



United States
Department of
Agriculture

INFORMATIONAL MEMORANDUM: IS-09-013

Risk
Management
Agency

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

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FROM: Sue Rourk King /s/ Heyward Baker for 9-11-2009
Acting Deputy Administrator for Insurance Services

SUBJECT: Claims Alert – Prevented Planting and Reduced Irrigation Water Allocations
for the San Carlos Irrigation and Drainage District effective for the 2009
Crop Year

BACKGROUND:

Central Arizona and more specifically the San Carlos Irrigation and Drainage District (SCIDD) located in Pinal County, Arizona, is experiencing a drought year. As a result of a reduced water supply, prevented planting claims are expected for lands irrigated by the SCIDD. *Questions have been raised regarding the determination of the correct allocation figure to be used in determining prevented planting indemnities for acreage in the SCIDD for the 2009 crop year.*

Irrigation water for SCIDD is stored at the Coolidge Dam. The water rights for SCIDD are administered through the San Carlos Irrigation Project (Project), which is a U.S. Department of Interior, Bureau of Indian Affairs organization. Among the multiple factors the Project takes into account in determining the allocation are the amount of water flowing into the Coolidge Dam and the amount of stored water in the Coolidge Dam. Over the past 25 years the apportionments have been as high as 4.0 acre-feet and as low as 0.35 acre-feet. However, the average allotment over the past 25 years has been 1.90 acre-feet per acre. Additionally, using an average median inflow amount of 315,000 acre-feet into the Coolidge Dam would also result in an estimated allotment of 1.9 acre-feet per acre.

ACTION:

The snowpack for the San Francisco-Upper Gila River watershed, which provides the water for SCIDD was only 42 percent of the 30-year average as of April 1, 2009. The streamflow levels throughout the spring runoff period were well below normal. The storage level of the Coolidge Dam in the beginning of the year was only 42 percent of average. SCIDD's allotment for 2009 has been announced as 1.2 acre-feet per acre.



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Due to the reduced water allocations for SCIDD, there may be expectations of prevented planting payments and production losses for the 2009 crop year due to the failure of the irrigation water supply caused by adverse weather.

The Basic Provisions of the Common Crop Insurance Policy states in section 17(d) that failure of the irrigation water supply is an insurable cause of loss for the purposes of prevented planting if on the final planting date, (or within the late planting period if the producer elects to try to plant the crop), there is not a reasonable expectation of having adequate water to carry out an irrigated practice. The drought situation for the lands located in SCIDD will be considered an insurable cause of loss if it occurred within the applicable prevented planting insurance period.

For purposes of prevented planting based on the information provided in this document, Approved Insurance Providers (AIPs) should use the 1.9 acre-feet allotment as a baseline for the amount of water a producer in SCIDD can expect to receive under normal conditions. The number of acres that can normally be planted would be based on the amount of water, based on the 1.9 acre-feet allotment, expected to be received in a normal water year, and should take into account amounts used for all crops in the farming operation, including crops that may use greater amounts of water such as alfalfa. This information may be helpful to AIPs when adjusting prevented planting claims.

An example of the reduced allocation is as follows: A grower, using the baseline of 1.9 acre-ft allocation, expects 2,000 acre-feet of water in an average water year. However, due to dry conditions, the insured only receives 1264 acre-feet, which is 736 acre-feet less than their expected allotment under normal conditions. If their normal farming practice/water budget takes 4 acre-feet of water to produce a cotton crop, then the producer may be eligible for prevented planting on 184 acres (736 acre-feet short divided by 4 acre-feet) as long as all other terms of the policy are met.

Please contact the Davis Regional Office if you have any question.

DISPOSAL DATE:

This Claims Alert transmits information and expires when 2009 Arizona claims are complete.