

Cover Crops and Crop Insurance: What You Need to Know to Minimize Risk

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Overview

- Past issues w/ cover crops
- New policies developed (and still being developed)
- What new policies mean for you
- Being prepared for the “what ifs”
- Long term outlook on crop insurance



Past Issues

- Delayed termination
- Prevented plant
- Interplant definition
- Written Agreement



Taskforce to Harmonize Cover Crop Policies

- NRCS
- Risk Management Agency
- Farm Service Agency
- National Wildlife Federation
- National Association of Conservation Districts
- National Corn Growers Association
- American Soybean Association



New definitions and policies:

- Starting with insurance for fall 2013 planted crops
- Special Provisions of Common Crop Insurance Policy updated

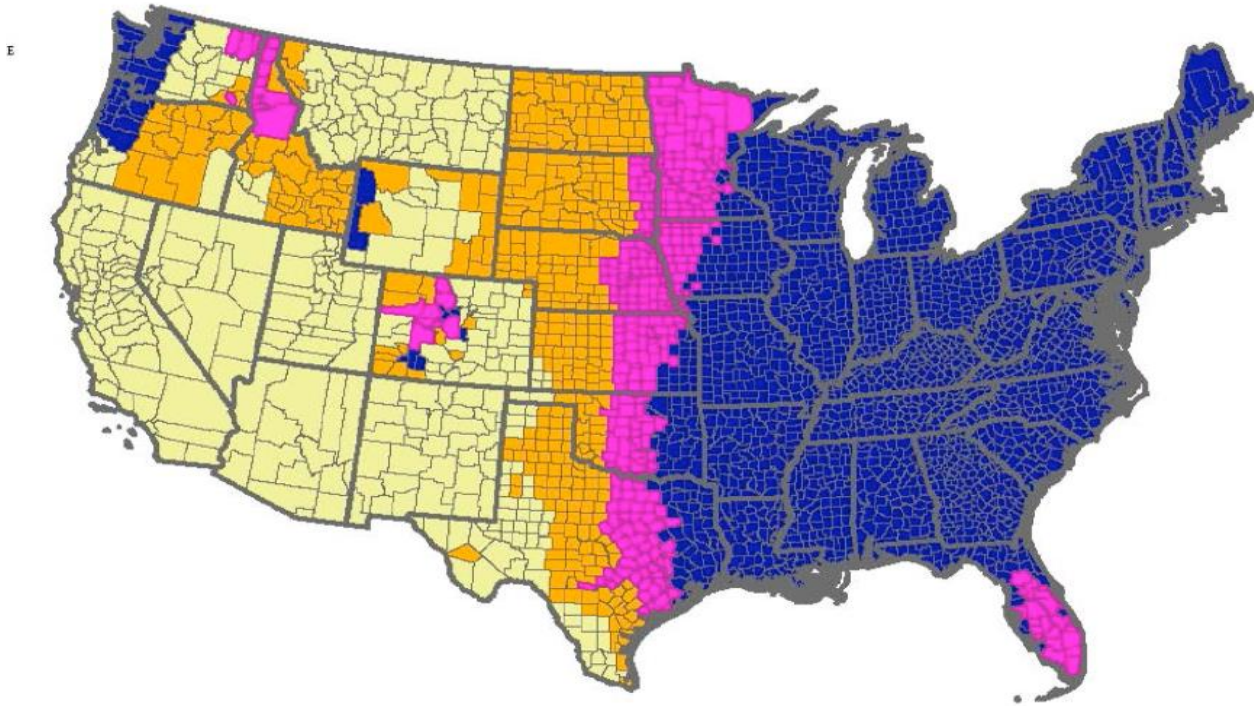


Definitions

- Interplant: Acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crop.
 - Source: Basic Provisions for the Common Crop Insurance Policy



Termination zones replace calendar dates



- Zone 1 - Terminate cover crop 35 days or earlier before planting**
- Zone 2 - Terminate cover crop 15 days or earlier before planting**
- Zone 3 - Terminate cover crop at or before planting**
- Zone 4 - Terminate cover crop at or within 5 days after planting, but before crop emergence**



The No Till Bonus for ALL zones: You get an extra 7 days to terminate

Zone	Without No till	With No till
Zones 1 and 2- Late Spring to fall planted crops (dry beans, soybeans, winter wheat, etc.)	Continuous cropping: 35 and 15 day termination requirement	Continuous cropping: 28 and 8 day termination requirement
Zones 1 and 2-Early Spring planted crops (wheat, barley, beets, corn)	Terminate cover crop as soon as practical prior to planting	Terminate cover crop as soon as practical prior to planting
Zone 3	Terminate at or before planting of insured crop	Terminate up to 7 days after planting, but before emergence
Zone 4	Terminate within 5 days after planting, but before emergence	Terminate within 12 days after planting, but before emergence



Summer Fallow in Zones 1-3

Summer or fall seeded insured crops	Terminate cover crops at least 90 days prior to planting
Spring seeded insured crops	Terminate cover crops either in late fall or as soon as possible in the spring prior to planting

- Note: RMA and NRCS must still define the line between spring seeded and summer seeded
- Note: Late Spring planted crops treated differently in summer fallow and continuous cropping
- Note: the No till bonus also applies to summer fallow (thus, 90 day termination can be 83 days for no till systems)



Some flexibility for weather

- If a wet year:
consider a later
termination
- If a dry year:
consider an earlier
termination



Weather-delayed termination

- If weather prevents timely cover crop termination:
 - Get written guidance from extension or CCA



New Practices/Technology “donut hole” coverage

“Where new technology has at least 3 years of satisfactory performance (achieves historical yield) based on farm records and the written approval of two ‘agricultural experts’ as defined by RMA, the cover crop may be terminated closer to planting, if recommended by the experts.”



Early planting of insured crop

- If planting earlier than normal, cc termination may be closer to planting



What this all means for cover crop management:

- Interplant
- Termination
- Weather
- Donut hole



Interplant

- Have the guidelines handy to show your agent/adjuster the definition
- Be ready to explain yield declines due to natural causes (weather) or other issues
- Bottom line: agent/adjuster **CANNOT** blame cover crops for weather-caused yield reductions or management delays



Cover Crop Termination

- Know your zone
- Document terminate dates
 - Intended date (and reasons for delay)*
 - Actual date

*NRCS and RMA still determining the process for reviewing delayed termination



Weather Delayed Termination

- Document weather and field conditions for EVERY day of delay.
- Understand the weather variance guidelines
- Get your “Note from the doctor,” especially in Zones 3 & 4.
 - Statement of conditions
 - Recommended actions



Managing the Donut Hole

- If you intend to terminate outside of the guidelines:
 - Keep good records of practices and yields
 - Get a letter of support from at least 2 agronomists/CCAs
 - Not informing your agent of this is a short term gain, long term loss



Common Coverage Denial Methods

- Misinterpretations by agents/adjusters in:
 - Interplant
 - GFP (Good Farming Practices)
 - Termination timing



In the Event your Claim is Denied/Coverage is Cancelled or about to be Denied/Cancelled

- Don't panic, but move quickly, the clock is ticking...
- Scenario 1: denial/cancellation coming
- Scenario 2: letter of cancellation already received
- Scenario 3: later steps...come talk to me



Scenario 1: cancellation has not yet occurred

- Educate your agent/adjuster
- They likely interpret your cover crops as “interplanted”
- Cite NRCS Cover Crop Termination Guidelines



Scenario 2: You've just received your denial of coverage letter

- You have 30 days to file an appeal
- Next step: request mediation
- Final step: request arbitration
- In all steps: Be clear in how you adhered to the policies



Long Term Outlook on Crop Insurance and Cover Crops

- Policies continue to evolve: So far, 3 policy changes in 2 cropping years
- Please provide data from your experiences with cover crops



Please take a moment to fill out
this 5 minute survey by SARE:

<https://www.surveymonkey.com/s/CoverCropSurvey13-14>



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