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USDA Expands Crop Insurance Options, Provides Relief to Farmers Affected by Severe Weather

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Actual Production History Yield Exclusion and Supplemental Coverage Option Broadened

WASHINGTON, June 12, 2015 – The U. S. Department of Agriculture's (USDA) Risk Management Agency (RMA) today announced the expansion of crop insurance options to provide relief to farmers affected by severe weather, including drought and excess moisture. Information made available today broadens options for farmers who elect the Supplemental Coverage Option (SCO) or the Actual Production History (APH) Yield Exclusion.

Producers also have access to new online tools designed to help them determine the options that work best for their operations. The Crop Insurance Decision Tool and the SCO/APH Yield Exclusion mapping tool, available on RMA's <u>website</u>, provide farmers with information on APH Yield Exclusion and SCO eligible crops, crop years, and counties where they may elect the programs.

"RMA worked hard to make these programs available for the 2015 crop year and we continue to expand these options for our farmers and ranchers for 2016," said RMA Associate Administrator Michael Alston. "Providing APH Yield Exclusion for winter wheat in this expansion was a top priority." SCO is a county-level policy endorsement that covers a portion of the deductible of the underlying crop insurance policy. RMA is using yield data reported by insured producers, which allows SCO to be offered in more areas, and allows for more practice-specific insurance coverage to be offered.

SCO will now be available for alfalfa seed, canola, cultivated wild rice, dry peas, forage production, grass seed, mint, oats, onions, potatoes and rye in select counties for the 2016 crop year. It will also be expanded to additional counties for barely and winter wheat. SCO was first made available for the 2015 crop year for barley, corn, soybeans, cotton, cottonseed, rice, sorghum and wheat.

The APH Yield Exclusion allows farmers, with qualifying crops in eligible counties, to exclude low yields in exceptionally bad years (such as a year in which a natural disaster or other extreme weather occurs) from their production history when calculating yields used to establish their crop insurance coverage. Crop years are eligible when the average per planted acreage yield for the county was at least 50 percent below the simple average for the previous 10 consecutive crop years. It will allow eligible producers to receive a higher approved yield on their insurance policies through the federal crop insurance program.

Alfalfa seed, cultivated wild rice, dry peas, forage production, oats, onions, rye and winter wheat are eligible in certain counties for the 2016 crop year. These are in addition to barley, canola, corn, cotton, grain sorghum, peanuts, popcorn, rice, soybeans, sunflowers and spring wheat, which were offered beginning in the 2015 crop year.

Farmers and ranchers interested in learning how SCO and APH Yield Exclusion can help them better manage unforeseen risks can now find maps showing where the options are available, commodity fact sheets, frequently asked questions and policy information at <u>RMA's website</u>.

APH Yield Exclusion and SCO are made possible by the 2014 Farm Bill, which builds on historic economic gains in rural America over the past six years, while achieving meaningful reform and billions of dollars in savings for taxpayers. Since enactment, USDA has made significant progress to implement each provision of this critical legislation, including providing disaster relief to farmers and ranchers; strengthening risk management tools; expanding access to rural credit; funding critical research; establishing innovative public-private conservation partnerships; developing new markets for rural-made products; and investing in infrastructure, housing, and community facilities to help improve quality of life in rural America. For more information, visit <u>USDA Farm Bill</u>.

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