



# Current Federal Insurance Options

WYOMING - 2013 Insurable Commodities by County

FIPS Code	County Name	AGR-Lite	Alfalfa Seed	Apiculture	Barley*	Corn*	Dry Beans	Forage Prod	Forage Seed	Livestock	Millet	Nursery	Oats	PRF	Potato	Sugar Beets	Sunflower*	Wheat*
001	Albany	X		X				X	X	X		X		X				
003	Big Horn	X	X	X	X	X	X	X	X	X		X	X	X		X	X	X
005	Campbell	X		X	X			X	X	X		X	X	X				X
007	Carbon	X		X	X			X	X	X		X	X	X				X
009	Converse	X		X	X	X		X	X	X		X	X	X				X
011	Crook	X		X	X	X		X	X	X		X	X	X				X
013	Fremont	X		X	X	X	X	X	X	X		X	X	X		X		X
015	Goshen	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
017	Hot Springs	X		X	X			X	X	X		X		X				
019	Johnson	X		X	X			X	X	X		X	X	X				X
021	Laramie	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
023	Lincoln	X		X	X			X	X	X		X	X	X				X
025	Natrona	X		X	X	X		X	X	X		X	X	X				X
027	Niobrara	X		X	X			X	X	X		X	X	X				X
029	Park	X	X	X	X	X	X	X	X	X		X	X	X		X	X	X
031	Platte	X		X	X	X	X	X	X	X		X	X	X		X		X
033	Sheridan	X		X	X	X		X	X	X		X	X	X				X
035	Sublette	X		X				X	X	X		X		X				
037	Sweetwater	X		X				X	X	X		X		X				
039	Teton	X		X	X			X	X	X		X		X				
041	Uinta	X		X				X	X	X		X		X				
043	Washakie	X		X	X	X	X	X	X	X		X	X	X		X		
045	Weston	X		X				X	X	X		X	X	X				X

Introduction

Strategic

Tactical

Operational

Ag Risks

Do It Yourself

Risk Nav.

# Risk Navigator Tool Box

**Risk Navigator**  
STRATEGIC RISK MANAGEMENT

## Toolbox

- Financial
- Management
- Planning
- Risk Analysis
- Ratio Analysis
- Tools Folder
- Install Flash Player
- Install Adobe Reader

**FINANCIAL RISK**

**STRATEGIC**

- Establish Business and Family Financial Goals
- Measure Business Position and Historic Performance
  - Balance Sheets
  - Income Statement
  - Cash Flow
  - Statement of Owner
- Ending Net Worth | Beginning Net Worth

**OPERATIONAL**

- Inventory Risk Attitude, Financial Health
- Replan
- Monitor and Adjust with:
  - Balance Sheets
  - Income Statement
  - Cash Flow
  - Statement of Owner Equity

**TACTICAL**

- Develop Sustainable Business Plan that Meets Financial Goals
- Determine Sources of Risk in the Business Plan and Management Alternatives for Each
- Evaluate Business Plan Risks with Available Financial Tools
- Develop Implementation Plan
- Solvency
- Liquidity
- Profitability
- Repayment Capacity
- Financial Efficiency

Implement Plan

Develop Implementation Plan

Exit

<http://RightRisk.org> > Products

# Tools to Evaluate Alternatives

- Risk Scenario Planner *relatively minor changes*
- Enterprise Budget *larger changes*
- Whole Farm Budget *substantial changes*

**RIGHT RISK™**  
Risk Scenario Planning

By:  
John P. Hewlett, University of Wyoming  
Dr. Jay Parsons, Colorado State University

Colorado State University  
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**RIGHT RISK™**  
Enterprise Risk Analyzer  
Version 1.06  
Click Here to Begin

By:  
John P. Hewlett, University of Wyoming  
Dr. Jay Parsons, Colorado State University  
Dr. Stuart Nakamoto, University of Hawaii

RMA UNIVERSITY OF WYOMING Extension

**Family Living, Revenues, Expenses**

Balance Sheet		Assets		Liabilities		Income Statement - Accrual Adj.	
	Beginning	Ending	Beginning	Ending	Beginning	Ending	Income
Cash on Hand	25,000	57,031	Cash on Hand	25,000	25,000	25,000	0
Cross Held for Feed (Exp)	0	0	Accounts Payable (Exp)	12,540	11,989	Cash Income (Net of Cal Invt Sales)	\$809,453
Cross Held for Sale (Inc)	200,000	200,000	Current Principal	11,309	12,559	Non-Cash Income Adjustments	0
Market Livestock (Inc)	0	0	Other Current Liability (Exp)	10,000	10,000	Non-Cash Income (Placed Brds Livstck)	0
Other Current Assets (Inc)	15,000	15,000	Short Term Notes (Exp)	0	0	Capital Gain/Loss on Breeding Livstck (Net)	930,453
Invest Growers Cross (Exp)	0	0	Def. Tax on Current Assets	0	0	Gross Revenue	0
Supp. & Prepaid Exp. (Exp)	10,000	10,000	Operating Loan Carrying	0	0	Cash Expense (Excluding Interest)	444,913
Total Current Assets	290,000	292,031	Total Current Liab.	34,449	34,449	Non-Cash Feed Inventory Adjustment	0
Non-Current Assets			Non-Current Liabilities			Other Non-Cash Non-Interest Expense	0
Mach. & Equipment	325,000	282,500	Prin. on T.D. & C.L.	255,389	242,840	Depreciation (Land, Bldgs, Equip.)	34,500
Breeding Livestock	0	0	Def. Tax on Long Term Assets	0	0	Total Operating Expense	419,413
Real Estate (Land, Bldgs, Impr)	1,040,000	1,038,000	Total Business Liab.	289,947	277,289	Cash Int. Exp. - T.D. & C.L.	12,540
Total Business Assets	1,815,000	1,813,331	Business Net Worth	1,325,153	1,336,043	Cash Int. Exp. - Operating	7,281
			Change in Equity From Beginning to End of Year		10,890	Non-Cash Interest Expense	(851)
						Total Expense	\$499,563
						Net Business Income From Operations	110,990
						Net Business Income	110,990
						Income-SS-Def. Tax-Cash & Non-Cash	0
						Net Income	\$110,990
						Accrual	
						Statement of Owner Equity	
						Beginning Net Worth (CostMtd)	1,325,153
						Net Income	110,990
						Non-Business Cash Inflows	0
						Owner Withdrawals (Cash)	(100,000)
						Asset Valuation Change/Cont./Distrib	0
						Calculated Endina Net Worth	1,336,043
						Reported Endina Net Worth (CostMtd)	1,336,043
						Discrepancy	(0)

Mouse Over for Help

Owner Withdrawals: \$100,000 | Percent Crop Revenue: 100% | Percent Crop Cost of Production: 100%

<http://RightRisk.org/Wyoming>



# Risk Management Profiles

## RISK MANAGEMENT PROFILES



### VI-PRF pilot insurance minimizes feed risk for Z-F

Early fall 2010 on the Z-F Ranch found owners Bob and Betsy Zomer assessing risk management strategies for their cow-calf and yearling operation. The Zomers are situated on 12,000 acres of pasture and 200 acres of native hay in Fremont County. Both husband and wife were concerned about the coming production year. This year's late summer and early fall had been dry, and they were worried it would carry over into next year.

The Zomers looked at several options for addressing their production risks. They could:

1. Buy alfalfa hay to supplement native hay production. They knew this option might become expensive, though, with hay prices high and up-front cost tying up operating capital.

2. Rent additional pasture. Unfortunately, this option would be difficult to achieve (and expensive) due to the lack of locally available pasture. Plus, the Zomers would

prefer not to travel long distances to their cattle.

3. Send the yearlings to a custom feed yard or sell them early. With high feed prices, this may or may not be economically viable.
4. Use the new Vegetative Index Pasture, Rangeland, Forage (VI-PRF) insurance Bob recently became aware of at a local extension meeting.
5. Insure against drought using Non-insured Crop Disaster Assistance Program (NAP) coverage.

Like many producers, the Zomers decided on a combination of available options. They chose to utilize VI-PRF insurance for 3,500 acres from April 1 to June 30; 5,500 acres from July 1 to September 30; and 200 acres of hay land from June 1 to August 30. They also chose to budget \$20,000 to purchase 200



Premium/acre	Indemnity/acre	Total indemnity	Total cost/acre
\$0.28	\$0.00	\$0	\$980
\$0.58	\$6.51	\$35,805	\$3,190
\$9.15	\$57.27	\$11,454	\$1,830
	Total	\$47,259	\$6,000

head multiplied by 60 percent equals \$10,954.94. With the second method, calculate the carrying capacity of 19.48 acres per AU (or a normal carrying capacity of 462 AUs) multiplied by 30 days (\$13,860) multiplied by the daily feed cost (\$40.04/30 = \$1.334) multiplied by 60 percent to find a total payment of \$11,093.54. Therefore, the first calculation provides the smaller amount. If the Zomers had utilized NAP coverage in 2010, they would have received two added benefits.

RMP-201209.004  
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<http://RightRisk.org/Wyoming>



Introduction

AGR-Lite TRAINING

MANAGEMENT SUCCESSION  
WHERE ARE WE?  
A SELF-ASSESSMENT

A LASTING LEGACY

A LASTING LEGACY

Insuring Success for Wyoming Agriculture 2008  
Insurance and Risk Management Course

Insuring Success for Wyoming Agriculture 2006  
Feasibility of Alternative Rural Enterprises Course

Insuring Success for Wyoming Agriculture 2006  
Taxes for Agricultural Enterprises Course

Pasture, Rangeland, Forage (PRF) Pilot Insurance Program

Getting on Track: Better Management Through Basic Ag Records

Getting on Track: Better Management Through Basic Financial Statements

Getting on Track: Understanding Financial Performance

## Applied Risk Management in Agriculture

Dana L. Hoag, editor  
James C. Ascough II, PhD  
Elhab Fathallahman  
Duane Griffith  
John P. Hewlett  
Catherine Keske  
Jay Parsons  
James Pritchett  
Aaron Sprague

CRC Press  
Taylor & Francis Group

AG SURVIVOR  
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<http://RightRisk.org> > Courses

# RIGHTRISK™

## RIGHTRISK NEWS

### DATES TO REMEMBER

- **November 15, 2013:** Pasture, Rangeland, Forage insurance (PRF)
- **November 15, 2013:** Apiculture
- **November 15, 2013:** Noninsured Crop Disaster Assistance Program (NAP) acreage reporting deadline for forage crops including grazing
- **December 1, 2013:** NAP application deadline for fall seeded crops and forage

### Risk Management Strategies for Livestock Producers

Livestock and bee producers have several risk management options to manage forage production risk. Given recent periods of extreme drought and price variability, managers might consider addressing forage risks using one or more insurance tools. Programs are available and can help protect against serious production losses, while helping to guarantee revenue levels.

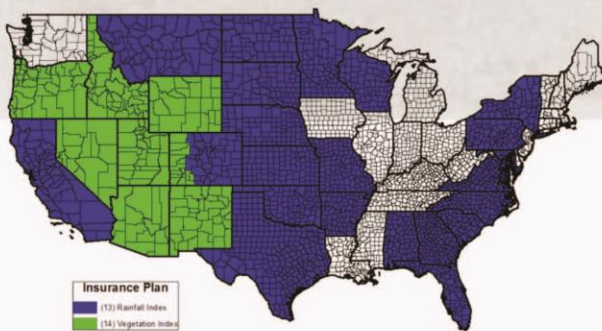
Pasture, rangeland, forage (PRF) and Apiculture insurance protect against a decline in an index. The index is designed to serve as a proxy for pasture, range, and hay production in a specific area of land or grid.


The Noninsured Crop Disaster Program (NAP), administered by the Farm Service Agency (FSA) is designed to provide low cost catastrophic loss coverage to producers when federal crop insurance is not available.

NAP coverage may be used separately but not in conjunction with PRF and Apiculture insurance to provide protection against low yields, loss of inventory or prevented planting that occur due to natural disasters for a typical ranch such as: grains planted for hay (and not insured as grain), native (grass) hay and certain mixed forages, and grazingland.

Coverage begins 30 days following sign-up. NAP covers losses of 50 percent or greater of expected production, at 55 percent of the market price (set by the state committee).

The 2008 Farm Bill required that livestock and apiculture producers enroll under either NAP coverage or crop insurance for all pasture, rangeland and native hay forage crops to qualify for certain disaster assistance programs; including the Livestock Forage Disaster Program (LFP) and Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish Program (ELAP). These requirements are expected under the new Farm Bill (or extension of the 2008 Bill) but are uncertain until new legislation is passed by Congress.



Recent bulletins that outline how these programs may work for operators include: “Production Risk Management Options for Wyoming Ranches: Crop Insurance and Federal Disaster Programs” and “Risk Management Programs for Honey Bee Producers in Wyoming” and may be found in the Western Risk Management Library located under  at <http://riskmgt.uwagec.org>.

More Information is available for the programs mention in this article on the Internet at- [www.rightrisk.org](http://www.rightrisk.org); [www.rma.usda.gov](http://www.rma.usda.gov); or [www.fsa.usda.gov](http://www.fsa.usda.gov).

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To read more see:

[RightRisk.org](http://RightRisk.org) > Resources > Risk Mgt Profiles

## HIGHLIGHTED COURSE

The Pasture, Rangeland, Forage (PRF) Pilot Insurance Program course available at [RightRisk.org](http://RightRisk.org) offers a step-by-step approach to learn more about PRF insurance and how PRF can be applied. The course includes audio and interactive features, while example farm profiles demonstrate application to real-world examples.



Course materials provide maps to assist in first deciding the type of PRF insurance available in the area. Links to appropriate Web pages help determine the grid identification numbers for individual grids. The next two sections in the course go into greater depth on Vegetative and Rainfall Index policies.

A section of the PRF course explains how to go online to the RMA website and make the most of the cost estimator. Finally, users are encouraged to compare their own yield/historical experience for their grids with that presented in the online decision tool/cost estimator Web pages.



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*How much risk is right for you and your operation?*

