

MANAGERS BULLETIN: MGR-19-012

DATE May 28, 2019

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

FROM: Martin R. Barbre, Administrator /s/ Martin R. Barbre 5/28/2019

SUBJECT: Delays in Terminating Crops Due to Adverse Weather Conditions

Background

Producers in Illinois, Indiana, Iowa, Michigan, North Dakota, Ohio, South Dakota, and Wisconsin have been severely affected by wet weather and muddy field conditions. Additionally, many acres of failed fall-seeded crops, like winter wheat and barley, have been appraised and released for termination. However, the excess moisture has delayed the normal and customary timeframe for mechanical or chemical termination of the crops. In some situations, producers are unable to fully terminate the fall-seeded crops prior to the onset of some of the plants reaching the headed or budded stage. If not for the wet weather, producers would have been able to terminate the crops timely in the normal and customary timeframes.

The Special Provisions in some counties contain a statement limiting insurability of spring-planted crops following a crop that has reached the headed or budded stage. The following is an example of the referenced Special Provision statement:

"Insurance shall not attach or be considered to have attached without a written agreement to a planted crop on acreage from which, in the same calendar year:

1. A perennial hay crop was harvested; or
2. A crop (other than a cover crop) reached the headed or budded stage prior to termination, regardless of the percentage of plants that reached the headed or budded stage;"

The purpose of this Special Provision statement is to ensure there is no additional moisture depletion which normally occurs when the crop has reached the headed or budded stage. The termination of plant growth allows for the storage of moisture in the soil for the subsequently planted spring crop.

Concerns have been raised that producers who, due to adverse weather conditions, are unable to terminate fall-seeded crops before reaching the headed or budded stage will not be eligible for insurance for spring-planted crops. Producers are also concerned that practice designations may change from Not Following Another Crop (NFAC) to Following Another Crop (FAC).

The Risk Management Agency has been asked if it will allow insurance to attach to their spring-planted crops and allow practice designation to remain the same, since the wet weather has provided ample soil moisture for spring planted crops, mitigating concerns of soil moisture depletion which normally occurs when the prior crop reaches the headed or budded stage.

Action

For the 2019 crop year, in Illinois, Indiana, Iowa, Michigan, North Dakota, Ohio, South Dakota, and Wisconsin, insurance may attach to spring-planted crops following a crop even though some plants may have reached the headed or budded stage, provided producers take adequate and appropriate measures to terminate the crops no later than June 5, 2019.

DISPOSAL DATE:
December 31, 2019