



United States
Department of
Agriculture

Risk Management
Agency

Jackson Regional
Office

803 Liberty Rd
Flowood, MS
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February 23, 2011

INFORMATIONAL MEMORANDUM

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

FROM: ROCK W. DAVIS /s/ *Rock W. Davis*
Director, Jackson Regional Office

SUBJECT: Non-Irrigated Cotton planted following Wheat – 2011 Crop Year

BACKGROUND:

The Risk Management Agency (RMA) has received a number of inquiries regarding the insurability of non-irrigated cotton planted following wheat in the Jackson Regional Office area.

The 2010 Cotton Crop Provisions (99-021) stated the following:

5. Insured Crop

In accordance with section 8 (Insured Crop) of the Basic Provisions, the crop insured will be all the cotton lint, in the county for which premium rates are provided by the actuarial documents:

*(b) **That is not** (unless allowed by the Special Provisions or by written agreement):*

*(5) **Grown on acreage on which a small grain crop reached the heading stage in the same calendar year unless the acreage is irrigated or adequate measures are taken to terminate the small grain crop prior to heading and less than fifty percent (50%) of the small grain plants reach the heading stage.***

The 2011 Cotton Crop Provisions (11-0021) no longer makes reference to cotton grown on acreage following small grain harvested in the same calendar year. Furthermore, the restriction was not placed in the Cotton Special Provision of Insurance (SPOI) for counties/parishes within the Jackson Region. However, this omission should not be interpreted to mean the production method is now considered a recognized good farming practice. It is the intent of the Jackson Regional Office to place the referenced restriction in the SPOI for 2012.



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Section 12, (b) of the Common Crop Insurance Policy (11-BR) states the following:

12. Causes of Loss.

Insurance is provided only to protect against unavoidable, naturally occurring events. A list of the covered naturally occurring events is contained in the applicable Crop Provisions. All other causes of loss, including but not limited to the following, are NOT covered:

(b) Failure to follow recognized good farming practices for the insured crop;

The Loss Adjustment Manual (LAM) Section 2, PAR. 121 and Section 3 PAR.136 provide procedure for verifying whether the crop is insured in accordance with the policy and subsequent loss adjustment. Also, Manager's Bulletin MGR-05-010, I. GFP Decisions Made by AIPs, Paragraph B provides additional guidance.

ACTION:

Approved Insurance Providers (AIPs), Agents, and Adjusters are reminded to follow the Policy Provisions and LAM procedures when determining that good farming practices are being followed.

It remains the responsibility of the policyholder to demonstrate insurability of their crop acreage, along with the compliance of other Policy Provisions, including but not limited to the requirements outlined in the Common Crop Insurance Policy, Basic Provisions (11-BR), Section 12, (b) "Failure to follow recognized good farming practices for the insured crop", in the event of a loss.

Therefore, policyholders are encouraged to contact their AIP to discuss insurability of this practice, as well as, obtain the advice of Agricultural experts, as defined in the Common Crop Insurance Policy, Basic Provisions (11-BR), along with written opinions from such experts, and published material regarding whether the proposed production method is recommended and recognized as a good farming practice for the applicable area.



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