



Livestock insurance options in Wyoming: A summary for 2012

By James Sedman and
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Relatively few insurance options were available to livestock producers until recent years. There are now several effective programs tailored for livestock producers covering production and livestock price risk.

Producers of beef and dairy cattle, sheep, and swine can use Livestock Risk Protection insurance (LRP) to manage price risk. Fed cattle producers (both beef and dairy) may access Livestock Gross Margin insurance (LGM), which protects against losses from a combination of feeder cattle, fed cattle, and feed prices. Both LRP and LGM use a combination of Chicago Mercantile Exchange (CME) futures prices to determine coverage and whether or not an indemnity is paid (actual prices received for livestock do not affect coverage or potential indemnities).

Pasture Range and Forage-Vegetative Index (VI-PRF) uses an index compiled from satellite imagery of vegetative greenness over a selected grid area to insure against production losses for either hay land or pasture.

Livestock producers also have the option to insure forages through conventional multi-peril (MPCI) policies, based on a producer's actual production history (APH)

Policy	# policies	Net acres/head	Total liability	Total premium	Subsidy	Indemnity	Loss ratio
LRP feeder cattle	2	188	\$168,507	\$2,724	\$354	\$0	0
LRP fed cattle	0	-	\$0	\$0	\$0	\$0	0
LRP lamb	30	65,430	\$12,571,766	\$376,564	\$109,903	\$1,022,265	2.71
Total LRP	32	65,618	\$12,740,273	\$379,288	\$110,257	\$1,022,265	2.71
LGM dairy	0	-	\$0	\$0	\$0	\$0	0
LGM beef	0	-	\$0	\$0	\$0	\$0	0
VI-PRF	127	769,568	\$4,896,190	\$853,373	\$447,092	\$1,082,300	1.27
Forage: APH/MPCI/	275	73,089	\$6,111,687	\$1,400,575	\$887,692	\$2,938,943	2.10
CAT	118	49,191	\$2,169,118	\$389,314	\$389,314	\$724,028	1.86
AGR-Lite	2	n/a	\$764,035	\$27,734	\$15,254	\$0	0

(Source: www3.rma.usda.gov/apps/sob/soblpi/statecommodity.cfm)

average yield. Catastrophic coverage (CAT) is available for these policies as well.

Total average revenue can be insured through Adjusted Gross Revenue-Lite (AGR-Lite), which insures against losses in producer's gross income.

2012 Livestock Policy Utilization in Wyoming

Analysis of Wyoming crop insurance data for 2012 (see Table 1)

reveals that several of the available livestock price insurance policies are underutilized or not used at all. Only two LRP feeder cattle policies covering 188 head were purchased, and zero LRP fed cattle or LGM policies were purchased in 2012. LRP lamb policies were by far the most popular with 65,430 head covered by 30 policies. The loss ratio of 2.71 shows a steep decline in lamb prices that resulted

in \$1,022,265 in indemnities paid.

The drought of 2012 is evidenced by the VI-PRF policy numbers shown below. A total of 769,568 acres covered had indemnities paid of \$1,082,300 and a loss ratio of 1.27. The total dollar liability of \$4,896,190 is substantially less than in 2011 (\$7,329,422) suggesting that producers chose the wrong year to decrease the amount of total coverage. The drought is also evident in the forage policies, both MPCI and catastrophic coverage (CAT), with loss ratios of 2.1 and 1.86 respectively.

There is great potential available for livestock producers to make use of these relatively underused programs. With external risk factors such as drought, rising

input prices, and rising feed costs, producers would be better equipped to face the challenges using programs such as LRP or VI-PRF. These policies can be cost-effective for many, if not most, operations.

Remember, the most expensive risk management is sometimes the strategy you chose not to undertake.

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For more information

Wyoming livestock producers can cover many of their risks through federal crop insurance programs. Insurance is available to cover production risk for livestock and feed prices, hay and forage production, pasture, and gross revenue. Contact a crop insurance agent to help determine which type of policy best fits individual risk management needs.

For more information on Livestock Risk Protection, Livestock Gross Margin, Vegetative Index-Pasture Range and Forage, forage insurance, Adjusted Gross Revenue-Lite, other crop insurance, producer-based analyses, and other risk management topics on the Web, visit the Western Risk Management library online at agecon.uwyo.edu/riskmgt.

Solanaceae family – a farmer and rancher's friend and foe

By Sandra Frost

Solanaceae – a plant family that includes many vegetable crops, tubers, fruits, ornamentals, edible leaves, and medicinal plants – is important globally.

Agricultural producers and consumers worldwide have intense relationships with the Solanaceae plant family – as friend or foe. Solanaceae plants can be found in Europe, in North and South America, and in Africa. Weedy or

deadly poisonous plants such as datura, mandrake, angel's trumpet, henbane, and deadly nightshade are also in Solanaceae.

Many Evolved in Andes, Amazon

Solanaceae, which includes 42 genera and 3,000 species worldwide, is a major group of magnoliophyta (flowering plants). Many species evolved in the Andean and Amazonian regions of South America. The family and its 42 genera are so important that the

National Science Foundation and the University of Utah are focusing on the genus *Solanum* (103 species) as part of the Planetary Biodiversity Inventory mission. Scientists in the International SOL Project are comparing DNA among Solanaceae genera to determine plant diversity and adaptation.

Four genera are commonly used by humans: *Coffea* (coffee), *Capsicum* (pepper), *Nicotiana* L. (tobacco), and *Solanum* L. (nightshade). *Solanum* species include tomato, potato, eggplant, and nightshade, among others.

Some plants in Solanaceae contain toxic chemicals harmful or deadly to humans. For example, chili peppers

may have capsaicin, which causes a reaction in those with low tolerance. Other toxic chemicals include alkaloids, nicotine, atropine, hyoscyamine, scopolamine, and solanine.

Wyoming Problem Weeds

Solanaceae can be a problem in crop production. Wyoming agricultural producers want to eliminate nightshade from seed crop fields for several reasons. Succulent, wet nightshade berries crushed during harvest hold moisture in the crop seed and cause fungal growth and rot. Each nightshade berry contains many seeds that will infest the field next year. Wyoming weed problems are, typically, hairy nightshade and cutleaf nightshade.

Hairy nightshade is an annual that grows 12 to 24 inches tall with

spreading, hairy foliage. Its flowers resemble the potato with five white petals. The fruit occurs in clusters. Hairy nightshade contains toxic alkaloids, especially in the berries.

Cutleaf nightshade is also an annual that grows 4 to 24 inches tall. It is branched from the base. Leaves are deeply lobed. Again, flowers resemble potato flowers and are white with five petals. Berries are green. Cutleaf nightshade has toxic alkaloids.

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Hairy nightshade



Cutleaf nightshade

(Photos: Phil Westra, Colorado State University, Bugwood.org)