



United States
Department of
Agriculture

January 18, 2011

INFORMATIONAL MEMORANDUM

Farm and Foreign
Agricultural
Services

TO: All Approved Insurance Providers (AIP)

Risk
Management
Agency

FROM: Brian D. Frieden, Director /s/ *Brian D. Frieden*
Springfield Regional Office

Springfield
Regional Office

SUBJECT: Insurability of Crops Following Cover Crops in the Springfield Region

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Avenue
Springfield, IL
62711-8287

BACKGROUND:

217-241-6600

The use of cover crops has increased in the states of Illinois, Indiana, Michigan and Ohio, the region covered by the Springfield Regional Office (RO). Much of the increase is attributable to cost share assistance programs such as Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP) and others provided by the Natural Resources Conservation Service (NRCS) for the benefit of reducing soil erosion and nutrient runoff. Increased use of this practice has an impact on the insurability of the crop that follows the cover crop, typically corn and soybeans.

Generally, in the Springfield RO region, insurance is not provided for in the actuarial documents for corn or soybeans following another crop that has reached the headed or budded stage and/or that has been harvested in the same calendar year (with the exception of some soybean counties that have a following another crop (FAC) practice established in the actuarial documents). If the cover crop growth is not terminated before reaching the headed or budded stage and/or the cover crop is harvested in the same calendar year, insurance may be available through a Written Agreement, if the required criteria are met.

ACTION:

This Informational Memorandum is to inform AIPs of the requirements for a Request for Actuarial Change to provide coverage for a crop following a cover crop beginning with the 2011 crop year. AIPs should inform their agents of these requirements to assist insureds in requesting coverage by Written Agreement when applicable.

The Springfield RO will review timely submitted and properly completed Requests for Actuarial Change to insure crops following cover crops (referred to as FCC practice) by Written Agreements beginning with the 2011 crop year. The FCC practice is defined as, "planting the insurable crop after a crop planted as a cover crop has reached the headed or budded stage and/or that has been harvested on the same acreage in the same calendar year."



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

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A Type/Practice Written Agreement to insure FCC crops will be necessary only when the insured has planted a cover crop and that cover crop has reached the headed/budded stage (regardless of the percentage of plants that reached the headed or budded stage) or has been harvested. In this case “harvested” means the combining, threshing or picking the cover crop for grain, or cutting for hay, silage or fodder. Grazing will not be considered harvested.

In addition to the requirements in section 18 of the Basic Provisions and set forth in the Written Agreement Handbook, the Request for Actuarial Change to insure FCC crops must contain the Farm Serial Number, Tract number, and Field number of the acreage where this practice is being used, Farm Service Agency (FSA) maps of that acreage, the cover crop(s) being grown, the date that the cover crop(s) growth was terminated and the method of termination (if the cover crop has been terminated at the time of the Request).

The Written Agreement to insure this type/practice will specify that only crops planted *after* the termination of cover crop growth will be made insurable. An inspection will be required for any acreage that has been planted to the insurable crop on or before the date of the Written Agreement. **The Written Agreement will also specify that the cover crop growth must be terminated by May 15 of the current crop year.** This kill date differentiates FAC acreage from FCC acreage. AIPs must establish separate APH databases for the FCC practice.

Consistent with all Written Agreements authorized by the RO, failure to comply with the terms set forth in the Written Agreement or elsewhere in the policy will result in the Written Agreement being null and void and any crops planted using this practice being uninsurable. In addition to the requirements set forth in the Written Agreement, good farming practice requirements apply (for example, producers planting corn after a grass cover crop will need to wait for the allelopathic effect of the grass to dissipate before planting corn).

For additional information on the FCC practice, contact the Springfield RO.

DISPOSAL DATE:

This Informational Memorandum is for the purpose of transmitting information and will be disposed when the language is incorporated into the applicable provisions, procedures or handbooks.