



Crop Insurance Reference Guide

Winter 2020

Farm Credit Services of Mandan

This Agency is an Equal Opportunity Provider

Farm Credit Services crop insurance department works with several selected insurance carriers. Together we stay current with the new product options and changes in procedures. We encourage you to explore all the opportunities that exist with risk management through various crop insurance options. Our team of crop insurance specialists can help you select the right level of coverage to protect your investments and profits. We appreciate your business and look forward to helping you with your risk management needs.

IMPORTANT MARCH 15 DEADLINE

- ✓ New applications
- ✓ Add crops or delete crops
- ✓ Add county or delete county
- ✓ Change plans (Yield Protection, Revenue Protection, etc.)
- ✓ Change levels of coverage
- ✓ Winter coverage option—barley, canola, dry peas and winter wheat
- ✓ Transfer or cancellation of existing MPCl policies
- ✓ Written agreement requests (including new breaking and native sod)
- ✓ Added county election
- ✓ Enterprise units
 - Multi-County Enterprise Units (MCEU)
 - Enterprise Unit by Practice (EP)
- ✓ All options:
 - Yield Exclusion (YE)
 - Yield Adjustment (YA)
 - Canola two-year rotation option (CR)
 - Malt Barley Endorsement (MBE)
 - Personal T-Yield (PTY)
 - High-Risk Land (HR)
 - Trend Adjusted Yields (TA)
 - Yield Cups (YC)
 - Level by Practice (LP)
- ✓ Private Products
- ✓ Whole Farm Revenue Protection
- ✓ Beginning Farmer Rancher Benefits
- ✓ Veteran Farmer Rancher Benefits
- ✓ Limited Resource Farmer



NOTE: All these changes require your signature. Please contact your Farm Credit Services agent to review your coverage for the 2020 crop year. Your crop insurance policy(s) will remain in force for 2020, unless you indicate otherwise.

Call for APH Review

2020 CROP INSURANCE UPDATE

CAT Coverage

- 50% Coverage Level with 55% Price Election
- Administrative Fee has increased to \$655 per county/crop

FSA Program Requirements

- **WHIP+:** producers must obtain Federal Crop Insurance or NAP at a 60% coverage level or higher on the crop paid under WHIP+ for the first 2 available consecutive crop years after the enrollment period ends
- **Top-Up Payments** (on 2019 Prevent Plant acres): producers must obtain Federal Crop Insurance for the next 2 crop years for any crop paid by Top-Up Payments

Veteran Farmer Rancher (VFR)

- To qualify:
 - Must be a veteran, who served in the active military, naval, or air services in the Armed Forces (including the reserve components)
 - And must be discharged or released under conditions other than dishonorable
 - And has not operated a farm or ranch for not more than 5 years or is a veteran who first obtained the status as a veteran during the most recent 5-year period, even if that veteran has previously operated a farm or ranch for more than 5 years
- Benefits include:
 - Exemption from paying administrative fees
 - Additional 10 percentage points of premium subsidy
 - An increase from 60 to 80 percent of the applicable T-Yield when utilizing the Yield Adjustment (YA) option
 - Use of the production history of farming operations where VFR's were previously involved in the decision making or physical activities of that farm or ranch operation
- Applications and documentation to prove eligibility must be submitted by March 15
- An insured cannot receive Veteran Farmer Rancher and Beginning Farmer Rancher benefits at the same time

Hemp

- Hail insurance now available from select insurance companies
 - Some restrictions may apply, contact your Insurance Representative for more information
- Whole Farm Revenue Protection (WFRP) and APH policies available from select insurance companies
 - Must be planted, grown, and harvested in accordance with the regulations governing industrial hemp production on the land it is produced on (including state regulations)
 - Growers must first be licensed or authorized under a State hemp program, a Tribal hemp program, or the USDA hemp program
 - Must be grown under a marketing contract with a processor
 - Cannot have a THC level greater than 0.3 percent
 - Other restrictions may apply, contact your Insurance Representative for more information

GENERAL INFORMATION

Beginning Farmer Rancher (BFR)

Beginning farmers and ranchers are eligible for certain benefits designed to help them as they start their operation. To qualify, an individual must not have actively operated and managed a farm or ranch with an insurable interest in any crop or livestock in any county/state for more than five years.

- Excludable crop years include those in which the insured was under the age of 18, enrolled in post-secondary studies, or on active duty in the U.S. Military.
- Benefits will include:
 - Exemption from paying administrative fees
 - Additional 10 percentage points of premium subsidy
 - Use of the production history of farming operations where BFRs were previously involved in the decision-making or physical activities of that farm or ranch operation
 - An increase, from 60 to 80 percent of the applicable T-Yield, when utilizing the Yield Adjustment option

New Producer

RMA is instructing Insurance Providers to verify whether an insured is a New Producer. Insureds must certify on their production report that they (or any other person on their policy) have not been actively engaged in farming for a share of the production of the insured crop in the county for more than 2 years. If more than 2 years of history exists, penalties may apply upon discovery.

Conservation Compliance

To be eligible for the premium subsidy on a federally reinsured crop insurance policy of any type, the insured must file a Highly Erodible Land Conservation and Wetland Conservation form (AD-1026) with the Farm Service Agency (FSA) by the premium billing date. New producers that started farming after June 1, 2019, must also complete a New Farmer Certification statement. A wetland conversion exemption may be available.

Premium Billing Dates

- July 1, 2020 – Rye, Forage Production
- August 15, 2020 – Spring Crops
- September 1, 2020 – Pasture, Rangeland, Forage (PRF)

Interest will attach on unpaid premium on the first of the month following the date of the bill, provided that a minimum of 30 days has passed from the billing date published above, regardless if there is an outstanding claim.

Added Land

- If less than 2,000 total cropland acres are added, then the higher of the applicable Variable T-Yield, Simple Average T-Yield, or Personal T-Yield (if elected) will be used to establish the approved APH yield.
- The County T-Yield or a percent of T-Yield will be applied if 2,000 or more total cropland acres are added. Does not qualify for a Personal T-Yield.

Added County Election

- For producers who obtain land in an added county after sales closing (March 15), the "Added County Election" requires an individual to insure all crops in all added counties in which they have a share.
- Insured must designate by county/crop which insurance level, price election and options will apply by the sales closing date.

Enterprise Units (EU)

EU is available for crops with Revenue Protection (RP) or Yield Protection (YP) elected. The acres used to determine the EU discount include the insured planted acreage in the unit (does not include prevented planting acreage). EU must be elected by March 15th. To qualify, acres must be planted in at least two sections, with at least 20 acres or 20 percent of the total planted acreage being located in the second section.

- Enterprise Unit by Practice (EP) for Irrigated and Non-Irrigated
 - May elect EU for one practice and EU, Basic Unit, or Optional Unit for the other practice.
 - Each practice must qualify separately for an EU (if elected)
- Multi-County Enterprise Unit (MCEU)
 - May combine acreage of an insured crop in two contiguous counties within the same state into one EU or EP
 - To qualify, the primary county must individually qualify for EU/EP and the secondary county must NOT individually qualify for EU/EP
 - Premium, guarantees, and liability will still be calculated separately
 - Total insured planted acres of the MCEU will be used to determine the appropriate EU discount factor for each county

Written Agreements (WA)

The deadline to request coverage with a Written Agreement is March 15, 2020. If you intend to plant a crop, or a type/practice that is not insurable in a county, production history for that crop or similar crop may be needed to complete the request.

Corn-Grain Written Agreement Guidelines

- Request coverage in counties where only **non-irrigated corn silage** insurance is offered
- Records for at least three crop years of ALL non-irrigated corn acreage in the county (grain and silage):
 - At least 50% of all planted corn acreage harvested as grain or grain appraisals in 3 of the 4 most recent years
 - One of those years, at least 50% of corn acreage actually harvested as grain
 - Producers will be able to request a Written Agreement **without three years** of records if the producers have fully executed an acceptable processor contract. Processor contracts must be submitted with the (WA) request
- **Important:** Records must be based on harvested grain or grain appraisals. Production history CAN NOT be based on conversion from silage records to corn grain records.

Malting Barley – Three ways to insure:

- 1) Yield Protection or Revenue Protection based on prices determined by the Commodity Exchange Price Provision – no additional quality coverage
- 2) Yield Protection based on a price contained in a production contract – no additional quality coverage
- 3) Yield Protection or Revenue Protection – with the Malting Barley Endorsement (MBE)
 - Coverage based on prices established in accordance with the malting contract
 - Additional quality protection provided

ACRES WITHOUT PLANTING HISTORY

Acres Emerging from USDA Program (CRP)

CRP that is being planted to a crop for the first time since emerging from USDA Program is insurable under the terms of the policy, if planted within the two most recent crop years.

- APH will be 100% of the County T-Yield (if no production records are available)

Acres emerging from CRP that is not planted within two years of emergence may be insurable by requesting a Written Agreement by March 15, 2020. (Refer to New Breaking procedures.)

New Breaking

Acres is insurable if the land has been planted and harvested or insured in any one of the three previous crop years (including insured acres that was prevented from being planted).

A Written Agreement to request coverage is needed if the only crop that has been planted and harvested in the three previous crop years is a cover crop, hay (except wheat harvested for hay), or forage crop (except insurable silage).

- New Breaking Coverage Requests must be completed by March 15, 2020
- Exceptions that do not require a Written Agreement for insurability include:
 - Land that was not planted in order to comply with another USDA program, such as CRP
 - Acres that is part of a normal rotation
 - Acres are 5% or less of the insured planted acres in the unit
- APH will be limited to 65%-80% of the County T-Yield
- Not eligible for Prevent Plant coverage, Simple Average T-Yields, Added Land Procedures, Personal T-Yields, or Master Yields the initial crop year

Native Sod

- RMA is tracking land that is converted from Native Sod to the production of a crop. Once a producer breaks out more than 5 acres in a county, cumulatively across crop types and crop years (beginning with 2017 crop year), they will be penalized.
- The initial year Native Sod is broken out, a Written Agreement submitted by March 15 may be required to request insurability
- Penalties include:
 - Reduction of premium subsidy
 - Reduced insurance guarantee
 - Cannot use Yield Adjustment option, Simple Average T-Yields, or Master Yields
- Acres broken out after December 21, 2018 must follow the NEW 2018 Farm Bill regulations
 - Penalties apply until Native Sod acres have four crop years of an insured crop completed, but is limited to within the first 10 crop years after initial tillage
 - What qualifies as a year of crop insurance:
 - NAP coverage at FSA does NOT count
 - Additional Buy-Up coverage only (CAT coverage does NOT count)
 - Acres insured but prevented from being planted does qualify
 - Now includes all insurable crops (annual and perennial)
 - Now includes all insurance plans (including PRF-Rainfall and WFRP)

Livestock Risk Protection (LRP) is designed to insure against declining market prices. Producers may select from a variety of coverage levels and periods of insurance that correspond with the time their market weight livestock would be sold. Producers can choose contract length (varying from 13 to 52 weeks), weight, coverage level, and number of livestock they want to insure. LRP is available for cattle, lamb, and swine and can be purchased throughout the year.

PRODUCTION RECORDS

Production Records and Record Types

- Insureds must have acceptable production records available to support the unit structure on their production report (Basic Unit, Optional Unit, or Enterprise Unit).
- If production records are not kept separately when reported as such, assigned yield procedures may apply.
- With Enterprise Units, if soft copy records are not kept, the production may be prorated.
- Record Types include:
 - Hard Copy Records – prove the final disposition of the crop
 - Settlement sheets, signed appraisals, precision farming records, feed records, etc.
 - Soft Copy Records – supports hard copy records and is used to separate production by unit (section)
 - Combine monitor records, weigh slips, load records, etc.

Assigned Yields Procedures

Keeping detailed and accurate farm production records is more important than ever before. Beginning with APH Reviews for the 2018 crop year:

- If the insured over reports production by more than the 5% tolerance, assigned yields may apply.
 - Assigned yields = 75% of the prior year APH yield (by crop and county) and loss of optional units for the crop
- If an error is found, the insured may recertify their production for the following year, if they have acceptable records.

NOTICE – The information in this newsletter is as current and accurate as possible; however, it is subject to change. Farm Credit Services of Mandan and its employees are not liable for any errors or omissions.

GOOD FARMING PRACTICES

The Federal Crop Insurance Program covers losses that are unavoidable and due to naturally occurring events. The program does not cover losses due to negligence, or any failure to follow Good Farming Practices.

Good Farming Practices are the production methods utilized to produce the insured crop and allow it to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance, including any adjustments for late-planted acreage. They are generally recognized by agricultural experts or organic agricultural experts for the area, depending on the practice.

For Good Irrigation Practices, a producer must ensure application of adequate water in an acceptable manner and at the proper times to allow production of a normal crop, which is often identified as the approved yield for crops under APH.

If Good Farming Practices are not followed, lost production attributed to this failure must be assessed and any indemnity will be reduced. This is true for all producers, regardless of their plan of insurance.

Dairy Revenue Protection (DRP) is designed to insure against unexpected declines in the quarterly revenue from milk sales relative to a guaranteed coverage level. Producers may choose between Class Pricing Option, which is a blend of Class III and Class IV milk or Component Pricing Option, which takes butterfat, protein, and other solids into consideration. Producers may also select from a variety of coverage levels, protection factors, and periods of insurance that correspond with the quarter their milk is sold. Other restrictions may apply, so please contact your Insurance Representative for more information.

CROP ROTATION REQUIREMENTS

Buckwheat

- Insurance will not attach to any acreage on which canola, crambe, chickpeas, dry beans, mustard, rapeseed, soybeans or sunflowers have been planted in the **preceding crop year** or on which buckwheat has been planted in either of the **preceding two crop years**.

Canola

- Insurance will not attach to any acreage on which canola, crambe, chickpeas, dry beans, mustard, rapeseed, or sunflowers have been planted in either of the **two preceding crop years** (three-year rotation) with the exception below:
- In a two-year rotation, canola, crambe, chickpeas, dry beans, mustard, rapeseed, or sunflowers cannot have been planted in the **preceding crop year and a blackleg resistant variety (MR-R)** must be planted with the insured providing proof of variety by the acreage reporting date. A rate surcharge will apply.

Dry Beans

- Insurance will not attach to any acreage on which dry beans, canola, crambe, mustard, rapeseed, soybeans or sunflowers have been planted in the **preceding crop year**.

Dry Peas

- The following rotation statement applies to the **Spr Lentils**
Type: Insurance will not attach to any acreage on which lentils were planted in either of the **previous two (2) crop years** or on which chickpeas or field peas were planted in the **previous crop year**. This statement applies to field peas, lentils, and chickpeas grown either as a grain, cover crop or in a cover crop mixture.
- The following rotation statement applies to field peas (**Spr Austrian Peas, Spr Forage/Feed Peas Grown For Seed, Spr Marrowfat Peas and Spr Smooth Green or Yellow Types**): Insurance will not attach to any acreage on which field peas were planted in either of the **previous two (2) crop years** or on which chickpeas or lentils were planted in the **previous crop year**. This statement applies to field peas, lentils, and chickpeas grown either as a grain, cover crop or in a cover crop mixture.
- The following rotation statement applies to **Spr Large Kabuli Chickpea, Spr Small Kabuli Chickpea, and Spr Desi Chickpea Types**: Insurance will not attach to any acreage on

which chickpeas (garbanzo beans) have been planted in any of the **three previous crop years**. This statement applies to chickpeas grown either as a grain, cover crop or in a cover crop mixture.

- Applies to all dry pea types: Chickpeas that were planted and then all plant growth was terminated by chemical or mechanical means prior to June 15, will not be considered planted for rotational purposes only. The insured is responsible to provide proof of insurability.

Mustard

- Insurance will not attach to any acreage on which crambe, mustard, canola, chickpeas, dry beans, rapeseed, or sunflowers have been planted in the **preceding crop year**.

Potatoes

- Insurance will not attach to any acreage on which potatoes or sunflowers were planted the **preceding crop year**.

Safflowers

- Insurance will not attach on any acreage on which safflower, sunflower seed, any variety of dry beans, soybeans, mustard, rapeseed, or lentils were grown the **preceding crop year**. Insurance shall attach to a crop following a cover crop. Contact your agent for details.

Sunflowers

- Insurance will not attach to any acreage on which sunflowers, canola, crambe, dry beans, mustard, rapeseed, or safflowers have been planted in the **previous crop year**.

Coarse Grains (Corn, Sorghum, Soybeans) and Sunflowers

- Insurance shall not attach to a planted non irrigated crop on acreage from which, in the same calendar year, a perennial hay crop was harvested or a crop (other than a cover crop) reached the headed or budded stage prior to termination.

Rotation Statement (canola, dry beans, mustard, & sunflowers)

- A crop which was planted and then all plant growth was terminated by chemical or mechanical means prior to June 15, will not be considered planted for rotation purposes ONLY. The insured is responsible to provide proof of insurability.

Farm Credit Services Crop Insurance Specialists

Over 150 years of Combined Experience



Yvonne Seidler
Carson Branch



Jessica Long
Wishek Branch



Debbie Zillmer
Wishek Branch



Kristi Laframboise
Washburn Branch



Carla Nelson
Mandan Branch



Sara Clement
Mandan Branch



Penny Hoesel
Mandan Branch



Jaime Lundquist
Mandan Branch



Michelle Marohl
Mandan Branch



Sheridan Visser
Bowman Branch



Holly Ebner
Mott Branch



Serena Frederick
Mott Branch



Alison DuBois
Beulah Branch



Carrie Scheeler
Dickinson Branch



Carla Tausend
Mandan Association



Contact your crop insurance representative by email using: first.name.last.name@farmcreditmandan.com

Beulah

213 Highway 49 North
P.O. Box 507
Beulah, ND 58523
701-873-5395 • 800-510-5395

Bowman

107 Highway 12 West
P.O. Box 859
Bowman, ND 58623
701-523-5275 • 800-581-5275

Carson

108 First Avenue East
P.O. Box 199
Carson, ND 58529
701-622-3297 • 800-370-3297

Dickinson

1300 Roughrider Blvd
Dickinson, ND 58601
701-227-1207 • 800-291-1207

Mandan

1600 Old Red Trail
P.O. Box 5001
Mandan, ND 58554
701-663-6487 • 800-660-6487

Mott

320 Pacific Avenue
P.O. Box 249
Mott, ND 58646
701-824-3203 • 800-520-3203

Washburn

1157 Border Lane
P.O. Box 158
Washburn, ND 58577
701-462-3514 • 866-470-3514

Wishek

1207 Beaver Avenue
P.O. Box 616
Wishek, ND 58495
701-452-4252 • 800-327-2474



2020 ND ACTUARIAL CHANGES

- Barley – Continuous Cropping/Summerfallow Practices combined into Non-Irrigated for Adams, Billings, Dunn, Golden Valley, Grant, Hettinger, McLean, Morton, Sioux, and Corson (SD) Counties
 - Canola – Master Yields now available in Montana
 - Dry Beans – Variety Statements updated
 - Dry Beans – Master Yields now available in South Dakota and Montana
 - Dry Peas – Coverage available for Chickpeas in Kidder and Sheridan Counties
 - Dry Peas – Rotation Statements updated to include Marrowfat type
 - Dry Peas – Written Agreements for Fava/Faba Bean allow insurance under the Dry Pea policy rather than the Dry Bean policy
 - Flax – Coverage available for Wibaux (MT) County
 - Safflower – Master Yields now available in South Dakota and Montana
 - Sunflowers – Organic price added for Confectionary type
 - Sunflowers – Master Yields now available in South Dakota and Montana
 - Wheat – Continuous Cropping/Summerfallow Practices combined into Non-Irrigated for Adams, Golden Valley, Grant, Morton, Oliver, Sioux, and Slope Counties
 - Wheat – Coverage available for Durum in Fallon (MT) County
 - Quality Adjustment Statement changes made to Dry Peas, Sunflowers, and Wheat
- T-Yield Changes
 - Barley – Adams, Billings, Bowman, Burleigh, Dunn, Emmons, Golden Valley, Grant, Hettinger, Kidder, Logan, McIntosh, McKenzie, McLean, Mercer, Morton, Oliver, Sheridan, Sioux, Slope, Stark, Stutsman, Campbell (SD), Corson (SD), McPherson (SD), Perkins (SD), and Ziebach (SD) Counties
 - Buckwheat – Burleigh, Dunn, Hettinger, Kidder, McIntosh, McLean, Sheridan, Stark, and Stutsman Counties
 - Corn – Adams, Billings, Bowman, Burleigh, Dunn, Emmons, Golden Valley, Grant, Hettinger, Kidder, Logan, McIntosh, McKenzie, McLean, Mercer, Morton, Oliver, Sheridan, Sioux, Slope, Stark, Campbell (SD), Corson (SD), Harding (SD), McPherson (SD), Perkins (SD), and Ziebach (SD) Counties
 - Grain Sorghum – Campbell (SD), McPherson (SD), Perkins (SD), and Ziebach (SD) Counties
 - Safflower – Adams, Bowman, Dunn, Golden Valley, Grant, Hettinger, McKenzie, Morton, Slope, Stark, Corson (SD), Harding (SD), Perkins (SD), Fallon (MT), and Wibaux (MT) Counties
 - Soybeans – Emmons County

If you have not reported your production for 2019, please report it to your FCS insurance agent as soon as possible.