NAU Country Insurance Company
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www.naucountry.com
NAU Country Insurance Company is an equal opportunity provider.

Re: 2017 Irrigated Practice Guidelines

Dear NAU Agents and Policyholders:

The following guidelines are provided to enable insureds to properly report planted or perennial crop acreage to be insured under the irrigated practice in order to receive maximum protection under their crop insurance policy. It is very important that these guidelines be utilized to document whether, at the time insurances attaches; there is a reasonable expectation of receiving adequate water to carry out a good irrigation practice for acreage reported under the irrigated practice. The guidelines, in entirety, are substantive and are to be given to the insured in administration of their crop insurance policy.

1. Definitions:

Note: The following definitions are provided to facilitate a uniform understanding of the standards and guidelines for the irrigated practice for planted or perennial crop acreage.

A. Adequacy of Irrigation Facilities— Irrigation facilities are considered adequate if it is determined that, at the time insurance attaches, they will be available and usable at the times needed and have the capacity to timely deliver water in sufficient quantities to carry out a good irrigation practice for the acreage insured under the irrigated practice.

B. Efficient Irrigation— Carrying out a good irrigation practice using a lesser amount of irrigation water than historically applied, but still achieving the irrigated APH yield by implementing improved or enhanced management practices to increase efficiency of irrigation water use. Enhanced management practices to increase efficiency of irrigation water use include, but are not limited to, the following:
• Irrigation Method - Employing an irrigation water distribution technique or technology that has demonstrated greater efficiency (e.g. converting gravity flood irrigation to a center pivot or underground drip tape).
• Converting high pressure impact sprinklers to low pressure impacts under center pivot irrigation.
• Soil Moisture Monitors - Using soil moisture monitor output to set the schedule and amount of irrigation water applied.

C. Irrigation Equipment and Facilities – The physical resources, other than water, used to regulate the flow of water from a water source to the acreage. This includes pumps, valves, sprinkler heads, and other control devices. It also includes pipes or pipelines which: (1) are under the control of the insured or (2) routinely deliver water only to acreage which is owned or operated by the insured. A center pivot system is considered irrigation equipment and facilities.

D. Irrigation Water Supply – The water source and means for supplying irrigation water, without regard to the equipment or facilities. This includes the water source and dams, canals, ditches, pipelines, etc., which contain the water for movement from the source to the acreage and (1) are not under the control of the insured or (2) routinely deliver water to acreage in addition to that which is owned or operated by the insured. It DOES NOT INCLUDE any irrigation equipment or facilities.

E. Water Source – The source from which water is made available. This includes wells, lakes, reservoirs, streams, aquifers, etc.

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2. Guidelines of Annual or Perennial Crop Acreage:

Note: To report planted or perennial crop acreage insured under the irrigated practice, the following requirements must be met.

A. Insured should have reasonable expectations, at the time coverage begins, of receiving adequate water to carry out a good irrigation practice. If the insured knew or had reason to know that the amount of his/her irrigation water may be reduced before coverage begins, no reasonable expectation existed, unless the insured meets the efficient irrigation guidelines in 2D.

B. Decreased water allocation resulting from the diversion of water for environmental or other reasons is not an insurable cause of loss unless the diversion is made necessary due to an insured cause of loss.

C. Insured must be able to document and/or demonstrate good irrigation practices, showing the application of adequate water in an acceptable manner at the proper times to allow for normal crop production, measured as the Approved APH yield for the unit.

D. Insured must be able to demonstrate, to the approved insurance provider's satisfaction, that adequate facilities and water existed, at the time insurance attached, to carry out a good irrigation practice for the insured crop. Some factors that the insured should be able to document and/or demonstrate would include, but are not limited to the following:

- Water source history, trends, and forecasting reliability
- Water supply availability and usage.
- Pump efficiency and capacity
- Water requirements (amount and timing) of all crops to be irrigated;
- Water rights (primary, secondary, urban versus agricultural use, etc.)
- Contingency plans to handle shortages
- Acres to be irrigated
- Ownership of the water (state or federal versus landowner)
- Meters, measuring devices and methods used
- Soil types, soil moisture levels, and pre-plant irrigation needs
- Water conservation methods, devices used, and plans utilized (if applicable)
- Past crop planting history and tillage methods
- Quantity and quality of the water supply
- Supplemental water availability and usage (including return flow)
- Recommendations from local County Extension Service (CES) or National Resource Conservation Service (NRCS), and other source recognized by CES or NRCS to be an expert in this area) regarding irrigation and crop production
- Factors considered in reporting acreage to be insured under an irrigated practice.
- Information the insured knew (or should have known) and when the insured knew (or should have known) such information pertinent to supporting a good irrigation practice.
- Management practices to carry out efficient irrigation, including: historical average of irrigation water applied, current amount of irrigation water intended to apply to carry out a good irrigation practice, and a quantifiable amount of efficiency gained from management changes that can be supported by evidence from agricultural experts as defined in the Common Crop Insurance Policy – Basic Provisions.

E. The determination of adequacy of water will be based upon:

(1) The water available (at the time insurance attaches) from the irrigation water supply, soil moisture levels, and, as applicable, snow pack storage levels.

(2) Supplementary precipitation which would normally be received, after insurance attaches, during the period that a good irrigation practice is normally carried out.

(3) Consideration will also be given to the factors identified in Item D above, including the legal entitlement or rights to water.

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F. Insured must demonstrate that they have the physical resources, other than water, used to regulate the flow of water from a water source to the acreage. This includes pumps, valves, sprinkler heads, and other control devices. It also includes pipes or pipelines which (1) are under the control of the insured or (2) routinely deliver water only to acreage which is owned or operated by the insured. A center pivot system is considered irrigation equipment and facilities.

G. Irrigation facilities are considered adequate if it is determined that, at the time insurance attaches to planted or perennial acreage, they will be available and usable at the times needed and have the capacity to timely deliver water in sufficient quantities to carry out a good irrigation practice for the acreage insured under the irrigated practice.

H. If the acreage fails to qualify for insurance under the irrigated practice, it will result in such acreage being insured under a practice other than irrigated. If no other appropriate practice is available for the acreage, insurance will not be considered to have attached on the acreage.

I. Failure to carry out a good irrigation practice on acreage properly insured under the irrigated practice will result in an appraisal for uninsured causes against such acreage, unless the failure was caused by unavoidable failure of the irrigation water supply after insurance attached or failure or breakdown of the irrigation equipment or facilities due to an insured cause of loss provided all reasonable efforts to restore the irrigation equipment facilities to proper working order within a reasonable amount of time were taken by the insured, unless the AIP determines it is not practical to do so. Cost will not be considered when determining whether it is practical to restore the equipment or facilities.

If a loss is evident, acreage reported as an irrigated practice that qualified as an irrigated practice at the time insurance attached cannot be revised to a non-irrigated practice after the acreage reporting date even if liability stays the same or decreases, even if the insured never applied any water.

J. Insureds are required to keep separate production records for acreage insured under the irrigated practice from acreage insured under a practice other than irrigated (or with no practice applicable) and uninsured acreage.

3. Guidelines for Prevented Planting Coverage:

A. Insureds may be able to receive a prevented planting payment for acreage historically grown under an irrigated practice if there is not a reasonable expectation of having adequate water (due to an insured cause of loss occurring in the prevented planting insurance period) on the final planting date (or within the late planting period if the insured elects to try to plant the crop) to carry out an irrigated practice, provided all other prevented planting provisions have been met.

B. Insureds are expected to be prepared to provide documentation of the factors which were considered in reporting that there was no reasonable expectation of receiving adequate irrigation water for the acreage reported as prevented planting under an irrigated practice.

C. Acreage historically grown under an irrigated practice for which the insured had no reasonable expectation of having adequate irrigation water by the final planting date (or within the late planting period, if applicable), may be eligible for an irrigated prevented planting payment even if the acreage could have been planted with a non-irrigated practice and the producer elects not to plant.