



Federal crop insurance options for Wyoming producers

Production agriculture in Wyoming is risky. Unstable markets, drought and other weather-related disasters, and other production factors all contribute to a producer's risk.

Effective risk management is a necessity for success for today's crop and livestock producers. Crop insurance offered by the Federal Crop Insurance Corporation can be an effective tool in managing risk and revenue.

Crop Insurance

There are three categories of crop insurance: yield-based contracts utilizing a producer's actual production history (APH), revenue insurance contracts, and group risk plans. Yield or APH policies are based on a producer's yield history included in the APH. This production history is based on four to 10 years of production records for a crop.

Multi-Peril Crop Insurance (MPCI)

MPCI policies are the most common type of crop insurance. These policies insure against yield losses on individual units. Unit selection can vary by area and producer,

so producers should check with their crop insurance agent. A producer insures the units, and an indemnity payment is made if yields drop below the trigger yield determined by the producer's coverage level. It is important to note MPCI policies do not insure against losses of revenue due to price changes.

Revenue Insurance Policies

Whereas MPCI policies protect producers against specific yield losses, revenue insurance policies insure against changes in price and yield fluctuations. These policies tend to carry higher premiums than MPCI contracts due to their more extensive coverage. Insuring a level of revenue and not yield only can go further to reducing a producer's risk. Crop revenue coverage (CRC), revenue assurance (RA), and income protection (IP) policies tend to start much the same as MPCI policies. They utilize a producer's individual APH and may be available for whole-farm or smaller units. Indemnities are paid if either yield or price reduces total revenue below the minimum revenue guarantee.

Group Policies

Group insurance policies, Group Risk Protection (GRP) and Group Risk Income Protection (GRIP) operate on a different premise than APH-based policies. Group policies pay indemnities based on yield losses on a county level. The county average yield is calculated by the U.S. Department of Agriculture Risk Management Agency from historical production data. Producers are paid an indemnity if the county actual yield slips below the county average. With GRIP policies, the same group concept applies, but the producer insures an income level based on the county yields. Group policies tend to be cheaper than yield-based policies due to heavier subsidies and the fact they are less likely to pay an indemnity.

Livestock Products

There are two main insurance options for livestock producers – livestock risk protection (LRP) and rangeland insurance. Producers may also utilize one or more of the crop insurance products listed above to insure hay and other forages.

Livestock Risk Protection Insurance

LRP contracts are for feeder or fat cattle, and market swine. Livestock producers purchase a policy for a set number of head for delivery or sale in the future. If the actual sale price drops below the target price level, an indemnity payment is made. These contracts have advantages over the futures and options markets: producers can insure fewer head than covered by a typical Chicago Mercantile Exchange contract, and they provide a certain level of income protection.

Pasture/Rangeland Insurance

GRP rangeland policies are relatively new and available only in certain counties but may be a welcome risk-management tool for livestock producers. They work similar to crop GRP plans and are tied to the dry land hay yield for a county. A livestock producer enrolls all acres of owned or leased pasture and selects a trigger yield. Indemnities are paid only if dry land hay yields for the county drop below the trigger yield.

Adjusted Gross Revenue Lite (AGR-Lite)

A final insurance product just recently approved for Wyoming is AGR-Lite insurance. This product is a relatively new type of whole-farm insurance that protects against losses in total farm revenue, providing whole-farm protection from either yield or market losses across multiple crop or livestock enterprises.

Crop insurance can help insure success for an operation. For specific information on each of these insurance programs, refer to the Western Risk Management Library at <http://agecon.uwyo.edu/RiskMgt> or consult a local crop insurance adviser to tailor a plan to fit a specific operation.

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Worker protection standards may affect ag operations

The U.S. Environmental Protection Agency's (EPA) Worker Protection Standard (WPS) law went into effect in 1992 and was revised in 2005 but, until recently, had little impact on Western agriculture.

Many farmers and ranchers believe this law has little to do with them unless migrant workers are employed. This may not be true.

The WPS affects all farmers and ranchers. Any producer raising plants may be affected. This includes growing hay, alfalfa, corn, barley, and oats, and all tasks involved in planting, cultivating, irrigating, swathing, baling, digging beets, or combining grains and dry beans.

Even if a producer never sprays pesticides, they are affected by WPS if a neighbor sprays within a quarter mile of their land. If equipment breaks down and a mechanic enters a treated field, it affects you.

Listed are some of the WPS requirements that affect ag producers.

- Look on a pesticide label. If it states "Ag Use Requirements," WPS applies.
- Producers must provide workers EPA-approved pesticide training every five years.
- Producers must post an EPA pesticide safety WPS poster in a central location.
- Producers must tell employees what crops will be sprayed, what it will be sprayed with, and all label precautions.

- Employees must have access to the product label, and the label must be kept in a central location. The label must be posted 30 days.
- Pesticide applicators must be monitored a minimum of every two hours.
- Decontamination supplies must be provided – water, soap, single-use towels, and clean overalls.
- Transportation to medical care, if needed, must be supplied. Ensure ag workers know the name, address, and telephone numbers of medical treatment facilities.
- Know the Re-entry Interval (REI) of the product applied, and post signs in areas until the REI has passed.
- Ag workers must be informed of all pesticide instructions in a manner they can understand before application.

For more information, contact a local University of Wyoming Cooperative Extension Service (UW CES) office for an extension educator who specializes in providing in your area pesticide user information and training. A listing of offices is available online at <http://ces.uwyo.edu/Counties.asp>.

The educators can also help locate written WPS requirements and/or a CD with WPS information.

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WyomingView partners with Big Horn Basin agriculture

It's that proverbial eye-in-the-sky kind of thing, but it's a good eye for Wyoming agriculture.

Orbiting satellites using remote sensing technology that collect farm data can help producers glean information from the images to assess what part of a field needs more intensive management (fertilizer, water drainage capacity, crop disease, weeds, and more).

Through a U.S. Geological Survey-funded program called WyomingView, researchers with the Wyoming Geographic Information Science Center (WyGISC) have partnered with the University of Wyoming Cooperative Extension Service (UW CES) to use mapping and spatial analysis at the grassroots level to aid producers with critical decision making.

WyomingView is part of AmericaView, a program that promotes remote sensing technology, education, and research. WyGISC is in the UW College of Agriculture.

The principal researchers for WyomingView, Kenneth Driese and Ramesh Sivanpillai, are dedicated to helping extension educators and producers in the state understand opportunities the system can provide for managing crops.

Remote sensing can detect physiological differences in crops before human eyes can. That's the real plus for this particular type of technology – that and the fact these UW researchers are willing to come to the area and work with CES educators and ag producers.

The services are free to producers. They simply file a request for particular overhead images of their property and receive the records either through their own computers or through a limited number of computers at CES offices. Click on the Upper Midwest Aerospace Consortium's About UMAC link at www.umac.org for information.

WyomingView has provided a computer for



Wyoming Sugar Co. agronomist Chuck Duncan observes images on the WyomingView computer at the University of Wyoming Cooperative Extension Service office in Worland.

the Big Horn Basin area. The computer is in the Worland CES office at 116 South 11th Street. Contact Jim Gill at (307) 347-3431 or jrgill@uwyo.edu for more information.

CES educators have been working with interested sugar companies and other growers in the Big Horn Basin. The project is still in its infancy, and those involved are trying to determine the best ways to use this technology.

WESTI (Wyoming Extension's Strategically and Technologically Informative) Ag Days is in Worland February 6-7. The technology will be demonstrated during WESTI to show producers what it can offer. Anyone interested in this or the many other ag-related educational sessions offered are encouraged to attend. Call the Washakie County CES service office in Worland for more information.

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