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1. **Common Crop Insurance Regulations; Apple Crop Insurance Provisions 46023-46026 [E9-21598]**

Sep 8, 2009

Federal Register

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2. **CROPS 'ONLY AVERAGE'**

Sep 5, 2009

The Daily Southerner

That's an improvement over the last two summers, when Edgecombe was classified, at minimum, in a severe drought for 14 straight weeks from August-October 2008.

3. **CUNA Mutual Group becomes sole owner of crop insurance firm**

Sep 8, 2009

Milwaukee Journal Sentinel

Madison-based CUNA Mutual said the acquisition supports its need to identify new growth opportunities and diversify the risks it insures.

4. **BRIEF**

Sep 9, 2009

Milwaukee Journal Sentinel

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5. **Texas Crop Report**

Sep 9, 2009

Birmingham News, Alabama

Producers continued to provide livestock with supplemental hay and feed. Earlier-planted dryland cotton showed more stress than later-planted cotton. The rain was expected to relieve drought-stressed dryland cotton.

6. **Recent rain boosts cotton crop**

Sep 9, 2009

Lubbock Avalanche-Journal

...the irrigated crop to be a real good crop this year," said Randy Boman, cotton agronomist with the Texas AgriLife extension office in Lubbock. "It's the rains this time of year that is really good news for folks with the irrigated cotton." Current projections show between 600,000 and 650,000 acres of dryland cotton have been lost, with irrigated losing about 100,000 mostly because of hail damage, Boman said. With about 2.5 million acres of cotton standing, the South Plains and...

7. **Soybean pests endanger late crop**

Sep 10, 2009

Arkansas Democrat Gazette

The Associated PressAs with growers of other crops in Arkansas, soybean farmers planted late because of the wet spring. The worms also make the plants less resistant to other stresses, including drought and diseases.

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[Federal Register: September 8, 2009 (Volume 74, Number 172)]

[Proposed Rules]

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From the Federal Register Online via GPO Access [wais.access.gpo.gov]

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Proposed Rules

Federal Register

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

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DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Part 457

RIN 0563-AC10

Common Crop Insurance Regulations; Apple Crop Insurance

Provisions

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Proposed rule with request for comments.

SUMMARY: The Federal Crop Insurance Corporation (FCIC) proposes to amend the Common Crop Insurance Regulations, Apple Crop Insurance Provisions. The intended effect of this action is to provide policy changes, to clarify existing policy provisions to better meet the needs of insured producers, and to reduce vulnerability to program fraud, waste, and abuse. The proposed changes will be effective for the 2011 and succeeding crop years.

DATES: Written comments and opinions on this proposed rule will be accepted until close of business November 9, 2009 and will be considered when the rule is to be made final.

ADDRESSES: Interested persons are invited to submit comments, titled "Apple Crop Provisions", by any of the following methods:

By Mail to: Director, Product Administration and Standards
Division, Risk Management Agency, United States Department of
Agriculture, Beacon Facility--Mail Stop 0812, Room 421, PO Box 419205,
Kansas City, MO 64141-6205.

By Express Mail to: Director, Product Administration and
Standards Division, Risk Management Agency, United States Department of
Agriculture, Beacon Facility, Stop 0812, 9240 Troost Avenue, Kansas
City, MO 64131-3055.

E-Mail: DirectorPDD@rma.usda.gov.

Federal eRulemaking Portal: <http://www.regulations.gov>.

Follow the instructions for submitting comments.

A copy of each response will be available for public inspection and copying from 7 a.m. to 4:30 p.m., CST, Monday through Friday, except holidays, at 6501 Beacon Drive, Stop 0812, Room 421, Kansas City, MO 64133-4676.

FOR FURTHER INFORMATION CONTACT: Erin Albright, Risk Management Specialist, Product Management, Product Administration and Standards Division, Risk Management Agency, United States Department of Agriculture, Beacon Facility, Stop 0812, Room 421, PO Box 419205, Kansas City, MO 64141-6205, telephone (816) 926- 7730.

SUPPLEMENTARY INFORMATION:

Executive Order 12866

This rule has been determined to be non-significant for the purposes of Executive Order 12866 and, therefore, it has not been reviewed by the OMB.

Paperwork Reduction Act of 1995

Pursuant to the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the collections of information in this rule have been approved by OMB under control number 0563-0053.

E-Government Act Compliance

FCIC is committed to complying with the E-Government Act of 2002, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen access to Government information and services, and for other purposes.

Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), Public Law 104-4, establishes requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. This rule contains no Federal mandates (under the regulatory provisions of title II of the UMRA) for State, local, and tribal governments or the private sector. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

Executive Order 13132

It has been determined under section 1(a) of Executive Order 13132, Federalism, that this rule does not have sufficient implications to warrant consultation with the States. The provisions contained in this rule will not have a substantial direct effect on States, or on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government.

Regulatory Flexibility Act

FCIC certifies that this regulation will not have a significant economic impact on a substantial number of small entities. Program requirements for the Federal crop insurance program are the same for all producers regardless of the size of their farming operation. For instance, all producers are required to submit an application and acreage report to establish their insurance guarantees and compute premium amounts, and all producers are required to submit a notice of

loss and production information to determine the amount of an indemnity payment in the event of an insured cause of crop loss. Whether a producer has 10 acres or 1000 acres, there is no difference in the kind of information collected. To ensure crop insurance is available to small entities, the Federal Crop Insurance Act authorizes FCIC to waive collection of administrative fees from limited resource farmers. FCIC believes this waiver helps to ensure that small entities are given the same opportunities as large entities to manage their risks through the use of crop insurance. A Regulatory Flexibility Analysis has not been prepared since this regulation does not have an impact on small entities, and, therefore, this regulation is exempt from the provisions of the Regulatory Flexibility Act (5 U.S.C. 605).

Federal Assistance Program

This program is listed in the Catalog of Federal Domestic Assistance under No. 10.450.

Executive Order 12372

This program is not subject to the provisions of Executive Order 12372, which require intergovernmental consultation with State and local officials. See the Notice related to 7 CFR part 3015, subpart V, published at 48 FR 29115, June 24, 1983.

Executive Order 12988

This proposed rule has been reviewed in accordance with Executive Order 12988 on civil justice reform. The

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provisions of this rule will not have a retroactive effect. The

provisions of this rule will preempt State and local laws to the extent such State and local laws are inconsistent herewith. With respect to any direct action taken by FCIC or to require the insurance provider to take specific action under the terms of the crop insurance policy, the administrative appeal provisions published at 7 CFR part 11 must be exhausted before any action against FCIC for judicial review may be brought.

Environmental Evaluation

This action is not expected to have a significant economic impact on the quality of the human environment, health, or safety. Therefore, neither an Environmental Assessment nor an Environmental Impact Statement is needed.

Background

FCIC proposes to amend the Common Crop Insurance Regulations (7 CFR part 457) by revising Sec. 457.158, Apple Crop Insurance Provisions, to be effective for the 2011 and succeeding crop years. Several requests have been made for changes to improve the coverage offered, address program integrity issues, simplify program administration, and improve clarity of the policy provisions.

The proposed changes are as follows:

1. FCIC proposes to remove the paragraph immediately preceding section 1 which refers to the order of priority in the event of a conflict. This same information is contained in the Basic Provisions.

Therefore, it is duplicative and should be removed in the Crop Provisions.

2. Section 1--FCIC proposes to revise the definition of "apple production" to reference "fresh apple production and processing apple production" to be consistent with the proposed changes to revise the names of the defined terms of "fresh apples" and "processing apples" to "fresh apple production" and "processing apple production."

FCIC proposes to revise the definition of "damaged apple production" to remove the reference to "within each lot, bin, bushel, or box, as applicable." Questions have been raised regarding whether claims for indemnity, including appraisals and quality adjustment determinations, were required to be completed for each lot, bin, bushel, or box of damaged apples rather than on a unit basis. This change is being made to clarify that damage is determined on a unit basis.

FCIC proposes to revise the name of the defined term "fresh apples" to "fresh apple production" for clarification. FCIC also proposes to revise the definition to require insureds to certify and, if requested by their approved insurance provider, provide verifiable records to prove at least 50 percent of their fresh apple acreage was sold as fresh apples in one or more of the three most recent crop years. FCIC also proposes to revise the definition to clarify insureds must follow the recommended cultural practices generally in use for fresh apple acreage in the county as determined by agricultural experts. These revisions will help ensure processing apple production is not insured as fresh apple production.

FCIC proposes to revise the name of the defined term "processing apples" to "processing apple production" for clarification. FCIC also proposes to revise the definition to clarify processing apple production is apples from insurable acreage failing to meet the fresh apple production requirements.

FCIC proposes to revise the definition of "type" to refer to a category of apples as designated in the Special Provisions. This change is being made to allow for type changes in the future.

FCIC proposes to delete the definition of "lot." With the removal of any reference to "lot" in the definition of "damaged apple production," this term will no longer be needed and is no longer recognized by the apple industry.

FCIC also proposes to delete the definition of "varietal group."

With the removal of the term in the definition of "type" and section 2(b), this term will no longer be needed.

3. Section 2--FCIC proposes to revise section 2(b) to allow optional units by type as specified in the Special Provisions.

Different types may have significantly different management practices, production risks and uses.

4. Section 3--FCIC proposes to add a new section 3(a) to allow the insured to select different coverage levels for all fresh apple acreage in the county and for all processing apple acreage in the county.

FCIC also proposes to revise redesignated section 3(c)(1) to revise the list of possible effects on yield potential to include all of the items currently listed in section 3(c).

FCIC proposes to revise redesignated section 3(d) to add provisions to specify if the insured fails to notify the insurance provider by the production reporting date of an event or action that occurs during the crop year that may reduce the yield potential, any loss of production from such acreage will result in an appraisal for uninsured causes. The yield used to establish the insured's production guarantee will be reduced for the subsequent crop year. FCIC also proposes to revise redesignated section 3(d) to remove the list of possible effects on yield potential and to add language that refers back to section 3(c)(1)-(4), which currently contains the possible effects on yield potential. Removing the list of possible effects on yield potential in redesignated section 3(d) eliminates redundancy.

5. Section 6--FCIC proposes to revise the second sentence in section 6 to clarify that only acreage qualifying as fresh apple production is eligible for the Optional Coverage for Quality Adjustment provisions contained in section 14. This revision will help ensure processing apple production is not insured or adjusted as fresh apple production.

6. Section 7--FCIC proposes to add a new section 7(d) to clarify the insured crop is apples grown for either fresh apple production or processing apple production as defined in section 1.

7. Section 11--FCIC proposes to add a new section 11(a) to clarify the insured must leave representative samples for appraisal purposes if required by the insurance provider in accordance with the Basic Provisions.

8. Section 12--FCIC proposes to revise the Basic Coverage example in section 12 and move it to follow section 12(b)(7) to be consistent with the proposed example in section 14.

FCIC proposes to remove the current section 12(d) and move the provisions to a new section 14(d). FCIC also proposes to add a new section 12(d) to state any apple production not graded prior to sale or storage will be considered as production to count. Since harvest ends the insurance period, no coverage is provided for any subsequent damage that occurs after the apple production is sold or placed in storage. Provisions have been added to make this clear.

9. Section 14--FCIC proposes to revise section 14(a) to specify that insureds who select the Optional Coverage for Quality Adjustment cannot receive less than the indemnity due under section 12.

FCIC proposes to revise section 14(b)(4) to clarify that production to count under the Optional Coverage for Quality Adjustment will include all appraised and harvested production from all of the fresh apple acreage in the unit.

FCIC proposes to revise section 14(b)(5) to clarify the percent of damaged appraised or harvested apple production is applied within the applicable unit.

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FCIC proposes to revise section 14(b)(5)(v) by adding the phrase "or better" after the phrase "U.S. Fancy" to clarify if any fresh apple production is sold as U.S. Fancy or better, all such sold production will be included as production to count under the Optional

Coverage for Quality Adjustment.

FCIC also proposes to add a new section 14(c) to state if any production is not graded prior to sale or storage, it will be considered as production to count. As stated above, since harvest ends the insurance period, no coverage is provided for any subsequent damage that occurs after the apple production is sold or placed in storage.

Provisions have been added to make this clear.

FCIC proposes to add a new section 14(d) to add provisions that any adjustments that reduce your production to count under the Optional Coverage for Quality Adjustment will not be applied when determining production to count for actual production history (APH) purposes. These provisions were previously contained in section 12(d), but since they are applicable to the Optional Coverage for Quality Adjustment, they are more appropriately included here.

FCIC proposes to revise the example in section 14 to clarify loss calculations under the Optional Coverage for Quality Adjustment to include all appraised and harvested production for all of the unit's fresh apple acreage.

List of Subjects in 7 CFR Part 457

Crop insurance, Apple, Reporting and recordkeeping requirements.

Proposed Rule

Accordingly, as set forth in the preamble, the Federal Crop

Insurance Corporation proposes to amend 7 CFR part 457 effective for the 2011 and succeeding crop years as follows:

PART 457--COMMON CROP INSURANCE REGULATIONS

1. The authority citation for 7 CFR Part 457 continues to read as follows:

Authority: 7 U.S.C. 1506(l), 1506(o).

2. Amend Sec. 457.158 as follows:

a. Revise the introductory text;

b. Remove the paragraph immediately preceding section 1;

c. Add definitions in section 1 for "fresh apple production" and

"processing apple production;" remove the definitions of "fresh

apples," "lot," "processing apples," and "varietal group;"

revise the definitions of "apple production" and "type;" and amend

the definition of "damaged apple production" by removing the phrase

" , within each lot, bin, bushel, or box, as applicable," from both

paragraphs (a) and (b);

d. Revise section 2(b);

e. Amend section 3 by redesignating paragraphs (a), (b), and (c) as

(b), (c), and (d) respectively, and adding a new paragraph (a);

f. Revise sections 3(b)(1) and 3(c);

g. Amend section 6 by removing the phrase "Blocks of apple acreage

grown for processing are" and adding the phrase "Any acreage not

qualifying for fresh apple production is" in its place in the second

sentence;

h. Amend section 7(b)(3) by removing the word "and" after the

semicolon at the end;

i. Amend section 7(c) by removing the period at the end and

replacing it with "; and";

- j. Add a new section 7(d);
 - k. Amend section 11 by redesignating the introductory text as paragraph (b), redesignating paragraphs (a), (b), and (c) as (1), (2), and (3) respectively, and adding a new paragraph (a);
 - l. Revise the Basic Coverage Example in section 12 and move it to follow section 12(b)(7);
 - m. Revise section 12(d);
 - n. Amend section 14(a) by adding at the end of the paragraph the following sentence, "Insureds who select this option cannot receive less than the indemnity due under section 12.";
 - o. Amend section 14(b)(3) by removing the phrase "fresh apples" and adding the phrase "fresh apple production" in its place and removing the phrase "processing apples" and adding the phrase "processing apple production" in its place;
 - p. Revise section 14(b)(4);
 - q. Revise section 14(b)(5) introductory text;
 - r. Amend section 14(b)(5) by adding the word "one" after the phrase "percent for each full" in paragraphs (i), (ii), and (iii);
 - s. Amend section 14(b)(5)(v) by adding the phrase "or better" after the phrase "if you sell any of your fresh apple production as U.S. Fancy";
 - t. Add new sections 14(c) and (d);
 - u. Revise the Optional Coverage for Quality Adjustment example; and
- The revised and added text reads as follows:
- Sec. 457.158 Apple crop insurance provisions.

The apple crop insurance provisions for the 2011 and succeeding crop years are as follows:

* * * * *

1. Definitions.

Apple production. All fresh apple production and processing apple production from insurable acreage.

* * * * *

Fresh apple production. Apples: (1) That are sold, or could be sold, for consumption without undergoing any change in its basic form, such as peeling, juicing, crushing, etc.; (2) from acreage that is designated as fresh apples on the acreage report; (3) that follow the recommended cultural practices generally in use for fresh apple acreage in the county as determined by agricultural experts; and (4) you certify and, if requested by us, provide verifiable records to show at least 50 percent of the production from acreage reported as fresh apple acreage was sold as fresh apples in one or more of the three most recent crop years.

* * * * *

Processing apple production. Apples from insurable acreage failing to meet the insurability requirements for fresh apple production that are: (1) Sold, or could be sold for the purpose of undergoing a change to its basic structure such as peeling, juicing, crushing, etc.; or (2) from acreage designated as processing apples on the acreage report.

* * * * *

Type. A category of apples as designated in the Special Provisions.

2. Unit Division.

* * * * *

(b) By type as specified in the Special Provisions.

* * * * *

3. Insurance Guarantees, Coverage Levels, and Prices for
Determining Indemnities.

* * * * *

(a) You may select only one coverage level for all fresh apple
acreage and only one coverage level for all processing apple acreage.

* * * * *

(c) * * *

(1) Any event or action that could impact the yield potential of
the insured crop including, interplanted perennial crop, removal of
trees, any damage, change in practices, or any other circumstance that
may reduce the expected yield upon which the insurance guarantee is
based, and the number of affected acres;

* * * * *

(d) We will reduce the yield used to establish your production
guarantee based on our estimate of such event or action of any of the
items listed in section 3(c)(1) through (4) as indicated below. If the
event or action occurred:

(1) Before the beginning of the insurance period, we will reduce
the yield used to establish your production guarantee for the current
crop year as necessary. If you fail to notify us of any

circumstance that may reduce your yields from previous levels, we will reduce your production guarantee at any time we become aware of the circumstance;

(2) Or may occur after the beginning of the insurance period and you notify us by the production reporting date, we will reduce the yield used to establish your production guarantee for the current crop year as necessary; or

(3) Or may occur after the beginning of the insurance period and you fail to notify us by the production reporting date, we will appraise your production in accordance with section 12(c)(1)(ii). We will reduce the yield used to establish your production guarantee for the subsequent crop year.

7. Insured Crop.

* * * * *

(d) That are grown for:

(1) Fresh apple production; or

(2) Processing apple production.

* * * * *

11. Duties In the Event of Damage or Loss.

(a) In accordance with the requirements of section 14 of the Basic Provisions, you must leave representative samples in accordance with our procedures.

* * * * *

12. Settlement of Claim.

* * * * *

(b) * * *

(7) * * *

Basic Coverage example:

You have a 100 percent share in one basic unit with 10 acres of fresh apples and 5 acres of processing apples designated on your acreage report, with a 600 bushel per acre production guarantee for both fresh and processing apples, and a price election of \$9.10 per bushel for fresh apples and \$2.50 per bushel for processing apples. You harvest 5,000 bushels of fresh apples and 1,000 bushels of processing apples all grading U.S. No. 1 Processing or better. Your indemnity will be calculated as follows:

(A) 10 acres x 600 bushels = 6,000 bushel production guarantee of fresh apples;

5 acres x 600 bushels = 3,000 bushel production guarantee of processing apples;

(B) 6,000 bushel production guarantee x \$9.10 price election =

\$54,600.00 value of production guarantee for fresh apples;

3,000 bushel production guarantee x \$2.50 price election = \$7,500.00

value of production guarantee for processing apples;

(C) \$54,600.00 value of production guarantee for fresh apples +

\$7,500.00 value of production guarantee for processing apples =

\$62,100.00 total value of the production guarantee;

(D) 5,000 bushels of fresh apple production to count x \$9.10 price

election = \$45,500.00 value of fresh apple production to count;

1,000 bushels of processing apple production to count x \$2.50 price

election = \$2,500.00 value of processing apple production to count;

(E) \$45,500.00 value of fresh apple production to count + \$2,500.00

value of processing apple production to count = \$48,000.00 total value
of production to count;

(F) \$62,100.00 total value of the production guarantee - \$48,000.00

total value of production to count = \$14,100.00 value of loss; and

(G) \$14,100.00 value of loss x 100 percent share = \$14,100.00 indemnity
payment.

[End of Example]

* * * * *

(d) Any apple production not graded prior to the earlier of the
time apples are placed in storage, or the date the apples are delivered
to a packer, processor, or other handler will not be considered damaged
apple production and will be considered production to count.

* * * * *

14. Optional Coverage for Quality Adjustment.

* * * * *

(b) * * *

(4) In lieu of sections 12(c)(1)(iii), (iv) and (2), the production
to count will include all appraised and harvested production from all
of the fresh apple acreage in the unit.

(5) If appraised or harvested fresh apple production within the
applicable unit is damaged to the extent that more than 20 percent of
the apple production does not grade U.S. Fancy or better the following
adjustments will apply:

* * * * *

(c) Any apple production not graded prior to the earlier of the time apples are placed in storage, or the date the apples are delivered to a packer, processor, or other handler will not be considered damaged apple production and will be considered production to count under this option.

(d) Any adjustments that reduce your production to count under this option will not be applicable when determining production to count for APH purposes.

Optional Coverage for Quality Adjustment:

You have a 100 percent share in 10 acres of fresh apples designated on your acreage report, with a 600 bushel per acre guarantee, and a price election of \$9.10 per bushel. You harvest 5,000 bushels of apples from your designated fresh apple acreage, but only 2,650 of those bushels grade U.S. Fancy or better. Your indemnity would be calculated as follows:

(1) $10 \text{ acres} \times 600 \text{ bushels per acre} = 6,000 \text{ bushel production guarantee}$ of fresh apples;

(2) $6,000 \text{ bushel production guarantee of fresh apples} \times \$9.10 \text{ price election} = \$54,600.00 \text{ value of production guarantee for fresh apple acreage}$;

(3) The value of the fresh apple production to count is determined as follows:

(i) $5,000 \text{ bushels harvested} - 2,650 \text{ bushels that graded U.S. Fancy or better} = 2,350 \text{ bushels of fresh apple production not grading U.S.}$

Fancy or better;

(ii) $2,350/5,000 = 47$ percent of fresh apple production not grading

U.S. Fancy or better;

(iii) In accordance with section 14(b)(5)(ii): 47 percent - 40

percent = 7 percent in excess of 40 percent;

(iv) $7 \text{ percent} \times 3 = 21$ percent;

(v) $40 \text{ percent} + 21 \text{ percent} = 61$ percent;

(vi) $5,000 \text{ bushels harvested} \times .61$ (61 percent) = 3,050 bushels of

fresh apple production not grading U.S. Fancy or better;

(vii) $5,000 \text{ bushels harvested} - 3,050 \text{ bushels of fresh apple}$

production not grading U.S. Fancy or better = 1,950 bushels of adjusted

fresh apple production to count;

(viii) $1,950 \text{ bushels of adjusted fresh apples production to count} \times$

$\$9.10$ price election = $\$17,745.00$ value of fresh apple production to

count;

(4) $\$54,600.00$ value of production guarantee for fresh apples -

$\$17,745.00$ value of fresh apple production to count = $\$36,855.00$ value

of loss;

(5) $\$36,855.00$ value of loss $\times 100$ percent share = $\$36,855.00$ indemnity

payment.

[End of Example]

* * * * *

Signed in Washington, DC, on September 1, 2009.

William J. Murphy,

Manager, Federal Crop Insurance Corporation.

2. CROPS 'ONLY AVERAGE'

Sep 5, 2009

The Daily Southerner

T. J. Royal

Sep. 4, 2009 (McClatchy-Tribune Regional News delivered by Newstex) -- Though Edgecombe County wasn't as dry this summer as the past two, Extension Director Art Bradley said most crops this year will be only "average."

But the crop that matters to most farmers in the county, tobacco, is expected to have a "very good" year in 2009, Bradley said.

He added that that is also "very timely" for growers, as the 7,900 acres of tobacco planted this year is the most in recent county history.

"The tobacco crops have been through a lot this year, and it's held up really well" in the dry conditions, he said.

Though only expected to be average, Bradley added that there is room for exceptional yields in spots for the rest of the county's crops, because of patchy rain that's popped up all over the county through the summer.

Checking on J.E. Lancaster's corn crop as the Temperance Hall farmer mowed down some rows Thursday, the farmer and Bradley were surprised at the wide range of yields experienced so far in their harvest.

When Lancaster was done with one acre next to Temperance Hall Road on Thursday afternoon, Bradley noted that he had a "tremendous" yield of 211 bushels within that swath.

Lancaster, 37, added that, for the 850 acres of corn they planted in Edgecombe, Pitt and Wilson counties in 2009, "if it all turned out that good, it'd be real nice" for Lancaster Farms' bottom line.

"It's been a big improvement (over 2007 and 2008), but it's real spotty" with their corn yields this year, Lancaster said.

In another of their fields just across Temperance Hall Road, on a "sorry" piece of land, he said they only managed 56 bushels of corn per acre.

Still, Bradley said "any time we can get 200 bushels per acre in Edgecombe County, it's a feeding.

"That's very unusual" to have such high corn yields in the county, especially given the still abnormally dry conditions the area's experienced most of the summer, he added.

Since June, Edgecombe has been classified as being abnormally dry by the U.S. Drought Monitor. That's an improvement over the last two summers, when Edgecombe was classified, at minimum, in a severe drought for 14 straight weeks from August-October 2008. That lasted for 17 straight weeks from July-October 2007, with seven straight weeks in September and October where the county was in a state of extreme or

exceptional drought, the two highest classifications.

What rain the county has received in spots this summer, Bradley commented that quality soil has held that moisture really well, creating yields like Lancaster's Temperance Hall corn.

John Lancaster, 60, owner of Lancaster Farms, added that he expects his family's 2,000 acres of soybeans to be "pretty decent" if the cooler nights would hold off, and a little more rain would head his way. The Lancasters also planted 180 acres of tobacco.

Bradley said that some disease has seeped into some tobacco plants so far this year, but to minimal effect for the county's crop.

The most persistent problem for crops this summer has been stinkbugs, he said. Mainly affecting cotton, Bradley said growers have not been spraying as much for damaging boll worms, and that the stinkbug population has been able "to build back up" as a result.

"We need to pay a lot of attention to the damage that's being caused" by the stinkbugs, he added.

One pest that Bradley commended Edgecombe growers for successfully controlling this year has been pigweed, a destructive plant that can quickly spread from field to field by the seeds produced by just one sprout.

"Growers have done a really good job using pre-growth herbicide for pigweed" before their crops came in the Extension director said, even though it is costing them more money just to preserve their crops.

"It seems like they've gotten a good handle on how to address" pigweed problems through the pre-growth measures, he added.

Back in the Lancasters' storage barn, with around two dozen bails of primed tobacco, John Lancaster told Bradley that he and his sons J.E. and Mikey look forward to finishing their harvest come October.

But, like the patchy rain patterns spread over Edgecombe this summer, John Lancaster said their success, or failure, remains out of their hands.

"Everything you do is a gamble anyway."

Newstex ID: KRTB-0373-37757511

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3. **CUNA Mutual Group becomes sole owner of crop insurance firm**

Sep 8, 2009

Milwaukee Journal Sentinel

Paul Gores

Sep. 8, 2009 (McClatchy-Tribune Regional News delivered by Newstex) -- CUNA Mutual Group said Tuesday it will become sole owner of the Texas-based crop insurer Producers Ag Insurance Group, an acquisition that is part of CUNA Mutual's ongoing effort to diversify its business.

Financial terms of the deal weren't disclosed.

ProAg will operate as a stand-alone subsidiary of CUNA Mutual. Madison-based CUNA Mutual said the

acquisition supports its need to identify new growth opportunities and diversify the risks it insures. The agreement with the Amarillo, Texas-based insurer also enhances CUNA Mutual's flexibility and financial strength while enabling ProAg to continue to expand its business, CUNA Mutual said.

"This acquisition builds on the initial investment we made in ProAg in 2007," Jeff Post, president and chief executive of CUNA Mutual, said in a press statement. "It in no way affects our commitment to credit unions. For us to continue to strengthen and diversify our financial position, we need to identify new avenues for growth."

CUNA Mutual Group provides financial services to credit unions, their members and customers worldwide.

ProAg is a 400-employee company doing business in more than 40 states. It is on pace to generate more than \$530 million in premiums in 2009, CUNA Mutual said.

"ProAg has been the fastest-growing crop insurer this decade," said Ben Latham, ProAg chairman and CEO. "CUNA Mutual's support of our growth as a reinsurer and minority shareholder, as well as their commitment to our way of doing business, makes them the natural provider of the institutional support we need to reach our goals of becoming a market leader."

Crop insurance protects farmers from financial losses that result from natural causes such as drought, excessive moisture, hail, wind, frost, insects and disease. Multi-peril crop insurance is an \$8 billion industry in the U.S., CUNA Mutual said.

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4. BRIEF

Sep 9, 2009

Milwaukee Journal Sentinel

Paul Gores

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5. Texas Crop Report

Sep 9, 2009

Birmingham News, Alabama

COLLEGE STATION, Texas - Texas A&M Agrilife Extension regional crop reports for Sept. 9:

CENTRAL: Some counties received light rain. Soils remain very dry, and stock ponds were rapidly diminishing. Producers continued to provide livestock with supplemental hay and feed. Growers began harvesting some earlier maturing cotton. More moisture was needed before planting of wheat and oats can increase.

COASTAL BEND: Soil moisture remained low. Rainfall ranged from 0.3 inch to 4 inches, with the heavier rains occurring only in small isolated pockets. Stock ponds remained dry. Most fields had been plowed to allow absorption of moisture for next year's crop. Sesame and sunflowers were slowly maturing, and harvesting was expected to begin soon. Rangeland remained in very poor condition, and producers continued to provide supplemental feed to livestock. Livestock producers continued to sell off herds and buy hay.

EAST: Most of the region saw scattered showers but remained in great need of rain. More rain is needed to make another cutting of hay before the end of the season. Dry conditions in Polk County may cause the reinstatement of a burn ban. Feral hogs and armyworms continued to cause damage throughout the region. Nacogdoches County reported June bugs in hay fields and white grubs in lawns. Producers continued weaning calves. Livestock were in fair to good condition.

FAR WEST: The weather was mostly mild and dry. Rangeland grasses began to burn or cure out from lack of continued rain. Chiles were past the green stage and breaking into the red color. Some cotton fields were nearing the cut-out stage. Dryland cotton was stressed. Earlier-planted dryland cotton showed more stress than later-planted cotton. Irrigated cotton looked good.

NORTH: Soil moisture ranged from short to adequate. The weather has been open with mild temperatures in the 80s. The condition of crops worsened, and more rain was needed. Haying operations continued with some producers working on their third cutting. Overall, hay was abundant and pastures were in fair to good shape. A lot of hay was still being shipped to South and Central Texas. The harvesting of corn and other small grains was nearly complete. Producers were working on harvesting soybeans and getting the ground ready for planting winter wheat. Wheat planting had already begun in some areas. Rice was 40 percent headed. Cotton was in fair to good condition and setting bolls. Pecan trees were heavily infested by walnut caterpillars and web worms. Peanuts were starting to peg. There have been several reports of armyworms. Some pastures were in poor to fair condition due to overstocking. Livestock were in fair to good condition. The lack of moisture caused forage growth to slow.

PANHANDLE: Soil moisture was adequate, but some areas could use another rain. Harvesting of silage began. Corn harvest in most areas was a week or two away. Growers were preparing for the harvest of other crops. Sorghum's yield potential looked good, better than it has for years. Dryland cotton showed a heavy boll load while irrigated cotton was a little behind. Producers began planting winter wheat with some areas as much as 30 percent already planted for early grazing. Fewer corn acres were going to silage due to depressed cattle prices and low feedlot placement numbers. Cattle remained in good condition.

ROLLING PLAINS: The region received some rain at the end of the reporting period. The rain was expected to relieve drought-stressed dryland cotton. The added moisture may also allow producers to start planting winter wheat. However, wheat seed was in short supply. Rangelands and pastures were still in good shape to help maintain cattle body-condition score. Hay was in short supply and will likely be scarce all winter. Forward-looking cattle producers were buying hay now rather than face very high prices and low availability this winter.

Peanut producers were expecting a good crop with only slight pressure from little leaf spot.

SOUTH: Very short soil moisture conditions were reported. The exception was the southern part of the region, which received from 0.5 inch to 3 inches of rain, raising soil moisture levels from very short to short. Some rangeland and pastures greened up where there was rain. Temperatures were in the mid to upper 90s, down from triple-digit highs the previous week. Rangeland and pastures continued to deteriorate with termites taking whatever small amount of forage remained. Ranchers continued to provide supplemental feed, resorting to using prickly pear as an emergency feed source. Body-condition scores for cattle remained mostly fair with some decline among nursing cows. The cotton harvest was in full swing. Irrigated peanuts were progressing well. Producers with irrigation capability and adequate water began preparing seedbeds for cabbage, spinach, onions and carrots. Zavala County gins were active as cotton from surrounding counties was harvested.

SOUTH PLAINS: Soil moisture was short to adequate. From 0.25 inch to 2.5 inches rain was received, which will help fill cotton bolls, lessen irrigation costs and aid sorghum. Corn harvest began in some areas with good yields. Cotton was in fair to good condition and loaded up with bolls. Some dryland cotton fields had bolls that were just beginning to open due to heat and moisture stress. Peanuts were in fair to good condition. Early planted grain sorghum was drying down, and some producers began harvesting. Growers began preparations for the planting of winter wheat. Pastures and rangeland were in fair to good condition. Most cattle were in good condition with continued supplemental feeding.

SOUTHEAST: Extreme drought conditions continued, but there was some relief from high temperatures and light, scattered showers. Hay harvest activity was light, with low yields. Producers continued to bale rice stubble as a substitute for hay.

SOUTHWEST: Temperatures dropped somewhat after one of the hottest summers on record, but the dry weather continued. A few scattered showers helped settle the dust but the rain was not economically significant. The region remains at less than about 65 percent of year-to-date rainfall. The last 12-month period remained tied with 2006 as the two driest on record. Forage was almost nonexistent. The cotton harvest was completed, but about 30 percent of the crop remained in field-stored modules. Peanuts and pecans continued to make good progress under heavy irrigation; their harvests were expected to begin at the end of September. Fall sweet corn was harvested. Fall-planted cabbage, pickling cucumbers and green beans made good progress under heavy irrigation.

WEST CENTRAL: The region remained hot and dry. A few areas received scattered showers. There was very little planting because of low soil moisture. However, growers continued to prepare fields in hope of rain. Cotton began to show some heat stress, but bolls were opening. Rangeland and pasture conditions declined further. Stock tanks were very low to bone dry. Producers continued to provide supplemental feed to livestock. Many producers were also having to haul water. Pecans were heavily irrigated.

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6. Recent rain boosts cotton crop

Sep 9, 2009

Lubbock Avalanche-Journal

Joshua Hull

Sep. 9, 2009 (McClatchy-Tribune Regional News delivered by Newstex) -- The South Plains irrigated cotton crop is showing promise after much of the state's acreage was wiped out by devastating drought.

Despite losing much of the non-irrigated cotton during the dry months of the early summer, the right amount of heat combined with continued moisture has put irrigated fields ahead of where they were last year.

"I'm expecting the irrigated crop to be a real good crop this year," said Randy Boman, cotton agronomist with the Texas AgriLife extension office in Lubbock. "It's the rains this time of year that is really good news for folks

with the irrigated cotton."

Current projections show between 600,000 and 650,000 acres of dryland cotton have been lost, with irrigated losing about 100,000 mostly because of hail damage, Boman said.

With about 2.5 million acres of cotton standing, the South Plains and Panhandle areas are expected to produce about 4 million bales -- right on par with the 10 year average.

While more than half of the state is suffering drought condition, an average crop in the Lubbock area will pick up slack left by decimated fields in South Texas.

Areas along the Coastal Bend lost as much as 90 percent of their cotton acreage this year, and while rain has started to break the heat wave in parts of that area, it's far too late for farmers hoping to turn a profit, said Carl Anderson, professor emeritus and extension specialist at Texas A&M.

Those areas that did manage to hang on to some of their crop can expect to produce about a third of the cotton per acre in a normal year.

"Right now there won't be any crop production in the southern part of the state until we get some good, soaking rains," Anderson said. "We're really counting on the Texas crop coming from the irrigated land in the Lubbock area."

Even so, he said it is likely that the state will finish well below the 5.4 million bales estimated in August, adding to agriculture losses expected to hit \$4 billion by year's end.

Farmers can expect another tough year because of low prices, but the area economy will stand to benefit from the average crop after a below-average year in 2008, said Roger Haldenby, vice president of operations for Plains Cotton Growers.

After-harvest operations typically bring economic stimuli in the form of cotton gins and production resources, putting money into the hands of local agribusiness owners.

"It's not just farmers spending money locally, it's all the supporting local agribusiness," he said. "That has got to be something of a life-saver in the area in these tough economic times."

Cotton prices will likely stay near the loan rate -- a guaranteed government rate paid to farmers regardless of global rates -- but global prices will largely be determined by demand in China and production in India, Anderson said.

"We still have a very mixed situation," he said.

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AGRICULTURE/Irrigated cotton getting right kind of weather at right time

Newstex ID: KRTB-1067-37825109

7. Soybean pests endanger late crop

Sep 10, 2009

Arkansas Democrat Gazette

The Associated Press

As with growers of other crops in Arkansas, soybean farmers planted late because of the wet spring. While some farmers wait as long as another month until they harvest, they'll have more to worry about than the weather.

The Cooperative Extension Service says field tests have shown root-knot nematodes turning up in increasing numbers.

The worms are most common in land that was converted from cotton to soybeans.

The extension service says root-knot nematode damage results in poor growth, a decline in crop quality and yield. The worms also make the plants less resistant to other stresses, including drought and diseases. At its worst, an infestation can lead to total crop loss.

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