



News Release

Statement from Under Secretary Bill Northey on Ft. Laramie Tunnel Collapse

WASHINGTON, August 23, 2019 — Bill Northey, USDA Under Secretary for Farm Production and Conservation, issued the following statement on crop insurance liability for farmers impacted by the collapse of the Ft Laramie irrigation tunnel:

“USDA has worked with local, state, and federal partners over the past month as they investigated the cause of the Ft. Laramie irrigation tunnel failure, which affected many Nebraska and Wyoming farmers. After reviewing preliminary assessments by the Department of the Interior and the National Weather Service, it has been determined that the cause of the collapse was weather related. Based on that, USDA’s Risk Management Agency has notified its crop insurance providers that losses stemming from the canal failure can be covered under crop insurance policies. Affected producers should reach out to their crop insurance agents to file a claim.”

BACKGROUND:

On July 17, an underground tunnel for the Fort Laramie-Gering Irrigation Canal that irrigates more than 107,000 acres of cropland in Eastern Wyoming and Western Nebraska collapsed. The canal delivers water from the North Platte River to Wyoming and Nebraska to the east of the Whelan Diversion Dam. The interruption in irrigation water flow affected up to 55,000 acres in Nebraska and 52,000 acres in Wyoming.

Federal multi-peril crop insurance coverage is dependent on the underlying cause of the tunnel collapse and whether that cause was because of an insurable natural peril that occurred within the insurance period. USDA’s Risk Management Agency has been working with Nebraska and Wyoming, the Bureau of Land Management and two irrigation districts (Ft. Laramie-Gering and Goshen) to assist in determining the cause. Data show that the area received 200-300% above normal levels for precipitation for the past year (rain and snowfall), and the impacted site received 100-200% above normal precipitation in the 30 days prior to the collapse.

The collapse of the tunnel cut off the irrigation water supply to farmers in the region, which created an insurable cause of loss. RMA will reinsure, in accordance with the terms and conditions of the Standard Reinsurance Agreement, production and prevented planting losses if the approved insurance providers pay the full amount of the claims to producers in accordance with the provisions of their 2019 crop policies.

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