

## Nebraska 2014 Prevented Planting FAQs

July 1, 2014

### **Q: I have been informed that there may be reduced water availability for irrigation. What are my alternatives for insuring the crop for the 2014 crop year?**

A: Under current crop insurance policies and procedures, to insure your crop as irrigated, you must apply at the appropriate times the quantity of water needed to produce at least the yield used to determine the production guarantee or amount of insurance. The yield used to determine the production guarantee is also known as your Actual Production History (APH) yield.

If you intend to apply less water than is required to establish your irrigated practice APH yield on the irrigated acreage planted to the insured crop, regardless of the reason, you have the following options:

- Apply the amount of water needed to produce the irrigated APH yield on a reduced number of acres and report the remaining acres as non-irrigated; if coverage is available for a non-irrigated practice of the crop;
- Apply less water to the total acreage than used to establish your irrigated APH yield and report the total acreage as non-irrigated, if coverage is available for a non-irrigated practice of the crop; or
- Apply the amount of water needed to produce the irrigated APH yield on a reduced number of acres and leave the remaining acres idle and claim a prevented planting guarantee, if eligible.

### **Q: What types of information must I have in order to qualify for a prevented planting payment?**

A: In order to qualify for a prevented planting payment, an insurable cause of loss must have occurred within the prevented planting insurance period that has prevented you from planting the crop. For carryover insureds (producers who had insurance for the 2013 crop year on the crop), the prevented planting insurance period begins on the sales closing date for the previous crop year (2012 crop year).

For example, the corn sales closing date is March 15, 2014, for the 2014 crop year. An insurable cause of loss such as drought occurs on or after March 15, 2013, and negatively affects irrigation water availability for the 2014 crop year. In this case, the insured could be eligible for a prevented planting payment.

For new insureds, the prevented planting insurance period begins on the sales closing date for the insured crop in the county for the crop year the producer's application is accepted.

For example, the corn sales closing date is March 15, 2014, for the 2014 crop year. The insured obtains a corn application for the 2014 crop year on March 1, 2014. An insured cause of loss, such as drought occurs on or after March 15, 2014, and prevents the insured from planting corn by the final planting date. In this case, the insured could be eligible for a prevented planting payment. An insurable cause of loss occurring prior to March 15, 2014, would be outside the PP insurance period and the insured would not be eligible for a prevented planting payment.

You must keep and provide all documentation to your company regarding the amount of water you will receive for the crop year and any justification provided for any reductions in their allocation.

Documentation of water shortfalls must be verified from information from local irrigation authorities responsible for water allocations, State Departments of Water Resources, the U.S. Bureau of Reclamation, the U.S. Army Corps of Engineers, Cooperative Extension Service, Natural Resources Conservation Service or other sources responsible for collection of water data or regulation of water resources. These sources are also used to document whether all or a portion of the acres could be irrigated if average precipitation had occurred within the prevented planting insurance period.

**Q: Are both sources of irrigation water (surface and wells) eligible?**

A: Yes. But, in most cases it is not possible to establish the amount of reduction in well water that is attributable to an insured cause of loss that occurred within the insurance period, and is thus difficult to prove prevented planting eligibility. If an insured has well water, it may be that the well water can make up the difference in the lack of surface water and all acres could be planted under an irrigated practice.

**Q: If I receive a prevented planting payment for a spring crop and then plant the acreage to a cover crop for conservation purposes, will the cover crop be treated as a second crop and reduce my payment?**

- A: For a cover crop that is planted after the end of the late planting period (or final planting date if no late planting period is applicable) for an insured crop that is prevented from being planted:
  - If the cover crop is not hayed or grazed before November 1 of the crop year, the prevented planting payment will not be reduced.
  - If the cover crop is hayed or grazed after the late planting period (or final planting date if no late planting period is applicable) for an insured crop that is prevented from being planted and prior to November 1 of the crop year, the prevented planting payment will be reduced by 65 percent.
  - If the cover crop is hayed or grazed after November 1 of the crop year in which an insured crop is prevented from being planted, the prevented planting payment will not be reduced.
- For a cover crop that is planted prior to or during the late planting period for an insured crop that is prevented from being planted:
  - If the cover crop is not hayed or grazed before November 1 of the crop year, the prevented planting payment will not be reduced.
  - If the cover crop is hayed or grazed prior to November 1 or otherwise harvested at any time, the insured is ineligible for a prevented planting payment on such acreage.
- A cover crop harvested for grain, seed, etc., is presumed not to have been grown for conservation or soil improvement and the policy provisions for second crops or crops planted before the end of the late planting period will apply.

For additional information on the use of cover crops and your crop insurance coverage, please see the 2014 Cover Crops Crop Insurance, Cover Crops and NRCS Cover Crop Termination Guidelines FAQs dated April 1, 2014, found at: <http://www.rma.usda.gov/help/faq/covercrops2014.html>

**Q: My irrigation district notified the producers that it decided to deliver water (surface water - through canals) over a shorter period than normal in order to provide more water with each release. With this shorter period, I will not be able to irrigate any acres with enough water throughout the growing season to grow my APH yield. Am I eligible for prevented planting on all acres of the crop?**

A: Prevented planting coverage may be available if all necessary conditions and documentation are met. In this case, the number of eligible prevented planting acres will be determined based on the number of acres on which an irrigated practice could have been carried out if the district would have followed the normal, longer water release time period. The decision to deliver the water in a different manner than historically done is an administrative decision and not an insurable cause of loss.

**Q: My irrigation district notified the producers that they only have enough available water to deliver water over a shorter period than normal. With this shorter period, I will not be able to irrigate any acres with enough water throughout the growing season to grow my APH yield.**

**1) Can I claim prevented planting on all my acres of the crop?**

A: If the reduction of irrigation water was due to an insurable cause of loss that occurred in the insurance period, and your irrigation district could not deliver adequate water to irrigate any acreage over the normal longer water release time period, prevented planting coverage could be available on all eligible acres. If the irrigation district notified the producers of the water shortage prior to the

prevented planting insurance period, only a portion of the loss attributable to the insured cause of loss within the insurance period will be covered and the eligible acres for a prevented planting payment will be reduced accordingly.

**2) Can I elect to use what little water is available and apply it to my uninsured crop?**

A: If you have other acreage on which an uninsured crop is grown and these acres are not eligible for a prevented planting payment and can be irrigated, (i.e. alfalfa) the available irrigation water can be applied to those acres without affecting the prevented planting eligibility.

Any crop planted on acres on which a prevented planting guarantee is available, other than a cover crop, is subject to 1st crop 2nd crop provisions.

Keep in mind, if the same amount of water is available as in previous years, a producer's decision to change cropping patterns or to plant crops with greater water use requirements does not constitute an insurable cause of loss. If the amount of available water is reduced due to insured causes, a prevented planting payment can be paid only on the amount of acreage associated with the amount of water lost due to insured causes.

**Q: I am a surface water irrigator with my source being a reservoir. For the second crop year the reservoir is below normal and I have been told I will have reduced irrigation supply. How can I calculate the reduction due to insurable causes of loss?**

A: Surface water irrigators must first demonstrate their irrigation source inflows are correlated to precipitation throughout the prevented planting insurance period. If average precipitation during the prevented planting insurance period would result in an allocation that would allow production on only a portion of the acres previously planted, the surface water irrigator must separate out what portion of the loss occurred within the 2014 prevented planting insurance period. In cases of multi-year drought, only the portion of the loss that occurs within the current prevented planting insurance period is eligible for a prevented planting guarantee.

- A producer could consider whether or not normal precipitation during the 2014 prevented planting insurance period would result in actual inflows equal to most probable inflows. The general calculation would be a comparison of actual inflows to most probable inflows for the same period.
- If information is not available indicating how much acreage could be planted if average precipitation would have occurred within the insurance period, only those acres that received irrigation water in the 2013 crop year from the water source in question are eligible for a prevented planting guarantee. Those acres on which an insured received a prevented planting guarantee in 2013 are not eligible for a prevented planting in subsequent years until which time the insured can demonstrate that he/she can again irrigate those acres from the water source in question. However, each case must be reviewed individually as each insured's situation is unique. It is the insured's responsibility to provide information to support his/her prevented planting claim.

**Q: The state government issued a second Compact Call on the Republican River for 2014. As a result, inflows captured after January 1, 2014, in any of the 5 reservoirs from which irrigation water is delivered are not available to surface water irrigators. As a surface water irrigator supplied by one of these reservoirs, am I eligible for a prevented planting payment on the acres I cannot plant and irrigate?**

- A: Prevented planting payments can only be made if the producer was unable to plant due to an insured cause of loss. Specifically, the Common Crop Insurance Policy Basic Provisions state "prevented planting coverage will be provided against drought, failure of the irrigation water supply, failure or breakdown of irrigation equipment or facilities, or the inability to prepare the land for irrigation using your established irrigation method, due to an insured cause of loss."
- Therefore, if the reason for the Compact Call is due to an insured cause of loss occurring within the prevented planting insurance period, the acres that could not be planted and insured under an irrigated practice may be eligible for a prevented planting payment. Paragraph 23 of the Prevented Planting Loss Adjustment Standards Handbook (FCIC-25370) contains provisions for determining whether an insured peril prevented the insured from planting the crop. *"Decreased allocations resulting from 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.*" Surface water irrigators that can demonstrate their irrigation source relies on precipitation during the insurance period to replenish their irrigation supply may be eligible for a prevented planting payment. To demonstrate this, irrigators must have documentation showing that had average precipitation occurred during the prevented planting insurance period, a compact call would not have occurred.

- In the case of a continuing drought, normal precipitation during the prevented planting insurance period may not provide enough water to fully replenish the irrigation water supply. The insured is responsible for establishing how much of their irrigation water supply would have been available had normal precipitation occurred during the prevented planting insurance period. If the insured cannot establish that portion, he/she would only be eligible for a prevented planting payment on the acres that he/she planted and appropriately reported as an irrigated practice in the previous year. See previous question.