



## Prevented Planting for Corn Acres

### ICA Fact Sheet

May 2019

Wet fields across the state have led to a historically long delay in planting. When considering unplanted acres, Iowa cattle producers should be aware of insurance options that allow them to plant a second crop and potentially provide additional forage options.

**Prevented Planting** occurs when an insured crop is not planted prior to the *final planting date* due to an insured cause of loss general to the surrounding area that prevents other producers from planting acres with similar characteristics. Final planting dates vary between states and crops.

#### Prevented Planting Timelines:

- To receive full insurance production guarantee for an insured crop, it must be planted prior to the final planting date. If crops are planted before the *late planting date* producers can receive a reduced insurance production guarantee.
- Listed below are the *final planting dates* and *late planting dates* for the state of Iowa.

Crop	Final Planting Date	Late Planting Date
Corn	May 31	June 25
Soybeans	June 15	July 10

- If weather conditions prevent corn or soybeans from being planted prior to the final planting date, producers have several options regarding crop acreage.

### **To consider all options producers need to contact their insurance agents ASAP.**

#### Plant during the Late Planting Period

- Insurance payments are reduced 1% every day planting is delayed after the final planting date.
  - For example, if a producer decides to plant corn during the late planting period and is not able to get into the field until June 10, their 80% insurance coverage level is now reduced to 70%.
 

10 days @ 1% reduction = 10% total reduction of insurance coverage

#### Prevented Planting Options

- The prevented planting guarantee is 55% and 60% for corn and soybeans, respectively.
  - For example, a producer has 250 acres of corn insured with a guarantee of 100 bushels/acre. The corn indemnity price for 2019 is slated at \$4.00.
  - If he was prevented from planting 100 acres of his farm he will receive \$240 per acre.
 

100 bushels @ 60% = 60 bushels x \$4.00 = \$240/acre prevented planting payment

- Producers are eligible for this option if they contact their insurance agent within 72 hrs of:
  - The final planting date (June 3) if they do not plant during the late planting period.
  - Not being able to plant the crop during the late planting period.
- Prevented planting is only applicable to parcels of land over 20 acres.
- Prevented planting payments are not available for acres with an undefined APH (CRP acres).
- Prevented planting payments are provided at a reduced level for seed corn or beans.

### **Planting a Second Crop**

- Soybeans
  - Soybeans planted prior to the June 15 late planting date, on corn-intended acres, become the insured main crop.
  - Soybeans planted between June 15 and June 25, will receive a 1% plan reduction for every day planting is prevented.
    - For example, if a producer is able to plant beans on June 20, they will receive a 5% reduction on their original insurance coverage.
  - If soybeans are planted after June 25, a producer is eligible for a reduced prevented planting payment for the corn and reduced insurance payment for the soybeans.
    - For example, if a producer plants soybeans on June 30, they will receive 85% of their soybean along with 35% of their prevented planting payment ( $\$240 \times 35\% = \$84/\text{acre}$  according to the example above).
- Cover Crops
  - When selecting a cover crop remember the following:
    - Some options simply provide a cover crop.
    - Some options can provide significant forage production during the summer or early fall at an expense to prevent plant payment.
    - Some can provide some aspect of grazing or harvested forage after November 1.
  - The species you select will depend heavily upon your end goal. Be sure to check on seed availability as well due to increased demand.
  - If the cover crop is not grazed or harvested before November 1, the full prevented planting payment will be distributed ( $\$240/\text{acre}$  for the example above).
  - If the cover crop is grazed or harvested before November 1, the prevented planting payment will be reduced to 35% of the total ( $\$240 \times 35\% = \$84/\text{acre}$  prevented planting payment).

\*\*\*Please note a cover crop or emergency forage CANNOT be grazed or harvested for forage until after November 1 and cannot ever be harvested for grain without reduction to the prevented planting payment. ICA is seeking clarification on harvesting haylage. For specific questions talk to your local crop adjustor.

**Many options exist for Iowa producers regarding preventive planting. All producers should contact their insurance agent to ensure they choose the most economical option.**