BARNYARDS & BACKYARDS

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Utilize risk management options through crop insurance

By James Sedman and John Hewlett

Effective risk management is essential to success for any Wyoming agricultural business.

Producers who choose to manage risk by using effective marketing or crop insurance can significantly increase their profit potential. The umbrella of programs available under federal crop insurance has grown to include a wide array of policies designed to cover a variety of crop and livestock risks.

Actual Production History (APH) Policies

APH policies cover multiple perils and are based upon a producer's production yield history (minimum of four years of production records). Multiple peril crop insurance (MPCI) policies are the most common of the yield-based policies. They insure against losses in yield and are typically for different units of production: optional, basic, and enterprise units. Yield-based policies can be individual or group in nature. With group policies, indemnities are determined by yield losses on a group level and not just an individual producer.

APH policies can also insure against losses in revenue caused by either prices or yield. One of the most common of these types is Crop Revenue Coverage (CRC). CRC insurance uses a producer's APH along with a predetermined base price to insure against losses caused by price fluctuations or yield losses. Group Risk Income Protection plans are also available depending on crop and area. These policies pay indemnities if the expected revenue for a countywide crop drops below a producer's selected trigger yield.

Adjusted Gross Revenue-Lite (AGR-Lite)

AGR-Lite insurance is a different and relatively new approach to insurance that crop and livestock producers can consider. AGR-Lite is a whole-farm, revenue-based insurance program that protects a producer's total revenue against reductions in price or yield (or both). AGR-Lite is unique compared to other crop insurance programs because it can be used as a standalone program or an umbrella program in conjunction with other crop insurance policies for multiple commodities.

Coverage is based on the lower of either a producer's most recent five-year average of gross revenue as reported on the Schedule F tax return, or the producer's expected revenue for the current production year calculated using the farm's expected yields and planted acreages and the expected prices for all crops and crop products.

Pasture, Range and Forage Insurance (PRF)

PRF insurance was designed to combine the best aspects of the former pasture group risk plan with a site-specific grid system to determine losses. PRF utilizes imagery from the U.S. Geological Survey to determine vegetative greenness and thus insurance coverage for a specific 4.8 x 4.8-mile grid area. Producers can insure either grazing land, hay land, or both. Losses are determined by measuring the actual greenness against an indexed greenness for three-month time intervals. This system measures forage losses for a much smaller area rather than relying on county production estimates to determine loss as was done with previous group plans.

Livestock Risk Protection (LRP) and Livestock Gross Margin (LGM) Insurance

LRP policies are designed to offset losses associated with declining market prices and are available for beef and dairy cattle (feeder and fed cattle), swine, and lambs. Coverage prices are established using Chicago Mercantile Exchange (CME) prices, and indemnities occur if the value (determined by the ending CME price) drops below the insured value. LGM policies are designed to insure the gross margins on feeder and fed cattle. They take the coverage offered by LRP one step further by protecting against negative feeding margins as well as the value of the cattle.

For More Information

For a more detailed explanation of the various crop insurance products available to producers, visit a local crop insurance agent or read *Risk Management Options for Wyoming Farms* and *Risk Management Options for Wyoming Ranchers* available at the Western Risk Management Library online at agecon.uwyo.edu/riskmgt. Click the "Production" button and scroll down to view the article. The library also includes a wide assortment of information relating to this and other risk management topics.

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Never too early to protect against grasshopper invasion of crop, rangelands

By Scott Schell

If your rangeland forage was devastated by grasshoppers last summer, it is never too early to work on a grasshopper management plan.

Grasshopper densities of only 14 per square yard can cause a 30-percent forage loss over the course of the growing season. Grasshoppers will probably re-infest areas this summer if unfavorable weather conditions, like prolonged rain and cold, don't occur just as they hatch this spring.

If your neighbors' rangelands were also infested, perhaps you can cooperate with them on a grasshopper treatment program this spring. Larger areas can often be treated for less cost per acre and prevent grasshopper re-infestation of treated areas.

Mid-May to June is Hatch Period

The major grasshopper pest species in Wyoming hatch from mid-May to the end of June. Contact your local county weed and pest control districts (see www.wyoweed.org/ for contact information) for advice on survey timing.

Investigate the insecticides registered for use on rangeland (malathion, carbaryl, [Sevin and generic] and diflubenzuron [Dimilin 2L], and three pyrethroids are labeled for this use as of 2010) and determine their pros and cons. Learn what this means to your treatment options. For example, Dimilin 2L can be used over foraging honey bees but is a restricted use pesticide (applicator must have license to apply). Obtain cost estimates from pesticide applicators and make sure they are aware of the integrated pest management technique of rangeland grasshopper control called Reduced Area Agent Treatments (RAATs) developed at the University of Wyoming. Learn more about RAATs here: www.uwyo.edu/grasshoppersupport/Html_pages/raats.htm.

RAATs can dramatically lower the cost of protecting forage from grasshoppers. Brochures explaining RAATs are available at your local University of Wyoming Cooperative Extension Service (contact information at http://ces.uwyo.edu/Counties.asp) or county weed and pest control district offices.

A computer program called CARMA (CAse-based Range Management Adviser), developed at UW, is available that can help you perform an economic analysis of grasshopper control options for range and crop land based on actual values the landowner can input. It is available at http://carma.johnhastings.org/.

The bottom line on grasshopper control is cost-versus-benefit, and CARMA can help determine the best course of action and is very user friendly. All of this information and more is available at www.uwyo.edu/grasshopper.

Spraying More Effective if in Hatch Areas

Properly protecting crops from grasshoppers often requires costly, fast-acting, potent insecticides. In most cases, grasshoppers threatening crops originate from adjacent roadsides, fence rows, Conservation Reserve Program (CRP) fields, and, sometimes, rangeland. If treatments are carried out when these crop pest grasshoppers hatch in areas outside the fields, control will be much less costly than applying blanket insecticide applications of labeled products on the valuable crops as the grasshoppers are eating them.

USDA photo

Protecting gardens, ornamentals, and young trees on rural properties is problematic. The best way is to treat the source of the grasshopper infestation before damage occurs. These source areas around farmsteads and suburban areas are often weedy place roadsides, machinery storage areas, alleys, and vacant lots.

Killing adult grasshoppers as they strip your garden usually doesn't work very well as the odors dying grasshoppers emit actually attract more grasshoppers. Unfortunately, none of the garlic- or pepper-based grasshopper repellents we have tested in the lab and field have proven effective.

Starving grasshoppers have been known to eat sagebrush, yucca, window screens, and evergreen trees, so they are hard to discourage. Products containing neem tree extract did provide short-term protection in experiments, and insecticides with the active ingredients permethrin and cypermethrin have repellent properties if they are labeled for the plants you want to protect.

If you choose to use any insecticides, always follow the labels to protect yourself and not compound the damage.

The best advice is to plan now for this spring and summer. Learn about grasshoppers and how to recognize where and when they hatch, and treat them early when they are little and vulnerable before they do perceptible damage.

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