CROP INSURANCE IN MARYLAND

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TURNING A PROBLEM INTO AN OPPORTUNITY

Photo by Edwin Remsberg

Wayne Stafford and son Jeff, Cecil County

Wayne Stafford turned a problem into an opportunity. Stafford, who farms 650 acres spread over six miles of Cecil County, was a dairy farmer, but mastitis and low milk prices made him change his business model.

Today, Staff-Herd Farms raises and sells purebred Angus beef directly to consumers. As the website says, this beef is, "100% Natural. 100% Quality. 100% Local."

"It was getting harder and harder to find feeder calves that didn't have hormones and stuff like that," said Stafford. "Luckily for us, we found this herd of purebred Angus that was for sale."

Those 25 original cows are now 60 cows and two bulls.

"We are in a perfect location to sell directly to consumers," said Stafford. "Wilmington, Philadelphia, and Baltimore are all within an easy commute."

Stafford, who farms with his son Jeff, points out that when they say quality, they mean that their beef is either USDA Prime or USDA High Choice which is two grades higher than grocery stores usually offer.

If you want to see how Stafford promotes his beef, go to StaffordAngus.com

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PASTURE/RANGELAND/FORAGE (PFR) INSURANCE

What's In It For You?

- It is grid site specific so the information is there to make good decisions for each individual farm.
- It can help cover the cost of buying replacement forage if pastures or hayland fail.
- Unless there is a random spot inspection, it is unlikely that anyone will have to visit your farm in regards to your forage insurance policy.
- You don't have to insure all your acres.
- You don't have to insure for the entire year (there is a choice of 11 specific 2-month index intervals. You must insure for at least two 2-month intervals per year).
- It treats land intended for grazing and land intended for hay differently so you can choose different dollar values for each or just insure one or the other.
- There is very little paperwork involved.
- You don't have to file a claim (weather data will automatically trigger the claims process).
- The premiums are subsidized from 51 to 59%. ■

Pasture/Rangeland/Forage Protection Crop Insurance

Approximate amounts of protection available per acre: Grazing $19-$61 per acre, land intended for hay $ 202-$649 per acre, apiculture $34-$110 per colony

Insurance period: Jan. 1 through Dec. 31, 2013

Grid: Approximately 12 x 12 mile squares identified by NOAA to track historical weather data http://agforceusa.com/rma/ri/prf/maps/

Index Interval: Two consecutive month time period that is the basis for insurance decisions

Number of index intervals per year: 11, each covering a two-month period

Minimum/maximum insured acreage percentage per interval: 10% min. 60% max

Productivity factor: The percentage of the county base value(s) selected to establish the amount of insurance protection is 60%-150%

Seeding deadline for insurability: Initial seeding must be completed before July 1 prior to the year of insurance

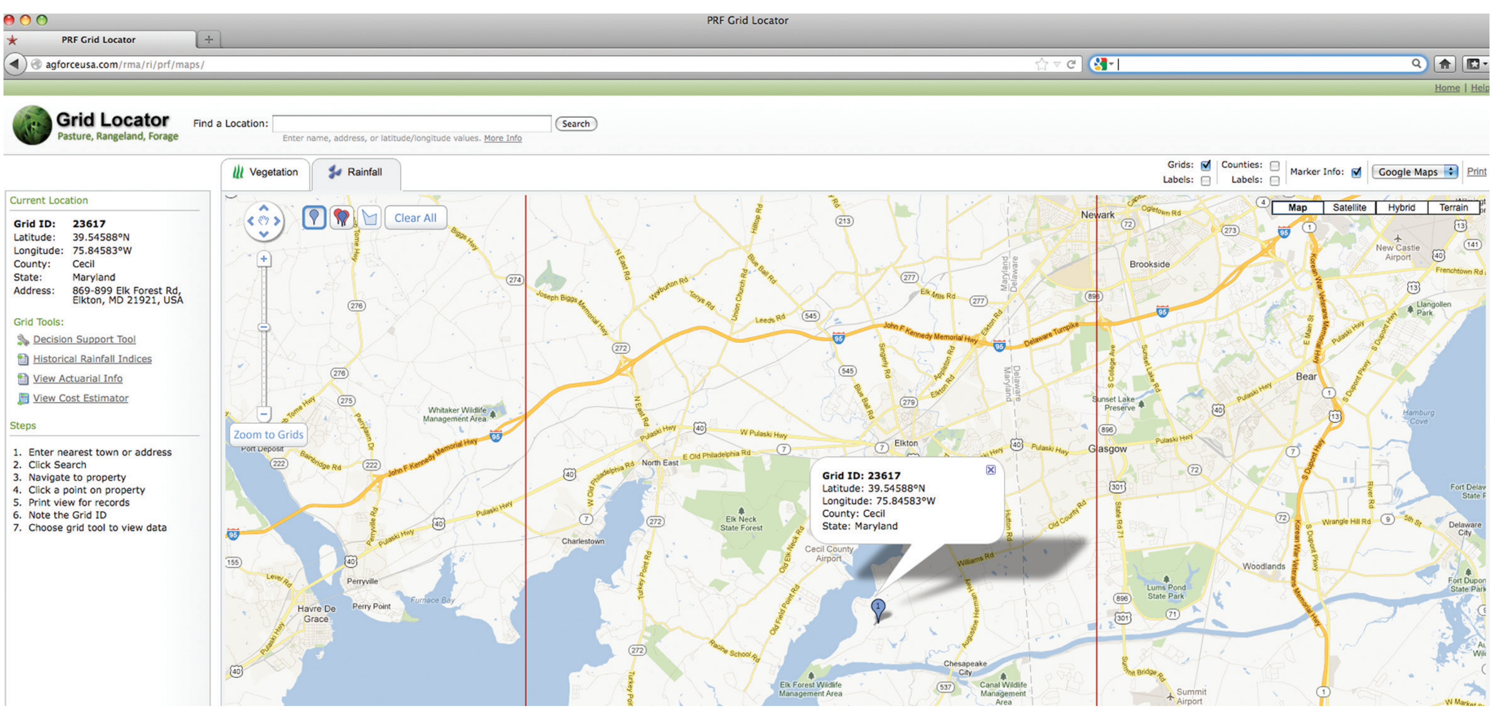
Premium billing date: Sept. 1 of the year of insurance

Administrative fee (in addition to premium): $30 per policy

Sales closing, cancellation, debt termination deadlines: Nov. 15, 2012

Acreage reporting deadline: Nov. 15, 2012

Find Your Grid: http://agforceusa.com/rma/ri/prf/maps/



CROP INSURANCE DELIVERED RESULTS IN 2011

The numbers on crop insurance performance in Maryland in 2011 (as of mid August 2012) are a strong incentive to make the investment for 2013 crops.

In 2011, more than 911,000 acres were insured. The amount of protection in place was more than $398.7 million.

More than $30 million was paid to Maryland producers for losses experienced in 2011. For every dollar Maryland farmers paid in premiums, $1.80 was returned to Maryland.

Twenty-four percent of Maryland's insured farms received indemnities from their crop insurance policies. ■

TWO BIG DEADLINES LOOM

In Maryland, **Sept. 30** is the deadline for signing up for crop insurance coverage for winter wheat, barley and alfalfa-based forage production.

This is also the deadline for making any changes to existing policies.

Given the performance of crop insurance in the face of the tribulations of 2011 (see above) and the drought that has affected many parts of the state this year, Maryland producers may be considering raising their level of coverage.

NEW DEADLINE FOR PASTURE/FORAGE/RANGELAND AND APICULTURE

Nov. 15 is the new deadline for signing up for Pasture/Rangeland/Forage (PRF) insurance. (See page two) PRF is available in every Maryland county. Nov. 15 is also the acreage reporting deadline for PRF.

Apiculture insurance falls under this same rainfall indexed policy, and this year hives can be insured for $34 to $110 per colony, depending on the county. ■

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MANAGING RISK

Stafford grows wheat, corn, and soybeans and insures them all with a 70 percent revenue policy.

"I learned about crop insurance in 1999 when we had our first complete crop failure. I've been carrying insurance ever since."

After all these years, Stafford has yet to file a claim.

"With the high cost of inputs, you have to have a back-up plan. To just go out there and plant a lot of crops without insurance is putting everything at risk.

By "everything" Stafford means Staff-Herd farms. His grandson will be the sixth generation of farmers over well more than a hundred years, if he chooses to farm.

"That's in the back of my mind. Part of the reason you go with insurance, you know, you want to make sure that something is still here if they want to take the opportunity to do it," said Stafford.

Photo by Edwin Remsberg

Wayne Stafford, Staff-Herd Farms

"He certainly shows a big interest in it, so I want to make sure that something is here for him." ■

RAINFALL INDEX APICULTURE INSURANCE

Honey, Pollen Collection, Beeswax and Breeding Stock Are All Covered

The same rainfall index used for the Pasture/Rangeland/Forage (PRF) insurance program also provides coverage for apiculture in Maryland.

PRF uses rainfall indices as a measure to compare actual local rainfall, allowing beekeepers to purchase insurance protection against production risks. The program provides a safety net for beekeepers.

The Apiculture insurance program is designed to give you maximum flexibility. You do not have to insure all your colonies; however, you cannot insure more than the total number of colonies you own.

By selecting a productivity factor, you can establish a value between 60 and 150 percent of the county base value and match the amount of protection to the value of the production that best represents your specific operation, as well as the productive capacity of your colonies.

Insurance Deadline

The deadline for 2013 enrollment for the Pasture/Rangeland/Forage program is Nov. 15, 2012.

This program is only available through a crop insurance agent. Your agent will ask you to make several choices when completing your application, including coverage level, index intervals, productivity factor, and number of colonies.

Work with your crop insurance agent to view the decision support tool, historical indices tool and grid locator map for your area. A point of reference must be established for the acreage on which the hives of the insured colonies are located.

Rainfall indices do not measure your direct production or loss. You are insuring a rainfall index that is expected to estimate your operation, including honey production. Please review historical indices for your area to make sure that this product will be helpful to you. ■