

Crop Insurance for Replanted Crops

Hail, floods, and torrential rains have caused many Iowa farmers to replant corn and soybean fields. Some producers are still debating whether replanting is justified. If acres were insured under the various multiple peril or revenue insurance plans available, they may be eligible for a replanting payment.

A field that has a projected loss from weather of more than 10 percent of the guaranteed yield can qualify for a maximum replanting payment of up to \$19.60 per acre for corn and \$18.45 per acre for soybeans. The exact payment depends on the estimated yield loss and the insurance price election that was chosen this year. The replanting payment is equal to the price election chosen in the policy multiplied by 20 percent of the guaranteed yield, up to a limit of 8 bushels (bu) for corn and 3 bu for soybeans. Therefore, the maximum payments for 1998 are \$19.60 per acre for corn (8 bu @ \$2.45) and \$18.45 per acre for soybeans (3 bu @ \$6.15).

Replanting payments are available for both multiple peril and revenue insurance but not for catastrophic level coverage. Bushels harvested in the fall from fields that are replanted are still insured, based on the original policy and original planting date. Example 1 illustrates how a replant payment for soybeans might occur.

... and justice for all

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Example 1

Your insured soybean crop is hit with a late frost and is projected to yield only 21 bu/acre. You decide that it would pay to replant.

Your APH-proven yield is 40 bu/acre. You have chosen to insure with an MPCI policy at the 70 percent yield level for a forecast market price of \$6.15/bu. Your yield guarantee is 28 bu:

$$70\% \times 40 \text{ bu} = 28 \text{ bu}$$

The projected yield of 21 bu is less than 90 percent of the guaranteed yield:

$$90\% \times 28 \text{ bu} = 25.2 \text{ bu} \\ (25.2 \text{ bu} - 21.0 \text{ bu}) = 4.2 \text{ bu}$$

Therefore, you would receive a payment of \$6.15/bu for the difference. However, the maximum loss you can be paid for is 3 bu/acre. Thus, the payment would be \$18.45/acre:

$$3 \text{ bu} \times \$6.15 = \$18.45$$

All acres that were timely planted, late planted, replanted, or not planted at all must be reported within three days after either the Multiple Peril Crop Insurance (MPCI) final planting date or the date the grower actually stopped planting the crop. It is useful to keep a log of how many acres are planted or replanted each day and their location, particularly during the late planting period.

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File: Economics 1-4

Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Stanley R. Johnson, director, Cooperative Extension Service, Iowa State University of Science and Technology, Ames, Iowa.