



# 7 THINGS TO CONSIDER WITH PREVENT PLANT



## 1. The Market Facilitation Program (MFP) applies only to planted acres.

- MFP payment will be per planted acre, not to exceed the number of acres planted in 2018.
- Payment rates by county are not yet determined. Average 2018 payment across Illinois counties was \$50 per acre.
- The MFP for corn and soybeans will be paid in late July or early August, after the United States Department of Agriculture (USDA) Farm Service Agency completes crop reporting.

## 2. If you're taking prevent plant on corn, be aware of the late planting period stipulations.

- If you plant before the end of the late planting period (20 days for corn), you will forfeit the prevented plant payment.
- You can continue to plant corn during the late planting period, but crop insurance guarantee goes down by 1% per day.
- After late planting period, the insurance guarantee is 60% of original payment. If you plant another crop for harvest (soybeans) after late planting period, prevented planting payment is 35% of original amount.

## 3. The window is narrowing to plant corn profitably.

- Prevent plant payment will be higher than net return for acres planted after June 6, with a 55% prevent plant factor.
- A \$4/bu cash corn price requires a yield of 197 bu/acre to break even.
- Break-even cost = \$371 guaranteed prevent plant payment + \$470 calculated yet to be incurred corn costs - \$50 MFP per acre = \$791 in revenue from crop sales or insurance.

## 4. Do the math now for your soybean acres.

- Calculated prevent plant soybean payment is \$276 net return with a trend adjusted actual production history (TA-APH) of 65 bu/acre and 85% revenue protection level.
- Break-even point for soybeans is \$486 in crop sales or insurance revenue. This requires an \$8/bu cash price at 60 bu/acre.

## 5. Know your priorities if you have corn and soybean acres left to plant.

- The corn prevent plant payment is usually higher than for soybeans; confirm with your agent for your farm. Soybean payments cannot be taken until final planting date for soybeans (June 15 or June 20).
- MFP payments should be higher for soybean acres.
- Planting soybeans on prevented plant corn acres will impact APH.

## 6. Other disaster assistance programs may supplement prevent plant payments.

- President Donald Trump signed the Additional Supplemental Appropriations for Disaster Relief Act of 2019 on June 6. This could lead to an increased prevent plant payment factor, which is currently set at 55% on corn and 60% on soybeans, at the discretion of USDA Secretary Sonny Perdue.

## 7. Consult your insurance agent for details on your plan.

- Talk to your crop insurance agent as soon as possible.
- Calculations may differ based on your coverage.

Find more information regarding prevent plant options on [ILSoyAdvisor.com](http://ILSoyAdvisor.com).