

# Federal Crop Insurance RISK MANAGEMENT

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# Multiperil Coverage

- Crop: Barley
- Practice: Irrigated
- Level: 75%
- Actual Price: \$2.05 per bu.
- Average Yield: 130 bu/acre
- Guarantee Per Acre: 97.5 bu/acre
- Total Protection: \$201 per acre
- Premium: \$4.33 per acre
- Prevented Planning: 60%    \$120.60 per acre

# Multiperil Coverage

- Crop: Wheat
- Practice: Irrigated
- Level: 75%
- Actual Price: \$3.15 per bu.
- Average Yield: 110 bu/acre
- Guarantee Per Acre: 82.5 bu/acre
- Total Protection: \$261 per acre
- Premium: \$8.32 per acre
- Prevented Planting: 60%    \$156.60 per acre

# Multiperil Coverage

- Crop: Potatoes
- Practice: Irrigated
- Level: 75%
- Actual Price: \$4.50 per cwt.
- Average Yield: 400 cwt/acre
- Guarantee Per Acre: 300 cwt/acre
- Total Protection: \$1,350 per acre
- Premium: \$46.75 per acre
- Prevented Planning: 25%    \$337 per acre

## Prevented Planting

### Definition:

Prevented Planting (PP) is the failure to plant the insured crop with proper equipment by the final planting date designated in the Special Provisions for the insured crop in the county or by the end of the late planting period. The insured must have been prevented from planting the insured crop due to an insured cause of loss that also prevented most producers from planting on acreage with similar characteristics in the surrounding areas.

## Availability

PP Coverage is included in the Common Crop Insurance Policy. If PP does not apply to a crop, it is noted in the provisions for the particular crop.

## Increasing the Prevented Planting Guarantee

For insureds with limited and additional Buy-Up policies, additional levels of coverage may be purchased to increase the PP guarantee based on the table below. Refer to the Special Provisions in your county actuarial documents for availability by crop.

Crop	Automatic in Crop Provisions & CAT	Actuarial Table Increase by Sales Closing Date Limited and Additional Only
Small Grains	60%	65%, 70%
Potatoes	25%	30%, 35%

Additional PP coverage is available at an additional cost, if shown in the actuarial documents. To obtain additional PP coverage:

Indicate PF (additional 5%) or PT (additional 10%) on the application or dec page on or before the sale closing date.

The insured must have a limited or additional Buy-Up policy.

Insureds cannot increase their elected or assigned coverage percent if a cause of loss that will or could prevent planting is evident prior to the time the insured wishes to change their prevented planting coverage.

## Drought/Irrigated Practice

Acreage that is prevented from planting due to drought or failure of the irrigation water supply is considered an insurable cause of loss for the purpose of prevented planting only if on the final planting date:

- For non-irrigated acreage, the area that is prevented from being planted has insufficient soil moisture for germination of seed and progress toward crop maturity due to a prolonged period of dry weather. Prolonged deficiencies must be verifiable through sources such as local weather reporting stations of the National Weather Service, or
- For irrigated acreage, there is not reasonable probability of having adequate water to carry out an irrigation practice.

## PP Payments on a Per Acre Basis

Production from planted acres does not count against a prevented planting indemnity, if there are planted acres and PP acres in the same unit.

## 20/20 Rule Requirement

Regardless of the number of eligible acres determined, prevented planting coverage will not be provided for any acreage that does not constitute at least 20 acres or 20% of the insurable acreage in the unit, whichever is less.

The company will assume that any prevented planting acreage within a field that contains planted acreage would have been planted to the same crop that is planted in the field, unless the prevented planting acreage constitutes at least 20 acres or 20% of the total insurable acreage in the field and the insured can prove the s/he previously produced both crops in the same field in the same crop yield.