

# Planting Date Affects Crop Insurance Coverage

Torrential rains, floods, and hail have forced some Iowa farmers to delay planting corn and soybeans. Some fields were planted later than usual, but others are still waiting to be planted. The date of planting affects the level of crop insurance protection in effect.

### Late Planting

Fields that were insured but planted late still have crop insurance coverage but at a reduced level. Multiple Peril Crop Insurance (MPCI) policies include a 25-day late-planting period. This period begins on the “final planting date”—June 1 for corn and June 16 for soybeans. Any acres planted after this date receive a lower yield or revenue guarantee than acres planted earlier. The coverage is reduced 1 percent per day for each of the first 10 days and 2 percent per day for each of the next 15 days, for a maximum reduction of 40 percent. This reduction applies to both the yield guarantee under the conventional MPCI, Catastrophic, or Group Risk Program (GRP) policies, or to the revenue guarantee under Crop Revenue Coverage, Revenue Assurance, or Income Protection policies. Corn acres planted after June 25 and soybean acres planted after July 10 will continue to receive 60 percent of their original yield or revenue guarantee, under any of the various types of crop insurance policies.

Yield guarantees and actual yields on late-planted crops are averaged together with all the timely-planted acres in the same insurance unit rather than considered separately. Example 1 shows

how the final guarantee for a mixture of timely planted and late planted acres is determined.

**Example 1**

You have an APH corn yield of 142.9 bushels (bu) per acre insured at the 70 percent level, for a production guarantee of 100 bu/acre:

$$70\% \times 142.9 \text{ bu} = 100 \text{ bu}$$

There are 250 acres of corn in the insured unit. Of these, 180 acres are planted before June 1. However, wet weather prevented you from planting 40 acres until June 4, and the last 30 acres were not planted until June 12. The production guarantees are:

180 acres	no reduction	100 bu/acre	18,000 bu
40 acres	reduced 1% per day for 4 days	96 bu/acre	3,840 bu
30 acres	reduced 1% per day for 10 days		
	reduced 2% per day for 2 days	86 bu/acre	2,580 bu
Total bushels guaranteed			24,420 bu
Average guarantee/acre			97.68 bu

### Prevented Planting

Fields that are abandoned after June 25 (corn) or July 10 (soybeans) will continue to receive 60 percent crop insurance coverage. Exceptions are acres insured under the catastrophic level of multiple peril insurance and a GRP policy, which do not cover prevented planting. The actual yield or gross revenue on prevented-planting acres is considered to be zero.

No other crop may be planted for harvest on prevented-planting acres, except for forage crops, which can be hayed or grazed (but not sold) after the final planting date. Formerly, a substitute crop could be planted and the field would still receive coverage equal to 25 percent of the original guarantee on the unplanted crop as well as coverage on the substitute crop, but this provision has been eliminated.

### Minimum Areas

Very small land areas do not qualify for prevented-planting coverage. Affected areas must be contiguous parcels equal to or greater than 20 acres, or 20 percent of the insured acreage that was intended to be planted for units over 100 acres. If one portion of the insured acres meets the minimum size criteria, however, then other smaller areas may be combined with it and the total area is covered.

Just as with late-planted acres, prevented-planting acres are averaged in with all the timely-planted and late-planted acres in the same insurance unit to determine the final guarantee and actual production or revenue. Example 2 illustrates this situation.

### Premiums

There is no reduction in the premiums due on delayed or prevented-planting acres, even though production or revenue coverage is reduced. However, coverage for delayed or prevented planting may have been excluded from the policy prior to the sales closing date in exchange for a reduced premium.

All acres that were timely planted, late planted, replanted, or not planted at all must be reported within three days after either the MPCCI 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 each day and their location, particularly during the late planting period.

### Example 2

You have 250 acres of corn in the insured unit, with a guarantee of 100 bu/acre, just as in the previous example. This time, however, 150 acres is planted before June 1 and prolonged wet weather prevents you from planting the last 100 acres until June 26.

Your guarantee on the timely-planted acres would remain at 100 bu, but your guarantee on the 100 prevented-planting acres would be only 60 percent, or 60 bu/acre. Your total guarantee on the unit would be as follows:

150 acres @ 100 bu/acre	15,000 bu
100 acres @ 60 bu/acre	6,000 bu
total guarantee	21,000 bu
average guarantee/acre	84 bu/acre

Of course, you could go ahead and plant the last 100 acres on June 26 to another crop such as soybeans. If you had purchased insurance for soybeans on this unit you would receive 90 percent of your original soybean coverage (1 percent per reduction per day for 10 days after June 15) for the 100 acres.

Assume you elect to not plant any crop on the 100 acres. You harvest an average of 125 bu/acre on the 150 planted acres. Your insurance payment would be as follows:

guaranteed bushels	21,000 bu
harvested bushels (150 acres @ 125 bu/acre)	18,750 bu
deficit	2,250 bu
payment (2,250 bu @ \$2.50/bu)	\$5,625

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