Welcome
The session will begin shortly.
Prevented Planting (PP) Request for Information Listening Session

USDA Risk Management Agency
Materials Created June 2023
Welcome

Background Information: Request for Information (RFI)

Background Information: Prevented Planting (PP)

Comments
Background: Request for Information

• Requesting information on prevented planting topics including, but not limited to:
  • Prevented planting payment calculations
    • Harvest Price
    • Contract Crops
  • “1 in 4” rule
  • 10 percent additional coverage option
  • General comments

Published May 23, 2023

### Written Comments

**www.regulations.gov**

Through close of business
September 1, 2023

### Oral Comments

In-person Listening Sessions; and/or Virtual Listening Sessions

### All comments will be posted without change and will be publicly available on** www.regulations.gov.**
Background: Request for Information

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Background: Prevented Planting

- Prevented Planting Coverage
- Covered Perils
- Eligibility
Prevented planting (PP) is the…

Failure to plant the insured crop by the final planting date designated in the actuarial documents for the insured crop in the county, or within any applicable late planting period, due to an insured cause of loss that is general to the surrounding area and that prevents other producers from planting acreage with similar characteristics.

Failure to plant because of uninsured causes such as lack of proper equipment or labor to plant acreage, or use of a particular production method, is not considered prevented planting.
Prevented Planting Coverage = Insurance Guarantee of a Timely Planted Crop × Prevented Planting Coverage Factor

Example:

• A producer’s insurance guarantee* = $100 an acre
• Prevented Planting Coverage Factor for the crop = 60%
• $100 × 60% = $60 prevented planting payment per acre (60% of the guarantee)
• *Insurance guarantee = Approved yield × coverage level × projected price (or price election)
Prevented Planting Coverage Factors:

- Are specified in the actuarial documents;
- Vary by crop;
- Are designed to provide protection based on pre-planting costs; not crop replacement; and
- Are established by comparing fixed and variable costs (from available national and state crop budgets) to average insurance guarantees.

RMA reviews prevented planting coverage factors on a 6-year cycle.
Additional Coverage Options

- Producers with additional coverage policies (not CAT coverage) may elect to purchase an additional 5% of prevented planting coverage, commonly referred to as “PP+5”.
- Prior to 2018, there was also a “PP+10” additional coverage option.
Covered Perils

Any insured cause of loss (peril) that is listed in the Crop Provisions for the insured crop, provided the cause occurred during the prevented planting insurance period and the peril prevented the insured from planting the insured crop.

Common Examples:

• Failure of Irrigation Water Supply
• Drought
• Excess Moisture
• Flood
**Background: Prevented Planting**

### Crops with Prevented Planting Coverage:

- Barley
- Buckwheat
- Canola/Rapeseed
- Corn
- Cotton
- Cottonseed
- ELS Cotton
- Dry Beans
- Dry Peas
- Flax
- Grain Sorghum
- Green Peas
- Hybrid Seed Corn
- Hybrid Popcorn Seed
- Hybrid Sorghum Seed
- Hybrid Sweet Corn Seed
- Millet
- Mustard
- Oats
- Onions
- Peanuts
- Popcorn
- Potatoes, Central and Southern
- Potatoes, Northern
- Processing Beans
- Rice
- Rye
- Safflowers
- Silage
- Sorghum
- Soybeans
- Sugar Beets
- Sunflower Seed
- Sweet Corn, Processing
- Tobacco
- Triticale
- Wheat
Eligibility

• The producer must have eligible acre history

• If no history, the producer must submit an intended acreage report

• Producer must provide proof they had inputs available to plant and produce the crop

• Acreage claimed must be at least 20 acres or 20% of the insured acres in the unit
Eligibility

• Acreage must meet the physically available for planting requirements:
  • Be free of trees, rocky outcroppings, or other factors
  • Not be enrolled in a USDA program that removes the acreage from crop production
  • Not be planted to a perennial crop (trees, vines, etc.)
  • Not have pasture, rangeland, or forage in place
  • Meet the “1 in 4” Rule:
The “1 in 4” Rule

• The acreage must have been planted to a crop, insured, and harvested (or if not harvested, adjusted for claim purposes due to an insured cause of loss (other than a cause of loss related to flood, excess moisture, drought, or other cause of loss specified in the Special Provisions)) in at least one out of the previous four years.

• The insured is responsible to prove qualifications

• If land fails this rule, it must be met for two consecutive years to be deemed physically available for planting (and regain eligibility for prevented planting coverage)
Background: Prevented Planting

We want to hear from YOU!
Comments

• Request for Information - Published May 23, 2023
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  • Prevented planting payment calculations
    • Harvest Price
    • Contract Crops
  • “1 in 4” rule
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  • General comments
RMA staff will be taking notes during the session.

Listening Sessions are scheduled for 2 hours.

Please keep comments to 5 minutes.

Please be respectful.

This is not a question-and-answer session and is not intended to address individual situations.
We want to hear from you!

Speakers are encouraged to also submit their comments in writing.

Submit written comments by September 1, 2023.

www.federalregister.gov
Contact Us!
Prevented Planting Team: rma.pp.lah@usda.gov

Learn More:
RMA Home Page: www.rma.usda.gov

Prevented Planting Web Page: www.rma.usda.gov/Topics/Prevented-Planting