Early Planted Acres May Lose Replant Insurance

William M. Edwards
Iowa State University, wedwards@iastate.edu

Follow this and additional works at: http://lib.dr.iastate.edu/cropnews

Part of the Agribusiness Commons, Agricultural and Resource Economics Commons, Agricultural Economics Commons, Agricultural Science Commons, Economics Commons, and the Insurance Commons

Recommended Citation
http://lib.dr.iastate.edu/cropnews/172

The Iowa State University Digital Repository provides access to Integrated Crop Management News for historical purposes only. Users are hereby notified that the content may be inaccurate, out of date, incomplete and/or may not meet the needs and requirements of the user. Users should make their own assessment of the information and whether it is suitable for their intended purpose. For current information on integrated crop management from Iowa State University Extension and Outreach, please visit https://crops.extension.iastate.edu/.
Early Planted Acres May Lose Replant Insurance

Abstract
Unusually warm and dry weather has allowed crop producers to start spring field work earlier than can be remembered by most people. Getting an early start on tillage and planting reduces the risk of getting behind schedule later if an extended period of rainy weather occurs, but it also has its risks. The Risk Management Agency (USDA) has some specific rules about early planted crops with regard to crop insurance coverage. For each insurable crop RMA has set an “early planting date.” The earliest planting dates allowed for counties in the state of Iowa are April 11 for corn and April 21 for soybeans. Dates will vary in other states, and by county within a state.

Keywords
Economics

Disciplines
Agribusiness | Agricultural and Resource Economics | Agricultural Economics | Agricultural Science | Agriculture | Economics | Insurance
Early Planted Acres May Lose Replant Insurance

By William Edwards, Department of Economics

Unusually warm and dry weather has allowed crop producers to start spring field work earlier than can be remembered by most people. Getting an early start on tillage and planting reduces the risk of getting behind schedule later if an extended period of rainy weather occurs, but it also has its risks. The Risk Management Agency (USDA) has some specific rules about early planted crops with regard to crop insurance coverage. For each insurable crop RMA has set an “early planting date.” The earliest planting dates allowed for counties in the state of Iowa are April 11 for corn and April 21 for soybeans. Dates will vary in other states, and by county within a state.

Acres planted before these dates are no longer eligible for replant coverage payments should it be necessary to replant them. The maximum replant payments each year are equal to 8 bushels of corn and 3 bushels of soybeans, times the RMA projected price for that year, which is the price used to establish the value of the insurance guarantees that the producer purchases. For 2012 the projected prices are $5.68 per bushel for corn and $12.55 for soybeans, so the maximum replant payments are $45.44 and $37.65 per acre, respectively.

Any acres that are planted before the earliest planting dates lose replant coverage, even if the entire farm or insurance unit has not been planted. However, early planting does not affect a producer’s normal yield or revenue insurance guarantee. That guarantee is still in effect, and any indemnity payments will depend on the final harvested yield. Normal good management practices must still be followed, included replanting of crops if the potential yield increase is enough to offset the costs of replanting.

Records should be kept of when all acres are planted. Check with your local crop insurance agent for questions.

William Edwards is an Iowa State University professor of economics with extension responsibilities in farm business management. Edwards can be contacted at (515) 294-6161 or by emailing wedwards@iastate.edu.