



Cover Crops and Crop Insurance

Winter Farmer Forum
Independence WI
January 13, 2017



Disclaimer

- For Illustration Purposes Only
- This material does not change the content or the meaning of current policy provisions, filed actuarial documents, or approved procedures.
- Refer to the Appropriate Basic Provisions, Crop Provisions, Policy Provisions, Manager Bulletins and the Loss Adjustment Manual



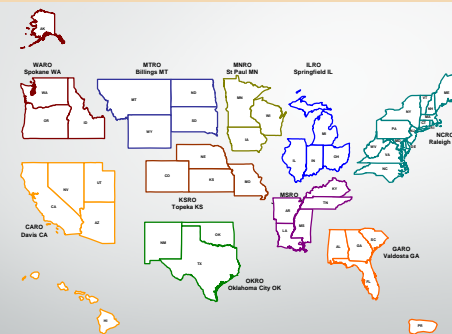
The Players



- FCIC (Federal Crop Insurance Corp.)
 - Administered by RMA
 - Board of Directors (9 Members)
- RMA (Risk Management Agency) part of the USDA
 - 10 Regional Offices
 - 6 Compliance Offices
 - Kansas City Office
 - Washington DC
- 16 Insurance Companies Can Write Policies
 - Over 15,000 Individual Agents



RMA RO Regions



Cause of Loss

- Basis Provisions: insurance covers unavoidable, naturally occurring events.
 - Weather
 - Fire
 - Insects; but not insufficient control measures
 - Plant Disease; but not insufficient control measures
 - Wildlife
 - Earthquake & Volcanic Eruption
 - Failure of Irrigation; only the water supply
 - Revenue Policies; harvest price change from project price

Management Practices

- Selecting Seed variety
- When to fertilize
- How much to fertilize
- Chemical selection and timing of application
- Timing of tillage
- Conservation practices (no till, limited till, ridge till)
- Cover crops

Cover Crop Definition

- **Basic Provisions - Definitions:**
 - "**Cover crop** - A crop generally recognized by agricultural experts as agronomically sound for the area for erosion control or other purposes related to conservation or soil improvement. A cover crop may be considered to be a second crop if
 - A **cover crop**, planted after a first insured crop and planted for the purpose of haying, grazing or otherwise harvesting in any manner or that is hayed or grazed during the crop year, or that is otherwise harvested is considered to be a second crop. A **cover crop** that is covered by FSA's noninsured crop disaster assistance program (NAP) or receives other USDA benefits associated with forage crops will be considered as planted for the purpose of haying, grazing or otherwise harvesting.



Cover Crops

- **RMA Special Provisions:**
 - Insurance shall attach to a crop following a cover crop when the cover crop meets the definition provided in the Basic Provisions, was planted within the last 12 months, and is managed and terminated according to NRCS guidelines. If growing conditions warrant a deviation from the guidelines, producers should contact either Extension or the local NRCS for management guidance. For information on cover crop management and termination guidelines, refer to the Cover Crop Termination Guidelines published at <http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/crops/>.
 - Recommended termination time for a cover crop will be determined by the NRCS Cover Crop Termination Guidelines for Non-Irrigated Cropland.



Cover Crop Termination Zones



Q: Will over-seeding/interseeding a conservation cover crop into an insured grain crop affect insurability?

- A: No, as long as the cover crop is seeded at a time that will not impact the yield or harvest of the insured crop. If there was any damage caused by over-seeding the cover crop, uninsured cause of loss appraisals would be applied to the insured crop. With respect to cover crops, overseeding and interseeding can be defined as planting one or more cover crop species into an existing or established crop. According to NRCS Termination Guidelines, common uses that involve over-seeding or interseeding include over-seeding a grass and/or legume cover crop into an existing stand of small grain at an appropriate time for the cover and germination, or seeding a cover crop into an existing crop (e.g., corn or soybeans) at a time that will not impact the yield or harvest of the insured crop.



Q: Can I graze or harvest hay or silage from my cover crop prior to termination?

- A: For the 2015 and succeeding crop years, cover crops may be grazed or harvested as hay or silage, unless prohibited by RMA crop insurance policy provisions. Cover crops cannot be harvested for grain, seed, etc.



PP/Hay/Graze/Second Crop

- A cover crop, planted after a first insured crop (for PP, after the FPD for the PP crop (LPP, if applicable)) and planted for the purpose of haying, grazing, or otherwise harvesting in any manner; or that is hayed or grazed prior to November 1 (which generally would be when crops in the area would normally be harvested), or otherwise harvested at any time, is considered a second crop.



Harvesting Cover Crops And Prevented Planting Options

- Plant a cover crop and receive a full prevented planting payment (**but do not hay or graze this cover crop before November 1 or otherwise harvest it at any time**).
- Plant a cover crop after the late planting period and hay or graze it before November 1 and **receive 35 percent of the prevented planting payment** for your first crop.



March 2016 Question: ...we were told recently that seeding cover crops into growing row crops like corn is no longer a violation of RMA policy. Can you please clear this up?

- TRUE: *As long as the cover crop is seeded at a time that will not impact the yield or harvest of the insured crop. If there was any damage caused by over-seeding the cover crop, uninsured cause of loss appraisals would be applied to the insured crop.*



Growing Season Inspections

- GSIs are done as a quality assurance
 - They may be done because an FSA or hotline tip, unusual losses, changes in management practices

Good Farming Practice (GFP)

- The purpose of the GFP provisions is to ensure that a Policyholder's production methods do not adversely affect the quantity and/or quality of the production. Any practice that could affect the amount and quality of the crop, from ground preparation through harvest, must be considered.
- If an adjuster feels that the management practices are the cause of loss and it is not one of the covered natural perils they could deny the claim based on Good Farming Practices

Good Farming Practice (GFP) Cont.

- All management decisions will be reviewed in a GFP
 - Agronomic Situation
 - Expert Opinion
 - Published material
 - Review of Production method
- GFP Appeal Rights
 - Unbiased review
- GFP Reconsideration Rights

Cover Crop Information

- National RMA Cover Crop Fact Sheet – December 2015
 - <http://www.rma.usda.gov/pubs/rme/covercrops.pdf>
- St Paul Regional Fact Sheet – May 2016
 - http://www.rma.usda.gov/fields/mn_rso/2014/covercrops.pdf
- Cover Crop FAQ – August 3, 2016
 - <http://www.rma.usda.gov/help/faq/covercrops2016.html>
- NRCS Termination Guidelines – September 2014, Version 3
 - <http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/crops/>




RMA Map Viewer

?Questions?

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