Cover Crops, Crop Insurance, and the NRCS Cover Crop Termination Guidelines

Solomon-Republican RAC Meeting
Downs, KS
April 3, 2018

Paul Gallagher
Senior Risk Management Specialist
Risk Management Agency
Topeka
785-228-5523
Agenda

• Risk Management Agency
• Cover Crops, Crop Insurance & NRCS
• Cover Crops and the Summerfallow Practice
• Summary
What Is the Risk Management Agency?

- USDA agency that manages the Federal Crop Insurance Corporation (FCIC).

- RMA, via the FCIC, provides crop insurance to producers.

- 17 companies have Standard Reinsurance Agreements with RMA.

- The companies provide agents that sell the crop insurance to producers.

- The companies manage loss adjusters and pay all claims.
Cover Crops & Crop Insurance

General

Five years ago, NRCS, RMA, and FSA at the national level convened an interagency workgroup on cover crops to...

• Ensure that USDA policies are coordinated and up to date with evolving cover crop practices,

• Produce USDA-wide cover crop termination guidelines that:
  o Maximize conservation benefits while minimizing risk of reducing yield to the following crop due to soil water use.
  o Are simple and flexible;
Cover Crops & Crop Insurance

General

History of NRCS Guidelines:

• June 2013, the first version was posted on the NRCS website

• December 2013, a revised version was released

• September 2014, a third version was released.
RMA uses the NRCS Guidelines in its crop insurance provisions with respect to cover crops.  
- September 2014 version is currently applicable.
Special Provision Statement - All Crops & Practices

Insurance shall attach to a crop following a cover crop when the cover crop meets the definition provided in the Basic Provisions, was planted within the last 12 months, and is managed and terminated according to NRCS guidelines. If growing conditions warrant a deviation from the guidelines, producers should contact either Extension or the local NRCS for management guidance. For information on cover crop management and termination guidelines, refer to the Cover Crop Termination Guidelines published at http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/crops/.

Developed by RMA National Office

Insurability Provision

All three conditions must be met for insurance to attach:
1. meets the definition provided in BP
2. planted within the last 12 months
3. managed and terminated according to NRCS guidelines

NRCS Guidelines are a provision of insurance

NRCS is lead on Guidelines

USDA
Cover Crops & Crop Insurance
Crop Insurance Provisions & NRCS Guidelines

Meets the Definition Provided in the Basic Provisions:

Cover Crop: A crop generally recognized by agricultural experts as agronomically sound for the area for erosion control and other purposes related to conservation or soil improvement.
Cover Crop Termination Zones

- **Zone 1**: Terminate cover crop 35 days or earlier before planting, except for the RMA summer fallow practice.
- **Zone 2**: Terminate cover crop 15 days or earlier before planting, except for the RMA summer fallow practice.
- **Zone 3**: Terminate cover crop at or before planting, except for the RMA summer fallow practice.
- **Zone 4**: Terminate cover crop at or within 5 days after planting, but before crop emergence.

*See guidelines for details on the RMA summer fallow practice.*
Additional Cover Crop Termination Considerations:

#3: If the cover crop is part of a no-till system, termination can be delayed up to 7 days from the above termination period guideline, but terminated prior to crop emergence for all zones and systems.
Additional Cover Crop Termination Considerations:

#8: Cover Crop Grazing or Forage Harvest – Cover crops may be grazed or harvested as hay or silage, *unless prohibited by RMA crop insurance policy provisions*. Cover crops cannot be harvested for grain or seed.
Cover Crops, Crop Insurance & Wheat
Cover Crops, Crop Insurance & Wheat
3 Non-Irrigated Wheat Practices in Kansas

- Non-irrigated practice
- Summerfallow & Continuous Cropping
- Summerfallow only
**Summerfallow** – A production practice utilized to allow soil moisture levels to increase by leaving acreage fallow for a full crop year. To qualify for this practice for the current crop year, the acreage must not have been planted to a crop the preceding crop year and lie fallow for a full crop year. In cases of a previously existing perennial crop (e.g., forage, grass hay, alfalfa, etc.), even if planted on previous Conservation Reserve Program (CRP) acreage, such crop must be terminated by mechanical or chemical means a full crop year before planting of the crop in order to qualify for the SF practice. In addition, any plant growth (e.g., weeds, volunteer crop, etc.) must be terminated on or before JUNE 1 and any later plant growth must be controlled by mechanical or chemical means. However, if a crop was planted on acreage qualifying as summerfallow the preceding crop year but was terminated on or before JUNE 1, and any later growth is controlled by mechanical or chemical means, the acreage will qualify as summerfallow the next crop year. For example, if wheat planted in the fall of 2008 (2009 crop year) qualifies as summerfallow and the wheat is terminated on or before JUNE 1, 2009, and any later growth is controlled by mechanical or chemical means, wheat planted in the fall of 2009 (2010 crop year) will qualify as summerfallow.
Cover Crops, Crop Insurance & Wheat
Summerfallow (SF) Practice

Clarification of Definition:

• To qualify for the SF practice, the acreage must not have been planted to a crop the preceding crop year and remain fallow for a full crop year.

• Planting a cover crop during the fallow period affects the insurability of the next insured crop.

• If a crop was planted on acreage qualifying as SF the preceding crop year but was terminated by June 1, and any later growth is controlled by mechanical or chemical means, the acreage will qualify as SF the next crop year.

Cover Crop Exception:
If wheat was planted on SF acreage, and it failed - if the insurance company released the acreage, the insured can plant that acreage to a cover crop, and, provided the cover crop is not hayed (or otherwise harvested) and is terminated by June 1, that acreage will still qualify for SF the subsequent crop year.
Additional Cover Crop Termination Considerations:

# 13. **RMA Summerfallow Practice** – If a crop, or a cover crop, is planted on summerfallow acreage in a fallow year, the following planted crop will not meet the RMA Summerfallow Practice definition until the acres lie fallow for a full crop year. For the 2015 crop year, if a cover crop was planted during the fallow year, the acreage may be insured under the “continuous cropping practice” (if available in your county), or by written agreement (if continuous cropping is not available in your county). For the 2016 and succeeding crop years, if a cover crop is planted during the fallow year, the acreage may be insured under the “continuous cropping practice” (if available in your county), or by written agreement (if continuous cropping is not available in your county) provided the cover crop is terminated at least 90 days prior to planting for summer and fall seeded crops. For early spring seeded crops, terminate the cover crop in the fall or as early as possible in the spring. Please contact your crop insurance agent for more information.
If a crop or a cover crop is planted on summerfallow acreage in a fallow year, the following planted crop will not meet the summerfallow practice definition until the acres lie fallow for a full crop year. If the acreage did not lie fallow the preceding full crop year, the acreage may be insured under the continuous cropping practice provided all other provisions of that practice are satisfied.

**Counties with only Summerfallow**

If a crop or a cover crop is planted on summerfallow acreage in a fallow year, the following planted crop will not meet the summerfallow practice definition until the acres lie fallow for a full crop year. The planted crop following a cover crop may be insurable by written agreement provided the cover crop meets the criteria outlined in the Insurance Availability section of this Special Provisions of Insurance and the cover crop is not hayed, grazed or otherwise harvested in any manner.
Winter Wheat
Summary - Cover Crops, Crop Insurance & Wheat

RMA is required to use the termination guidelines NRCS developed in its crop insurance provisions

For wheat –
Irrigated: Terminate the cover crop before the wheat emerges

Non-Irrigated: Terminate the cover crop according to the Zone Table in the Guidelines

Summerfallow (SF): If the cover crop was planted during the fallow year (e.g. 2018), the acreage will not qualify for SF for 2019 crop year. In SF only counties (9 counties in SW KS), insurance may be available by written agreement provided the cover crop is terminated at least 90 days prior to planting and the cover crop is not hayed, grazed or otherwise harvested

Continuous Cropping: If the cover crop was planted during the fallow year (e.g. 2018), terminate the cover crop according to the Zone Table in the Guidelines.
RMA’s FAQ document has 24 Q & A’s. For example:

Q: What does “Termination” mean?

A: Termination means growth has ended. If the cover crop is not terminated according to the NRCS Guidelines, it will not be considered a cover crop, which may adversely affect the insurability of the following crop. It is the producer’s responsibility to ensure it is terminated according to the NRCS Guidelines.
Summary

• Check with your county actuarial documents for the crop you intend to insure.

• 2019 crop year
  • Fall planted crops actuarial documents will be filed by June 30, 2018.
  • Spring planted crops actuarial documents will be filed by November 30, 2018.

• Consult your crop insurance agent before doing anything.
Questions?

E-Mail: paul.gallagher@rma.usda.gov

Phone: 785-228-5523

Web: http://www.rma.usda.gov/