

Pasture, Rangeland, Forage Pilot Insurance Program

Revised August 2017

Pasture, Rangeland, Forage

The Risk Management Agency's (RMA) Pasture, Rangeland, Forage (PRF) Pilot Insurance Program is designed to provide insurance coverage on pasture, rangeland, or forage acres. The PRF program utilizes a rainfall index to determine precipitation for coverage purposes, and does not measure production or loss of products themselves. The Rainfall Index uses National Oceanic and Atmospheric Administration Climate Prediction Center (NOAA CPC) data, which utilizes a grid system to determine precipitation amounts within an area. Each grid is 0.25 degrees in latitude by 0.25 degrees in longitude, which translates to approximately 17 by 17 miles at the equator. Acres will be assigned to one or more grids based on the location to be insured.

The Pasture, Rangeland, and Forage insurance was designed to help protect a producer's operation from the risks of forage loss due to the lack of precipitation. It is not designed to insure against ongoing or severe drought, as the coverage is based on precipitation expected during specific intervals only.

Availability

PRF is available in the 48 contiguous states with the exception of a few grids that cross international borders.

Coverage and Claims

Coverage is based on a producer's selection of coverage level, index intervals, and productivity factor. The index interval represents a two-month period, and the period selected should be the one when precipitation is most important to a producer's operation. Policyholders can select a coverage level from 70 to 90 percent. The rainfall index does not measure direct production or loss. The producer is insuring a rainfall index that is expected to estimate production.

Producers select a productivity factor to match the amount of protection to the value of the production that best represents the operation and the productive capacity of the producer's acres.

Producers do not have to insure all acres. However, producers cannot insure more than total number of insurable acres.

Insurance payments are determined by using NOAA CPC data for their grid(s) and index intervals that were chosen to insure. When the final grid index falls below the policyholder's "trigger grid index", the producer may receive an indemnity. This insurance coverage is for a single peril -- lack of precipitation. Coverage is based on the experience of the entire grid. It is not based on individual farms or ranches or specific weather stations in the general area.

Tools

Producers need to make several choices when insuring their grazing or hay production, including coverage level, index intervals, irrigated practice, productivity factor, and number of acres. Producers should work with their crop insurance agent to view the [Grid ID Locator](#) map and index grids for their area, and assign acreage to one or more grids based on the location and use of the acreage to be insured. RMA encourages the use of the [Grid ID Locator, historical indices tool, and decision support tools](#) available on RMA's website to help decide whether PRF is the right insurance coverage for a producer's operation.

Buying a PRF Policy

PRF policies can be bought from a crop insurance agent by the sales closing date shown for each county in the [actuarial documents](#). A list of crop insurance agents is available at all USDA service centers and on the RMA website at www.rma.usda.gov/tools/agent.html.

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