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Delayed Planting, Prevented Planting and Replanting Crop Insurance Coverage

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Abstract
The frequent rains that have soaked Iowa this year have left many corn and soybean fields unplanted or with flooded areas. Many producers are wondering what options they have under their multiple peril crop insurance (MPCI) policies.

In Iowa, the crop insurance “late planting period” for corn begins on June 1. Corn can still be planted after this date, but the insurance guarantee on those acres is reduced by 1 percent per day until the acres are planted. Corn acres planted after June 25 will receive insurance coverage equal to 60 percent of their original guarantee. Producers should keep accurate records of planting dates on all remaining acres. The late planting period for soybeans is from June 16 through July 10 in Iowa.

Keywords
Economics

Disciplines
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Delayed Planting, Prevented Planting and Replanting Crop Insurance Coverage

By Steve Johnson, ISU Extension, and William Edwards, Department of Economics

The frequent rains that have soaked Iowa this year have left many corn and soybean fields unplanted or with flooded areas. Many producers are wondering what options they have under their multiple peril crop insurance (MPCI) policies.

In Iowa, the crop insurance “late planting period” for corn begins on June 1. Corn can still be planted after this date, but the insurance guarantee on those acres is reduced by 1 percent per day until the acres are planted. Corn acres planted after June 25 will receive insurance coverage equal to 60 percent of their original guarantee. Producers should keep accurate records of planting dates on all remaining acres. The late planting period for soybeans is from June 16 through July 10 in Iowa.

Choices

Beginning June 1, corn producers with unplanted acres have three choices: plant corn as soon as possible with a reduced guarantee, shift to soybeans with full insurance coverage, or apply for prevented planting. Prevented planting acres are insured at 60 percent of their original guarantee and must have a cover crop established on them.

Acres that have been planted, but need to be replanted, may qualify for a special replanting insurance payment. Payments are based on the value of 8 bushels of corn or 3 bushels of soybeans per acre, times their respective projected insurance prices. In 2013, that is about $45 per acre for corn and $38 per acre for soybeans. To qualify for an indemnity payment under the replanted or prevented planting provisions, a minimum area of 20 acres or 20 percent of the insured unit, whichever is smaller, must be affected.

ISU Extension Resources

More details can be found in the publication “Delayed and Prevented Planting Provisions” (file A1-57) on the Iowa State University Extension and Outreach Ag Decision Maker website. An electronic decision spreadsheet is also available to help analyze alternative actions. Producers should communicate with their crop insurance agent before making decisions about replanting or abandoning acres.

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