



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

1400
Independence
Avenue, SW
Stop 0801
Washington, DC
20250-0801

INFORMATIONAL MEMORANDUM NO.: IS-11-007

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

FROM: Michael A. Alston /s/ David L. Miller, for 7/21/2011
Deputy Administrator for Insurance Services

SUBJECT: Claims Alert – Diverted Irrigation Water for the 2011 Crop Year

BACKGROUND:

Extreme to exceptional drought conditions continue throughout portions of Kansas, Oklahoma, Texas, eastern New Mexico and surrounding states. No significant rain has been received in most of this area since late last summer/early fall, resulting in the past nine months having been the driest ever in the South Central United States according to NOAA National Weather Service records dating back to 1895. This record setting drought has created unprecedented challenges and consequences to irrigated and dry-land producers throughout the region.

Continuing extreme heat and hot winds are increasing the effects of the drought. Producers of irrigated crops have found it difficult to keep up with their crop demands for water and are facing exceptional crop water application issues on insured acreage. Depending on the circumstances, some policyholders have requested permission to divert water from within a field, from one field to another field, or from one crop to another crop in order to adequately irrigate insured acreage on a field and crop basis.

Insurance coverage for irrigated corn may be available for grain only, or for grain and/or silage based on the insurance offer within the county. Recently, policyholders have requested permission to divert water, for example, from one-half of a center pivot/field so they may adequately irrigate the other half of the pivot/field.

Accordingly, crop insurance policy and procedural concerns regarding irrigation water shortages, as well as the developing water diversion issues, were brought to the attention of the Risk Management Agency (RMA).

ACTION:

In any water diversion situation, refer to Par. 40 K (6) and 40 N of the FCIC-25010 Loss Adjustment Manual (LAM) Standards Handbook.



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

USDA is an Equal Opportunity Provider and Employer

If any portion of the crop will not be harvested or will be put to another use (i.e., harvested as silage in a grain only county), the insured crop must be appraised as soon as possible. If an accurate appraisal cannot be made, Approved Insurance Providers (AIPs) may defer the appraisal until such time an accurate appraisal can be made (i.e., maturity line appraisal method versus stand reduction method).

If the insured disagrees with the initial appraisal and requests to defer the appraisal and the AIP agrees, representative sample areas (RSA) may be used in accordance with Par. 88 of the LAM. In this case, the RSAs must continue to be cared for, with the exception of irrigation, until the final appraisal can be made. Due to the current drought situation, and the potential for further crop damage, AIPs should not defer appraisals later than the time the maturity line appraisal method can be used.

If you have questions, please contact your respective RMA Regional Office.

DISPOSAL DATE:

December 31, 2011.