

NEWS RELEASE

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Insurability for Non-Irrigated Small Grains in California

Davis, Calif., July 3, 2012 - The U.S. Department of Agriculture's Risk Management Agency (RMA), Davis Regional Office, today announced a change to the crop insurance program for small grains that will affect most of California. Beginning in 2013, producers who grow wheat, barley, or oats, in a non-irrigated farming practice, will only be allowed to insure these crops as a grain crop if they can provide adequate records. These records must indicate that the crop was harvested as grain in at least one of the past four years. This requirement will be applied to all producers who plant small grains under a non-irrigated farming practice in all counties except Lassen, Modoc, Siskiyou, or Shasta.

The crop insurance policy for small grains was intended to provide a risk management tool for grain producers. Small grain hay producers and livestock producers were also able to obtain crop insurance coverage under this policy by indicating they intended to harvest the crop as a grain crop. In many cases, producers who planted small grains and did not apply irrigation, would historically have hayed or grazed the crop. This resulted in indemnity payments to producers who did not normally harvest their crops as grain.

Jeff Yasui, Director of the Davis Regional Office said, "The change could prevent increases to insurance rates for small grain producers by excluding non-irrigated hay losses from the actuarial data." This change will protect the integrity of the small grains crop insurance program by ensuring that the policy is being provided to the intended grain growers.

Although this change may prevent some producers from obtaining grain coverage, there are other options available for hay and livestock producers. USDA's Farm Service Agency (FSA) provides coverage for grazed land and small grain hay crops in the Noninsured Crop Disaster Assistance Program. Interested producers should visit their crop insurance agent for more information about crop insurance programs. Producers should contact their local FSA Service Center for more information on FSA programs.

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