Hardin County Extension News Release
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Prevented Planting Decisions

Hardin County – Consistent rains across Ohio and the Corn Belt continue to delay planting progress as the June 17 USDA Planting Progress report showed that 68% of intended corn acres and 46% of intended soybean acres have been planted in Ohio. Nationwide, roughly 27 million acres of corn and soybeans will either be planted or filed under prevented planting insurance. Across Ohio, the Final Plant Date (FPD) for soybeans is June 20. Soybeans can be planted after the FPD, but a one percent reduction in the insurance guarantee occurs. This brief article outlines economic considerations for soybean prevented planting under three scenarios: planting soybeans on corn acres, planting soybeans late, and taking prevent plant soybeans.

The corn Final Plant Date (FPD) for full crop insurance purposes in Ohio was June 5. Producers could still plant corn in Ohio at a reduced crop insurance guarantee of 1% per day after the FPD until the late planting period ends June 25; or they could take a prevented planting indemnity on Revenue Insurance (RP), Yield Insurance (YP) or other Common Crop Insurance Policies (COMBO). Producers have four options available for intended corn acres: Plant corn; Take a prevented planting payment; Plant soybeans; Take 35% of the corn prevented planting payment and plant soybeans after the late planting soybean period of June 20 in Ohio.

Given the calendar is ending the 3rd week of June, it is unlikely that there are many producers who are still planning to plant corn that have not done so. However, a relatively high 18% was planted last week in Ohio. Planting corn this late in the season is connected to the expectation that prices will increase through the year and be high enough to offset yield losses and added increases in drying costs. Two additional scenarios exist where producers will likely still see the benefits of planting a corn crop. He or she has applied nutrients and some input costs; He or she needs feed for a livestock operation. Still, it is difficult to see corn reaching black layer before the first fall frost.

The June 20 Final Plant Date (FPD) for soybeans in Ohio is approaching quickly and with only about half the crop planted, there is the potential that large amounts of Ohio soybean acreage will be planted in
the late planting period or classified as prevented planting under insurance policies. Producers should continue to plant soybeans up to the FPD if possible. Once the FPD on June 20 is reached, producers have three options: Plant soybeans; Take the prevented planting payment for soybeans; Wait until the late planting period has finished and plant an alternative crop while taking 35% of the prevented planting payment on soybeans.

After the Final Plant Date (FPD) for soybeans has been reached, the first option for soybean intended acres is to plant soybeans in the late planting period. Remember, like corn, the soybean insurance guarantee decreases a percent per day during this period. Yield declines in soybeans are harder to estimate given the variability in previous late planting years and final yields.

Decisions around prevented planting will continue to be difficult. However, corn prevented plant payments are estimated to have a higher net return than soybean prevented planting payments. Switching corn intended acres to soybeans and taking a prevented planting payment on soybeans does not seem like the best option. The producer should continue to plant soybeans up to the June 20 FPD, after that the decision is tight between planting a soybean crop and taking the prevented planting payment. Moving later into the late planting period window decreases the insurance guarantee and soybean yields and improves the possibility of soybean prevented planting net returns being larger than late planted soybean net returns. For most Ohio producers this point comes roughly around June 25, the same day that the late planting period for corn ends. As a final reminder - producers should always consult with their crop insurance provider before making final decisions.

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