

IS-22-002

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Date

March 9, 2022

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Delores Dean, Deputy Administrator for Insurance Services

Subject

Participation in the California Nest Cover Upland Habitat conservation project and Prevented Planting Coverage

The USDA Natural Resources Conservation Service (NRCS) recently announced the Nest Cover Upland Habitat conservation project for the 2022 crop year. According to NRCS, the project provides financial and technical assistance to establish and manage cover for nesting habitat on rice lands in California.

The project compensates rice producers if they do not disturb land typically involved in agricultural production for the duration of the waterfowl nesting season (April 15 - July 15). It also allows project partners access to monitor nesting activity. Producers are not obligated to leave land undisturbed until after they sign the contract (form NRCS-CPA-1202). No conservation structures or practices are being administered nor are there any contractual requirements to leave the land unplanted until after the contract is signed.

California rice growers are facing another drought and may not receive sufficient water allocations for the current crop year; causing the land to remain fallow. In these situations, the land is left undisturbed. Stakeholders are questioning whether acreage enrolled in the Nest Cover Upland Habitat conservation project would be eligible for prevented planting coverage.

Section 17(f)(3) of the Common Crop Insurance Policy (CCIP) Basic Provisions states that prevented planting coverage will not be provided for any acreage used for conservation purposes, intended to be left unplanted under any program administered by the USDA or other government agency, or required to be left unharvested under the terms of the lease or any other agreement.

Section 17(f)(8)(i)(B) of the CCIP Basic Provisions also states that prevented planting coverage will not be provided for any acreage that exceeds the number of eligible acres physically available for planting. Acreage enrolled in a USDA program that removes the acreage from crop production is not available for planting.

A producer may be eligible for prevented planting coverage when participating in the Nest Cover Upland Habitat conservation project administered by NRCS in California. The project does not preclude acreage from being available for planting in the crop year, provided the contract (form NRCS-CPA-1202) is not signed until after the end of the late planting period. Participation in this project does not violate sections 17(f)(3) and 17(f)(8)(i)(B) of the CCIP Basic Provisions when (1) an insurable cause of loss occurred during the insurance period that prevented the acreage from being planted through the final planting date; (2) the contract does not preclude land from being physically available for planting for the crop year; and (3) all other prevented planting requirements are met.