



United States  
Department of  
Agriculture

Risk  
Management  
Agency

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April 24, 2006

## INFORMATIONAL MEMORANDUM

**TO:** All Reinsured Companies  
All Risk Management Agency Field Offices  
All Other Interested Parties

**FROM:** Eldon Gould /s/ *Eldon Gould*  
Administrator

**SUBJECT:** Prevented Planting Coverage for Acreage with High Salinity Levels

### BACKGROUND:

The tidal surge of Hurricane Rita inundated acreage with saltwater in some areas of Southwest Louisiana in September of 2005. As a result, the residual salt levels in the soil from that surge remain at concentrations that will make some of the affected acreage unfit for production for the 2006 crop year. Salt concentrations have also been tested at high levels in several streams and bayous, which serve as a source of irrigation supply water to the area.

The Common Crop Insurance Policy Basic Provisions (Basic Provisions) defines prevented planting as "Failure to plant the insured crop with proper equipment by the final planting date designated in the Special Provisions for the insured crop in the county. You may also be eligible for a prevented planting payment if you failed to plant the insured crop with the proper equipment within the late planting period. You must have been prevented from planting the insured crop due to an insured cause of loss that is general in the surrounding area and that prevents other producers from planting acreage with similar characteristics".

### ACTION:

- 1) For policies that have prevented planting provisions (e.g. rice, soybeans), the inability to plant due to the residual salt on the land or in the irrigation water supply as a result of the hurricane (provided the condition is general in the surrounding area and prevented other producers from planting acreage with similar characteristics) is an insured cause of loss for prevented planting, provided the hurricane occurred within the prevented planting insurance period.



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- 2) The prevented planting insurance period for the 2006 crop year for carryover insureds began on the sales closing date for the 2005 crop year, which was prior to Hurricane Rita. Therefore, the intrusion of salt due to the hurricane would be a covered cause of loss for prevented planting for the 2006 crop year for carryover insureds.
- 3) The prevented planting insurance period for the 2006 crop year for new insureds began on the sales closing date for the 2006 crop year. New insureds would not be eligible for prevented planting coverage for the intrusion of salt due to the hurricane, as the hurricane occurred prior to the 2006 crop year sales closing date.
- 4) The insured must report and document the cause of loss. The approved insurance provider (AIP) must determine whether the loss is insurable and may ask the insured for additional documentation and published material from agricultural experts to support the prevented planting claim.