



Delaware Ag Focus



Cooperative Extension

COLLEGE OF AGRICULTURE & NATURAL RESOURCES

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Sleeping Well Takes Work

Brad and Laura Ritter know, better than most, the necessity of planning and organization. They raised triplets, now nineteen. They also farm about a thousand acres near Lewes. They brought some of the same skills to bear on both.

When it comes to farming they boil it down to a good night's sleep.

“The only way you’re going to get a good night’s sleep is to make sure you’ve done everything you can to increase your yield and spread your risk,” said Laura, who handles most of the record keeping and documentation to make all that work.

The Ritters grow corn, soybeans, lima beans, wheat and peas. They have some on-farm grain storage and, to help manage their risks, they irrigate where they can.

Irrigation as risk management

Irrigation presents some problems made unique by their proximity to the beach resort.

“Some of the farmers around here say that the best ground for farming is also the best ground for growing houses,” said Brad, pointing out that the closer to the ocean he gets, the heavier the soil gets.

That means that some of his landlords are reluctant to negotiate more than a year-to-year lease, not nearly enough time to pay off the investment needed to install irrigation.

“We’re hoping to rent more ground from landlords who have put their land in the Farmland Preservation Program. There we can probably afford to put in irrigation,” said Brad.

Thinking about risk

In 2002, when Brad and Laura were still just getting started in farming on their own, they invited Farmers First Services to come for a free crop insurance consultation.



Brad and Laura Ritter

Photo by Todd Dudek

“Don Clifton came, my dad was there, and we sat around the kitchen table,” said Brad, adding, “Don crunched the numbers for us and explained how the program worked.

He wasn’t selling anything, so I felt like he had our best interests at heart.”

His father had never used crop insurance. But it made sense to Brad and Laura to help lower their financial risks. Like many starting farmers, they had not accumulated much equity, and like most farmers they had to borrow money to operate.

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Dear Friends,

One of the features of the Delaware Crop Insurance Education Program is the free personalized consultation available to each Delaware producer. I am responsible for this service and it is one of the things I enjoy most, visiting with farmers individually or as a family. I help assess their risk and provide a complete menu of their crop yield and revenue coverage options specifically tailored to their operation.

Many producers say they appreciate that I describe how the policies work in a non-sales atmosphere. You cannot obtain insurance through this program, only through a crop insurance agent. I simply work to make sure you are making the most informed decision possible considering the risk you face. My time is compensated through the Risk Management Agency partnership with the University of Delaware.

Featured in this newsletter is a conversation with Brad and Laura Ritter, who relate how their family has benefited from obtaining crop insurance. I met with their family around the kitchen table years ago. Theirs is just one of dozens of families I have worked with over the years. Some producers have called me each year prior to the crop insurance sales closing date just to touch base and see if there is anything new they need to consider.

Whether you are experienced with crop insurance or just checking it out for the first time, don't hesitate to call me at (302) 242-8806 or send your questions to decrophelp@gmail.com.

Sincerely,

Don Clifton
Program Specialist, Farmers First Services

<http://extension.udel.edu>

Crop Insurance Deadline Nears

March 15 is the deadline for signing up for crop insurance on most spring planted crops in Delaware. It is also the deadline for making any changes to existing policies.



There are seven crops that share the March 15 deadline: corn, cucumbers, grain sorghum, processing beans, processing sweet corn, processing tomatoes, and soybeans.

Three crops: corn, grain sorghum, and soybeans are also eligible for revenue coverage, protecting against revenue losses caused by changes in the harvest price from the projected price.

Remember, if you do not contact your crop insurance agent in time, you will be automatically enrolled under the same policies as last year. It is always a good practice to review your options with your crop insurance agent every year. ■



Acreage Reporting for Crop Insurance Streamlined

Works for FSA too

The best way to get the maximum benefit from the new Acreage Reporting streamlining process is to do your crop insurance acreage reporting first. The same report can then become your FSA report.

Referred to as ACRSI (Acreage Crop Reporting Streamlining Initiative), the process, a pilot program, aims to simplify acreage reporting by minimizing duplicate data reporting and entry, maximizing data use, and increasing reliability, accuracy, integrity, and completeness of the data.

You have skin in the game

You have money at stake in making sure this all gets done right. If you report too few acres you may pay less in crop insurance

premiums but get a lower than expected indemnity in the event of a loss. If you report too many acres you will pay more than you need to in premiums. The same thing is true at FSA where your access to other government programs is at stake.

The common acreage reporting information you give your crop insurance agent – what was planted, when, where, and how many acres – can be submitted to ACRSI and can be downloaded by you or your FSA county office so it is available when you visit that office to complete all required FSA certifications.

ACRSI does not change any of your reporting requirements or deadlines for crop insurance or other farm programs. ■

Risk Management Checklist

Crop, Revenue, and Livestock Insurance Deadlines

If you do not know all the dates in this section, you should contact your crop insurance agent for help.

1. Do I know all critical dates and sign-up deadlines?

2. Sales closing date – last date to apply for coverage is:

3. Cancellation date – last date to give notice if I do not want insurance next year:

4. Production reporting date – actual production history must be reported by:

5. Final planting date – if unable to plant, I must contact my agent by:

6. Acreage reporting date – I must report my acreage planted to my agent by:

7. Payment due date – interest charges begin to incur after:

8. Final date to file notice of crop damage – any perceived damage I must report no later than:

9. End of insurance period – latest date of coverage for current year's crop:

10. Debt termination date – insurance coverage for next year will be canceled if payment is not made by:

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“I don’t remember Farm Credit ever saying that we had to have crop insurance, but it must have made them more comfortable lending to us,” said Laura.

Many Ag lenders understand that crop insurance protects them as well as it protects farmers. When lenders know they are going to be paid even if there is a drought they are going to be more confident lending to farmers.

The Ritters are still relying on crop insurance. They cover every insurable crop and use Revenue Protection to cover the risks of price fluctuations.

Like all farmers, the Ritters have good growing seasons and some affected by adverse weather conditions, sometimes too wet, sometimes too dry, sometimes both in the same year! Because of their decision to offset part of their risk with crop insurance, income that should have come from crops is replaced by loss payments when qualifying losses occur. They can know what their yield and/or revenue guarantees will be before they make the crop insurance decision. Investigating before the decision is good planning.

“You have to plan to get a good night’s sleep.” ■

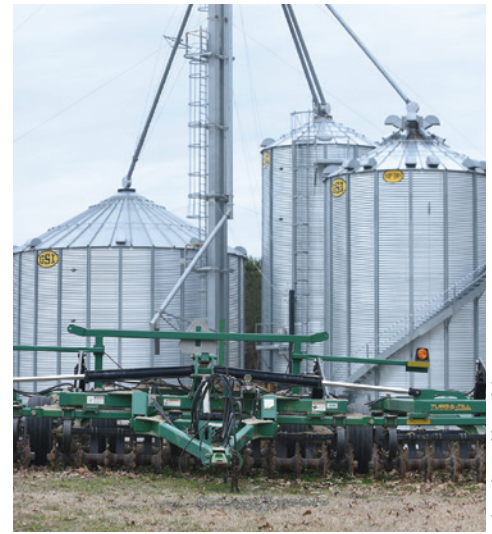


Photo by Todd Dudek

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February 23 Marketing Workshop

Kansas State University’s Art Barnaby will lead a workshop on “Advanced Risk-Assessed Marketing” at the University of Delaware Carvel Research and Education Center in Georgetown on February 23. Space is limited to 45 participants. Send registrations to Laurie Wolinski at Lgw@udel.edu

Participants are asked to arrive by 8:30 a.m. with the program to begin at 9:00.

The program will cover Crop Insurance and Hedging Tools, Futures and Options, and then a complete “case farm study” where participants will walk through different scenarios and work out a marketing plan.

“ Wilkins Comments On Barnaby ”

Art Barnaby presented a workshop during Ag Week this past January. Richard Wilkins, current Chairman of the Board of the American Soybean Association was in attendance and said about Barnaby, “Art is an architect of modern crop insurance. In my experience, he is one of the best in the country at explaining the potential relationship between a farmer’s crop insurance decisions and a grain marketing strategy. In addition, his data on how the 2014 Farm Bill programs are working in Delaware is illuminating.”

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