

**June 6, 2008****Crop Insurance/Cropping Decisions for Corn with Questionable Stands and a Farm-Level Crop Insurance Policy has been Purchased**

*The following applies to situations in which farmers have farm-level products such as Actual Production History (APH), Crop Revenue Coverage (CRC), Income Protection (IP), and Revenue Assurance (RA) policies. Catastrophic (CAT) policies also have prevented planting provisions, but no opportunity to increase the payment level on prevented planting payments above the 60 percent level. Group Risk Plan (GRP) and Group Risk Income Plan (GRIP) policies do not have replant or prevented planting provisions.*

Some farmers have planted corn with resulting plant populations less than ideal. Farmers should consult with their crop insurance agents as they make decisions. Farmers have the following options:

1. **Do nothing.** If corn was planted before the final planting date, the full guarantee will be in place.

*Agronomic/crop insurance concern:* To be in compliance with “good farming practices”, a farmer should make decisions that provide a good possibility of progressing towards the guarantee in the policy. If replanting increases the chances of having higher yields, the “do nothing” option may not be a good farming practice. The worse the stand, the more difficult this option is to justify.

2. **Replant corn.** Farmers can replant corn. For the first replanting, farm-level crop insurance will provide a replant payment. Farmers should consult with their crop insurance agent before replanting corn. Not contacting a crop insurance company may result in the replant payment not being made.

*Agronomic/crop insurance concern:* The concern will be whether replanting increases the chance of proceeding toward the guarantee. This, in my opinion, will not be a concern in many cases.

3. **Consider the corn crop failed and plant an alternative second crop.** Farmers can receive crop insurance payments on corn if the crop is failed. For the farmer to receive a payment, the crop insurance company must agree that the corn crop has failed. If the crop insurance agrees, an adjuster will determine the likely yield from the corn crop (The farmer may be required to leave strips of corn in the field to determine yield). The yield will go into the calculation of the payment. Farmers need to contact the insurance company if they want to consider the corn crop failed.

*Agronomic/crop insurance concern:* The concern will be whether the corn crop has failed. There may be disagreement between farmers and crop insurance companies on whether crop is failed.

On destroyed acres that the crop insurance company has agreed is failed, the farmer will have a choice concerning crop insurance. The farmer can:

- a) Elect to not insure the succeeding crop. In this case, the farmer will receive 100% of the payment for corn and pay 100% of the corn premium.
- b) Elect to insure the second crop, given that the farmer has a policy for the succeeding crop. Except for double crop soybeans (see “Double Crop Soybeans” paragraph below), the farmer will receive 35% of the corn insurance payment and pay 35% of the corn premium. In addition, the farmer will pay the premium on the succeeding crop. A decision then will have to be made when the insurance payment on the succeeding crop is known. The farmer can elect to either a) receive the remaining 65% of the corn payment and pay the remaining 65% of the premium, or b) receive the payment on the succeeding crop.

**Double Crop Soybeans:** The above rules prevent a farmer from receiving 100% of crop insurance payments for two crops in one year, except where double crop soybeans are prevalent. If soybeans are planted following the destroyed corn, the farmer can receive 100% of payments for corn and double-crop soybeans. Farmers with double-crop soybeans should work with their crop insurance agents to determine eligibility for 100% payments.

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