The terms risk and farming go hand in hand. Looking back at 2011, Vermont producers experienced unpredictable weather and price volatility which left many wondering what is in store for 2012. As in past years, many of the state’s agricultural producers participated in the federal crop insurance program and the Farm Service Agency’s (FSA) Non Insured Crop Disaster Assistance Program (NAP) insurance in order to keep their cash flow steady and to protect their livelihoods. Perhaps you were one of them. 2011 crop insurance loss payments to Vermont producers from federal crop insurance, exclusive of NAP, were at an all-time high of nearly $6 million. The period before the approaching March 15 sales closing/policy change date for Vermont’s spring seeded crops is a prime opportunity to reflect on the risk management strategy your operation executed in 2011 and to decide whether or not it will provide you with the safety net you need to succeed in agriculture in 2012.

As oil seed crops continue to increase in popularity in the Northeast, growers might not be aware that crop insurance is available for sunflowers and canola. New growers, with less than three years of production records, should consider FSA’s NAP program for immediate protection. Once a crop history has been established, with three or more years of production records, insurance under the federal crop insurance program is available. A grower with a history of producing a similar crop may be eligible for insurance though a written agreement. For example, past production experience with spring and/or winter barley or other small grains can serve as substitutes for a lack of production history with canola. The same holds true for sunflowers; a grower with a past production history of course grains (soybeans, corn, and grain sorghum) can use past production records to establish a crop history for sunflowers.

As you consider what tools to add to your 2012 crop risk management strategy, transferring part of the risk through crop insurance proved to be effective in Vermont in 2011, as farmers received approximately $7.62 in loss payments for each dollar of farmer paid premium. The March 15 sales closing/policy change date applies to both federal crop insurance and FSA’s NAP insurance. For more information contact a crop insurance agent, your local FSA office, or Pam Smith at UVM Extension, 802-349-2966 or pamela.smith@uvm.edu.

USDA Risk Management Agency
Providing risk management solutions for producers