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New Annual Forage Pilot Insurance Plan

WASHINGTON, May 1, 2013 —USDA has released a new pilot federal crop insurance plan that utilizes a rainfall index to provide coverage for annual forage crops. The Rainfall Index - Annual Forage Insurance Plan is being tested in six states and covers crops planted annually and are used for livestock feed or fodder. It is available in all counties in Texas, Oklahoma, Kansas, Nebraska, South Dakota, and North Dakota. Catastrophic Risk Protection and buyup levels are available under the plan.

The sales closing date for this insurance is July 15 for crops planted in the fall, and December 15 for crops planted next spring. The sales closing date is the last day to buy or make changes to a federal crop insurance policy.

The rainfall index is designed to insure against a decline in an index value that is based on the long-term historical average precipitation for the same area for the same period. It does not measure, capture, or use the actual crop production of any rancher or any of the actual crop production within the area.

The Rainfall Index - Annual Forage Insurance Plan is designed to give maximum flexibility to the rancher. Producers are able to divide their liability into two-month index intervals targeting when precipitation is important for the crop being planted. The rainfall index uses National Oceanic and Atmospheric Administration (NOAA) Climate Prediction Center precipitation data. Each grid covers an area equal to 0.25 degrees in latitude by 0.25 degrees in longitude. NOAA creates the grids, which do not follow state, county, or national boundaries. Each grid is individually rated based on the data for that grid. The program is designed to insure against a decline in an index value that is based on the long-term historical average precipitation for the same area for the same period.

Index tables that provide historical information producers can use to decide whether this plan is right for them and a decision support tool are available on the USDA's Risk Management Agency (RMA) web site at <http://www.rma.usda.gov/policies/ri-vi/>. Crop insurance is sold and delivered solely through private crop insurance agents. Contact a local crop insurance agent for more information about the program. A list of crop insurance agents is available at all USDA Service Centers or on the RMA web site at www.rma.usda.gov/tools/agents/.

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