Revenue Crop Protection Available In Six Pa. Counties

HARRISBURG (Dauphin Co.) — Diversified farmers in six Pennsylvania counties are now eligible for an innovative whole farm insurance revenue insurance pilot program called the Adjusted Gross Revenue Crop Insurance Program.

This new crop insurance is available in Berks, Carbon, Lackawanna, Lehigh, Monroe, and Northampton counties for the 2001 insurance year, according to John Berry, agricultural marketing agent.

"The whole farm insurance should work well for Pennsylvania's family farms that grow multiple crops. Many of these diversified producers have few options under traditional crop insurance programs," said Berry.

The adjusted gross revenue insurance plan provides insurance based on the lesser of the individual producer's previous five-year average Schedule F tax information or the expected revenue for the insurance year. This single insurance product covers all agricultural commodities produced by the policyholder. Expanding the whole farm pilot program will provide more experience in insuring whole farm income throughout the U.S.

A listing of crop insurance agents is available at local Farm Service Agency offices and USDA Service Centers. Sales closing date for AGR is Jan. 31, 2001.

The Adjusted Gross Revenue (AGR) insurance plan is a nontraditional whole farm risk management tool. The AGR concept uses a producer's historic Schedule F tax form information as a base to provide a level of guaranteed revenue.

AGR:

- Provides an insurance safety net for multiple agricultural commodities in one insurance product.
- Establishes a common denominator for commodity production cash receipts.
- Makes simple and straightforward use of income tax forms.
- Reinforces program creditability by using Internal Revenue Service tax forms and regulations.

The AGR product provides the producer protection against low farm revenue due to unavoidable causes. Covered farm revenue is income from agricultural commodities reported on the Schedule F tax form, including incidental amounts of income from animals and animal products and aquaculture reared in a controlled environment. Incidental livestock income represents the crop production value fed to livestock.

AGR protection is calculated by multiplying the approved gross revenue times the percent coverage level and payment rate selected by the producer. The approved gross revenue is the smaller of the average of the producer's prior five years of Schedule F tax information. The average gross revenue can be adjusted for expanded operations or expected revenue for the insurance year.

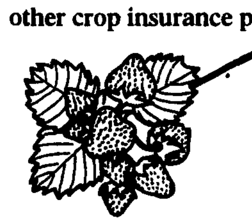
For example, a producer with a $100,000 approved gross revenue who chose 80/75 coverage would have $60,000 protection ($100,000 x 80 percent coverage x 75 percent payment).

Loss payments are triggered when the adjusted gross income for the insured year is less than the loss inception point. The loss inception point is calculated by multiplying the approved gross revenue by the chosen percent coverage (65, 75, or 80). Once a loss is triggered, the payment rate is 75 percent of the revenue shortfall. Loss payment for this example would trigger when the income for the insurance year is below $80,000 ($100,000 x 80 percent coverage).

Producer eligibility requirements include:

- Filed five consecutive years of Schedule F tax forms. For 2000, the 1994-1998 tax years.
- Produces eligible commodities.
- U.S. citizen or resident.
- Files calendar year farm tax return.
- No more than 50 percent of allowable income is earned from purchase and resale of agricultural commodities.
- No more than 35 percent of allowable income is from animals and animal products.
- Must have Multi Peril Crop Insurance (MPCI) when more than 50 percent of allowable income is from insurance crops.

This summary is for general illustration only. Please contact a private insurance agent to learn more details about AGR and other crop insurance products.



Chesapeake Bay States Sign Animal Waste Transport Agreement

ANNAPOLIS, Md. — Virginia, Maryland and Pennsylvania have signed an agreement to voluntarily monitor the use of animal waste transferred between the three Chesapeake Bay Program states. The proper use of manure and other nutrient sources is one of the leading goals to curb agricultural impacts to the Chesapeake Bay and its tributaries.

"The transport of animal waste for fertilizer or other uses takes on added importance as we continue efforts to restore water quality in the Bay and the rivers that feed it," said David G. Brickley, director of the Virginia Department of Conservation and Recreation. "This memorandum of understanding helps to ensure these wastes are used to effectively add nutrients to croplands, and not to nearby waters."

Brickley chaired the Chesapeake Bay Program Task Force that drafted the MOU.

Nonpoint source pollution, including the runoff of animal waste, is the leading source of the over abundance of nitrogen and phosphorus entering the Bay and its tributaries. Too much of these nutrients in the water lead to a shortage of oxygen, which negatively impacts living resources and their habitats in the Bay watershed.

"Our past success in nutrient management planning has increased the need to find alternatives for manure," said Maryland's MOU signatory Dr. Henry A. Virts, Maryland Agriculture Secretary.

"Transport to farms where manure can provide a direct benefit is proving feasible. As with most Bay Program initiatives, voluntary cooperative action is the key to coordinating these transportation efforts."

The MOU is the result of a directive signed by the Chesapeake Executive Council which is comprised of the governors of the three states, the District of Columbia Mayor, the U.S. Environmental Protection Agency Administrator and the Chesapeake Bay Commission Chairman.

"All three states have successful programs working with farmers to properly use animal wastes and other fertilizers," said Virginia Secretary of Natural Resources John Paul Woodley, Jr. "For example, each state developed new processes that recycle animal waste into energy and valuable commercial fertilizer products. This MOU strengthens these programs and better coordinates them with all Bay states." Woodley signed the agreement for Virginia.

The new MOU calls for:

- State programs overseeing animal waste for land application to ensure proper rates and timings of applications regardless of destination.
- All transport incentive programs must adhere to the nutrient management practices of the receiving state as a condition of receiving the incentive, or may call for additional requirements as part of a contractual agreement.
- States to annually share summary data on the quantity and destination of animal waste transferred out of state as the result of a transport incentive program.

The MOU also creates a Chesapeake Bay Program Animal Waste Distribution and Use Technology Task Force.

"We see this task force as a key to future cooperative efforts," said Pennsylvania Secretary of Agriculture Samuel E. Hayes, Jr. "This group will not only work to promote cooperation but to share technological progress and discuss emerging issues as well."

For more information about the Interstate Animal Waste Distribution Memorandum of Understanding, visit the Chesapeake Bay Program website at http://www.chesapeakebay.net/press.htm.

The Chesapeake Bay Program is restoring the Bay watershed through a partnership among the District of Columbia, State of Maryland, Commonwealth of Pennsylvania, Commonwealth of Virginia, the U.S. Environmental Protection Agency representing the federal government, the Chesapeake Bay Commission, and participating citizen advisory groups.