



Frequently Asked Questions Crop Insurance & Drought-Damaged Crops

Topeka Regional Office (Colorado, Kansas)

What Should A Policyholder Do When Crops Are Drought-Damaged?

The policyholder should contact the crop insurance company that sold the policy prior to putting their spring-planted crop acres to another use by harvesting for silage, diverting irrigation from the crops or by abandoning the acres. A damage notice is to be given within 72 hours of the initial discovery of damage or loss of production, but not later than 15 days after the end of the insurance period, even if the crop has not been harvested. A notice may be made by telephone or in person to the company but must be confirmed in writing within 15 days. It is very important that the policyholder work closely with the company before making any changes to the care of the crop. The company must have a chance to appraise and release the acres before the crop is destroyed or abandoned. If the company cannot make an accurate appraisal, or the producer disagrees with the appraisal at the time the acreage is to be destroyed or no longer cared for, the company and producer can work out representative sample areas to be left intact for future appraisal purposes. For more information on duties in the event of damage, loss, abandonment, destruction, or alternative use of the crop or acreage consult Section 14 of the Common Crop Insurance Policy Basic Provisions (11-br) Policy.

Can I cut my corn insured for grain as silage?

Insurance coverage for corn may be available for grain only, or for grain and/or silage based on the insurance offer within the county. If any portion of the crop will not be harvested or will be put to another use (i.e., harvested as silage in a grain only county), the insured crop must be appraised as soon as possible. If an accurate appraisal cannot be made, companies may defer the appraisal until such time an accurate appraisal can be made (i.e., maturity line appraisal method versus stand reduction method). If the insured disagrees with the initial appraisal and requests to defer the appraisal and the company agrees, representative sample areas may be used. In this case, the representative sample areas must continue to be cared, with the exception of irrigation, until the final appraisal can be made.

Should I Continue To Care For Drought-Damaged Crops?

Crops that have been damaged and will be taken to harvest must be continued to be cared for and maintained. Many producers have asked about the degree of maintenance required in such cases. Producers are required to continue to care for the crop, following generally recognized practices. They may seek advice from ag experts in the area as to what, how much, and when to spray to maintain the

production that is currently in the field and protect the crop from further damage. Producers that destroy or abandon the crop and leave representative samples with the agreement of the insurance company, must maintain the samples the same as if the entire crop was left. The samples must be maintained until the company conducts a final inspection and releases the representative sample areas. Failure to maintain the crop following damage could result in a determination that the cause of loss was not covered and therefore, no claims payment was due.

Can Irrigation Water Be Diverted?

Under extreme high temperatures and wind conditions, it may be advisable for a farmer to divert irrigation water away from some crop acres to adequately provide water to the remaining crop. For example, irrigation could be stopped over the entire pivot to crops that would not survive and instead apply that water to crops in the rest of that pivot. This could prevent the loss of the entire crop by providing enough water to the remaining crop to provide for normal plant growth. The farmer harvests the crop and receives a claims payment for the rest. It is important to notify the company as soon as possible when considering diversion.

Do I Need To Wait To Divert Water Until Instructed To Do So By The Company?

Although it is preferred that the policyholder notify the company in advance of any diversion, failure to do so will not, in itself, prevent a loss determination. However, advance notification allows the company the opportunity to verify the appropriateness of such diversion at the same time that the grower makes the decision to divert the water.

There may be situations, however, in which the company determines that the farmer should have, but did not, divert water or divert the recommended amount of water to acreage insured under the irrigated practice. In such cases it may be appropriate for the company to assess an appraisal for uninsured causes, unless it can be documented that justifiable circumstances prevented such diversion (e.g., multiple water sources or great distances between acreage, made diversion of water impractical or impossible).

If the policyholder chooses to make the diversion before talking with the company, all possible documentation to show that diverting the water is appropriate should be maintained. Recommendations from local Cooperative Extension System (CES) or USDA, Natural Resources Conservation Service (NRCS) (or other source recognized by CES, or NRCS to be an expert in this area) should be used to document this decision.

Is there RMA Claims Adjustment Procedure Regarding Water Diversion?

RMA procedures provide that when water diversion is within a single crop, and all involved acreage is eligible for the irrigated practice, the company is to:

1. Verify that a water shortage exists or whether wind and extreme heat conditions have caused evaporation of the irrigation water before the water can reach all areas of the crop, thus, creating a need to irrigate only a portion of the crop that initially was being irrigated (e.g., instead of irrigating the entire pivot which is not receiving enough water to survive, irrigate only half of the crop so that at least this part will survive). Also, verify whether recommendations from the local CES or NRCS (or other source recognized by CES, or NRCS to be an expert in this area) agree with the insured's intentions or actions taken.

Verification of water shortage is done by verifying the insured's water source and/or supplier (water district, etc). Verify wind and extreme heat conditions by obtaining and documenting the data from the National Weather Bureau for the closest location to the insured acreage and/or other local sources that keep records of wind and temperatures. Based on this data obtain the recommendations of local CES or NRCS as stated above

2. Determine that such diversion is appropriate. Recommendations from local CES or NRCS (or other source recognized by CES, or NRCS to be an expert in this area) should be used to document this determination.

3. Document the policyholder's intention or action taken to divert water on the affected acreage. Include the circumstances affecting the determinations.

4. If the determination to divert water was not appropriate, to consider this as a failure to carry out a good irrigation practice for the insured crop, and assess any appropriate appraisal(s) representing the additional indemnification anticipated as a result of the diversion. The insurance company is to use appraised and/or harvested production figures, APH yields, etc., of the acreage or units involved as a guide to establish any appropriate uninsured-cause appraisals that may be necessary to assess against the acreage or unit from which the water was diverted.

5. Inspect any acreage involved in the diversion and appraise any insured acreage that is not to be harvested.

6. Defer the final settlement of claims of this type until total production on all involved acreage can be verified or determined.

When water diversion is from one crop insured under the irrigated practice to another crop(s) insured under the

irrigated practice, the company is to document the policyholder's intention or action taken to divert water on the affected acreage and include the circumstances affecting the determinations.

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