



INFORMATIONAL MEMORANDUM: PM-13-020

**United States
Department of
Agriculture**

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

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

FROM: Tim B. Witt /s/ *Tim B. Witt*
Deputy Administrator

SUBJECT: Allowing the Haying and Grazing of a Cover Crop Prior to the Late
Planting Period or Final Planting Date

BACKGROUND:

The Risk Management Agency (RMA) issued Manager's Bulletin MGR-12-012.1 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 a potential prevented planting payment for 2013 spring crops. RMA issued the bulletin 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.

Since the issuance of MGR-12-012.1, questions have been raised regarding timing for haying or grazing a cover crop and prevented planting eligibility, in particular the language in MGR-12-012.1 which states:

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."

The Special Provisions statement to which MGR-12-012.1 refers, states the following:

"In lieu of Section 17(f)(5)(ii) of the Common Crop Insurance Basic Provisions, haying or grazing a cover crop will not impact eligibility for a prevented planting payment provided such action did not contribute to the acreage being prevented from planting."

Section 17(f)(5)(ii), copied below, is specific to cover crops harvested within or prior to the late planting period (LPP) or final planting date (FPD). If policyholders plant a cover crop after the LPP or FPD and harvests (hay, graze, or otherwise) such crop, it becomes a second crop.



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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:

(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;

ACTION:

This bulletin addresses uniform application of existing policy provisions and procedures for the 2013 crop year that may be misinterpreted by some parties. There are two distinct issues, both regarding haying or grazing a cover crop. First, if a planted and insured crop fails during the crop year (summer or fall) and the policyholder subsequently plants a cover crop on the acreage, the Special Provisions statement allows this cover crop to be hayed or grazed up to the next crop year's spring FPD or the LPP without impacting the eligibility for a prevented planting payment if the policyholder is prevented from planting in the spring of the next crop year.

Second, the acres may be eligible for a prevented planting payment the next crop year as long as the cover crop did not contribute to the acreage being prevented from planting. Once the acreage meets all prevented planting eligibility requirements and the policyholder receives a prevented planting payment for the crop year, if a cover crop is planted or remains on the acreage, then the policyholder is subject to the second crop payment reduction rules. If the cover crop planted on the prevented planting acreage is hayed or grazed prior to November 1, the policyholder will receive 35 percent of the prevented planting payment. If the cover crop is hayed or grazed after November 1 the policyholder is eligible for the entire prevented planting payment.

For example: A 2012 crop fails and the acreage is planted to a cover crop. The cover crop can be hayed or grazed up to the next crop year's FPD or the LPP. If this same acreage is then prevented from being planted for the 2013 crop year and a prevented planting payment is made, any cover crop on the acreage cannot be hayed or grazed prior to November 1, without a 65 percent reduction in the 2013 prevented planting payment.

DISPOSAL DATE:

December 31, 2013