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Crop Insurance Price Elections Reflect Efforts of National Sorghum Producers

The Risk Management Agency (RMA) released a new methodology today showing sorghum's crop insurance price elections at 97.8 percent of the value of corn up from only 88 percent, which translates to a huge victory for the sorghum industry. The National Sorghum Producers (NSP) has been working hard with RMA over the past eight years to improve price elections, and today's methodology demonstrated the organization's ability to deliver tangible results to its members. For sorghum producers, this new value can mean between \$20 through \$50 per acre or more in increased insurance coverage for sorghum depending on individual yields and coverage levels.

Gerald Simonsen, NSP chairman of the board, expressed his excitement about the news.

"This methodology is by far one of the best things that could have happened for sorghum producers this year, and this is going to greatly help sorghum producers manage their risk," he said.

Burl Scherler, member of the NSP Legislative Committee from Sheridan Lake, Colo., said he is pleased with the crop insurance results and that the numbers will help sorghum growers be more competitive.

"Grain sorghum is an important crop to us, and having the insurance straightened out is another piece of the puzzle to try to make a profit in agriculture these days," he said. "This report relates better to the markets unlike in the past, and that will help producers to budget for their cash flows next year."

During the 2008 Farm Bill debate, NSP worked with Congressman Jerry Moran (R-Kan.) and others to include a provision to develop a new methodology that was replicable and transparent. NSP then worked with RMA to refine the new methodology which will use sorghum prices throughout the Sorghum Belt to calculate the price election. The methodology posted today by RMA incorporates a time period of 10 years to calculate the price elections.

Chris Cogburn, NSP strategic business director, said he is pleased with RMA's results.

"Our goal all these years was to get accurate numbers to work from and to provide sorghum producers with coverage for sorghum just like any other producer would have for their crop," he said. "We have devoted much time to this issue and it is great that the price elections are finally reflecting that effort."

This crop insurance price election will be in effect for the 2010 crop year.

NSP represents U.S. sorghum producers. The organization serves as the voice of the sorghum industry coast to coast through legislative representation, regulatory representation and education. To learn more about NSP, visit www.sorghumgrowers.com.