

# 2014 MINNESOTA ACTUARIAL UPDATE

## 11/30 FILING

11/30 MN Crops/Programs: Combo Barley, APH Buckwheat, Combo Canola, Combo/ARPI Corn, Dry Beans, APH Dry Peas, APH Flax, Dollar Forage Seeding, APH Green Peas, YBD Hybrid Corn Seed, APH Oats, Popcorn, APH Potatoes, APH Processing Beans, Combo/ARPI Soybeans, APH Sugar Beets, Combo Sunflowers, APH Sweet Corn, Combo/ARPI Wheat

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**COUNTY CROP EXPANSION:** None

**COUNTY CROP DELETIONS:**

- FLAX: Program has been deleted from Becker, Big Stone, Clearwater, Douglas, Grant, Mahnomen, Swift, and Traverse counties.

**DATES:**

- CORN:
  - Under ARPI plans, Final Planting Date for “Grain” and “Seed” types is June 25, 2014. FPD for “Silage” type is June 30, 2014.
- SOYBEANS:
  - Under ARPI plans, Final Planting Date for “Commodity” soybeans is July 5, 2014.
- WHEAT:
  - Under ARPI plans, Final Planting Date is set at 25 days after the FPD of Wheat for Plans 01, 02, and 03. For example, the FPD for Plan 01 Wheat in northern Minnesota is June 5 so the ARPI FPD for Wheat is June 30.
- Under ARPI plans, the Production Reporting Date for Corn, Soybeans, and Wheat is February 15, 2015.

**RATES:**

- Full rate review completed for BARLEY with new target rates established.
- Contract Pricing (CP) option has been added for most crops and is shown under the Rates tab in the Actuarial Information Browser (AIB). The CP option for most crops applies only to certified organic practices. Specialty types for corn and soybeans also have the CP option available for conventional practices.
- Premium rates for organic practices are now the same as conventional practice rates.

**STATEMENTS:**

- DRY BEANS:
  - SPOI statement changed regarding insurability of NIBR black type dry beans. The list of NIBR varieties has been removed and replaced with a statement that instructs the insured to check NDSU and SDSU Extension publications for eligible NIBR varieties.
- POTATOES:
  - Statement added to Special Provisions regarding the Certified Seed Endorsement Guarantee stating the dollar amount per cwt. will be as shown on the Prices tab rather than in the statement itself.
- PROCESSING BEANS:
  - NFAC and FAC practice statements were changed due to changes in the cover crop language.
- SOYBEANS:
  - Changed the Non-conventional practice statement on the Special Provisions to state that soybeans broadcast by any method and then incorporated will be insurable, not just those broadcast using a boom-type spreader. This applies to the 21 counties in southwest and south central Minnesota that have the Non-conventional practice.
  - In counties with the Non-conventional practice, the Special Provisions statement related to availability of written agreements for broadcast methods not insurable through the actuarial documents has been deleted. Written agreements will continue to be available for broadcast soybeans in counties without the Non-conventional practice.
- Contract pricing statement added to the Special Provisions of most APH (Plan 90) crops. Allows certified organic producers to use their individual contract price for the crop rather than the published RMA price election.
- New cover crop statement on the Special Provisions outlines that a crop following a cover crop may be insured if the producer follows the NRCS management and termination guidelines for the cover crop.
- New statement added to the Special Provisions stating no insurance is available for a second crop if a hay crop is

harvested or if the first crop (other than a cover crop) reaches the heading or budding stage before it is terminated. A request to insure the second crop can be made if three years of double-cropping records are provided.

- Changes were made to the Special Provisions statement regarding prevented planting determinations.

#### **TYPES/PRACTICES:**

- **HYBRID CORN SEED:**
  - Irrigated and Non-irrigated practices replace the “No Practice Specified” in all counties.
- **CORN:**
  - High Amylase type added to all remaining counties for Combo Plans 01, 02, and 03 that didn’t have the type insurable for 2013.
  - ARPI plans for CORN have “Grain”, “Silage”, and “Seed” types insurable. The “Silage” type will be insurable only in counties where the silage type is available for Combo Plans 01, 02, and 03. The “Seed” type will be insurable only in those counties that also have a Plan 55 Hybrid Corn Seed program available.
- **SOYBEANS:**
  - ARPI plans for SOYBEANS have only the “Commodity” type insurable. No specialty soybean types are insurable under ARPI soybeans.

#### **T-YIELDS:**

- T-Yield review completed for BARLEY.
- T-yields for organic practices have been set at the following percentages of the conventional T-yields:  
Barley – 80%, Buckwheat – 80%, Canola – 95%, Corn – 65%, Dry Beans – 65%, Dry Peas – 65%, Flax – 75%, Green Peas – 70%, Oats – 95%, Popcorn – 65%, Potatoes – 80%, Processing Beans – 65%, Soybeans – 65%, Sugar Beets – 100%, Sunflowers – 85%, Sweet Corn – 70%, and Wheat – 65%.

#### **MAPS:**

- No maps have significant boundary changes. Some maps have been “cleaned” so map boundary lines do not cross CLUs.
- **GREEN PEAS:** The actuarial map in Houston County will apply to green peas for 2014, and the High Risk/Map Area Rates table has been added under the Rates tab of the AIB.

#### **OTHER CHANGES:**

- The discount factors have been changed for crops with quality adjustment shown on the SPOIs.
- **CANOLA:** Trend Adjustment (TA) option available in Kittson, Lake of the Woods, Marshall, Pennington, and Roseau counties for Spring Oleic type only.
- **SUNFLOWERS:** Trend Adjustment (TA) option available in Clay, Kittson, Marshall, Norman, Otter Tail, Pennington, Polk, Red Lake, Roseau, and Wilkin counties for both Oil and Confectionery types.
- **SOYBEANS:** Trend Adjustment (TA) option added to Aitkin, Beltrami, Clearwater, and Lake of the Woods counties for Commodity type only.
- Trend Adjustment factors for corn, soybeans, and wheat may have changed from 2013, and some counties have different factors by practice.
- **DRY BEANS:** 80 and 85 percent coverage levels have been added.
- **DRY PEAS:** 80 and 85 percent coverage levels have been added (only Kittson County has a program).
- **HYBRID CORN SEED:** County yields for organic practices have been set at 65% of conventional practice yields.
- **SWEET CORN:** New crop provisions provide for insuring processing sweet corn using the contract price rather than the RMA established price.
- Area Risk Protection Insurance (ARPI) has replaced GRP and GRIP plans. RMA has published an ARPI fact sheet: <http://www.rma.usda.gov/pubs/rme/arpi.pdf>. The plans of insurance under ARPI are Area Yield Protection, Area Revenue Protection, and Area Revenue Protection with Harvest Price Exclusion.
  - Under ARPI, no written agreements will be allowed for insuring popcorn, sweet corn, hybrid corn seed, or special purpose corn under the ARPI corn policy as was allowed under GRP and GRIP corn policies. Hybrid Corn Seed is insurable under the ARPI “Seed” type.
- Contract Price Addendum (CPA) published on the RMA website. The following is the link to the CPA: <http://www.rma.usda.gov/policies/2014/14cpa.pdf>

*NOTE: This is not an official document.*

November 20, 2013