



Fremont County ranch uses VI-PRF pilot insurance to manage risk – part I

By James Sedman and John Hewlett

Early fall 2010 found Bob and Betsy Zomer, owners of the Z-F Ranch, assessing their risk management strategies. Their cow-calf and yearling operation is situated on 12,000 acres of pasture and 200 acres of native hay in Fremont County. The Zomers had shipped their cattle and were preparing to wean their calves. Both were concerned about the coming production year. Late summer and early fall 2010 had been dry, and they were worried it would carry over into next year. The primary risks associated with their pasture and native hay are drought and late turnout due to late spring weather.

The Zomers have developed several options for addressing these risks:

1. Buy alfalfa hay to supplement native hay production. This option can become expensive with high hay prices as well as the hay tying up operating capital if not used.

2. Rent additional pasture. This option becomes difficult to achieve and expensive due to the lack of locally available pasture. The Zomers would prefer not to travel long distances to their cattle.

3. Send the yearlings to a custom feed yard or sell them early. With high feed prices, this may or may not be economically viable. Selling them early tends to lead to income and tax consequences as well.

4. Use the new Vegetative Index Pasture, Rangeland, Forage (VI-PRF) insurance Bob recently became aware of at a local extension producer meeting.

5. Insure against drought using Non-insured Crop Disaster Assistance Program (NAP) coverage. Bob and Betsy consider this bare minimum coverage, but are also looking at using NAP in conjunction with VI-PRF.

Bob and Betsy decide to look into VI-PRF insurance further. The program insures against loss on

pasture and hay land by using a vegetative greenness index developed from USGS data for approximately 4.8 by 4.8 mile (or 23 square mile) grids.

Losses occur when the actual vegetative index falls below the expected index for the selected grid area. The Zomers find they can insure some or all of their pasture and hay acreage within a grid area and then select one of the available three-month intervals for coverage.

Total coverage provided is determined by the selected coverage level (70 to 90 percent) and selected protection factor (60 to 150 percent). The protection factor is the insured percentage of the county base value per acre. Their crop insurance agent guides them to a website where they are able to pinpoint their acreage on a digital map, look at historical grid data, and estimate their premium costs. The relatively low cost compared with the potential coverage is attractive to the Zomers. It appears to be extremely cost-effective when compared with the “rent additional pasture” alternative as well.

Course of Action

The Zomers decide on a combination of options. They choose to utilize VI-PRF insurance: insuring



3,500 acres for April 1 to June 30, 5,500 acres from July 1 to September 30, and 200 acres of hay land from June 1 to August 30. They also choose to purchase 200 tons of alfalfa, budgeting \$20,000. In addition, the use of VI-PRF insurance qualifies the insured acres for disaster assistance programs in case of a disaster declaration.

The Zomers guessed correctly the drought would worsen. The winter was cold, late, and dry, with

the exception of a late spring snowstorm delaying turnout to pasture. In future articles, we will look at how their risk management strategy addressed these perils.

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For More Information

To learn more about VI-PRF insurance and how it can work in your operation, visit InsuringSuccess.org and take the interactive PRF course. For information on individual crop insurance policies or disaster aid programs, visit the Western Risk Management Library online at agecon.uwyo.edu/riskmgt or contact a local crop insurance or Farm Service Agency representative.

Match your livestock's needs with good husbandry practices

By Ron Cunningham

All animals have critical needs. We need to keep in mind we are caretakers, and we need to balance their needs with good animal husbandry practices.

Water is one of those critical needs as it is needed for all body functions such as digestion, absorption of nutrients and even the removal of waste in the body. It is many times overlooked or ignored. An animal can survive much longer without feed than it can without water.

Make sure clean, fresh water is available for all your animals and that ice is removed for their access at all times in the winter. Test the water that is available for your animals to determine the total dissolved solids (many times, high TDS are high levels of sodium or calcium salts, which are not good for animals). TDS should not over be more than 3,000 parts per million (ppm) and preferably not more than 2,000 ppm. Also, test livestock water for sulfates and other contaminants.

Beef animals and horses need 10 to 12 gallons of water each day even in the winter. Sheep and goats will only need around one gallon of water each. Sheep and horses can sometimes survive for short periods

of time by eating snow, but they will always do better with fresh, clean water.

Test Feed for Quality

Testing your feeds for quality will always pay big dividends, and it should be done every year. It is a fact feeds change every year even for hay taken off the same field. This occurs because of the different heat units that year, by the different irrigation schedules, the timing of rain, or by how much stress that was put on that field that year. If feeding oat hay, barley hay, or hay with a large amount of kochia weeds, it is always advised to test that hay for high nitrate levels,

which can be deadly if ignored.

Utilizing feed tests allows you to feed the poorer quality feed during the least demanding periods of feeding. Use your best feeds during the bitter cold periods or when feeding pregnant animals during their late trimester of pregnancy. Increasing the amount of feed fed by 20 to 30 percent during bitter cold periods will prevent weight losses.

Knowing the body condition score (BCS) of your animals will also let you separate animals into groups depending on how much body fat they have during each winter feeding period.



Consider Mineral Supplements

Mineral supplementation may also be a practice to consider. Knowing that our forages most times are short on phosphorous and have an abundance of calcium, a phosphorus supplement can be beneficial and pay big dividends especially when feeding pregnant cows. Selenium toxicity can occur on some rangelands but can also show up as a shortage on irrigated pastures.

If animals are subjected to bitter cold winter winds, a shelter of some kind is always recommended. This can be a solid fence on the upwind side or can be a good tree windbreak sheltering them from the bitter winter winds.

Another good animal husbandry practice is removing the horns in beef cattle to prevent injury to other cattle and livestock handlers. This also minimizes problems at feed racks and makes for easier feeding in hay bunks.

Check with your local herd veterinarian for methods they recommend.

Shear Sheep

Making sure you shear last year's fleece off of sheep is critical, especially for pregnant ewes prior to lambing. Shearing makes for easier nursing, and there will be a lot less

fly and maggot problems come spring and summer. Shearing will also prevent having heat breaks in the fleece, rendering it worthless to the wool milling companies. Leaving sheep unshorn for one year is not healthy at all, let alone leaving it unshorn for several years.

It is advisable to put shoes on many horses that are run in rocky areas and where they can crack hooves. Horses can become lame from hoof damage. Many types of winter horseshoes also help in areas where it gets very slick on icy areas in the winter.

For assistance in taking feed tests, reading feed test results, determining how to feed your animal, or how to care for your animals, contact your local UW Cooperative Extension Service office and talk to an agricultural extension educator. To view a listing of county offices and contact information, see www.uwyo.edu/ces/areas/county-offices.html.

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