More has changed on the environmental risk management needs of farms in the past three months than in the previous 30 years. In the very near future, CCAs will play a pivotal role in helping farmers manage environmental risks.

Modern environmental insurance policies are integrating 590 Nutrient Management Plans into the insurance underwriting process. Requiring a 590 plan prepared by a CCA to even become eligible to purchase meaningful Environmental Impairment Liability insurance on a farm elevates the role of the CCA to an environmental risk mitigator for the farmer and their lender. The existence of environmental insurance on the farm also potentially opens the door to more liability in performing nutrient management advisory work.

At the same time that farmers are facing new sources of liability for environmental damages, their insurance coverage is being restricted for pollution events.

Changes in social norms are requiring farms to be more conscience about the environmental impacts of their operations. No longer are neighbors and stakeholders even miles downstream willing to accept nutrient contamination from farming operations as a necessary consequence of the food supply. This is best illustrated by the City of Des Moines, IA suing the upstream Water Drainage Districts for contaminating the city’s water supply with nitrates. It is a short step from the Water Drainage District back to the farms to assess liability for the damages incurred by the city.

As farms become larger, they look more like industrial-sized polluters (especially Concentrated Animal Feeding Operations) rather than the single family farms of our grandfather’s day, making it more likely that farms will face increased “make the polluter pay” regulations and litigation in the future. And advances in pollution source detection science have made it easier to pinpoint responsible parties, especially for bacteria contamination of ground and surface waters. These advances in science have enabled injured parties to prove in court that individual farms have caused their damages.

At the same time that environmental liability is expanding, liability insurance for contamination events is being stripped away by pollution exclusions in the typical farm liability insurance policies. This fact became readily apparent on Dec. 30, 2014 when the Wisconsin Supreme Court in Wilson Mutual v. Falk determined that bacteria contamination in drinking water wells, as a result of spreading manure on fields, is an excluded cause of loss due to the pollution exclusion in the liability insurance policies.

Editor’s note: Nutrient management and the related plans have changed in not only what is required for the planning process to meet standards, but also in how the public responds. These actions are increasing the value of being certified but with that comes increased responsibility as well. This article is an attempt to keep you aware of changes that are taking place and what could impact you as a CCA doing nutrient management planning, either working on your own or for someone else. In either case, you need to evaluate your current professional liability insurance coverage, specifically the exclusions part. You also want to encourage your employer to do the same thing. It might be best to schedule time with your insurance agent and review the policy and its coverages for what you are doing in nutrient management. You may also want to encourage your farmer clients to do the same thing for their farm liability coverage. More information will follow in future issues.