RME Fact Sheet

Multiple Peril Crop Insurance

Multiple Peril Crop Insurance (MPCI) provides comprehensive protection against weather-related causes of loss and certain other unavoidable perils. Coverage is available on over 60 crops in primary production areas throughout the U.S. at 50 to 75 percent of the actual production history (APH) for the farm. An indemnity price election from 60 to 100 percent of the Federal Crop Insurance Corporation expected market price is selected at the time of purchase. Minimum Catastrophic Risk Protection (CAT) coverage is available for an administrative fee of only $50 per crop per county. MPCI coverage provides protection against low yields, poor quality, late planting, replanting costs and prevented planting.

Yield Guarantee

The yield guarantee is the historical actual production history (APH) yield times the level of coverage, times the insured acreage, times the insured's share. The APH yield is determined from producer production records for a minimum of 4, up to 10 consecutive crop years. For producers who provide less than 4 years of actual yields, variable Transitional "T" Yields are used to complete the 4-year database. However, the approved APH yield for producers who elect not to supply records is limited to 65 percent of the applicable "T" Yield for the first year the producer is insured.

Production To Count

Production to count is all harvested and appraised production for the unit. Appraised production includes, but is not limited to, production lost to uninsured causes, and mature unharvested production (may be adjusted for quality deficiencies and excess moisture).

Units

A unit is defined as that acreage of the insured crop in the county which is taken into consideration when determining the guarantee, premium, and the amount of any indemnity (loss payment) for that acreage. The basic insurance unit is all insurable acreage of the insured crop in the county on the date coverage begins for the crop year in which the producer has a 100 percent share or which is owned by one entity and operated by another specific entity on a share basis. Basic units may be further divided into optional units. Optional units are determined by section, section equivalents, FSA Farm Serial Number, noncontiguous land (for certain perennial crops) and irrigated and non-irrigated practices. When the policy allows, optional units may be established, provided the crop is planted in a manner that results in a clear and discernible break in the planting pattern at the boundaries of each optional unit, and the producer keeps separate identifiable records of planted acreage and harvested production for each optional unit.

Contract Changes

MPCI is a continuous policy and will remain in effect for each crop year following the acceptance of the original application. Producers may cancel the policy, a crop, a county, or a specific crop in a specific county, after the first effective crop year, by providing written notice to the insurance provider on or before the cancellation date shown in the applicable crop provisions. Producers must request policy changes from their insurance provider on or before the sales closing date for a change of price election or coverage level. In addition, requests to increase the maximum eligible prevented planting acreage above the limitations contained in the crop policy must be made by the sales closing date for the applicable crop. Contract changes involving a successor-in-interest application and corrections of a producer's name, address, identification number, administrator, etc. may be made at any time.

Reporting of Acreage and Crop Damage

Each crop year the producer is required to submit an acreage report by unit for each insured crop. The acreage report must be signed and submitted by the producer on or before the acreage reporting date contained in the Special Provisions for the county for the insured crop. In the event of crop damage, producers should immediately notify their insurance provider of the damage.

Crop Availability

Crops covered by MPCI are as follows: almonds, apples, beans (canning and processing) canola, citrus, citrus trees, corn, grain sorghum, soybeans, upland cotton, extra long staple cotton, cranberries, dry beans, figs, Florida fruit trees, millet, nursery, peaches, peanuts, pears, peas, peppers, plums, popcorn, potatoes, prunes, raisins, rice, safflower, wheat, barley, oats, rye, flax, stone fruit, sugar beets, sugarcane, sunflower seeds, sweet corn (canning and freezing, and fresh market) tobacco, tomatoes(canning and processing), tomatoes (fresh market and walnuts).

MPCI Benefits

MPCI benefits include cash-flow protection, good loan collateral, added confidence when developing crop marketing plans, stability for long-term business plans and family security. USDA shares in the premium costs.

Where to Purchase

All MPCI insurance policies are available from private insurance agents. A list of crop insurance agents is available at all county U.S. Department of Agriculture Farm Service Agency offices.

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