

NEWS RELEASE

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Pasture, Rangeland, and Forage Insurability

Topeka, Kans., October 1, 2012 — The United States Department of Agriculture's Risk Management Agency (RMA) reminds forage and livestock producers that acreage intended for grazing and haying is insurable in Nebraska under the Pasture, Rangeland, Forage (PRF) program. For 2013, the PRF program under the Rainfall Index insurance plan replaces the Vegetation Index insurance plan. The sales closing date and acreage reporting date is November 15, 2012 for the 2013 crop year.

PRF is a pilot program that covers a decline from the long-term, historical, normal precipitation for an area. It does **NOT** provide protection from other perils such as flood, fire, hail, and insects. Only National Oceanic and Atmospheric Administration Climate Prediction Center (NOAA CPC) data is used for the Rainfall Index. Precipitation that occurs at individual farms, ranches, or a specific weather station is not used.

NOAA CPC gathers data daily from the four closest reporting stations to the center of an area, also known as a grid. The size of a grid is 0.25 degree longitude by 0.25 degree latitude. It is possible that the closest reporting station may be located outside a grid.

Producers must select at least two 2-month time frames for which precipitation is important to their acreage. Producers should also consider type of forage, location, elevation, and intended use when deciding which index intervals to select.

The Rainfall Index allows producers to personalize their coverage. Producers can choose a productivity factor anywhere between 60 and 150 percent of the county base value. They also may choose up to 90 percent coverage level. Producers also need to allocate the percentage of the total value for their selected 2-month time frames. The minimum percent of total value allowed is 10 percent while the maximum amount is 60 percent.

A payment occurs only when the final grid index is less than the trigger grid index. The trigger index is the result of multiplying the expected grid index by the producer's coverage level. The producer's amount of production is not considered when determining payments as with most traditional crop insurance plans.

Since this is an area based insurance plan and does not measure, capture, or use any actual crop production, it is possible for a producer to experience a production loss and not receive a payment. However, it is also possible for a producer to receive a payment without suffering a production loss.

Information about PRF and the Rainfall Index, including the Decision Support Tool, Grid ID Locator, and Historical Indices for each grid ID and index interval are available on the RMA web site <http://www.rma.usda.gov/policies/ri-vi/>. Producers and agents are encouraged to use this information to determine whether the producer's production history follows and correlates to the average precipitation patterns for the grid.

Producers should contact a crop insurance agent for more information before the November 15 sales closing date to learn more about this innovative area-based crop insurance program.

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