



State of Wisconsin
Governor Tony Evers

Department of Agriculture, Trade and Consumer Protection
Secretary Randy Romanski

DATE: 11/3/2023

TO: Board of Agriculture, Trade and Consumer Protection

FROM: Randy Romanski, Secretary

SUBJECT: Crop Insurance Premium Rebates for Planting Cover Crops (ATCP 52); Emergency Rule

This is to inform you that the Department of Agriculture, Trade, and Consumer Protection (“department”) has adopted the emergency rule related to crop insurance premium rebates for planting cover crops. The emergency rule will take effect November 13, 2023 and remain in effect until April 11, 2024.

Related Rules or Statutes

Wisconsin statute s. 92.14 (17), Stats. authorizes that the Department of Agriculture, Trade and Consumer Protection may provide crop insurance premium rebates for planting cover crops. Under s. 92.14 (17) (b), Stats., the department may, using the procedure s. 227.24, Stats., promulgate rules to implement s. 92.14 (17), Stats. An administrative rule is needed in order to administer this program and provide rebates from the appropriation in 20.115(7) (qf), Stats. for this program in Fiscal Year 2023-2024.

Background

Section 92.14 (17), Stats., directs that the department is explicitly authorized to: promulgate rules to determine eligibility for which crop insurance premiums are provided for planting cover crops; establishing procedures for verifying that a cover crop is planted on acres for which a crop insurance premium rebate is provided; determining the maximum amount of acres for which an applicant may receive funding in a year; and establishing the application and award process, including the application deadline and grant award schedule.

The Cover Crop Insurance Premium Rebate Program is offered for acres of cover crops installed outside of state and federal program incentives (e.g., EQIP, CSP and state cost share). Interested participants may enroll acres planted to cover crops in the fall which will be planted to an insurable crop in the following growing season. Eligible applicants will receive a \$5 per acre insurance premium discount on the following year's crop insurance invoice for every acre of cover crop enrolled and verified in the program. Applications will be due to the department in January and must be completed in full for eligibility.

The department utilized feedback from representatives of the agriculture industry, staff from neighboring state agencies, and collaborators to develop this emergency rule.

Rule Change

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This emergency rule implements the crop insurance premium rebates for planting cover crop program. The department is authorized to provide premium rebates in the amount of \$5 for each acre of a cover crop planted for crop insurance premiums paid on those acres.

Fiscal Impact

The legislature has appropriated \$800,000 for this program in Fiscal Year 2023-2024. This emergency rule will have a fiscal impact on the department's operations. Under this emergency rule, the department may provide rebates in the amount of \$5 for each acre of a cover crop planted for crop insurance premiums paid on those acres. Department staff will review applications, process data, and work with USDA-RMA to ensure successful payments. Additionally, the department may need to conduct inspections to verify that recipients of a crop insurance premium rebate are in compliance with the program requirements.

Effect on Small Business

This emergency rule will have no adverse effect on small businesses. The Program is voluntary and thus imposes no cost on businesses. By providing cover crop premium rebates to agricultural producers, the program will benefit agricultural producers, other agricultural businesses, and communities that participate in the program. Rebate recipients will benefit directly, while others will benefit indirectly from the creation of a stronger agricultural industry and improved water quality. The department plans to use procedures that will make the cost of applying insignificant.

Federal and Surrounding State Programs

Federal Programs

The Pandemic Cover Crop Program (PCCP) was a program established by USDA to help producers maintain their cover crop systems amid a financially challenging time because of the COVID-19 pandemic. PCCP was part of USDA's Pandemic Assistance for Producers initiative, through which USDA established programs and efforts to bring financial assistance to farmers, ranchers, and producers who felt the impact of COVID-19 market disruptions.

PCCP provided premium support to eligible producers who insured their spring crop with most insurance policies and planted on acreage where a qualifying cover crop was planted after June 15, 2021, of the 2021 crop year, or during the 2022 crop year. The premium support was up to \$5 per acre, but no more than the full premium owed.

Funding was available until May 31, 2022. In 2022, Wisconsin farmers received rebates of \$1,657,722 for their crop insurance. This program did not have the same restriction on providing a rebate for acres enrolled in state and federal program incentives.

Surrounding State Programs

Illinois - The Illinois Department of Agriculture runs a Cover Crop Premium Discount Program for acres of cover crops installed outside of state and federal program incentives (e.g., EQIP, CSP and state cost share) in partnership with USDA-RMA. Interested participants may enroll acres planted to cover crops in the fall

which will be planted to an insurable crop in the following growing season. Eligible applicants will receive a \$5/acre insurance premium discount on the following year's crop insurance invoice for every acre of cover crop enrolled and verified in the program.

Iowa - The Iowa Department of Agriculture and Land Stewardship provides up to \$5/acre for cover crops to eligible applicants. Funding will be provided through USDA-RMA as an additional insurance premium discount through normal crop insurance processes. The premium reduction will be available for fall-planted cover crops with a spring-planted cash crop. The program is offered for acres of cover crops installed outside of state/federal program incentives (WQI, IFIP, state cost share, EQIP, CSP, etc.). Participating farmers must follow all existing good farming practices required by their policy and work with their insurance agent to maintain eligibility.

Michigan –Farmers for Soil Health offer an incentive program where farmers would receive \$50 per acre over a 3-year period.

Minnesota – Minnesota does not offer a similar program.

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