



# Prevented Planting Insurance Provisions Drought

Revised April 2012

## Drought and Prevented Planting

Prevented planting is the failure to plant an insured crop with the proper equipment by the final planting date designated in the insurance policy's Special Provisions or during the late planting period, if applicable. Final planting dates and late planting periods vary by crop and by area. You should refer to the policy provisions or contact your crop insurance agent for more information.

The Crop Provisions for each crop specify whether prevented planting is available. Crop insurance policies with prevented planting provisions provide valuable coverage when an insurable cause of loss, such as **drought**, prevents planting on non-irrigated acreage, or results in an inadequate irrigation water supply for irrigated acreage. Because farming is complex, eligibility for a prevented planting payment must be determined on a case-by-case basis. However, the following provides a general overview.

The prevented planting guarantee for most crops is 60 percent of the production guarantee for timely planted acreage (65 or 70 percent if available and elected by the sales closing date). For Revenue Protection, Revenue Protection with Harvest Price Exclusion, and Yield Protection insurance plans, the projected price is used to determine the prevented planting payment. There is **no** prevented planting coverage for Group Risk Plan (GRP) or Group Risk Income Protection (GRIP) insurance policies.

## Carryover and New Policyholders

**If you had an insurance policy the year before** (carryover policyholders), you are eligible for prevented planting payments if the insured cause of loss occurred on or after the sales closing date for the previous crop year, provided insurance was in force **continuously** since that date, and all other prevented planting requirements are met. **New** policyholders are eligible for prevented planting payments if the insured cause of loss occurred on or after the sales closing date for the current crop year, and all other prevented planting requirements are met.

**Example:** The corn sales closing date is March 15, for this crop year. An insured cause of loss occurs on or after March 15. You could be eligible for a prevented planting payment for this crop year. However, if a cause of loss that prevents planting this year occurred between March 15 of last year and March 14 of this year, **only** a carryover policyholder would be eligible for a prevented planting payment.

## Which Crops Are Covered Under Prevented Planting?

Prevented planting coverage is available for: barley, buckwheat, canola/rapeseed, corn, cotton, cottonseed, extra long staple cotton, dry beans, dry peas, flax, grain sorghum, green peas, hybrid sorghum seed, hybrid seed corn, millet, mustard, oats, popcorn, onions, peanuts, southern potatoes, northern potatoes, processing sweet corn, processing beans, rice, rye, safflowers, silage sorghum, soybeans, sugar beets, sunflower seeds, tobacco, and wheat. To find out if your crop can be insured for prevented planting in **your** county, contact your insurance agent.

## Prevented Planting for Non-Irrigated Acreage

To be eligible for prevented planting for non-irrigated acreage due to drought, the area that is prevented from being planted must, on the final planting date (or within the late planting period if you choose to try to plant during this period), have insufficient soil moisture for germination of seed or progress toward crop maturity due to a prolonged period of dry weather.

## Prevented Planting for Irrigated Acreage

Prevented planting payments may be made for irrigated acreage when, on the final planting date (or within the late planting period if you choose to try to plant during this period), there is not a reasonable expectation of having adequate water available to carry out an irrigated practice due to an insured cause of loss (such as drought) that occurred during the prevented planting insurance period.

## Should I Plant?

You should base your decision whether or not to plant on agronomically sound and well-documented drought management practices.

You may choose to:

- Plant fewer irrigated acres, based on the amount of adequate irrigation water available;
- Plant and report the acreage without adequate water as non-irrigated, if a non-irrigated practice is available for the crop in your county;
- Not plant the acreage if adequate water is not available and claim a prevented planting payment; or
- Plant and report the acreage as uninsurable if a non-irrigated practice is not available for the crop in the county.

## Keep Good Records

For irrigated acreage, good documentation is key to receiving prevented planting payments. Because prevented planting claims can depend on the amount of adequate irrigation water expected for the crop year, if you have irrigated acreage you should keep all documentation regarding how much water you will receive for the crop year and any justifications provided for reductions in the allocation. You should work with your insurance company to determine what documentation is needed for your specific prevented planting claim. Documentation may also be available from local water authorities including:

- The U.S. Bureau of Reclamation,
- The U.S. Army Corps of Engineers,
- State Departments of Water Resources, and
- USDA's Natural Resources Conservation Service.

For non-irrigated acreage, to be eligible for prevented planting, you must be able to verify a prolonged period of drought. Sources that record and study weather conditions include the National Weather Service's local weather reporting stations.

## Common Misconceptions

**Misconception:** Prevented planting coverage does not pay when you suffer a loss.

**Fact:** Over the years, prevented planting payments have become a significant portion of total indemnities paid by crop insurance companies. When you are faced with a prevented planting situation, having meaningful risk management protection may prove invaluable.

**Misconception:** You are not covered when a drought causes a shortage of irrigation water.

**Fact:** Crop insurance policies specifically address failure of an irrigation water supply. If failure of the irrigation water supply occurs before you plant and the failure is due to an insurable cause of loss during the prevented planting insurance period, the acreage will be eligible for prevented planting.

**Misconception:** If you are prevented from planting because of a lack of irrigation water, you must plant and insure the crop as a non-irrigated crop.

**Fact:** There is no requirement in the crop insurance policy to plant any crop on acreage you cannot plant because of a lack of irrigation water.

**Misconception:** No payment will be made if a water provider stops providing water to producers after insured crops have been planted to provide water for Federal or State environmental legislation.

**Fact:** Decreased water allocation because of the diversion of water for environmental or other reasons is not an insurable cause of loss unless the diversion is made necessary due to an insured cause of loss. If water is diverted due to an insured cause of loss (such as drought) and occurs during the prevented planting insurance period, you may be eligible for insurance payments on the insured acreage. If a portion of the diversion is due to an insured cause of loss and a portion is due to uninsured causes, only the portion attributable to insured causes will be paid.

**Misconception:** If continued drought is predicted, you should plant all or none of your insured crop.

**Fact:** Crop insurance policies do not require you to plant or not plant your crops. Those decisions are solely up to you and depend upon your unique circumstances.

**Misconception:** Prevented planting does not cover you in multi-year drought conditions.

**Fact:** Prevented planting covers drought, including multi-year droughts. However, coverage is limited to losses caused by the effects of drought in the current crop year. Multi-year droughts could reduce the amount of acreage qualifying for prevented planting if the amount of irrigation water available in a previous crop year could not be replaced, based on normal weather in the insurance period. Only the acres that could have been irrigated under normal weather conditions during the insurance period are eligible for prevented planting in the current crop year. For **carryover** policyholders, the insurance period for prevented planting begins on the sales closing date for the previous crop year as long as insurance has been in force continuously since that date. For **new** policyholders, the insurance period for prevented planting begins on the sales closing date for the current crop year.

**Misconception:** Once a prevented planting payment is made for any acreage, payment cannot be made on the same acreage in a succeeding year.

**Fact:** Prevented planting covers insured perils occurring within the insurance period. You may be eligible for prevented planting if drought conditions continue into the next crop year.

## For More Information

Prevented planting handbook

[http://www.rma.usda.gov/handbooks/25000/2012/12\\_25370-2h.pdf](http://www.rma.usda.gov/handbooks/25000/2012/12_25370-2h.pdf)

Agent locator

<http://www3.rma.usda.gov/apps/agents/>

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