Prevented Planting Guidelines

Spring 2013

growers edge
Where Farmers’ Profits Are First™
Prevented Planting in 2013

Spring 2013 has been an unexpectedly wild and wet ride. The Midwest has seen record rainfall, including the wettest spring on record for the state of Iowa. Parts of Iowa and Minnesota saw over 20 inches of rain in the month of May alone. With this much rain during planting season, some farmers across the region are worried that they won’t even be able to replant if necessary this year.

Due to the weather patterns this spring, there has been significant concern towards prevented planting for the 2013 crop year. Prevented planting concerns are being driven by wet field conditions. Because of this concern, Growers Edge has put together a 2013 Prevented Planting Guidelines document to help explain the procedures for a Prevented Planting claim.

Note that the RMA Handbook is 121 pages of detail. To help our users better understand the decision making process we have created the following flow charts. Our goal is to provide you with a better understanding of the process. Please contact your Agent on your exact situation.
Flow - Chart: Crop Was Planted

REPLANT DECISION TREE
Was the Crop Planted?

Yes

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Before or After Late Plant Period

Before

After

Does it need to be Replanted?

Yes

No

Original guarantee applies

Yes

Is it possible to REPLANT? Decide w/Agent

No

Decide to Plant 2nd Crop or 100% Indemnity

100% Indemnity
Crop appraised or taken to harvest and adjusted at harvest. Original guarantee is used to calculate Indemnity

1st Crop: Pay 100% of the Premium and Receive 100% of the Indemnity

No

Do you wish to insure your REPLANT?

Yes

Plant 2nd Crop

No

Do the acres qualify for double cropping?

Yes

Double Crop Eligibility details on Addendum 1

No

Is the Replant Crop an Approved FAC (double) Crop?

Yes

1st Crop: Pay 35% of the Premium and Receive 35% of the Indemnity

No

1st Crop: Pay 100% of the Premium and Receive 100% of the Indemnity

Does the 2nd Crop Indemnity exceed the 65% of the 1st Crop Indemnity (less 65% of the 1st Crop Premium)?

Yes

1st Crop: Premium remains at 35%

* Indemnity Payment remains at 35%

No

1st Crop: Pay Additional 65% Premium on 1st Crop and Receive Additional 65% Indemnity on 1st Crop

2nd Crop: Pay 100% of the Premium and receive NO Indemnity (claim withdrawn)

No

2nd Crop (FAC) Pay 100% of the Premium and Receive 100% of the Indemnity if there is any

1st Crop: Premium remains at 35%

* Indemnity Payment remains at 35%

1st Crop: Pay Additional 65% Premium on 1st Crop and Receive Additional 65% Indemnity on 1st Crop

1st Crop: Pay 100% Premium on 2nd Crop

No

Did the 2nd Crop Have any Loss

Yes

It is Confirmed the 2nd Crop has no loss. Pay the additional 65% Premium on 1st Crop and Receive additional 65% indemnity on 1st Crop

No

2nd Crop: Pay 100% Premium on 2nd Crop

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Flow-Chart: Double Crop Eligibility

REQUIREMENTS FOR DOUBLE CROP ELIGIBILITY

DO YOU NORMALLY DOUBLE CROP? (Plant a 1st Crop with the intention for the first to be followed by a 2nd Crop)

Yes

Have You "Double Cropped" at Least 2 of the Last 4 Years?

Yes

You are Eligible for Double Crop Coverage on any Insurable Double Crop that is Approved in your County to Insure Prior to March 15th.

Coverage is limited to second largest double cropped acreage in the past 4 years

Return to the Replant Decision Tree and follow the YES Pathway

No

Return to the Replant Decision Tree and follow the NO Pathway

No

You do not Qualify for Double Cropping Coverage

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Definition

The definition of prevented planting per the Common Crop Policy states:

Failure to plant the insured crop by the final planting date designated in the Special Provisions for the insured crop in the county, or within any applicable late planting period, due to an insured cause of loss that is general to the surrounding area that prevents other producers from planting acreage with similar characteristics. Failure to plant because of uninsured causes such as lack of proper equipment or labor to plant acreage, or use of a particular production method, is not considered prevented planting.
Prevented planting coverage will be provided against:

• Drought, failure of the irrigation water supply, failure or breakdown of the irrigation equipment, or facilities, or the inability to prepare the land for irrigation using your established irrigation method, due to an insured cause of loss only.

• Causes other than drought, failure of the irrigation water supply, failure or breakdown of the irrigation equipment or facilities, or your inability to prepare the land for irrigation using your established irrigation method, provided the cause of loss is specified in the Crop Provisions. However, if it is possible for you to plant on or prior to the final planting date when other producers in the area are planting and you fail to plant, no prevented planting payment will be made.

• In the event you are prevented from planting an insured crop that has prevented planting coverage, you must submit a claim to crop insurance company within 72 hours after:
  
  • The final planting date, if you do not intend to plant the insured crop during the late planting period or if a late planting period is not applicable.
  
  • You determine you will not be able to plant the insured crop within any applicable late planting period.
  
  • To find the applicable planting dates for your area go to:
http://webapp.rma.usda.gov/app/s/actuarialinformationbrowser/
After a loss is submitted to your crop insurance company an inspection should be made by an adjuster. Upon inspection the adjuster will determine if the cause of loss is general to the surrounding area. During this inspection the insured will be asked to declare their intentions regarding insurance coverage and indemnity payments made for insurable losses on the first crop and second crop. The insured’s options are as follows.

1) Plant and Insure a Second Crop.
   • Second crop may NOT be planted until after the end of the late planting period for the first insured crop.
   • Second crop acres must be reported on the acreage report and production must be kept separate.
   • Indemnity will be 35% payment on the first crop and a premium of 35% will be due.
   • This includes a volunteer or cover crop that is hayed, grazed or harvested from the same acreage before November 1, 2011.
   • In the event that a second crop is unable to be planted, please notify your crop insurance company and your indemnity and premium will be restored to the original 100% (Additional 65% indemnity issued/Additional 65% premium due).

2) Do NOT plant Second Crop.
   • Indemnity will be 100% payment on the first crop and 100% of the premium will be due on the first crop.
Other Considerations

- If it is determined that a second crop is planted in the first crop late planting period, the first crop will not be eligible for prevented planting payment.

- If another person plants a second crop on any of the PP acreage (first insured crop) after the late planting period (Final Plant date if the late plant period is not applicable) for the PP crop, then the Indemnity will be 35% payment on the first crop (It makes no difference if the insured of the 1st crop has any interest in the 2nd crop).

- The prevented planting indemnity for any eligible acreage will be calculated based on your price election or your projected price. Harvest Price will not be taken into consideration for indemnity purposes on prevented planting claims.

- Only ONE PP payment may be received by the insured or any other person (excluding share arrangement) for each acre for the crop year, unless the insured meets the requirement for double cropping. Double cropping must be an insurable practice in the county for the crop.

- The insured prevented planting payment and the amount of eligible acres will be determined in accordance with Section 17 of the Common Crop Policy and the 2013 Prevented Planting Loss Adjustment Standards Handbook.

- Common Crop Policy:

- 2013 PP LASH:
  http://www.rma.usda.gov/handbooks/25000/2013/13_25370-3h.pdf

Please contact your crop agent to discuss your options.
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We provide you with profit and decision-making search engines. We do the legwork for you, to save you time and make you more money. We search and find the best net cash prices and compare them to your profit goals. We do this every day, quickly and conveniently providing you the answers. And we do it for FREE.

We organize all of your critical decision making data to provide you solutions to help you manage and grow profitably. We know these things are important to your farming operation and they are available at any time through your customized account.

We deliver you relevant and key information, at the right time, for the right outcome... more profit.

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