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News Release

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Risk Management Agency Improves Area Risk Protection Insurance for 2014 Crop Year

Washington, D.C., June 26 2013 –The United States Department of Agriculture (USDA) today announced a streamlined and simpler approach to buying area risk protection. The Risk Management Agency (RMA) published the Area Risk Protection Insurance (ARPI) final rule effective for the 2014 and succeeding crop years. This new rule, published today, provides clarity, simplicity, transparency, and the reduction of duplication for producers and agents.

ARPI combines the Group Risk Plan (GRP), which covers against loss of yield due to a county level production loss, and the Group Risk Income Protection Plan (GRIP), which covers against loss of revenue due to a county level production loss, price decline, or combination of both, into one insurance policy. With the publication of this final rule the GRP and GRIP insurance plans will not be available for the 2014 crop year.

“This change provides a simpler and streamlined option for those producers who use area plans to protect themselves from price declines and natural disasters. It will also improve the collection of data, which will help RMA offer producers more risk management options in the future,” RMA Administrator Brandon Willis said.

Under ARPI, producers will be able to choose from one of three area insurance plans, Area Revenue Protection, Area Revenue Protection with the Harvest Price Exclusion, or Area Yield Protection all under one umbrella policy with specific provisions for each crop. Previously, under GRP and GRIP, insurance providers would issue two separate policies, so a policyholder might have had multiple copies of essentially the same information.

ARPI includes crop provisions for barley, corn, cotton, forage, grain sorghum, peanuts, soybeans, and wheat. The first major contract change date is June 30 for wheat. Current GRP and GRIP policyholders do not have to reapply as their policy will roll to the similar ARPI plan of insurance.

ARPI uses the same Commodity Exchange Price Provisions (CEPP) that the Common Crop Policy uses, providing consistent prices for both individual and area-based insurance plans. ARPI includes provisions that will require production reporting by a production reporting date at the conclusion of the current insurance year to assist in more accurately and efficiently operating the area-based program.

Crop insurance is sold and delivered solely through private crop insurance agents. Contact a local crop insurance agent for more information about the program. A list of crop insurance

agents is available at all USDA Service Centers or on the RMA web site at:

www.rma.usda.gov/tools/agents/

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