# Final Agency Determination: FAD-244

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**Subject:** Request dated August 12, 2015, to the Risk Management Agency (RMA) requesting a Final Agency Determination for the 2014 crop year regarding the interpretation of section 17(f)(12) of the Common Crop Insurance Basic Provisions (Basic Provisions), published at 7 C.F.R. § 457.8. This request is pursuant to 7 C.F.R. part 400, subpart X.

**Background:**

Referenced policy and procedure in request:

Section 17(f)(12) of the Basic Provisions states, in relevant part:

**17. Prevented Planting.**

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(f) Regardless of the number of eligible acres determined in section 17(e), prevented planting coverage will not be provided for any acreage:

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(12) If a cause of loss has occurred that may prevent planting at the time:

(i) You lease the acreage (except acreage you leased the previous crop year and continue to lease in the current crop year);

(ii) You buy the acreage;

(iii) The acreage is released from a USDA program which prohibits harvest of a crop;

(iv) You request a written agreement to insure the acreage; or

(v) You acquire the acreage through means other than lease or purchase (such as inherited or gifted acreage).

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Paragraph 27(13) of the 2014 Prevented Planting Loss Adjustment Standards Handbook (PP LASH) states, in relevant part:

**27. Acreage Which Is Not Eligible for PP Coverage**

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(13) If a cause of loss has occurred that may prevent planting at the time:

(a) The insured bought the acreage;

(b) The insured leased the acreage (except acreage the insured leased the previous crop year and continues to lease in the current crop year);

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**Interpretation Submitted**

In order for prevented planting coverage to attach under the terms of the Basic Provisions, the cause of loss that prevents planting must not be present on the acreage at the time the policyholder takes control of the acreage.

It is the requestor's interpretation of the above-referenced policy provisions that if due to a drought there is insufficient irrigation water at the time the insured initially leases or buys the acreage, then a cause of loss has occurred that may prevent planting. Similarly if the acreage is under water at the time the producer acquires the acreage, then a cause of loss has occurred that may prevent planting. Under these scenarios, no prevented planting payment could be made in connection with the newly acquired acreage.

**Final Agency Determination**

FCIC agrees with the requestor's interpretation. Prevented planting coverage will not be provided if a cause of loss that may prevent planting has occurred at the time the producer leased the acreage, regardless of whether it is known if the cause of loss will actually prevent planting.

In accordance with 7 C.F.R. § 400.765(c), this Final Agency Determination is binding on all participants in the Federal crop insurance program for the crop years the policy provisions are in effect. Any appeal of this decision must be in accordance with 7 C.F.R. § 400.768(g).

**Date of Issue:** September 28, 2015