

ON THE RANCH

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Pasture Rangeland Forage Insurance is a Risk Management Tool for 2013

The USDA Risk Management Agency has changed the Pasture Rangeland Forage (PRF) Insurance program for the 2013 crop year to include Nebraska in a Rainfall Index (RI) area. This is different from previous years when Nebraska was part of a Vegetative Index (VI) program. Under the VI program, indemnities were calculated based on deviations from satellite images showing historical color patterns that would indicate dry conditions resulting in an estimated loss of forage production.

For 2013, the Rainfall Index model will be used. This model is based on weather data (precipitation) collected and maintained by the NOAA's Climate Prediction Center. The index reflects how much precipitation is received relative to the long-term average for a specified area and time frame.

Insurance premiums and indemnities are based on the level of coverage (70% - 90%) and level of production (60% - 150%) that a producer wishes to insure their land for. Producers can insure their land for either grazing or for haying. Land insured for haying has a higher premium than grazing land as a higher level of forage production is expected.

Producers using this insurance will need to choose which time periods throughout the year that they wish to get insurance for. There is more information and a decision support tool on the USDA Risk Management Agency - Pasture, Rangeland, Forage page.

Using this tool provides some insights.

1. Assuming this tool is accurate, the purchase of Pasture Rangeland Forage Insurance for precipitation in the spring of the year would have been a paying proposition for many producers over the last 30 years.
2. Insuring time periods with the highest levels of precipitation that impact rangeland forage production is the best approach for matching precipitation risk with potential drought impacts.

The following are some things to know when evaluating this insurance as a possible risk management tool.

1. Land can be insured for grazing or haying using PRF insurance. Acres insured for haying cost more to insure and also pay more when an indemnity occurs.
2. The insurance is subsidized 51% by the Federal Government.
3. Research on rangeland and pasture has shown that March through June precipitation accounts for a majority of the variation in forage production for this region.
4. This insurance product is best utilized over the long term where a producer participates every year and doesn't try to outguess what the next year will bring.
5. Because the precipitation data is based on NOAA weather recording stations, what occurs at these locations will often differ from rainfall on a producer's insured acres. Over the long term these differences and any indemnities that occur due to precipitation deficits should even out.

Pasture Rangeland and Forage Insurance is a risk management tool that producers should consider utilizing to provide income from forage production acres under drought conditions. **The deadline for participating in the PRF Insurance program for 2013 is November 15, 2012.**

Source: Aaron Berger, Extension Educator, Panhandle Research & Extension Center, University of Nebraska

Landlord/Tenant Cash Lease Workshops Offered

Developing farm cash leases that meet the needs of both landlord and tenant while maintaining a positive relationship will be the goal of a UNL Extension workshop series. The Landlord/Tenant Cash Lease workshops will be held in November and December at sites across the state.

Planners note that it is helpful if both the tenant and landlord can attend together.

UNL Extension educators will present on the following topics, providing information and common sense tips for landlords and tenants.

- Expectations from the lease, including goal setting for the rental property
- Lease communication, determining appropriate information sharing for both the tenant and landlord
- Tips for farm leases that include relatives
- Alternative cash lease arrangements, flexible provision considerations for your situation
- How the 2012 drought affects leases, irrigation systems, grain bin rental, and other topics related to leases will be discussed as time allows.

These free workshops are sponsored by the Nebraska Soybean Board and the North Central Risk Management Agency. A meal and handouts are included. Participation is limited. To register, contact the local UNL Extension office hosting the workshop.

For more information, contact Allan Vyhnalek, UNL extension educator in Platte County, at 402-563-4901 or avyhnalek@unl.edu.

Dates and Locations

| | | | |
|-------------------|---------------------------------|--|---------------------|
| Dakota City | Nov. 5, 11 a.m. - 3 p.m. | USDA Service Center | 402-987-2140 |
| Pender | Nov. 7, 11 a.m. - 3 p.m. | Fire Hall | 402-385-6041 |
| Wayne | Nov. 7, 5:30 p.m. - 9 p.m. | Fire Hall | 402-375-3310 |
| Curtis | Nov. 8, Noon - 3:30 p.m. | NCTA Ag Industry Ed Center | 402-367-4424 |
| McCook | Nov. 8, 5:30 - 9 p.m. | Fairgrounds | 308-345-3390 |
| Imperial | Nov. 9, 11 a.m. - 3 p.m. | Fairgrounds | 308-882-4731 |
| Fairmont | Nov. 13, 11 a.m. - 3 p.m. | Legion Hall | 402-759-3712 |
| Fairbury | Nov. 13, 11 a.m. - 3 p.m. | 4-H Building/Fairgrounds | 402-729-3487 |
| Blue Hill | Nov. 13, 5:30 - 9 p.m. | Community Center | 402-746-3417 |
| Lexington | Nov. 14, 11 a.m. - 3 p.m. | Extension Office | 308-324-5501 |
| North Platte | Nov. 14, 5:30 - 9 p.m. | West Central Research | 308-532-2683 |
| Hastings | Nov. 15, 11 a.m. - 3 p.m. | Fairgrounds | 308-461-7209 |
| Grand Island | Nov. 15, 5:30 - 9 p.m. | Ext Office/College Park | 308-385-5088 |
| Humboldt | Nov. 27, 11 a.m. - 3 p.m. | Ag Building/Fairgrounds | 402-852-2970 |
| Auburn | Nov. 27, 5:30 p.m. - 9 p.m. | Nemaha Co. 4-H Building | 402-274-4755 |
| Hartington | Nov. 29, 11 a.m. - 3 p.m. | City Auditorium | 402-254-6821 |
| Nebraska City | Nov. 29, 5:30 - 9 p.m. | Kimmel Center | 402-267-2205 |
| Blair | Dec. 4, 11 a.m. - 3 p.m. | City Office | 402-426-9455 |
| Tekamah | Dec. 4, 5:30 - 9 p.m. | First National Bank Northeast meeting room | 402-374-2929 |
| Burwell | Dec. 5, 11 a.m. - 3 p.m. | Legion Club | 308-346-4200 |
| Arcadia | Dec. 5, 5:30 - 9 p.m. | Legion Club | 308-728-5071 |
| Bloomfield | Dec. 6, 11 a.m. - 3 p.m. | Community Center | 402-288-5611 |
| O'Neill | Dec. 6, 5:30 - 9 p.m. | Courthouse Annex | 402-336-2760 |
| Elba | Dec. 11, 11 a.m. - 3 p.m. | Community Center | 402-745-1518 |
| Albion | Dec. 11, 5:30 - 9 p.m. | Casey's Community Building | 402-395-2158 |
| Neligh | Dec. 12, 11 a.m. - 3 p.m. | Legion Hall | 402-887-5414 |
| Osceola | Dec. 13, 11 a.m. - 3 p.m. | Fairgrounds | 402-747-2321 |