ulti-peril crop insurance is a valuable risk management tool that allows growers to insure against losses due to adverse weather conditions, price fluctuations, and unavoidable pests and diseases. It shifts unavoidable production risks to an insurance company for the payment of a fixed amount of premium per acre. Of the $195 million paid for crop losses in Maryland since 1981 ($171 million in the past ten years), 46 percent was for drought (Figure 1).

Participation in the crop insurance program in Maryland has increased dramatically since the 1990’s, with a large increase in acreage and coverage due to the severe weather conditions experienced in many parts of the state in recent years. Almost 800,000 acres are covered by crop insurance with insurance protection of $255 million. The total amount paid for crop losses exceeded the amount farmers paid for the protection in 10 out of the past 20 years. During that time period, Maryland farmers with crop insurance received $2.02 for crop losses for every $1 they paid in premiums (Figure 2).

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 also 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 Catastrophic (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 nationwide paying only 33 to 62 percent of the actual cost of the insurance (depending on the level of coverage selected). Under the 2008 Farm Bill, farmers must cover all substantial crop acreage with crop insurance or the noninsured assistance program (NAP, available through USDA-Farm
Crop insurance policies are available for at least one commodity in every county in Maryland, with a total of 20 agricultural enterprises represented across the state. Field crops covered include corn, corn silage, soybeans, wheat, barley, spring oats, grain sorghum, forage seeding, forage production (including pasture), and tobacco. Field crops account for 99 percent of all the acres covered by crop insurance in Maryland and represent about 80 percent of the value of insurance protection sold on a per acre basis.

The purpose of this publication is to help you understand how crop insurance can help you manage risk by:

- introducing the types of crop insurance plans available,
- explaining how an actual production history (APH) is calculated,
- discussing what is meant by insurance units,
- illustrating how insurance premiums and loss payments are calculated,
- comparing the benefits and costs of two commonly used crop insurance products,
- identifying crop insurance options for livestock producers,
- listing important crop insurance deadlines in Maryland,
- listing the crops for which insurance is available by county.

**Types of Crop Insurance Plans**

Farmers who grow field crops have a wide range of crop insurance policies from which to choose. Yield protection coverage is available at CAT and buy-up levels for major crops in most counties. Revenue protection, dollar value, and group risk policies may also be available. Insurance protection is also available on a whole-farm basis as Adjusted Gross Revenue (AGR) insurance in 20 counties (and in Baltimore City) and as AGR-Lite in 23 counties.

If crop insurance is not available for a crop in your county, coverage may still be available via a written agreement. If you are in a county where premium rates are not on file for a crop which is insured elsewhere in the U.S., you also may be able to get protection via a written agreement, providing that you have production records for the past three years, for that or a similar crop. Contact a crop insurance agent for more information on using written agreements.

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

- reducing year-to-year income variability,
- replacing lost feed,
- providing a minimum cash flow to cover input costs,
- securing adequate credit.

**YIELD-BASED INSURANCE COVERAGE**

*Yield protection* insurance protects you against losses due to natural causes such as drought, excessive moisture, hail, wind, frost, and unavoidable insects and diseases. You select from 50 to 75 percent of the amount of your average yield to insure. You can also select between 55 and 100 percent of the crop price determined annually by the USDA’s Risk Management Agency (referred to as the “projected price” and based on Chicago Board of Trade (CBOT) futures prices for barley, corn, grain sorghum, soybeans, and wheat). If your production is less than the yield insured, you are paid for the loss based on the difference multiplied by the price you selected when the crop insurance was purchased. Yield protection policies are available in most Maryland counties for corn, soybean, and wheat and in some counties for grain sorghum, barley, oat, forage (alfalfa and alfalfa mixtures), and tobacco. Yield protection policies are also available in some counties for horticultural crops including apples, peaches, processing beans, green peas, potatoes, sweet corn, and tomatoes.

*Catastrophic insurance (CAT)* was introduced in 1995 to replace ad hoc disaster assistance programs enacted by Congress with an insurance-based producer safety net that reflects your actual production history. Per acre insurance premiums for CAT are totally paid by the federal government. For a flat application fee of $300/crop/county, you get a crop insurance yield guarantee of 50 percent of your
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 low level of coverage is enough to protect them against severe cash-flow shortfalls.

**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 typical 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. You may select a percent of the maximum dollar amount equal to CAT (catastrophic level of coverage) or higher coverage levels. The Dollar plan is available for forage-seeding in 10 counties, fresh-market sweet corn in 9 counties, and nursery in all 23 counties (plus Baltimore City) in Maryland.

**REVENUE INSURANCE PLANS**

**Revenue protection** plans that provide protection against both yield and price risk are available for corn, grain sorghum, soybean, and wheat. You select from 50 to 85 percent of the amount of your projected revenue to protect based on your price and yield expectations. Losses are paid if your revenues fall below the guarantee based on CBOT prices.

Two revenue plans are available. The first plan is called “revenue protection” which uses the higher of a projected (early-season) or harvest CBOT futures price to set your revenue guarantee. Under this insurance plan harvest versus early-season projected prices are covered for up to 100% increases and unlimited decreases. The second is called “revenue protection with harvest price exclusion” which for a reduced premium sets your revenue guarantee at the projected early-season price. The revenue that counts against your guarantee, for both revenue programs, is your production multiplied by the CBOT harvest prices. Revenue protection coverage is available for corn in 23 counties, soybean in 22 counties, wheat in 23 counties, and grain sorghum in 13 counties in Maryland. Revenue protection insurance is not available as CAT coverage.

**Adjusted gross revenue (AGR and AGR-Lite)** policies insure the revenue of your entire farm rather than an individual crop by guaranteeing a percentage of your average gross farm revenue. These plans use information from the past five consecutive years of your Schedule F federal income tax forms to calculate the policy revenue guarantee. Depending on the number of commodities grown, you have the choice of three coverage levels (65, 75, and 80%) and two payment rates (75 and 90%).

- **AGR** insurance is available in 20 counties (plus Baltimore City) in Maryland. Although it provides good protection for many types of agricultural operations, a potential drawback of this product is that only farms with 35 percent livestock revenue or less are eligible for coverage. An additional requirement of AGR coverage is that if crops with individual crop insurance availability exceed 50 percent of farm revenues, crop insurance must be purchased for those crops (CAT insurance can be used to meet this requirement). The maximum policy size for AGR is $6.5 million liability (based on maximum adjusted gross revenues of $13.3 million and the 65% coverage level and 75% payment rate). The sign-up deadline for AGR is January 31.

- **AGR-Lite** represents a major improvement on the original AGR product, expanding it to provide protection for all crops and animal revenues (with no limitation on livestock income) and making it available to farmers in every county statewide. The application process for AGR-Lite is also streamlined in various ways and there is no requirement for the purchase of crop-specific insurance coverage (but it may be purchased at your option). The maximum policy size for AGR-Lite is $1 million liability (based on maximum adjusted gross revenues of $2,051,282 and the 65% coverage level and 75% payment rate). A farmer can have no more than 83.35 percent of total revenue from potatoes. The sign-up deadline for first-time AGR-Lite policy holders is March 15.

**PREVENTED PLANTING COVERAGE**

**Prevented planting coverage** provides protection whenever an eligible crop cannot be planted
because of adverse weather conditions, provided it is a condition general to the geographic area. In Maryland, prevented planting coverage is automatically part of all barley, corn, soybean, grain sorghum, oat, and wheat policies (including CAT policies). Basic prevented planting coverage provides an amount of protection equal to 60 percent of the insurance guarantee; higher levels of protection at the 65 and 70 percent level are available for additional premium.

### Determining Your Actual Production History

The first step in developing a crop insurance program is to establish your actual production history (APH). It is used to set the guarantees under both the yield and revenue plans of insurance. Assessing the need for crop insurance protection must be based on your farm’s production potential and risk exposure. 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 only interested in the catastrophic (CAT) level of coverage. It will also allow you to evaluate higher levels of coverage under the yield and revenue protection 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 include 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 to be 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 farmers 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 years of 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 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.

New farmers or those who have never planted the crop in the county 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 farmers who have previously been closely associated with a particular farming operation, such as children taking over a family farm, who have actually been involved in the management of the farm in prior years may use the previous operator’s records to establish their APH yield.

When four years of production history are available, your APH is the average of all of the yearly reported yields. Additional years of data will be averaged into your APH yield until 10 years are included. Once 10 years of yields are available, your 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 your 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 farmers with only one year of yield records, 75 percent for farmers with two to four years of yield records, and 80 percent for farmers 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 your 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 premiums are calculated and for which potential insurance claims are made is called an “insurance unit.” Unit types include basic, optional, and enterprise units. Your farming operation may contain several insurance units. In this situation, it is possible for you 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, you may prefer to divide your 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.

**Basic units.** 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 or tenant with whom you crop share rent. A crop share landowner or tenant 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 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.

**Optional units.** Basic units may often be divided into optional units when a crop is being grown under distinctly different production practices. For example, a farmer with both irrigated and non-irrigated acres of the same crop may qualify for optional units. Optional units can also allow for coverage choices in relation to yield variability in different units due to soil type or field maintenance history. Optional units may also be established by FSA farm serial number (FSN) or written agreements for situations such as section equivalents (into square mile section equivalents similar to the U.S. Rectangular Survey of the Midwest and large operations with more than 640 acres of cropland in an existing unit. Separate APH records must be reported for each optional unit, and production records must be maintained. You would not receive the 10 percent premium discount allowed for basic units.

**Enterprise units.** Setting up your crop insurance coverage as enterprise units is another way to receive additional premium discounts (often as much as 50%). Enterprise unit combines all of the acres of a particular 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. They are available for revenue and yield protection plans for barley, corn, grain sorghum, soybeans and wheat. They may also be available for other crops if allowed in the special provisions of the actuarial table for your county.

In order to qualify for enterprise units, you must:

- be eligible for two or more optional units (usually two or more FSNs or by written agreement resulting in section equivalents or oversized FSNs).
- have at least two of the eligible optional units contain the lesser of 20 acres or 20 percent of the insured crop acreage of the total enterprise unit (multiple optional units may be combined to meet this requirement).
- combine all your acreage of the crop in the county into one unit.

Because enterprise units are usually larger than basic units or optional units, yields tend to be less variable and it is less likely that your average yield would be low enough to trigger a loss payment in a given year. However, this can be partially mitigated by selecting higher levels of coverage from the premium savings. Also, when widespread severe disasters occur that would trigger a loss on all optional units for the crop, loss payments would be similar for optional and enterprise unit structures.

How Crop Insurance Premiums Are Calculated

Crop insurance premiums depend on your actual production history (APH yield), the coverage level you prefer, the price election you select, the unit structure and the county premium rate for the insurance plan you chose. Based on the level of
coverage and the crop being insured, you pay between 33 and 62 percent of the calculated premium, with the federal government paying the balance. If you use basic or enterprise units rather than optional units, you are eligible for additional premium discounts.

For the yield protection policy, you select a coverage level of 50, 55, 60, 65, 70, or 75 (80 and 85 for some crops) percent of your APH yield. By multiplying your APH yield by the coverage level you select, you calculate your yield guarantee, which is the trigger level for receiving a payment for yield losses from the insurance company. For the revenue protection policy, you select a coverage level of 50, 55, 60, 65, 70, and 75 (80 and 85 for some crops) percent of your expected revenue. By multiplying your expected revenue (APH yield times the projected futures price) by the coverage level you select, you calculate your minimum revenue guarantee, which is the trigger level for receiving a payment for revenue losses from the insurance company.

In a sense, selecting a coverage level establishes your “deductible,” similar to the deductible on your automobile or homeowners 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, your crop insurance would cover the difference. The level of coverage also affects the amount of protection that is available. Like other types of insurance, larger deductibles have lower premiums, but also leave you with more risk. You also have some choice of the established price election (percentage of the established crop price for non-revenue insurance plans), depending on the yield guarantee selected. Selecting a lower price election reduces your crop insurance premiums. In practice, however, most farmers select the 100 percent price election.

An important thing to remember about crop insurance premiums is that premium rates are directly tied to your APH yield and projected price or price elections for the crop that you are insuring. If commodity prices increase the projected price or price elections then your amount of crop insurance protection and premiums will also increase.

### SOME IMPORTANT CROP INSURANCE EQUATIONS

#### Yield protection policy guarantees and premiums:

- **Yield guarantee** = APH yield × coverage level
- **Total premium/acre** = Yield guarantee × price election × county premium rate
- **Subsidy amount** = Total premium/acre × subsidy factor
- **Producer premium/acre** = Total premium/acre – subsidy amount

#### Yield protection policy 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

#### Revenue protection policy guarantees and premiums:

- **Revenue guarantee** = APH yield × coverage level × projected price based on CBOT futures price
- **Total premium/acre** = Revenue guarantee × county premium rate
- **Subsidy amount** = Total premium/acre × subsidy factor
- **Producer premium/acre** = Total premium/acre – subsidy amount

#### Revenue protection policy loss payments:

If you purchased a “Revenue Protection with Harvest Price Exclusion” policy, your revenue guarantee is set on the projected price prior to the sales closing date. For the “Revenue Protection” policy, the revenue guarantee is recalculated (no additional premium) if the harvest price based on CBOT futures is greater than the projected price:

Revenue guarantee = APH yield × coverage level × applicable price based on CBOT futures price
If revenue (actual harvest CBOT price × actual yield) is less than the revenue guarantee:

\[
\text{Loss payment} = \text{Revenue guarantee} - \text{revenue}
\]

If revenue (actual harvest CBOT price × actual yield) is equal to or greater than the revenue guarantee:

\[
\text{Loss payment} = 0
\]

**Dollar plan guarantees and premiums:**

Dollar guarantee = County maximum amount of coverage × coverage level
Total premium/acre = Dollar guarantee × county premium rate
Subsidy amount = Total premium/acre × subsidy factor
Producer premium/acre = Total premium/acre – subsidy amount

**Dollar plan loss payments:**

If the value of production to count is less than the Dollar guarantee:

\[
\text{Loss payment} = \text{Dollar guarantee} - \text{value of production to count}
\]

If the value of production to count is greater than or equal to the Dollar guarantee:

\[
\text{Loss payment} = 0
\]

### Comparing Crop Insurance Alternatives for Field Crops

To demonstrate the different types of crop insurance coverage available, a farmer wishing to insure corn, soybeans, and wheat in a medium-risk county will be used as examples. The farmer wants to compare the cost and protection afforded by various levels of yield and revenue protection insurance versus having no crop insurance. The examples presented here assume hypothetical indemnity prices and reflect premiums that assume the farmer selected optional units. The farmer has APH yields of 125 bushels per acre for corn and 75 bushels per acre for wheat.

In Table 1 a comparison of the cost and guarantees for yield and revenue protection insurance for corn and wheat are illustrated. In the corn example, CAT coverage would assure the farmer of a minimum cash flow of 62.5 bushels valued at 55% of $4.00 or $138/A. Higher levels of yield protection provide a minimum cash flow of $243 to $382/A is guaranteed in exchange for a producer-paid premium of $6.95 to $43.44/A. Under revenue protection, a minimum cash flow of $241 to $360/A is guaranteed in exchange for a producer-paid premium of $9.13 to $64.72/A.

In the wheat example, CAT coverage would assure the farmer of a minimum cash flow of 37.5 bushels valued at 55% of $5.25 or $108/A. Higher levels of yield protection provide a minimum cash flow of $195 to $318/A is guaranteed in exchange for a producer-paid premium of $1.83 to $16.62/A. Under revenue protection, a minimum cash flow of $194 to $305/A is guaranteed in exchange for a producer-paid premium of $2.82 to $29.85/A.

Under either the yield or revenue protection plans, the farmer is guaranteed a less-variable cash flow as the level of crop insurance protection goes up. The important distinction to remember is that yield protection only provides protection against yield losses while revenue protection provides protection against both yield losses and price declines. Revenue insurance also provides more protection when futures price are higher at harvest than the projected price (unless the less expensive revenue protection with harvest price exclusion was purchased). When harvest price is higher, the higher futures price is used when the farmer’s revenue guarantee is determined, but the premium is locked in using the lower projected price.

The only advantage of having no crop insurance is saving the premium cost (but you also lose a tax deduction). Elimination of this cost would have a minor positive impact on your cash flow during good years and a potentially disastrous impact on your cash flow in a poor year. Choosing a crop insurance plan and level of coverage is a personal business 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 coverage level and price election combination that accomplishes your goal.
Crop Insurance for Livestock Producers

Crop insurance products have also been developed for farmers who produce forages for on-farm use. Yield protection coverage is available in 23 counties for corn silage and 10 counties for forage production (alfalfa and alfalfa mixtures). Forage seedlings (containing at least 50 percent approved legumes) can be insured under the Dollar plan.

Corn silage and forage producers who want yield protection coverage will need to develop an APH yield and keep accurate farm management records on total acres and production (except for GRP plans). 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 (including grazing data), silo measurements, inventory records, and sales receipts. If you anticipate a loss, contact
your crop insurance agent immediately to file notice of damage, and ask for instructions on how to proceed. It may be necessary for an adjuster to make pre-harvest field inspection or to leave unharvested sample areas for later inspection.

Producers may harvest grain type corn insured under the revenue or yield protection plans, insured as grain, for silage. The producer may elect to insure corn for silage with a tonnage guarantee (optional for grain type corn, mandatory for silage type corn that does not produce ears. Under the yield protection plan, 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 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). If you reported acreage as silage and the crop has a low grain content due to insurable causes, an pre-harvest appraisal should be requested as you may be eligible for quality adjustment (less than 4.5 bu./ton). 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.

Yield protection policies for forages are available in eight counties in Maryland, 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 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

Forage seeding policies are available in 10 counties and provide a dollar amount of insurance. This coverage is available for both fall-seeded and spring-seeded fields. To be insurable, at least 50 percent of the seed mixture use must be alfalfa, clover, Birdsfoot trefoil (or any locally recognized and approved legume species) by weight. Another restriction is that acreage covered by a forage seeding policy cannot be grazed during the insurance period.

There is also a new product available in every county in Maryland to help dairy producers manage their market risk. The livestock gross margin (LGM) for dairy insurance is designed to protect you from unexpected declines in your income over feed costs (IOFC: the market value of your milk minus feed costs). It uses adjusted futures prices to determine the difference between expected gross margin (insurance guarantee) and your actual gross margin. You can purchase LGM dairy insurance monthly and have the option to buy protection which provides a safety net of minimum IOFC for from 1 to 10 months into the future. The insurance guarantee is met by either income from the market place and/or an insurance indemnity. The monthly enrollment period is the last business Friday and following day in the month (the third week in November and December).

How Can I Find a Crop Insurance Agent?

It’s important to find the right agent. Here’s how:

- 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 website (http://www.rma.usda.gov/) to locate an agent in your area. This can be done by clicking on the “Agent/Company Locator” under “Quick Links” on the RMA homepage.
- Check with your agricultural educator in your local county extension office.

**Important Crop Insurance Dates**

Deadlines for sales closing, final planting date, acreage reporting, billing, and contract changes for Maryland crop insurance products are listed in Table 2. As a crop insurance user you should be aware of several important dates for filing information and reporting losses:

- Enrollment and policy change date (sales closing date)—last day to apply for coverage or make changes to the policy; the sign up deadline.
- Early planting date—acreage planted before this date is not eligible for replanting payments.
- Final planting date—last day to plant with full coverage. Late planting may be insurable at reduced coverage for some crops.
- Acreage reporting date—last day to report the acreage planted. If not reported, insurance may 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 for each insurance unit). 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 (same date as sales closing date).

- 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 billed. Crop insurance premiums may be deferred until 30 days after the billing date without interest charges.
- End of insurance period—the date when your crop insurance coverage ends. Any notices of crop damage must be filed within 15 days of the end of the insurance period.

**Federal Disaster Assistance Programs**

The federal government has other programs designed to help you manage your risk. Two important programs that could impact your farm are the noninsured disaster assistance program (NAP) and supplemental revenue assistance payments (SURE). SURE is the new crop disaster assistance program authorized under the 2008 Farm Bill.

**NONINSURED DISASTER ASSISTANCE PROGRAM (NAP)**

The Noninsured Crop Disaster Assistance Program (NAP) provides benefits to producers of commercial agricultural products for which multi-peril crop insurance coverage is not available. NAP is designed to reduce financial losses when natural disasters cause catastrophic reduction in production. NAP provides coverage that is very similar to that provided by CAT policies available through crop insurance agents. NAP coverage is available through your local USDA Farm Service Agency office. To purchase NAP coverage you pay a fee of $250 per crop per county (with fees capped at $750 per producer per county, but not to exceed a total of $1,875 for producers growing crops in multiple counties). Sign up deadlines for NAP vary by crop; contact your local FSA office for more information.
Table 2. Important Deadlines for Crop Insurance in Maryland

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<th>Type of Insurance</th>
<th>Enrollment and policy change</th>
<th>Final planting</th>
<th>Acreage reporting</th>
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<td>Forage seeding (spring) Dollar</td>
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<td>Forage seeding (fall) Dollar</td>
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<td>Grain sorghum Yield, Revenue</td>
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<td>Processing beans Yield</td>
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<td>Sweet corn (fresh market) Dollar</td>
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<td>Tobacco (Maryland type) Yield</td>
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<td>6/25</td>
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<td>Tomatoes (fresh-market) Yield</td>
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<td>Wheat Yield, Revenue</td>
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Notes:
* Yield—yield protection insurance, with loss payment based on deviation from APH yield. Premiums vary by county and with APH yield.
  Revenue— revenue protection insurance plans (including with and without harvest price exclusion), with gross revenue guarantee based on CBOT prices.
  Dollar—dollar plan, loss payment based on value of the crop relative to the dollar amount of insurance.
  LGM—livestock gross margin, loss payments based on difference between expected gross margin and the actual gross margin.
** For nursery crops the policy change date is 5/1, but insurance can be obtained at any time. Insurance attaches 30 days after enrollment.
*** Date is in the following year.
More information on crop insurance and agricultural risk management can be found on the Internet:

Maryland Department of Agriculture
http://www.mda.state.md.us/

United States Department of Agriculture, Risk Management Agency
http://www.rma.usda.gov/

National Ag Risk Education Library
http://www.agrisk.umn.edu/

Northeast Center for Risk Management Education
http://www.necrme.org/

Penn State Crop Insurance Education
http://cropins.aers.psu.edu

This publication is for educational purposes only and does not cover all aspects of the crop insurance products described. For specific information about crop insurance products and how they could help you manage risk on your operation, visit your local crop insurance agent.

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Department of Agricultural Economics and Rural Sociology
The Pennsylvania State University

and

Wesley N. Musser and Lori Lynch
Professor and farm management specialist
Department of Agricultural and Resource Economics
University of Maryland
## Crop Insurance availability in Maryland, by county.

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