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A LITTLE BIT COUNTRY
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Options for Prevented Planted Acres

With the 2011 planting season all but wrapped up, many fields in Williams County remain wet and will likely be prevented planted acres for crop insurance purposes. Once the decision has been made to stop planting the very first step is to file a prevented planted claim with the crop insurance provider within three days of the decision. The insurance company will then make a determination as to the eligibility of the identified acres for prevented planting coverage.

Dwight Aakre, NDSU Extensions Farm Management Economist has identified a number of options in handling prevented planted acres for the remainder of the year.

A likely option is to leave the land idle. The land may be chemical fallow or black fallow. If the acreage is highly erodible land there must be adequate cover to prevent erosion. The producer would be eligible for the full prevent plant payment. In most cases this payment equals 60 percent of the insurance guarantee. Policy holders had the option to purchase prevent plant buy-up coverage to 65 or 70 percent prior to the sales closing date, which was March 15. This option will not impact a producer's actual production history (APH) in future years. With this option, the producer is eligible for the full prevented planted payment and there be no impact on the APH for that farm unit as long as the cover crop is not hayed or grazed before November 1. Haying or grazing of the cover crop after November 1 is permitted.

Another option is to plant a cover crop within the late planting period. With this option, the producer is eligible for full prevented planted payment and there will be no impact on the APH for that farm unit as long as the cover crop is not hayed or grazed before November 1. Haying or grazing of the cover crop after November 1 is permitted.

A third option is to plant a cover crop after the late planting period and utilize it for haying or grazing prior to November 1. However this option results in a 65 percent reduction in the prevented planted indemnity payment. Planting a cover crop for haying or grazing is considered a second crop. The late planting period is 25 days after the final planting date for most crops. For canola and dry peas the late planting period is 15 days after the final planting date. Producers need to check this date carefully as the final planting date varies by crop and by county. The final date for wheat is June 5 for Williams County. Also, this option will impact the APH on that unit in the future as the yield used for 2011 will be 60 percent of the producer's APH. The combination of a reduction in your APH and the loss of 65 percent of the prevented planted payment make this a costly option. The value of the cover crop for hay or grazing must offset this loss.

A producer may decide not to report prevented planting on the intended crop and plant another insurable crop for which a policy is in force for harvest, during or after the late planting period as another option. Coverage for the second crop simply replaces the coverage for the first crop that wasn't planted and there would not be a prevented planted payment made. If the second crop is planted after the final planting date for that crop, the guarantee is reduced one percent prepay of late planting.

Planting a second insurable crop: A producer may report prevented planting on the intended crop, but then plant another insurable crop after the end of late planting period. This results in forfeiting 65 percent of the prevented planted payment, but the second crop is insurable. Also this option will impact the APH on the prevented plant crop on that unit in the future as the yield used for 2011 will be 60 percent of the producer's APH. If the planting date of the second crop is after the final planting date of the second crop, the insurance guarantee for that crop is reduced one percent per day past the final planting date for that crop. The producer must pay the full premium for the second crop and 35 percent of the premium for the first crop.