

## **RMA Announces Extension of Premium Due Dates; Clarifies 1st/2nd Crop Applicability for 2020 Annual Forage Policies**

Friday, August 7, 2020

By Shawn Wade

This week the USDA Risk Management Agency announced that it has authorized Approved Insurance Providers (AIP) to extend deadlines for premium and administrative fee payments, defer the resulting interest accrual and allow other flexibilities to help farmers, ranchers and insurance providers due to the COVID-19 pandemic. A copy of the announcement can be found here: <https://rma.usda.gov/en/News-Room/Press/Press-Releases/2020-News/USDA-Extends-Deadlines-Defers-Interest-Accrual-Due-to-COVID-19>

As a result of the announcement AIPs will be allowed to provide policyholders additional time to pay premium and administrative fees and waive the accrual of interest to the earlier of 60 days after the originally scheduled payment due date or the termination date of the policy, whichever is earliest. For cotton counties with March 15 sales closing dates the announced changes move the normal October 1 premium due date back to December 1, 2020.

“The extension of the federal crop insurance premium payment dates announced by RMA this week will provide a much-appreciated window of relief to producers,” PCG CEO Steve Verett said. “Extending the due dates and deferring the accrual of interest charges on the unpaid balances until December 1, will give producers much needed flexibility in working through what has been an extremely challenging 2020 production season.”

In addition, the extended window for premium payment and deferral of accrued interest will also apply to all policyholders with Written Payment Agreements that would have been due between August 1 and September 30.

### ***1st Crop / 2nd Crop Clarification***

In an effort to clarify confusion regarding the applicability of 1st crop/2nd crop provisions in annual forage double-cropping situations, the USDA RMA published an Informational Memorandum (COM-20-003, available here: <https://rma.usda.gov/Policy-and-Procedure/Bulletins-and-Memos/2020/COM-20-003>) to Approved Insurance Providers on July 31 that should help clarify when they should apply 1st crop/2nd crop provisions when a producer has both an Annual Forage – Rainfall Index policy and a multi-peril insurance policy in place.

According to the memorandum AIPs and agents should remind policyholders with both types of policies in place that the combination of planting the annual forage and a Spring seeded crop in the same insurance year must meet approved double-cropping and good farming practice requirements in order for both policies to be in force without any reduction due to 1st crop/2nd crop provisions.

In short, the memorandum makes it clear that indemnities earned on Fall-seeded forage or cover crops insured under an

Annual Forage-Rainfall Index policy will not be subject to any reduction due to 1st crop/2nd crop provisions if they are followed by a Spring-seeded crop insured under a different insurance policy.

However, the memorandum also states that when a Spring-seeded crop is planted first and followed by an annual forage in the same insurance year that the 1st crop/2nd crop provisions are applicable. If the 1st crop/2nd crop provision is applicable the producer **MUST NOTIFY ALL** of the AIPs from whom they have purchased policies of their intent to either keep 100 percent of any first crop indemnity that may have been earned and forego insurance on the subsequently planted annual forage crop, OR receive 35 percent of the first crop indemnity and insure the second crop under the Annual Forage policy.

In practice this means producers who plant an annual forage crop in the Fall during either the first or second planting windows provided by the Annual Forage crop provisions will not be subject to the 1st crop/2nd crop rule on any indemnities earned based on those planted acres as long as they meet all of the criteria for the forage to be planted and insured under the policy. Acreage planted during the latter two planting windows included in the Annual Forage policy would be considered a Spring seeding and therefore subject to the 1st crop/2nd crop provision.

Producers who have purchased an Annual Forage policy in 2020 are encouraged to contact their crop insurance agent to determine how these clarification will impact their 2020 crop insurance coverages and to ensure that they provide all of the required 1st crop/2nd crop notifications to the AIPs with whom they have purchased insurance.

### **Farm Stress: Help and Hope**

<https://pcca.com/farm-stress-help-and-hope/>

## **COTTON USA Joins First Digital Tradeshow in Latin America**

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From Cotton Council International

Cotton Council International promoted U.S. cotton at “Colombiamoda Digital 2020”—the first digital trade show in Latin America—from July 27-Aug. 2. This fair was the 31st version of Colombiamoda and had 455 exhibitors and 3,200 buyers, of which 78% were domestic buyers.

Textile industry buyers visited the online COTTON USA stand, which emphasized the importance of the U.S. Cotton Trust Protocol. To reinforce awareness among brands and retailers, CCI also held a webinar on the U.S. Cotton Trust Protocol which attracted 73 guests.

CCI also had an online fashion show of U.S. cotton-rich garments made by COTTON USA™ licensees from Latin America. The show was set in a digital cotton field using real models. Some 1,900 people watched the show on the Colombiamoda website and on COTTON USA’s social media. The regional TV channel Teleantioquia also broadcast the show.