



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

1400 Independence
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INFORMATIONAL MEMORANDUM: IS-10-002.1

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Michael A. Alston /s/ Sue Rourk King for 5/10/2010
Deputy Administrator for Insurance Services

SUBJECT: CORRECTION: Claims Advisory - Eligible Acreage for Prevented
Planting

BACKGROUND:

Surface and ground water levels have continued to rise in the Prairie Pothole Region (PPR) of North Dakota, South Dakota, Minnesota and Iowa since 1940. The water level increases are a result of a wet weather cycle occurring over many years which is well outside the insurance period provided by current policy provisions.

Increased moisture levels in the PPR have left some acreage that was once planted in a perpetual state of inundation (Class V Permanent Ponds and Lakes), and other land in a cyclic state of inundation (Class IV Semi-Permanent Wetland). These wetlands are usually, but not necessarily, evident by the presence of cattails and perennial wetland grasses and weeds. Such acreage is not considered to be “available for planting” because it cannot be planted even when there are no adverse weather conditions.

The Risk Management Agency issued a Final Agency Determination (FAD), FAD-110, in February 2010, which states that the number of acres eligible for prevented planting is limited to the number of acres that are physically available for planting, as stated in section 17(f)(8) of the Basic Provisions.

ACTION:

Prevented planting payments can only be approved when there is an insured cause of loss that occurs during the insurance period that prevents producers from planting an insured crop on eligible acres. Acreage that is not available for planting, according to FCIC-issued procedure, or does not otherwise comply with FAD-110, or the Basic Provisions, is not considered eligible acreage for prevented planting coverage.

If the producer elects to report acreage as prevented planting to the Farm Service Agency (FSA), Approved Insurance Providers (AIPs) may use the FSA acreage report as supporting documentation only and must not rely on the FSA acreage reports as the only evidence supporting or denying a prevented planting claim.



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

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AIPs must independently determine eligible acreage, prevented planting eligibility and indemnities based on FCIC-issued policies, procedures, information provided by the policyholder, and other generally available supporting evidence such as weather records, annual FSA aerial photographs, etc. It remains the responsibility of the policyholder to demonstrate their prevented planting loss, and AIPs must be careful to make payments only when there is an insurable cause of loss that occurs during the prevented planting insurance period.

DISPOSAL DATE: December 31, 2010