

2013 COMMODITY INSURANCE FACT SHEET

May 2013

Water Containment and Diversion

Minnesota & North Dakota

Is this Acreage Insurable?

- Crop insurance is available for losses due to unavoidable, **naturally** occurring events.
- Acreage flooded by water contained by or within structures such as dams, locks, or reservoir projects is **not** considered to be an insurable cause of loss if the water stays *within* the designed limit.
- Insurance coverage will attach to acreage impacted by stored or diverted water if the acreage can be timely planted to an insurable crop using good farming practices. Any subsequent loss must be from an unavoidable, naturally occurring event within the insurance period.
- Flood damage to acreage located *above* the design limit is considered to be an insurable cause of loss.
- Contact your local crop insurance agent to determine final plant dates, late planting, and prevented planting procedures for your crop in your county.

within structures that are designed to contain a specific amount of water, such as dams, locks or reservoir projects, etc., on any acreage when such water stays within the designed limits (however, if the producer planted on acreage that was above the designated staged elevation and additional moisture causes flooding of acreage above that level, any damage would be covered as an insurable cause of loss).

- * Therefore, a circumstance where land that is not planted or that is flooded solely due to a water containment or diversion project that otherwise would not have flooded or was not flooded by a naturally occurring event may not be an insurable loss. The Risk Management Agency will review and assess flooding issues that may arise regarding compliance with applicable policy provisions and the insurability of crop losses.

Coverage Qualification

- Section 508(a)(1) of the Federal Crop Insurance Act states, "To qualify for coverage under a plan of insurance, the losses of the insured commodity must be due to **drought, flood, or other natural disaster.**"
- Crop insurance is available for losses due to **unavoidable, naturally occurring events**. This language is found in section 12 of the of the Common Crop Insurance Policy Basic Provisions.

Cause of Loss

- Causes of loss that are not covered are shown in Section 12(a)-(f) of the Basic Provisions. Section 12(a)-(c) are:
 - * *Insurance is provided only to protect against unavoidable, naturally occurring events. A list of the covered naturally occurring events is contained in the applicable Crop Provisions. All other causes of loss, including but not limited to the following, are NOT covered: (a) Any act by any person that affects the yield, quality or price of the insured crop (e.g., chemical drift, fire, terrorism, etc.); (b) Failure to follow recognized good farming practices for the insured crop; (c) **Water that is contained by or***

Prevented Planting

Section 1 of the Basic Provisions contains definitions, including prevented planting, that states:

- **Prevented planting** - *Failure to plant the insured crop by the final planting date designated in the Special Provisions for the insured crop in the county, or within any applicable late planting period, due to an insured cause of loss that is general to the surrounding area and that prevents other producers from planting acreage with similar characteristics. Failure to plant because of uninsured causes such as lack of proper equipment or labor to plant acreage, or use of a particular production method, is not considered prevented planting.*
- Section 17(d)(2) of the Basic Provisions also states in part, "However, if it is possible for you to plant on or prior to the final planting date when other producers in the area are planting and you fail to plant, no prevented planting payment will be made..."

Late Planting

- **Late Planting Period:** Unless limited by the Crop Provisions, insurance will be provided for acreage planted to the insured crop after the final planting date according to Section 16(a):
 - a) *The production guarantee or amount of insurance for each acre planted to the insured crop during the*

late planting period will be reduced by 1 percent per day for each day planted after the final planting date.

- **After the late planting period:** If it is determined the loss is not due to contained water and the producer is prevented from planting due to an insurable cause of loss, and the insured crop is planted after the late planting period, the producer may insure such acreage as explained in Sections 16 (b) of the Basic Provisions:
 - (b) *Acreage planted after the late planting period (or after the final planting date for crops that do not have a late planting period) may be insured as follows:*
 - (1) *The production guarantee or amount of insurance for each acre planted will be determined by multiplying the production guarantee or amount of insurance that is provided for acreage of the insured crop that is timely planted by the prevented planting coverage level percentage you elected, or that is contained in the Crop Provisions if you did not elect a prevented planting coverage level percentage;*
 - (2) *Planting on such acreage must have been prevented by the final planting date (or during the late planting period, if applicable) by an insurable cause occurring within the insurance period for prevented planting coverage; and*
 - (3) *All production from insured acreage as specified in this section will be included as production to count for the unit.*
- The late planting period extends 25 days past the final planting date for most crops. Canola has a 15 day late planting period.
- Forage Seeding does not have either late planting or prevented planting coverage available.

Final Planting Dates

Clay County, Minnesota

May 31 – Barley, corn for grain, forage seeding, oats, sugar beets, and wheat
June 5 – Corn for silage, canola
June 10 – Flax, dry beans, potatoes, soybeans, and sunflowers

Wilkin County, Minnesota

May 31 – Barley, corn for grain, flax, forage seeding, oats, sugar beets, and wheat
June 5 – Corn for silage, canola
June 10 – Dry beans, potatoes, soybeans, and sunflowers

Cass County, North Dakota

May 20 – Dry peas, canola
May 31 – Barley, corn for grain, forage seeding, oats, sugar beets, and wheat
June 5 – Corn for silage
June 10 – Dry beans, flax, potatoes, soybeans, and sunflowers

Richland County, North Dakota

May 20 – Dry peas, canola
May 31 – Barley, corn for grain, forage seeding, oats, sugar beets, and wheat
June 5 – Corn for silage
June 10 – Dry beans, flax, potatoes, soybeans, and sunflowers

Where to Buy Crop Insurance

All multi-peril crop insurance, including Catastrophic Risk Protection policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA web site at: <http://www.rma.usda.gov/tools/agent.html>

Contact Us

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