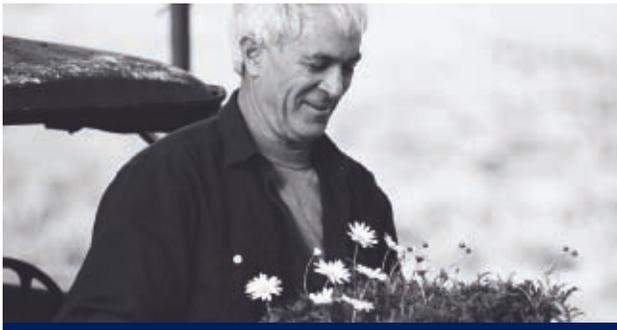


USDA revenue insurance has improved! Take another look ...



AGR-Lite could work for you ...

- to protect crops and animals that are not otherwise insurable;
- where crop yields were good but prices were low (market factors);
- if you grow high value crops that are subject to unrealistically low limits through crop-specific coverage;
- if your crops are organic and earn a premium in the marketplace;
- if you grow primarily for direct market, at prices better than wholesale;
- where drought or other natural hazards affects overall income, but might not trigger individual crop loss thresholds;
- in combination with traditional, single crop insurance policies to increase total coverage;
- in combination with basic catastrophic (CAT) coverage.



AGR-Lite insures agricultural income rather than crop yields. They offer simplified, whole-farm revenue protection based simply on your average farm gross income. Some key features have been improved for 2006.

Do you have a diversified operation with several crops (possibly including livestock)? Do you market directly for better prices? Are your records better on expenses and income than on actual crop yields?

Because AGR-Lite insures gross farm income, the protection is not directly dependent on documenting the amount or quality of production. Rather, it is tied to loss of revenue due to natural disasters and/or low market prices, assuming care has been taken to follow good farming practices.

Covered farm revenue includes income from almost all crops and agricultural commodities including greenhouse production, animals and animal products such as milk. This means that you can get coverage for crops not currently covered under traditional crop insurance policies, and multiple (even minor) crops are covered in one policy. This year, for the first time, AGR-Lite coverage is available for single crop producers, though higher levels of coverage and lower premiums are realized by multiple crop farms. There is no specific livestock revenue percentage limitation for AGR-Lite.

Since your AGR-Lite guaranteed revenue for the insurance period is based on past farm tax returns and a projection for the coming year, documentation is easier than most other insurance programs. But you can only calculate coverage limits based on the revenue and expenses documented on the tax forms.

When you apply for AGR-Lite, you select the desired coverage level and payment rate. A 65% coverage/75% payment rate, for example, means you are insuring against any adjusted gross revenue loss greater than 35% of your five year average, and that you would collect 75% of that amount.

Coverage as high as 80% and payment rates as high as 90% are available.

“I use specialized varieties for customers willing to pay a premium price. AGR-Lite recognizes the higher income and provides good protection against low yields and price fluctuations when disasters occur.”

—Lycoming County (PA) producer



Who qualifies?

- You must have IRS Form 1040, Schedule F tax forms (or equivalent corporate return), under the same entity (or a new entity encompassing at least 90% of the previous one), for the previous five years
- Your adjusted gross income cannot exceed \$2,051,000 (at the 65/75 selection level)
- You cannot purchase both AGR and AGR-Lite (but you may have other crop insurance policies)
- Your revenues from commodities purchased for resale may not exceed 50% of AGR
- Extra revenue from value added to crops by processing (making apples into pies, cheese from milk) or packaging and storage is not eligible—only the value of the raw crop ingredients, grown or purchased, is insurable.

How to apply ...

NOTE: Deadlines for AGR-Lite application processing have changed. If you are new to AGR-Lite, you have until March 15 to enroll, until January 31 for renewals.

Find a crop insurance agent who is familiar with writing AGR policies and talk with him or her well before the deadline. **A list of agents may be obtained from www.rma.usda.gov under the “agent locator” tab.** Your agent can mail, fax or email the forms to you.

Applications must include an Annual Farm Report and identify the amount of revenue coverage chosen—your agent can help with these.

Additional key points ...

AGR-Lite:

- Covers revenue from multiple crops in one policy, and allows for several small crops to be combined into one unit for greater coverage eligibility and lower premiums
- Eliminates field loss appraisals prior to harvest
- Protects against both natural disasters and market losses (falling prices, no customers, export/import impacts)
- Is available to fiscal year filers, not just calendar year filers
- Covers revenue from livestock and basic livestock products (meat, milk, eggs). The value of any crop production fed to animals is counted as animal income
- Allows a farm’s insured revenue to be increased on an estimated basis for expanding operations
- Complements other crop insurance plans by coordinating protection and benefits

For more information, contact your crop insurance agent or Kyle Nagurny at 717-772-3094 or knagurny@state.pa.us.



The Massachusetts Crop Insurance Education Project is led by the Massachusetts Department of Agricultural Resources and the New England Small Farm Institute under an agreement with the USDA Risk Management Agency.