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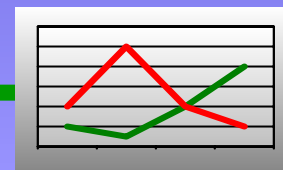
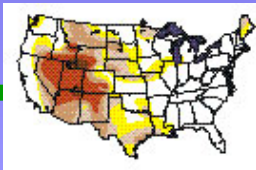
New Crop and Livestock Insurance Programs

Ross J. Davidson, Jr.

Administrator

USDA/Risk Management Agency

www.rma.usda.gov / RMA_mail@wdc.usda.gov



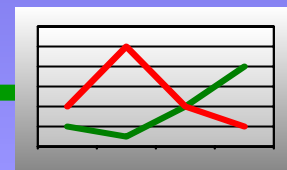
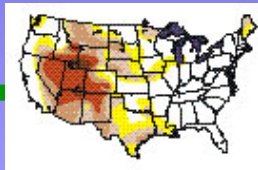
The Risk Management Agency

- **Vision**

- To serve America's agricultural producers through effective, market-based risk management solutions.

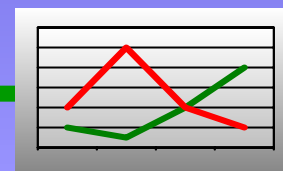
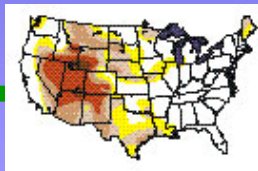
- **Mission**

- Promote, support, and regulate sound risk management solutions to preserve and strengthen the economic stability of America's agricultural producers.

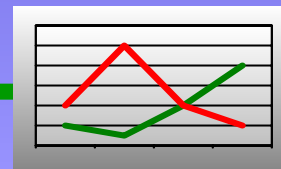
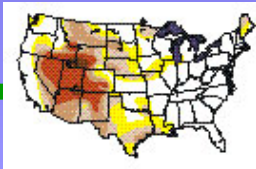
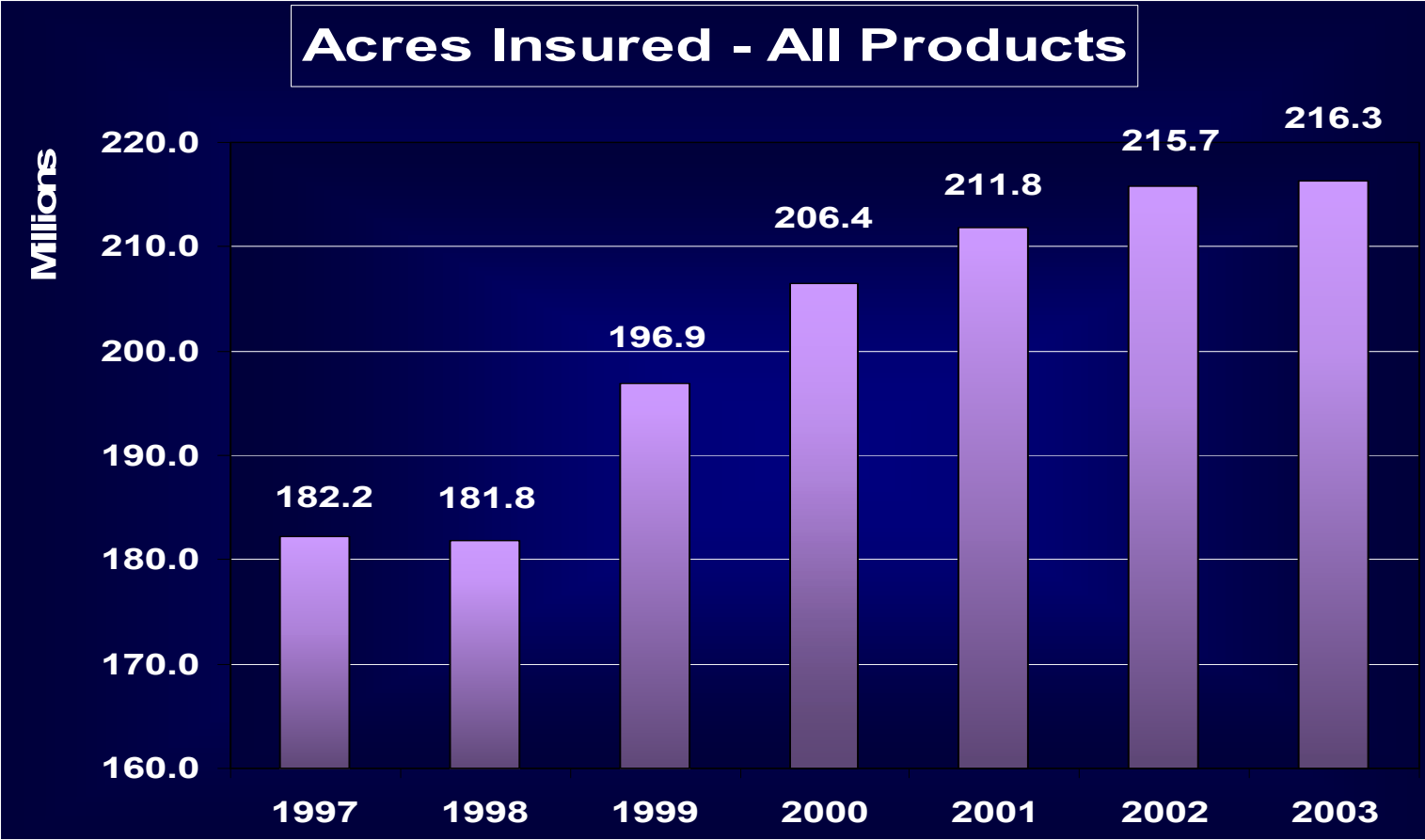


U.S. Federal Crop Insurance Programs

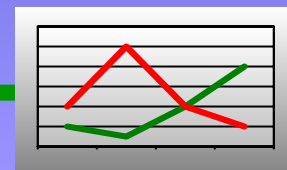
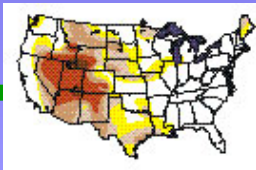
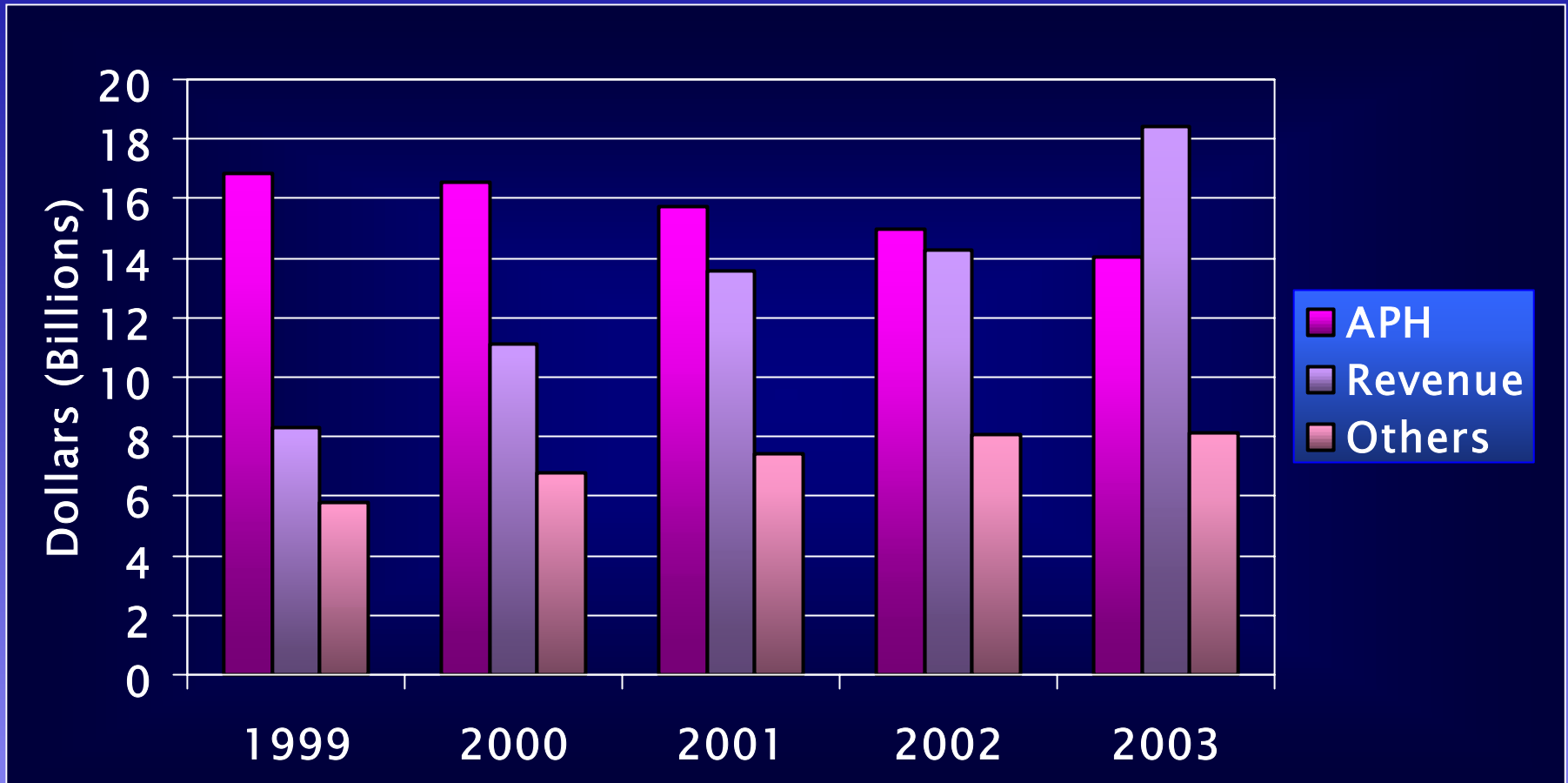
\$40+ Billion Liability	300+ Commodities	218 Million Acres
Existing Crop Insurance Plans		
Actual Production History (APH)	Group Risk Protection Income Protection (GRIP)	
Adjusted Gross Revenue (AGR)	Income Protection (IP)	
Adjusted Gross Revenue Lite (AGR-Lite)	Indexed Income Protection (IIP)	
Aquaculture Dollar	Livestock Gross Margin (LGM)	
Avocado Revenue Coverage	Livestock Risk Protection (LRP)	
Crop Revenue Coverage (CRC)	Pecan Revenue	
Dollar Amount of Insurance	Revenue Assurance (RA)	
Fixed Dollar	Tobacco – Guaranteed Production	
Grower Yield Certification (GYC)	Tobacco – Quota	
Grower Yield Certification Span (GYC Span)	Tree Based Dollar Amount of Insurance	
Group Risk Plan (GRP)	Yield Based Dollar Amount of Insurance	



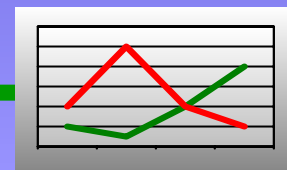
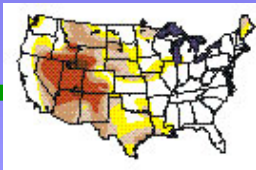
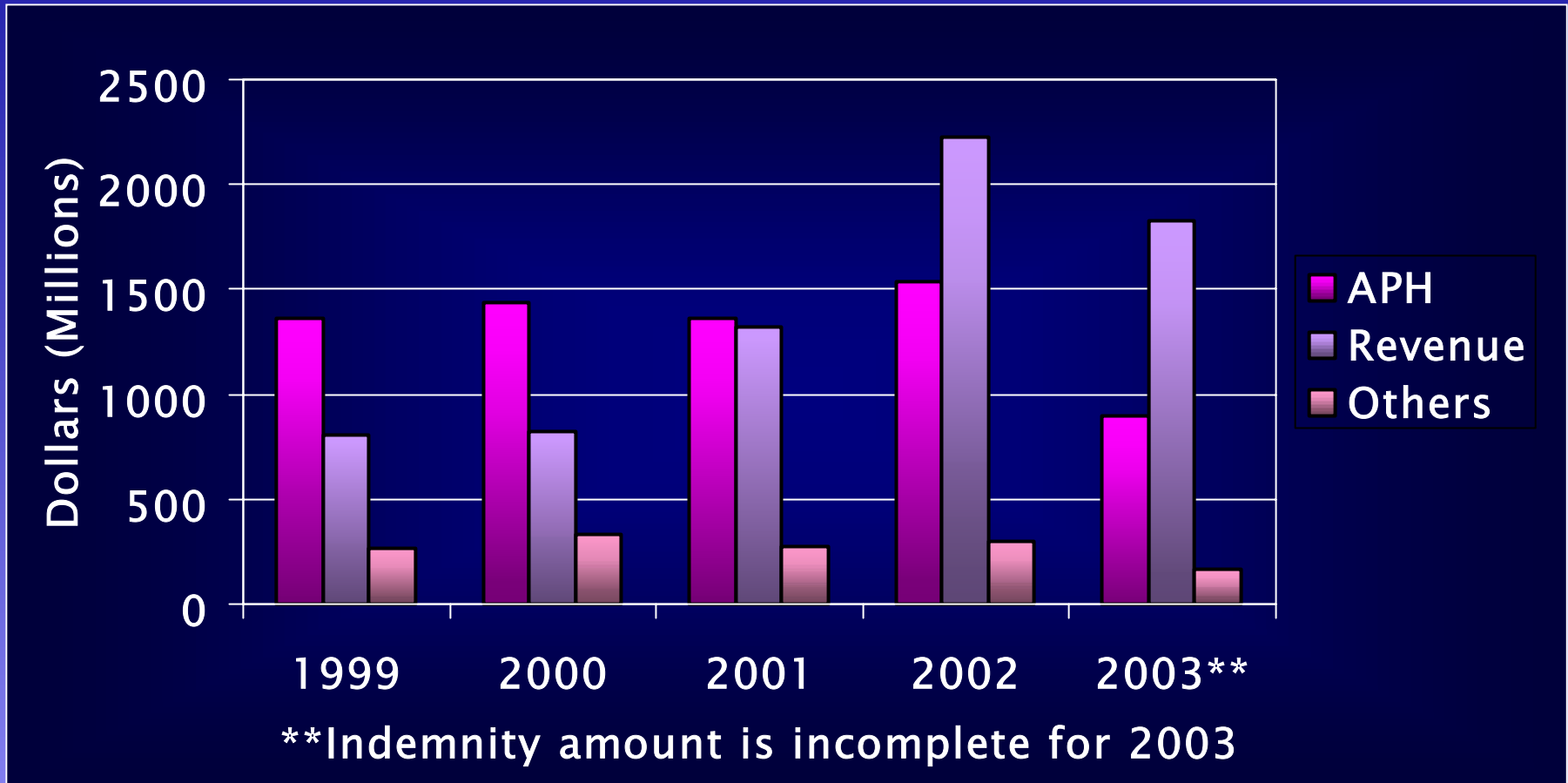
Growth in Acreage



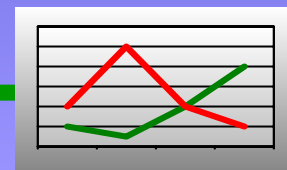
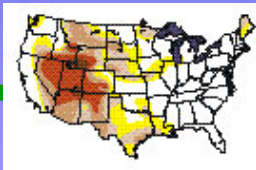
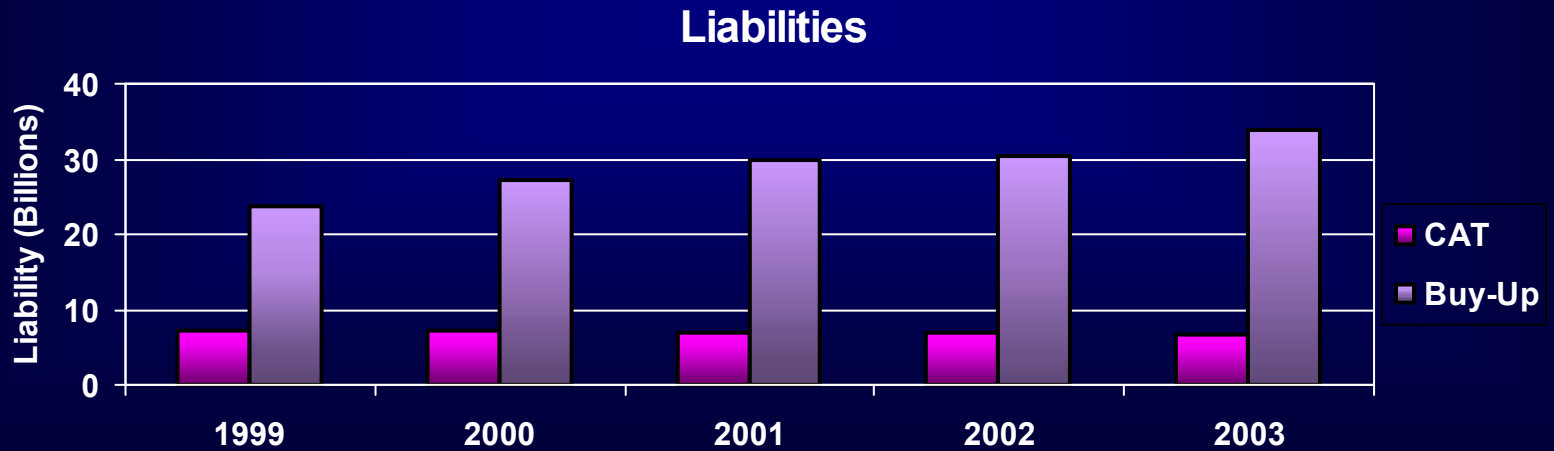
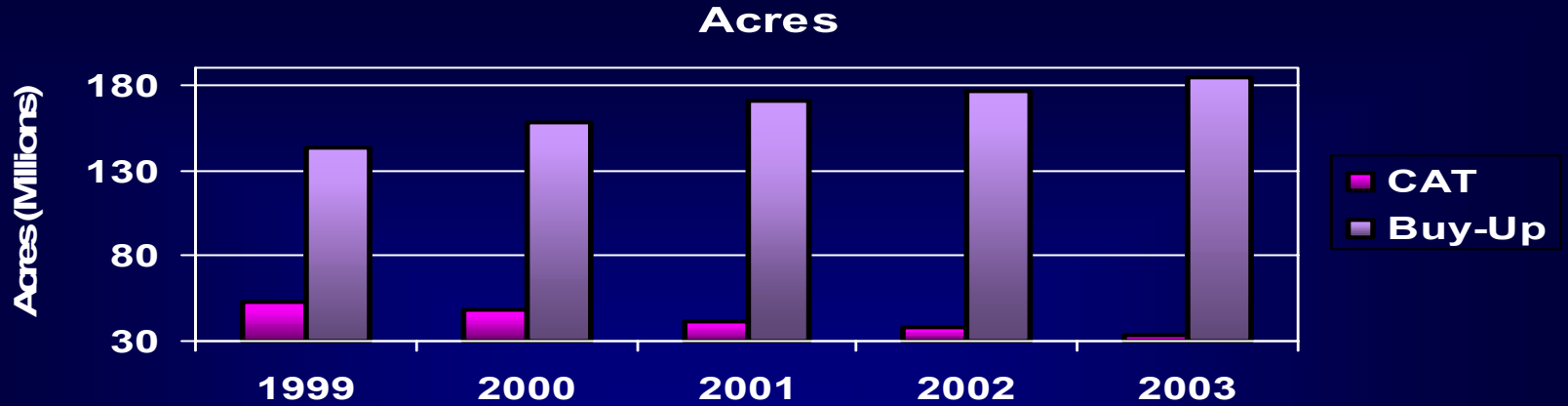
Trends in Programs by Liabilities



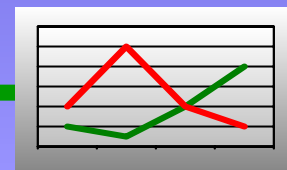
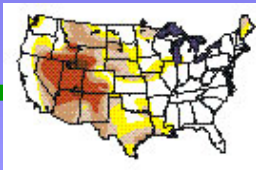
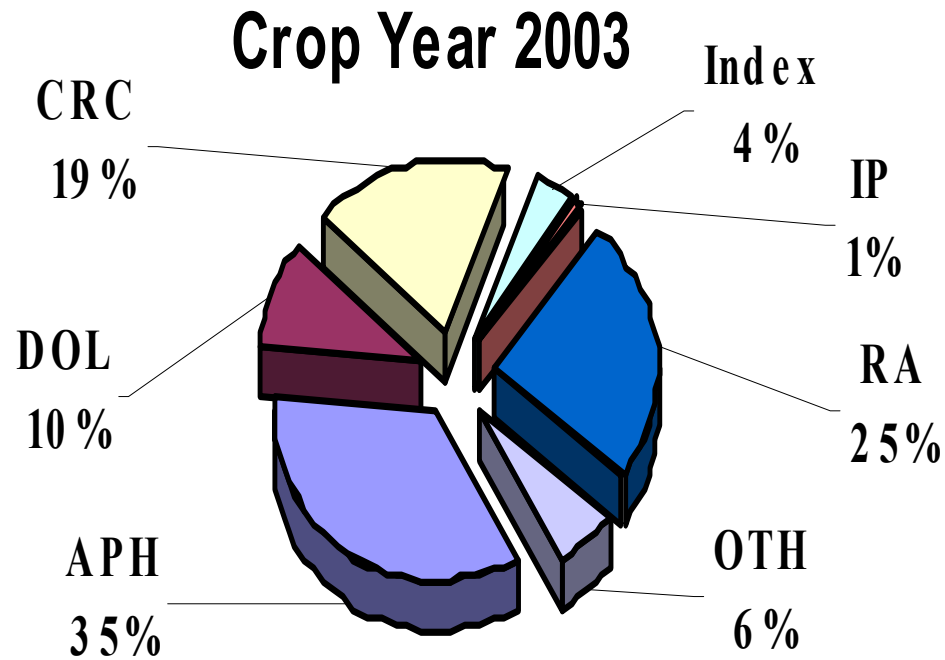
Trends in Programs by Indemnities



Buy-up Trends

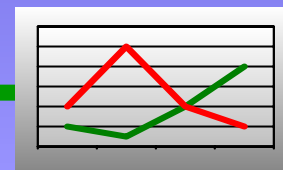
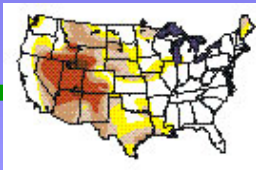
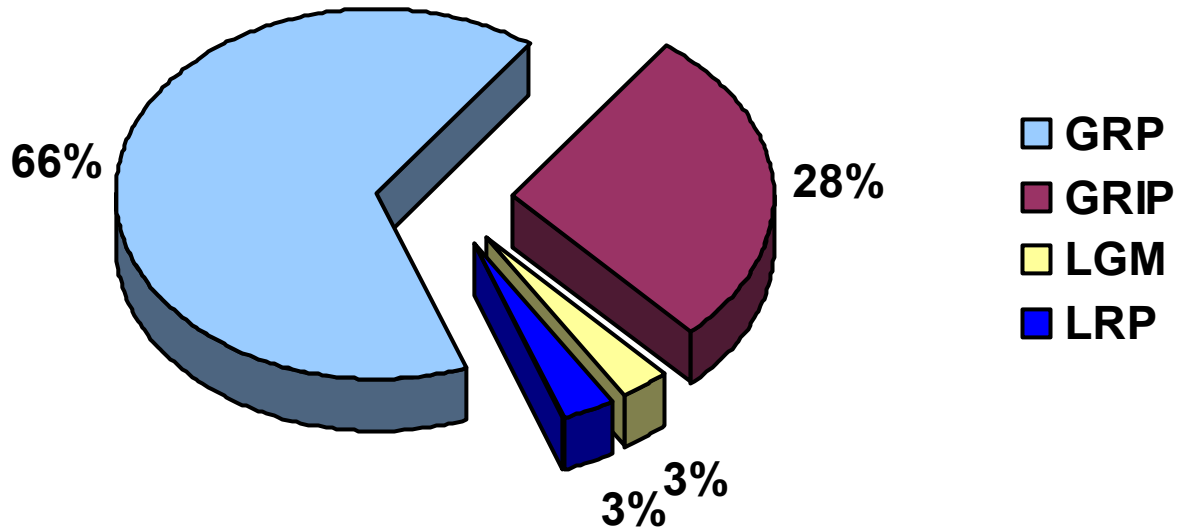


2003 Federal Crop Insurance Liability Distributions



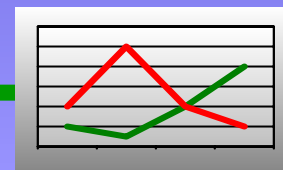
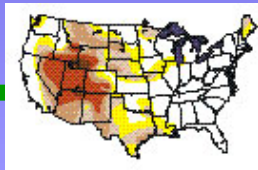
2003 Index Products Liability Distributions

Crop Year 2003



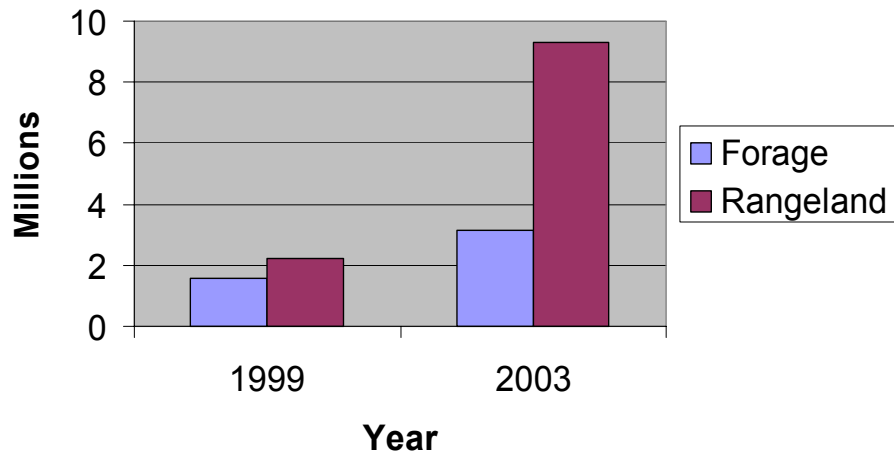
Pasture/Rangeland and Forage

- **Insurance products for forage and hay that are used by livestock are new to the FCI program.**
- **Forage programs**
 - APH Forage Program
 - APH Forage program for Alfalfa Hay
 - GRP Forage Program
 - GRP-Rangeland Pilot Crop Insurance Program

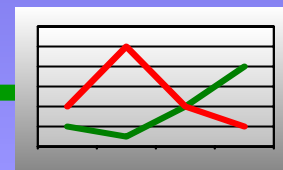
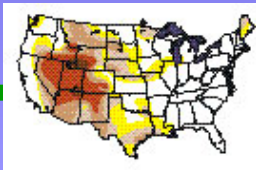
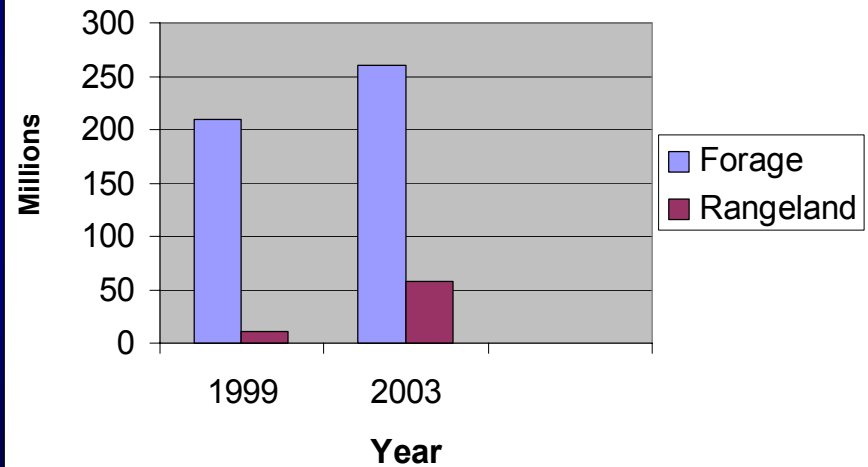


Trends in Rangeland and Forage

Acreage

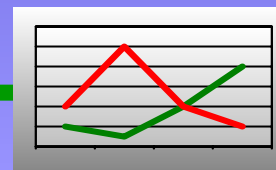
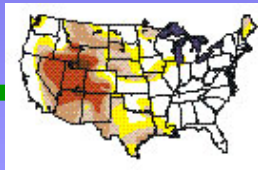


Liabilities



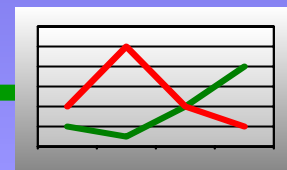
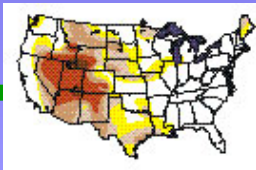
Pasture/Rangeland and Forage New Initiatives

- **Research & Development of Pasture Rangeland, Forage**
- **Statement of Objectives published January 21, 2004**
- **Objectives:**
 - Improve the existing pasture, rangeland and forage crop insurance programs offered by RMA
 - APH Forage Production
 - GRP Forage Production
 - GRP Rangeland); or
 - Provide new and innovative approaches to insuring pasture/rangeland, forage and hay.
- Notice for submitting proposals: www.rma.usda.gov
- Bidders Meeting 3/2/04; Proposals due 3/23/04



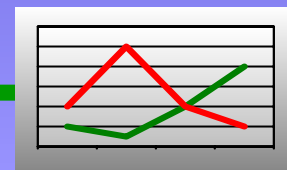
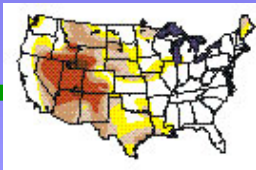
Livestock Insurance Program 2003

	<u>Head</u>	<u>Liability</u>
Swine (LRP)	71,375	\$657,371
Swine (LGM)	771,054	\$5,836,114
Fed Cattle (LRP)	12,492	\$10,269,532
Feeder Cattle (LRP)	20,272	\$12,328,288



Livestock Products in the Pipeline

- **Under Study**
 - **Livestock Disease** - Develop risk management tools for livestock/ poultry.
 - **Risk Management Tools** - Study the feasibility of developing risk management tools for livestock producers (poultry, dairy, sheep, and lambs).
 - **Revenue Insurance for Cattle and Hogs** - Develop a risk management tool for beef cattle and hogs using financial markets.
 - **Pasture and Rangeland** - Develop an insurance program for pasture and rangeland.
 - **Apiculture (Bee-Keeping)** - Analyze and evaluate risk management options for the Apiculture industry.
- **AGR-Lite:** Covers 100 percent of livestock and livestock products (12 states)



THE NEED FOR BALANCE

Fiscally Responsible

Actuarial Soundness

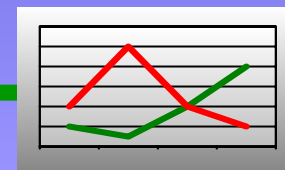
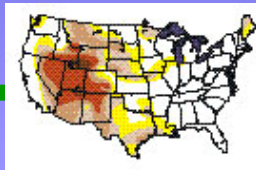
- Risk Classification
- Rating/Pricing
- Underwriting

Product Integrity

- Fraud, Waste, Abuse
- Fair Representation
- Consistent Administration

Market Responsive

- Commodities
- Risks
- Regions
- Producers
- Adaptation
- Expectations



New Crop and Livestock Insurance Programs

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