

INFORMATIONAL ITEM

Localized Prevented Planting Study

Background:

The Federal Crop Insurance Corporation (FCIC) Board of Directors approved a resolution to conduct a study of localized prevented planting problems. The Federal Crop Insurance Act requires the Corporation to limit prevented planting payments for producers to those situations in which other producers, in the area are also generally affected by the conditions that prevented planting. Additionally, the definition of Prevented Planting, contained within the Common Crop Insurance Policy Basic Provisions, 7 CFR 457.8 states: “. . . 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.”

Status:

The Risk Management Agency has drafted a Statement of Work to contract for the prevented planting study. This statement of work requires the contractor to conduct a study to determine the nature of the localized prevented planting, determine if such localized prevented planting is insurable based on the Federal Crop Insurance Act, and to determine if current policy and procedure accurately address the issue, or if not, to recommend changes necessary.

The Statement of Work is in the Research and Development concurrence process and comments are expected by March 30, 2001.

It is expected that the Statement of Work will be sent to the contracting officials the week of April 2, 2001, for seeking bids for this study.