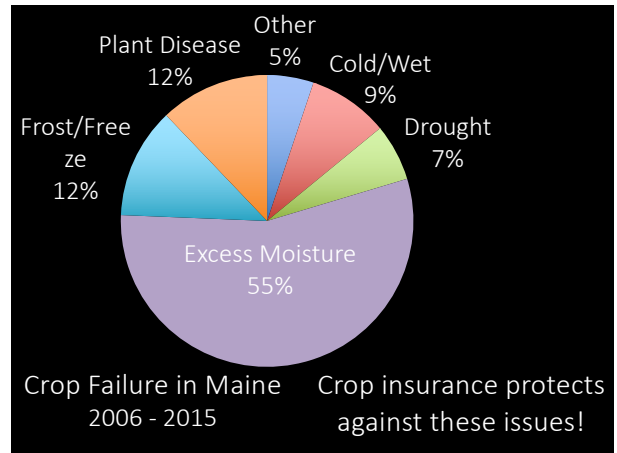


Crop Insurance: A Risk Management Tool



Erin Roche
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Why insure?



Stabilizes financial returns



Pays loans



Maintains your customer base



Assists with family living expenses



Enables farming year after year



Outline

- What is crop insurance?
- How do you enroll?
- Take away

Crop Insurance

Why?- Agriculture is Risky!

1. Farmer buys insurance through agent
 - > Insurance protects their average: crop yield or crop revenue
 - > Farmer decides coverage level (can never insure 100%)

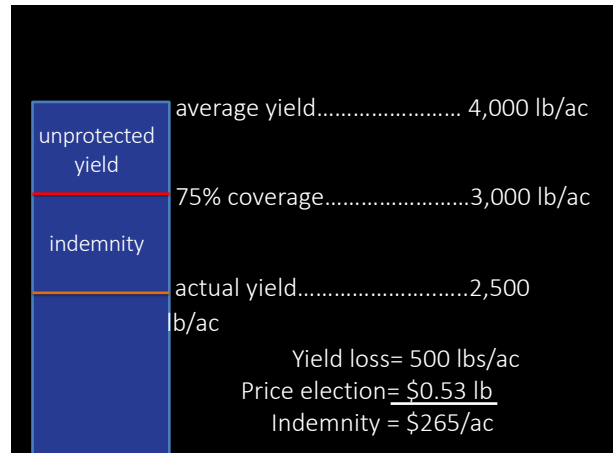
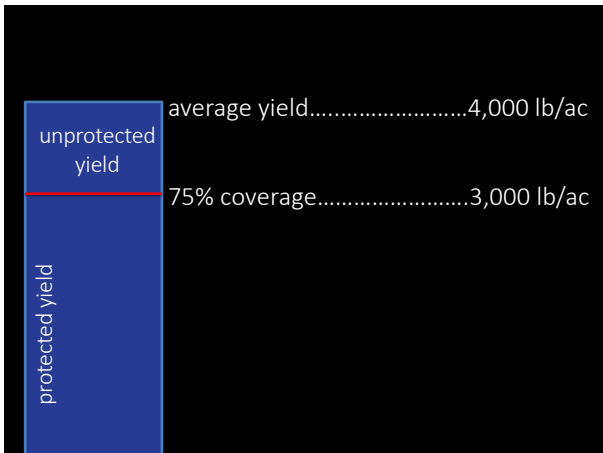
Crop Insurance

Why?- Agriculture is Risky!

1. Farmer buys insurance through agent
2. Premiums are subsidized but paid for by farmer

Disaster hits...

3. Adjuster verifies claim
4. Farmer compensated



Enrollment records

Yield protection policies

- Crop yield records (4 yrs min)
- *can substitute county yield*

Revenue protection

- Schedule F tax forms (3 yrs min)
- Sales records
- Inventory reports

Form AD-1026 needed for all policies

Getting coverage

Crop insurance agents

- Single crop policies
- Whole-Farm Revenue Protection (WFRP)

Farm Service Agency

- Non-insured Crop Disaster Assistance Program (NAP)

Benefits for Beginning Farmers

- Exempt from paying admin fees for CAT;
- Additional 10% points of premium subsidy;
- Increase in substitute yield adjustment to 80%

Deadlines

November 20- Deadline for insuring perennials

March 15- Deadline for insuring spring-seeded crops

Take away

Visit your county FSA office (AD-1026)

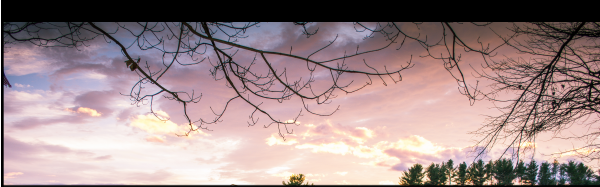
Know your options before next enrollment
deadline

Start keeping quality yield and revenue
records

Resources

UMaine crop insurance education website

<https://extension.umaine.edu/agriculture/crop-insurance>



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Questions?