



April 27, 2010

**United States
Department of
Agriculture**

Risk
Management
Agency

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To: All Interested Parties

From: Director, Topeka Regional Office

Subject: Results of Our Request for Comments Concerning Non-irrigated Spring Crops in Western Kansas, Western Nebraska, and Colorado

BACKGROUND:

Over the last several years adverse insurance experience has accumulated in eastern Colorado, western Kansas, and western Nebraska on non-irrigated spring planted crops. This has resulted in escalating non-irrigated premium rates and lower transitional yields. Through this time concerns have been raised about continuously planted spring crops. The concern was based on the consumptive water use of these crops and the annual average precipitation in the area. Based on insurance experience, water use data and relevant crop rotation data, the Topeka RO originally recommended the use of a rotation statement to limit continuously planted spring crops.

The early feedback did not support the proposed idea. On December 18, 2009, the Topeka RO sent a letter to all grower group organizations to solicit comments regarding recommendations for improving experience in the area. RMA received all responses by March, 25th.

SUMMARY OF COMMENTS RECEIVED:

The Topeka RO received 45 individual responses from grower groups, universities, research facilities, the seed corn industry, and individual producers and most comments were not in favor of a rotation statement. The long lasting drought, advances in conservation tillage practices and more intensive crop rotations, drought tolerant corn hybrids, the environmental impact of fallow land, and producers not wanting crop insurance regulations to drive planting decisions, were some of the most common reasons given for not supporting a rotation statement.

The most common recommendations received were:

1. Take your time to make any decision. The last two years have been better production years and should be starting to influence the movement of rates and yields.
2. Look at the insurance experience over a longer period of time, up to 25 years, including the 2009 crop year.



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3. Try to determine how much of the adverse non-irrigated experience is coming from continuously cropped land.
4. Conservation tillage, (“no-till”, “minimum-till”, etc.) is crucial to this practice. Develop separate databases for conservation and conventional tillage practices.
5. Develop separate databases for continuous cropping and not continuous cropped practices.
6. Tighten up payment of claims. Control abuse.

FUTURE ACTION:

The Topeka RO is accepting the recommendation for taking it **slow**. It is getting very late in the filing schedule to get any changes in place for the 2011 crop year. A further limitation in making changes for the 2011 crop year is that RMA is converting our IT system. During this transition, we have been requested to keep changes to a minimum. There will be no changes made for 2011.

The first step in analysis to determine if any changes should be made, will be to include the 2009 crop year experience and as many previous years as possible. This will allow us to take another look at the non-irrigated crop insurance experience. That process is going on now.

We received many comments that indicated we need to look more into the fact that effective no-till operations may be in a better position to carry out continuous planting in areas with limited precipitation. Many suggested that we separate out practices for continuous planting of spring crops and/or no-till, and conventional till. We are looking into the feasibility of putting these separate practices in place.

Several organizations have also offered to assist us in collecting information or perform some data collection of yield information that we believe would be useful. As we look toward to the 2012 crop year, this will give us an opportunity to work more closely with those organizations and to collect data and further define production practices.

We want to thank those that commented, offered possible solutions and data, provided published materials and spent the time to think this problem through. We would also like to thank the individual farmers who took the time to explain how they make a continuous practice work on their farm, and the reasons they use it.

In summary, we do not intend to implement a rotation requirement such as a “2 crops in 3 years.” We will further evaluate the recommendation for separate databases for separate practices as this would allow us to collect much needed data to make accurate program changes. The added complexity to the insurance program, as compared to the useful data that can be obtained from separate practices, will be one of the important decisions to be made, as we look to keep in place a strong crop insurance program.



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