

A wide-angle photograph of a lush green field of cover crops, likely sorghum or a similar grain, stretching towards a horizon. The sky is filled with soft, colorful clouds in shades of blue, purple, and orange, indicating a sunset or sunrise. In the distance, a line of trees and a few small buildings are visible against the bright light of the sun.

Federal Policy on Cover Crops

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Where We've Been

- Crop Insurance rules on cover crops
 - Termination dates
 - Blamed for weather
 - Eligibility-based rules

Consultant: Adopt new, sustainable practices for weeds

By Mikkel Pates, Forum News Service on Dec 19, 2016 at 11:49 a.m.

WEST FARGO, N.D. – It might take a weed "disaster" before the majority of farmers adopt newer, more sustainable practices, said Lee Briese of Edgeley, N.D. The crop consultant has been with Centrol Inc. of Twin Valley, N.D., for more than 17 years, and deals with 39 clients in six counties. He spoke Dec. 13 at the annual Conservation Tillage Conference in Fargo, N.D.

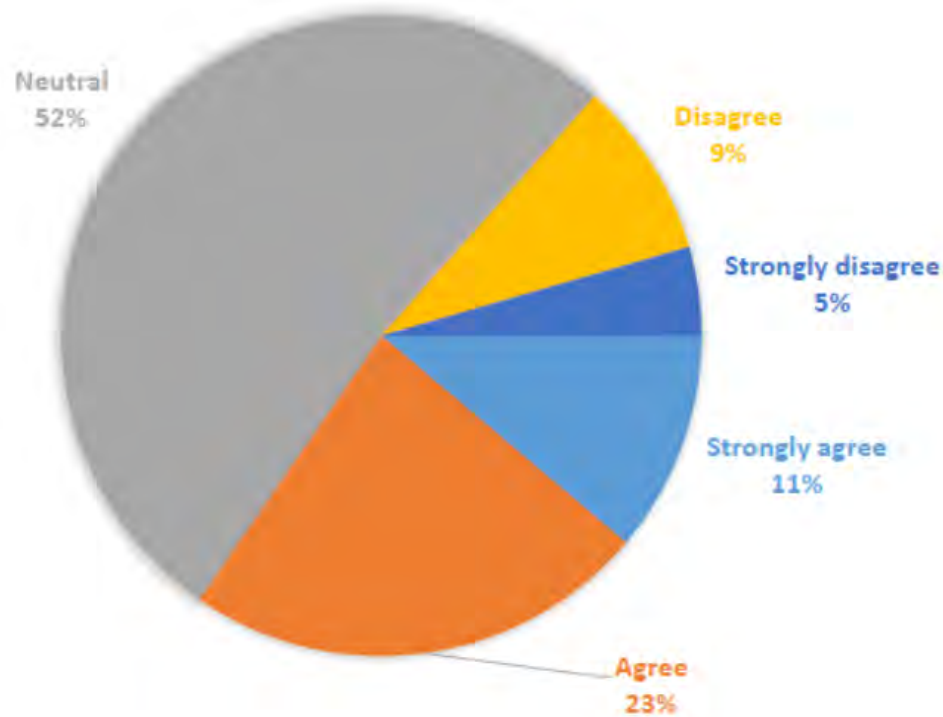
“Rules on federal crop insurance create some questions about the risk of planting cover crops and the impact on insured yields.”

“There are times—depending on a grower’s risk-benefit process—where they’re willing to sacrifice some of the safety net of crop insurance to do some of the management that’s going to help them.”

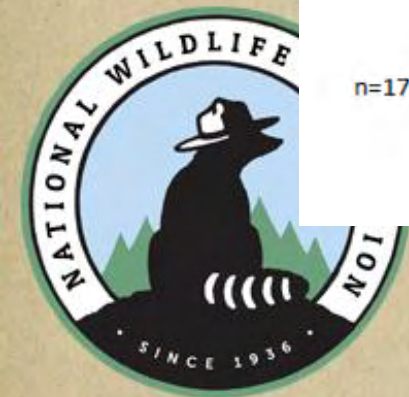


Influence of Crop Insurance in Cover Crop Use Decisions – Non-Users

THE CROP INSURANCE RULES MAKE ME NERVOUS ABOUT TRYING COVER CROPS



n=179





Where We Are Now

- 2018 Farm Bill changes:
 - Definition of termination
 - Moved oversight to GFP
- RMA adjustment on Prevent Plant

A photograph of a cornfield with a blue semi-transparent text box overlaid in the center. The corn plants are in various stages of growth, with some showing signs of being terminated. The background shows a line of trees under a clear sky.

Where We Are Now

Cover Crop Termination: A practice that historically and under reasonable circumstances results in the termination of the growth of a cover crop.

Where We Are Now

- Cover crops meet Good Farming Practices if managed according to:
 - NRCS guidelines
 - Published guidance from experts
 - Written expert guidance

NRCS Cover Crop Termination Guidelines

Version 4: June 2019

Cover Crops and Crop Insurance Overview – What you need to know as a producer:

Prior to the passage of the 2018 Farm Bill, the NRCS Cover Crop Termination Guidelines (Guidelines) had to be followed, or a deviation had to be approved in advance, for insurance to attach to a crop planted in a management system that included cover crops. However, cover crop adoption and regional availability of data on successful cover crop management have expanded significantly since the last Guidelines revision in 2014. For crops planted in the 2020 crop year and later, insurance will now attach at time of planting the insured crop and cover crop management practices will be reviewed under Risk Management Agency (RMA) rules for Good Farming Practice (GFP) determinations similar to other management decisions (e.g. fertilizer application, seeding rates, etc.)

Insurance attaches at planting as per the changes in the 2018 Farm Bill. In the event of a claim that is questioned by an Approved Insurance Provider (AIP) on the grounds of cover crop management, the AIP will complete research to adhere to procedure in order to make an initial GFP decision. For additional details regarding good farming practice determinations please

BACKGROUND

To ensure that USDA policies are coordinated and up to date with evolving cover crop practices, the Chief of the Natural Resources Conservation Service (NRCS), and the administrators of RMA and Farm Service Agency (FSA) organized an interagency workgroup to develop consistent, simple and flexible policy across the three agencies. National and local experts, along with multiple stakeholders, were involved in the process. Research literature, plant growth, soil hydrology models, and input from national/local experts in cover crop management provided the basis for the Guidelines to achieve their

Cover Crops and Federal Crop Insurance

FACT SHEET
June 2019



Overview

Cover Crops and Federal Crop Insurance

Cover crops and crop insurance have successfully coexisted, as evidenced by the rapid growth in the use of this agronomic practice. As you continue exploring the use of this conservation practice by planting the cover crop it is important that you review your crop insurance policy for more information regarding cover crop termination, sustainability, and good farming practices.

Planting a Cover Crop

For insurance purposes, a cover crop is a crop that is recognized by agricultural experts as agronomically sound in the area for erosion control or soil health and poses for conservation or soil improvement. If you are planting cover crops you may improve:

- Water use efficiency and quality improvements
- Erosion Control
- Soil health improvement and nutrient cycling
- Weed and pest control
- Allelopathy
- Habitat for beneficial organisms

Terminating a Cover Crop

Crop Termination means a practice that is agronomically sound and under reasonable circumstances results in the termination of the growth of a cover crop.

Cover Crops and Good Farming Practices

For cash crops following cover crops, Risk Management Agency (RMA), Natural Resources Conservation Service (NRCS), and the Farm Service Agency (FSA) organized an interagency workgroup to develop a consistent cover crop policy across the three agencies. The interagency group developed the NRCS Cover Crop Termination Guidelines (Guidelines), with the guiding principle that cover crops maximize conservation benefits and increase management flexibility, while minimizing yield reduction risk in the insured crop. In accordance with the 2018 Farm Bill, for crops planted in the 2020 crop year and later, insurance attaches at time of planting the insured crop and any concerns regarding cover crop management practices will be applicable to RMA Good Farming Practice (GFP) determinations. This is consistent with all other production management decisions (e.g. fertilizer application, seeding rates, tillage practices etc.).

Additional Guidelines and Flexibility

The purpose of the Guidelines is to provide an additional level of comfort for producers that may be unfamiliar with cover crops or are implementing innovative cover cropping systems and want up front assurance that the crop is insured and cover cropping management decisions will be considered a GFP. These Guidelines serve as a recognized nationally applicable agricultural expert resource for cover crop termination in cover cropping management systems. To help maximize additional flexibility and up - front assurance, you can choose to pursue any one of the following options to assure that your cover cropping management system is a GFP.

2018
FARM
BILL



Where We Are Now

- Prevent Plant rule on haying/grazing of cover crops:
 - For 2019 crop year, can graze or hay cover crops after September 1st without a reduction in PP payment

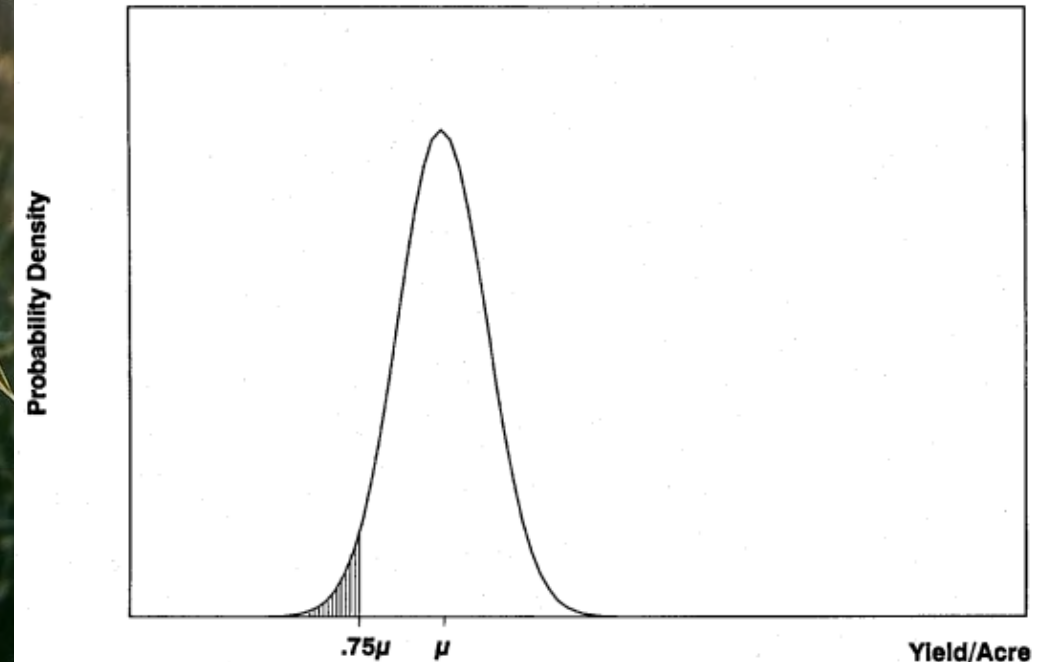
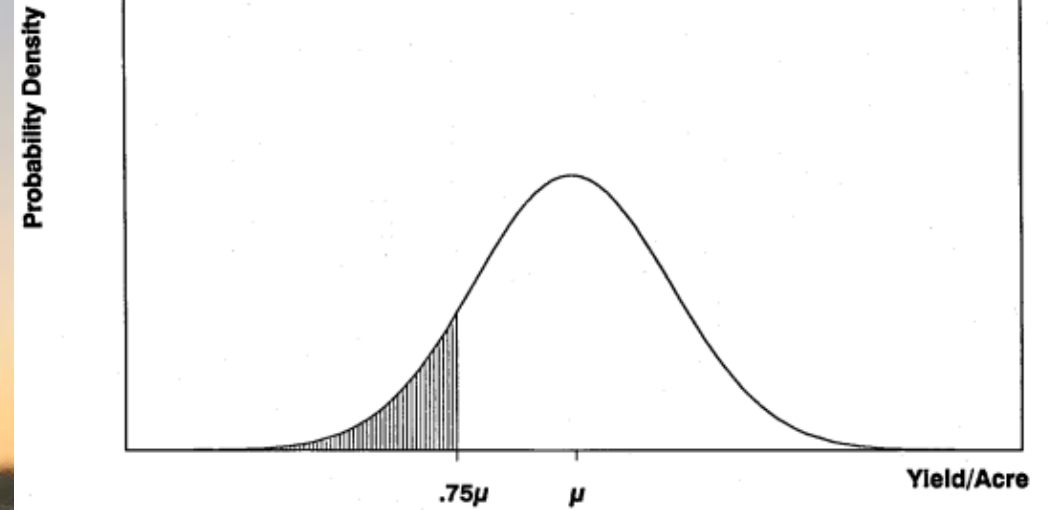


Remaining issues between crop insurance and cover crops

- Assumptions in risk profiles
- Failure to consider variables in risk (soils, practices)

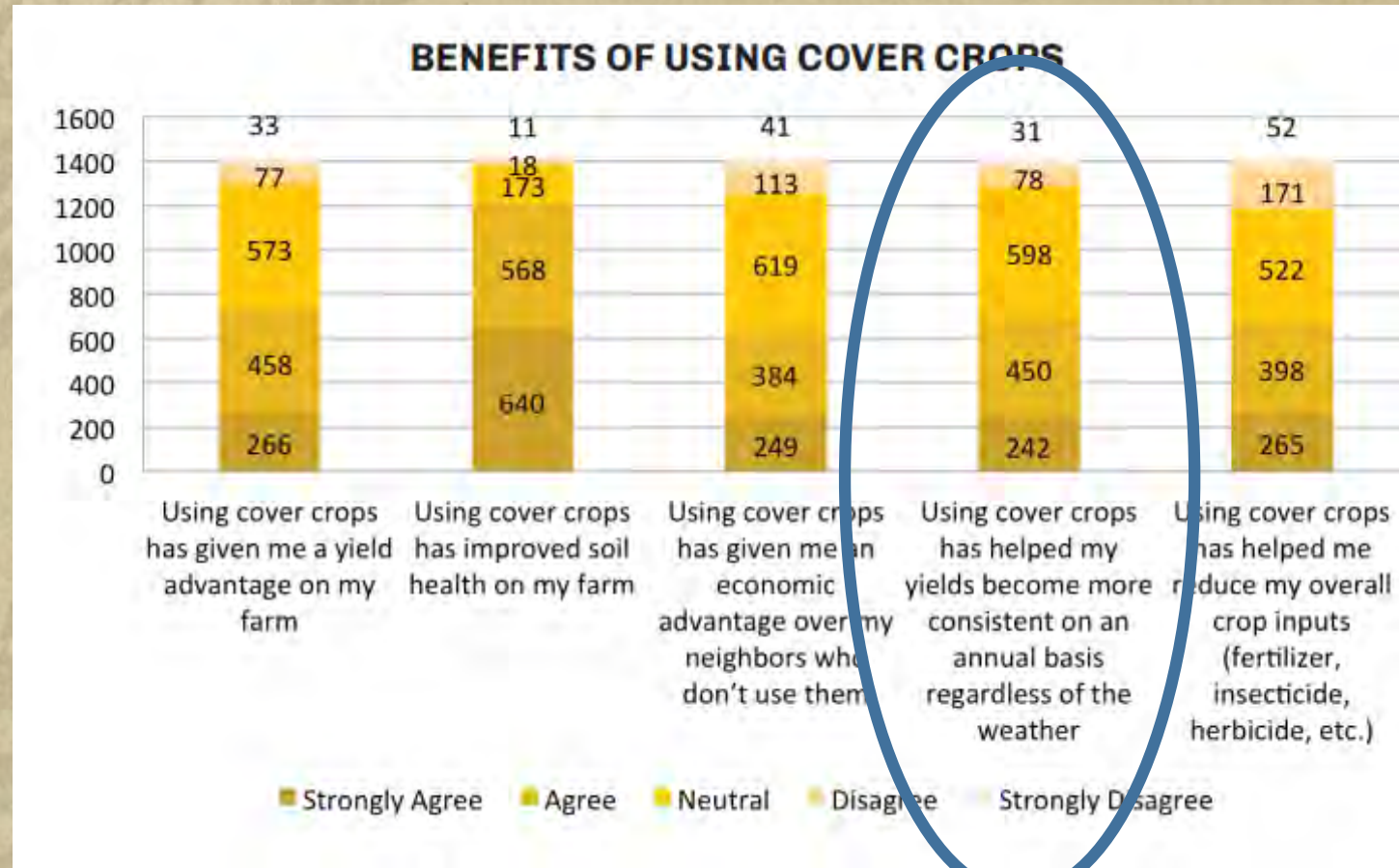
Average Yield is ineffective at quantifying risk

- Skees and Reed show no strong relationship between average and standard deviation.



Cover Crops and Yield Stability

- “Using cover crops can reduce yield variability.”
- 2016 survey of 1399 farmers: 49.5% agreed; 7.8% disagreed
- 2017 survey of 1770 farmers: 67% agreed; 6% disagreed

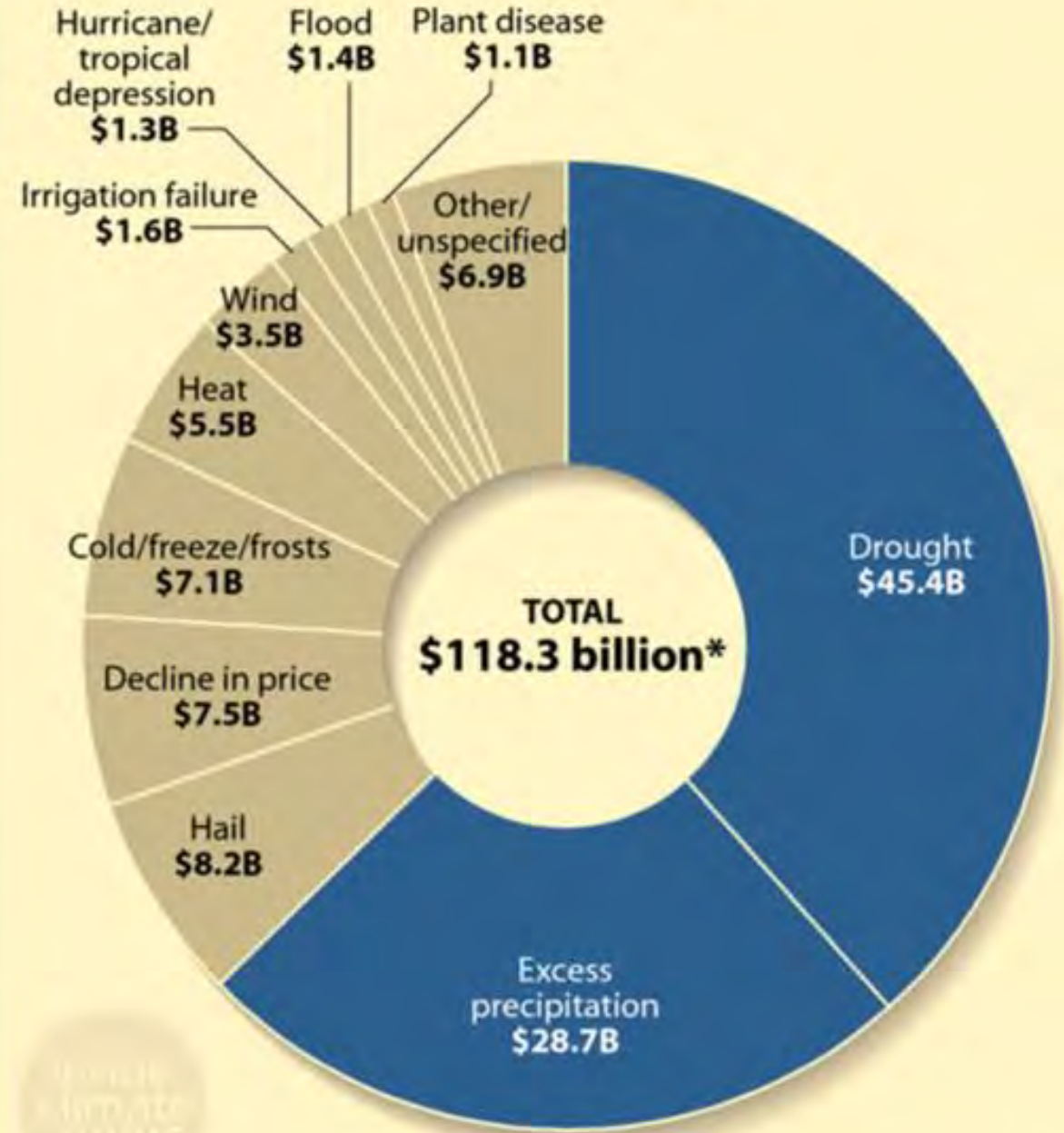


Soil Health and Reduced Risk

- Particular risks minimized
 - Excess moisture
 - Drought

CLAIMS PAID UNDER THE CROP INSURANCE PROGRAM

By cause of loss, in billions of 2016 dollars, 2000 to 2016



*Sum does not equal total due to rounding

Reduced Risk Through Soil Health



Photos taken May 1, 2018.

Reduced Risk Through Soil Health

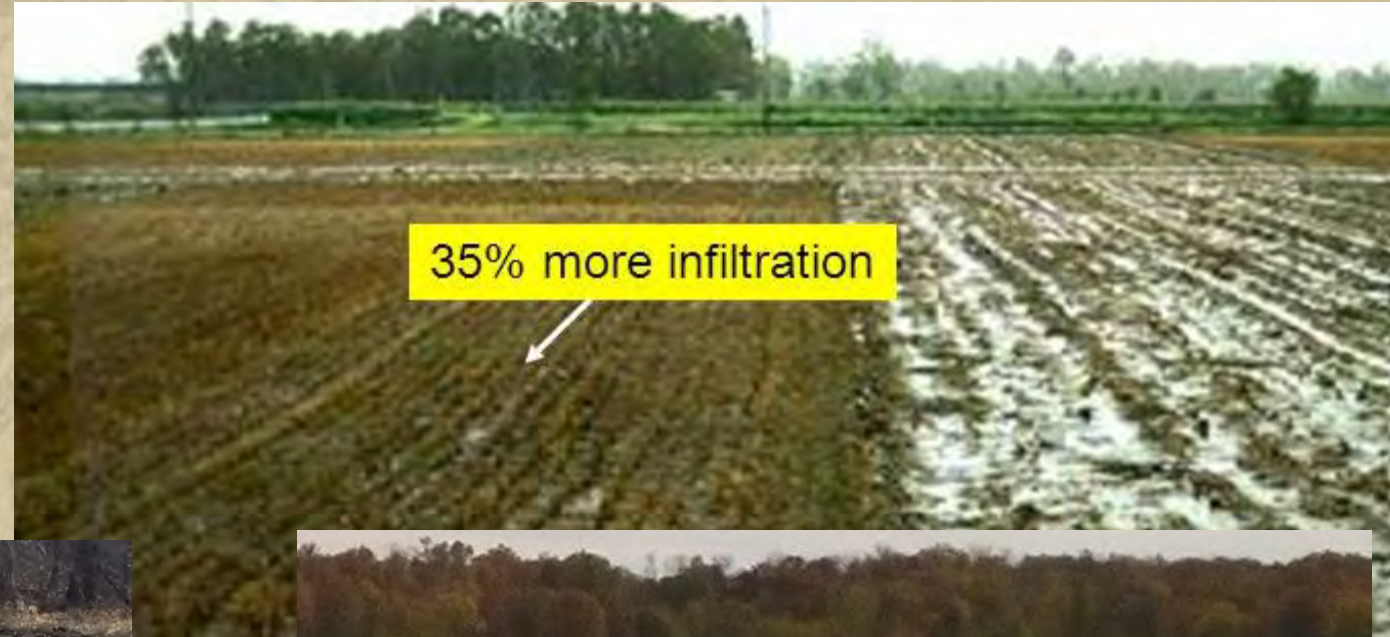


Photos taken August 8th, 2016. No till corn planted 5 days before conventional till.



Infiltration and Drainage

- SOM plays a significant role in soil aggregation
- Excess/limited moisture is more a function of soil than climate
- Soil Health benefits slow to reflect in average yields



Practices and Risk



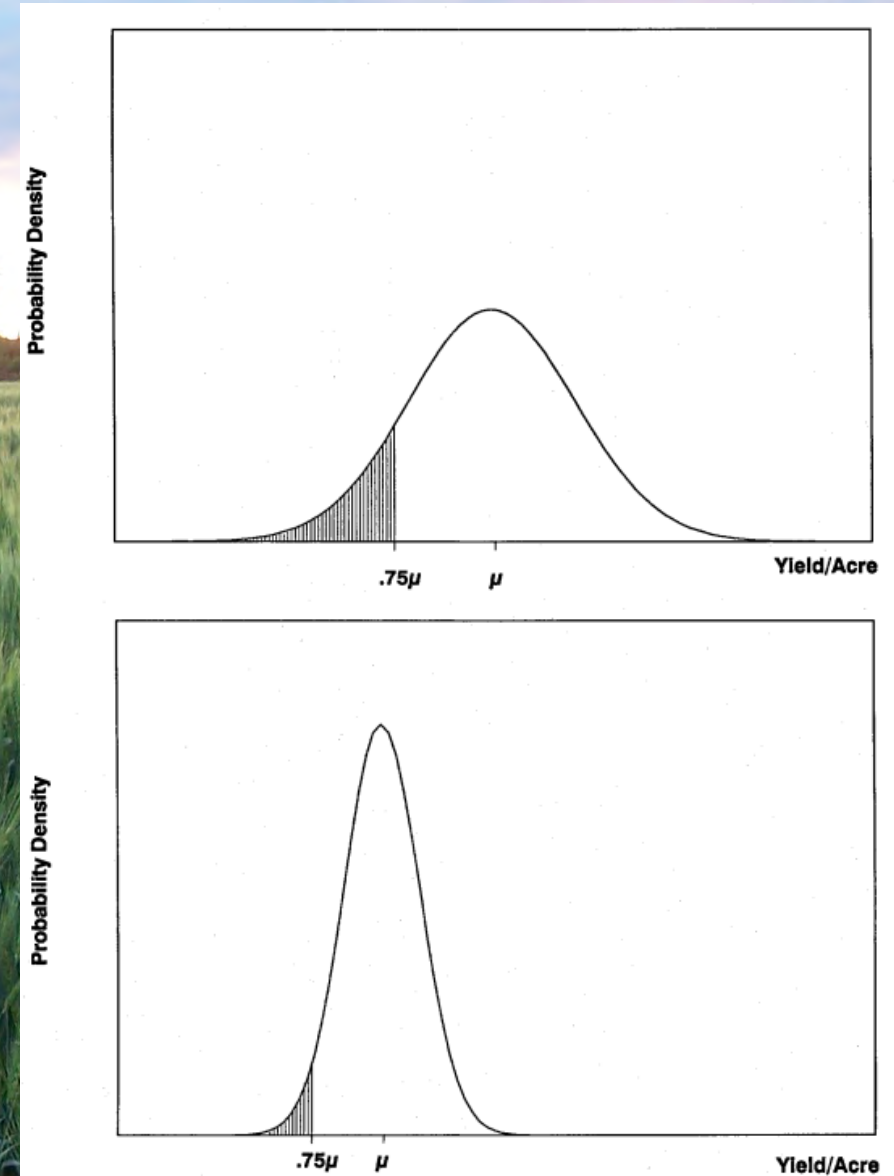
The image shows a screenshot of a PLOS ONE research article page. At the top left is the PLOS ONE logo with 'TENTH ANNIVERSARY' below it. To the right are links for 'Publish', 'About', and 'Browse'. Below the header, there are icons for 'OPEN ACCESS' and 'PEER-REVIEWED', followed by the text 'RESEARCH ARTICLE'. The main title of the article is 'Increasing Crop Diversity Mitigates Weather Variations and Improves Yield Stability'. Below the title, the authors are listed: Amélie C. M. Gaudin, Tor N. Tolhurst, Alan P. Ker, Ken Janovicek, Cristina Tortora, Ralph C. Martin, and William Deen.

- Continuous corn and corn/bean had the highest chance of lowest yields
- Tillage widened the yield curve: higher highs, lower lows
- Rotation benefits increased yields by up to 16% in challenging weather, especially for soybeans



Risk Rating Formula

- Currently determined by:
 - APH
 - County average yield with assumed county risk factor
- Improved formula:
 - APH and Coefficient of Variation
 - Risk factor based on average yields of others in your area using the same cropping practices
 - Risk factor based on cropping practices for that cropping year and impacts of practices in past years



Consequences to crop insurance if new information on soil health is not adopted

COVER CROPS AND INSURANCE CHALLENGES

I haven't heard anyone having crops insurance rules while using cover crops
70%

I no longer use crop insurance or am considering dropping it
9%

It is my perception that other farmers have foregone crop insurance because of cover crop rules
3%

It is my perception that there are other farmers in my area who do not use cover crops because of potential problems with crop insurance
18%

n=1,160



Policies for a stable crop insurance program:

- Crop Insurance must get more specific in annual risk associated with practices.
- Crop Insurance must consider long-term risks in actuarial calculations.
 - Better define risk rating with coefficient of variation, not just average yield
 - Multi-year policies or better data incorporation from past years to improve risk rating accuracy