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CROP INSURANCE NEWSLETTER

DOUBLE CROP VERIFICATION RECEIVED

We Won!!! After much discussion over the past two years with the Risk Management Agency (RMA), relief is being granted in establishing double cropping history. This primarily comes into play when planting soybeans behind small grain such as wheat or barley.

Policy language states that in order for a producer to receive two 100% payments in a crop year, the policyholder must provide acceptable records of acreage and production that show the policyholder double cropped acreage in at least two of the last four crop years in which the first insured crop was planted. Total eligible acres will be the second highest year of the last four.

In the past, you were required to show separate records for full season soybeans and double cropped soybeans planted on the same farm serial number (FSN). This is no longer required. Your production of both single crop and double crop soybeans, when comingled, will be allocated by simply dividing the total production by the total acres.

Proof of production will still have to be provided either in the form of individual sales tickets or a summary sheet from buyer. If production was not sold, farm management records such as number of combine bin dumps per FSN or contemporaneous (daily) feed records are acceptable.

However, we still recommend keeping production separate by practice, full season and double cropped. There are two reasons:

1. Double-cropping rules state that when you do not have sufficient acreage to qualify for two 100% payments in a crop year, the loss on the first crop will be reduced to 35% until the second insured crop is harvested. At that time, if the first crop remainder of loss, 65%, is greater than the second crop loss, the first crop balance will be restored. This can only be tracked if the first and second crop production on that specific acreage involved is kept separate.

2. RMA may, in the future, establish two separate practices and guarantees for full season and double cropped soybeans. They did this in Tennessee starting with the 2009 crop year.

Given the fact that there could be a lot of differences in yield between full season and double cropped soybeans, it would be of great benefit to keep production separate by practice should RMA decide to separate practices.

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Risk Management Agency (RMA) has issued guidelines to be used for QA by the companies for the 2011 crop year.

Attachment 1 is RMA's guideline categorized by USDA grades.

Attachment 2 is a table by North Carolina State University which converts USDA grade to company buying grade.

The process will work the same way for burley and dark tobacco although we do not have conversion at this time.

As an example, a B46 USDA grade converts to a B6 company grade. A B6 company grade falls into a factor category 4 which applies a value calculated at 60% of price election ($1.60).

Ex: $1.60 x .60=.96 value to count for a B46

Should you have any question regarding QA give us a call at:

1-800-248-5480

RI plan of insurance was introduced in Virginia in 2010.

The program in its first year, 2010, insured 18,853 acres. In 2011, acreage insured increased to 51,008 acres.

Since inception of the program in 2007, the program has paid nationally $234,258,768. This is proof the program works.

A **PRF Fact Sheet** is included which gives a brief overview of the program.

January-February and February-March interval results are in for 2011. Both intervals triggered losses on 35 policies. Losses paid in January and February was paid at a 54% average loss. Losses paid in February-March were paid at a 10% average loss.

Results for other intervals are not available at this time as there is a 60 day lag time upon completion of an interval.

If you are interested in enrolling in this program for the 2012 crop year, you must do so before **sales closing, September 30th, 2011**. Insureds currently enrolled are automatically rolled over into the next year unless you cancel in writing before sales closing.

DATED MATERIAL
OPEN IMMEDIATELY

TIMELY SIGNED & DATED DOCUMENTS

The new Standard Reinsurance Agreements (SRA) between the companies and Risk Management Agency (RMA) specifically addresses the issue of timely signed documents.

Coverage could be denied if requirements are not met.

Return documents sent to you for signature as soon as you receive them. Outside envelope will be stamped DATED MATERIAL OPEN IMMEDIATELY and a return envelope will be included for your **prompt return** of the enclosed documents.

Thank you for your assistance in this matter.

Newsletter Access

In the future, if you want to receive our newsletter electronically, let us know by sending your e-mail address to scole@jtdavisins.com.

You may also access current and prior newsletters on our web site.

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