

BENEFITS OF THE FINANCIAL ASSISTANCE PROGRAM

RMA shares a portion of producers' premiums remaining after applying the normal USDA subsidy. Financial assistance funds make crop insurance more affordable to producers in targeted States by allowing them to obtain more coverage for less money. Producers are encouraged to use the cost savings to purchase higher levels of protection for their enterprises than they could previously afford.

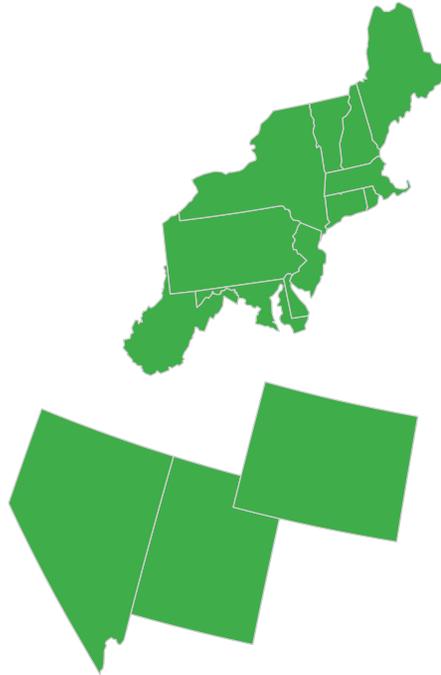
"Producers in underserved areas can use this financial assistance to enhance their risk management programs."

—Ann M. Veneman
Secretary of Agriculture

"Crop insurance is a vital part of risk management in American agriculture. This financial assistance will encourage producers in many underserved States to use crop insurance products to manage their price and production risks."

—Ross J. Davidson, Jr.
RMA Administrator

Targeted States



Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

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Risk Protection Initiative

2003 Targeted States Crop Insurance Financial Assistance Program

Agricultural Management Assistance
for Targeted States



www.rma.usda.gov

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WHAT IS THE TARGETED STATES CROP INSURANCE FINANCIAL ASSISTANCE PROGRAM UNDER AGRICULTURAL MANAGEMENT ASSISTANCE?

Section 524 (b) of the Federal Crop Insurance Act authorizes the Secretary of Agriculture to provide financial assistance to producers in 15 targeted States. This financial assistance is approved for a number of risk mitigation and marketing practices. Producers may use financial assistance to enter into contracts designed to reduce production, price, or revenue risks.

Given this authority, the Risk Management Agency (RMA) provides financial assistance to producers purchasing crop insurance in these 15 targeted States. Financial assistance helps producers reduce production, price, or revenue risks. Specifically, RMA shares a portion of producers' premiums remaining after applying the normal USDA subsidy.



WHERE IS TARGETED STATES CROP INSURANCE FINANCIAL ASSISTANCE AVAILABLE AND WHO IS ELIGIBLE?

The Targeted States Crop Insurance Financial Assistance Program (Financial Assistance Program) is available to producers purchasing most 2003 policies in the following States: Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

Eligible policies are those with sales closing dates after February 20, 2003, and acreage reporting dates prior to September 30, 2003.

Since Adjusted Gross Revenue (AGR) and Adjusted Gross Revenue-Lite (AGR-Lite) already have a Financial Assistance Program for 2003, these policies are not eligible under this program. Financial assistance will not be provided for Catastrophic (CAT) policies, or Livestock Risk Protection (LRP).

HOW DO PRODUCERS APPLY FOR THE FINANCIAL ASSISTANCE PROGRAM?

No additional application is necessary to apply for the program. Companies will apply the financial assistance automatically to all eligible policies, which will appear on the producer's premium bill. RMA will not pay a portion of any administrative fee under the Financial Assistance Program.



RMA has a limited amount of funding available for the Financial Assistance Program. If

program participation exceeds expectations, then RMA must reduce the amount of assistance for each policy on a pro rata basis so that total program spending does not exceed available funds.

Interested producers must contact their crop insurance agent regarding program eligibility and availability. A list of agents is available at local Farm Service Agency offices or by using RMA's Agent Locator at: <http://www3.rma.usda.gov/tools/agents/>.

