

United States Department of Agriculture

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Release No.: RMA-15-138

News Release

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USDA Expands Forage Crop Insurance Option Nationwide for Livestock Producers

Pasture Rangeland, Forage Coverage Helps Cover Feed Costs for Livestock

WASHINGTON, Aug. 31, 2015 – The U.S. Department of Agriculture's (USDA) Risk Management Agency (RMA) is expanding crop insurance coverage for ranchers to help them protect against loss of forage produced for feeding livestock. The Rainfall Index Pasture, Rangeland, Forage pilot program (PRF) will now be available in all 48 contiguous states beginning with the 2016 crop year. Livestock producers have until Nov. 15, 2015, to sign up for coverage.

"This program has a proven history of helping ranchers. I am pleased that we are able to expand this tool," said RMA Administrator Brandon Willis. "Providing these options to ranchers gives them the stronger safety net they need to continue ranching, even after particularly bad years."

PRF is an area-based plan of insurance that uses a rainfall index to determine losses and trigger indemnities. It is important for ranchers and farmers to understand that payments are not based on individual rain gauges on their farm or a single weather station. Online tools are available to assist producers to determine how well the program correlated with their past forage production on the RMA <u>PRF Web page</u>.

In addition to expanding PRF coverage to 19 additional states, the Federal Crop Insurance Corporation Board of Directors also voted to replace the Vegetation Index Pasture, Range, Forage pilot program, which will no longer be offered, with the Rainfall Index PRF. The board also approved a new pricing methodology for PRF that will better reflect the replacement cost of feed and the losses producers experience, as well as the addition of an irrigated practice for haying that will reflect the cost of additional irrigation when there are precipitation shortfalls.

In 2014, there were 20,366 PRF policies on more than 52.8 million acres of pasture, rangeland, and forage in states where coverage was available, with \$965 million in liabilities. Currently, there are 20,825 PRF policies providing more than \$1 billion in coverage on more than 54.7 million acres of pasture, rangeland, and forage for the 2015 crop year.

More information about the program is available on the <u>PRF Web page</u>. A list of insurance agents is available at all USDA Service Centers and online at the RMA <u>agent locator</u>. Producers can also use the RMA <u>cost estimator</u> to get a premium amount estimate of their insurance needs online. Learn more about crop insurance and the modern farm safety net at <u>www.rma.usda.gov</u>.

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