



Dyson
Cornell
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College of Agriculture and Life Sciences

Crop Insurance Options for Beekeepers



“It’s farming, so it’s not easy that’s for sure. The weather and the changing variability in the weather in recent years has been a real challenge, with wet to dry extremes”

-NY organic grain farmer in 2016 testimonial for NYSDAM



What is crop insurance?

Crop insurance helps producers **manage risk**.

You pay an annual **premium** (the cost is shared with the Federal government) to buy an insurance policy.

Crop insurance is purchased from private agents

If your yields or revenues fall below a certain level due to a “covered cause”, you receive an **indemnity** payment.



How does crop insurance work?

- It is similar to other types of insurance, such as car insurance:
 - You pay a premium to buy a policy
 - If something bad happens, you file a claim
 - Indemnity payment helps make you whole



Insurance Options for Beekeepers

PRF insurance (which insures against drought or low precipitation) is available to beekeepers under the name **API**

- Colonies are insured instead of acres, otherwise similar to PRF
- 3 policies sold in NY in 2017

Beekeepers can insure using **Whole Farm Revenue Protection (WFRP)**

- Honey and colonies sold to other operations may be insurable, “rental activities” are not
- Livestock and livestock products coverage is capped at \$1 million in revenue

There are (sometimes free) options provided by the FSA, but they may provide a lower level of protection than RMA policies:

- Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish Program (ELAP)
- Noninsured Crop Disaster Assistance Program (NAP)



Photo: Thien Gretchen via Flickr

Apiculture Crop Insurance (API)

Dry weather conditions can limit your bees' forage intake and honey output. RMA's API insures beekeepers against lack of precipitation (rain or snow) relative to historic levels

- Using a grid system, USDA tracks precipitation in an area, and sends payments automatically when levels are low.
- Your colonies will be assigned to one or more grids based on the location to be insured.
- No record keeping required!





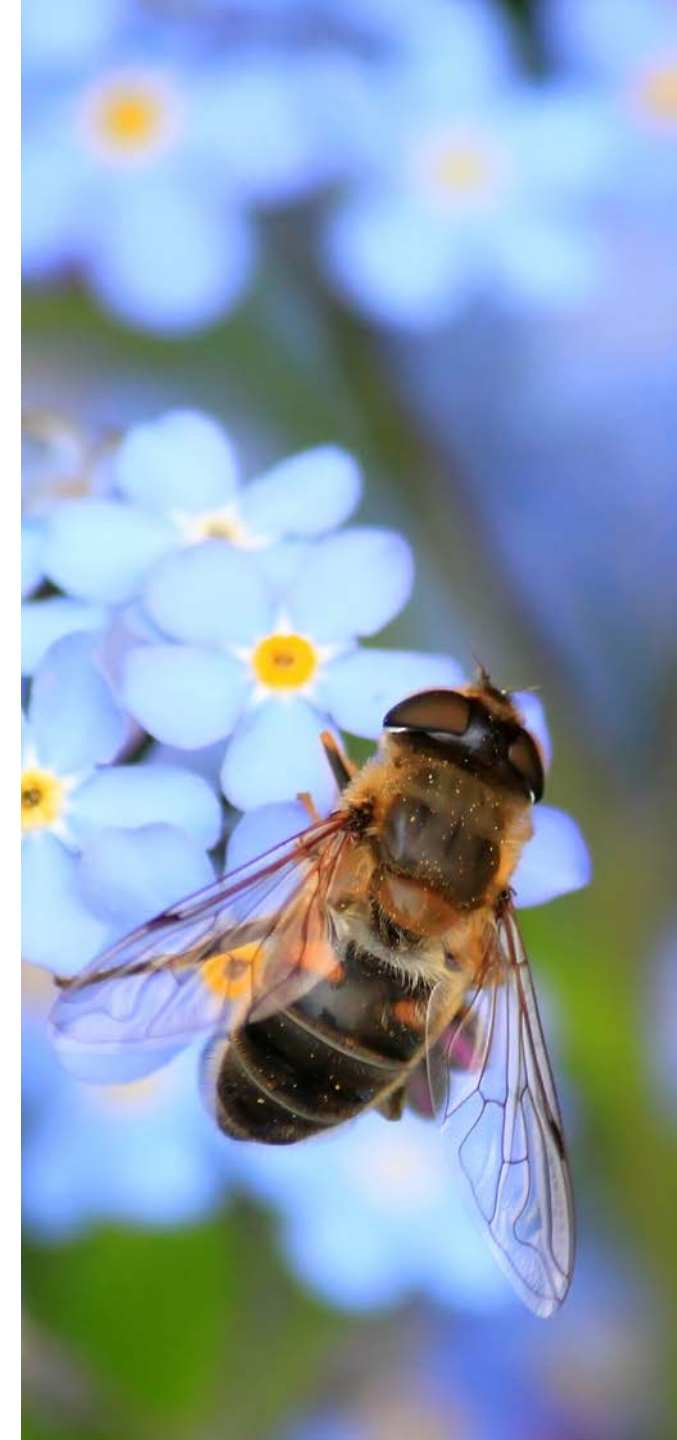
API Rainfall Index Insurance

- A **Group Risk Program** that provides insurance against reductions in the rainfall index below its average value for each insurance or “grid” area in the insured index intervals.
- Producers need to recognize that **it is possible for them to have low production and still not receive a payment** under this group risk plan.
 - Can potentially happen when honeybee forage area rainfall differs from grid-level rainfall
 - Historical rainfall index values for each grid can be viewed at: <http://maps.agforceusa.com/prf/ri/>
- The federal government shares in the cost of the actuarially fair insurance premiums.

Program background

What lead to API development?

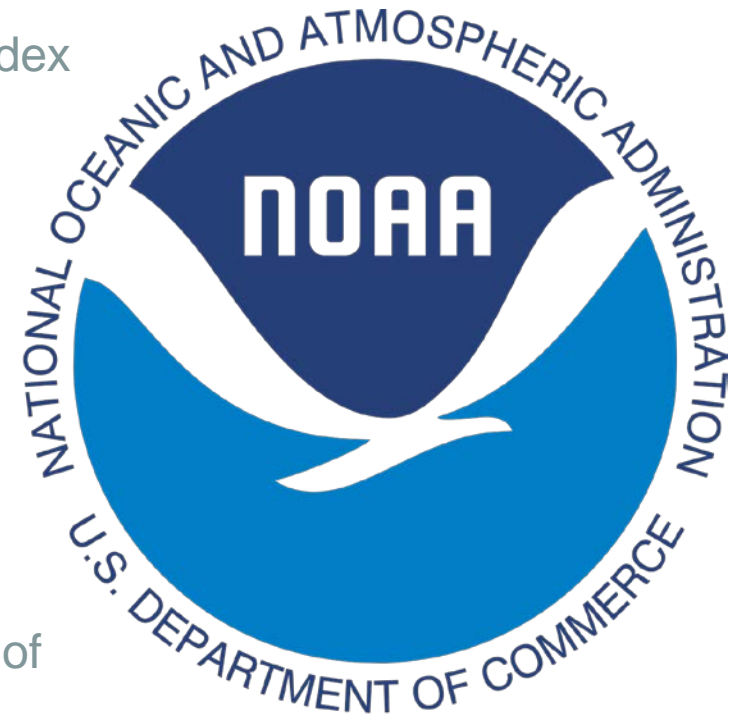
- There is a lack of actual producer/industry production data.
- There is no consistent or sound methodology for measuring production levels/yields.
- But there is a correlation between rainfall and honeybee production.
 - When rainfall declines, honeybee forage often also declines.
- Thus, an index was developed to measure the change from long-term average or normal precipitation.



Rainfall index based on NOAA data

NOAA – National Oceanic and Atmospheric Administration

- Well trusted, government agency that serves as a dependable third-party data source.
 - NOAA has no conflict of interest in providing the data the API index is based on.
- Reports and publicly publishes precipitation data.
- Serves as a widely used source of precipitation information.
- Long data history – since 1948
 - Because this a long and consistent data-set, it can be used to determine what “normal” precipitation amounts are for any time of year.



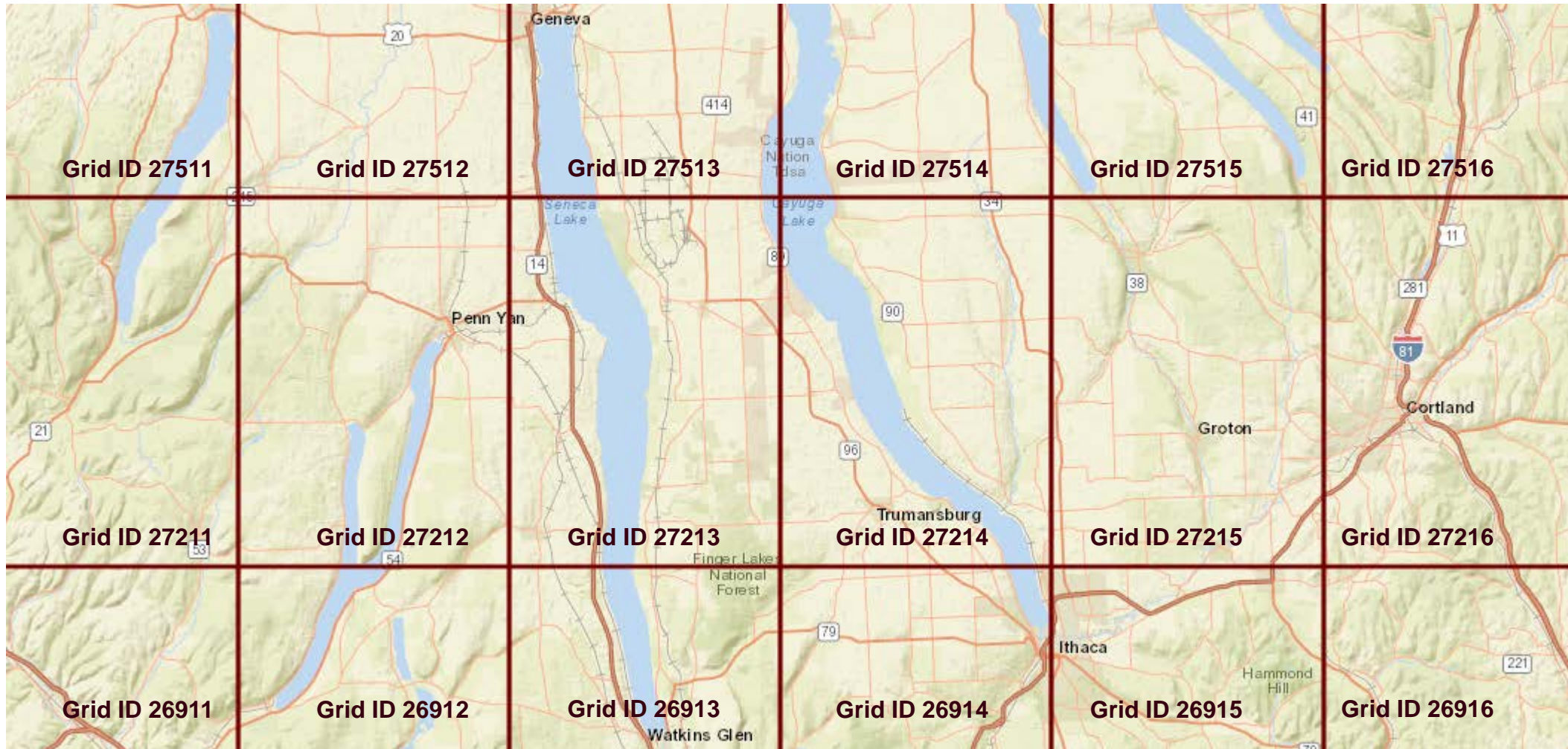
Apiculture Crop Insurance (API) Index Details

What lead to API development?

- A rainfall index is used as a “proxy” indicator of the amount of honeybee production.
- A rainfall index is constructed for each grid in the state for 11 separate two month “index intervals”
 - Index value of 100 represents average rainfall
 - Anything below an index value of 100 is below average precipitation (dry conditions) and anything above an index value of 100 is above average precipitation (wet conditions)
 - A typical NY county has 5-6 grids
- Grids are determined by how the National Oceanic and Atmospheric Administration (NOAA) reports rainfall data in the United States.

Apiculture Crop Insurance (API) Grid

Gridsquares in New York





Apiculture Crop Insurance (API) – Index Intervals

At least 2-month intervals must be selected (highlighted in yellow)

Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Yellow	Yellow										
	Yellow	Yellow									
		Yellow	Yellow								
			Yellow	Yellow							
				Yellow	Yellow						
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									Yellow	Yellow	
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Apiculture Crop Insurance (API)

What to Insure:

- Colonies: You do not need to insure all the colonies in your operation. The industry standard is to insure at least 66% of colonies to ensure a minimum base of productive colonies.
- Months: Producers may choose which months to insure with a minimum of two, two-month intervals. Beekeepers could insure enough intervals to cover the entire year or choose months when precipitation is important to honey production.
- Coverage levels: You can purchase coverage at levels from 70-90%

Whole Farm Revenue Protection (WFRP)

WFRP allows **diversified farmers** to insure their whole operation with just one policy

More diversified farms benefit from **higher premium subsidies** and **lower premium rates**

Schedule F tax records for farm activities over past 5 years are required

WFRP policies cover *all* crops or livestock produced by a farm

Record keeping requirements may be a challenge for “highly diversified” farms

So far, NY usage is low: 15 total policies sold in 2017





Whole Farm Revenue Protection (WFRP)

Things to be aware of...

- WFRP is available in all New York Counties
- Important Dates:
 - Sales Closing Date: March 15th (early fiscal filers) November 20th (late fiscal filers)
 - Acreage Reporting: July 15th
 - Billing Date: August 15th
- The insurable period coincides with the duration of the producer's tax year.
- CAT coverage is NOT available.
- This policy provides replant coverage for:
 - For annual crops, except those covered by another Federal crop insurance policy
 - Equal to the cost of replanting up to a maximum of 20 percent of the expected revenue
 - When 20 percent or 20 acres of the crop needs to be replanted.



Beekeeping Crop Insurance Summary

You are covered for:	Low levels of rainfall	Reduced revenue	Colony loss	Reduced honey yield
Program name:	API	WFRP	ELAP	NAP
Approx. cost to protect 10 colonies:	\$86*	depends on revenue	no cost	\$250**
What (min.) triggers a payment?***	10-30% lower rainfall than average	15-50% insured revenue losses	15% colony losses (due to colony collapse or natural disaster)	35-50% yield losses
How much is the payment for?	(% of insured lost rainfall) x 60-150% of \$117 per colony	Guaranteed Revenue – Actual Revenue	Pays \$140/colony, \$258/hive, and 60-90% of replacement feed costs	(% of insured lost yield) x 55% OR 100% of market price
Benefits for beginning farmers:	Reduced premiums, fees waived	Reduced premiums, fees waived	Increased replacement feed payments	Reduced premiums, fees waived
Deadline:	Enroll by November 15	Enroll by March 15	After a disaster, apply by Nov. 1	Enroll by December 1
Coverage offered by:	Private crop insurance agent	Private crop insurance agent	FSA	FSA
Reporting:	Payments sent automatically (no reporting)	Report lost revenue within 72 hours	Report colony losses within 30 days	Report lost yield within 72 hours

* In Livingston County ** For 50% coverage level at 55% of price *** Based on selected coverage level

Other things to know

- Lenders like crop insurance!
- Interested farms can contact a crop insurance agent (<https://www.rma.usda.gov/tools/agent.html>)
- Historic index values can be viewed at: <http://maps.agforceusa.com/prf/ri/>

Having a good relationship with your agent is critical. There are many deadlines and specific procedures to be followed when making a claim!

Cornell Crop Insurance & Risk Management Education Project Resources Website: agriskmanagement.cornell.edu

Currently available

- Newly updated website including
 - Articles
 - Fact sheets
 - Presentations
 - Videos
 - Farmer testimonials

Coming soon

- Risk management podcast series
- More NY case studies
- More fact sheets
- Whole Farm Revenue Protection examples

Cornell University delivers crop insurance education in New York State in partnership with the USDA Risk Management Agency.

Diversity and Inclusion are a part of Cornell University's heritage. We are an employer and educator recognized for valuing AA/EEO, Protected Veterans, and Individuals with Disabilities.



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