative sample areas of the fields. ■

