Crop Insurance and Drought-Damaged Crops

For more information, contact RMA Public Affairs.

What should a policyholder do when crops are drought-damaged?

The policyholder should contact their Approved Insurance Provider (AIP) that sold the policy prior to putting their spring-planted crop acres to another use or abandoning the acres. A Notice of Loss (NOL) is to be given within 72 hours of the initial discovery of damage or loss of production (but not later than 15 days after the end of the insurance period) even if the crop has not been harvested. A NOL may be made by telephone or in person to the crop insurance agent but must be confirmed in writing within 15 days. It is very important that the policyholder work closely with the AIP before taking any of these steps. The AIP must have a chance to appraise and release the acres before the crop is destroyed or abandoned. If the AIP cannot make an accurate appraisal, or the policyholder disagrees with the appraisal at the time the acreage is to be destroyed or no longer cared for, the AIP and policyholder can establish representative sample areas to be left intact for future appraisal purposes. Once an insured crop has been appraised and released or representative strips have been authorized for later appraisal, the policyholder may cut the crop for silage, destroy it, or take any other action permitted by the policy concerning the crop.

For more information on duties in the event of damage, loss, abandonment, destruction, or alternative use of the crop or acreage, consult Section 14 of the Common Crop Insurance Policy (CCIP) Basic Provisions.

Can I cut my corn insured for grain as silage?

Insurance coverage for corn may be available for grain only, or for grain and silage based on the insurance offer within the county. If any portion of the crop will not be harvested or will be put to another use (e.g., harvested as silage in a grain only county), the insured crop must be appraised as soon as possible. If an accurate appraisal cannot be made, AIPs may defer the appraisal until such time an accurate appraisal can be made (e.g., maturity line appraisal method versus stand reduction method). If the policyholder disagrees with the initial appraisal and requests to defer the appraisal and the AIP agrees, representative sample areas may be used. In this case, the representative sample areas must continue to be cared for until the final appraisal can be made.

Should I continue to care for drought-damaged crops?

Crops that have been damaged and will be taken to harvest must continue to be cared for and maintained. Many policyholders have asked about the degree of maintenance required in such cases. Policyholders are required to continue to care for the crop following generally recognized good farming practices. Policyholders that destroy or abandon the crop and leave representative samples with the agreement of the AIP must maintain the samples the same as if the entire crop was left. Policyholders must maintain these samples until the AIP conducts a final inspection and releases the representative sample areas. Failure to maintain the crop following drought damage could result in a determination that the cause of loss was not covered and therefore, no indemnity payment is due.

Can irrigation water be diverted?

Under extreme high temperatures and wind conditions, it may be advisable for a policyholder to divert irrigation water away from some crop acres to adequately provide water to the remaining crop. For example, irrigation could be stopped over the entire pivot to crops that would not survive and instead apply that water to crops in the rest of that pivot. This could prevent the loss of the entire crop and provide for normal plant growth on that portion in which irrigation water was diverted. The policyholder harvests the crop and receives an indemnity payment based on the results for the unit. It is important to notify the AIP as soon as possible when considering diversion of irrigation water.

Do I need to wait to divert water until instructed to do so by the AIP?

Although it is preferred that the policyholder notify the AIP in advance of any diversion, failure to do so will not, in itself, prevent a loss determination. However, advance notification allows the AIP the opportunity to verify the appropriateness of such diversion while the policyholder makes the decision to divert the water.

There may be situations in which the AIP determines that the policyholder should have, but did not, divert water, or divert the recommended amount of water, to acreage insured under the irrigated practice. In such cases, it may be appropriate for the AIP to assess an appraisal for uninsured causes* unless it can be documented that justifiable circumstances prevented such diversion (e.g., multiple water sources or great distances between acreage, made diversion of water impractical or impossible). If the policyholder chooses to make the diversion before talking to their AIP, they should maintain all possible documentation showing that diverting the water was appropriate. Recommendations from local Cooperative Extension System (CES) or USDA, Natural Resources Conservation Service (NRCS) (or other source recognized by CES, or NRCS to be an expert in this area) should be used to document this decision.

Is prevented planting coverage payable on crops that could not be planted due to severe drought conditions?

Prevented planting coverage is provided for drought, failure of the irrigation water supply, failure or breakdown of irrigation equipment or facilities, or the inability to prepare the land for irrigation using the policyholder’s established irrigation method, due to an insured cause of loss, as provided by the policy. Prevented planting will be provided only if, by the Final Planting Date (or within the Late Planting Period if the insured elected to plant the crop)* the policyholder provides verifiable documentation demonstrating the drought conditions that is acceptable to the AIP. AIPs are to take into consideration if the area that is prevented from being planted has insufficient soil moisture for germination of seed or would make insufficient progress toward crop maturity due to a prolonged period of dry weather to achieve the per-acre guarantee on the acreage. In regard to the phrase* "insufficient soil moisture for germination of seed or progress toward crop maturity," there rarely is enough soil moisture at the time a crop is planted to carry the crop to full maturity. Normally, a non-irrigated crop depends on expected seasonal rain throughout the growing season to mature. "Insufficient soil moisture for progress toward maturity"

means the crop may germinate but there is insufficient moisture to sustain the germinated plants.

What happens when due to an unavoidable insured cause of loss, the policyholder is unable to prepare the land for the established irrigation method?

In some areas, it is a normal and recognized practice to prepare furrows for irrigation after the crop is planted and established. In some instances severe, prolonged drought may not allow a crop to mature to a height sufficient to allow furrows to be made without severe damage or destruction of the crop when making the furrows. Also, in some instances severe, prolonged drought may cause some soil types to collapse when trying to make the furrows. In either instance, without the furrows, irrigation water cannot be properly distributed to all areas of the field, which may lead to loss of production. If it is determined that severe drought was the sole reason for the furrows not being prepared as normal, this would be an insurable cause of loss.

Can I plant a cover crop on failed acres without impacting my crop insurance indemnity?

Yes. Once the AIP releases the acres, you can plant a cover crop without impacting your original indemnity. You may hay, graze, or cut the cover crop and your failed crop indemnity will not be affected.

Can I hay, graze, or cut a failed crop for animal feed?

Yes. Once the AIP releases the acres, you can put the land to another use including haying, grazing, or cutting the failed crop without impacting your original indemnity.

If you do not accept the AIPs appraisal during the loss adjustment process, you can choose to leave a representative sample area(s), selected in consultation with your AIP, for later appraisal. You must maintain these crop area(s) as normal until the

appraisal is complete. If you hay, graze, or cut representative sample area(s) prior to release, your original indemnity will be impacted.