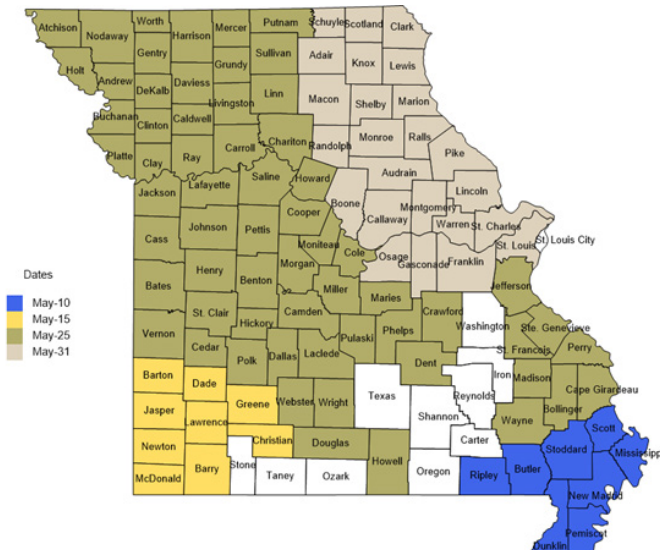


Prevented Planting Provisions on Corn Acres

by Ray Massey

Crop Insurance Final Planting Dates for Corn in Missouri range from May tenth to May thirtyfirst, depending on county (see Figure 1). The late planting period begins after the Final Planting Date for corn and lasts for 20 days in Missouri. Decisions made in the late planting period affect crop insurance differently than decisions made after the late planting period.



Plenty of uncertainties exist that impact the decision. Weather affects both the ability and the wisdom of planting late. How will the Market Facilitation Program payments be calculated? How will disaster program payments be distributed? All these important factors are unknown.

The information below focuses only on what is known because it is established by the Risk Management Agency in the prevented planting standards handbook. It also addresses common decisions but not every possible decision. Farmers need to discuss any decisions with their crop insurance agent prior to implementing their decision. Prevented planting provisions apply only to Yield Protection and Revenue Protection policies.

The following options will use a single example to demonstrate the impact of farmer decisions on

insurance payments. A spreadsheet that assists decision makers in choosing between these options can be downloaded at <https://extensiondata.missouri.edu/Pro/Ag/Docs/MOEarlyCropIns5-19.xlsx>.

Insurance Guarantee on Timely Planted Acres = \$450. Assumes the farmer has an APH of 150 bushels/acre and purchases 75% Revenue Protection. \$450/acre guarantee = 150 bushels/acre APH x 75% selected revenue coverage x \$4.00 RMA Projected Price.

Option 1. Plant nothing, leave the land idle.

After the Final Planting Date and during the subsequent 20 day late planting period, farmers have the right to declare prevented planting intentions and not plant the insured acres. Prevented planting payment is 55% (or 60% if you elected the +5% option by the Sales Closing Deadline) of the guarantee on timely planted acres. Fifty-five percent is the default coverage.

Example: The acres that did not actually get planted will receive a prevented planting indemnity of \$247.50 (= \$450 revenue guarantee x 55% prevented planting coverage).

Acres for which prevented planting is taken, will not be used in future APH calculations. The production yield used for APH is taken only from planted acres.

Option 2. Plant corn during the late planting period.

The insurance guarantee decreases 1% for every day after the final planting date for corn.

Example: If corn is planted 5 days into the late planting period, the late planting guarantee becomes \$427.50 (= \$450 revenue guarantee x (100%-5%) late planting penalty).

Production yield from those acres will be used in future APH calculations.

Option 3. Plant corn after the late planting period.

Corn planted after the late planting period has the insurance guarantee reduced to 55% of guarantee on timely planted acres.

Example: If corn is planted after the late planting period ends, the late planting guarantee becomes \$247.50 (= \$450 revenue guarantee x 55%).

Production yield from those acres will be used in future APH calculations.

Option 4. Plant a second crop after the corn late planting period.

A crop planted on land initially intended for corn is considered a second crop for insurance purposes. Soybeans are the most common second crop planted when corn prevented planting occurs in Missouri. When a second crop is planted, the corn premium and indemnity will be reduced to 35%.

Example: Prevented planting guarantee is \$247.50 (see option 1 example). Prevented planting payment when a second crop is planted is \$86.63 (= \$247.50 prevented planting guarantee x 35%).

The corn APH yield will be impacted. The production Yield for your corn APH calculations will be 60% of the approved yield for this crop year.

Option 5. Plant a cover crop after the corn final planting date.

A cover crop may be planted during and after the late planting period. The table below indicates how planting a cover crop affects the percent of prevented planting payment paid.

Example: The acres that did not actually get planted will be paid an indemnity of \$247.50 (= \$450 revenue guarantee x 55% prevented planting coverage). The cover crop does not reduce the prevented planting payment.

Prevented planting acres with a cover crop will not be used in future APH calculations. The production yield used for APH is taken only from planted acres.

How planting a cover crop affects the percent of prevented planting payment paid.

When cover crop planted	Disposition of cover crop	Prevented planting guarantee paid to farmer	
		Percent	Example
During the corn late planting period	Harvested at any time ¹	0%	\$0
	Hayed or Grazed before November 1	0%	\$0
	Hayed or Grazed on or after November 1	100%	\$297.00
After the corn late planting period	Harvested at any time	35%	\$103.95
	Hayed or Grazed before November 1 ²	35%	\$103.95
	Hayed or Grazed after November 1	100%	\$297.00

¹ Harvested includes activities such as harvesting seed rather than forage.
Example: buckwheat or cowpeas planted as a cover crop but harvested for seed.

² Corn is never considered a cover crop when it is the prevented planting crop