

Managing Drought Risk

Using Rainfall Index – Pasture, Rangeland, Forage Insurance

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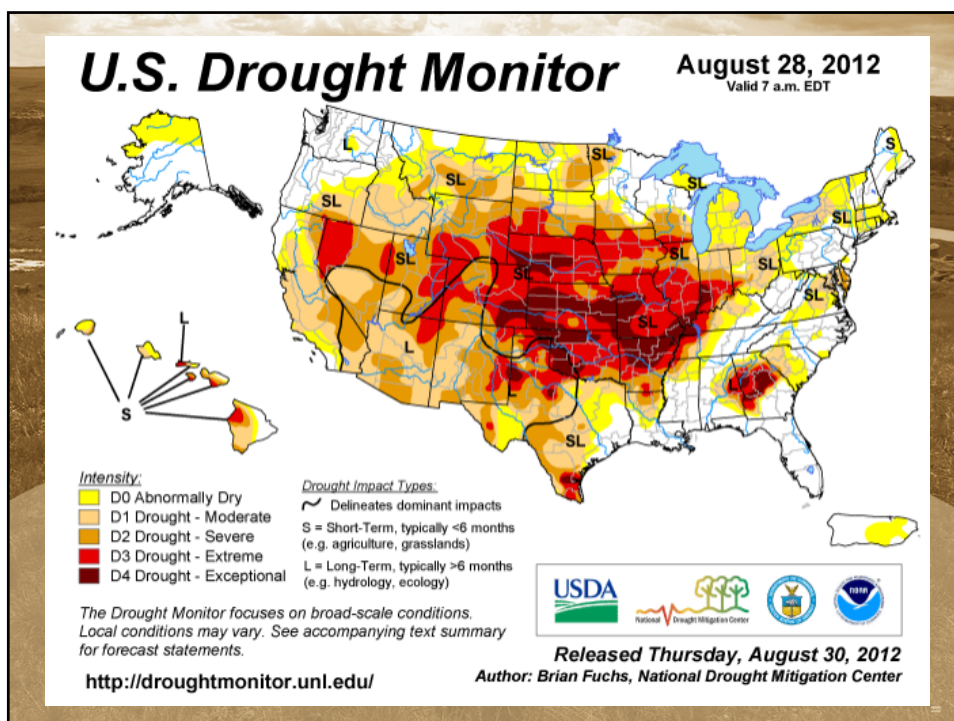
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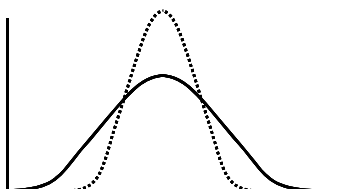




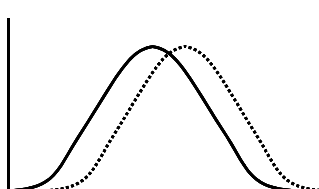


Risk Management Strategies:

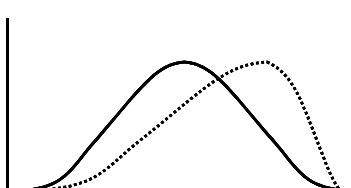
Panel 1: Same Mean, Less Dispersion



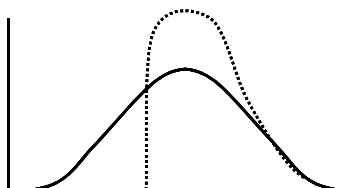
Panel 2: Same Dispersion, Higher Mean



Panel 3: Skewing the distribution



Panel 4: Truncating the Distribution



RMA

RainRisk

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Introduction
to
PRF



Using
the
Grid Locator



Rainfall
Index



Vegetation
Index



Calculating
Premiums

Pasture, Rangeland, Forage (PRF)

Rainfall and Vegetation Index
Insurance Programs





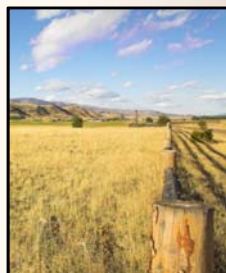

Introduction to PRF Pilot Insurance Program

The Purpose of PRF

Agricultural production is financially risky.
Forage losses from natural hazards, especially drought, are frequent.

PRF insurance is a group risk plan that can help forage and livestock producers manage for potential production losses.

These plans are now available to producers in selected counties and states.



Introduction to PRF Pilot Insurance Program

Indexing

What is an *index*?

An index is a number derived from a series of observations which is used as an indicator or measure.

PRF insurance uses indexing to measure and compare conditions that affect forage production in specific areas over time.

Each index uses information gathered from a number of sources and locations.



Introduction to PRF Pilot Insurance Program

Rainfall Index or Vegetation Index

PRF insurance helps producers manage for production losses when the final grid index falls below the trigger grid index.

There are two separate indices: the rainfall index, and the vegetation index.



Rainfall Index



Vegetation Index



Introduction to PRF Pilot Insurance Program

Rainfall Index

In some states the rainfall index is available. Data from multiple sources, including weather, satellite, and radar data, are interpolated for the acreage within each 0.25 degree gridded area established by NOAA and identified by latitude and longitude. Losses are calculated based on deviation from the rainfall index for the grid during particular time intervals.



The insurance coverage is for a single peril, lack of precipitation. Coverage is based on historical experience of the grid, **not individual farms or ranches** or specific weather stations.



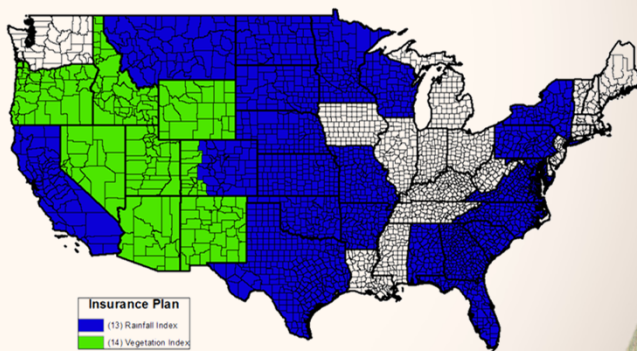
Introduction to PRF Pilot Insurance Program

PRF Program Availability for 2013

The PRF program is a pilot program, and is only available in selected states and counties.

Note: The most current coverage information is available on the USDA-RMA website.

2013 and Succeeding Crop Years - Pasture, Rangeland, Forage Availability



Introduction to PRF Pilot Insurance Program

Index Intervals

Producers must select the appropriate time frames or [index intervals](#) to apply for PRF insurance coverage. It's important to select intervals when forage and pasture production is critical for your operation, and to follow guidelines for your index, county, and grid.

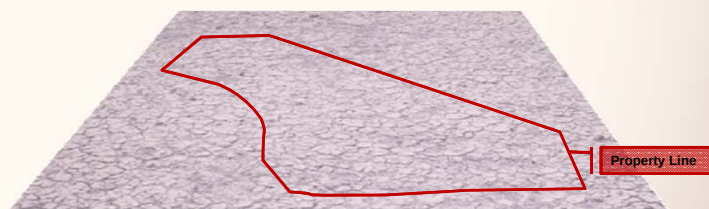
April-2010	May-2010	June-2010
S M T W T F S	S M T W T F S	S M T W T F S
1 2 3	1	1 2 3 4 5
4 5 6 7 8 9 10	2 3 4 5 6 7 8	6 7 8 9 10 11 12
11 12 13 14 15 16 17	9 10 11 12 13 14 15	13 14 15 16 17 18 19
18 19 20 21 22 23 24	16 17 18 19 20 21 22	20 21 22 23 24 25 26
25 26 27 28 29 30	23 24 25 26 27 28 29	27 28 29 30
	30 31	



Introduction to PRF Pilot Insurance Program

Grid ID Number

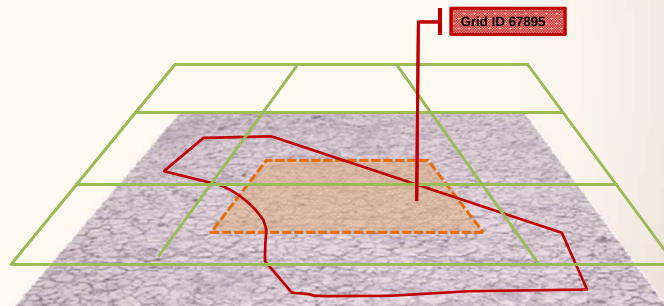
Producers must also select a reference point on the grid that best represents the location of the grazinglands or haylands they want to insure.



Introduction to PRF Pilot Insurance Program

Grid ID Number

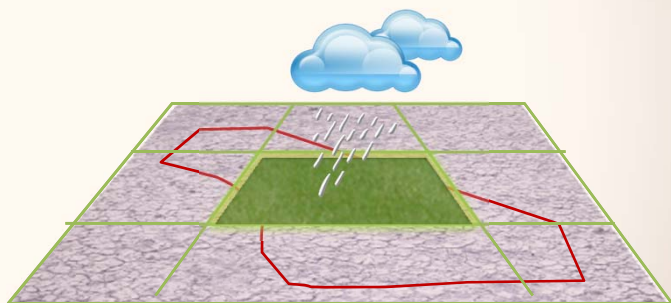
Each grid segment is identified by a [grid ID](#). Rainfall index and vegetation index programs use different grid sizes, so the grid ID will be different depending on which plan is available.



Introduction to PRF Pilot Insurance Program

Expected Index Values

Historical data for each grid is used to determine the [expected index value](#) for either precipitation or vegetation greenness.



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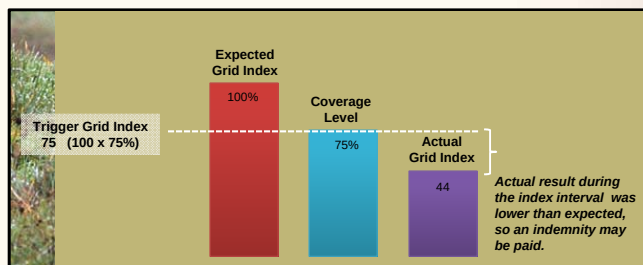
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Introduction to PRF Pilot Insurance Program

Using Grid Indices

The expected grid index is compared to the [final grid index](#). Producers may receive an indemnity if the actual final index falls below the [trigger grid index](#), which is adjusted based on the [coverage level](#).



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WYOMING

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STATE

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Key Characteristics of PRF

Coverage is based **on the experience of the entire grid area—not individual losses.**

PRF does not take into consideration the exact situation of the producer. It is possible that ...

- Grid conditions might have been normal, while a specific property was experiencing drought. A *producer might not receive a payment, even if he or she incurred losses.*
- Final grid indices may have been less than expected, while a producer may not have suffered losses. A *payment might be awarded even though there was no loss of production.*



Introduction to PRF Pilot Insurance Program

Property that Extends Beyond the Grid Area

- A producer can base his or her insurance coverage on a single grid ID or on multiple grid IDs.
- Non-contiguous acres must be insured using the same coverage parameters if they are in the same grid.
- If the non-contiguous acres are in different grids, the coverage parameters can be different.



The rules are complex. Producers should contact an insurance agent familiar with PRF if they have questions.



Introduction to PRF Pilot Insurance Program

Important Dates

January	February	March	April
S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
May	June	July	August
S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
September	October	November	December
S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31



Introduction to PRF Pilot Insurance Program

Flexible Risk Management Strategies

The PRF insurance program is one more option for farmers and ranchers to manage potential losses.

Agricultural operations can choose PRF insurance:

- As a standalone product.
- In combination with other risk management strategies or insurance products.

Producers considering PRF should work closely with an insurance agent to understand their options.

MPCI

Multi Peril Crop Insurance

LGM

Livestock Gross Margin

AGR-Lite

LRP

Livestock Risk Protection

NAP

Non-Insured CROP DISASTER Assistance Program



Disaster Assistance Programs

~~• Supplemental Revenue Assistance (SURE)~~

- Livestock Forage Disaster Program (LFP)
- Livestock Indemnity Program (LIP)
- Emergency Livestock Assistance Program (ELAP)



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Rainfall Index

Virginia Rangeland Insurance History – counties with highest insured acres

2010 Crop Year	County Name(Code)	Crop	Pol Sold	Pol Earn Prem	Pol Indem	Units Earn Prem	Units Indem	Net Acres	Liabilities	Total Premium	Subsidy	Indemnity	Loss Ratio
VIRGINIA	VIRGINIA - Pittsylvania (143)	PASTURE,RANGELAND,FORAGE	33	33	2	80	2	6,462	741,748	93,442	48,182	1,380	.01
VIRGINIA	VIRGINIA - Halifax (083)	PASTURE,RANGELAND,FORAGE	14	14	2	38	2	4,202	323,498	39,374	20,527	407	.01
VIRGINIA	VIRGINIA - Franklin (067)	PASTURE,RANGELAND,FORAGE	12	12	7	24	7	2,440	222,294	22,637	12,245	4,546	.20
Grand Total			100	100	42	242	53	18,853	1,686,633	192,963	100,628	51,624	.27

2011 Crop Year	County Name(Code)	Crop	Pol Sold	Pol Earn Prem	Pol Indem	Units Earn Prem	Units Indem	Net Acres	Liabilities	Total Premium	Subsidy	Indemnity	Loss Ratio
VIRGINIA	Pittsylvania (143)	PASTURE,RANGELAND,FORAGE	44	42	42	193	102	9,096	818,322	99,907	51,362	64,933	.65
VIRGINIA	Franklin (067)	PASTURE,RANGELAND,FORAGE	39	38	31	216	103	8,508	802,204	92,905	48,015	52,160	.56
VIRGINIA	Campbell (031)	PASTURE,RANGELAND,FORAGE	13	13	6	39	12	4,147	277,792	20,836	11,204	3,553	.17
Grand Total			263	251	167	922	373	50,895	4,006,695	419,497	218,786	231,267	.55

2012 Crop Year	County Name(Code)	Crop	Pol Sold	Pol Earn Prem	Pol Indem	Units Earn Prem	Units Indem	Net Acres	Liabilities	Total Premium	Subsidy	Indemnity	Loss Ratio
VIRGINIA	VIRGINIA - Pittsylvania (143)	PASTURE,RANGELAND,FORAGE	44	41	40	271	109	9,178	795,620	96,672	49,727	53,307	.55
VIRGINIA	VIRGINIA - Franklin (067)	PASTURE,RANGELAND,FORAGE	38	36	29	248	87	7,977	772,868	91,146	47,055	40,167	.44
VIRGINIA	VIRGINIA - Campbell (031)	PASTURE,RANGELAND,FORAGE	12	12	9	26	12	3,214	176,607	9,255	5,246	8,538	.92
VIRGINIA	VIRGINIA - Bedford (019)	PASTURE,RANGELAND,FORAGE	12	11	6	30	7	3,072	247,836	19,995	10,575	6,539	.33
VIRGINIA	VIRGINIA - Rockbridge (163)	PASTURE,RANGELAND,FORAGE	9	9	4	26	6	2,894	127,966	8,500	4,766	2,654	.31
Grand Total			297	273	171	1,136	355	54,622	4,098,423	413,259	216,188	196,968	.48

- 9/5/2012



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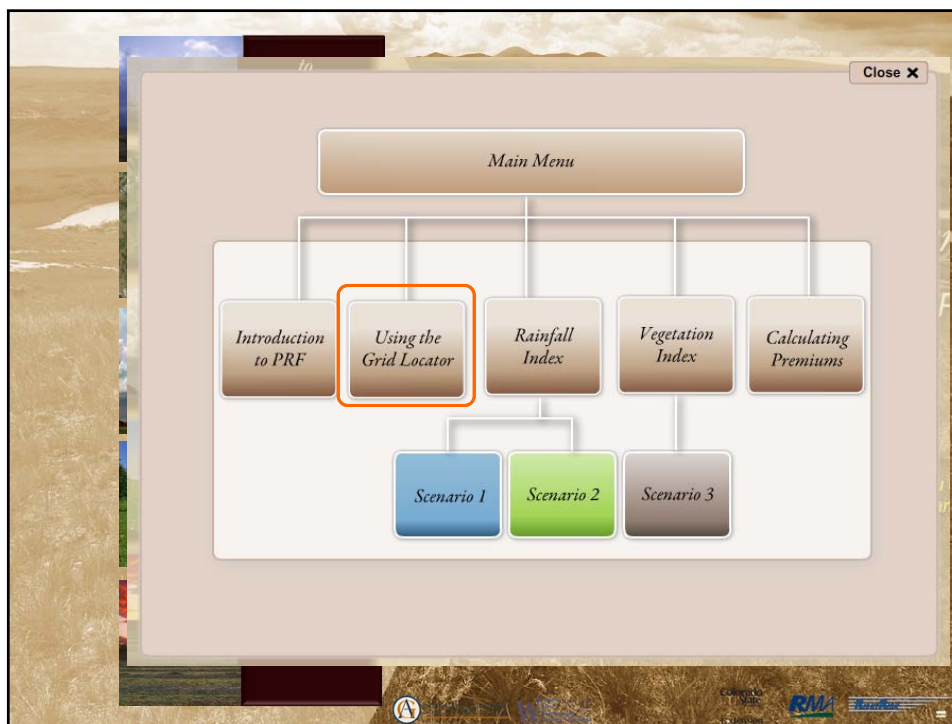


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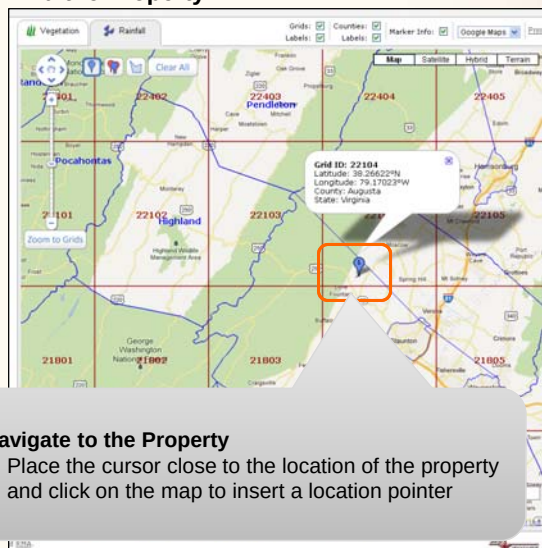


Using the Grid Locator

Enter a Location to Find

Using the Grid Locator

Find the Property



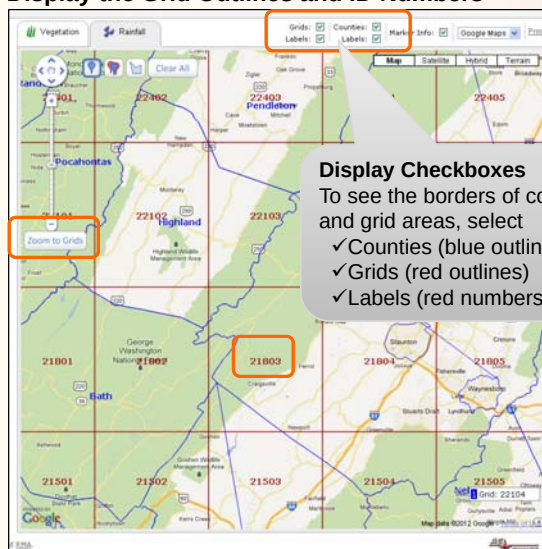
Navigate to the Property

1. Place the cursor close to the location of the property and click on the map to insert a location pointer



Rainfall Index

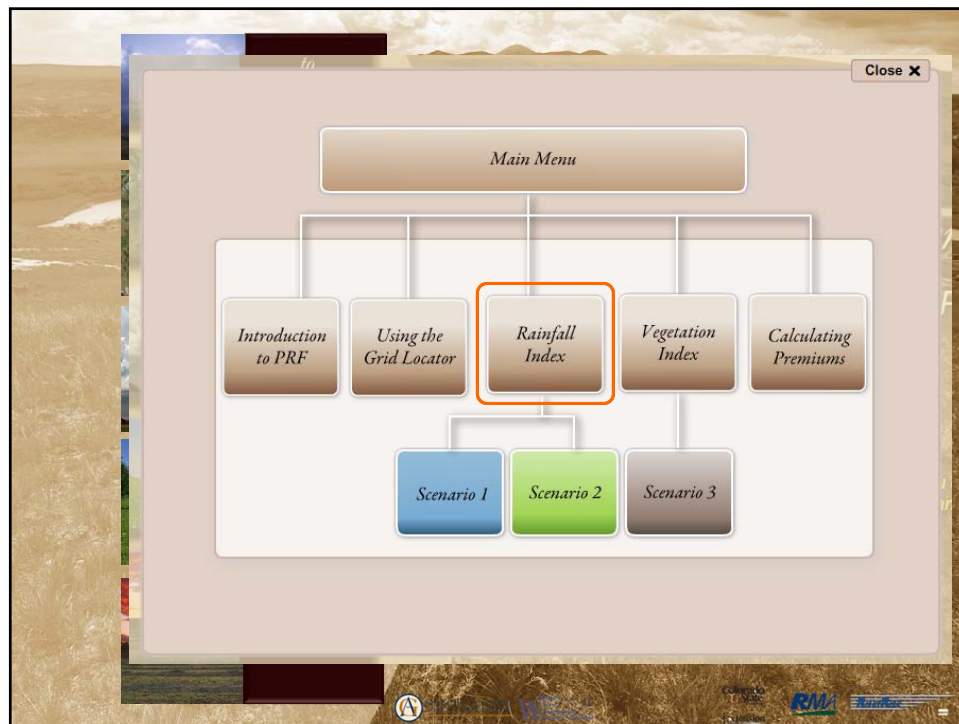
Display the Grid Outlines and ID Numbers



Display Checkboxes

- To see the borders of counties and grid areas, select
- ✓Counties (blue outlines)
 - ✓Grids (red outlines)
 - ✓Labels (red numbers)





Introduction to PRF Pilot Insurance Program

How the Rainfall Index is Established

The PRF Rainfall Index:

- Uses historical precipitation data.
- Forage production is influenced by precipitation.
- Measures data in specific areas called grids



Remember, this index does NOT measure the actual precipitation received on any specific property within a grid.

Introduction to PRF Pilot Insurance Program

How the Rainfall Index is Established

For each grid, data from nearby weather, radar, and satellite estimates are combined and interpolated.

The resulting index is a composite value for the entire grid that cannot be traced to a single point or data set.

The database contains data from 1948 to the present.



Introduction to PRF Pilot Insurance Program

How the Rainfall Index is Established

Precipitation data is used to establish rainfall indices for each grid. One index is calculated for each two-month interval in a twelve-month period.

The index is the ratio of interpolated precipitation to expected average (normal) precipitation. The index is expressed as a percentage.

Graph

Type:
☒ Index Values ☐ Estimated Indemnities

Range:
 Start: End:

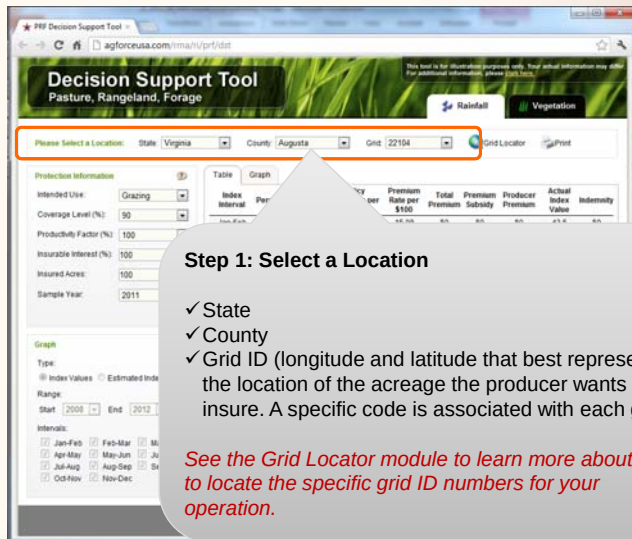
Intervals:

☒ Jan-Feb	☒ Feb-Mar	☒ Mar-Apr
☒ Apr-May	☒ May-Jun	☒ Jun-Jul
☒ Jul-Aug	☒ Aug-Sep	☒ Sep-Oct
☒ Oct-Nov	☒ Nov-Dec	



Introduction to PRF Pilot Insurance Program

Using the Rainfall Index Decision Support Tool



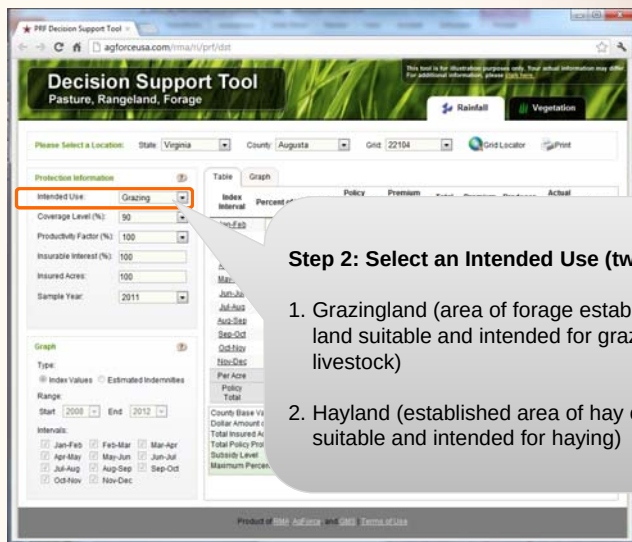
Step 1: Select a Location

- ✓ State
- ✓ County
- ✓ Grid ID (longitude and latitude that best represents the location of the acreage the producer wants to insure. A specific code is associated with each grid)

See the Grid Locator module to learn more about how to locate the specific grid ID numbers for your operation.

Introduction to PRF Pilot Insurance Program

Using the Rainfall Index Decision Support Tool

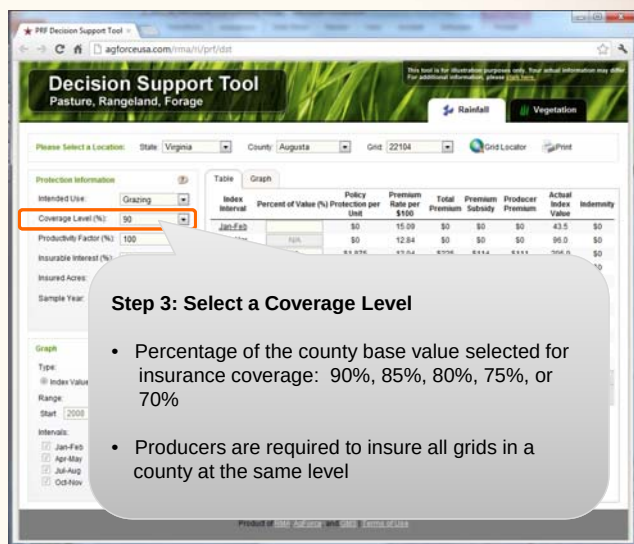


Step 2: Select an Intended Use (two choices)

1. Grazingland (area of forage established on land suitable and intended for grazing livestock)
2. Hayland (established area of hay on land suitable and intended for haying)

Introduction to PRF Pilot Insurance Program

Using the Rainfall Index Decision Support Tool



Decision Support Tool
Pasture, Rangeland, Forage

Please Select a Location: State: Virginia County: Augusta Grid: 22104

Protection Information

Intended Use: Grazing

Coverage Level (%): 90

Productivity Factor (%): 100

Insurable Interest (%): 100

Insured Acres: 100

Sample Year: 2011

Table

Index Interval	Percent of Value (%) Protection per Unit	Policy Premium Rate per \$100	Total Premium	Premium Subsidy	Producer Premium	Actual Index Value	Indemnity
Jan-Feb	100	\$0	\$0	\$0	\$0	43.5	\$0
Mar-Apr	100	\$0	\$0	\$0	\$0	96.0	\$0
May-Jun	100	\$0	\$0	\$0	\$0	100.0	\$0
Jul-Aug	100	\$0	\$0	\$0	\$0	100.0	\$0
Sep-Oct	100	\$0	\$0	\$0	\$0	100.0	\$0
Nov-Dec	100	\$0	\$0	\$0	\$0	100.0	\$0

Graph

Type: Index Value

Range: Start: 2008 End: 2012

Intervals: Jan-Feb, Mar-Apr, May-Jun, Jul-Aug, Sep-Oct, Nov-Dec

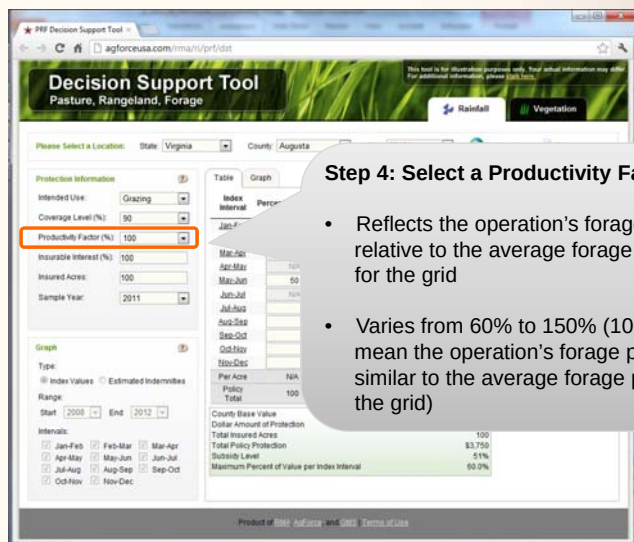
Product of State, Federal, and Local

Step 3: Select a Coverage Level

- Percentage of the county base value selected for insurance coverage: 90%, 85%, 80%, 75%, or 70%
- Producers are required to insure all grids in a county at the same level

Introduction to PRF Pilot Insurance Program

Using the Rainfall Index Decision Support Tool



Decision Support Tool
Pasture, Rangeland, Forage

Please Select a Location: State: Virginia County: Augusta Grid: 22104

Protection Information

Intended Use: Grazing

Coverage Level (%): 90

Productivity Factor (%): 100

Insurable Interest (%): 100

Insured Acres: 100

Sample Year: 2011

Table

Index Interval	Percent of Value (%) Protection per Unit	Policy Premium Rate per \$100	Total Premium	Premium Subsidy	Producer Premium	Actual Index Value	Indemnity
Jan-Feb	100	\$0	\$0	\$0	\$0	43.5	\$0
Mar-Apr	100	\$0	\$0	\$0	\$0	96.0	\$0
May-Jun	100	\$0	\$0	\$0	\$0	100.0	\$0
Jul-Aug	100	\$0	\$0	\$0	\$0	100.0	\$0
Sep-Oct	100	\$0	\$0	\$0	\$0	100.0	\$0
Nov-Dec	100	\$0	\$0	\$0	\$0	100.0	\$0

Graph

Type: Index Value

Range: Start: 2008 End: 2012

Intervals: Jan-Feb, Mar-Apr, May-Jun, Jul-Aug, Sep-Oct, Nov-Dec

Product of State, Federal, and Local

Step 4: Select a Productivity Factor

- Reflects the operation's forage productivity relative to the average forage productivity for the grid
- Varies from 60% to 150% (100% would mean the operation's forage productivity is similar to the average forage productivity for the grid)

Introduction to PRF Pilot Insurance Program

Using the Rainfall Index Decision Support Tool

Decision Support Tool
Pasture, Rangeland, Forage

Please Select a Location: State: Virginia County: Augusta Grid: 22104

Protection Information

Intended Use: Grazing
Coverage Level (%): 90
Productivity Factor (%): 100
Insurable Interest (%): 100
Insured Acres: 100
Sample Year: 2011

Graph

Type: ☒ Index Values ☐ Estimated Indemnities
Range: Start: 2008 End: 2012

Table

Index Interval	Percent of Value (%) Protection per Unit	Policy Premium Rate per \$100	Total Premium	Premium Subsidy	Producer Premium	Actual Index Value	Indemnity
Jan-Feb	50	\$0	\$0	\$0	\$0	43.5	\$0
Feb-Mar	50	\$0	\$0	\$0	\$0	43.5	\$0
Mar-Apr	50	\$0	\$0	\$0	\$0	43.5	\$0
Apr-May	50	\$0	\$0	\$0	\$0	43.5	\$0
May-Jun	50	\$0	\$0	\$0	\$0	43.5	\$0
Jun-Jul	50	\$0	\$0	\$0	\$0	43.5	\$0
Jul-Aug	50	\$0	\$0	\$0	\$0	43.5	\$0
Aug-Sep	50	\$0	\$0	\$0	\$0	43.5	\$0
Sep-Oct	50	\$0	\$0	\$0	\$0	43.5	\$0
Oct-Nov	50	\$0	\$0	\$0	\$0	43.5	\$0
Nov-Dec	50	\$0	\$0	\$0	\$0	43.5	\$0
Per Acre	50	\$0	\$0	\$0	\$0	43.5	\$0
Policy Total	50	\$0	\$0	\$0	\$0	43.5	\$0

County Base Value
Dollar Amount of Protection
Total Insured Acres
Total Policy Protection
Subsidy Level
Maximum Percent of Value p

Step 5: Select an Insurable Interest (%)

- The operator's share of forage production on the insured acreage
- Owner/operators' shares are likely to be 100%
- Producer's share on a 50/50 crop share arrangement will be 50%

Introduction to PRF Pilot Insurance Program

Using the Rainfall Index Decision Support Tool

Decision Support Tool
Pasture, Rangeland, Forage

Please Select a Location: State: Virginia County: Augusta Grid: 22104

Protection Information

Intended Use: Grazing
Coverage Level (%): 90
Productivity Factor (%): 100
Insurable Interest (%): 100
Insured Acres: 100
Sample Year: 2011

Graph

Type: ☒ Index Values ☐ Estimated Indemnities
Range: Start: 2008 End: 2012

Table

Index Interval	Percent of Value (%) Protection per Unit	Policy Premium Rate per \$100	Total Premium	Premium Subsidy	Producer Premium	Actual Index Value	Indemnity
Jan-Feb	50	\$0	\$0	\$0	\$0	43.5	\$0
Feb-Mar	50	\$12.84	\$1284	\$1114	\$170	43.5	\$0
Mar-Apr	50	\$12.84	\$1284	\$1114	\$170	43.5	\$0
Apr-May	50	\$12.84	\$1284	\$1114	\$170	43.5	\$0
May-Jun	50	\$12.84	\$1284	\$1114	\$170	43.5	\$0
Jun-Jul	50	\$12.84	\$1284	\$1114	\$170	43.5	\$0
Jul-Aug	50	\$12.84	\$1284	\$1114	\$170	43.5	\$0
Aug-Sep	50	\$12.84	\$1284	\$1114	\$170	43.5	\$0
Sep-Oct	50	\$12.84	\$1284	\$1114	\$170	43.5	\$0
Oct-Nov	50	\$12.84	\$1284	\$1114	\$170	43.5	\$0
Nov-Dec	50	\$12.84	\$1284	\$1114	\$170	43.5	\$0
Per Acre	50	\$12.84	\$1284	\$1114	\$170	43.5	\$0
Policy Total	50	\$12.84	\$1284	\$1114	\$170	43.5	\$0

County Base Value
Dollar Amount of Protection
Total Insured Acres
Total Policy Protection
Subsidy Level
Maximum Percent of Value p

Step 6: Enter the Number of Insured Acres That Qualify for Coverage

- Insurable acres are determined by policy provisions
- All insurable acres do not have to be insured
- Producer chooses the number of acres to be insured
- Uninsurable acres possess characteristics precluding grazing or hay production

Introduction to PRF Pilot Insurance Program

Using the Rainfall Index Decision Support Tool

Decision Support Tool
Pasture, Rangeland, Forage

Please Select a Location: State: Virginia County: Augusta Grid: 22104

Protection Information:
Intended Use: Grazing
Coverage Level (%): 90
Productivity Factor (%): 100
Insurable Interest (%): 100
Insured Acres: 100
Sample Year: 2011

Graph:
Type: Index Values Estimated Indemnities
Range: Start 2008 End 2012

Index Interval	Percent of Value (%)	Protection per Unit	Policy Premium	Premium Rate per \$100	Total Premium	Producer Subsidy	Actual Index Value	Indemnity
Jan-Feb	50	50%						
Feb-Mar	50	50%						
Mar-Apr	50	50%						
Apr-May	50	50%						
May-Jun	50	50%						
Jun-Jul	50	50%						
Jul-Aug	50	50%						
Aug-Sep	50	50%						
Sep-Oct	50	50%						
Oct-Nov	50	50%						
Nov-Dec	50	50%						
Per Acre	50%	50%						
Policy Total	100	100%						

County Base Value
Dollar Amount of Protection
Total Insured Acres
Total Policy Protection
Subsidy Level
Maximum Percent of Value per Index Interval: 50.0%

Step 7: Select the Sample Year for Insurance Coverage

- A wide range of sample years are available
- Used for historical analysis

Introduction to PRF Pilot Insurance Program

Using the Rainfall Index Decision Support Tool

Decision Support Tool
Pasture, Rangeland, Forage

Please Select a Location: State: Virginia County: Augusta Grid: 22104

Protection Information:
Intended Use: Grazing
Coverage Level (%): 90
Productivity Factor (%): 100
Insurable Interest (%): 100
Insured Acres: 100
Sample Year: 2011

Graph:
Type: Index Values Estimated Indemnities
Range: Start 2008 End 2012

Index Interval	Percent of Value (%)	Protection per Unit	Policy Premium	Premium Rate per \$100	Total Premium	Producer Subsidy	Actual Index Value	Indemnity
Jan-Feb	50	50%						
Feb-Mar	50	50%						
Mar-Apr	50	50%						
Apr-May	50	50%						
May-Jun	50	50%						
Jun-Jul	50	50%						
Jul-Aug	50	50%						
Aug-Sep	50	50%						
Sep-Oct	50	50%						
Oct-Nov	50	50%						
Nov-Dec	50	50%						
Per Acre	50%	50%						
Policy Total	100	100%						

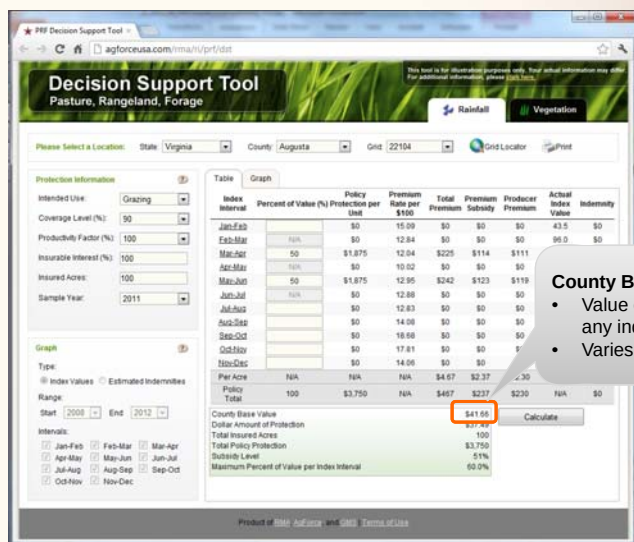
County Base Value
Dollar Amount of Protection
Total Insured Acres
Total Policy Protection
Subsidy Level
Maximum Percent of Value per Index Interval: 50.0%

Step 8: Enter Percent of Value to be Insured Per Index Interval

- Select appropriate intervals to protect against production losses
- Each interval consists of two consecutive months
- At least two index intervals must be insured
- Selected intervals cannot overlap
- There may be a minimum and maximum percentage insurable for a single interval
- The total insurable value can be insured across different intervals
- The sum of the percent of value insured for all intervals must equal 100

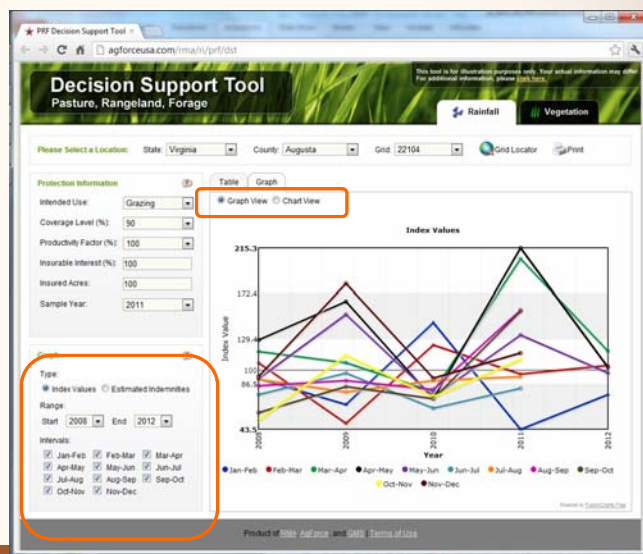
Introduction to PRF Pilot Insurance Program

Using the Rainfall Index Decision Support Tool



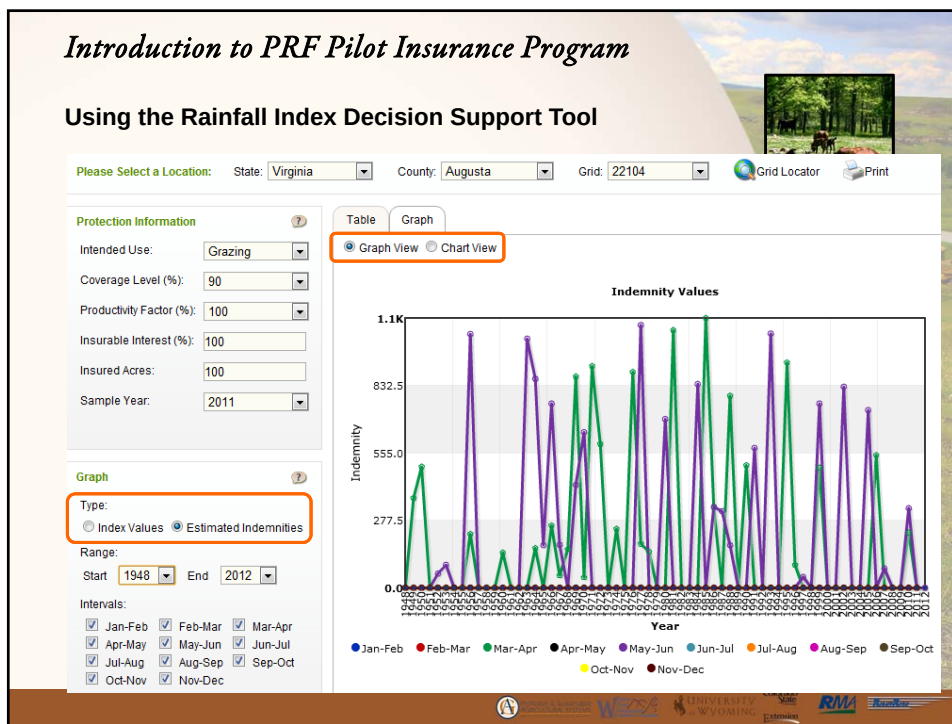
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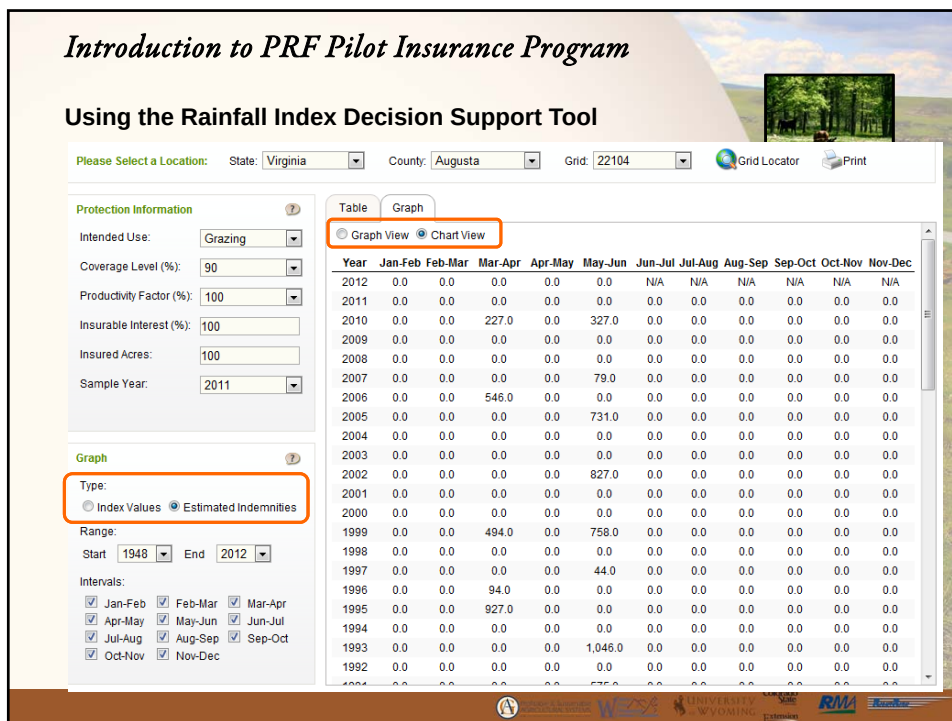
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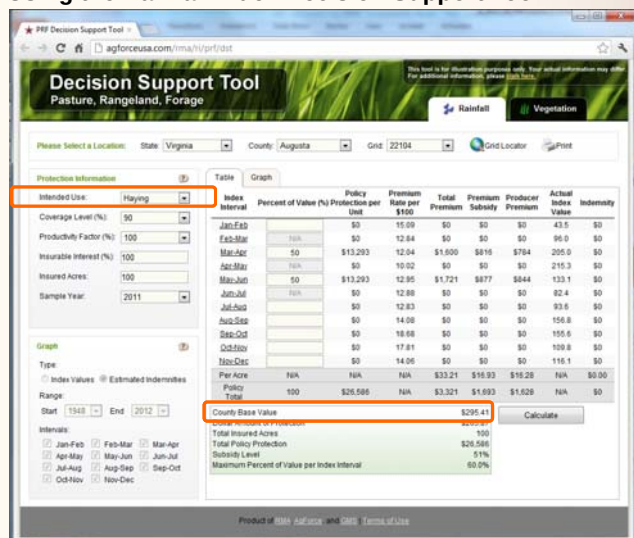
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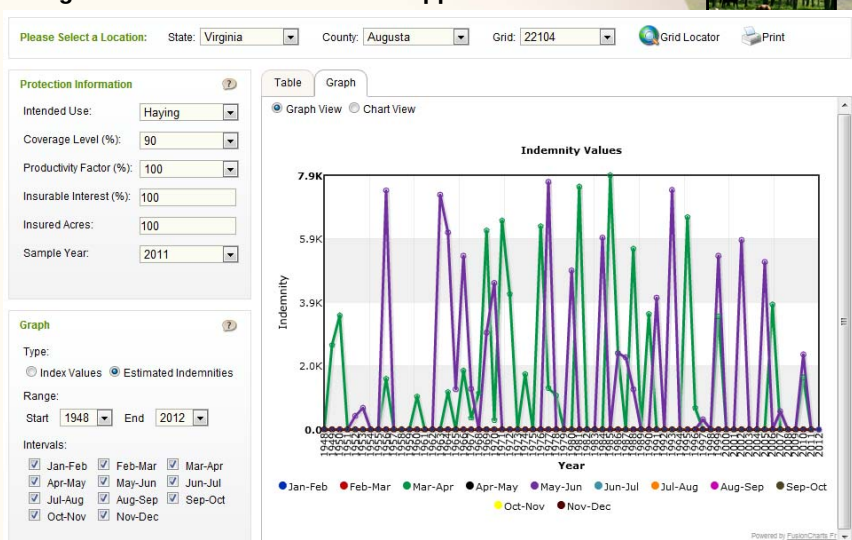
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Introduction to PRF Pilot Insurance Program

Finding Information about the Rainfall Index Program

USDA United States Department of Agriculture
Risk Management Agency

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Crop Policies and Pilots

Pasture, Rangeland, Forage

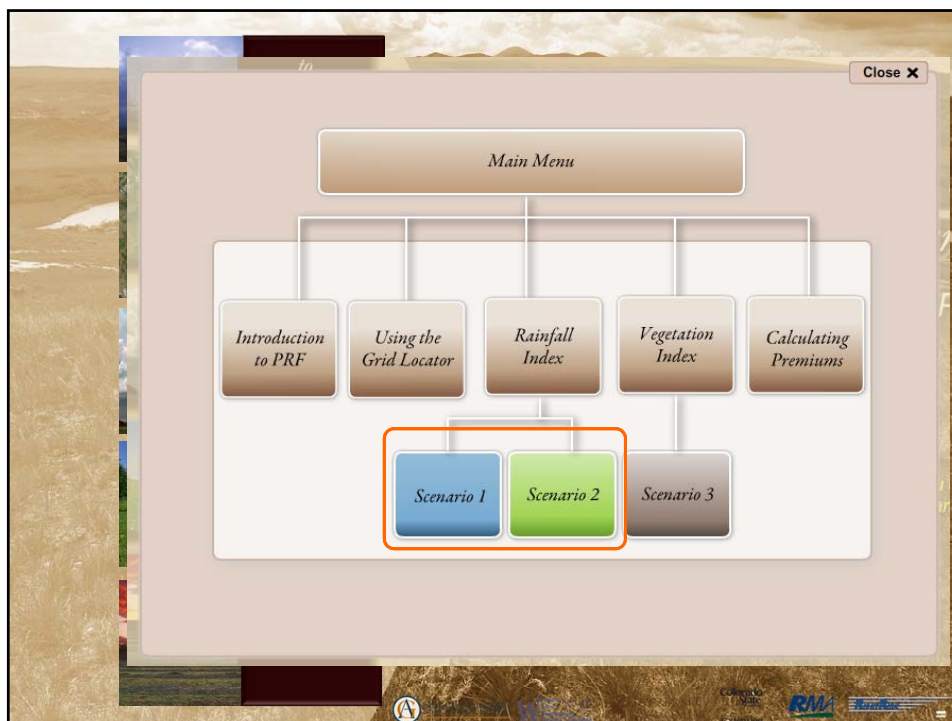
The United States currently comprises about 588 million acres of pasture and rangeland and 61.5 million acres of hay land. The following insurance programs for pasture, rangeland, and forage (PRF) utilize various indexing systems to determine crop condition. Also see livestock policies and resources.

Program announcement: RMA Expands Pasture, Rangeland, Forage Insurance

A link to the Decision Support Tool is available on the USDA RMA website, or you can go directly to the Decision Support Tool at:
<http://agforceusa.com/rma/ri/prf/dst>.

- Policy Provisions (PDF)
- Insurance Standards Handbook (PDF)
- Grid ID Locator, Decision Support Tool, Historical Indices

Vegetation Index (VI) - is based on the U.S. Geological Survey's Earth Resources Observation and Science (EROS) normalized difference vegetation index (NDVI) data derived from satellites observing long-term changes in greenness of vegetation of the earth since 1989.



Introduction to PRF Pilot Insurance Program

Risk Management Profile: Hagland Farms

RISK MANAGEMENT PROFILES

RightRisk

Rainfall Index-PRF helps manage drought risk for Hagland Farms

Early fall 2011, on the Hagland Farms found owners Jim and Carol Hagland looking at several risk management strategies for their cattle operation.

The Haglands currently operate with 245 acres of pasture and 75 acres of hay in Highland County. About 50 percent of this forage is leased from nearby property owners. The balance is owned.

Jim and Carol were both concerned about the coming production year. Late summer and early fall weather had been very dry and they were worried it would carry over into next year.

The Haglands are considering several options for addressing production risk:

- Buy hay to supplement existing hay production. This could be expensive with high hay prices and the hay could be up needed operating capital (not used).
- Rent additional pasture. Unfortunately, this option is difficult to achieve and expensive due to the lack of locally available pasture. In addition, the Haglands prefer to keep the cows close in order to minimize calving losses, roadway crows and road hazards, and to keep transportation costs as low as possible.
- Send the calves to a custom feed yard or just sell them early. With high feed prices, added gain is likely not an economically appealing solution.
- Use the new Rainfall Index Pasture, Rangeland, Forage (R-PRF)

Not all strategies are equal in the eyes of the Haglands. They are looking for a way to manage their risk. They are looking for a way to manage their risk. They are looking for a way to manage their risk.

RMA

For more information, visit <http://www.rma.usda.gov>

RightRisk

Insuring Success for Wyoming Agriculture 2006
Feasibility of Alternative Rural Enterprises Course

AG SURVIVOR

A LASTING LEGACY

Insuring Success for Wyoming Agriculture 2006
Taxes for Agricultural Enterprises Course

Getting on Track: Better Management Through Basic Ag Records

Pasture, Rangeland, Forage (PRF) Pilot Insurance Program

Getting on Track: Understanding Financial Performance

Applied Risk Management in Agriculture
Dana L. Hoag, editor

Risk Navigator
STRATEGIC RISK MANAGEMENT

<http://RightRisk.org>

