

***RMA* NEWS RELEASE**

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CROP INSURANCE COVERAGE FOR LAND EMERGING FROM CRP

TOPEKA, KS, February 4, 2009 - Federal crop insurance policies require that acreage must have been planted and harvested in at least one of the three previous crop years unless such acreage was left unplanted in order to comply with any other USDA program. Therefore, acreage coming out of a Conservation Reserve Program (CRP) contract would be insurable.

To establish a production guarantee for the acreage emerging from CRP, the policyholder may provide acceptable production history for the year(s) the crop was grown prior to the acreage's enrollment in CRP.

If the crop was grown prior to enrollment in CRP; but, acceptable production history is not provided, yields are established differently based on whether the CRP acres are a separate unit.

- For acreage emerging from CRP that will be a separate unit:
 - Coverage will be based on a percentage of the Transitional-Yield (T-Yield). The T-Yield percentage will be based on the number of years of production records the producer has on other land for the same crop and county.
 - **For example:** If a producer has 4 years of actual production history for the crop in the county on other acreage, the acres emerging from CRP would receive 100% of the county T-Yield.
 - If the entire farm operation (all cropland acres) were enrolled in CRP, the percentage of the T-Yield will be 100 percent.
- If the CRP acreage is part of an existing unit, it will take the approved yield of the existing unit.

All carryover policyholders must provide production reports.

One thing that producers need to be aware of is that in certain counties (counties west of U.S. Highway 183), insurance for nonirrigated wheat acreage is rated separately for summerfallow and continuous cropping practices. There are also some counties in Kansas that do not have a

continuous crop practice established for wheat. To qualify as summerfallow for fall 2009 planting, the land must have been broken out of CRP by fall 2008 and lie fallow for a full crop year.

Based on this definition, anything broken in the spring to be planted in the fall would be considered a continuous cropping practice.

Land broken in the fall of 2009 prior to fall planting would be eligible for coverage as summer fallow for the 2011 crop year.