

King Crop News



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CELEBRATING Over 57 YEARS

Summer 2024

ACREAGE REPORTS DUE JULY 15!

Important Acreage Reporting Notes:

- Final Plant Dates for full insurability: Corn (5/31), Soybeans (7/5), Sweet Corn (6/30), Grain Sorghum (6/20), Lima Beans (7/10), Snap Beans (8/10).
- Cecil, Allegany, Anne Arundel, Prince George's, and Harford counties in Maryland have final plant dates of 6/10 for Corn. Allegany and Harford have final plant dates of 6/20 for soybeans.
- A few varieties of baby lima beans have final plant dates of 7/20: M15, Meadows, Cypress, C-Elite, & Emperor
- **Accurate acreage reporting can make all the difference in your crop protection. Please read page 2** of this newsletter carefully to ensure you are properly reporting your planted acres.

Summer Weather Outlook

In 2023, the El Niño weather system caused a drought that decimated Lake Gatún, the reservoir that feeds the Panama Canal. Low water levels slowed traffic going through the canal, which affected supply chains of countless goods, including many fertilizers. With El Niño now weakening, water levels are slowly edging up, which hopefully will bring business back to normal in pan American shipping channels. **What will the changing weather system mean for local farmers this summer?**

Ocean water temperatures in the Pacific determine the presence of an El Niño (warmer than average temperatures) or a La Niña (cooler than average temperatures) weather system. At present, we are moving toward a neutral state in the Pacific on the way to a La Niña by possibly early to mid-summer.

The most recent change from a winter El Niño to a summer La Niña was 2020. That year saw the most active Atlantic hurri-

cane season on record, as well as very high temperatures nationwide. **Colorado State University has forecasted 2024 the busiest hurricane season** since they began forecasting in 1995. The previous years with the busiest forecasts were 2005 (the year Hurricane Katrina hit) and 2020, which featured thirty named storms in the Atlantic, including fourteen hurricanes.



We have already seen soaking rains this winter in the Mid-Atlantic area which many believe to be a sign of a coming dry summer. However, forecasts from NOAA's Climate Prediction Center right now are looking at wetter than average conditions for June through August from the Gulf Coast to the northeast (whether that precipitation is from steady rain and thunderstorms or from tropical events is undetermined).

Farmers with MPCl policies are covered for losses suffered from excess precipitation as well as hurricane-level winds. It is a good idea to **look at your guarantees after you plant** to see if you need supplemental protection should a tropical storm or hurricane hit our area.

For increased protection from wind losses on corn, farmers may want to consider a **Crop Hail policy with a Green Snap endorsement**. Insureds can add up to \$800 in supplemental insurance per acre for corn with a Crop Hail policy, which is good for the 2024 crop year only. **Applications for policies can be submitted once the crop is planted**, so let King Crop Insurance know if you are interested, we can answer any questions you may have.



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Accuracy in Acreage Reporting is Key

At King Crop Insurance, we cannot stress enough the importance of accuracy in acreage reporting and there are multiple reasons why:

1. **Accurate reporting can save you money.** Total premium for a policy is determined by the number of planted acres and share of a crop. Reporting your acres accurately means you will not be charged a premium for acres you have not planted. In other words, if you have a 50-acre field that on which you plant 45 acres of corn and leave the other five acres for another purpose (food plot, forage, sunflowers, etc.), do not report the entire 50 acres in corn for your acreage report or FSA form #578. You will be charged premium for acres you did not plant.
2. Conversely, **underreporting or mislabeling acres will cost your farm protection.** This could be especially important with policies where irrigated and nonirrigated land are insured separately. Misreported acres may trigger future RMA reviews. These reviews are never convenient and may have a farmer digging up records from years prior to prove production and acres. Failure to comply with a review can result in penalty yields being assigned or pooled production records, which can wreck guarantees for an insured.
3. **An accurate acreage report will make claims easier.** If acres are missing from your AR or if a crop is mislabeled, an insured will likely have to go through a revision process, which will add time to loss adjusting, which will add time to any possible indemnities being received. Not all revisions are approved as well, so it is best to get it right the first time.

What can the farmer do to ensure accuracy?

1. **Use precision ag planting data** to report your acres if you trust its accuracy. Occasionally GPS signals fail and some pieces of equipment do not always talk to each other, causing gaps in information, but precision ag data can often be an on-target way to report acres. Even if you do not want to use your precision ag planting data for your AR, planting maps could still be helpful in picking out discrepancies on your FSA form 578, such as mislabeled crops or misidentified fields. Reach out to King Crop Insurance to learn more about this method.
2. **Closely review your FSA form 578.** Do not take for granted your acres are the same as in past years. Make sure you report to your county office any changes in

No one knows your operation better than you! You are responsible for the accuracy of your acreage report - but King Crop will do everything we can to ensure you have the protection you need!

shares, farm ownership, or irrigation. Remember to have patience with your local FSA office; acreage reporting is an extremely busy time and they are trying to accommodate every farmer in the county!

3. Likewise, **find time to talk with King Crop** to discuss any added or subtracted land, changes in shares, or if you have a prevented plant issue. We also need any and all contract information for processing vegetables.
4. **Report your acres as early as possible.** For one thing, this will allow more time before the reporting deadline to find any errors. It will also have your policy in good standing if you incur an early loss to a crop, making loss adjusting easier.
5. **Review your schedule of insurance when it is sent to you after acreage reporting.** This document will tell you for what you are insured; report any errors you find to King Crop Insurance. A schedule of insurance will be sent within a few weeks of your acreage report being processed and often it will include a production worksheet that can be used to report yields after harvest. The schedule of insurance will have your acres separated by unit. For extra ease, especially in times of a loss, use either the schedule of insurance or the production worksheet as a guide for harvest record keeping.
6. **Make sure your report is complete.** Every acreage report needs a signature from the insured verifying the planted acres before the acreage reporting deadline of July 15. If we do not have a signed acreage report from you, expect to hear from us often until we get one!

At King Crop Insurance, we strive for timely, accurate acreage reporting. It is when the rubber meets the road for crop insurance policies and we want all our insureds to have a smooth ride for the rest of the crop year. Our service goal is to provide peace of mind for the farmer, to know they are covered in case of peril and we do not take the responsibility lightly. Getting it right at acreage reporting is the key.

PRF and Livestock Policies Are Popular, Can They Help Your Operation?

Corn, soybeans, small grains, processing vegetables – these traditional crops make up the bulk of insured acres in the mid-Atlantic, with a fair amount of perennial fruit acreage added to the mix. In recent history, though, insuring another type of traditional agriculture – haying and grazing - has gained popularity.

Pasture, Rangeland, and Forage (PRF) insurance policies are available in all states and they are a relatively simple way to protect land used for either producing hay or for grazing. Growing in popularity, PRF covered 4.5% of crop insurance liabilities in 2023 (see chart below).

PRF is a Rainfall Index (RI) policy. According to the **Risk Management Agency (RMA)**, “RI is based on weather data collected and maintained by NOAA’s Climate Prediction Center. The index reflects how much precipitation is received relative to the long-term average for a specified area and timeframe.” Essentially, if rainfall in a specified area is below the expected amount for the insurance period, the policy holder is paid an indemnity.

Other aspects of the policy are similar to **Multi-Peril Crop Insurance (MPCI)** policies that cover grain and vegetables, such as the choosing of coverage levels and acreage reporting deadlines, but it differs in notable ways. One is there are no production reporting requirements and another is there is no need to file a notice of loss; indemnities are paid automatically based on weather data. Insurance periods also vary: insureds can select up to six two-month insurance periods, but can insure as

few as one two-month period in a crop year.

The deadline for new policies is December 1st in a given crop year and acreage reporting is done at the same time. Haying land is insured separately from grazing land.

If you have grazing land to insure, it is likely you have livestock as well. Enrollment in livestock policies such as **Livestock Gross Margin (LGM)** and **Livestock Risk Protection (LRP)** has jumped considerably in recent years. **RMA** reports that liabilities covered by livestock policies went from \$512 million in 2018 to \$26.4 billion in 2023 and premiums paid on such policies reached \$1.1 billion in 2023, nearly double what they were just two years prior (these raw numbers do not factor in the role commodity prices may have played, but the increases appear to easily be outpacing market factors).

Similar to **PRF**, producers choose the period of time they want to insure using **LRP**. **LGM**, on the other hand, has a rolling 11-month insurance period based on when you enroll. Unlike **PRF**, losses for **LGM** and **LRP** are determined by what happens in the market. **LGM** protects the policyholder if the margin between their feed costs and their insured commodity market price narrows; **LRP** protects the insured against market price drops on their insured commodity. Prices for both policies are determined by the CME. **LGM** is available for dairy, cattle, and swine; **LRP** is available for feeder cattle, fed cattle, and swine.

King Crop Insurance is experienced with both PRF and livestock insurance policies, we can guide those new to the programs in making the best choices for their operations.

FIGURE 4: CROP INSURANCE LIABILITIES BY CROP TYPE

