America Relies on Crop Insurance

In 2015, farmers invested more than **$3.7 billion** to purchase more than **1.2 million** crop insurance policies, protecting **130 different crops**.

Crop insurance policies protected almost **90 percent** of planted cropland in 2015.

Farmers have spent more than **$44 billion out of their own pockets** to purchase crop insurance since 2000.

---

**Report Crop Insurance Acreage Before FSA Report**

*Simplify the reporting process*

The best way to get the maximum benefit from the new Acreage Reporting streamlining process is to do your crop insurance acreage reporting before you make your annual FSA report.

By reporting to your crop insurance agent first, you have the best chance of minimizing errors and getting the intended benefits of reduced paperwork and time savings.

Referred to as ACRSI (Acreage Crop Reporting Streamlining Initiative), the new process aims to simplify acreage reporting by minimizing duplicate data reporting and entry, maximizing data use, and increasing reliability, accuracy, integrity, and completeness of the data.

You have money at stake in making sure this all gets done right. If you report too few acres you may pay less in crop insurance premiums but get a lower than expected indemnity in the event of a loss. If you report too many acres you will pay more than you need to in premiums. The same thing is true at FSA where your access to other government programs is at stake.

The at-risk, for profit private crop insurance companies enter into a financial contract with farmers and this fiduciary responsibility requires that companies and their agents receive and verify accurate acreage and production information. Because the private-sector crop insurance infrastructure is better equipped to manage structural changes, from a staffing and Information Technology standpoint, you are better served by first completing an acreage report with your crop insurance agent. The result assures an actuarially sound safety net for you and for American agriculture.

The common acreage reporting information you give your crop insurance agent—what was planted, when, where, and how many acres—can be submitted to ACRSI and can be downloaded by your FSA county office so it is available when you visit that office to complete all required FSA certifications.

While ACRSI allows sharing of common acreage report data for a select set of crops across all 50 states, it does not change any of your reporting requirements or deadlines for crop insurance or other farm programs.

ACRSI crops as of fall 2017 acreage reporting include alfalfa, barley, canola/rapeseed, com, CRP, cotton, fallow, grass (various), hybrid seed (corn, sweet corn, rice, sorghum), oats, peanuts, rice, rye, sorghum, soybeans, sunflowers, and wheat.
There is a Boom in Specialty and Organic Crop Coverage

By far the fastest growing areas of crop insurance protection are specialty crops and organic crops. Specialty crop insurance coverage has more than doubled in recent years to eight million acres and sixteen billion dollars of liability coverage. At the same time sixty crops are now eligible for organic coverage.

To get to this point, your crop insurance agent has had to climb a lot of learning curves as new crops and new programs keep expanding coverage in the specialty and organic sectors.

Just this past year, the Contract Price Addendum option was expanded to producers who are moving towards qualifying for organic status with transitional acres. Now they can buy a crop insurance guarantee that is more reflective of the actual value of their crop. The CPA is available for 73 specialty and organic crops. [www.rma.usda/pubs/rme/addendum.pdf](http://www.rma.usda/pubs/rme/addendum.pdf)

The Whole-Farm Revenue Protection Pilot Program has also helped to propel coverage for specialty and organic crops. It provides a risk management safety net for all commodities on the farm under one insurance policy. It is tailored for any farm with up to $8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock). It also allows certified organic producers to use organic prices. [www.rma.usda.gov/policies/wfrp.html](http://www.rma.usda.gov/policies/wfrp.html)

Even some conventional row crops, like corn and soybeans, can be grown organically (for organic dairy and meat producers) and qualify for the coverage under the price structure for organic crops.

If you want to learn more about specialty crop or organic coverage, talk to your crop insurance agent. Coverage varies depending on state and county.

A list of insurable crops is available on the policies page of the RMA website. [www.rma.usda.gov/policies/2016policy.html](http://www.rma.usda.gov/policies/2016policy.html)

USDA’s Agricultural Marketing Service lists over 300 crops as “specialty” crops. Thirty-eight of these crops qualify for USDA programs including federally subsidized crop insurance.

Those 38 crops include whole categories of crops, such as citrus. Nearly eleven million acres are used to grow these crops and nearly eight million acres are insured under the crop insurance program.

---

**Crop Insurance for Specialty Crops**

*Despite the drop in the number of nursery policies caused by the collapse of the housing market, specialty crop coverage has more than doubled in recent years.*
Hail is the one catastrophe that is most likely to totally destroy a part of your crop and leave the rest looking fine. The portion of your acres hail destroys may well be less than the deductible of your federal crop insurance policy or it may not impact your yield enough to generate a revenue loss. Crop-Hail insurance can fill that gap.

While multiple peril policies protect you against losses severe enough to significantly drop the yield per insured unit, Crop-Hail insurance gives you acre-by-acre protection that can be up to the actual cash value of the crop. If you buy a 65/100 (65 percent of yield and 100 percent of price) or greater crop insurance policy, you can, under many policies, delete the hail coverage and replace it with private hail coverage. Others find it more effective to leave the hail coverage provided by the federal policy in place and get a companion Crop-Hail policy to cover their crop insurance policy deductible.

Crop-Hail is especially important to those with Area Risk Protection Insurance (ARPI) policies that leave individuals exposed to spot losses due to hail. You can also buy additional Crop-Hail coverage during the growing season (prior to damage) to protect added profit potential from bumper crop yields or higher-than-normal crop values.

Even if your frequency of hail damage is low, remember that Crop-Hail coverage is rated for your area. It is an inexpensive way to protect against hail damage.
Common Land Units and Acreage Reporting

You may not have even noticed, but over the last few years measuring your land went from traditional paper maps to updatable electronic versions. Yes, every field you farm has been photographed, creating a digital database that helps producers in several ways.

First, it will ensure greater accuracy when reporting acreage. Second, it will permit more detailed tracking of risk (frequency and severity of indemnities), allowing more accuracy when setting premium rates on less risky land. Third, it will reduce the amount of time producers spend on acreage reporting.

What is a CLU?
A Common Land Unit (CLU) is the smallest unit of land that has a:
• permanent, contiguous boundary;
• common land cover and land management; and
• common owner.
Your crop insurance agent has your FSA-maintained CLU datasets and the land location information needed for your reporting. If you have any questions about this process, ask your agent for help.

What is a RLU?
A Resource Land Unit (RLU) is equivalent to a CLU. While FSA county offices develop and maintain CLUs, an RLU originates through crop insurance reporting. An RLU is a geospatial boundary often based on your precision farming data (e.g., planter monitor boundaries). Your insurance provider sends RLU boundary coordinates to RMA to establish an official identifier; once accepted, the RLU is ready for use in crop insurance acreage reporting.

Why is Acreage Reporting so Important?
You have a lot at stake in making sure your crop insurance acreage reporting is accurate and on time. If you fail to report on time, you may not be protected. Over report your acreage, you may pay too much premium. Under report your acreage, you may recover less when you file a claim. Crop insurance agents often say that mistakes in acreage reporting are the easiest way for producers to have an unsatisfactory experience with crop insurance.

The acreage report shows: the crops you have planted; acreage prevented from planting; what share you have in those crops; where the crops are located; how many acres you planted; the dates you planted them; what insurance unit they are located on, and the cultural practice followed (i.e. irrigated, double cropped, etc.). This report cannot be revised after the acreage reporting date.

Remember
• Acreage reporting is your responsibility. Doing it right will save you money.
• It is your responsibility to report crop damage to your agent within 72 hours of discovery for most crops.
• Never put damaged acreage to another use without prior written consent of the insurance company. You don’t want to destroy any evidence of a possible claim.

Here are some links to help you learn more about crop insurance.

Crop Insurance in America: www.cropsinsuranceinamerica.org
Ag Risk and Farm Management Library: www.agrisk.umn.edu
Risk Management Agency: www.rma.usda.gov
Crop Insurance: Just the Facts: www.cropsinsuranceinamerica.org/about-crop-insurance/just-the-facts/#.VZqG5_m6eUk

Do you have more questions about crop insurance?
Contact a local crop insurance agent or visit www.CropInsuranceInAmerica.org for more information. You can also send your questions to cropinsuranceinamerica@gmail.com.