

Crop Insurance Options In Drought

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The current drought has many crop producers looking for salvage alternatives. Any unusual management practice is likely to affect crop insurance. Before doing anything out of the ordinary, contact your insurance agency to determine the impact of your actions on your insured crop.

For an insured crop severely damaged by drought there are several options.

The first option is to do nothing out of the ordinary. Wait out the season to see what will finally happen. When you eventually harvest the crop, report your yields to your crop insurance company and receive any indemnity for reduced yields.

A second alternative for corn is to harvest the crop as silage. Before you can harvest corn planted for grain as a silage crop you must first contact your insurance company and ask that an adjuster come to determine yield in the field. The adjuster may make a determination of yield upon inspection of the field or may ask that a strip be left until harvest which will be used to determine the yield of the field. Once the insurance adjuster has determined how to estimate expected yield, he will be able to give permission

to harvest the crop as silage. You can harvest the crop as silage and sell it or use it yourself. If you do not plant a second crop on those acres, your insurance indemnity will be the same as if you had left the crop standing until harvest time.

If you decide to harvest corn early as silage, you may have the opportunity to plant another crop. If you decide to plant another spring planted crop (e.g. soybeans), it will affect your crop insurance on the corn harvested as silage. In such a situation, you would receive 35 percent of the indemnity payment on the corn until the second insured crop is harvested. If there is no loss on the second crop, the remaining 65 percent of the corn indemnity will be paid. If there is a loss on the second crop, you get to choose to receive the remaining 65 percent of the corn indemnity or the indemnity associated with the loss of the second crop.

The bottom line is that farmers who purchased crop insurance, should not make any decisions on destroying the crop or harvesting it before maturity without first contacting their crop insurance company. Options exist but only if the crop insurance company is brought in before the decision is implemented. Δ

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