



Crop insurance 2012: An overview

By James Sedman and John Hewlett

Crop insurance policies available to Wyoming producers through the Federal Crop Insurance Corporation program provide many risk management alternatives.

In the 2012 crop year, producers in Wyoming insured 14 different crops, covering just over 450,000 acres, essentially the same as 2011. Fully 43 percent of all crop acres in Wyoming were insured in 2011. For most crops, producers generally have the following choices: Revenue Protection (RP) with or without Harvest Price Exclusion (HPE), Yield Protection (YP), and, for crops where RP and YP are not available, the conventional Actual Production History (APH)-based policies are used.

YP policies use a producer's APH yield level and a set commodity price to protect against yield losses. RP coverage also

uses a producer's APH yield but goes a step further in protecting against declines in price, as well as the option of choosing to use the harvest price or not with HPE. Catastrophic coverage (CAT) is available for all covered crops. This policy endorsement covers against 55 percent or greater losses for a \$300 per crop fee.

Crop Policy Data

2012 was an exceptional drought year in Wyoming. This showed in many of the crop policy loss ratios and indemnities. This information is summarized in a snapshot of available crop insurance data in Table 1 below. Note that tabled-values are not the official totals for the 2012 crop year - just totals as of Nov. 15.

The loss ratio is determined by dividing the total indemnity payments by the total premiums received. The total average loss ratio for Wyoming crops was 0.73, compared to 0.38 for 2011.

Indemnity payments totaled \$11,462,438 as of Nov. 15. This number is almost double 2011's total of \$6,573,299 and could be higher once crops, such as forage seeding, are assessed next spring.

Policies showing the highest loss ratio tended to be the RP-HPE policies: especially barley at \$2.39 and corn at \$1.94. Corn and wheat were the top two crops in terms of liability at \$31,828,801 and \$21,709,380, respectively.

Most crops on Wyoming dry land acreage (wheat, millet, and sunflowers) showed large loss ratios. Insured forage suffered heavy losses as well with a loss ratio of 2.1. Even with intense drought conditions, the loss ratio

for several major irrigated crops was low. Corn averaged 0.38 for all policies, dry beans was 0.23, and sugar beets was 0.21. This would seem to indicate producers of these crops had adequate irrigation water supplies, keeping drought conditions from negatively affecting yields.

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For More Information

Crop producers in Wyoming have several crop insurance options available. Visit with your local crop insurance agent today to help determine which type of policy fits your operation's individual risk management needs. For more information on different types of crop insurance, producer-based analyses, and other risk management topics on the Web, visit the Western Risk Management library online at agecon.uwyo.edu/riskmgt.



Diane Saenz

Carbon County extension offering free cooking classes for youths

Free cooking classes are being offered for youths this winter through the Carbon County office of the University of Wyoming Extension.

"Kids in the Kitchen provides hands-on instruction that will help kids develop a love of cooking and start building skills to make healthier food choices," said Diane Saenz, extension nutrition and food safety educator.

Classes are Tuesdays Jan. 15 and Jan. 22, and Feb. 5, Feb. 12, and Feb. 19 at the UW Extension office, third floor of the Carbon Building, 215 W. Buffalo, Rawlins.

Enrollment is limited due to size of the kitchen facility. For more information, contact Saenz at 307-328-2642.

Workshop covers Community Supported Agriculture

Learning how to start Community Supported Agriculture (CSA) ventures will be discussed during a free



Cole Ehmke

University of Wyoming (UW) Extension workshop in Thermopolis.

The workshop is noon Tuesday, Feb. 12, to noon Wednesday, Feb. 13, at the Best Western Plus Plaza Hotel in Thermopolis at 116 E. Park St. Refreshments will be provided.

"Community Supported Agriculture has become a popular way for consumers to buy local, seasonal food directly from a farmer," said Cole Ehmke, UW Extension agriculture entrepreneurship specialist. "The concept is that a consumer purchases a share of the farm production, then, through the production season, gets a box of vegetables (and maybe other farm products) every week."

To reserve a spot or get updates on the workshop, contact Ehmke at cehmke@uwyo.edu or 307-766-3782.

Table 1. Wyoming Crop Insurance Policy Acreage and Indemnity Data

Crop	# Policies	Net Acres	Total Liability	Total Premium	Subsidy	Indemnity	Loss Ratio
Alfalfa seed (APH, CAT)	42	6060	\$5,084,702	\$773,105	\$443,034	\$0	0
Barley: RP	65	9114	\$3,387,048	\$290,445	\$158,574	\$203,503	0.70
RPHPE	1	103	\$31,390	\$3,923	\$2,157	\$9,392	2.39
YP	226	34739	\$11,835,361	\$769,192	\$400,922	\$472,762	0.61
YP CAT	14	3569	\$528,449	\$15,664		\$4,961	0.32
TOTAL	306	47525	\$15,782,248	\$1,079,224	\$561,653	\$690,618	0.64
Corn: RP	307	44685	\$21,990,069	\$3,053,113	\$1,816,259	\$1,229,092	0.40
RPHPE	4	379	\$121,352	\$18,483	\$10,777	\$35,881	1.94
YP	141	18750	\$9,022,795	\$917,931	\$548,270	\$248,820	0.27
YP CAT	16	2885	\$694,585	\$24,476	\$24,476	\$0	0.00
TOTAL	468	66699	\$31,828,801	\$4,014,003	\$2,399,782	\$1,513,793	0.38
Dry beans: APH, CAT	330	37439	\$25,310,819	\$2,823,664	\$1,592,391	\$662,178	0.23
Dry peas: APH	2	303	\$31,815	\$8,252	\$4,869	\$17,115	2.07
Forage: APH	275	73089	\$6,111,687	\$1,400,575	\$887,692	\$2,938,943	2.10
CAT	118	49191	\$2,169,118	\$389,314	\$389,314	\$724,028	1.86
Forage seeding: APH	25	2125	\$328,902	\$53,517	\$30,813	\$0	0.00
CAT	3	579	\$33,476	\$4,057	\$5,057	\$0	0
Millet: APH	20	3035	\$143,077	\$74,925	\$45,444	\$80,477	1.07
CAT	3	946	\$22,996	\$6,402	\$6,402	\$5,015	0.78
Nursery (1 APH, 1 CAT)	2		\$295,119	\$4,416	\$3,265	\$0	0
Oats: APH	58	3503	\$414,355	\$76,432	\$44,924	\$70,422	0.92
CAT	6	1760	\$69,813	\$13,912	\$13,912	\$1,793	0.13
Potatoes: APH	1	40	\$53,627	\$8,749	\$5,162	\$0	0
Sugar beets: APH	188	24289	\$23,527,172	\$1,679,009	\$89,147	\$359,352	0.21
CAT	6	2118	\$883,860	\$21,050	\$21,050	\$0	0
Sunflowers: RP	16	3695	\$603,416	\$179,320	\$127,105	\$286,620	1.60
RPHPE	2	536	\$74,221	\$19,020	\$11,222	\$0	0.00
YP	27	4176	\$837,207	\$207,571	\$121,286	\$121,903	0.59
Wheat: RP	304	84884	\$15,848,364	\$2,551,760	\$1,485,074	\$2,933,180	1.15
RPHPE	1	55	\$21,102	\$1,811	\$1,068	\$0	0.00
YP	198	32926	\$5,445,997	\$684,823	\$398,479	\$1,235,489	1.80
YP CAT	26	5724	\$393,917	\$28,310	\$28,310	\$21,512	0.76
TOTAL Wheat		\$123,589	\$21,709,380	\$3,266,704	\$1,912,931	\$4,190,181	0.93
TOTAL		\$450,697	\$135,020,692	\$16,098,805	\$8,713,190	\$11,662,438	0.72

Source: Federal Crop Insurance Corporation Crop Year Statistics for 2012, as of Nov. 15.

Key RP – Revenue Protection; HPE – Harvest Price Exclusion; YP – Yield Protection; APH – Actual Production History; CAT – Catastrophic Coverage