



United States
Department of
Agriculture

BULLETIN NO.: MGR-12-012.1

Farm and Foreign
Agricultural
Services

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

Risk
Management
Agency

FROM: William J. Murphy /s/ Heather Manzano for 9/21/2012
Administrator

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SUBJECT: Emergency Drought Relief – Allowing the Haying and Grazing of a
Cover Crop for the 2013 Crop Year

BACKGROUND:

The Risk Management Agency (RMA) issued Manager’s Bulletin MGR-12-012 to announce its intention to file a Special Provisions statement in many areas of the country allowing haying or grazing of cover crops without impacting the insurability of planted 2013 spring crops. The bulletin was issued in response to the widespread severe drought conditions in many parts of the country. The drought caused catastrophic damage to crops, thereby reducing livestock feed.

The bulletin also noted the established prevented planting provisions associated with cover crops in section 17(f)(5) of the Common Crop Insurance Policy Basic Provisions (Basic Provisions) which state, in part:

17. Prevented Planting

(f) Regardless of the number of eligible acres determined in section 17(e), prevented planting coverage will not be provided for any acreage:

(5) On which the insured crop is prevented from being planted, if:

- (i) Any crop is planted within or prior to the late planting period or on or prior to the final planting date if no late planting period is applicable, unless:
 - (A) You meet the double cropping requirements in section 17(f)(4);
 - (B) The crop planted was a cover crop; or
 - (C) No benefit, including any benefit under any USDA program, was derived from the crop; or



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- (ii) Any volunteer or cover crop is hayed, grazed or otherwise harvested within or prior to the late planting period or on or prior to the final planting date if no late planting period is applicable;

Since issuance of MGR-12-012, concerns have been raised regarding the inability of producers to receive prevented planting coverage if a cover crop is hayed or grazed. The concerns also suggest that such a provision may discourage policyholders from implementing conservation practices, or entering into contracts to implement conservation practices with other USDA agencies, such as the Natural Resources Conservation Service (NRCS). It was never the intent of RMA to discourage appropriate conservation practices provided they do not create vulnerabilities to the actuarial soundness of the Federal crop insurance program. For more information on NRCS conservation programs pertaining to drought visit the NRCS website at: <http://www.nrcs.usda.gov/wps/portal/nrcs/detailfull/national/programs/?&cid=stelprdb1048530>

RMA determines that it is reasonable to allow haying or grazing of cover crops without impacting prevented planting coverage on the acreage if an insurable cause of loss prevents planting of a subsequent crop. RMA also determines that it is reasonable to align its programs, to the extent practicable, with evolving conservation practices and programs which is consistent with the previous determination of MGR-12-012 regarding a cover crop's impact to the eligibility for coverage of a planted crop following a cover crop.

Current policy provisions only allow a prevented planting payment if a policyholder is prevented from planting a crop due to an insured cause of loss that occurs within the prevented planting insurance period. If a policyholder is prevented from planting a spring crop solely due to the existence of a cover crop or haying of a cover crop they are not eligible for a prevented planting payment.

ACTION:

For the 2013 crop year, RMA intends to file a Special Provisions statement to allow haying or grazing of cover crops without impacting a potential prevented planting payment for spring 2013 crops.

RMA will publish the Special Provisions statement by November 30, 2012, which is the contract change date for 2013 spring-seeded crops.

Approved insurance providers should notify their agents immediately so they can inform their policyholders of the intended Special Provisions statement. This will allow policyholders to make timely and informed decisions for planting, haying, and/or grazing cover crops accordingly.

DISPOSAL DATE:

December 31, 2013