

## **MGR-20-003**

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Date

February 20, 2020

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Martin R. Barbre, Administrator

Subject

Prevented Planting Coverage on Added Land

## **Background**

The Risk Management Agency is receiving questions regarding when prevented planting coverage determinations should be made on added land.

Section 17(f)(12) of the 2020 Basic Provisions states:

(f) Regardless of the number of eligible acres determined in section 17(e), prevented planting coverage will not be provided for any acreage: \*\*\*

(12) If a cause of loss has occurred that may prevent planting at the time:

(i) You lease the acreage (except acreage you leased the previous crop year and continue to lease in the current crop year); (ii) You buy the acreage; (iii) The acreage is released from a USDA program which prohibits harvest of a crop; (iv) You request a written agreement to insure the acreage; or (v) You acquire the acreage through means other than lease or purchase (such as inherited or gifted acreage).

## **Action**

When making prevented planting coverage determinations, approved insurance providers (AIPs) may consider conditions at the time the new tenant (insured) takes possession of the added acreage. This may require determining if a cause of loss exists at the time the insured takes possession of added land that may prevent planting.

When determining if there is a cause of loss that “may prevent planting,” factors AIPs should consider include, but are not limited to:

- Historical Weather Patterns.
  - Is the current condition common for the region at this time of year?
  - Do these conditions typically resolve in time to result in availability to plant by the final planting date?
- Timing of the Final Planting Date.
  - How likely is it that a cause of loss present prior to the final planting date will impact planting?
- Insured’s Individual Planting History.

AIPs should evaluate these types of factors and document such in the insured’s loss file to support prevented planting coverage determinations on added land.

For example, a landlord and tenant enter into a signed lease agreement on January 1. At the time the lease was executed, there was an unharvested crop from the previous tenant in the field and a cause of loss that could prevent planting. On March 1 of the same year, the previous tenant harvests the crop and the new tenant assumes possession of the acreage. Based on conditions at the time of possession, the AIP determines there was not a cause of loss present that could prevent planting and provides prevented planting coverage on the added acreage.

**DISPOSAL DATE:**

December 31, 2020