

Crop insurance: Some recent developments affecting producers in Utah

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Crop insurance will cover losses caused by such things as

- Weather related losses
(fire, drought, frost, hail, etc)
- Fire
- Insects and disease
- Flood
- Failure of the crop to germinate
- Failure of an irrigation system
- Prevented planting

Crop insurance alternatives

- Noninsured Crop Disaster Assistance Program (NAP)
- Traditional crop insurance
 - Catastrophic (CAT)
 - Multiple Peril (MPCI)
 - Crop Revenue (CRC)
 - AGR-lite
 - Others

Crop insurance is currently available for the following crops in Utah

- Crops covered by traditional insurance

Wheat

Apples

Barley

Oats

Corn silage

Nursery

LRP (feeders, live swine)

Forage Seeding

Forage (Alfalfa)

Sweet Cherries

Dry Beans

Corn grain

Safflower

Onions

Peaches

- NAP covers many more crops (including Forest Service and BLM grazing permits)

Some key differences between NAP and traditional insurance

- **NAP**

Eligible crops: many

Counties: not covered by traditional insurance

Coverage: only 50%

Payments: “up front”

Purchase from: FSA

Price: (55% of market price set by FSA state committee)

Insurance Subsidy: 100%

- **Traditional**

Eligible crops: limited

Counties: crops in specified counties

Coverage: 50-85%

Premiums: paid at end

Purchase from: insurance agent

Price: RMA set price

Insurance Subsidy: variable

Levels of Coverage available

- NAP and CAT: 50% of approved yield
- Multiple peril : 55 to 85% of approved yield
(75% is current upper limit in Utah)
- Crop Revenue: Producer chooses level of coverage (55, 60, 65, 70 and 75% of approved yield times base or harvest price)
- AGR-lite: variable percentage (up to 85%) of gross revenue of farm/ranch

Cost of Coverage

- NAP: \$100 per crop per county, or \$300 per producer per county not to exceed \$900 per producer for all counties
- CAT: like NAP
- Traditional Insurance: cost varies by crop and county as well as level/type of coverage chosen.

NAP history in Utah

NAP payments and fees for Utah,
FY 2003-2007

