

Make Crop Insurance Part of Your Business Plan

The Garden State Crop Insurance Education Initiative

October 2003



AGR-Lite Approved for New Jersey for the 2004 Growing Season

Policies Must be Purchased by January 31, 2004

<u>Issue</u>	<u>AGR-Lite</u>	<u>AGR</u>
Max. Policy Liability	\$250,000 (\$500,000 of Gross Revenue)	\$6.5 million
Tax Forms Collected	At Time of Filing Claim	At Time of Application
Animal & Animal Products	No Limit	35% of Revenue
MPCI Required	Optional	Yes
Max. Coverage Single Commodity Farms	65/75% or 75/65% of Gross Revenue	65/75% of Gross Revenue

Talk to a Crop Insurance Agent Today

See Page 3 for Dates, Times and Locations of AGR-Lite Producer Workshops

Call the Rutgers Cooperative Extension Office in Salem County **856.769.0090** or visit the Garden State Crop Insurance Education web site at **<http://salem.rutgers.edu/cropinsurance>** for a complete list of insurance agents licensed to sell crop insurance in New Jersey

AGR-Lite

AGR-Lite is a streamlined whole-farm revenue protection package that can be used as a stand-alone coverage or in addition to other individual crop insurance policies (except AGR). The plan is easy to understand because it follows the marketplace. Most farm

raised crop, animals, and animal products are eligible for protection. The program is based on the 5-year average revenue reported on IRS Schedule F 1040 (or similar form), therefore, minimal additional record keeping is required.

AGR-Lite	
Coverage Level Payment %	Max. Annual Income
65/75	\$ 512,821
65/90	\$ 427,350
75/75	\$ 444,444
75/90	\$ 370,370
80/75	\$ 416,667
80/90	\$ 347,222

Producer must have:

- ◆ at least two qualifying commodities for the 75/90 coverage level
- ◆ at least four qualifying commodities for the 80/75 and/or 80/90 coverage level

*see a crop insurance agent for a complete list of qualifying commodities

Where AGR-Lite makes sense

- ◆ Grower of otherwise uninsurable crops
- ◆ Umbrella over selected individual crop coverages
- ◆ Interested in simplification
- ◆ Interested in protecting the bottom line for operation from severe economic loss
- ◆ Interest in coverage based on historical quality and price
- ◆ Poor yield records
- ◆ When other plans cost too much
- ◆ For Catastrophic animal health protection

Basic Eligibility Requirements:

1. Five consecutive years of IRS Schedule F 1040 records under the same tax entity.
2. Average annual adjusted gross income of \$512,821 or less.
3. Not more than 50% of allowable income from agricultural commodities purchased for resale.
4. Expected potato revenue not to exceed 83.35% of the total revenue.

Insurable Causes of Loss

Unavoidable losses of revenue due to unavoidable perils including low yield, poor quality, or low price during the insurance year.

Linkage Requirements and Disaster Payments

Those producers who received Disaster Payments through FSA last spring **AND** did not have their crop insured (if available, at any level) must purchase buy-up Crop Insurance for the next two years. Buy-up insurance is any level above CAT.

Organic farming practices ARE insurable with AGR-Lite

AGR-Lite Producer Workshops

North Jersey – Hunterdon Extension Office

November 19, 2003 7-9pm

South Jersey – Centerton/Bridgeton Research Farm

December 17, 2003 7-9pm

Central Jersey – EcoComplex

December 18, 2003 7-9pm

Sponsored by: RCE of Salem County & NJDA

Visit <http://salem.rutgers.edu/cropinsurance> for directions to the sites or call the Rutgers Cooperative Extension Office in Salem County at 856.769.0090 for additional information.

Bring your Schedule Fs from 1999-2003 and leave with the information an insurance agent needs to quote you a policy.

Agricultural Community Outreach Initiative to Begin Second Year

The Agricultural Community Outreach Initiative is coordinated by Rutgers Cooperative Extension and the NJ Department of Agriculture. The project is funded by the Risk Management Agency of the USDA. Last year with input from producers all over New Jersey, an agricultural resource guide entitled “*The New Jersey Green Pages*” was developed. The guide is a comprehensive directory of agricultural contacts and programs, markets, agricultural associations, industry and service providers, and other information and resources. Additionally, a risk management workbook entitled “*Cultivating Peace of Mind*” was developed. Introducing the five areas of risk (production, marketing, financial, legal, and human resource), the workbook provides hands-on exercises which diminish or minimize risk-posing obstacles.

This year Rutgers Cooperative Extension will team up with carefully selected organizations to deliver the above mentioned guide and workbook through regional one-day workshops to take place from February through April 2004. Risk Management Clubs will also be coordinated. If you are interested in learning more about the project and/or attending one of the workshops, you may contact Coleen McGarrity or Dave Lee at Rutgers Cooperative Extension of Salem County at (856) 769-0090.

New for 2004

Price Elections Increase for Fruit Policies

Apples: up to \$7.10 per bushel

Peaches: up to \$16.00 per bushel

Highbush Blueberries: up to \$0.56 per pound

Cranberries: up to \$28.00 per bushel

Upcoming Policy Closing Dates

November 20

Apples, Blueberries, Canberries, Peaches

****Blueberries are NO longer a pilot program****

December 31

Potatoes