

CROP INSURANCE FOR SMALL GRAINS: BARLEY COVERAGE OPTIONS

Some farmers in the Midwest and Great Plains opt to grow barley as part of their operations. Their reasons range from conservation benefits to the requirements of organic certification to local or specialty markets they have identified. In Minnesota for example, the most recent Census of Agriculture indicates more than 500 operations grow barley for grain.

Federal crop insurance availability for barley depends on the producer's county. See below for the various options available. In some cases, the process will require information about another county's available coverage, essentially requesting that coverage be extended to the producer.

MULTI-PERIL CROP INSURANCE

Arguably, the most straightforward way to get federal crop insurance on barley is with a multi-peril crop insurance (MPCI) policy. Farmers who use crop insurance are likely familiar with MPCI for other crops, such as corn and soybeans.

Multi-peril coverage will protect in the event of a number of natural perils, including adverse weather conditions (freeze, wind, drought, excess precipitation, etc.), failure of the irrigation water supply, fire, and insects or plant disease.

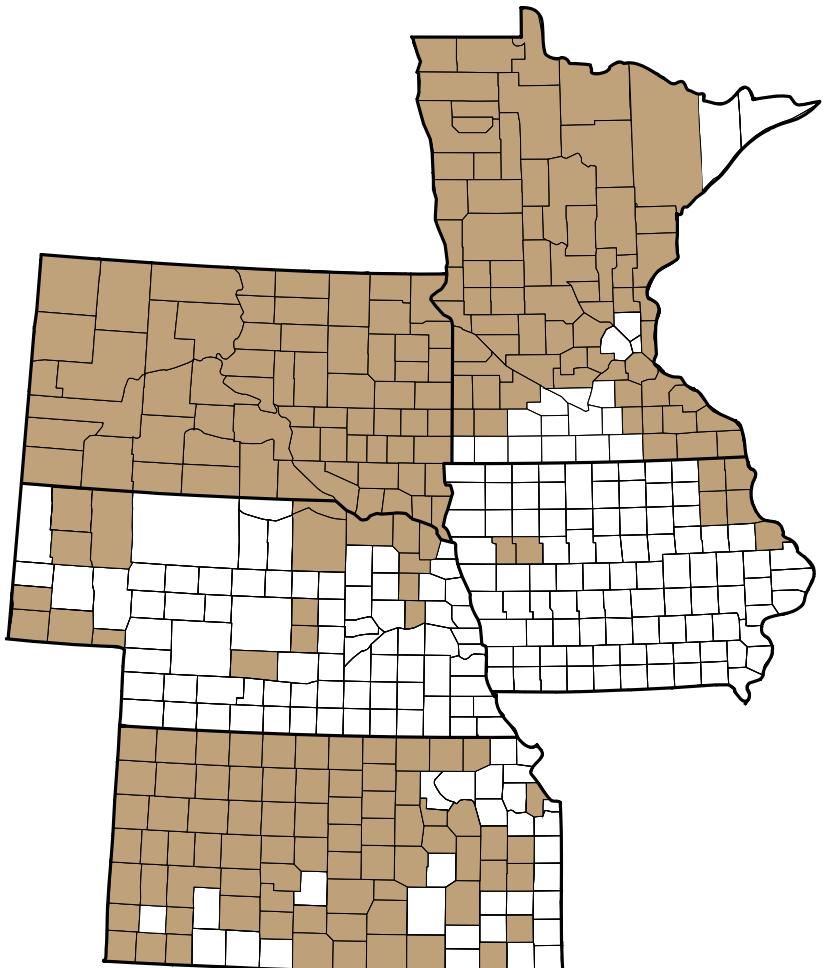
Where available, barley coverage is offered as:

- Yield Protection
- Revenue Protection
- Revenue Protection with Harvest Price Exclusion Protection

Generally speaking, barley can be insured if it is planted for harvest as grain. Policy availability is dependent on a producer's county. See Figure 1 for the availability of barley policies in select states in 2022.

In addition, depending on the policy type, a producer may elect an additional option, or endorsement, to further strengthen coverage. One special option is available for barley grown for malting.

FIGURE 1. INDIVIDUAL CROP INSURANCE PLANS AVAILABLE BY COUNTY FOR BARLEY, 2022



Malting Barley Endorsement

Adding the Malting Barley Endorsement (MBE) to barley coverage provides additional protection by incorporating projected and harvest prices based on a producer's contracts, instead of using the spring and fall prices set by the U.S. Department of Agriculture's Risk Management Agency (RMA). Many producers are able to sell malting barley at a higher price than that of conventional barley, so this option allows them to better insure the value of their expected crop.

If a producer elects to purchase the MBE, all of their malting type barley acreage in the county must be insured with it. The endorsement is available for both revenue or yield protection policies, but only in select counties in the following states: Alaska, Colorado, Idaho, Minnesota, Montana, Nebraska, North Dakota, Ohio, Oregon, South Dakota, Washington, and Wyoming.

Insured acreage can qualify for two types of quality adjustment: adjustment for rejected malting barley and adjustment in accordance with small grains crop provisions. Producers should talk with their crop insurance agent to see if the MBE is a good fit for their operation.

WRITTEN AGREEMENTS

If an MPCI program is not available for barley in a farmer's county, they may be able to secure individual coverage by applying for a written agreement through their insurance agent. In essence, this process is requesting a special case agreement with RMA for coverage.

When applying, producers will need to provide information such as estimated planting dates, harvest dates, and three years of the producer's own production history. If yield history is not available, producers may be able to submit production history for a similar crop. In some cases, the process will require information about another county's available coverage, essentially requesting that that coverage be extended to the producer.

The timeline for coverage by written agreement is unique. If accepted, coverage begins at the later of the two dates—when the producer's application is accepted by RMA, or when the crop is planted.

WHOLE FARM REVENUE PROTECTION

In every county, barley is eligible to be insured by Risk Management Agency's Whole Farm Revenue Protection (WFRP) coverage. WFRP takes a different approach, covering all crops produced on the operation under one policy, and is based on revenue rather than only yields and production. Coverage is calculated using revenue reported on tax documents—five years of the Schedule F form. Some exceptions exist, such as for beginning and veteran farmers, who may qualify with three consecutive years or other documentation.

Whole Farm coverage is available between 50% and 85%, in 5% intervals. The highest coverage levels are available only for diverse operations insuring at least three crops.



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