

Wyoming crop insurance 2020 overview

Insurance has become a key tool for managing risk for many Wyoming farms and ranches.

Coverage is available for nearly any crop grown in the state, in addition to native range (pasture)/forage and livestock. Participation across the various options in 2020 was a mixed bag. Drought conditions were prevalent during the growing season for much of the state, while the number of extreme weather events remained relatively normal.

Total number of policies sold were reported at 1,908 (up from 1,883 in 2019), with the corresponding total overall liability at \$172,446,285; both general measures of overall participation across the state for 2020 (Table 1).

Total acres insured were up almost 1.5 million from 2019 to 7,325,433. Liabilities are estimated as total policies with a paid premium. Loss ratios are calculated by dividing indemnities paid by premiums paid and was down substantially compared to the previous year, as were total losses.

As in past years, acres covered under Pasture Rangeland and Forage-Rainfall Index (RI-PRF) represented the largest portion of acres insured in Wyoming for a total of 6,978,110 acres or 95 percent. The increase in the overall loss ratio (1.25) was driven primarily by indemnities paid under RI-PRF.

CROP POLICY DATA

The four main types of crop policies sold in Wyoming are the traditional APH (actual production history), RP (Revenue Protection), RP-HPE (Revenue Protection with Harvest Price Exclusion), and YP (Yield Protection). Overall, loss ratios remained relatively constant across these policy types from 2019, with the exception of APH policies.

In general, APH policies cover specific crops (like sugar beets or alfalfa seed), and the loss ratio for these policies was down to 1.16 from 2.06 in 2019 (Table 2). This was generally expected as 2019 involved a fall and early winter with very challenging weather affecting crops, particularly sugar beets. There was a significant decrease in numbers of policies sold and net acres covered under YP in 2020.

Livestock Gross Margin (LGM). These policies offer protection against overall market price declines.

LRP coverage is available for cattle (feeder, fed, and dairy), swine, and lamb. These policies are reported in dollars of total liability. Total 2020 liability for LRP for dairy cattle was reported as \$27,560,743, feeder cattle \$1,247,362, and lamb \$2,581,947. Total liability for feeder cattle and lamb were relatively constant compared to 2019, \$1,428,735 and \$2,543,132 respectively. Dairy cattle liability increased 40 percent over 2019 values (\$888,484).

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IMPORTANT REMINDERS:

- RI-PRF sign-up deadline for 2022 coverage is December 1
- Policy purchase deadline for spring planted crops is March 15
- Planting deadline for fall planted crops is approaching (check with an insurance agent for exact dates)



Table 1. Insurance Data Comparison 2015-2020

Crop Year	# Policies	Net Acres	Liability	Premium	Reported Losses	Loss Ratio
2015	2,308	1,894,654	\$119,748,699	\$15,927,808	\$7,406,432	0.47
2016	2,156	2,050,659	\$130,146,260	\$17,344,837	\$16,511,002	0.95
2017	2,081	2,470,837	\$128,176,632	\$17,029,788	\$10,401,686	0.61
2018	1,968	4,001,920	\$144,339,756	\$19,858,965	\$11,749,379	0.59
2019	1,883	5,749,389	\$157,579,382	\$21,366,616	\$19,347,687	0.91
2020	1,908	7,325,433	\$172,446,285	\$24,281,569	\$30,472,923	1.25

Table 2. Wyoming 2019-2020 Crop Insurance Policy Data Comparison

Type	Policies Earning Prem	Policies w/ Indemnity	Net Acres	Liabilities	Total Premium	Indemnity	Loss Ratio
2019 APH	598	181	128,384	\$40,889,118	\$3,983,752	\$8,217,166	2.06
2020 APH	609	262	131,151	\$47,880,064	\$4,887,625	\$5,653,345	1.16
% Change	1.84%	44.75%	2.16%	17.10%	22.69%	-31.20%	-43.69%
2019 RP	531	183	134,810	\$32,738,948	\$4,655,982	\$2,846,991	0.61
2020 RP	519	185	131,282	\$28,683,968	\$3,924,728	\$2,436,416	0.62
% Change	-2.31%	1.08%	-2.69%	-14.14%	-18.63%	-16.85%	1.61%
2019 YP	466	102	85,114	\$24,519,048	\$1,953,037	\$1,162,290	0.60
2020 YP	446	88	76,027	\$21,467,046	\$1,645,432	\$995,746	0.61
% Change	-4.48%	-15.91%	-11.95%	-14.22%	-18.69%	-16.73%	1.64%

Note: There were 2 RPHPE Policies sold in WY in 2020, covering 78 acres with zero indemnity

Table 3. RI-PRF Coverage in Wyoming 2016 to 2020

Year	# Policies	Net Acres	Total Liability	Total Premium	Idemnity	Loss Ratio
2016	167	1,654,474	\$27,268,989	\$4,527,876	\$4,794,386	1.06
2017	177	2,081,288	\$28,496,921	\$4,559,057	\$2,997,907	0.66
2018	217	3,645,963	\$52,538,533	\$9,711,608	\$7,448,280	0.77
2019	250	5,392,000	\$54,317,125	\$1,025,053	\$7,004,482	0.69
2020	278	6,978,110	\$70,304,347	\$13,311,857	\$20,931,939	1.57

FOR MORE INFORMATION

Detailed insurance data for Wyoming is available at the USDA Risk Management Agency (RMA) Summary of Business page at rma.usda.gov.

Information includes state and national data for each crop and policy. Visit the RMA website or a local crop insurance agent for more information about how crop insurance may fit your risk management strategy. Visit RightRisk.org for more resources about risk management strategies for agriculture, including online courses, tools, and producer profiles.

RI-PRF INSURANCE

Pasture, Rangeland, Forage Rainfall Index (RI-PRF) coverage is one of the more popular policies among livestock producers, offering protection against risk of loss due to reduced precipitation. Producers select coverage and timing intervals to match key forage production periods.

Data for 2020 RI-PRF enrollment show a continued increase in coverage, with total liabilities of \$70,304,347 and nearly seven million acres (Table 3). Analysis of loss ratio data shows there were drought conditions over most of Wyoming; of the 278 active policies in the state, 275 of them resulted in an indemnity payment in 2020.

LIVESTOCK POLICIES

There are two main price/revenue insurance programs available to Wyoming livestock producers: Livestock Risk Protection (LRP) and