



Alternative Crop Insurance Options: The Noninsured Crop Disaster Assistance Program

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Crop insurance can be an effective tool for agricultural producers to manage production risk. However, problems arise when coverage is not available in a county under a Federal Crop Insurance policy or a request for an actuarial change (written agreement) is not an option.

An alternative for these situations is to enroll in the Noninsured Crop Disaster Assistance Program (NAP) administered by the U.S. Department of Agriculture's Farm Service Agency (FSA). This program can provide financial assistance to producers when natural disasters occur.

Recent weather events, like the ongoing drought in the West, demonstrate the importance of having some sort of protection against these types of production risks. This article will address the NAP program and how it can be effective in protecting producers.

NAP Overview

NAP covers crops not insurable under typical crop insurance

programs. These can be any crops, including those for feed, in any county where at least catastrophic protection is not available. The program protects against yield losses and prevented plantings due to catastrophic events such as drought, excessive rain, floods, earthquakes, and other adverse natural occurrences. Conditions related to these events such as fires or insect problems are also covered by NAP. Producers, landowners, and tenants with shares are eligible for the program. Protection is offered at the basic unit level.

Application Process

To maximize available NAP coverage, a producer should have accurate production records. FSA uses these records much like an APH (actual production history) yield to determine the approved yield for the crop or the expected level of production.

The state FSA committee usually determines the price used for calculation of indemnity payments. Producers must report the type and variety of crop, the production practice used (irrigation, for example), and the number and location of

the crop acres. Producers must also report the date when the crop was planted and the intended use as feed or cash sale. At the end of the production cycle, producers must report the yield, the condition of the crop, and actual usage.

Fees are relatively low when compared to many crop insurance plans. Costs total \$100 per crop per county or \$300 per producer per county, with a cap on total fees not to exceed \$900 per producer for all counties and a waiver for qualified, limited-resource farmers. These low fees make the coverage cost-effective for the protection provided.

No one can accurately predict natural disasters, but producers should examine both their production history and outside data to determine if they are at risk for a catastrophic loss. Careful planning is a must, first to determine if NAP coverage is necessary, and second to prepare accurate records to maximize indemnity coverage.

Indemnity Coverage

Producers must report natural disasters within 15 days of occurrence to receive indemnity payments. This varies based on the disaster; for example, in an extreme drought, a producer must report damage when it becomes obvious. A



producer can also claim an indemnity if planting has been prevented past the final planting date.

NAP coverage pays an indemnity if the expected crop yield drops below 50 percent or where the producer is prevented from planting more than 35 percent of the insured acreage.

The indemnity payment is calculated by multiplying the approved yield times the amount of production loss covered, then times any applicable payment factor. For example, a chicory grower has an approved yield of 10 tons per acre. The FSA-established price is \$25 per ton. Due to a flood, the grower suffers a complete loss, making the

crop unharvestable. This is a 100-percent loss, so the production loss covered is \$125 per acre (50 percent of the 10-ton yield or five tons multiplied by \$25).

Advantages and Disadvantages

The main advantage of NAP is risk protection which would otherwise be unavailable. Producers of alternative crops and crops not covered in a given area are able to receive some relief in the event of a catastrophic event. NAP coverage is also relatively inexpensive compared to conventional crop insurance plans.

The main disadvantage is that NAP may not provide enough coverage for a producer's needs. Coverage of 50 percent may not be substantial enough for producers in cases of a complete loss. Another disadvantage may be the price used by FSA for calculating indemnity payments; prices may not be high enough due to lack of information, depending on the crop.

For more information on NAP, contact your local FSA office. For more information on this and other risk management topics on the Web, consult the Western Risk Management Library at www.agecon.uwyo.edu/riskmgt.

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Grass Hay or Alfalfa Hay?

By Dallas Mount, University of Wyoming assistant extension educator, Platte County

Many horse owners spend a lot of time and money to find the right hay for their horse; however, many of the less expensive, more available hays may work fine.

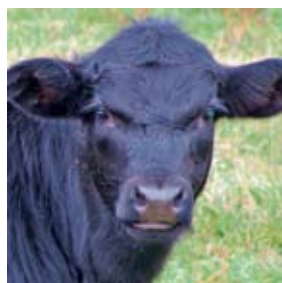
Alfalfa vs. Grass:

There is a common misconception that only high-quality grass hay will work as a horse's main source of roughage. There is no reason to think alfalfa hay is harmful to horses when fed properly. Most alfalfa hay contains larger concentrations of both protein and energy than typical grass hay; therefore, alfalfa hay may be a better buy than grass hay when the two types are the same price. Because alfalfa hay is more nutrient dense, care should be taken when feeding alfalfa. Alfalfa hay can cause horses to founder and develop laminitis due to the excess nutrients provided by the high-quality hay if too much is fed. If switching from grass hay to alfalfa, less alfalfa is generally required to provide the same nutrients present in the grass hay. The best way to evaluate the amount of hay that should be fed is to monitor the horse's body condition.

In General:

To avoid digestive and respiratory problems, always visually inspect hay for mold, dust, or other foreign material. When changing feeds, adapt a horse to the change slowly to avoid digestive upset, such as colic. The more gradual the dietary change, the less chance for digestive upset.

Feed sampling, laboratory analysis, and ration evaluation are the best steps to ensure a horse is receiving the required nutrients. Check with a local Cooperative Extension Service office for help in sampling and analyzing feed or to formulate a horse ration.



Replacement Heifer Management

By Heidi Harris, University of Wyoming extension educator, Big Horn Basin Area

Adequate growth and development prior to breeding is critical to maximize reproductive efficiency. Nutritional management of heifers influences age and

weight at puberty. A low plane of nutrition during the prepubertal period delays puberty by inhibiting development of reproductive organs and endocrine processes controlling puberty. Conception rates can be decreased and the duration of the postpartum interval increased by inadequate nutrition during pubertal development.

Replacement heifer growth rate that results in first parturition at 2 years old is the most economical. This is because the degree of development from weaning to breeding influences not only when heifers cycle as yearlings but also their subsequent productivity and rebreeding rate after they calve as 2-year-olds. Excess supplementation can decrease productivity by causing fat deposition in the mammary glands, reducing milk production, thus leading to a reduction in lifetime calf weaning weights. Therefore, heifer development diets should target optimum weight gain that promotes physiological processes involved in maturation of reproductive organs and secretion of reproductive hormones.

Target Weight. Body weight has a significant impact on sexual development. Heavier weights have been positively correlated with hip height, fat thickness, and pelvic area. According to several researchers, an individual's target weight is genetically predetermined, and only when heifers are managed to reach this weight can puberty be achieved. The general intention of heifer development diets is to allow adequate average daily gain (ADG) for attainment of target

weights approximately 42 days before the breeding season, thereby allowing 80 to 90 percent of the heifers to have one to three estrus cycles before breeding. To determine desired ADG, it is necessary to know weaning weights or weights at feeding period initiation and the estimated target weight by breed. Desired ADG is calculated by the total weight gain necessary to obtain the target weight divided by the number of days in the feeding period.

Target weights are based on the assumption that beef heifers reach puberty at 60 percent of their mature weight, but this varies by breed. Dual-purpose breeds, such as Gelbvieh, tend to reach puberty younger and lighter (55 percent of mature size), and *Bos indicus* cattle generally reach puberty later and at heavier weights (65 percent).

A recent study conducted at the University of Nebraska found crossbred, spring-born heifers could be fed to reach a pre-breeding target weight of 53 percent of their predicted mature weight with no detrimental effects on reproduction or calf performance when compared to heifers developed to 58 percent of their predicted mature size before breeding. This demonstrates the possibility of decreasing traditional target breeding weights, thereby decreasing desired rate of gain and feed costs during the developmental period, while maintaining reproductive efficiency.

