

2021 Prevent Plant Changes and Update

- **August 21, 2020-** RMA announced that it would make changes to the prevented planting coverage.
- **Dec 3, 2020-** RMA Finalizes Policy Changes for 2021 Spring Crops, Expanding '1-in-4' Rule Nationally.
- **Feb 1, 2021-** Golden Plains Insurance brings you updates regarding the above-mentioned changes.

In 2019 farmers reported nearly 20 million acres of prevent planting claims, which drew national attention to the prevent planting procedures. Of the 97-page supplement Prevent Plant Loss Adjustments Standards Handbook, many of the pages remained the same with only small corrections. Within those 97 pages, there are three main points we need to address: one is minor, one will not affect many people and the third is huge. So, let's look at them in that order.

The Minor Change: The way the rules used to be, if a person filed PP and then planted an uninsurable crop on the same acreage, their eligible PP acres were reduced twice (once for each crop). The new rules read, "In the event the insured's first crop failed and an uninsured second crop is planted on the same acreage in the same crop year, the acres for the uninsured second crop will not be subtracted from the eligible PP acreage". This change will not hurt anyone and only help people in that situation.

The Low Affect Change: In the past, if a person were new to farming in a county, they could file an intended acreage report the first crop year they farmed in that county, which did not allow for any crop rotations. The new rules read that "If an insured was eligible to file an intended acreage report the first crop year, they may file an intended acreage report for the second crop year (the year immediately following the first crop year). This change will not affect many folks and only expands some flexibility to beginning farmers and ranchers.

The Huge Change: Paragraph 26, Section A addresses Prevented Planting Eligible Acreage. There are several different bullet points regarding what eligible prevent plant acreage is, but a couple of extreme importance would be:

- (vi) In at least one of the four most recent crop years immediately preceding the current crop year, (eligible acreage) have been planted to a crop:
 - (A) Using recognized good farming practices;
 - (B) Insured under the authority of the Act; and
 - (C) That was harvested, or if not harvested, was adjusted for claim purposes under the authority of the Act due to an insured cause of loss (other than a cause of loss related to flood, excess moisture, drought, or other causes of loss specified in the Special Provisions).

As if that wasn't bad enough, it goes on to say that once any acreage does not satisfy the criteria set forth above in one of the four most recent crop years immediately preceding the current crop year, such acreage will be considered physically unavailable until the acreage has been planted to a crop for two consecutive crop years.

A lot of questions have been asked regarding these statements and little to no answers have been sent back. I think at the end of the day, this probably will not affect a huge number of producers- at least initially. But it does recall the importance of proper planning as we move into the planting season as the difference in getting a claim paid or denied could be as easy as simply selecting a different combination of fields that are planted/prevent planted. We will keep you posted as we learn more information.