

Options for Prevented Planted Acreage

Producers have a number of different options for prevented planted (PP) acreage. It is important that producers understand the specific details of these options because it can impact their prevented planted payment this year and their average production history (APH) in the future.

The options described below reference final planting date and late planting period. These can be confusing. Final planting date refers to the latest date a crop can be planted and still be eligible for full insurance coverage. Full insurance coverage depends on the level the producer elects. The late planting period refers to a period of time after final planting date when coverage is reduced from full coverage. For most crops this period is 25 days after final planting date. Coverage is reduced by 1% from full coverage for each day beyond the final planting date. On day 26, coverage drops to 60% of full coverage, the same as prevented planted coverage level. Options for prevented planted acres are:

1. Maintain black fallow for the full season. With this practice producers are eligible to receive the full PP payment and this year will be excluded from the APH data base, therefore it will not have any negative impact on that unit's future APH.
2. Plant a cover crop **after the final planting date** for the PP crop and do not hay, graze or harvest in any way. The producer is eligible for the full PP payment and the unit's future APH is not impacted.
3. Plant a cover crop **after the end of the late planting period** and hay or graze **after November 1**. For most crops, the late planting period is 25 days after the final planting date. With this option the producer is eligible for the full PP payment and the unit's future APH is not impacted.
Example: Final planting date for wheat in Cavalier County is June 5. The late planting period extends another 25 days, to June 30. Planting a cover crop July 1 and haying or grazing it after November 1 would be acceptable.
4. Plant a cover crop **after the final planting date but before the end of the late planting period**. This is considered the same as switching to a second crop. The producer would not be eligible for any PP payment. Coverage for the second crop depends on the date of planting. **Example:** Wheat is prevented planted in Cavalier County and sunflowers are planted on June 20. This is **within the late planting period** and therefore the producer is not eligible for a PP payment but the sunflowers would be covered (if a policy is in place) at 85% of full coverage for sunflowers. The **final planting date** for sunflowers is June 5 as well, therefore a 15% reduction in coverage level.
5. Plant a cover crop **after the late planting period** and harvest, hay or graze it prior to November 1st. With this option the PP payment is reduced by 65% (producer receives 35%) and the premium for the PP crop is reduced to 35%. If the cover crop is an insurable crop and the producer has a policy for that crop in force, it is insurable at the PP coverage level, which is 60% of the full guarantee for the crop if it had been planted before the final planting date and the full premium for that crop is due. The producer will receive a yield of 60% of that unit's APH or less if actual yield is less than 60% of APH. This will negatively impact the APH on that unit in the future. **Example:** Wheat is prevented planted in Cavalier County and millet is planted on July 15th. The millet is cut for hay prior to November 1. The producer will receive 35% of the PP

payment for wheat and owe 35% of the premium. Millet is not an insurable crop, so no coverage is available. The producer will receive a yield of 60% of that unit's APH for wheat, the crop prevented planted. This option becomes costly because of the loss of 65% of the PP payment and the decrease in the future APH. This year's yield remains in the producer's APH for 10 years.

The default for prevented planted coverage is 60% of the full guarantee for the unit if it was planted prior to the final planting date. Final planting date varies by crop and by county. Final planting dates are available at: <http://www.ag.ndsu.edu/farmmanagement/prevented-planting>

The full guarantee is the unit's APH times the insurance price times the coverage level. Producers elect a coverage level of 65, 70, 75, 80, or 85 percent. Producers have the option to buy up PP coverage to either 65 or 70 percent of the full guarantee for additional premium. This must be done before the sales closing date which is March 15.

Producers should contact their crop insurance agent if they have any questions regarding coverage and eligible practices.