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USDA Extending Flexibility on Crop Insurance Premiums

News Release |

Washington DC

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November 14, 2019

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KANSAS CITY, Mo. - November 14, 2019 – The U.S. Department of Agriculture’s (USDA) Risk Management Agency (RMA) today announced it will continue to defer accrual of interest for 2019 crop year insurance premiums to help the wide swath of farmers and ranchers affected by extreme weather in 2019. Specifically, USDA will defer the accrual of interest on 2019 crop year insurance premiums to the earlier of the applicable termination date or January 31, 2020, for all policies with a premium billing date of August 15, 2019. This extension is necessary since harvest progress has been very delayed and crop insurance claims are not typically settled until harvest is complete, squeezing cash flow even further. Bill Northey, USDA's Under Secretary for Farm Production and Conservation, made the announcement at the National Association of Farm Broadcasters' conference in Kansas City.

“USDA is committed to helping farmers and ranchers impacted by the weather challenges this year, and we hope this deferral will help ease cash flow challenges for producers, many of whom are caught in a very delayed harvest,” Northey said.

USDA had [previously announced](#) a deferral to November 30, 2019, providing producers with an additional two months from the traditional September 30 date. With today's announcement, producers will have until January 31, 2020, to pay the 2019 premium without accruing interest. For any premium that is not paid by the new deadline, interest will accrue consistent with the terms of the policy.

This extended deferral builds on other steps USDA has taken to support farmers and ranchers impacted by flooding and other disasters. So far this year, producers have reported they were prevented from planting on nearly 20 million acres, a modern record. Indemnities from crop insurance have reached almost \$6 billion this year, with more than \$3.9 billion of that going to producers unable to plant because of flooding or excess moisture.

More than \$3 billion is available through the disaster relief package passed by Congress and signed by President Trump in early June, including a “top-up” payment for producers who made prevented planting claims. USDA has distributed through producers’ Approved Insurance Providers nearly \$580 million in top-up payments. Additional payments will be made in the middle of each month as more prevented planting claims are processed. The Disaster Relief Act also authorized the Wildfire and Hurricane Indemnity Program Plus, administered by USDA's Farm Service Agency, and included new programs to cover losses for milk dumped or removed from the commercial market and losses of eligible farm stored commodities due to eligible disaster events in 2018 and 2019.

Farmers who planted cover crops on prevented plant acres were able to hay, graze or chop those fields earlier than November this year while maintaining eligibility for their full 2019 prevented planting indemnity. USDA adjusted the 2019 final haying and grazing date from November 1 to September 1 to help farmers who were prevented from planting because of flooding and excess rainfall this spring. The agency also determined that silage, haylage and baleage should be treated in the same manner as haying and grazing for this year.

For more information on this extension, producers are encouraged to contact their crop insurance agents.

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