



Protecting Farmers from Drought Act of 2023

Background

[Prevented planting coverage](#) pays when a producer is unable to plant an insured crop due to an insured cause of loss. The payment is intended to assist in covering the normal costs associated with preparing the land up to the point of the seed going in the ground, such the purchase of seeding machinery, land rent, and fertilizer or other preparations.

The “1 in 4” rule is one of the factors in determining if acreage is physically available for planting and generally requires acreage to have been planted to a crop, insured, and harvested in at least 1 out of the previous 4 years. This rule was first made applicable in 2012 in the prairie pothole regions of Montana, North Dakota, South Dakota, Minnesota, and Iowa to prevent the same acreage from consistently receiving prevented planting payments in wetland areas. In 2019 the Risk Management Agency (RMA) made the decision to expand the “1 in 4” rule nationwide.

New Mexico farmers, mostly planting corn, cotton, milo (grain sorghum), who had been suffering under mega droughts plaguing the southwest, began to feel the effects of this rule change in 2021 after they started to receive notices that they were going to lose prevent planting coverage due to the “1 in 4” rule expansion. This expansion adversely impacted farmers across the West who had been struggling under intense drought conditions and were faced with losing access to vital risk management tools.

After Senator Lujan raised his concern with the Secretary and other administration officials during several Agriculture Committee hearings, the Federal Crop Insurance Corporation (FCIC) provided a waiver for western states from the “1 in 4” rule in the fall of 2022. However, this waiver is only temporary, thus the need for the following legislation.

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This bill would require the Risk Management Agency (RMA) Administrator to extend for one year the “1 in 4” rule, thus creating a “1 in 5” rule for Prevented Planting Insurance (PP) in cases of counties and contiguous counties experiencing 3 continuous years of D3 (extreme drought) intensity in any area of the county at any time during the normal planting period as measured by the [U.S. Drought Monitor](#). This extension of coverage will allow producers in areas experiencing significant drought conditions an additional year for water conditions to improve without losing crop insurance coverage while maintaining the integrity of the crop insurance program. Counties within the prairie pothole region are excluded from this exemption.

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