

# Double Cropping Revision and Practical to Replant

## What is the definition of "practical to replant"?

The definition of "practical to replant" is as follows:

**Practical to replant** - Our determination, after loss or damage to the insured crop, that you are able to replant to the same crop in such areas and under such circumstances as it is customary to replant and that replanting the insured crop will allow the crop to attain maturity prior to the calendar date for the end of the insurance period. We may consider circumstances as to whether:

1. it is physically possible to replant the acreage;
2. seed germination, emergence, and formation of a healthy plant is likely;
3. field, soil, and growing conditions allow for proper planting and growth of the replanted crop to reach maturity; or
4. other conditions exist, as provided by the Crop Provisions or Special Provisions.

Unless we determine it is not practical to replant, based on the circumstances listed above, it will be considered practical to replant through:

1. the final planting date if no late planting period is applicable; \
2. the end of the late planting period if the late planting period is less than 10 days; or
3. the 10th day after the final planting date if the crop has a late planting period of 10 days or more. We will consider it practical to replant regardless of the availability of seed or plants, or the input costs necessary to produce the insured crop such as seed or plants, irrigation water, etc.

## Why does RMA have rules on whether a policyholder should replant?

The Federal Crop Insurance Act does not cover losses due to a policyholder's failure to replant to the same crop in such areas and under such circumstances as is customary. Replant payments are intended to mitigate losses that impact both the policyholder and taxpayer, as well as minimize disruptions to local agricultural economies.

For policyholders, the replant payment provides the opportunity to replant the crop with the support of a replanting payment provided by the policy, as applicable. Since the initial planting generally takes place at an optimal time-period available to the policyholder, replanting the crop likely takes place at a less optimum time in the future. While the odds of producing an above average or high yielding crop are potentially lower, the policyholder still has a reasonable chance to produce a crop that is worth more than the indemnity payment from the insurance policy. In addition, the policyholder may avoid an indemnity and the actual production history yield for that crop year may be higher, having less impact on future crop guarantees. At worst, if the replanted crop fails, the policyholder still gets the same indemnity payment he or she would have had without replanting, but at least had the chance to earn a larger gain from the marketplace and preserve future crop guarantees.

From a taxpayer's perspective, the replant payment is a way to reduce the cost of the crop insurance program. This is because the replanted crop may produce an average or even above average yield, which results in a reduced (or even no) indemnity payment to the policyholder. The reduction in indemnity payments reduces the cost of the crop insurance program for taxpayers and mitigates impacts to future premium rates policyholders would otherwise experience.

Finally, the replant payment provides stability to the local agricultural economy. Encouraging policyholders to replant their crops helps ensure a more consistent supply of the agricultural commodities that others depend on for their livelihoods, such as livestock producers and grain or food processors. This also helps maintain a more consistent supply of agricultural goods for consumers.

## **What is a replanting payment?**

A payment to assist the policyholder to replant an insured crop that has been damaged by an insurable cause of loss.

## **Is a policyholder forced to replant their crop?**

No. However, in accordance with the crop insurance contract, if it is determined practical to replant the insured crop and it is not replanted, no coverage for the insured crop will be provided and no premium will be due.

Therefore, it is always the policyholder's choice whether to replant a damaged crop; however, if it is determined practical to replant by the approved insurance provider and the policyholder elects not to replant, no coverage is provided. The acreage is removed from the acreage report, no indemnity is due, no replant payment is made, and no premium is earned nor payable.

## **What if it is determined practical to replant and the acreage is planted to another crop?**

The initially-planted crop that was lost and determined practical to replant is removed from the acreage report and no coverage is considered to have existed. If the policyholder decides to plant another crop instead of replanting the damaged initial crop, the crop planted may be insured provided it meets all insurability requirements and will be considered the first insured crop.

## **How does replanting impact guarantees?**

If it is determined practical to replant the insured crop and the insured crop is replanted, a replanting payment will be made, and full coverage will continue on the replanted crop just as it was on the initially-planted crop. There is no decrease in the production guarantee on the initially-planted crop, even if the crop is replanted during the late planting period.

## **Who determines if it is practical to replant?**

The approved insurance provider makes the determination.

## **What if the approved insurance provider determines it is not practical to replant and the policyholder wants to plant a second crop?**

If the approved insurance provider determines it is not practical to replant, the policyholder can:

1. receive 100 percent indemnity on the first insured crop, then plant and elect not to insure a second crop on the acreage; or
2. receive 35 percent of the indemnity on the first insured crop, then plant and insure a second crop on the acreage. If the second crop does not suffer a loss, the policyholder can receive the remaining 65 percent indemnity on the first crop.

### **Is a policyholder required to wait to replant during the late planting period?**

No, the policyholder is not required to wait to replant during the late planting period. If the policyholder chose to replant the crop to continue insurance coverage for the crop year, the policyholder should replant as soon as practicable after the determination is made by the approved insurance provider.

### **If it is more than 10 days after the final planting date can an approved insurance provider still determine it is practical to replant?**

Yes, if the crop has a late planting period of 10 days or more. An AIP can make the determination that it is practical to replant the crop during the late planting period and up to the last day of the late planting period, and the crop will be considered a replanted crop. For example, the Final Planting Date for soybeans is June 15. The late planting period is 25 days with the end of the late planting period date of July 10. If the AIP makes the determination that it is practical to replant the crop on July 10, it is acceptable to plant and considered replanted soybeans. It will not be considered practical to replant after the late planting period. If the crop is replanted after the late planting period, it will be considered a second crop.

### **How are Final Planting Dates determined?**

RMA ROs use internally-developed guidelines to establish the final planting dates for all crops. In 2016, tools allowing for the analysis of RMA data were developed which enabled RMA ROs to compare when a crop is typically planted, the yield associated with the planting date, loss ratios by planting date, and causes of loss by planting date. RMA ROs also consult with agricultural experts to verify that established dates are reasonable for the crop and area.

Beginning with the 2017 crop year, the RMA ROs will begin reviewing the agronomic appropriateness of the final planting dates for all crops on a three-year rotational basis. In addition to using the internally developed guidelines for review, the RMA ROs also use the recommendations of Land Grant Universities, Grower Associations, agricultural producers, and approved insurance providers.

### **Are the Practical to Replant and Final Planting dates adjustable, or can they be waived due to disaster designations?**

Since final planting dates and late planting periods are contained in the policy, in accordance with the preamble to the Common Crop Insurance Policy Basic Provisions (7 C.F.R. § 457.8), they may not be waived or modified after the contract change date, which varies for each crop.