

ARPI Crop Year 2020

What is changing for Crop Year 2020?

Historically, Area Risk Protection Insurance (ARPI) coverage has used data collected by the National Agricultural Statistics Service (NASS) to generate the actuarial parameters (expected yields, final yields, and rates) for the program. In recent years, there has been a significant reduction in data published by NASS, with fewer counties being reported. This has required the Risk Management Agency (RMA) to either use its own data or use estimates from NASS but at higher levels of aggregation.

Going forward, RMA will be using its own data (instead of data from NASS) to administer ARPI – as RMA already does for the Supplemental Coverage Option (SCO). This has several advantages. First, using RMA data to calculate actuarial parameters for ARPI will allow RMA to publish the single common yield for all area plans in the crop insurance program (Margin Protection (MP), Supplemental Coverage Option (SCO) and ARPI), which is a significant simplification for farmers and for RMA. It will allow RMA to make practice-specific insurance offers for both irrigated and non-irrigated farmers, which makes ARPI coverage more relevant and effective. Finally, the use of RMA data will eliminate the dependency on NASS to operate the program, allowing ARPI to be offered on a more stable and sustainable basis.

For Crop Year (CY) 2020, all ARPI and MP actuarial parameters (expected yields, final yields, and rates) will be based on RMA data.

Where will ARPI be available?

ARPI will continue to be available in the same counties as for 2019. No expansion or deletion will occur for CY2020.

How will production areas be determined?

Production areas will be identical to those available for SCO, which are based on grouping related counties together such that a credible amount of data is obtained.

Will yields be practice specific?

Yes, the benefit of moving to RMA data is a more tailored offer. All efforts will be made to provide a specific offer for both irrigated and non-irrigated practices where there is sufficient data to support it.

Will this affect CY2019 Final Yield Calculation?

No, final yields for 2019 (used to calculate indemnity payments) will be calculated using the same method that was used to establish the expected yields.

How will this effect payment dates?

Payment dates will be aligned with SCO as shown in the table below:

	Prior ARPI Payment Dates	Current SCO and New ARPI Payment Dates
Cotton	July 16	August 1
Forage Production	May 1	April 16
Wheat	April 1	April 16
All Others	April 16	June 16

Does this effect Margin Protection (MP)?

Yes, MP will have the same yields and production areas as SCO.

What happens if the production area is not able to establish a final yield?

As stated in Section 15 of the ARPI Basic Provisions, if the data source used to establish the expected area yield is not able to provide sufficient data to establish the final area yield because the data is no longer available, credible, or reflects changes that may have occurred after the expected area yield was established;

1. The Federal Crop Insurance Corporation (FCIC) will determine the final area yield based on the most accurate data available from subsection (g), as determined by FCIC; or
2. To the extent that practices used during the crop year change from those upon which the expected area yield is based, the final area yield may be adjusted to reflect the yield that would have resulted but for the change in practice.

How will Popcorn Yields, Rates, and Payment Factors be determined?

ARPI Popcorn will continue to use a factor that is based off corn (grain).