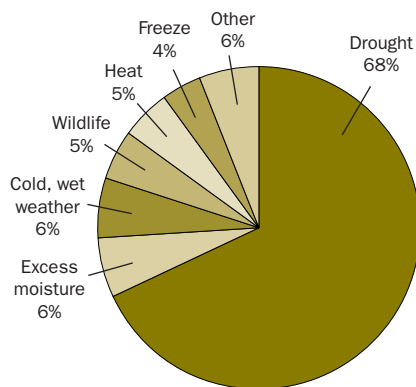


# Crop Insurance

FOR PENNSYLVANIA FIELD CROPS

Crop insurance is a valuable risk management tool that allows farmers to insure against losses due to adverse weather conditions and wildlife. It shifts unavoidable production risks to an insurance company for the payment of a fixed amount of premium per acre. Of the \$94.8 million paid for crop losses in Pennsylvania since 1981 (\$61.7 million since 1997), 68 percent was for drought (Figure 1).

**Figure 1. Why crops fail in Pennsylvania, 1981–2000.**



Participation in the crop insurance program in Pennsylvania has increased in the past five years, with a large increase in acreage and coverage in 2000 due to the severe drought experienced in many parts of the Commonwealth in 1999 (Table 1). Sign-up for crop insurance exceeded 1.1 million acres in 2002. The amount paid by insurance companies for crop losses exceeded the total amount farmers paid for the coverage every year during this period. Over the past five years, Pennsylvania farmers with crop insurance have received around \$4.32 for

crop losses for every \$1 they have paid in premiums.

The federal government has decided that a crop insurance program is preferable to disaster payments. Disaster programs often involve political tradeoffs that can lead to deficit spending. It is better to have an insurance program in place that is available nationwide and gives farmers the freedom to choose the level of coverage they need based on their own yield history. A minimum level of crop insurance, called CAT insurance, is available to all farmers regardless of size at no premium cost (all premiums are paid by the federal government). Higher levels of crop insurance (buy-up protection) are also federally subsidized, with farmers paying only 33 to 62 percent of the actual cost of the insurance (depending on the level of coverage selected).

Pennsylvania is a strong supporter of crop insurance and has allocated funds to help farmers buy crop insurance since 2000. This money is used to pay policy application fees (\$100 for CAT insurance and \$30 for buy-up protection) and provide an additional 10 percent discount of the gross premium for buy-up protection. Pennsylvania farmers pay for only 23 to 52 percent of the actual cost of buy-up coverage (a 16 to 30 percent discount). The result is that CAT insurance is free and buy-up protection is discounted in Pennsylvania.

Crop insurance is available for at least one commodity in every Pennsylvania county, with a total of 22 crops represented across the state. Field crops covered include corn, corn silage, soybeans, wheat, barley, spring oats, grain sorghum, forage seedings, forage production, and tobacco. Field crops

account for 95 percent of all the acres covered by crop insurance in Pennsylvania. Protection is also available on a whole-farm basis as Adjusted Gross Revenue (AGR) insurance in 14 counties and as AGR-Lite in every county (except Philadelphia). If crop insurance is not available for your crop in your county, coverage may still be available via a written agreement; contact a crop insurance agent for more information on using written agreements.

The purpose of this publication is to introduce the types of crop insurance available to field crop producers by:

- explaining how an actual production history (APH) is calculated.
- illustrating how insurance premiums are calculated.
- comparing the benefits and costs of three commonly used crop insurance products.
- discussing what is meant by insurance units.
- identifying crop insurance options for forage producers.
- listing important dates for buying crop insurance in Pennsylvania.

## Types of crop insurance policies.

Farmers who grow field crops may select from various crop insurance policies. Yield-based Multiple Peril Crop Insurance (MPCI) at CAT and buy-up levels are available for major crops in most counties. Other insurance plans may not be available for some crops in certain counties.

Before considering a particular kind of crop insurance policy, you should first consider how much risk you are willing to bear and what you need to protect. The following are some common objectives:

- 1) reducing year-to-year income variability.
- 2) replacing lost feed.
- 3) providing a minimum cash flow to cover input costs.
- 4) securing adequate credit.

## YIELD-BASED INSURANCE COVERAGE:

**Actual Production History (APH)** insurance protects producers against losses due to natural causes such as drought, excessive moisture, hail, wind, frost, insects, and disease. The APH plan is sometimes referred

**Table 1. Pennsylvania crop insurance program participation, coverage, farmer-paid premiums, losses paid, and farmer benefit-cost ratio, 1997–2001.**

Year	Acres covered (thousands)	Coverage (\$ million)	Farmer-paid premiums (\$ million)	Losses paid (\$ million)	Farmer benefit/cost ratio
1997	559	76.8	1.9	9.6	5.1
1998	520	79.5	2.3	5.4	2.3
1999	610	111.2	2.3	22.5	9.7
2000	940	162.2	3.9	6.6	1.7
2001	977	186.7	3.9	17.6	4.6
Totals	3,606	616.3	14.2	61.7	4.3

(Source: Summary of Business data, USDA, RMA, and PA CI Subsidy data)

to as Multiple Peril Crop Insurance (MPCI). Farmers select from 50 to 75 percent (up to 85 percent for corn and soybeans in some counties) of the amount of their average yield to insure. Farmers can also select between 55 and 100 percent of the crop price established annually by the United States Department of Agriculture, Risk Management Agency (USDA, RMA). If the harvest is less than the yield insured, the farmer is paid for the loss based on the difference. Loss payments are calculated by multiplying this difference by the insured percentage of the established price selected when crop insurance was purchased.

**Catastrophic crop insurance (CAT)** was introduced in 1995 to replace ad hoc disaster assistance programs enacted by Congress and to provide an insurance-based producer safety net that reflects a farmer's actual production history. The insurance premium for CAT is paid in total by the federal government. For a flat administrative fee of \$100/crop/ county, producers get a crop insurance yield guarantee of 50 percent of their farm's actual production history yield, with any losses reimbursed at 55 percent of the established crop price. Compared to higher levels of coverage, CAT provides only a low level of protection against yield losses. For some diversified farmers this level of coverage is enough to protect them against severe cash-flow shortfalls. To encourage all farmers to have at least this level of protection, Pennsylvania has paid the \$100 administrative fee since 2000. Corn farmers who are interested in a revenue-based insurance program rather than a yield-based program can get CAT levels of Indexed Income Protection.

**Group Risk Plan (GRP)** policies use 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 (NASS), falls below the chosen trigger level, a loss payment is made to the farmer. Payments are not based on the individual farmer's loss records. Yield levels are available for up to 90 percent of the expected county yield. GRP protection involves less paperwork and costs less than the farm-level coverage. However, individual crop losses may not be covered if the county yield does not suffer a similar level of loss. Farmers who select this type of insurance are those with crop losses that typically follow the county pattern. GRP is available only for corn in 13 counties and forage production in 29 counties in Pennsylvania.

**Dollar Plan (Dollar)** coverage provides protection against declining value due to damage that causes a yield shortfall. The amount of insurance is based on the cost of growing a crop in a specific area. A loss occurs when the annual value of the crop is less than the amount of insurance. The maximum dollar amount of insurance is stated on the actuarial document. Farmers may select a percent of the maximum dollar amount equal to CAT (catastrophic level of coverage) or additional coverage levels. The dollar plan is available for forage-seeding policies in 13 counties in Pennsylvania.

#### REVENUE INSURANCE PLANS:

**Crop Revenue Coverage (CRC)** is a relatively new insurance product for corn and soybeans that provides protection against both yield and price risk. Unlike MPCI, which covers only yield losses, CRC provides revenue protection. The farmer selects a level of revenue to protect based on price and yield expectations. Losses are paid if revenues fall below the guarantee at the higher of an early-season price or the harvest price. CRC coverage is available for corn in 66 counties and soybeans in 49 counties. CRC insurance is not available as CAT coverage.

**Indexed Income Protection (IIP)** is another relatively new service that is available for corn growers. Losses are paid if revenues fall below the guarantee because of price or yield declines from early-season expectations. IIP coverage is available for corn in 66 counties. CAT coverage under IIP may offer more benefits than yield-based CAT coverage, depending on the producer's unit structure, average yield, and price election for the crop year.

**Adjusted Gross Revenue (AGR)** insures the revenue of the entire farm rather than an individual crop by guaranteeing a percentage of average gross farm revenue, including up to 35 percent livestock revenue. The plan uses information from the past five consecutive years of a producer's Schedule F tax forms to calculate the policy revenue guarantee. MPCI coverage is also required if program crops exceed 50 percent of farm revenues. AGR coverage is currently available in 14 counties in Pennsylvania: Berks, Carbon, Columbia, Crawford, Erie, Fayette, Lackawanna, Lancaster, Lehigh, Monroe, Northampton, Schuylkill, Westmoreland, and York Counties. The maximum policy size for AGR is \$6.5 million. **AGR-Lite** is a new whole-farm revenue product that provides protection for all crops and animal rev-

enues. It is available statewide to eligible farmers with adjusted gross revenues of up to \$205,000 (based on a maximum protection limit of \$100,000 annually at the 65 percent coverage level and the 75 percent payment rate). Unlike regular AGR, AGR-Lite is streamlined in various ways and has no limitation on livestock income or requirement for the purchase of MPCI. The sign-up deadline for AGR and AGR-Lite is January 31.

**Determining the actual production history.** The first step in developing a crop insurance program is to establish your actual production history (APH). This is used to set the guarantees under the APH, CAT, CRC, and IIP plans of insurance. Assessing the need for production risk protection must be based on your farm's production potential and yield variability. It is a good idea to establish the APH for each insurance unit with a crop insurance agent long before the sign-up date. An APH yield is needed even if you are interested only in the catastrophic (CAT) level of coverage. It will also allow you to evaluate higher levels of APH or coverage under revenue insurance plans (if they are available in your county).

Establishing an APH yield requires a minimum of four years of records for each crop and land unit to be insured. Information used to prove crop yields includes sale receipts, farm or commercial storage records, and feed consumption records. The records must be for continuous years, starting with the most recent year and continuing back in time. Once a missing year is reached, no yield data before that year may be used. Dropping out a yield from one year because of poor production is not allowed. It is not considered a missing year of records if the crop being insured was not planted in a certain year. In that case, a zero acreage report is submitted and continuous records are maintained even without data for that year. This is especially important for growers who rotate crops.

If at least four successive years of records are not available, a transitional or "T"-yield is substituted for each missing year. Each insured crop within a county has an assigned "T"-yield. It is usually based on the latest available 10-year county average yield. Farmers with no records at all are assigned 65 percent of the "T"-yield as their APH yield. Farmers with one year of records receive 80 percent of the "T"-yield for the other three years to calculate their APH yield. Farmers with two records receive 90 percent of the "T"-yield for the other two years. Farmers with three years of

records receive 100 percent of the “T”-yield for the one remaining year. Once each year has been assigned a yield, the APH is just an average of the four yields. If only a couple years of yield records exist, the APH yield may be considerably below the actual expected yield because of the reduced “T”-yields. In that case, buying a GRP policy (if available) is an alternative strategy, since GRP guarantees are based on county yields rather than individual farm yields. This could provide a higher level of protection while allowing you to accumulate records to establish an APH yield. However, remember that GRP loss payments are calculated based on the county average yield and you might not be paid for an individual loss on your farm.

New farmers or those who have never planted the crop to be insured receive 100 percent of the “T”-yield for determining their APH yield. If they continue to plant the crop for four years, the “T”-yields will be replaced with the actual production each year. New producers who have previously been closely associated with a particular farming operation, such as children taking over a family farm, can use the previous operator’s records to establish their APH yield.

Once at least four years of production history is available, the APH is the average of all of the yearly reported yields. Additional years of data will be averaged into the APH yield until 10 years are included. Once 10 years of yields are available, the APH becomes a moving 10-year average. When a new year of production history is added, the oldest record is dropped from the APH calculation.

When a new yield record is added to the APH history, the APH cannot decrease by more than 10 percent in any one year. The APH cannot fall to less than 70 percent of the “T”-yield for growers with only one year of yield records, 75 percent for growers with two to four years of yield records, and 80 percent for growers with five or more years of yield records. This “floor” prevents one year with a severe crop failure from having a disproportionately large influence on the APH yield, especially when only a few years of yield records are available. There is also an option to substitute 60 percent of the “T”-yield for actual yields that are less than 60 percent of the “T”-yield. There is a slightly higher premium when this option is selected.

**Selecting an insurance unit for crop insurance.** You have several options on how you divide your land to determine APH yields, loss payments, and premiums under crop insurance. Each parcel of land for which claims are calculated is called an “insurance unit.” Unit types include basic, optional, and enterprise units. One farming operation may have several insurance units. In this situation, it is possible to have a crop loss on one unit and receive a loss payment, while the other units on the same farm produce a record crop. As a result, many farmers prefer to divide their land into as many units as possible. You should check with a crop insurance agent to find out how many and what type of insurance units your crops qualify for, and how this could affect your premiums.

You receive one basic unit for the land you own and cash rent within a county. You also receive one basic unit for each landlord with whom you crop share rent. Each crop share landowner can also insure their own interest in the crop as a separate unit. Each different crop also creates a separate unit, and tracts of land in different counties must be insured as separate units. Each crop/county can have a different type of policy and level of coverage, and could

**Table 2. Cost of actual production history (APH) insurance and gross returns under various yields (corn grain, 100 bu. APH yield, \$2.05 price election, and \$2.61 local cash price).**

	Level of crop insurance protection <sup>1</sup>									
	No Insurance	CAT	BUP	BUP	BUP	BUP	BUP	BUP	BUP	BUP
Yield guarantee:	0%	50%	50%	55%	60%	65%	70%	75%	80%	85%
Price guarantee:	0%	55%	100%	100%	100%	100%	100%	100%	100%	100%
Producer premium (\$/A): <sup>2</sup>	n/a	\$0.00	\$1.23	\$1.64	\$2.00	\$2.97	\$3.89	\$5.94	\$9.66	\$15.99
Administrative fee: <sup>3</sup>	n/a	\$100.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Actual yield (bu/A)	Gross return minus insurance cost (\$/acre)									
0	\$0	\$56	\$102	\$110	\$121	\$130	\$139	\$147	\$154	\$158
10	\$26	\$71	\$107	\$116	\$127	\$136	\$145	\$153	\$160	\$164
20	\$52	\$86	\$113	\$122	\$132	\$142	\$151	\$158	\$165	\$169
30	\$78	\$101	\$119	\$127	\$138	\$147	\$156	\$164	\$171	\$175
40	\$104	\$116	\$124	\$133	\$144	\$153	\$162	\$170	\$176	\$181
50	\$131	\$131	\$130	\$138	\$149	\$158	\$167	\$175	\$182	\$186
60	\$157	\$157	\$156	\$154	\$155	\$164	\$173	\$181	\$188	\$192
70	\$183	\$183	\$182	\$180	\$181	\$180	\$179	\$186	\$193	\$197
80	\$209	\$209	\$208	\$207	\$207	\$206	\$205	\$202	\$199	\$203
90	\$235	\$235	\$234	\$233	\$233	\$232	\$231	\$228	\$225	\$219
100	\$261	\$261	\$260	\$259	\$259	\$258	\$257	\$254	\$251	\$245
110	\$287	\$287	\$286	\$285	\$285	\$284	\$283	\$281	\$277	\$271
120	\$313	\$313	\$312	\$311	\$311	\$310	\$309	\$307	\$303	\$297
Yield guarantee (bu/A):	0	50	50	55	60	65	70	75	80	85

<sup>1</sup>CAT: catastrophic crop insurance (APH); available at no premium cost to the grower.

BUP: buy-up protection; higher levels of APH insurance available for additional premium.

<sup>2</sup>Producer premium takes into account both federal and state (10% of gross) premium subsidies.

<sup>3</sup>Administrative fees have been paid by the Commonwealth of Pennsylvania since 2000.

receive a loss payment separate from the other units. Separate production records must be kept for each basic unit. Insuring all acres as basic units entitles producers to a 10 percent discount on their premiums.

An enterprise unit combines all of the acres of a single crop within a county in which you have a financial interest into a single unit, regardless of whether they are owned or rented, or how many landlords are involved. Since the enterprise units are usually larger than basic units or optional units, it is less likely that the average yield would be low enough to trigger a loss payment in a given year. Enterprise units are an option under CRC and must contain at least 50 acres. There is a premium discount for selecting enterprise units with CRC. Enterprise units are the only unit structure available under IIP.

Basic units may be divided into optional units when a crop is being grown under distinctly different production practices. For example, a grower with both irrigated and non-irrigated acres of the same crop may qualify for optional units. Other special farming types or practices may also qualify acres to be insured as separate units. Optional units may also be established by FSA farm serial number or by section (one-

square-mile blocks containing 640 acres) in areas surveyed under the U.S. Rectangular Survey System. Pennsylvania is not surveyed into sections; however, optional units may be established in Pennsylvania on a section equivalent basis for annual crops. Optional units based on section equivalents must be requested through a crop insurance agent, contain a block of land at least one mile square, and be clearly indicated on a map using identifiable boundaries. Separate APH records must be reported for each optional unit, and the grower would not receive the 10 percent premium discount allowed for basic units.

**How crop insurance premiums are calculated.** Crop insurance premiums depend on your actual production history (APH yield), the coverage level you select, the price election you select, and the premium rate for your county. Based on the level of coverage and the crop being insured, you pay between 23 and 52 percent of the calculated premium, with the federal and state government paying the balance. If you use basic units rather than optional units, you are eligible for the additional 10 percent discount.

You can select a coverage level of 50, 55, 60, 65, 70, or 75 percent of your APH

yield (80 and 85 percent for corn and soybeans in some counties). In a sense, this establishes your “deductible,” similar to the deductible on your automobile or homeowner’s insurance. For example, if a coverage level of 75 percent is selected, then you “self insure” for the first 25 percent of the loss. If the loss was more than 25 percent, crop insurance would cover the difference. The level of coverage also affects the amount of protection that is available. Like other insurance, high levels of deductible have lower premiums, but also more risk. You also have some choice of the price election (percent of the established crop price), depending on the yield guarantee selected. Selecting a lower level of price election lowers premiums slightly. In practice, however, most farmers select the 100 percent price election.

**Some important crop insurance equations:**

**Yield guarantees and premiums:**

$$\begin{aligned} \text{Yield guarantee} &= \text{APH yield} \cdot \text{coverage level} \\ \text{Total premium/acre} &= \text{Yield guarantee} \\ &\cdot \text{price election} \cdot \text{premium rate} \\ \text{Subsidy amount} &= (\text{Total premium/acre} \\ &\cdot \text{subsidy factor}) \end{aligned}$$

**Table 3. Cost of crop revenue coverage (CRC) protection and gross returns under various yields (corn grain, 100 bu. APH yield, \$2.46 early Chicago Board of Trade price).**

	Level of crop insurance protection <sup>1</sup>								
	No Insurance	CRC	CRC	CRC	CRC	CRC	CRC	CRC	CRC
Coverage level:	0%	50%	55%	60%	65%	70%	75%	80%	85%
Producer premium (\$/A): <sup>2</sup>	n/a	\$1.76	\$2.39	\$2.95	\$4.41	\$5.78	\$8.81	\$14.21	\$23.29
Administrative fee: <sup>3</sup>	n/a	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
	Uninsured gross return (\$/A)	Gross return minus insurance cost (\$/acre)							
	\$0	\$121	\$133	\$145	\$156	\$166	\$176	\$183	\$186
	\$25	\$121	\$133	\$145	\$156	\$166	\$176	\$183	\$186
	\$50	\$121	\$133	\$145	\$156	\$166	\$176	\$183	\$186
	\$75	\$121	\$133	\$145	\$156	\$166	\$176	\$183	\$186
	\$100	\$121	\$133	\$145	\$156	\$166	\$176	\$183	\$186
	\$125	\$123	\$133	\$145	\$156	\$166	\$176	\$183	\$186
	\$150	\$148	\$148	\$147	\$156	\$166	\$176	\$183	\$186
	\$175	\$173	\$173	\$172	\$171	\$169	\$176	\$183	\$186
	\$200	\$198	\$198	\$197	\$196	\$194	\$191	\$186	\$186
	\$225	\$223	\$223	\$222	\$221	\$219	\$216	\$211	\$202
	\$250	\$248	\$248	\$247	\$246	\$244	\$241	\$236	\$227
	\$275	\$273	\$273	\$272	\$271	\$269	\$266	\$261	\$252
	\$300	\$298	\$298	\$297	\$296	\$294	\$291	\$286	\$277
	\$325	\$323	\$323	\$322	\$321	\$319	\$316	\$311	\$302
Revenue guarantee (\$/A):	\$0	\$123	\$135	\$148	\$160	\$172	\$185	\$197	\$209

<sup>1</sup>CRC: crop revenue coverage

<sup>2</sup>Producer premium takes into account both federal and state (10% of gross) premium subsidies.

<sup>3</sup>Administrative fees have been paid by the Commonwealth of Pennsylvania since 2000.

Producer premium/acre = (Total premium/acre – subsidy amount)

#### Loss payments:

If actual yield is less than the yield guarantee:

Loss payment = (yield guarantee – actual production) • price election

If actual yield is equal to or greater than the yield guarantee:

Loss payment = 0

#### Comparing crop insurance alternatives for field crops.

To demonstrate the different types of crop insurance coverage available to a field crop producer, a corn farmer with a 100-bushel APH yield in a medium-risk county will be used as an example. The farmer wants to compare gross returns for various levels of MPCCI coverage (CAT and buy-up levels of protection) versus having no insurance (Table 2).

By comparing the various options you can see how farm cash flow is protected by using MPCCI. If the farmer had a total crop loss, CAT would pay the grower \$56/A for the loss. Buy-up coverage provides even more cash-flow protection for the grower. A minimum cash flow of \$101 to \$155/A is guaranteed in exchange for a producer-paid premium of \$2 to \$19/A. As the level of crop insurance protection goes up, the grower is guaranteed a less-variable cash flow. The only advantage of having no crop insurance is saving the premium cost. Elimination of this cost would have a minor positive impact on cash flow during good years and a potentially disastrous impact on cash flow in a poor year.

The farmer also has the option of using a revenue-based insurance coverage such as CRC or IIP. CRC and IIP are both products that use futures prices to set the value of the crop and pay for revenue losses (because of yield losses or price declines) rather than only yield losses as under APH. The farmer also wants to compare gross returns for various levels of CRC coverage versus having no insurance (Table 3).

By comparing the various coverage options you can see how farm cash flow is protected even better by using CRC.

If the grower had a total crop loss, a minimum cash flow of \$120 to \$181/A is guaranteed in exchange for a producer-paid premium of about \$3 to \$28/A. As the level of CRC protection goes up, the farmer is guaranteed a less-variable cash flow when compared to either having no insurance or MPCCI. In years when the harvest time CRC price is less than the early price (set from futures prices in

February), the effective loss payment trigger point may be 10 percent higher than the selected level of coverage (example: early price \$2.40/\$2.10 harvest time price X 75 percent level = 82 percent loss trigger point [effective level of coverage]).

Choosing a level of coverage is a personal decision. Not everyone feels the same about production risk and everyone has different financial resources. One way to choose would be to determine how much cash-flow protection you need and pick a level and price election that accomplishes this goal.

#### Crop insurance for livestock producers.

Crop insurance products have also been developed for farmers who produce forages for on-farm use. Policies are available for corn silage, forage seeding, and forage production. As with other crops, it is necessary to develop an APH yield and keep accurate farm management records on total acres and production. Because of the numerous ways forages can be harvested and stored, and depending on when they are fed, field visits by a representative of your crop insurance company are often required to verify production. Field visits are required if production cannot be measured after harvest (i.e., storage of high-moisture corn or silage in airtight storage structures). Records that can help establish APH yields for forages include acreage data, field harvest records, livestock feeding records, silo measurements, inventory records, and sales receipts. If a crop loss occurs, the farmer must leave representative samples of the unharvested crop for inspection. This sample must be at least 10 feet wide and extend the entire length of each field in the insurance unit.

Corn silage crop insurance is available in all Pennsylvania counties. Because livestock producers usually harvest both silage and grain, there is some flexibility in the program to allow for changes in harvest method. On the acreage-reporting date you must indicate which acreage you choose to insure as silage and which acreage you choose to insure as grain. The insurance provider must be notified before you harvest any acreage in a manner other than as originally reported for coverage (for example, it was reported as grain, but will be harvested for silage, or it was reported as silage, but will be harvested for grain). If there is a production loss, appraisals will be made according to how you reported the acreage for coverage (grain or silage).

Although most counties have crop insurance for grain sorghum, only those hybrids

planted for harvest as grain are covered. Dual-purpose varieties that can be harvested for either grain or silage are not insurable. Forage crop insurance policies are available in many counties, but only for alfalfa and alfalfa mixtures. Premiums are based on the amount of alfalfa in the field. One set of rates applies to pure stands of alfalfa or a stand of alfalfa and grass in which 60 percent or more of ground cover is alfalfa, while the other applies to mixed stands of alfalfa and grass in which alfalfa makes up more than 25 percent but less than 60 percent of the ground cover. Stands with less than 25 percent alfalfa are not insurable. Forage-seeding policies are available for both fall-seeded and spring-seeded fields. Forage production policies have a minimum requirement for an adequate stand based on the number of living plants per square foot after the year of establishment. For pure alfalfa stands an adequate stand is 9.0 alfalfa plants per square foot the first year; 6.0 plants the second year; and 4.5 plants the third and later years. For an alfalfa/grass mixture an adequate stand is defined as 6.0 alfalfa plants per square foot the first year; 4.0 plants the second year; and 3.0 the third and later years.

#### Where Can I Find a Crop Insurance Agent?

- Ask your neighbors for their recommendations. Other farmers are one of the best sources of information on where to find a knowledgeable crop insurance agent.
- Check with the insurance agency where you purchase other types of insurance. Often you can obtain crop insurance through an agent you already use for your farm, automobile, liability, fire, health, or life insurance needs. Many insurance agencies have agents who specialize in crop insurance.
- Check with businesses or organizations you use for farm business management services. Your banker, cooperative, or a farm organization you belong to may be able to recommend insurance agencies who handle crop insurance.
- Use the USDA Risk Management Agency's Web site ([www.rma.usda.gov](http://www.rma.usda.gov)) to locate an agent in your area. First, click on "Agent Locator" in the left tool bar. Then, click on "Agent" under the "Agent Locator/Insurance Providers List." Finally, pull down on "Pennsylvania" to access a list with more than 200 agents who are licensed to sell crop insurance in Pennsylvania.

## Definition of Crop Insurance Deadlines

**Sales closing date**—last day to apply for coverage; the sign-up deadline.

**Final planting date**—last day to plant with full coverage. Late planting is insurable at reduced coverage for some crops.

**Acreage reporting date**—last day to report the acreage planted. If not reported, insurance will not be in effect.

**Date to file notice of crop damage**—within 72 hours of initial discovery of damage (but not later than 15 days after the end of the insurance period). There may be additional requirements by crop. An adjuster must have the opportunity to inspect the crop before it is destroyed or put to another use.

**End of insurance period**—date when crop insurance coverage ceases for the crop year.

**Payment due date**—last day to pay the premium without being charged interest.

**Cancellation date**—last day to request cancellation of policy for the next year.

**Production reporting date**—last day to report production for Actual Production History (APH).

**Debt termination date**—date insurance company will terminate policy for nonpayment.

**Billing date**—date crop insurance premiums are due. Crop insurance premiums not due until after the cropping season is over and any losses have been paid.

**Table 4. Important deadlines for field crop insurance in Pennsylvania**

	Type of Insurance <sup>1</sup>	Sales Closing	Final Planting <sup>2</sup>	Acreage Reporting	Billing Date <sup>3</sup>
Barley (winter)	APH	9/30	9/30 or 10/10	11/15	7/1
Corn	APH, GRP CRC, IIP	3/15	6/10	7/15	10/1
Forage seeding (fall)	Dollar	7/31	8/31	9/15	7/1
Forage seeding (spring)	Dollar	3/15	5/10	6/1	7/1
Forage production	GRP	11/30	–	5/15	7/1
Forage production	GYC	9/30	–	11/15	7/1
Grain sorghum	APH	3/15	6/20	7/15	10/1
Oats (spring)	APH	3/15	5/10	5/31	10/1
Soybeans	APH, CRC	3/15	6/10 or 6/20	7/15	10/1
Tobacco (Maryland type and cigar filler)	GYC	3/15	6/30	7/15	1/1
Wheat	APH	9/30	10/10 or 10/20	11/15	7/1

<sup>1</sup>APH—actual production history insurance, with loss payment based on deviation from APH yield. Premiums vary with APH yield.

GYC—grower yield coverage, with loss payment based on deviation from APH yield. Premiums do not vary with APH yield.

Dollar—dollar plan, loss payment based on value of the crop relative to the dollar amount of insurance.

GRP—group risk plan, loss payment based on relative county yield level and grower selected yield trigger.

IIP—indexed income protection, loss payment based on lower than expected gross revenue.

<sup>2</sup>Final planting date varies throughout the state. Final planting dates for northern counties will be around 7–10 days earlier. Some crops also have initial planting dates. This date indicates the earliest a crop may be planted and still remain eligible for replanting coverage, if such coverage is available for the crop.

<sup>3</sup>Crop insurance is paid for after any yield losses have been determined and after the production season is over.

**Table 5. Crop insurance availability in Pennsylvania, by county.**

County	AGR <sup>1</sup>	apple	barley	proc. bean	cabbage	corn <sup>2</sup>	forage prod. <sup>3</sup>	forage seedling	grain sorghum	grape	green pea	nursery	oats	peach	potato	soybean <sup>4</sup>	fm sweet corn	proc. sweet corn	tobacco <sup>5</sup>	fm tomato	proc. tomato	wheat	winter squash	Number of crops <sup>6</sup>
Adams		x	x			x	x	x			x	x	x		x	x						x		11
Allegheny		x	x			x					x	x					x					x		7
Armstrong			x			x	x	x			x	x				x	x					x		9
Beaver		x	x			x			x		x	x	x		x	x						x		10
Bedford		x	x			x	x	x	x		x	x	x		x	x						x		12
Berks	x	x	x			x	x	x	x		x	x	x		x	x						x		13
Blair		x	x			x		x	x		x	x	x		x	x	x					x		12
Bradford		x	x			x	x	x	x		x	x					x	x				x		10
Bucks		x	x			x			x		x	x	x		x	x						x	x	11
Butler		x	x			x	x				x	x			x	x						x		9
Cambria		x	x			x			x		x	x			x		x					x		9
Cameron						x					x	x					x							4
Carbon	x	x	x			x			x		x	x	x		x	x						x		10
Centre		x	x	x		x	x	x	x		x	x	x		x	x	x					x		14
Chester		x	x			x	x	x			x	x	x		x	x			x			x		12
Clarion		x	x			x	x		x		x	x			x	x			x			x		10
Clearfield		x	x			x			x		x	x					x					x		8
Clinton			x			x			x		x	x			x	x	x				x	x		10
Columbia	x	x	x	x		x			x		x	x	x	x	x	x	x				x	x		14
Crawford	x		x			x	x		x		x	x			x	x						x		9
Cumberland		x	x			x	x	x	x		x	x	x		x	x						x		12
Dauphin		x	x			x			x		x	x	x		x	x	x				x	x		13
Delaware			x			x					x	x			x	x								6
Elk			x			x					x	x					x							5
Erie	x	x	x			x	x		x	x	x	x	x	x	x	x	x			x	x	x		15
Fayette	x	x	x			x	x		x		x	x			x	x						x		10
Forest						x					x	x					x							4
Franklin		x	x			x	x	x	x		x	x	x		x	x					x	x		13
Fulton			x			x			x		x	x			x	x						x		8
Greene						x	x		x		x	x					x					x		7
Huntingdon			x			x	x		x		x	x			x	x						x		9
Indiana		x	x			x	x		x		x	x			x	x						x		10
Jefferson			x			x	x				x	x			x	x						x		8
Juniata		x	x			x			x		x	x	x		x	x						x		10
Lackawanna	x					x			x		x	x					x			x	x	x		8
Lancaster	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x		x			x	x	x	18
Lawrence		x	x			x			x		x	x	x		x	x						x		10
Lebanon			x			x			x		x	x	x		x	x	x	x				x		11
Lehigh	x	x	x			x			x		x	x	x	x	x	x						x	x	12
Luzerne		x	x	x		x			x		x	x	x	x	x	x				x	x	x		13
Lycoming		x	x	x		x	x		x		x	x			x	x	x					x	x	13
McKean		x				x			x		x	x					x							6
Mercer		x	x			x	x		x		x	x			x	x						x		10
Mifflin		x	x			x			x		x	x			x	x						x		10
Monroe	x	x				x			x		x	x	x		x	x						x		9
Montgomery			x			x			x		x	x			x	x						x		8
Montour			x	x		x			x		x	x			x	x	x					x		11
Northampton	x	x	x			x			x		x	x			x	x						x		9
Northumberland		x	x	x		x			x		x	x	x	x	x	x	x				x	x		14
Perry			x			x	x		x		x	x			x	x						x		9
Philadelphia																								1
Pike						x					x	x					x							4
Potter			x			x			x		x	x			x		x	x				x		9
Schuylkill	x	x	x		x	x			x		x	x	x	x	x	x	x					x		13
Snyder		x	x	x		x			x		x	x			x	x						x		11
Somerset			x			x	x	x	x		x	x			x	x						x		11
Sullivan						x			x		x	x					x							5
Susquehanna						x	x		x		x	x					x							6
Tioga		x	x			x	x	x	x		x	x			x	x						x		11
Union		x	x	x		x			x		x	x			x	x					x	x		12
Venango		x	x			x			x		x	x			x	x						x		9
Warren						x			x		x	x					x							5
Washington		x	x			x	x	x	x		x	x	x				x					x		11
Wayne						x	x		x		x	x					x					x		7
Westmoreland	x	x	x			x	x	x	x		x	x			x	x						x		11
Wyoming		x				x			x		x	x			x	x				x		x		9
York	x	x	x	x		x	x		x		x	x	x	x	x	x	x	x				x		15
<b>Total counties</b>	<b>14</b>	<b>43</b>	<b>54</b>	<b>10</b>	<b>1</b>	<b>66</b>	<b>29</b>	<b>13</b>	<b>57</b>	<b>1</b>	<b>10</b>	<b>67</b>	<b>66</b>	<b>23</b>	<b>10</b>	<b>49</b>	<b>66</b>	<b>12</b>	<b>3</b>	<b>4</b>	<b>12</b>	<b>57</b>	<b>2</b>	

<sup>1</sup> AGR has a maximum policy size of \$6.5 million of protection in force. AGR-Lite is available in every county (except Philadelphia), with the policy size limited to \$100,000 of protection in force.

<sup>2</sup> Corn insurance is available as APH, CRC, and IIP in all counties. GRP corn policies are available in Adams, Berks, Chester, Columbia, Cumberland, Dauphin, Franklin, Lancaster, Lehigh,

Northampton, Northumberland, Schuylkill, and York Counties only.

<sup>3</sup> Forage production insurance is available as GRP in all indicated counties. APH is available in Centre, Chester, Cumberland, Lancaster, Somerset, Tioga, and Westmoreland Counties only.

<sup>4</sup> Soybean insurance is available as APH or CRC in all indicated counties.

<sup>5</sup> Tobacco insurance is available for cigar filler (type 41) tobacco in all indicated counties. Maryland (type 32) tobacco is insured in Lancaster County only.

<sup>6</sup> Growers can apply for protection by written agreement for all non-pilot program crops not listed as being available in the county, provided the grower has commercial production history.

**More information on crop insurance and risk management can be found on the Internet:**

**United States Department of Agriculture,  
Risk Management Agency**  
www.rma.usda.gov

**National Ag Risk Education Library**  
www.agrisk.umn.edu

**Northeast Center for Risk Management Education**  
www.necrme.org

**Penn State Crop Insurance Education  
Web Site**  
cropins.aers.psu.edu

**Pennsylvania Department of Agriculture Web Site**  
www.pda.state.pa.us

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**PENNSYLVANIA CROP INSURANCE EDUCATION & PARTICIPATION PROGRAM  
A PARTNERSHIP OF THE USDA RISK MANAGEMENT AGENCY  
AND THE PA DEPARTMENT OF AGRICULTURE**

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