



United States Department of Agriculture

The Federal Crop Insurance Program

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About the Risk Management Agency

- RMA strives to provide a safety net for farmers and ranchers through the Federal crop insurance program.
- RMA is working to extend the Federal safety net to new farmers and ranchers.
- RMA has appreciated industry input and encourages additional engagement.



Purpose of Crop Insurance

- Provides farm producers and owners various methods to mitigate production and revenue risks
- Strengthens the safety net for agricultural producers
- Helps to maintain a durable rural economy



Roles & Responsibilities

- The Risk Management Agency develops and approves policies and provides program oversight
- The Approved Insurance Providers have a contract with RMA and sell and service the Federal crop insurance policies

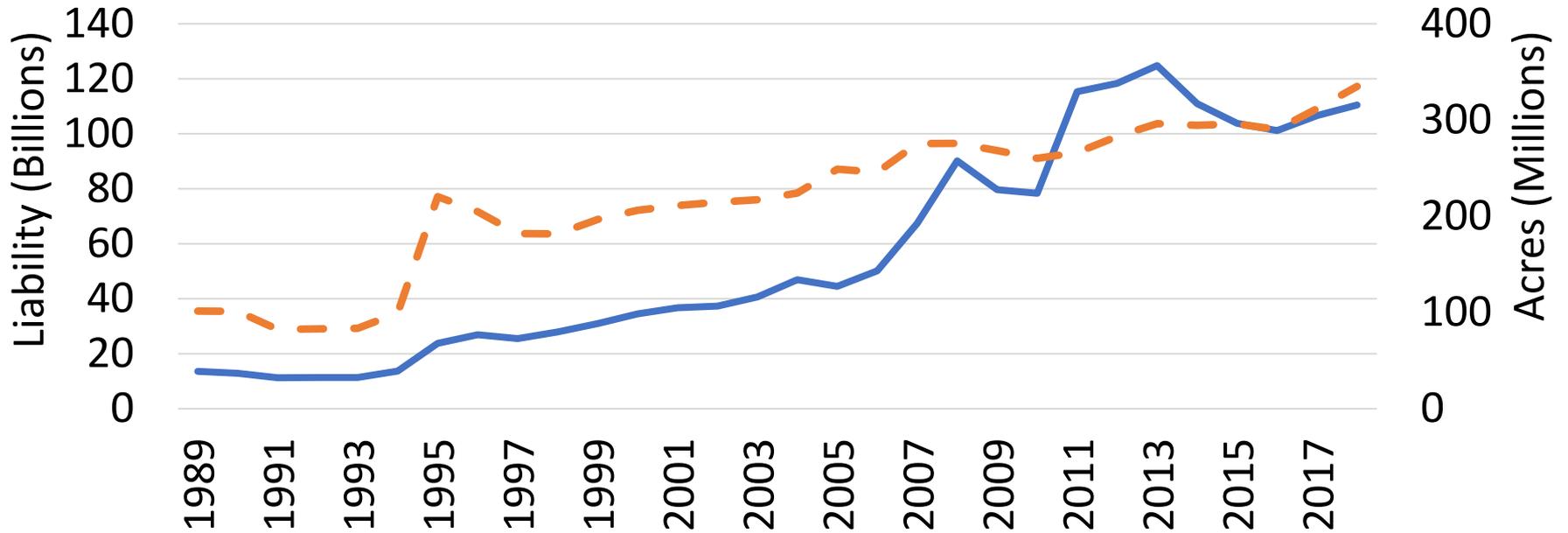
Public-private partnership



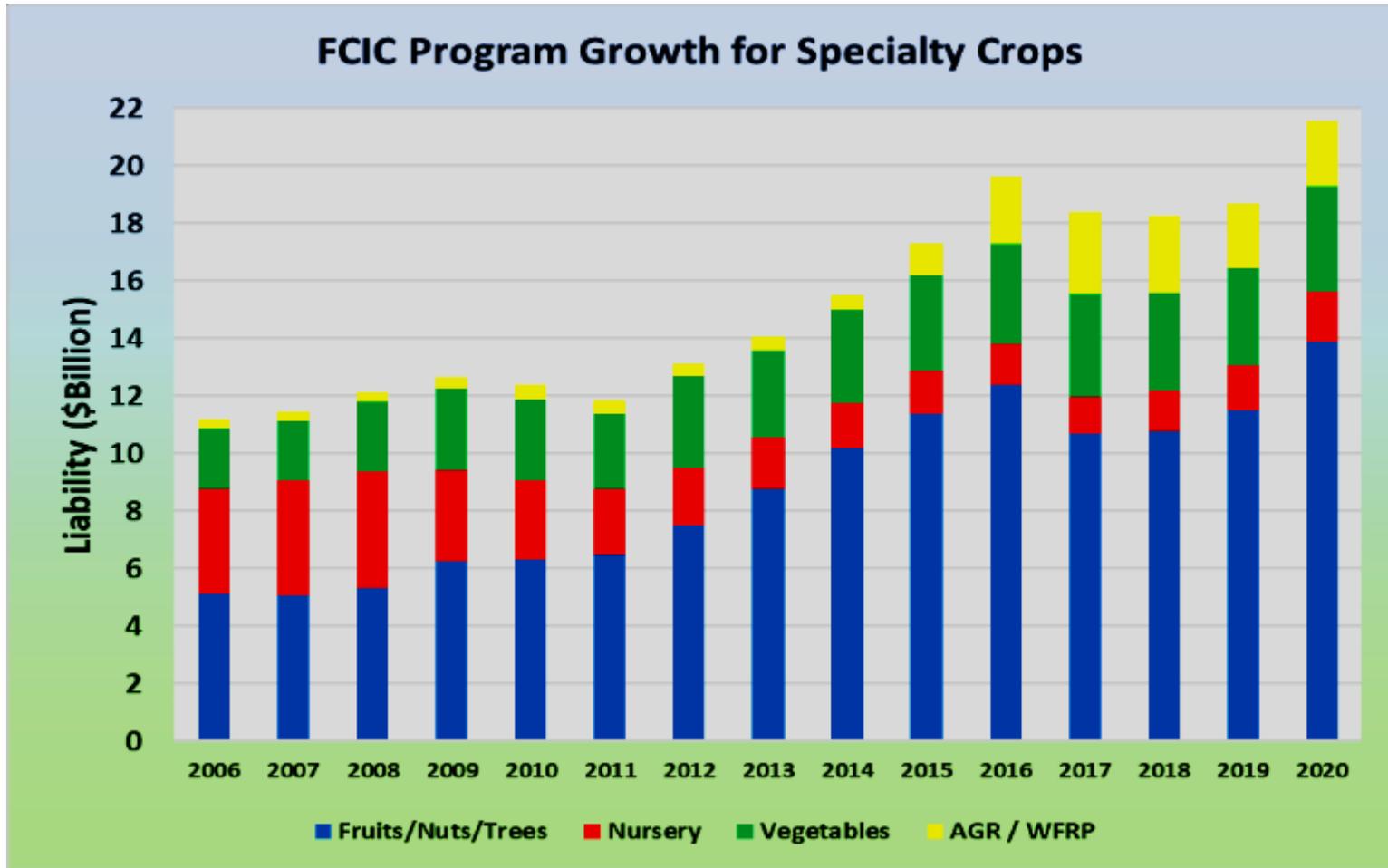
Program Growth

Growth in Liability and Acres Insured

— Liability — Acres



Program Growth – Specialty Crops



Covered Causes of Loss

- Insurance covers unavoidable, naturally occurring events
 - Weather
 - Fire
 - Insects; but not insufficient control measures
 - Plant Disease; but not insufficient control measures
 - Wildlife
 - Earthquake & Volcanic Eruption
 - Failure of Irrigation; only the water supply
 - Revenue Policies: Harvest Price change from Projected Price



Hurricane Insurance Protection – Wind Index

- Endorsement that attaches to underlying crop policy
- Provides coverage for over 70 crops, including specialty crops
- Available in states and counties located in the vicinity of the Gulf of Mexico and the Atlantic Ocean, including Florida
- Provides coverage for a portion of the deductible, up to 95 percent of the expected crop value, of the underlying crop insurance policy when the county, or adjacent county, is within the area of sustained hurricane-force winds
- An indemnity is due when the county loss trigger is identified for the insured county, or adjacent county
- 7 hurricane events triggered payment under endorsement
- Generally, payment paid within 30 days after the date that the list of triggering counties is released
- Total indemnity in 2020 is \$146.6 million
 - Florida accounts for \$6.6 million

Nursery Value Select

- An asset-based form of insurance coverage
- Provides nursery producers with another risk management option that is more customizable to their specific insurance needs
- Addresses concerns with cumbersome requirements and onerous paperwork needed under Nursery Crop Insurance Program
 - Simplified application and renewal process
 - Allows nursery producers to select the dollar amount of coverage that best fits their risk management needs
 - Simplified loss adjustment and provides a more accurate method of determining plant values by using insured nursery producers' actual sales receipts
 - Provides program dates better suited to agronomic and industry farm management practices in different regions
- Loss calculation takes into account the pre-loss actual unit value and the post-loss damage value

Production & Revenue History Plan

- Targeted to specialty crops that lack viable public price information
- First implemented for Strawberries in select FL counties
- RMA will expand plan to additional crops/areas, as appropriate
- Prices are based on producer's own revenue history
 - Specialty crops often lack viable and appropriate public price information
- Reliance upon producer revenue requires additional revenue reporting



Production & Revenue History Plan

- Choice of yield or one of two revenue plans
- Revenue plans use harvest prices to value production to count which are also based on producer's sales prices
- Using producer's personal history generates more accurate guarantees



APH Florida Citrus

- Insures all the current citrus types, except limes, which may be added in the future
- Trees become insurable once they have reached the third growing season after set out
- Includes a quality adjustment for fruit insured as juice
- Includes a fresh fruit factor that is used to account for the salvage value of damaged fruit insured as fresh
- Contract pricing is available and limited to 120 percent of the established price
- Adverse weather is an insurable peril in addition to the named perils that are currently insurable under the Florida Citrus Fruit dollar plan of insurance



Enhanced Coverage Option Design

ECO is designed to be simple:

- ARC or PLC participation have no effect on eligibility
- Similar to SCO:
 - SCD for ECO matches the underlying individual coverage
 - Projected and harvest prices for ECO match individual coverage
 - ECO coverage based on underlying plan (yield, revenue, etc)
 - Offers coverage for the 86 to 95% band of expected crop value at risk
- Like all area plans, ECO will determine indemnity payments in the following crop year after production reports have been received and analyzed - NOT at harvest time

ECO Yield and Trigger

- ECO expected and final yields are based on RMA data received from policy reports
- ECO and underlying policy trigger independently; it is possible for a grower to have:
 - An ECO indemnity, but no individual indemnity
 - An individual indemnity, but no ECO indemnity
 - Indemnities from both programs
 - No indemnities

ECO - 2021 Crops for Florida

Barley

Canola

Corn

Cotton

Flue Cured Tobacco

Grain Sorghum

Oats

Peanuts

Soybeans

Wheat



Whole Farm Revenue Protection



- Covers all revenue from all commodities on the farm
- Available in every state and county in the U.S.
- To be eligible, you must have 5 years of filed IRS Schedule F tax forms for your operation
- Premium subsidy offered for commodity diversification
- Taxes must be filed for the insurance year before any claim can be made
- Loss occurs when revenue from your crops is less than your insured revenue

Written Agreements

Insurance not available for a commodity in your county?

- Submit a Request for Actuarial Change to RMA through a Crop Insurance Agent
- RMA can individually insure you for any crop that has an existing insurance program in another county
- You must have produced the crop (or a similar crop) in the county or area for at least 3 years
- Your request must be signed submitted on or before the sales closing and/or cancellation date for your crop
- The RMA Regional Office in Valdosta will review and make an offer if the request qualifies.



Requesting a Written Agreement

- The grower makes WA request through an insurance agent.
- Regional Offices (ROs) review the WA requests and makes decides whether a WA can be offered.
- To be considered, the request must be signed by the grower no later than the sales closing date (SCD)
- Required documents must be to the RO no later than 15 business days after the SCD, excluding weekday holidays.



Producer Interest in New Coverage

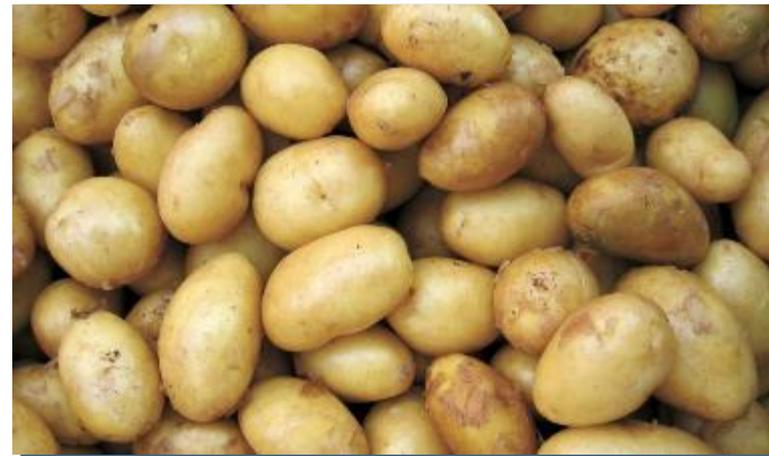
- Two pathways to crop insurance program development
 - RMA development
 - Contact local RMA Specialty Crop Insurance Liaison to convey interest in new coverage
 - List of Liaisons on Specialty Crop web page
 - Liaison will work with Specialty Crop Coordinator to explore development
 - Private development
 - Any person can propose new program
 - Person includes an approved insurance provider, a college or university, a cooperative or trade association





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2021 Crop Year Changes



- Creamer Potatoes
 - Eligible to be insured as a separate type/practice by Written Agreement
- Allow insurance by WA for container grown blueberries in Florida
- Flue Cured Tobacco Contract Price and QA
- Expanded Peanut program in Citrus, Liberty, and Putnam counties



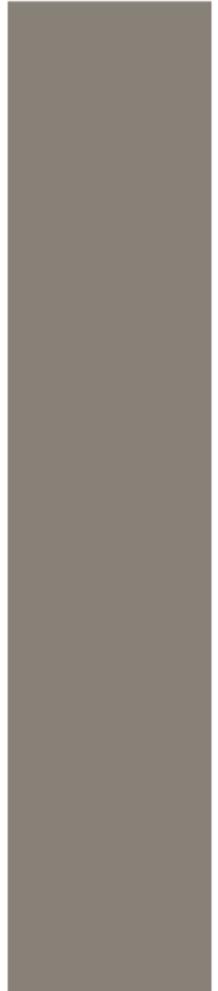


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Crop Year 2022 Reviews and Proposed Changes



- Blueberry
 - optional units by organic practice
 - Assess insuring High-Density practice
- Citrus
 - Assess Satsuma citrus data for Type addition
- Fresh Market Sweet Corn
 - Assess adding Winter Planting Period
- Avocado
 - Evaluating addition of a mid-season type for 2023
- Nursery
 - Lethal Bronzing in Palms





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Thank You

Questions or Concerns??

**Contact the
Valdosta Regional Office
USDA Risk Management Agency**

rsoga@usda.gov

