

Crop Insurance Will Pay On Drought-damaged Crops

Article By:

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Victims of drought might be eligible for crop insurance indemnity payments if they take the right steps. According to Jan Eliassen – a private risk management education consultant for the crop insurance industry, USDA's Risk Management Agency and several state departments of agriculture – policyholders should contact the crop insurance company that sold the policy before putting their crop acres to another use by harvesting for silage, diverting irrigation from the crops or by abandoning the acres.

Producers should give damage notice within 72 hours of discovering the damage, which can be tricky when damage is due to developing drought, Eliassen said. Producers must provide the damage notice no later than 15 days after the end of the insurance period, even if the crop has not been harvested.

It's very important to work closely with the company before making any changes to the crop, Eliassen said. The company must appraise and release the acres before the crop is destroyed or abandoned. Producers also must continue to care for and maintain crops that have been damaged and will be taken to harvest. But how much maintenance is required in such cases? Producers are required to continue to care for the crop using generally recognized practices. They are encouraged to seek advice from agriculture experts in the area as to what that entails.

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