

# Pasture, Rangeland, Forage Pilot Insurance Program

Revised August 2015

## **Pasture, Rangeland, Forage**

The Risk Management Agency's (RMA) Pasture, Rangeland, Forage (PRF) Pilot Insurance Program is designed to provide insurance coverage on your pasture, rangeland, or forage acres. This innovative pilot program is based on precipitation, Rainfall Index. This program is designed to give you the ability to buy insurance protection for losses of forage produced for grazing or harvested for hay, which result in increased costs for feed, destocking, depopulating, or other actions.

## **Availability**

PRF is available in the 48 contiguous states with the exception of a few grids that cross international borders. The Rainfall Index will replace the Vegetation Index beginning in the 2016 crop year.

## **Coverage and Claims**

The Rainfall Index uses National Oceanic and Atmospheric Administration Climate Prediction Center (NOAA CPC) data and each grid is 0.25 degrees in latitude by 0.25 degrees in longitude, which translates to approximately 17 x 17 miles at the equator. You must select at least two, 2-month periods where precipitation is important to your operation. These periods are called index intervals.

Your insurance payments are determined by using NOAA CPC data for the grid(s) and index interval(s) you have chosen to insure. When the final grid index falls below your "trigger grid index", you may receive an indemnity. This insurance coverage is for a single peril, lack of precipitation. Coverage is based on the experience of the entire grid. It is not based on individual farms or ranches or specific weather stations in the general area. You can find more detailed information on the NOAA website at [www.cpc.ncep.noaa.gov/products/monitoring\\_and\\_data/](http://www.cpc.ncep.noaa.gov/products/monitoring_and_data/).

Pasture, Rangeland, Forage insurance was designed to help protect your operation from the risks of forage losses that are produced for grazing or harvested for hay resulting in increased costs for feed. The program is designed to allow maximum flexibility to meet the risk management needs of your operation. You are not required to insure all your acres, but you cannot exceed the total number of grazing or haying acres you operate. The program provides protection while allowing you to insure only those acres that are important to your grazing program or hay operation. By selecting a productivity factor, you can establish a value between 60 and 150 percent of the county base value and match the amount of your protection to the value of forage that best represents your specific grazing or hay operation.

## **New Coverage Available for 2016**

RMA has introduced a new pricing methodology starting with the 2016 crop year that will better reflect your replacement costs for feed and the actual losses you experience. RMA is also offering an irrigated hay practice in some states that is designed to cover above normal irrigation expenses when normal precipitation shortfalls are observed. However, normal irrigation costs are not covered.

## **Tools**

You will be asked to make several choices when insuring your grazing or hay production, including coverage level, index intervals, irrigated practice, productivity factor, and number of acres. You should work with your crop insurance agent to view the Grid ID Locator map and index grids for your area, and assign acreage to one or more grids based on the location and use of the acreage to be insured. RMA also encourages you to use the [Grid ID Locator, historical indices tool, and decision support tools](#) available on RMA's website to help you decide whether PRF is the right insurance coverage for your operation. The rainfall index does not measure your direct production or loss. You are insuring a rainfall index that is expected to estimate your

production. Please review the historical indices tools for your grid along with past production records to determine if these programs will work for your operation and which periods work best for your forage production.

### Buying a PRF Policy

You can buy a PRF policy from a crop insurance agent by the sales closing date shown for each county in the actuarial documents at [webapp.rma.usda.gov/apps/actuarialinformationbrowser/](http://webapp.rma.usda.gov/apps/actuarialinformationbrowser/). A list of crop insurance agents is available at all USDA service centers and on the RMA website at [www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html).

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