Late and Prevented Planting Options and Crop Insurance for Wisconsin Farmers

Extension
UNIVERSITY OF WISCONSIN–MADISON

May 30, 2019

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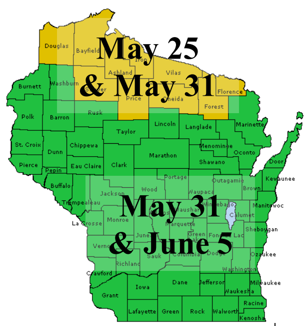
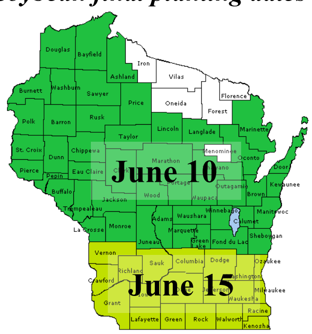
This bulletin quickly reviews crop insurance rules to help Wisconsin farmers understand late and prevented planting dates and options as this cold wet spring continues.

Corn final planting dates



Soybean final planting dates



Key Dates

For crop insurance, the final planting dates in Wisconsin differ by crop and county. The dates are May 25 for corn for grain and May 31 for corn silage in the north and May 31 for corn for grain and June 5 for corn silage in the south. For soybean, the dates are June 10 in the north and June 15 in the south (see maps for your county). Acres planted after these dates are still insured, but farmers must notify their crop insurance agents, even if they do not have late and prevented planting coverage. Small areas do not trigger late and prevented planting; the area must exceed 20 acres or 20% of the unit's acreage to qualify.

Explaining the options for a hypothetical case will help insured farmers understand their options. However, <u>farmers should consult with their crop insurance agent so they clearly understand their specific options and the associated restrictions and implications</u>.

Assumptions: You bought crop insurance with a yield history of 160 bu/ac for your corn and 40 bu/ac for your soybeans. With 75% Revenue Protection, your yield guarantees are 120 bu/ac for the corn and 30 bu/ac for the soybeans. Revenue guarantees are 120 bu/ac x $4.00/bu = $480.00/ac and 30 bu/ac x $9.54/bu = $286.20/ac. The final planting dates in your county are May 31 for corn, June 5 corn silage, and June 10 for soybeans. By May 31, you planted 250 acres of corn and by June 10, you planted 150 acres of soybeans, leaving 100 acres unplanted. You trigger Prevented Plant since at least 20 acres or 20% of the insured acres are affected.

What are Your Options?

1) Plant corn, corn silage, or soybeans <u>late</u> with a reduced guarantee
   a. Corn: guarantee reduced 1% per day per acre for each day after May 31.
   b. Corn silage: guarantee reduced 1% per day per acre for each day after June 5.
   c. Soybeans: guarantee reduced 1% per day per acre for each day after June 10

   Example: Suppose you planted all 100 remaining acres to soybeans on June 17 (7 days late). Your guarantee on these 100 soybean acres would be (100% – 7%) = 93% x $286.20/ac = $266.17/ac x 100 acres = $26,617. The guarantee on the 150 soybean acres you planted on time is unchanged.
2) Take the <u>full</u> Prevented Plant (PP) indemnity equal to 55% of your guarantee.
   a. Corn: full PP indemnity = 55% x $480.00/ac = $264.00/ac x 100 acres = $26,400.
   b. Soybean: full PP indemnity = 60% x $286.20/ac = $171.72/ac x 100 acres = $17,172.

   On these acres, you can plant a forage/cover crop (including establish alfalfa), but you can't make hay/graze until after <u>November 1</u> and <u>you can never harvest grain or silage</u>.

3) Take a partial Prevented Plant (PP) indemnity equal to 35% of your full PP indemnity
    a. Corn: partial PP indemnity = 35% x $264.00/ac = $92.40/ac x 100 acres = $9,240.
    b. Soybean: partial PP indemnity = 35% x $171.72/ac = $60.10/ac x 100 acres = $6,010.

    *On these acres, you can plant a forage/cover crop or grain and harvest as you want. You can plant soybeans and insure them, but if you plant the soybeans on time (June 10 or June 15), then you **CANNOT** receive a partial prevented plant indemnity for corn.*
4) Leave the acres uninsured – you pay no premiums for these 100 acres, will receive no indemnities, but have no restrictions on planting & harvesting/grazing a forage or cover crop.

Comments

A. Acreage Limits: Your planted acres plus Prevented Plant acres for a crop cannot exceed the maximum acres planted of that crop in any of the last 4 years. In this example, the farmer has already planted 250 corn acres. If the farmer had planted at least 350 corn acres in any of the last 4 years, he could only claim up to 100 acres for corn Prevented Plant indemnities.

B. Loss of Enterprise Units: To be eligible for enterprise units (which have lower premiums), a farmer must plant 20 acres or 20% of planted acres in at least two sections. Prevented plant acres do not count in this calculation and so a farmer may lose eligibility for enterprise units and so have to pay larger premiums for their insured acres.

C. Yield History Impacts: Late planted crops (option 1) use actual yields for future yield history calculations. Acres claimed for reduced Prevented Plant (option 3) use 60% of the yield from planted acres for future yield history calculations. Acres claimed for full Prevented Plant (option 2) and uninsured acres (option 4) generate no yield history.

D. Commodity Program Impacts: Prevented plant payments do not affect Agricultural Risk Coverage (ARC) or Price Loss Coverage (PLC) payments and prevented plant acres are considered planted for calculation of base acres. It seems that Market Facilitation Program (MFP) payments will be made based on planted acres, not including prevented plant acres, but MFP program details for 2019 are fluid and may change.

E. Alfalfa Establishment: Growers can establish alfalfa with or without a nurse crop on prevented plant acres (options 2 or 3) and have it ready for production in 2020.

F. Agronomic Considerations: Agronomic considerations such as switching corn maturity dates or from grain to silage should be part of the decision. See the UW Extension corn and soybean agronomy web page: http://corn.agronomy.wisc.edu/ and http://www.coolbean.info/.

Replant Provisions

If the crop stand is poor so that projected yield is less than 90% of the yield guarantee, a farmer can receive an indemnity for part of the actual cost of replanting. An insurance adjuster must inspect the stand and the area must exceed 20 acres or 20% of the unit's acreage. The maximum indemnity is the price election multiplied by the 20% of the yield guarantee, up to 8 bu for corn, 3 bu for soybeans and 1 ton for corn silage. The replanted crop has the same production guarantee as for the original plant date (i.e., no reduction for late planting is imposed).

Replant Example

Suppose a 200 acre unit of corn for grain has a yield guarantee of 150 bu/A x 200 A = 30,000 bu with a $4.00/bu price election. All acres are planted before May 31, but cool wet weather reduces the stand to less than 20,000 plants/A on 80 acres of the unit. The farmer can replant these 80 acres to corn and keep the 150 bu/A yield guarantee, even if the corn is replanted after May 31, and receive an indemnity of up to $2,560.00 (8 bu/A x $4.00/bu price election x 80 acres) towards the actual cost of replanting these acres.