Late Plant / Prevented Plant (PP) Guide

CROP INSURANCE PLANT DATES

	FINAL PLANTING DATE		LATE PLANTING PERIOD	
	CORN	SOYBEANS	CORN	SOYBEANS
Minnesota	**May 31**	**June 10**	**June 1-25**	**June 11 – July 5**
Iowa	**May 31**	**June 15**	**June 1-25**	**June 16 – July 10**
South Dakota (eastern part of South Dakota)	**May 31**	**June 10**	**June 1-25**	**June 11 – July 5**
Wisconsin	**May 31**	**June 15**	**June 1-25**	**June 16 – July 10**
Illinois	**June 5**	**June 15**	**June 6-July 1**	**June 16 – July 10**

Options for late or prevented planting for corn and soybeans

Remember, these provisions are not applicable until after the Final Planting Dates.
Most crops (but not all) have a Late Planting Period which is typically 25 days after the established Final Planting Date for a given crop.

- **Plant the insured crop during the late planting period.** The crop insurance coverage is reduced by 1 percent for each day after the Final Planting Date for the next 25 days and premium remains the same.

- **Plant the intended crop after the 25-day Late Planting Period.** Crops that are planted after the 25-day Late Planting Period are insured at the same level as the prevented planting insurance coverage, which is 60 percent of the original guarantee for corn and soybeans (other crops may vary) **OR**
the producer can also choose to NOT insure acres planted after the Late Planting Period.

- **Plant a different crop (second insurable crop) than what was intended during the Late Plant Period for the intended crop.** No prevent plant coverage on intended crop, but there is coverage on second insurable crop. Example in MN: Corn was intended crop, but could not be planted by 5/31 Final Plant Date. Producer plants soybeans after 5/31, and before soybean Final Plant Date of 6/10. Policy will cover soybeans as insurable at full soybean premium and guarantee. If beans are not planted by 6/10, the guarantee is reduced by 1% per day , but premium remains the same. No premium is due on intended crop since it was not planted, and there is no PP coverage on intended crop.

- **Plant a different crop (second insurable crop) than what was intended after the Late Plant Period for the intended crop.** Example in MN: Corn was intended crop, but could not be planted. Producer plants soybeans after 6/25 (corn Late Plant Date), but before soybean Late Plant Date of 7/5. Policy will cover soybeans as insurable and corn can be insured as prevented planting, but PP coverage is reduced to 35 percent of the original PP payment for corn, and premium is reduced to 35% as well on corn. Full premium is due on soybeans but guarantee is reduced by 1% per day since planted after bean Final Plant Date of 6/10.

***NOTE ---** The payment reductions in the above example (35% of the intended crop's PP payment) for a second crop may <u>not</u> apply if the producer meets the "double-cropping" rules, but typically this does not apply to corn and soybean policies in the Midwest.

- **Leave the unplanted crop acreage idle (black dirt) and certify as prevent plant.** Eligible producers can then receive the full prevented planting coverage, typically 60 percent of the original crop insurance guarantee for corn and soybeans. Premium is the same as that for planted acres.

- **Plant a cover crop rather than the intended crop, certify as prevent plant, and receive the full prevented planting payment** (60% of guarantee on the intended crop). The cover crop cannot be used for haying and grazing until after November 1 of the crop year, and cannot be harvested at any time. Premium is the same as that for planted acres. Failure to comply with this could result is loss of crop insurance coverage for 2011, as well as other penalties.

Additional Points

- Producers are <u>not</u> forced to plant the intended crop after the Final Planting Date, and are eligible to receive a PP payment, which is 60 percent of the original guarantee for corn and soybeans unless additional 5-10% PP coverage was purchased by sales deadline of 3/15.

- All PP losses must be reported to the Agent/Company before the producer chooses any additional options regarding a second crop or cover crop. **Notification needs to be after Final Plant Date of intended crop and within 72 hours of the producer making the decision to change crops or not plant at all.**

- PP acres must be certified at FSA as PP and reported on the crop insurance acreage report as PP.

- It is important that producers contact their Crop Insurance Agent before making a decision to ensure they understand all crop insurance implications and the effect on insurance loss payments.

- **To qualify for PP coverage, affected areas must total the lesser of 20 acres or 20 percent of the acres in the unit.** Small areas of land may not qualify for prevented planting coverage, which could be more of a factor with optional unit insurance coverage; thus meeting the 20/20 rule may be easier with enterprise units. Use the aggregate of all PP acres in the chosen unit structure (basic, optional, or enterprise) to determine if the 20/20 rule is met.

- The highest number of acres reported as planted (and any certified as PP) in the last four years for a crop determine the eligible acres for PP. There are provisions for land added to the operation. It is possible to claim PP on corn, but have the PP payment converted to soybeans if you have already planted more corn than you have "historically."

- Producers facing late planting should analyze the financial implications of planting a crop late, planting a second crop, or collecting a PP crop insurance payment.

- **A producer's Crop Insurance Agent is the best source of information on late and prevented planting crop insurance coverage.** The following web sites are available:

Iowa State Univ. Ag Decision Maker Web Site - **http://www.extension.iastate.edu/agdm/**
USDA RMA Web Site --- **http://www.rma.usda.gov/**

Crop Insurance Services, 1230 S Victory Drive, Mankato, MN 56001
800-767-7110 an equal opportunity provider 507-388-2540

Shared credit with Kent Thiesse, Government Farm Program Analyst