



**United States
Department of
Agriculture**

Risk
Management
Agency

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INFORMATIONAL MEMORANDUM

TO: All Approved Insurance Providers Writing in the State of Kansas

FROM: Rebecca Davis */s/ Rebecca Davis*
Director, Topeka RO

SUBJECT: Crop Insurance and Limited Irrigation within LEMA HPA SD-6

BACKGROUND:

The current policy definition of an irrigated practice is: "A method of producing a crop by which water is artificially applied during the growing season by appropriate systems and at the proper times, with the intention of providing the quantity of water needed to produce at least the yield used to establish the irrigated production guarantee or amount of insurance on the irrigated acreage planted to the insured crop." The quantity of water available for the current crop year must be enough to produce the irrigated Actual Production History (APH) yield. The policy states what the reporting requirements for an irrigated practice are. Section 9(b) of the Common Crop Insurance Policy states: "You must report as irrigated only that acreage for which you have adequate facilities and adequate water, or the reasonable expectation of receiving adequate water at the time coverage begins, to carry out a good irrigation practice. If you knew or had reason to know that your water may be reduced before coverage begins, no reasonable expectation exists."

Producers that intend to reduce the amount of irrigation water applied have the following options under their crop insurance policy.

- Option 1 is to plant fewer irrigated acres and report the rest of the planted acres as non-irrigated.
- Option 2 is to continue to plant all your acres with limited water and insure them under a non-irrigated practice.
- If acreage falls within the Local Enhanced Management Area (LEMA), a 3rd Option exists. Option 3 is to request a limited irrigation yield by written agreement

Failure to take any of the above options, can result in the following procedures per Paragraph 84 M (6) of the Loss Adjustment Manual follow procedures if an insured incurs a claim and inadequate irrigation was available for the acres insured:

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“(6) If the acreage reported for insurance under the irrigated practice exceeds the capacity of the irrigation facilities and/or water supply reasonably expected at the time of planting (or on the calendar date for the beginning of the insurance period for perennial crops), limit (reduce) the number of acres insured under the irrigated practice to an amount which could have been adequately irrigated.

Example of reported insured acres exceeding the capacity of the irrigation facilities and/or water supply: *An insured reports 100 acres under the irrigated practice. It is later determined that, at the time insurance attached, the facilities or water supplies were adequate for only 75 acres but were used on the 100 acres.)*

Proceed as follows:

- (a) Document the number of acres that are insurable as irrigated (75 acres, in this case).*
- (b) Determine, to the extent practical, the highest yielding 75 acres to be the irrigated acres, appraise any reduction in production on the 75 acres caused by applying the available water to the 100 acres, and enter the appraisal on the claim as an uninsured-cause appraisal.*
- (c) If only irrigated acreage is insurable in the county for the crop, prepare a revised acreage report showing 75 acres insured under the irrigated practice. Enter the 25 acres as uninsured acres, and explain the 25 acres are uninsurable acreage due to inadequate facilities and/or water supplies.*
- (d) If both irrigated and non-irrigated acreage are insurable in the county for the crop, prepare any claim and/or revised acreage report in accordance with these procedures.*
- (e) If facts support misrepresentation of the reported practice by the insured, document the facts and handle the case under misrepresentation procedures.”*

ACTION:

Approved Insurance Providers are reminded to discuss irrigation practice insurability requirements with their insureds. Irrigation water conservation efforts, such as the creation of a Local Enhanced Management Areas, or a reduced irrigation supply for any reason may result in insureds intending to apply less irrigation water than historically used to establish their APH yield. Insureds that do not intend to apply the quantity of water needed to produce at least the yield used to establish the irrigated production guarantee must take appropriate steps to protect their crop insurance coverage.

Producers with acreage within a LEMA may be eligible for a limited irrigation written agreement according to the corn and soybean Special Provisions for Sheridan and Thomas Counties. The request for written agreement and all supporting documentation must be submitted to the Regional Office through your crop insurance agent on or before the acreage reporting date.