

Risk Management Agency Moves to Provide Crop Insurance for Winter Canola

Written Agreements to be Available for the 2007 Crop

Conversations with the Risk Management Agency (RMA) have confirmed to USCA that the Agency is working towards providing crop insurance for winter canola in the Southern Great Plains. While official notification by RMA is still a few months away, the information USCA has received through meetings with Administrator Eldon Gould and the Regional offices in Oklahoma City, OK and Topeka, KS makes us quite confident the coverage is well on its way to being implemented.

Senator Pat Roberts' (KS) "similar crops" amendment, which was included in the FY2006 Agriculture Appropriations Bill, gave RMA the legal authority to use similar crops in developing the three years of production history necessary for obtaining a written agreement to insure a crop. Written agreements are used when an insurable crop is not eligible for coverage in a particular county. Winter or fall seeded canola is insurable in some counties in the Pacific Northwest and the Southeast, but coverage does not yet extend into the Great Plains. Written agreements are generally the first step in getting full coverage for new crop in a county. The US Canola Association petitioned Congress to enact the amendment.

RMA is developing an actuarial for Dewey County, Oklahoma, which will be the basis for winter canola crop insurance for the region. The Transitional Yield (T-Yield) being developed for winter canola through the use of "similar crops" will be used for any grower who can prove a small grains production history. The "similar crops" T-Yield will be gradually replaced as actual canola yield history is developed by the National Agricultural Statistics Service in ensuing years, and likewise, an individual producer's T-Yield will be replaced with his actual winter canola yields as well.

Growers in all counties in the region will have an opportunity to insure fall 2006 seeded winter canola through a written agreement. However, growers some distance from Dewey County will likely be offered a slightly different policy to match their agronomic conditions, i.e. different planting dates, etc. Crop insurance agents in the region will have the next several months to market this newly available insurance policy to potential winter canola producers. The deadline to apply for coverage through written agreements will be August 31, 2006.

RMA is to be commended for this rapid implementation of language that was signed into law just four months ago. The Members of Congress who supported and worked to make this change to the underlying crop insurance statute also need to be thanked. The ability to insure winter canola in the Great Plains removes a major obstacle that discouraged producers from diversifying their agronomic rotation from the winter wheat monoculture that currently exists in many counties, something that Agronomists agree will actually increase winter wheat yields overall. And adding winter canola to their rotation will also give producers and the rural Great Plains economy as a whole the opportunity to participate in the emerging biodiesel market as well as contribute to reducing this country's dependence on imported oil.