Livestock Risk Protection
Pasture Rangeland & Forage
Adjusted Gross Revenue
Program Sponsorship,

• USDA / Risk Management Agency (RMA)
  – Oversees $115B Federal Crop Insurance Program
  – Raleigh, NC, Regional Office (One of Ten Regions)
  – Relatively Few Employees (About 500)
  – Main Offices in Washington, DC, and Kansas City, MO

• NC Agromedicine Institute
  – Promotes the health and safety of farmers, fishers, foresters, their workers and their families through research, prevention/intervention, and education/outreach
  – Crop Insurance Education Programs
  – Farm Safety Programs
Livestock Risk Protection (LRP)

North Carolina

- Feeder Cattle
- Fed Cattle
- Swine

Insures against declining prices
Livestock Risk Protection

• Application can be filled out at any time
• Insurance attaches when a Specific Coverage Endorsement is accepted
• Premium is due at the time insurance is purchased

• RMA Website
  www.rma.usda.gov
LRP Coverage Options
Feeder Cattle
Submit a One-time Application
Obtain LRP Coverage Options Feeder Cattle Specific Coverage Endorsements

• For up to 1,000 head of feeder cattle per endorsement

• Annual limit is 2,000 head

• Length of insurance is 13, 17, 21, 26, 30, 34, 39, 43, 47 or 52 weeks
LRP Coverage Options
Feeder Cattle

• Two Weigh Ranges
  – Under 600 pounds
  – 600 to 900 pounds

• Coverage available for steers and heifers, Predominantly Braham, and Predominantly Dairy Cattle Categories
LRP Coverage Options
Feeder Cattle

• May select 70-100% of expected ending value
• If the value at end of selected period is below the coverage price, an indemnity is paid

• Daily prices
• Viewed on RMA website
• Purchased thru a Crop Insurance Agent Licensed to sell LRP
LRP Coverage Options
Fed Cattle
Submit a One-time Application
Obtain LRP Coverage Options
Fed Cattle Specific Coverage Endorsements
• For up to 2,000 head of fed cattle per endorsement
• Annual limit is 4,000 head
• Length of insurance is 13, 17, 21, 26, 30, 34, 39, 43, 47 or 52 weeks
LRP Coverage Options
Fed Cattle

• Coverage available for steers and heifers

• Weighing between 1,000 – 1,400 lbs that will be marketed near the end of the insurance period
LRP Coverage Options
Fed Cattle

- May select 70-100% of expected ending price
- If the price at end of selected period is below the coverage price, an indemnity is paid

- Daily prices
- Viewed on RMA website
- Purchased thru a Crop Insurance Agent Licensed to sell LRP
Pasture, Rangeland, Forage Insurance Pilot Program
Pasture, Rangeland, Forage Rainfall Index Pilot Program

• Designed to give forage and hay producers insurance protection for forage losses – either grazing or hay production

• Based upon two separate basic index provisions:
  – Rainfall
  – Vegetation

• Rainfall is based on indexed amount received in a regional “grid area” (approx. 12x12 mile), NOT actual amount rainfall producer operation receives.
Pasture, Rangeland, Forage Rainfall Index Pilot Program

- Program available in all VA counties.
- Coverage is for a single peril - lack of rain.
- Newly revised and expanded for 2011.
- PRF is based on two basic indices:
  1. Rainfall Index – available in VA
  2. Vegetative Index – NOT available in VA.
- Index data from National Oceanic and Atmospheric Administration Climate Predictive Center (NOAA CPC).
Pasture, Rangeland, Forage Rainfall Index Pilot Program

- Producer must select 2, two-month periods where rain is important to his or her operation.
- Also called an “index interval”.
- Insurance payments will be calculated using NOAA CPC rainfall data for the grid(s) and index interval(s) the producer has chosen to insure.
Pasture, Rangeland, Forage Rainfall Index Pilot Program

How does PRF insurance work?

- Coverage Level = Percentage of expected grid index selected by policyholder
- When the final grid index falls below selected “trigger grid index” (coverage level multiplied by the expected grid index), producer may receive a loss payment.
- Revisions are relatively new so recommended to work with crop insurance agent.
Pasture, Rangeland, Forage Rainfall Index Pilot Program

• Coverage is based on the rainfall experience of the entire grid.
• NOT based on individual farms or ranches or specific weather stations
• More detailed information at NOAA’s website:
  • http://www.cpc.ncep.noaa.gov/products/outreach/research_papers/ncep_cpc_atlas/7/toc.html
Pasture, Rangeland, Forage Rainfall Index Pilot Program

- Designed for maximum flexibility.
- Protection Factor establishes a value between 60 and 150% of County Base Value to match protection amount to the value of forage that represents producer’s grazing or hay operation.
- Producer not required to insure all acres
  - Cannot exceed the total number of grazing or haying acres in the operation
  - Allows acres important to grazing program or hay operation to be insured.
Pasture, Rangeland, Forage Rainfall Index Pilot Program

- Rainfall and vegetation indices do NOT measure producer direct production or loss.
- PRF only insures a rainfall or vegetation index that is expected be an estimate of the operator’s production.
- Producers are encouraged to review historical indices for area, discuss PRF with crop insurance agent and check for more program information at: http://www.rma.usda.gov/policies/pasturerangeforage
Contact Information

Producers are strongly urged to contact a local crop insurance agent as soon as possible for more detailed information and premium quotes.

For a list of crop insurance agents, contact the local USDA Farm Service Agency office or logon to the following Risk Management Agency web site: http://www.rma.usda.gov/tools/agents/

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