

Frequently Asked Questions

Crop Insurance & Drought-Damaged Crops

Oklahoma City Office (New Mexico, Oklahoma, Texas)

What should a Policyholder Do When Crops Are Drought-Damaged?

The policyholder must contact the crop insurance company that sold the policy prior to putting their crop acres to an alternative use or diverting irrigation water from the crops if insured as an irrigated practice, destroying, or abandoning the acres. A notice of damage must 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 was not harvested. The insured must continue to care for the crop and protect it from further damage, if possible. 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 insurance company before making any changes to the care of the crop.

Appraisal of the Damaged Crop When can I Destroy the Crop?

The insurance company must have a chance to appraise and release the acres before the crop is taken to an alternative use, destroyed, or abandoned. If the company cannot make an accurate appraisal, or the producer disagrees with the appraisal the company and producer can agree on representative sample areas to be left intact for future appraisal purposes. For more information on abandonment, destruction, or alternative use of the crop or acreage consult Section 14 of the Common Crop Insurance Policy Basic Provisions (11-BR) Policy.

Should I Continue To Care For Drought-Damaged Crops?

Crops that have been damaged and will be taken to harvest must continue to be cared for and maintained [Comment: If possible, the crop must also be cared for and protected until the crop is appraised and released if the insured is not going to

take it to harvest.] Producers are required to continue to care for the crop, following practices generally recognized by agricultural experts. They may seek advice from agricultural 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 must maintain the samples the same as if the entire crop was left. The samples must be maintained until the insurance 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 indemnity is due.

I Have a Multi-Year Water Allocation. Will I Be Required to Irrigate Beyond the Annual Amount In Order To Maintain My Crop Insurance Coverage?

If the crop was correctly reported as an irrigated practice by meeting the Irrigated Practice Guidelines at the time insurance attached, you will not be required to irrigate beyond the annual amount used to establish the multi-year allocation. All producers reporting an irrigated practice should have received a copy of the Irrigated Practice Guidelines from their crop insurance company. Additional information on reporting an irrigated practice under a multi-year allocation can be found at: <http://www.rma.usda.gov/help/faq/okirrigated.html>

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 areas to adequately provide water to the remaining crop. For example, irrigation could be diverted from the whole field of crops that would not survive otherwise and instead apply that water through the pivot to crops in half of the field. 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 an indemnity payment for the diverted field. 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 before 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 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 Service (CES) or USDA, Natural Resources Conservation Service (NRCS) (or other sources recognized by CES or NRCS to be an expert in this area) should be used to document this decision.

What are the RMA Claims Adjustment Procedures for 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 that wind and extreme heat conditions have caused evaporation of the irrigation water before the water can reach all areas of the crop. Such water shortage or evaporation may create a need to irrigate only a portion of the crop that initially was being irrigated. For example, instead of irrigating the entire field which is not receiving enough water to mature the crop, irrigate only

half of the crop so that at least this part will develop a viable yield.

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 determination.
4. If the determination to divert water was not appropriate, this is a failure to carry out a good irrigation practice for the insured crop. Assess any appraisal(s) supporting additional claims that result from the diversion. The insurance company must use appraised or harvested production, or APH yields of the acreage or units involved as a guide to establish uninsured causes of loss. When water is diverted without an insured cause of loss, appraisal(s) due to uninsured causes will be assessed against the indemnity.
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 diverted water claims until total production on all affected acreage can be determined.
7. When water is diverted from one crop to another under the irrigated practice, the company must document the policyholder's intent or action taken to divert water on the affected acreage.

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