

Beginning Producer Benefits for Crop Insurance

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A qualifying beginning producer can potentially receive four benefits in the crop insurance program. These benefits are designed to help start your operation. First, a qualifying beginning producer will receive an exemption from paying the administrative fee for catastrophic (CAT) coverage and additional coverage. To learn more about the criteria necessary to qualify as a beginning farmer or rancher and other benefit details, see: <https://www.rma.usda.gov/en/Topics/Beginning-Farmers>.

Second, a qualifying beginning producer can receive an additional 10 percentage points of premium subsidy for additional coverage policies with a subsidy premium. Some policies do not have premium subsidy, in which case the beginning farmer would not qualify for the additional premium subsidy.

Third, a qualifying beginning producer can utilize the actual production history (APH) of a farming operation that producer was previously involved in. To qualify for this option, the beginning producer would have previously been involved in the decision making or physical activities necessary to produce the crop or livestock on the farm.

Fourth, a qualifying beginning producer may utilize 80 percent of an applicable T-yield, instead of the normal 60 percent, as a substitute Yield Adjustment. A qualifying beginning producer will only receive the benefits of the 80 percent of the applicable T-yield till no longer qualifying for the beginning farmer benefits. When the beginning producer is no longer eligible, then the replacement yield will become 60 percent of the T-yield. A t-yield is typically the estimated county yield and is based on yields reported to RMA. It is used by producers who cannot provide the minimum 4 years of actual yield data necessary to establish an APH.

To learn more about the crop insurance in New York state, please visit: agriskmanagement.cornell.edu.

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