



United States Department of Agriculture

# *Insuring Malting Barley in Michigan*

USDA Risk Management Agency

Springfield Regional Office

Serving the States of: Illinois, Indiana, Michigan and Ohio



# Barley Insurance in Michigan

- Currently only Spring Barley is insurable in the following Michigan Counties:
  - Alger
  - Alpena
  - Arenac
  - Charlevoix
  - Cheboygan
  - Chippewa
  - Clare
  - Delta
  - Dickinson
  - Emmet
  - Gladwin
  - Grand Traverse
  - Huron
  - Ingham
  - Iosco
  - Iron
  - Isabella
  - Lapeer
  - Mackinac
  - Marquette
  - Menominee
  - Ogemaw
  - Osceola
  - Presque Isle
  - Sanilac
  - Shiawassee
  - St. Clair
  - Tuscola
- Irrigated and Non-irrigated practices, conventional and organic
- Providing Yield, Revenue or Revenue Protection with Harvest Price Exclusion
- Contract Pricing is only available for Organic Practices
- Coverage for Winter Malting types are not currently available anywhere in Michigan
  - Spring Barley grown for Malting may be insured as Spring type in the counties listed above



- What if I don't grow Spring Barley in one of the counties listed?
  - Written Agreements (WA) are the best way to get coverage for producers that grow a different type or grow in a different county.
    - A TP Type Written Agreement could provide coverage for Winter Barley or Winter Malting Barley in the counties that only offer coverage for Spring Barley.
    - An XC Type Written Agreement could provide coverage for all types of Barley in counties that do not offer any coverage for Barley
  - Written Agreements provide each producer with an individual insurance offer based on actuarial data from a reference type or county

- How to request WA

- Submit a completed Request for Actuarial Change through your crop insurance agent by the applicable deadline
  - For the initial year of coverage:
    - TP Type: Acreage Reporting Date
    - XC Type: Cancellation Date
  - For subsequent years of coverage: Sales Closing Date
- Refer to the Fact Sheet for More Information on requesting Insurance coverage
  - <https://www.rma.usda.gov/Fact-Sheets/National-Fact-Sheets/Requesting-Insurance-Not-Available-In-County>
- To find a crop insurance agent, go to our agent locator
  - <https://www.rma.usda.gov/Information-Tools/Agent-Locator-Page>

- What information is needed on my request?
  - APH/ Verifiable production records
    - Production records are needed for the 3 most recent crop years (similar crop may apply)
    - If the crop wasn't previously insured, verifiable records must accompany the APH
  - Evidence of Adaptability
  - The legal description of the land being requested
    - Section, Township and Range, if available
  - The FSA FN, Tract and Field numbers
  - Aerial photograph or map that clearly delineates field boundaries
    - Must include information that allows us to identify the location of the land
  - Normal planting and harvesting dates
  - Evidence of a viable marketing outlet
    - Include name, location of and approximate distance to the place the crop will be sold or used
  - Signed certification statement if the producer has never planted the requested crop

NOTE: Information required with the request may vary depending on request type. This is a general guideline for both TP and XC types. Ask your Crop Insurance Agent for specific information needed for the type of written agreement that applies to you.

- What we can offer through WA
  - We can insure malting type barley through written agreement using a reference county
    - This excludes Spring Malting in the counties that currently have a program.
  - Using a reference county allows us to bring actuarial data for the malting type into an individual offer
    - We can change the actuarial data to fit a specific county or area
      - Dates, rates, t-yields and more can be changed to fit a specific area or producer
  - Provide coverage for malting barley at a contracted price

- What's needed to receive coverage at a contracted price?
  - Signed production contract with the following information must be supplied to RMA
    - Identifies the grower and the buyer
      - Outlines what the grower agrees to plant, grow and deliver
      - The buyer agreement to accept the crop delivered
    - Specifies the amount of production contracted
      - Acres
      - Production
    - The purchase price and method to determine the price
      - Price limits exist



# Are there other Options for Coverage?

- Whole Farm Revenue Protection (WFRP)
  - Comprehensive Policy that insures a level of total farm income rather than a specific crop
  - Allows you to insure all commodities on your farm under one policy
    - Barley is an approved crop for WFRP.
- Noninsured Crop Disaster Assistance Program (NAP)
  - This is a program administered by the USDA Farm Service Agency(FSA) and is available when a Multi-Peril Crop Insurance Policy is not available for the crop in the county.
  - Provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters.
  - Learn more by visiting your local FSA office, or accessing the fact sheet
    - [https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/noninsured\\_crop\\_disaster\\_assistance\\_program-nap-fact\\_sheet.pdf](https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/noninsured_crop_disaster_assistance_program-nap-fact_sheet.pdf)
- RMA may expand Malting Barley coverage into more Michigan Counties
  - Adding Malting Type in counties that already have Spring Barley
  - Doing a full expansion of multiple barley types into counties that don't currently have a program





- Where do we start?
  - Provide malting barley coverage on an individual basis, including the contract price through Written Agreements
    - WAs are an indicator of where there is interest in crop insurance
    - Will provide experience to support expansion and build actuarial data
  - Gather information for expansion request
    - Grower Interest
    - Agronomic suitability and data
    - Production Experience
    - Available Markets



- Expansion Request Info and Considerations
  1. Identify grower interest in insurance coverage
  2. Determine economic significance of the crop
  3. Review Actuarial data
  4. Verify that the Risk Profile is acceptable
  5. Consider Administrative and Budgetary costs



- What data do we need?
  - Estimate of producers growing the crop – by county if possible
  - Acreage, yield and crop value
  - Planted and harvested acres
  - Agronomic Info – to determine suitability, establish program parameters
  - Available markets
  - Other significant risks
  
- Where to expand
  - Based on demand for WA, where crop is being grown, industry trends, market location

- How long will it take?
  - Malt Barley Expansion in Ohio:
    - Approached by Stakeholders and Extension in Fall of 2017
    - Held meetings with growers and other stakeholders in Spring of 2018
    - Issued WA's for Malt Barley for 2018 and 2019 crop years
    - Collected data from malters, growers, extension and industry stakeholders during this time.
    - Submitted Expansion Packet for 34 Ohio Counties in Spring 2019
    - Expansion Packet approved and effectively expanded barley for 2020 crop year.
  
- Where do we want to end up?
  - Coverage for Malt Barley that works for Michigan Growers
    - It is important that we are putting the program in the right counties, with the right types and practices and setting accurate T-yields, dates and premiums
  
  - Ultimately Adding the Malting Barley Endorsement
    - Providing coverage when quality standards are not met



- Process for expanding endorsement?
  - What is the endorsement?
    - A privately owned product (508H) that is controlled by a private submitter
    - Expansion of the endorsement must be requested by the submitter, not RMA
- Info needed for expansion to be considered
  - Experience to show quality malting barley can be grown in the counties being requested
- Who makes the final decision?
  - The FCIC Board approves request submitted by product owner



# Wrap Up of Discussion

- Provide malting barley coverage on an individual basis, including the contract price thru Written Agreements
  - WFRP is also an option
  - NAP may be available
  - Consider Expanding Malt Barley Coverage
- Gather malting barley data
- Expanding Malting Barley Coverage
  - Putting the program in the right counties, with the right types and practices and setting accurate T-yields, dates, and premiums
- Add the Malting Barley Endorsement
  - Provides coverage when quality standards are not met



## **Jennifer Dammerman**

Springfield Regional Office  
3500 Wabash Avenue  
Springfield, IL 62711

Phone: 217-241-6600

Fax: 217-241-6618

Email: [rsoil@rma.usda.gov](mailto:rsoil@rma.usda.gov)

Web: [www.rma.usda.gov](http://www.rma.usda.gov)