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Crop Insurance is Critical in Today's Economy

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Crop insurance is critical in today's economy

Meeting the Challenge:
Farming In Uncertain Times

UNIVERSITY OF
Nebraska
Lincoln EXTENSION

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The March 15 deadline for spring planted crop insurance sign up is rapidly approaching for Nebraska farmers. Corn, grain sorghum, soybean, sunflower, sugarbeet, dry beans, proso millet, and spring wheat producers will need to get signed up for crop insurance by March 16, since March 15 is on a Sunday this year.

The high cost of crop production and the volatility in the markets make crop insurance critical in today's agricultural climate. Although crop insurance may appear to be higher priced than we would like, the protection and marketing flexibility that it offers are important to the risk management plan of any farm. There should be opportunities to sell 2009 grain crops this spring, and the protection offered through crop insurance offers a little security for producers looking to make these sales. It may be that the best chances to sell at a profit will come before harvest for some of our crops, so insurance will be a wise investment.

USDA's new Supplemental Revenue Assurance Program (SURE) requires that all crops on the farm be insured to make the farm eligible for disaster assistance. If a producer is interested in this program, some form of insurance is required. This can be either NAP (Noninsured Assistance Program), CAT (Catastrophic), APH (Actual Production History), or any of the revenue products that are available. If a farm has historically not insured a crop such as alfalfa, this will be a good year to look into the cost of adding at least minimal coverage to assure eligibility for SURE payments if they occur.

For dryland corn growers, 2009 offers an opportunity to insure skip-row corn as an approved practice in all of the western counties of Nebraska and Kansas, as well as eastern Colorado. This takes away the insurance penalty that dryland corn producers faced when growing skip-row corn to reduce production risk. Check with your local insurance provider to be sure that your county is eligible for this program.

Looking at the overall risk management plans for many farms, the new farm bill has included crop insurance as a requirement to be eligible for other options. Each farm will need to determine how best to use crop insurance in the risk management plan.

With the level of subsidy included in the crop insurance program, it is one of the few production cost bargains out there. Be sure to visit your local crop insurance provider by the March 16 deadline.

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