



Crop Insurance News

Winter 2022

Farm Credit Services of Mandan

This Agency is an Equal Opportunity Provider

Farm Credit Services crop insurance department works with 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 Representatives 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 MPCI policies
- ✓ Written agreement requests (including new breaking and native sod)
- ✓ Added county election
- ✓ Enterprise units
 - Multi-County Enterprise Units (MCEU)
 - Enterprise Unit by Practice (EI)
 - Enterprise Unit by Type (ET)
- ✓ 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)
 - Quality Loss (QL)
- ✓ Private Products
- ✓ Whole Farm Revenue Protection
- ✓ Beginning Farmer Rancher Benefits
- ✓ Veteran Farmer Rancher Benefits
- ✓ Limited Resource Farmer
- ✓ Supplemental Coverage Option (SCO)
- ✓ Enhanced Coverage Option (ECO)



2022 CROP INSURANCE UPDATE

Prevented Planting (PP)

Must have been prevented from planting the insured crop due to an insured cause of loss that is general to the surrounding area and prevents other producers from planting acreage with similar characteristics

- Must be insurable acreage that has been planted and harvested or insured in at least one of the three previous crop years
- May need to submit an Intended Acreage Report by the sales closing date to qualify for PP if you are a new producer
- Not eligible for PP if acreage is not insurable, there is no cause of loss, or acreage is not physically available for planting (this includes New Breaking and CRP)
- A 5% Buy-Up coverage for PP may be available
- To qualify for PP, there must be at least 20 acres or 20% of the unit acres prevented from planting
- A Notice of Loss must be filed within 72 hours after the final plant date or upon determination of not being able to plant within the late plant period
- Filing PP for a crop different than the crop planted in the field may be allowable if the insured provides proof that they intended to plant another crop or crop type on those acres (this could include seed receipts or fertilizer inputs)

■ NEW for 2022

- November 1st date has been removed: cover crops may be hayed, grazed, or cut for silage, haylage, or baleage without a reduction in a PP payment – a payment reduction will apply if the cover crop is harvested for grain or seed at any time
- Corn planted on acreage following a crop that has been prevented from being planted will not be considered a cover crop and will be considered a crop planted for harvest

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). To qualify, acres must be planted in at least two sections, with the lesser of 20 acres or 20 percent of the total planted acreage located in the second section. EU must be elected by March 15th and the unit structure must be verified on the Acreage Report by July 15th.

■ NEW for 2022: Enterprise Unit by Type (ET)

- Available for Wheat, Dry Beans, Dry Peas, and Sunflowers
- Cannot elect with EI or MCEU
- May elect ET for one type or several types

NOTE: All these changes require your signature. Please contact your Farm Credit Services Insurance Representative to review your coverage for the 2022 crop year. Your crop insurance policy(s) will remain in force for 2022, unless you indicate otherwise.

CROP INSURANCE UPDATE CONT.

■ Enterprise Unit by Practice (EI)

- 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 EI
- To qualify, the primary county must individually qualify for EU/EI and the secondary county must NOT individually qualify for EU/EI
- Total insured planted acres of the MCEU will be used to determine the appropriate EU discount factor for each county

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 and later:

- 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.

ACRES WITHOUT PLANTING HISTORY

Acreage Emerging from USDA Program (CRP)

CRP that is being planted to a crop for the first time since emerging from a 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)

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

New Breaking

Acreage is insurable if the land has been planted and harvested or insured in any one of the three previous crop years (including insured acreage 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
- 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
 - Acreage that is part of a normal rotation
 - Acres are 5% or less of the insured planted acreage 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. As of February 7, 2014, once a producer breaks out more than 5 acres in a county cumulatively across crop types and crop years, 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
- Acreage broken out after December 21, 2018 must follow the 2018 Farm Bill regulations
 - Penalties apply until Native Sod acreage has 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)
 - Acreage 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)

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, contact your Insurance Representative for more information.

GENERAL INFORMATION

Beginning Farmer Rancher (BFR) & Veteran Farmer Rancher (VFR)

- 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
 - Relaxation of Transfer of APH Process
- 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
- To qualify for BFR:
 - 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
 - Shareholders, including spouses, must also qualify for BFR to receive benefits
 - 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
- To qualify for VFR:
 - 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

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, 2021, must also complete a New Farmer Certification statement. A wetland conversion exemption may be available.

Premium Billing Dates

- July 1, 2022 – Rye, Forage Production
- August 15, 2022 – Spring Crops
- September 1, 2022 – 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.

Written Agreements (WA)

The deadline to request coverage with a Written Agreement is March 15. 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.

Hemp

- Hail insurance available from select insurance companies
 - Some restrictions may apply, contact your Insurance Representative for more information
- Actual Production History (APH) policies or Whole Farm Revenue Protection (WFRP) policies are available
 - 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%
 - Coverage must be elected by March 15
 - Other restrictions may apply, contact your Insurance Representative for more information

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

Good Farming Practices

Federal Crop Insurance does not cover losses due to negligence, or any failure to follow Good Farming Practices. 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.

For cropland that utilizes irrigation, good irrigation practices must be followed.

FSA Program Requirements

- **Quality Loss Adjustment Program**
 - Aids producers who suffered eligible crop quality losses due to natural disasters occurring in calendar years 2018 and/or 2019
 - Requirement to purchase Federal Crop Insurance or NAP coverage for the next two available crop years at the 60% coverage level or higher (uninsurable acreage may not count toward requirement)
- **WHIP+**
 - Aids producers affected by qualifying natural disasters in 2018 and/or 2019
 - Drought, excessive moisture, hurricanes, floods, snowstorms, tornadoes, typhoons, volcanic activity and wildfires, and related conditions
 - Requirement for producers to obtain Federal Crop Insurance or NAP coverage for the next two available crop years at the 60% coverage level or higher for the crop paid under WHIP+ (uninsurable acreage may not count toward requirement)

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.

Hemp

- Insurance will not attach to any acreage on which Cannabis, canola, dry beans, dry peas, mustard, rapeseed, soybeans, or sunflowers were grown the **preceding crop year**.

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), Hemp 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.

Livestock Risk Protection (LRP)

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.

- Available for feeder cattle, fed cattle, and swine
- Can be purchased throughout the year
- Premium subsidy from 35-55% (depending on coverage level selected)
- Producer must have ownership in the livestock
- Cannot sell the livestock more than 60 days prior to the contract end date
- Feeder cattle and swine types now allow for livestock to be insured before birth

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.

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2022 ACTUARIAL CHANGES

- Barley – Continuous Cropping/Summerfallow Practices combined into Non-Irrigated for Bowman, Mercer, Oliver, Slope, Stark, Harding (SD), and Perkins (SD) Counties
- Dry Beans – Coverage available for Logan and McIntosh Counties
- Dry Peas – Palmer Type added as Large Kabuli Chickpea Variety for North Dakota
- Soybeans – Specialty Types added in McKenzie County
- Triticale - Coverage available for Morton County
- Quality Adjustment Discount Factor Changes made to Barley, Corn, Oats, Soybeans, Wheat
- T-Yield Changes
 - Buckwheat – Fallon (MT) and Wibaux (MT) Counties
 - Canola – Adams, Billings, Bowman, Burleigh, Dunn, Emmons, Golden Valley, Grant, Hettinger, Kidder, Logan, McIntosh, McKenzie, McLean, Mercer, Morton, Oliver, Sheridan, Sioux, Slope, Stark, Stutsman, and Wibaux (MT) Counties
 - Dry Beans – Logan, McIntosh, and Sheridan Counties
- Dry Peas – 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), Harding (SD), McPherson (SD), Perkins (SD), Ziebach (SD), Fallon (MT), and Wibaux (MT) Counties
- Hemp – Adams, Billings, Dunn, Golden Valley, Hettinger, McIntosh, McKenzie, McLean, Mercer, Oliver, Slope, Stark, Fallon (MT), and Wibaux (MT) Counties
- Millet – Corson (SD) and Ziebach (SD) Counties
- Mustard – Dunn, Golden Valley, Hettinger, McLean, and Stark Counties
- Soybeans – Emmons and Kidder Counties
- Sunflowers – Adams, Billings, Bowman, Burleigh, Dunn, Emmons, Golden Valley, Grant, Hettinger, Kidder, Logan, McIntosh, McLean, Mercer, Morton, Oliver, Sheridan, Sioux, Slope, Stark, Stutsman, Campbell (SD), Corson (SD), McPherson (SD), Perkins (SD), Ziebach (SD), Wibaux (MT) Counties

**If you have not reported your production for 2021,
please report it to your FCS Insurance Representative as soon as possible.**