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USDA Announces Dual Use Insurance Coverage for Grain/Graze

News Release |

Washington DC

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WASHINGTON, May 7, 2019 – USDA’s Risk Management Agency (RMA) announced updates to Annual Forage insurance for the 2020 Crop Year. Because of the 2018 Farm Bill, the Annual Forage pilot program now offers a Dual Use Option in select counties of six Great Plains states. Producers who select this option can insure their small grains crop with both an Annual Forage Policy for grazing and a multi-peril Small Grains Policy for grain.

“These changes allow crop insurance to provide coverage and recognize a practice that farmers and ranchers have used for years in certain parts of the country,” said RMA Administrator Martin Barbre. “This is another key step in ensuring RMA is meeting the risk management needs of U.S. agriculture.”

The Dual Use Option is ideal for producers who plant a small grain by October 15, 2019, to use as a grazing crop over the winter and to harvest for grain the next summer. The option is available in counties where RMA considers “grain/graze” a good farming practice in Colorado, Kansas, Nebraska, New Mexico, Oklahoma and Texas.

Dual Use

The county base value (CBV) for the Dual Use Option reflects the value of the grazing crop for the shortened grazing period when used in tandem with a Small Grains Policy. The CBV is adjusted by estimating the ratio of grazing value between

grazing animals for a full crop year, compared to pulling off animals early to allow for a grain crop to flourish. The Dual Use CBV is equal to 40 percent of the full year Annual Forage CBV.

In addition to the Dual Use Option, RMA announced additional Annual Forage program updates, including offering Catastrophic Risk Protect (CAT) for grazing, restoring the 1.5 productivity factor program-wide and updating the CBVs to account for the varying yield potential within a state. This method provides sub-state CBVs for all program states, resulting in more accurate values across state.

Annual Forage Insurance

The Annual Forage pilot program provides coverage to acreage that is planted each year and used as forage or fodder by livestock. This pilot program uses the Rainfall Index, based on National Oceanic and Atmospheric Administration Climate Prediction Center weather data, to correlate to this acreage and is available in eight states: Colorado, Kansas, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota and Texas.

Annual Forage is a private product maintained by AgForce. The changes described were approved by the Federal Crop Insurance Corporation Board of Directors on April 23, 2019.

On December 20, 2018, President Trump signed into law the 2018 Farm Bill, which provides support, certainty and stability to our nation's farmers, ranchers and land stewards by enhancing farm support programs, improving crop insurance, maintaining disaster programs and promoting and supporting voluntary conservation. RMA is committed to implementing these changes as quickly and effectively as possible, and today's updates are part of meeting that goal.

Producers interested in Annual Forage should contact their local [crop insurance agent](#) or visit the [RMA website](#) for more information.

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