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Instructions for Using CROP INSURE

by
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This publication is intended to assist users of the CROP INSURE computer software developed by the American Association of Crop Insurers. Crop insurance will continue to be an important consideration for South Dakota agricultural producers. The decision to purchase crop insurance or find alternative ways to protect the crop production expenditure investment will have to be made by each individual producer. The economic considerations of this decision will vary by each producer, by crop, by field, and by yield history. The CROP INSURE computer software program is designed to assist in making this decision. These instructions were partly adopted from the CROP INSURE documentation developed by the American Association of Crop Insurers and the Michigan State University Cooperative Extension Service.

Instructions for Using CROP INSURE

by

Bart Wittnebel, Gerald Toland and Burt Pflueger

CROP INSURE is a computer-aided model of farm income protection. The primary purpose of CROP INSURE is to demonstrate risk management through the use of Multiple Peril Crop Insurance (MPCI). This model is easy to operate. After a few instructions, you'll become a proficient user, even if you have limited computer experience.

1. STARTING THE COMPUTER PROGRAM (For users with a hard disk drive)

(Dual and/or single floppy disk drive users go to Part 1a)

Turn on the computer, with DOS already installed. The ready prompt for a hard disk drive is usually C:\> in DOS. You are now ready to create a sub-directory for the CROP INSURE program. The subdirectory is created by a "make directory" command. The command `md^\insure` is suggested. Don't type the ^ symbol; it is used here and throughout these directions to indicate a blank space. The word `insure` in the make directory command is merely a name given to the subdirectory.

So, at this point, you should have typed `md^\insure` at the C:\> and pressed the Enter key.

Now, you are ready to install the CROP INSURE program on your hard disk. These instructions assume that you received one program disk, and one or more data disks. Place the CROP INSURE (DRIVE A) program disk into your computer's drive A and close the drive door.

Type the command `copy^A:*. *^C:insure` at the ready prompt of your subdirectory, and press the Enter key.

With the last command, you copied all the program files from the CROP INSURE disk to your hard disk. Now, replace the CROP INSURE program disk with the data disk(s) that is(are) to be used. Again type `copy^A:*. *^C:insure` and press Enter. Successful completion of these steps means that the program and data files are located on your insure subdirectory.

Finally, you can do something to make CROP INSURE easier to access from your subdirectory. From the ready prompt, type `rename^autoexec.bat^insure.bat` and press the Enter key. This command allows you run your program by typing the word `insure`.

Are you ready to use the program? Sure! Go ahead, type `insure`, and make my day. Then go to step 2 in these instructions.

1a. STARTING THE COMPUTER PROGRAM (For users with a dual and/or single floppy disk drive)

You should make backup copies of your program and data disks before you proceed with these instructions. If you already have done this, please continue.

Before you turn on the computer, place the disk labeled CROP INSURE (DRIVE A) into drive A. Next, dual floppy users should put the desired (DRIVE B) data disk in drive B. Single floppy users place the data disk in drive A whenever the program demands a information on crop coverages, premiums, indemnity prices or ASCS yields.

Now you can turn on the computer. The DOS system with an autoexec.bat command is already on disk A. The computer goes straight into the CROP INSURE program as it boots up.

2. FOLLOWING THE CROP INSURE MENU

The first screen to appear is titled "Crop Insure." The line at the screen's bottom (the COMMAND LINE) indicates that you can press any key to continue. Use the Enter key for this purpose.

The next screen states the purpose of the Crop Insure program. It also has a statement of disclaimer; please read it carefully. The MENU OF OPTIONS is the next screen to appear after pressing Enter again.

The MENU OF OPTIONS is now on the screen. The word MENU is used to identify this screen throughout the rest of these instructions.

There are two equivalent ways to make a selection from the MENU. First, you can use the Up or Down arrow keys on the right hand side of the keyboard to move to the option you desire; then press the Enter key. Second, you can press the letter of the option you desire. For example, if you want to see the option "What risks do you face?", press the letter A and then Enter.

Go ahead, use the letter or arrows, and select Option A.

3. WHAT RISKS DO I FACE? (OPTION A)

This screen is designed for the producer. He can identify the major risks that confront his operation. If the primary risk is hail, you may want to develop a case study which examines alternate forms of Hail/Fire coverage.

Press the F8 key to return to the MENU.

4. THE FUNCTION KEYS

Place the cursor over Option A again, and press Enter. Look at the messages across the bottom of the screen. As noted earlier, these messages make up the COMMAND LINE.

On your keyboard, find and press F1; then continue reading these instructions.

The function keys (F keys) and their respective descriptions are now displayed on your screen. The F keys are sometimes located on the left hand side of the keyboard; they are across the top of enhanced keyboards.

The F keys can be pressed any time your cursor is at the COMMAND LINE. If you wish to get to the COMMAND LINE at any time, press the ESCAPE key. This key is marked ESC, and is often located on the left hand side of the keyboard. A summary of the F key functions is provided below.

PURPOSES OF THE FUNCTION KEYS

F1 BRINGS UP THE RELEVANT HELP SCREEN

F2 TAKES YOU BACK ONE SCREEN (PREVIOUS SCREEN)

F3 ALLOWS YOU TO EDIT THE CURRENT SCREEN

F4 ALLOWS YOU TO DEFINE A DRIVE OR SUBDIRECTORY (WHEN RELEVANT)

F5 SAVES A TABLE ON YOUR DATA DISK OR SUBDIRECTORY (USED PRIMARILY TO CREATE NEW COMPUTER DATA FILES AFTER ENTERING DATA AT OPTIONS L, M, OR N. MAINLY RELEVANT FOR OPTION N)

F6 DELETES A TABLE FROM YOUR DATA DISK OR SUBDIRECTORY (WHEN RELEVANT)

F7 PRINT SCREEN (BE SURE YOUR PRINTER IS TURNED ON)

F8 TAKES YOU AHEAD ONE SCREEN (NEXT SCREEN)

F9 RECALCULATE

5. EDITING KEYS

You can change or correct a value in an input field with the editing keys. Input fields are screen locations which request you to insert information. Examples of input fields appear as open spaces for names, addresses and other details in OPTION C. If you look at OPTION C, then press ESC followed by F8 to return to the MENU. A summary of the editing keys is given below.

PURPOSES OF THE EDITING KEYS

ESCAPE-CURSOR MOVES FROM CURRENT INPUT FIELD TO COMMAND LINE

BACKSPACE-MOVES THE CURSOR ONE SPACE BACK IN THE INPUT FIELD

INSERT-INSERTS A SPACE AT CURRENT POSITION IN THE INPUT FIELD

DELETE-DELETES A SPACE AT CURRENT POSITION IN THE INPUT FIELD

ENTER-MOVES THE CURSOR AHEAD ONE INPUT FIELD ON THE COMPUTER SCREEN

DOWN ARROW-MOVES CURSOR AHEAD ONE INPUT FIELD ON THE COMPUTER SCREEN

UP ARROW-MOVES CURSOR BACK ONE INPUT FIELD ON THE COMPUTER SCREEN

LEFT ARROW-MOVES CURSOR BACK ONE SPACE IN THE INPUT FIELD

RIGHT ARROW-MOVES THE CURSOR AHEAD ONE SPACE IN THE INPUT FIELD

6. WHAT DO BEEPS MEAN?

A beep usually means that you are not following instructions. For example, if you pressed the Enter key when you were supposed to press an F key, the computer would beep to let you know the last key pressed was not correct.

7. NOTE OF AID TO THE USER

If you are unsure of the crops covered in your state or county by MPC1, go to OPTION K (See step 14 below). Once you have the list that you want on the screen, turn on your printer, and press F7. The computer will print out the list of covered crops. The printout serves as a reference for later use.

Press the ESC and F8 keys sequentially to return to the MENU.

8. BUILDING A CASE STUDY

If a case study was already established, enter OPTION B from the MENU. Instructions for OPTION B are explained in step 12 below.

If no previous case was built, enter option C. A screen entitled "INFORMATION SPECIFIC TO CASE FARM FILE:" appears. Since the file you are creating has not been labeled, ignore the name that may follow the title. Next, fill out the information in the top area until you reach the area called BACKGROUND. Enter the policy number and unit number, if they are available. Otherwise any number will do.

It is important to enter the appropriate measure unit for the UNIT OF MEASUREMENT request in the computer program. This is usually "BU" for bushels.

Next, under the INSURANCE TABLE KEY AREA, enter the state and county. If you are unsure of the crop, practice, type, variety or class, enter asterisks "*". A blank is not acceptable. You are asked to make specific choices for the crop's practice and type later in the computer program. An example of a practice is "irrigated." An example of type is "winter" or "spring" wheat.

Do not worry about the requests for variety or class, these are not important in an example program. Type * for these input fields.

Under the BUDGET INFORMATION AREA, have a producer or yourself estimate these numbers as best possible. Do not leave any blank. Under the expected yield, it is best to use a crop yield average from producer records.

After all of the above are completed, the COMMAND LINE will give you a list of options. If you are unsure what you want to do, press "3", Help, and it explains your options. When setting up a new file, it is best to press "1", Load Tables.

You now face the options on crop, practice, and type, if you had previously placed asterisks in their respective input fields. You specify the choices you want as the cursor arrives at each input field.

If all the responses are in their appropriate fields, the tables will be loaded. A successful file transfer is indicated by an "L" in the proper places in the INSURANCE RATE STATUS AREA. Next, the COMMAND LINE has a list of the "F" keys.

Press F8. You now return to the MENU screen.

9. MENU OPTION D (CALCULATING PROTECTION AND PREMIUMS)

With MPCFI, a producer's insurance is based on his Actual Production History (APH) over the last ten years. If a producer has good records, then it is best to go to MENU OPTION E, and fill in as much information as the producer has. If a producer does not have records for the full ten years, then the ASCS yield in OPTION D is multiplied by a transitional factor. The factored ASCS yield is used for the rest of the years. If a producer has no records, then the ASCS yield multiplied by the transitional factor is used for all ten years.

If you fill out MENU OPTION E completely, which includes the ASCS yield, then the computer program has the necessary information for you return to MENU OPTION D.

10. CHOICES IN OPTION D

OPTION D quickly calculates the yield guarantee, premium/acre, and liability associated with following crop information: selected coverage level, price election, insurance yield, hail/fire option (in or out) and any adjustment factors.

In the first input field, one of three crop yield choices are selected: the Estimated, Actual, or ASCS yield. The Estimated yield requires you to "guesstimate" an insurance yield when records are unavailable, or when you just want to experiment with the program. The Actual yield uses the information you filled out in OPTION E. The ASCS yield selection uses only the ASCS yield multiplied by the transitional factor as your insurance yield.

You enter the desired percent MPCFI coverage desired in the next input field. Your insurance yield (Estimated, etc.) is multiplied by the coverage percentage to calculate a yield guarantee. The three choices are 75%, 65% and 50% coverage of the insurance yield.

The next field asks you to put information into a decision labeled "H&F OPTED". You use this field to tell the computer program whether hail and fire coverage is to be included in the MPCFI insurance policy. If your type "IN," the program assumes that hail and fire insurance is part of the MPCFI protection package. Choose IN if you desire to build a simple case farm example.

If you type "OUT," a private hail/fire policy is substituted for the displaced MPCFI coverage. The MPCFI premium decreases when OUT is selected, and the premium on the private hail/fire policy is added into the producer's cost calculations.

The next field to check is the price election. There are three choices. You may want to select an indemnity price which approximates the crop's market value for a case example.

Now take the cursor through the rest of the screen. Then the computer program will figure out your premium liability and guarantee per acre automatically.

Press ESC and return to the MENU. Go to OPTION O.

11. OPTION O (SAVING THE CASE STUDY)

You are first asked if you want to save the data you have entered or modified at this screen. Answer "Y" if you want to save all the work you have just completed; otherwise press "N". Then make sure the default drive is correct. This is "C" for hard disk users, "B" for dual floppy users and "A" for single floppy users. Single floppy users must be sure a data disk is in drive A. After the drive is specified, enter the file name you wish to use. Make sure you print a list of your file names (use the F7 key). The list will be handy for future reference.

12. OPTION B (RETRIEVING CASE STUDIES)

When you have case studies on your disk, you must use OPTION B to retrieve them. When this screen comes up, the Cursor is located after the message, "Default Drive Is". Specify the drive (C, B or A) where your data disk resides and then press Enter. The files on your data disk will be listed.

Answer the retrieve question with a "Y" or an "N." If you pressed Y, fill in the name of the file you want and press Enter. The case will be loaded. Press F8 to return to the MENU.

13. OPTIONS F-J

These options are intended for the producer to see and understand his MPCCI alternatives and their costs. The advantages and disadvantages of using crop insurance to guarantee an income in a cash flow can be demonstrated graphically if your computer has a graphics card. The effects of other options, such as combining MPCCI with forward contracting, can also be illustrated. OPTIONS F-J can aid the producer who is unsure about the impacts of buying MPCCI on his cash flows. Make sure you press F8 when going through these OPTIONS, because they often involve more than one screen per option.

14. OPTION K

OPTION K is used to show the insured crops and the different practices covered within a county. If you want to know all the covered crops, put asterisks in the input fields for crop, practice, and type. This will give you the entire list. Once you see the list, it is best to press F3. The F3 key puts you in a posi-

tion to edit. You can fill in the crop, practice, and type that you want. Specifying a particular crop is desirable when you intend to figure out a case example using options L-N.

15. OPTION L

With OPTION L, a producer can be shown the entire range of MPCCI premium rates for the crop he intends to insure. The decline in the premium rate as the insurance yield increases can also be demonstrated. If the table needs to be updated, simply move the cursor to the desired position and make the correction. Press ESC to get to the COMMAND LINE. Then press F5, Save Table, to save your corrections.

16. OPTION M

A producer can be quickly shown the MPCCI indemnity price levels with this option. If these values are to be updated, then enter the correct values. They must be saved by the same method as with the table corrections in OPTION L.

17. OPTION N

The details of private Hail/Fire (H/F) policies are illustrated in OPTION N. If H/F policy specifications are unclear or need to be modified, a qualified crop insurance agent should be contacted for details. Corrections to the H/F tables are made using the same procedure as in OPTION L.

18. OPTION P (EXIT)

You will be asked if you "Are sure you want to exit?" Answer with a "Y" or a "N". If you press Y, you will leave the program and go back to DOS. If you answer N, you will return to the MENU.