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RMA Enhances Coverage for Grain Sorghum

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Topeka, Kans., Nov. 22, 2022 - The U.S. Department of Agriculture (USDA) and its Risk Management Agency (RMA) have enhanced coverage for irrigated grain sorghum producers. This new grain sorghum coverage is effective as of November 30, 2022, for the upcoming 2023 crop year.

"RMA worked directly with National Sorghum Producers to better understand their needs and offer this improved coverage." said RMA Administrator, Marcia Bunger. "This newly enhanced coverage will provide a greater level of aid to our nation's grain sorghum producers."

RMA has developed a modification to the Area Risk Protection Insurance (ARPI) program to improve crop insurance options for irrigated grain sorghum producers in select counties in Colorado, Kansas, Oklahoma, and Texas. This modification was pursuant to the 2018 Farm Bill, which required RMA to research and develop potential improvements to insurance for grain sorghum.

For the ARPI program, RMA will now allow irrigated grain sorghum producers to index grain sorghum indemnities to corn, which will be used as a "proxy" crop. Producer data shows that when there is a loss for irrigated corn, there is a high correlation to a loss for irrigated grain sorghum.

Grain sorghum rates will be based on irrigated corn trend yields and the grain sorghum yields will be 80 percent of the irrigated corn yield established for the

Supplemental Coverage Option (SCO). These indexed values will be used to determine the guarantee. There is no change to the grain sorghum price. This modification will be available for Area Yield Protection, Area Revenue Protection, and Area Revenue Protection with Harvest Price Exclusion. If there is not an irrigated corn SCO offer in a county, there will not be an irrigated grain sorghum offer.

Producers are encouraged to visit their crop insurance agent to learn more about the new grain sorghum counties, rates, and yields. A <u>fact sheet</u> and <u>frequently asked</u> questions are available on USDA's RMA website.

More Information

Federal crop insurance is critical to the farm safety net. It helps producers and owners manage revenue risks and strengthens the rural economy. Producers may select from several coverage options, including yield coverage, revenue protection, and area risk policies. Additional information can be found on the Actuarial Information Browser page on the RMA website.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available online using the RMA <u>Agent Locator</u>. Producers can use the RMA <u>Cost Estimator</u> to get a premium amount estimate of their insurance needs online. Learn more about crop insurance and the modern farm safety net at <u>rma.usda.gov</u>.

USDA touches the lives of all Americans each day in so many positive ways. Under the Biden-Harris administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit usda.gov.

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