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Crop insurance and excess moisture

by William Edwards, extension economist, 515-294-6161, wedwards@iastate.edu

Heavy rains, strong winds, flooding, and saturated soil across Iowa have raised questions about crop insurance coverage. Damages from such events are insurable losses under standard multiple peril crop insurance policies, including both APH (actual production history) and revenue policies. They are not covered under most companion policies, which generally address just hail and fire damage. Some add-on policies may have “green-snap” provisions, but that may not apply to downed corn from recent high winds.

Group risk policies such as GRP (group risk plan) and GRIP (group risk income plan) are based on county average yields, so individual crop losses are not relevant. However, it is possible that an entire county could have enough crop damage to bring county average yields down to a level that would trigger an indemnity payment.

Final indemnity payments will be determined by the actual yields submitted to the insurance agent after the crop is

harvested. Remember that potential payments are based on the average yield for the crop on the entire insurance unit (acres insured under a single policy), not isolated areas. For revenue insurance policies, the actual revenue is the product of the actual yield and the fall harvest price. Current December corn futures prices are below the February average of \$4.06 per bushel.

Producers who have experienced severe losses from flooding or wind damage should call their insurance agents so they can view the damage or contact an adjustor. Taking pictures of affected areas will provide documentation for later. If corn is harvested as silage instead of grain, producers should leave a check strip so an adjustor can estimate the grain yield.

Iowa State University Extension has a Web site with presentations and supplemental information on excess moisture and wet field conditions available at: <http://www.extension.iastate.edu/ag/hottopicswetfields.html>.

Updates, continued from page 1

Internet Updates

The following updates have been added to www.extension.iastate.edu/agdm.

Grain Storage Alternatives: An Economic Comparison – A2-35

Price Determination for CSA Share Boxes – C5-19

Choosing Among Alternative Agricultural Enterprises – C5-152

Metric Conversions – C6-80

Voice Media Presentations - NEW

The following voiced presentations have been added to www.extension.iastate.edu/agdm. This new addition to Ag Decision Maker provides an audio and visual presentation of the information available in the Information File.

Custom Rate Survey

Custom Farming: An Alternative to Leasing

Lease Termination and Other Legal Considerations for Lease Contracts

Cash Rental Rates

Computing a Cropland Cash Rental Rate

Flexible Farm Lease Agreements

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