

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Product
Development
Division

FCIC-25010 (1-2005)

LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK

2005 and Succeeding Crop Years

**UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250**

FEDERAL CROP INSURANCE HANDBOOK		NUMBER 25010	(1-2005)
SUBJECT: LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK 2005 and SUCCEEDING CROP YEARS	OPI: Product Development Division		
	APPROVED	DATE:	
	/s/ Tim B. Witt Deputy Administrator, Research and Development	1/28/2005	

SUMMARY OF CHANGES/CONTROL CHART

The following list contains significant changes to this handbook, as determined by us. It may not represent all changes made. All changes made to this handbook are applicable regardless of whether or not listed.

Major Changes: **Highlight** identifies changes or additions in the text. Three stars (***) identify where information has been removed.

Changes for January 2005 Issuance (FCIC-25010)

1. Added a disclaimer statement about the Summary of Changes, as shown above.
2. Removed "Note" throughout the handbook and incorporated the information in the "Note" into an existing subsection, created a new subsection for the information in the "Note," or created a footnote for the information.
3. PAR. 2 B (1) Revised the language about form standards and approval of insurance provider developed forms to agree with the new Standard Reinsurance Agreement (SRA).
4. PAR. 2 C Added what the SRA stated about what procedures were considered to be.
5. PAR. 2 D Added a paragraph explaining labeling that specifies the procedures specific to only crops/counties under the 2004 Basic Provisions, procedures specific to only crops/counties under the 2005 Basic Provisions, and procedures specific to crops/counties under both the 2004 and 2005 Basic Provisions.
6. PAR. 2 E (4) Added explanation of options/endorsements that are covered under CAT coverage and those that are not.
7. PAR. 4 Added abbreviations/acronyms, as applicable for: CFO, FAC, LAF, MIF, NFAC, PDD, PP and RMSD.
8. PAR. 5 A Revised explanation about documents/procedures used by companies.
9. PAR. 6 B Revised procedures regarding review and approval of insurance providers' loss adjustment forms.

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

10. PAR. 7 A Changed FCIC-14010 to Appendix IV, changed FCIC-M13 to Appendix III, added FCIC-24020 (Written Agreement Handbook), and removed Informational Memorandum and replaced with Final Agency Determination.
11. PAR. 7 D Revised language about insurance provider (or trade association) developed loss adjustment procedures to be consistent with the current SRA.
12. PAR. 8 B (2) Revised the language regarding the loss adjustment procedures the adjuster is to use.
13. PAR. 8 B (17) Revised the language about conflict of interest as it relates to loss adjustment and to be consistent with the revised language in the SRA.
14. PAR. 8 B (22) Added that verification of insurability requirements of the crop and acreage are to be made by the adjuster before the replanting, prevented, or indemnity payment is finalized.
15. PAR. 8 B (23) Added that when there is contained water, the elevation of the contained water at the time of loss must be documented and referenced the reader to PAR. 78 for more specific details.
16. PAR. 11 B (3) In the paragraph under (3), added coarse grains and small grains and removed the obsolete language about the crops having to be insured with the same insurance provider.
17. PAR. 14 D Updated with current policy provisions and current procedures in the Crop Insurance Handbook regarding policyholders with other people having a substantial beneficial interest in the crop.
18. PAR. 14 E Deleted the entity titled "Individual Entity: Producers Under One Tobacco Marketing Card" since the USDA tobacco support program has been abolished beginning with the 2005 crop year, and this procedure will no longer be applicable. Also updated SBI information in the subparagraph for Individual Entity: Spouses.
19. PAR. 21 B (2) (a) Added reference to paragraphs explaining what would make a crop uninsurable or acreage uninsurable.
20. PAR. 21 B (2) (c) 1 Changed the words "insured" and "uninsured" to "insurable" and "uninsurable."
21. PAR. 21 B (2) (d) 2 Added that if production was not kept separate, to follow the procedures for commingled production.
22. PAR. 21 C Added paragraph about misreported information and provided examples of how to calculate the Misreported Information Factor (MIF).
23. PAR. 23 A After the first sentence, added the following sentence: "The assignment applies to all acreage of the crop covered under the policy."
24. PAR. 23 F Added a subparagraph about release of assignments of indemnities, and changed the subparagraph about claim instructions to subparagraph E.

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

25. PAR. 24 (4) (f) Added subparagraph indicating that when there are companion contracts and when a loss inspection indicates the need for a good farming determination, insurance providers will work together to make these determinations.
26. PAR. 26 A Added to refer to the CIH for information regarding what an acceptable Power of Attorney is.
27. PAR. 27 B (3) Added that during an acreage report review, acreage reports must be revised to remove uninsurable acreage or may be revised to add acres not reported for a crop, except for prevented planting acres.
28. PAR. 28 A Revised to show the difference regarding revisions for planted acreage and revisions for prevented planting acres.
29. PAR. 29 A Revised language about what types of acreage report revisions the insurance provider may approve.
30. PAR. 29 B Updated reason crop inspections are not required.
31. PAR. 29 C (1) (c) Clarified that once acreage has been short-rated, the acreage report can not be revised to reinstate the acreage at full rate, even if the crop would pass a crop inspection.
32. PAR. 29 E Revised language to allow revisions of acres for all crops covered under the 2005 Basic Provisions when measurement service has been requested by the acreage reporting date. Also, updated the rest of the procedures accordingly.
33. PAR. 29 G Added a subparagraph about Liability Adjustment Factor and when this factor must be used in the claim calculation.
34. PAR. 29 H Added a subparagraph about misreported information.
35. PAR. 29 I Updated this subparagraph about misreported practice/types within the same unit with language about using the Liability Adjustment Factor.
36. PAR. 29 J Added a paragraph regarding when a different production method has been carried out that will likely result in a lower actual yield.
37. PAR. 37 C Added a subparagraph indicating acreage must meet policy requirement for insured acreage before a good farming practice determination for the insured crop can be made and referenced the reader to PAR. 121 for more information.
38. PAR. 40 Added in the beginning paragraphs and in subparagraph 40 (b), the new policy provision regarding coverage for failure of irrigation equipment due to an insured cause of loss.
39. PAR. 40 H Removed reference to Manual 14 and changed so this is not a required review to be consistent with the current SRA.

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

40. PAR. 40 K (3) Added that this subparagraph does not apply to prevented planting.
41. PAR. 40 K (7) On the first line after perennial crops, added (tree/vine crop only).
42. PAR. 43 A (5) (a) Clarified what is meant by “types of commodities” being required on the Organic Certificate as one of the qualifiers for being able to insure a crop under an organic practice.
43. PAR. 43 A (5) (c) Added that records showing location of each field maintained under organic farming practice and those not maintained under organic farming practices, could be an organic inspection report for the current crop year that was completed by an organic inspector.
44. PAR. 43 C (6) Updated information about revised acreage reports when the organic practice or conventional/sustainable farming practice was misreported under the wrong practice.
45. PAR. 44 B Updated what was not considered insurable acreage.
46. PAR. 44 F Clarified Q&A number four regarding insurable acreage under a processor contract. Also added another sentence to Q&A “Answer 6” that clarifies what will happen in a situation where the processor will take off of the production from the listed acres in the processor contract.
47. PAR. 45 Updated the reasons a crop would not be considered an insurable crop.
48. PAR. 46 A & B Incorporated items from MGR.04-002. Added in subparagraph B (2) (e) A “written notice” can be considered: (1) a statement on the PW, (2) an attachment to the PW (such as a Special Report), or (3) a form developed by the insurance provider for this purpose that states the insured elects to not insure the second crop. Reworded to explain when the insured has control of the land (owns or lease for the entire crop year) or when the insured does not own or have control of the land, and someone plants a 2nd on the 1st crop acreage, the 1st crop reduction will apply. Added that records acceptable for loss adjustment purposes are acceptable as documentation for separate production from acreage that is and is not planted to a second crop.
49. PAR. 46 C Added this subparagraph to show examples of when a landlord could have a loss on 1st insured crop acreage and the tenant would not, due to different levels of coverage or vice versa.
50. PAR. 47 Removed the procedures specific to prevented planting in this paragraph and referred reader to the Prevented Planting Handbook.
51. PAR. 48 (2) Added what the options and the consequences of those options are when a crop is share rented and one person chooses not to insure their share of 2nd crop acreage and the other shareholder chooses to insure it.
52. PAR. 49 Added subsection A to show the different situations with prevented planting and planted acreage as it relates to double cropping. Added clarification to some terms in the double cropping criteria, and provided more examples of double cropping history determinations.

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

53. PAR. 51 C Added paragraph regarding appraisal of 1st insured crop acreage.
54. PAR. 52 A (1) Deleted “insured under the 2004 Basic Provisions.” All crops now fall under a version of the Basic Provisions that contains this.
55. PAR. 52 A (4) In the column for “SC,” added that this code would also apply to the 2nd crop acreage that is double-cropped prevented planting acreage.
56. PAR. 52 B Added procedures for Multiple-Cropping Exception Flag.
57. PAR. 52 C Item no. A Field ID - Removed the word “(substitute).”
58. PAR. 55 In subparagraph D (2) (b) 3 c, deleted South Carolina from the list of states, and in subparagraph G, updated written unit agreement so as not conflict with the 2005 Written Agreement Handbook.
59. PAR. 65 A (2) Added that replanting to a different practice, type, or variety is not planting to another crop, unless the actuarial distinguishes the type or variety as a different crop, except as stated in the subparagraph below this.
60. PAR. 65 A (3) Updated the language in the definition of practical to replant.
61. PAR. 65 J Added procedure explaining how to handle a crop replanted during the late planting period due to an uninsured cause.
62. PAR. 68 A Revised to allow insurance providers direct authority to grant an insured on an individual case-by-case basis additional time to harvest, provided: (1) an insured peril has prevented harvest and had it not been for the insured peril, the crop could have been harvested by the calendar date for the end of the insurance period; (2) the insured proves harvest was not possible; and (3) the delay was not due to uninsured causes of loss, or because the insured had insufficient equipment or manpower to harvest the crop by the calendar date for the end of the insurance period.
63. PAR. 68 B Added that if the insurance provider authorized insureds additional time for harvest, they must notify Risk Management Services (RMSD) of the listed information in this paragraph and added the RMSD e-mail address where each insurance provider is to e-mail this information.
64. PAR. 69 Updated the paragraph on delayed notices and delayed claims to agree with the revisions in the 2005 Basic Provisions.
65. PAR. 71 Removed references to required GSI's as stated in Manual 14. Also, added that the GSI Report could also be on a GSI Report form developed by the insurance provider.
66. PAR. 72 Removed reference to required Preharvest Inspection as stated in Manual 14.
67. PAR. 73 Removed references to required Acreage Report Review, as stated in Manual 14.

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

68. PAR. 78 Revised language and added the causes of loss that are not covered as specified in the Basic Provisions and moved most of the information in PAR. 121 D regarding contained water to the appropriate area of this paragraph.
69. PAR. 80 D Added that non-crop acres must be measured so that this measurement can be deducted from the total determined acreage in the field, orchard, etc.
70. PAR. 81 A (5) Revised language to clarify non-crop acres are deducted from the total determined acres if they have not already been deducted from the acres used for determined acres.
71. PAR. 85 B (3) Added statement to refer to the Corn Loss Adjustment Handbook for exception to an appraisal for corn insured as grain WHEN a small percent of a field has been harvested as silage.
72. PAR. 85 B (8) Added statement to refer to the Corn Loss Adjustment Handbook for exception to an appraisal for corn insured as grain WHEN a small percent of high moisture corn in a field has been harvested and stored in an air-tight structure or has been harvested as silage.
73. PAR. 85 C (1) Added in subparagraph (a) and (b) an "unless" statement about the 7-10 day deferral period when the crop has hail, blowing sand, frost, or freeze damage. The "unless" statement indicates that it can be less than 7-10 days if there are written statements from agricultural experts in the area specifying this. The written statements and documentation must be maintained in the insured's loss file.
74. PAR. 85 H (b) Added that the fact it would cost more to harvest the crop than the crop is worth does not constitute the insured's inability to mechanically harvest the crop due to an insured cause of loss.
75. PAR. 85 I Added the number of samples needed when appraising 1st crop acreage in a field and it is known that part of the field will be or probably will be planted to a 2nd crop.
76. PAR. 86 A Added, the use of the modification cannot begin until the RMA's Risk Management Services Division (RMSD) has been notified and added the RMSD e-mail address where each insurance provider is to e-mail this notification.
77. PAR. 88 F Added that the number of days specified by agricultural experts can be used for the appraisal deferral period when it differs from the 7-10 days appraisal deferral period that is normally required when the crop has been damaged by hail or frost/freeze.
78. PAR. 90 A (6) Added to verify if the insured harvested all production in a field or areas of a field (or orchard or vineyards) and if not, the unharvested production must be counted as production to count unless such production is not considered production to count in accordance with paragraph 85 H of this handbook, with procedures in the respective crop loss adjustment handbook, respective crop provisions, or if applicable, the Special Provisions.

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

79. PAR. 96 C (4) Added that “or a grain grader as noted in PAR. 96 E who can grade submitted samples. For state licensed graders this can vary from state to state. Inquire at the individual warehouse or at the appropriate State office for this information.”
80. PAR. 96 D Added procedures for unblended samples and blended samples within a unit for the purposes of quality determinations of the production.
81. PAR. 96 F Revised language to indicate samples of mustard must be analyzed in accordance with the mustard standards for the State specified in the Special Provisions.
82. PAR. 96 H (3) (f) Modified example to clarify what reduction in value is to be used when there is a speculative-type contract in place.
83. PAR. 96 I (3) (b) Revised instructions regarding fed production and samples for quality adjustment purposes.
84. PAR. 96 L Added information pertaining to flooded crops that may be contaminated with sewage, heavy metals, etc., that was in the flood waters.
85. PAR. 101 D and G Added sorghum silage and referred the reader to the Sorghum Silage Loss Adjustment Handbook.
86. PAR. 102 N In Example 2, explained that the advisory level for vomotoxin is for unmilled grain. Also, provided the Federal Drug Administration’s explanation of why there is no advisory level for humans.
87. PAR. 105 B Added that these procedures may be authorized when insureds believe they may need to commingle production within the same conveyance (e.g., truck). Also added in subparagraph (7) that insurance providers must provide a written or oral copy of instructions to insureds.
88. PAR. 105 C Revised to indicate that printed tickets from combine monitors may be used to separate commingled production.
89. PAR. 105 J Added exception for required insurance provider authorization to allow the insured to separate commingled production by loads, bin markings, or combine monitor receipts. This exception applies to CRC, RA, or Income Protection that has no production loss, but later has a revenue loss.
90. PAR. 110 D Added information about pack factors.
91. PAR. 111 A Updated subparagraph A to include information for pack factors.
92. PAR. 111 B Added calculation formula for square footage of floor space. Floor space is used in determining the appropriate pack factor.
93. PAR. 116 Removed crambe from the list since this pilot program was terminated effective with the 2005 crop year.

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

94. PAR. 121 B Added that causes of loss not listed in the policy provisions as an insured peril or that are not due to a naturally occurring event are also considered uninsured causes of loss.
95. PAR. 121 K Removed some of the items from the list of items that are not considered to be following a good farming practice and moved them to PAR. 121 Q.
96. PAR. 121 Q Added that for policies listing fire as an insured peril, fire is not covered when the ignition source of the fire was not due to a natural cause or natural disaster. Added to refer to FAD-35, dated September 3, 2004, for more detailed information. Also added, other items moved from PAR. 121 K.
97. PAR. 133 Updated this subparagraph to be consistent with the revisions to the section of subrogation in the 2005 Basic Provisions.
98. PAR. 124 Updated with the steps the insureds would use when disputing a determination made by the insurance provider. Also, added general information about Large Claim Reviews.
99. PAR. 125 A Updated to indicate that for fire to be a covered peril, the insured must establish that the ignition source of the fire was due to a natural cause or natural disaster. Also, added to refer to FAD-35, dated September 3, 2004, for more detailed information.
100. PAR. 126
- (1) Revised to show liability (without share) in dollars instead of production. This lends itself to accommodate CRC, RA, and other dollar-based coverage, especially when production covered under an APH plan of insurance has been commingled with production covered under a dollar-based plan of coverage.
 - (2) Added procedures in subparagraph B (3) to handle commingled production between a reported unit and an unreported unit.
 - (3) Added in subparagraph B (7) that production from a landlord's share and tenant share that has been put in the same storage structure is not considered commingled production and must be handled as stated in 84 C.
101. PAR. 127 A (1) After the word "report" in the first sentence, added "all units." Revised this paragraph to show liability (without share) in dollars instead of production.
102. PAR. 127 A (2) Added that if an insured reports zero acres for a unit and it is determined that there are insurable acres, it will be considered to be an unreported unit. Also added that if an insured reports uninsured acreage on the acreage report that is determined to have been a unit of insurable acreage, the unreported unit procedure will apply.
103. PAR. 127 D (2) Revised to show liability (without share) in dollars instead of production to be consistent with formula for allocating production to other units, as revised in paragraph 126.
104. PAR. 131 Updated this paragraph as it relates to misreported information and corrected claims.

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

105. PAR. 132 B Clarified to make it clear that for the crops that were already planted at the time of the insured's death, coverage will remain in force for these crops for current crop year, and will then terminate the next crop year.
106. Exhibit 1 Updated with new definitions from the 2005 Basic Provisions.
107. Exhibit 2 Removed crambe since this pilot program was terminated effective with the 2005 crop year. Added silage sorghum pilot, and updated with revised crop policy information.
108. Exhibit 3 Updated information about failure of irrigation equipment cause of loss to agree with 2005 Basic Provisions.
109. Exhibit 4 Removed crambe since this pilot program was terminated effective with the 2005 crop year. Added silage sorghum pilot.
110. Exhibit 7 Removed FSA-425 since the USDA quota tobacco program has now been eliminated for the 2005 crop year. (The burley tobacco crop insurance program is still in effect, just not the USDA quota program and the support price program.)
111. Exhibit 15 Added that for prevented planting notices, the legal description is substantive.
112. Exhibit 17 Removed crambe since this pilot program was terminated effective with the 2005 crop year. Also, revised to indicate that for mustard, dockage is as defined by the specified State standards shown in the Special Provisions.
113. Exhibit 18 Added the loss calculation sequence of the Misreported Information Factor and the Liability Adjustment Factor.

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

CONTROL CHART FOR: LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK						
	SC Page(s)	TC Page(s)	Text Page(s)	Exhibits	Date	Directive Number
Remove	Entire Handbook					
Current Index	1-10	1-8	1-298	1(299-321)	01-2005	FCIC-25010
				2(322-330)	01-2005	FCIC-25010
				3(331-333)	01-2005	FCIC-25010
				4(334-336)	01-2005	FCIC-25010
				5(337-338)	01-2005	FCIC-25010
				6(339-340)	01-2005	FCIC-25010
				7(341)	01-2005	FCIC-25010
				8(343)	01-2005	FCIC-25010
				9(344-345)	01-2005	FCIC-25010
				10(346-343)	01-2005	FCIC-25010
				11(348-352)	01-2005	FCIC-25010
				12(352-356)	01-2005	FCIC-25010
				13(357)	01-2005	FCIC-25010
				14(358-366)	01-2005	FCIC-25010
				15(367-369)	01-2005	FCIC-25010
				16(370-373)	01-2005	FCIC-25010
				17(374-376)	01-2005	FCIC-25010
				18(377)	01-2005	FCIC-25010

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

TABLE OF CONTENTS

PART 1 GENERAL INFORMATION

	<u>Page</u>
1 Purpose.....	1
2 Special Instructions.....	1
3 Operating Policy.....	3
4 Abbreviations or Acronyms	4
5 Documents/Procedures.....	5
6 FCIC's RMA Product Development Division Responsibilities.....	5
7 Insurance Provider Responsibilities.....	6
8 Loss Adjustment Responsibilities.....	7
9 Insured's Responsibilities.....	11

PART 2 INSPECTION DUTIES

SECTION 1 PRODUCER ELIGIBILITY AND ENTITIES

10 General Information.....	13
11 Insurance Provisions.....	13
12 Insurance Qualifications.....	14
13 Verifying and/or Determining Insurable Share.....	15
14 Entities.....	21

SECTION 2 INSURED'S CONTRACT INFORMATION

15 Contract Information and Verification.....	29
16 Application.....	29
17 Contract Changes.....	29
18 Written Agreement.....	29
19 APH Form (Production and Yield Report).....	30
20 Options and Endorsements.....	30
21 Acreage Report.....	31
22 Hail and Fire Exclusion.....	35
23 Assignment Of Indemnity.....	38
24 Transfer of Right To An Indemnity.....	38
25 Notice of Prevented Planting or Notice of Damage or Loss.....	39
26 Power of Attorney.....	41

SECTION 3 REVISED ACREAGE REPORTS

27 General Information.....	41
28 Revised Acreage Reports - Before the Acreage Reporting Date.....	42
29 Revised Acreage Reports - After the Acreage Reporting Date.....	43

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

TABLE OF CONTENTS

PART 2 INSPECTION DUTIES (Continued)

	<u>Page</u>
SECTION 3 REVISED ACREAGE REPORTS (Continued)	
30 Revised Acreage Reports - Acreage Report Reviews	49
31 Revised Acreage Reports - Examples	50
SECTION 4 UNREPORTED ACREAGE	
32 Unreported Acreage Discovered After Acreage Report Filed for the Crop	52
33 Unreported Acreage Which May Be Late Planted	53
SECTION 5 ACTUARIAL DOCUMENTS AND VERIFICATION	
34 Usage.....	54
35 Actuarial Classification - Document Precedence	55
36 Using Actuarial Documents for Verification.....	55
SECTION 6 INSURABLE FARMING PRACTICES	
37 General Information	55
38 Continuous Cropping Practice	56
39 Summerfallow Practice	56
40 Irrigated Practice.....	57
41 Non-irrigated Practice	70
42 Initial Planting Practice (IBR, NIBR, etc.).....	70
43 Organic Farming Practice	70
SECTION 7 INSURABLE ACREAGE	
44 Verifying Insurable Acres	75
SECTION 8 INSURED CROP	
45 Verifying Insured Crop	80
SECTION 9 FIRST, SECOND, AND SUBSEQUENT CROPS PLANTED ON SAME ACREAGE IN SAME CROP YEAR	
46 First Insured Crop Planted and Second Crop	82
47 First Insured Crop Prevented From Planting and Second Crop	87
48 Additional Information About Reduction of Payments and Premium Due to Second Crop.....	87
49 Indemnity Payment and PP Payment as They Relate to Double Cropping	88
50 Subsequent Planted Crops	93

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

TABLE OF CONTENTS

PART 2 INSPECTION DUTIES (Continued)

SECTION 9 FIRST, SECOND, AND SUBSEQUENT CROPS PLANTED ON SAME ACREAGE IN SAME CROP YEAR (Continued)

Page

51	Loss Adjustment	93
52	Claim Form Entries Relative to First Insured and Second Insured Crops	95
53	First and Second Crop Questions and Answers	104

SECTION 10 UNIT DETERMINATION

54	Unit Verification	106
55	Unit Structures	107

SECTION 11 USDA FARM PROGRAM COMPLIANCE

56	Controlled Substance Violation	118
----	--------------------------------------	-----

SECTION 12 HAZARDS CONNECTED WITH PESTICIDES OR OTHER CHEMICAL SUBSTANCES

57	Pesticide or Other Chemical Substance Hazards	118
----	---	-----

SECTION 13 FSA OFFICE

58	FSA Information	119
59	Information Requests	120
60	***	120
61	Verification Materials/Information	120

PART 3 ON-THE-FARM INSPECTION

SECTION 1 TYPES OF INSPECTIONS

62	General Information	123
63	Indemnity Inspection - Preliminary	123
64	Replant Payment Inspection and Certification	124
65	Replanting Provision Issues	131
66	Purpose of the Certification Form	136
67	Indemnity Inspection - Final (Including No Indemnity Due Claims)	138
68	Indemnity Inspection (Final) - End of the Insurance Period	140

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

TABLE OF CONTENTS

PART 3 ON-THE-FARM INSPECTION (Continued)

SECTION 1 TYPES OF INSPECTIONS (Continued)

Page

69	Indemnity Inspection (Final) - Delayed Notice of Damage or Loss and/or Delayed Claim.....	143
70	Production Pre-Measurement Service Inspection.....	147
71	Growing Season Inspection.....	149
72	Preharvest Inspection.....	151
73	Acreage Report Review Inspection.....	151
74	Crop Inspection To Determine Acceptance of Unreported Acreage For Insurance.....	152
75	Interest Payment on Claims.....	153

SECTION 2 VERIFYING THE CAUSE OF LOSS

76	General Information.....	154
77	Hail and Fire Exclusion.....	154
78	Uninsured Causes.....	154
79	Abandon Versus Not Following A Good Farming Practice.....	156

SECTION 3 ACREAGE DETERMINATION

80	General Information And Methods.....	157
81	Wheel Measuring Method and Formulas.....	161
82	Skip-Row Planting Patterns (Cotton).....	166

SECTION 4 ESTABLISHING PRODUCTION

83	General Information.....	166
84	Verifying Total Production - Appraised or Harvested.....	167
85	Appraisals.....	168
86	Appraisal Method Variations.....	173
87	Appraisals Involving Average Row-Width Measurements.....	174
88	Representative Sample Area Appraisals.....	174
89	Bypassed Acreage.....	182
90	Verifying Harvested Production.....	184
91	Verifying Sold or Commercially Stored Production.....	185
92	Verifying Fed Production.....	186
93	Verifying and Accounting for Production Not to Count.....	186
94	Gleaned Acreage.....	188

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

TABLE OF CONTENTS

PART 3 ON-THE-FARM INSPECTION (Continued)

Page

SECTION 5 ADJUSTMENTS TO PRODUCTION

95	General Information	192
96	Quality Adjustment (QA)	193
97	Adjustments for Moisture	211
98	Adjustments for Foreign Material (FM) and if allowed, Dockage	211
99	Consolidating Moisture or FM Percentage Entries On the Claim Form	216
100	Averaging Moisture or FM Percentage Entries On the Claim Form.....	217
101	Test Weight and Test-Weight Factor	218
102	Mycotoxins in Grain Crops.....	220

SECTION 6 RECORDING AND DETERMINING THE QUANTITY OF FARM-STORED PRODUCTION

103	Determining and Recording Farm-Stored Production That Requires Measurements	229
104	Production Weighed and Farm-Stored	230
105	Authorization to Accept Insureds' Bin Markings, Load Records and Combine Monitor Records	231
106	Recording and Converting Measurements	235
107	Rounding Rules	236
108	Table to Convert Fractions to Percent Figures	237
109	Metric Conversion Table	237
110	Recording Farm-Stored Production on the Claim Form.....	238
111	Farm-Stored Production-to-count Formula	239
112	Gross Cubic Feet Formulas By Structure	241
113	Unusual Storage Configurations: Measurements and Computations	245
114	Round Bin Chart	253
115	Net Cubic Feet Formula (Cubic Feet Deductions)	253
116	Converting Volume to Bushels, Hundredweight, or Pounds	254

PART 4 UNUSUAL/CONTROVERSIAL CASES AND SPECIAL CLAIMS PROCEDURES

SECTION 1 GENERAL INFORMATION

117	General Procedures to Follow When Involved With Unusual or Controversial Cases.....	255
118	Report Writing - How to Document Findings.....	255
119	Points to Remember While Dealing With Problem Cases	256
120	Controversial Claim Procedure	258

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

TABLE OF CONTENTS

PART 4 UNUSUAL/CONTROVERSIAL CASES AND SPECIAL CLAIMS PROCEDURES (Continued)

Page

SECTION 2 UNUSUAL/CONTROVERSIAL CASES

121	Controversial Claim: Uninsured Causes of Loss	259
122	Claims for Indemnity Involving Suspected Concealment or Misrepresentation	266

SECTION 3 SPECIAL CLAIMS PROCEDURES

123	Subrogation - Third Party Cause of Loss	266
124	Mediation, Arbitration, Appeals, Judicial Review, Administrative Review, and Large Claim Review	267
125	Claims Involving Fire Damage	270
126	Commingled Production	277
127	Unreported Units	283
128	Claims Involving Severe Insect, Disease, or Weed Infestation	287
129	Airplane- or Broadcast-Seeded Barley, Oats, Rye, or Wheat	287
130	Severe Wind Erosion	288
131	Corrected Claims	290
132	Documenting Death or Incompetency of an Insured	291
133	Bankruptcy	292
134	Modification of Requirement to Destroy Crop Before Indemnification	292
135	Chemical Carryover Due to An Extended Adverse Weather Condition	294

PART 5 LATE PLANTING COVERAGE

136	General Information	295
137	Late Planting Coverage	295

EXHIBITS

Page

1	Definitions	299
2	Crop Policy Information	322
3	Causes of Loss Names and Codes	331
4	Units of Measure of Production, by Crop	334
5	Entities and Documentation Chart	337
6	Hail/Fire Exclusion Appraisal Factor Chart	339
7	FSA Documents	341
8	FSA Abbreviations on Aerial Photos	343
9	FSA Codes Used on FSA-578	344
10	Claim Checklist	346
11	Certification Form and Completion Instructions	348
12	Self-Certification Replant Worksheet and Completion Instructions	352

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

TABLE OF CONTENTS

EXHIBITS (Continued)

Page

13	Square Root Table.....	357
14	Round Bin Conversion Chart.....	358
15	Notice of Prevented Planting or Notice of Damage or Loss Form Standards.....	367
16	Production Worksheets Continuation Forms.....	370
17	FGIS (or Applicable State or Other Entity's) FM and Dockage Definitions.....	374
18	Calculation Sequence of Loss Adjustment Factor (LAF), Misreported Information Factor (MIF), and 1 st /2 nd Crop Reduction.....	377

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

TABLE OF CONTENTS

RESERVED

PART 1 GENERAL INFORMATION

1 PURPOSE

- A **This handbook is the official publication of the Risk Management Agency (RMA) for all levels of insurance provided under the Multiple Peril Crop Insurance (MPCI) program. MPCI refers to the Multiple Peril Crop Insurance policies available under the Federal crop insurance program and written by Private Insurance Companies reinsured (hereafter called insurance providers) by Federal Crop Insurance Corporation (FCIC). If an insurance provider is audited by a government agency or is selected for an RMA compliance review, the applicable procedure in this FCIC-issued handbook will be the basis for all determinations.**
- B This handbook identifies the general loss adjustment (not crop-specific) standards (requirements) for adjusting Multiple Peril Crop Insurance (MPCI) losses in a uniform and timely manner and standards for completing policy-related reviews for the crop year; e.g., acreage report reviews, growing season inspections, etc. These standards are to be used with the crop-specific standards for loss adjustment identified in the various Crop Loss Adjustment Handbooks (e.g., Almond Loss Adjustment Handbook) and Prevented Planting Handbook, when applicable. **This handbook also contains requirements that are not adjuster specific, but are an overall part of the loss adjustment process for which the insurance provider (rather than the adjuster) is responsible; e.g., procedural standards for requesting appraisal deviations and modifications, etc.**

2 SPECIAL INSTRUCTIONS

A Titles

Specific titles of insurance providers' approving officials for which certain events, function, etc., would require the approving official's approval are not indicated in this handbook. However, for specific events, functions, etc., that require FCIC approval, titles of approving offices (or officials) are stated.

B Forms and Specific Entry Instructions

- (1) **Forms. Insurance provider forms must meet the standards stated in the Document and Supplemental Standards Handbook (DSSH), FCIC-24040. As stated in the FCIC-24040, the loss adjustment forms shown in the LAM and the individual crop handbooks serve as the form standards for these forms. The Privacy Act Statement and Nondiscrimination Statement contained in the Documents Standards Handbook (FCIC-24040) must be utilized as stated in the FCIC-24040. Any changes to the forms shown in updated FCIC LAM standards or FCIC crop handbook standards require the same changes on insurance provider forms or trade association developed forms used by insurance providers.**
- (2) Where instructions in the **FCIC-issued loss adjustment standards handbooks (procedures)** are not entry-specific to the **loss adjustment forms** used by insurance providers, insurance providers may update entry instructions in this handbook or crop handbooks to correlate with the specific item number on their loss form.

C Procedures

The Standard Reinsurance Agreement (SRA) states that “procedures mean the applicable handbooks, manuals, bulletins, memorandums or other directives issued by FCIC related to the eligible crop insurance contract and the Agreement.” (Procedures issued by FCIC means issued by the Risk Management Agency (RMA) for FCIC.) Section F. A. b. of the SRA states: “Companies must use contracts, standards, procedures, methods, and instructions as authorized by FCIC in the sale and service of eligible crop insurance contracts.” Any FCIC–issued procedures take effect on the approval date of the procedure. For handbooks, the approval date is always found at the top of the SC 1 page.

D Special Labeling Instructions

Procedures labeled “**ONLY for crop/counties with a 2005 crop year CCD prior to 8/31/2004**” apply only to those crops/counties covered under the 04-BR Basic Provisions for the 2005 crop year. Procedures labeled “**ONLY for crop/counties with a 2005 crop year CCD of 8/31/2004, or later**” apply only to those crops/counties covered under the 05-BR Basic Provisions for the 2005 and succeeding crop years. **Procedures not labeled** apply to crop/counties covered under both the 04-BR and the 05-BR for the 2005 crop year. “CCD” means “Contract Change Date.” Verbiage that was revised or added to the 05-BR to clarify the provisions and that was added to these procedures are designated (not labeled) to apply to crops/counties covered under both the 04-BR and 05-BR. Exhibit 2 specifies whether a crop is covered under the 2004 or 2005 Basic Provisions or if the crop has states/counties that are covered under both.

E Items/provisions or plans of insurance not applicable to Catastrophic Risk Protection (CAT) coverage:

- (1) Written agreements.
- (2) Hail-fire exclusion (also not applicable if additional coverage is less than 65/100 or equivalent coverage).
- (3) High-risk land exclusion.
- (4) Options or endorsements that extend coverage under the crop policy; (Examples of options/endorsements that extend coverage and those that do not, are as follows: (1) The Sorghum Silage Endorsement does not extend coverage, it sets up coverage; (2) The Potato Quality Option extends the coverage from what is found in the crop policy by providing for loss of production due to quality; and (3) The Frost Protection Option does not extend coverage, it reduces the premium because the frost protection provided by the insured reduces the risk of loss.)
- (5) Replanting payments.
- (6) Optional units.
- ***
- (7) Crop Revenue Coverage.
- (8) Revenue Assurance.
- (9) Adjusted Gross Revenue (AGR) and AGR-Lite.

(10) Group Risk Income Protection.

F Definitions, Codes, and Units of Measure. Refer to Exhibit 1 for definitions. Exhibit 2 contains crop names and codes and other policy information by crop. Exhibit 3 contains cause of loss names and codes, and Exhibit 4 contains units of measure, by crop.

3 OPERATING POLICY

A Regulations or Procedural Conflict

If there is a conflict between any FCIC-issued regulations, provisions, or procedures, the order of precedence is listed in PAR. 3 D. All FCIC regulations, provisions, and procedures listed in PAR. 3 D take precedence over FCIC-approved procedures distributed by an association or insurance provider and any FCIC-approved clarification or materials distributed by an association or insurance provider.

B Procedural Questions

Questions regarding responsibilities or loss adjustment procedures are to be directed through appropriate channels (through the insurance provider) to the FCIC Product Development Division. For disputes involving procedure interpretations, refer to PAR. 124 F.

C These Standards Remain in Effect Until Superseded

The issuance of an entire handbook will replace a previous handbook. Handbook slipsheets, Final Agency Determinations, or RMA Manager's Bulletins that change any part of this handbook will supersede that part of the handbook. Insurance providers may find it necessary to provide additional internal guidelines or procedures for their loss adjustment functions, such as where completed loss forms are forwarded, specifying specific form numbers and item numbers, etc. Additional guidelines or procedures must comply with FCIC issued regulations, standards, and procedures.

D Crop Insurance Document Precedence

The most important document is listed first with the order of precedence being listed from top to bottom.

- (1) Federal Crop Insurance Act, as amended (7 U.S. C. 1501 et seq.) (Act)
- (2) The Catastrophic Risk Protection Endorsement, as applicable
- (3) Written Agreement
- (4) The Special Provisions and other actuarial documents (Refer to PAR. 35 for order precedence of actuarial documents.)
- (5) Crop Endorsement/Options
- (6) Crop Provisions
- (7) Common Crop Insurance Policy (Basic Provisions)
- (8) Final Agency Determinations

- (9) Manager's Bulletins
- (10) Crop Insurance Handbook and other applicable Underwriting Guides
- (11) Loss Adjustment Manual
- (12) Crop Loss Adjustment Standards Handbooks
- (13) R&D Informational Memorandums
- (14) Informational Memorandums

EXAMPLE: (1) is the Act, (2)-(7) are provisions ((8) is interpretation of the Act or provisions), and (7)-(14) are procedures (information).

4 ABBREVIATIONS OR ACRONYMS

APH	Actual Production History
AD	Actuarial Documents
AGR	Adjusted Gross Revenue
CAT	Catastrophic Risk Protection
CCD	Contract Change Date
CIH	Crop Insurance Handbook
CES	Cooperative Extension Service (State and County Offices under CSREES)
CFO	Compliance Field Office (of Risk Management Agency)
CSREES	Cooperative State Research, Education, and Extension Service
DF	Discount Factor
EIN	Employer's Identification Number
FAC	Following Another Crop
FCIC	Federal Crop Insurance Corporation
FSA	Farm Service Agency
FSN	Farm Serial Number
FCI-35	Coverage and Rate Table
FGIS	Federal Grain Inspection Service (of GIPSA)
FM	Foreign Material
GIPSA	Grain Inspection, Packers, and Stockyards Administration
GRP	Group Risk Plan
H	Harvest
LAC	Loss Adjustment Contractor
LAF	Liability Adjustment Factor
LAM	Loss Adjustment Manual
LASH	Loss Adjustment Standards Handbook (any of the individual crop LASHs)
LPP	Late Planting Period
MIF	Misreported Information Factor
MPCI	Multiple Peril Crop Insurance
NAP	Non-Insured Assistance Program
NFAC	Not Following Another Crop
NRCS	Natural Resources Conservation Service
PAR	Paragraph
PDD	Product Development Division (of Risk Management Agency)
PP	Prevented Planting
PW	Production Worksheet (claim form)
QAF	Quality Adjustment Factor
R&D	Research and Development (of Risk Management Agency)

RIV	Reduction In Value
RMA	Risk Management Agency
RMSD	Risk Management Services Division (of Risk Management Agency)
RO	Regional Office (of Risk Management Agency)
SCD	Sales Closing Date
SBI	Substantial Beneficial Interest
SRA	Standard Reinsurance Agreement
SSN	Social Security Number
TIN	Tax Identification Number
UH	Unharvested
USDA	United States Department of Agriculture
USWA	United States Warehouse Act

5 DOCUMENTS/PROCEDURES

A What Can Be Used. Refer to paragraph 2 B and C above for forms and procedures. Other than company name and policy number, policies issued by companies must be exactly as those published in the Federal Register, and thereafter published in the Code of Federal Regulations.

B Documents and Procedures. Forms (and/or data processed from forms) and manuals necessary for loss adjustment include, but are not limited to:

- (1) Data from accepted applications and acreage reports. This data would include, (but is not limited to) the following: insured's name as accepted on the application, authorized representative, price election, level of coverage, SSN or EIN, approved APH yields, acres, types, practices, shares, etc., reported for the crop;
- (2) Crop insurance policy (basic provisions, crop provisions, applicable endorsements or options, and Special Provisions) applicable to the inspection;
- (3) Actuarial documents;
- (4) RMA Manager's Bulletins and Informational Memorandums;
- (5) FCIC-25010, LAM;

Due to the nature of some insurance products such as livestock, certain revenue products, etc., there may be other issuances of underwriting guidelines (procedures) or general loss adjustment procedures specific to those insurance products that contain procedures that are used in lieu of all or parts of the LAM.

- (6) Specific crop LASH;
- (7) Notice of Prevented Planting or Notice of Damage or Loss; and
- (8) FCIC-approved forms (or data from forms) or documents applicable to the type of inspection and crop(s) being inspected; e.g., appraisal worksheets, Certification Form, claim forms, etc.

6 FCIC's RMA PRODUCT DEVELOPMENT DIVISION RESPONSIBILITIES

A Standards. Establish, issue, and maintain the minimum loss adjustment standards.

- B Review and Approve. Insurance provider's loss adjustment forms (including completion instructions) no longer have to be approved by RMA but they must meet the standards as stated in PAR. 2 B herein.
- C Guidance/Clarification. Provide guidance and clarifications.

7 INSURANCE PROVIDER RESPONSIBILITIES

Insurance provider responsibilities include (but are not limited to) the following:

- A Administering the loss adjustment procedures. The insurance provider is responsible for all loss adjustment responsibilities outlined in this handbook whether the requirement is performed by a contracted adjuster, employed adjuster, or other insurance provider employee. The insurance provider and other parties involved with FCIC's Multiple Peril Crop Insurance program are to administer general loss adjustment in accordance with the procedures (requirements) provided in this handbook and in conjunction with the following issuances:
 - (1) FCIC-issued crop handbooks (including the Prevented Planting Handbook) and FCIC-issued Underwriting Guides (handbooks);
 - (2) Appendix IV of the Standard Reinsurance Agreement for insurance providers to meet the minimum guidelines, procedures and performance standards that FCIC expects to be used in training agents and loss adjusters; and quality assurance functions.
 - (3) FCIC-Appedix III handbook (formerly FCIC-M13 (Data Acceptance System Handbook)) for data elements, data requirements, and edits;
 - (4) FCIC-24020 (Written Agreement Handbook (WAH)) for written agreement standards.
 - (5) FCIC-18010 (Crop Insurance Handbook (CIH)) for general underwriting standards and APH standards and guidelines;
 - (6) Any Final Agency Determinations, RMA Manager's Bulletins, or FCIC-issued handbook slipsheets that supersede any portion of this handbook or crop LASHs; and
 - (7) Applicable policies, basic provisions, crop provisions, applicable actuarial documents (including the Special Provisions), applicable options or endorsements, and applicable approved written agreements that are in effect for the crop policy being inspected.
- B Compliance/Implementation
 - (1) Comply with and implement the loss adjustment standards (requirements) and loss-related form standards (requirements) established by FCIC, through FCIC handbook standards issued by RMA's Product Development Division, or as otherwise specified in writing by FCIC; and
 - (2) Comply with all other requirements issued by FCIC in the administration of contracts between the company and FCIC.

- C Ensure that all documentation, determinations, and calculations are completed as specified in the FCIC-issued LAM, crop LASHs, and any other applicable FCIC issuances.
- D ***
- E Input. Provide input to FCIC regarding the loss adjustment standards.
- F Advise. Advise RMA's Product Development Division of impending situations, which may necessitate the development of procedures, form standards, or calculations that are different than those identified in the standards issued by FCIC.
- G Documents/Procedures. Provide the adjuster with the insurance contract forms (or data from the processed forms) and procedures identified in PAR. 5.
- H Determinations and/or Verifications. In addition to the responsibilities identified in this handbook, determine or verify whether crop-specific contract provisions or requirements (identified in the crop handbooks) apply to the insured, and if so, whether they have been complied with by the insured.
- I Loss Adjustment Equipment. Assure that the adjuster has necessary equipment and that such equipment is in proper working order to perform loss adjustment duties.
- J Conflict of Interest. Assure that there is no adjuster conflict of interest involved, as described in PAR. 8 B (17).
- K Review Summary of Coverage (Summary). Prior to the loss adjustment inspection, the insurance provider should: (1) Review the Summary against the data on the acreage report; (2) reprocess the acreage report if keying errors are found prior to assigning the loss to be worked; and (3) notify the insured that a new summary will be issued with the correct data.
- L Required Information. Ensure that the required information (i.e., entry instructions) specified in FCIC-issued loss adjustment standards (LAM, crop handbooks, or any other applicable procedures) is recorded on the specific forms, printouts, or on a Special Report attached to the appropriate form.

8 LOSS ADJUSTMENT RESPONSIBILITIES

- A General Information.
 - (1) The following responsibilities and procedures throughout this handbook apply to whoever is performing loss adjustment whether it is an insurance provider employee whose primary duty and title is not loss adjuster or a person under contract or employed with an insurance provider specifically as a loss adjuster. For example, some insurance providers may have employees whose primary function is NOT loss adjustment activities (e.g., underwriter) but this employee makes some loss adjustment verifications prior to assignment or after assignment of the loss notice to the loss adjuster. Additionally, some insurance providers may have non-loss adjuster employees, perform certain types of reviews or loss adjustment assignments found in this handbook.

- *** (2) Sales Agents, local agency employees, or sales representatives (other than taking notices of damage or loss or as otherwise specified in this handbook) cannot perform loss adjustment duties unless outside of their selling and servicing area as described in PAR. 8 B (17).

B Loss Adjustment Responsibilities. Responsibilities include **(but are not limited to)** the following:

- (1) Be thoroughly familiar with the insured's contract folder or print-out supplied by the insurance provider showing the insured's coverage that is in effect, and all insurance documents (or data from documents) that pertain to the insured's insurance contract in the county. Verify and/or determine and document the information as specified in this handbook or other FCIC-issued procedures necessary for loss adjustment.
- (2) Use loss forms that meet FCIC-form standards and procedures as outlined in Part 1, PAR. 2 C. All FCIC-issued procedures take effect on their approval date. For loss adjustment handbooks, the approval date is always found at the top of the SC 1 page. The FCIC-issued procedures are effective as of the approval date. All FCIC-Loss Adjustment Standards Handbooks for the applicable crop year are found on RMA's website (or its successor) at <http://www.rma.usda.gov/data/directives.html#25000>

DO NOT deviate from FCIC-issued procedures without prior written approval from FCIC. (The insurance provider will provide the appropriate parties with any FCIC-approved deviations.)
- (3) Use and be proficient with the applicable loss adjustment equipment.
- (4) Identify the type of inspection that will be made. All inspections will fall into three types: (1) Indemnity (including prevented planting payments), (2) Replant Payment Inspections, and (3) Special Contract Services Inspections.
- (5) Visit farms for the purpose of inspecting damaged or destroyed crops during the growing season or following harvest.
- (6) Explain to insureds their contractual responsibilities, filing procedures, and what will be done during the inspection.
- (7) During farm visit:
 - (a) Determine and/or verify any insured and uninsured causes of loss. Establish production or dollar amount to count from appraisals for uninsured causes of loss.
 - (b) Determine and/or verify the time of loss.
 - (c) Review and verify the acreage report information as described in PAR. 21.
 - (d) Inspect insured crops and make inquiries to independently establish all harvested, unharvested, and potential production for all units of the crop being inspected in accordance with PART 3 Section 4. Determine (measure, if applicable) all farm-stored production from the loss units of the crop being inspected in accordance with PART 3.

- (e) Determine (measure if applicable) the insurable acreage of the loss unit or as required in any other type of inspection.
 - (f) Determine if there is any unreported insurable acreage. If any is found, take appropriate steps, as found in this handbook.
 - (g) Inspect acreage to determine and verify correct FSNs, legal descriptions, classifications, planting dates, planting practices, and whether proper planting and care of the crop was carried out as it pertains to fertilizer, herbicides, irrigation (when applicable), etc.
 - (h) Appraise potential production and grant written consent to replant or put insured acreage to another use when the insured is not going to carry the crop to harvest as described in PAR's 85 and 88.
 - (i) Perform APH review responsibilities as defined in PAR. 19.
 - (j) Perform on-the-farm inspections in accordance with procedures in this handbook and applicable crop LASHs.
- (8) Review information from any previous inspection for the crop being inspected, including information documented on Special Reports (definition in Exhibit 1).
 - (9) Verify the insured's entity and share are correct. Verify whether the entity is married and, if so, whether the spouse's SSN/EIN has been provided to the insurance provider as stated in PAR.'s 13 H and 14 A and **D**.
 - (10) During a loss inspection, review documents, records, etc., that would show the correct entity, share, legal description and/or FSA FSNs, and acres. **Refer to the** appropriate paragraphs for more information.

As stated in PAR. 58, FSA records do not have to be used for verification purposes, UNLESS information needed to complete loss adjustment can only be obtained from FSA. However, such verification at FSA is recommended as an additional verification source since insurance providers must ensure that producer-certified information is accurate and that liability is established and indemnities are paid according to policy provisions.

- (11) If the actuarial classification appears to be incorrect, adverse, or unusual risk conditions exist, prepare a Special Report with details and forward to the insurance provider. The insurance provider can then request an actuarial review or prepare a Request For Actuarial Change.
- (12) During an indemnity inspection, explain what the insured's options are under the terms and conditions of the contract, but in no way provide advice or suggestions that could affect the insured's decision concerning these options; e.g., do not advise or suggest whether to carry the crop to harvest or go to another crop, etc.
- (13) DO NOT provide any advice or suggestions to the insured regarding the insured's farming operation; e.g., type and application of chemicals, herbicides, tillage, etc. If the insured solicits your advice, advise the insured to consult with an agricultural expert (**refer to** definition in Exhibit 1).
- (14) Advise insureds that a routine quality assurance review may be made to assure the loss adjustment was done in a fair and impartial manner, and in accordance with contract terms.

- (15) Review all entries on appraisal worksheets and claim forms with the insured and explain any circumstances affecting the indemnity **prior** to obtaining the **insured's signature** on the claim. **Do not sign final replant payment or final indemnity claims (including prevented planting payment indemnity) until satisfied with all determinations.**
- (16) Use a Claim Checklist (similar or like the one shown in Exhibit 10) when instructed by the insurance provider to do so.
- (17) Conflict of Interest
- (a) Insurance providers and their service providers shall not permit any person involved in the loss adjustment determination or verification required to complete a claim, or the determination or verification of a cause of loss, to adjust a loss for:
- 1 An insured with whom they have a business, financial or legal relationship (Business, financial and legal interest include but are not limited to lending money, custom farming, leasing land or other property, selling other goods or services besides insurance, or activities of a similar nature);
 - 2 An insured or a person with a substantial beneficial interest in the insured, whose eligible crop insurance contract was sold by a relative of the person; or
 - 3 A relative of the person. Refer to Exhibit 1 for the definition of "relative."
- (b) Insurance providers shall not permit their sales agents, agency employees, sales supervisors, or any relative of its sales agent, agency employee or sales supervisor, to be involved in loss adjustment activities in a county or adjoining county where the sales agent, agency employee or sales supervisor performs sales functions (except receipt and transfer to the insurance provider of a notice of loss), including the following:
- 1 the supervision, control, or adjustment of any claim;
 - 2 Obtaining sales or production records for the purposes of loss adjustment on behalf of the policyholder (other than simply collecting information directly from the policyholder and providing it to the insurance provider);
 - 3 A loss adjustment determination or verification required to complete a claim or the determination or verification of a cause of loss;
 - 4 Verification of yields for the purpose of validating insurance coverage or the guarantee;
 - 5 After a notice of loss is filed by the insured, advising or assisting the insured in any manner regarding the preparation of the claim and the determination of the indemnity, including, but not limited to, whether the loss adjuster correctly applied loss adjustment procedures; or

6 Any other function reserved for loss adjusters in the procedures.

(c) In accordance with the Standard Reinsurance Agreement, the insurance provider must notify all of its employees and affiliates, including agents, and loss adjusters, in writing of their duty to disclose to the insurance provider and in turn FCIC any business, financial, legal (including relative), or familial relationship with an insured, or a person with a substantial interest in the insured.

- (18) Do not discriminate against any insured because of race, color, religion, sex, age, disability, marital status, national origin, or sexual orientation.
- (19) Do not solicit or accept money, gifts, or favors from any party that are designed to influence (or give the appearance of influencing) any loss adjustment finding or decision.
- (20) Do not use your position to gain favor, influence, or financial advantage over any insured or individual.
- (21) Adjusters must provide written consent (not verbal consent, unless specified otherwise in these procedures) to the insured when the adjuster is releasing acreage to:
 - (a) destroy the insured acreage;
 - (b) put the insured acreage to another use;
 - (c) replant the insured acreage (only for crops having replant payment provisions); and
 - (d) abandon the insured acreage.
- (22) Before a replanting, prevented planting, or indemnity claim is finalized, verify the insurability requirements of the crop and acreage; e.g., one of the insurability requirements of acreage is that the acreage upon which the insured crop is planted has had a crop planted and harvested or insured in one of the three previous crop years, unless it meets the exceptions, as stated in PAR. 44. Also, refer to PAR. 44 for additional reasons that acreage would not be insurable. Insurability requirements for a crop can be found in PAR. 45, the crop provisions, or Special Provisions.**
- (23) When there is contained water, verify and document the elevation of the contained water at the time of loss. Refer to PAR. 78 A (6) (c) for details.**

9 INSURED'S RESPONSIBILITIES

Besides notice requirements when damage occurs and other requirements under the policy, the policy provisions require the insured to:

- A Protect the crop from further damage by providing sufficient care;

B Cooperate with the insurance provider in the investigation or settlement of a claim, and as often as the insurance provider reasonably requires:

- (1) Show the insurance provider the damaged crop;
- (2) Allow the insurance provider to remove samples of the insured crop; and
- (3) Provide records and documents requested and permit the insurance provider to make copies; AND

C Obtain consent from the insurance provider before, and notify the insurance provider after:

- (1) Destroying any of the insured crop that will not be harvested,
- (2) Putting the insured crop to an alternative use,
- (3) Putting the acreage to another use, or
- (4) Abandoning any portion of the insured crop.

PART 2 INSPECTION DUTIES

SECTION 1 PRODUCER ELIGIBILITY AND ENTITIES

10 GENERAL INFORMATION

Before any loss adjustment or contract service can be initiated, verify that the insured and all who have an interest of 10 percent or more are eligible for insurance and the entity is legal.

11 INSURANCE PROVISIONS

A Eligibility

Insurance will cover a PERSON'S share of an insurable crop as landlord, owner-operator, or tenant.

*** The definition of "person" is an individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a State, or a political subdivision or agency of a State. "Person" does not include the United States Government or any agency thereof. Refer to Exhibit 1 for definition of "Insured."

B Other MPCl Insurance (Duplicate Coverage)

Only one MPCl policy (issued under the authority of the Federal Crop Insurance Act) is permitted on the same crop/county for the same person/entity EXCEPT for:

- (1) Acreage designated by FCIC as high-risk land that is excluded from an additional coverage policy and is insured under a separate CAT policy. High-risk land which is excluded from additional coverage and insured under the CAT endorsement is considered a separate crop for administrative fee, unit division, APH, added land, and all other insurance purposes. High-risk land may be insured on a separate CAT policy provided that on or before the crop's sales closing date the insured:
 - (a) Executes a High-Risk Land Exclusion Option Form, and
 - (b) Obtains a CAT policy from the **same** Insurance Provider.

*** If it is discovered that duplicate policies exist the first effective crop year (i.e., CAT policy written with Company A and an additional coverage policy is written with Company B), the CAT policy written with Company A may be canceled and rewritten with Company B for the purpose of insuring the high-risk land with the consent of the insurance providers involved. The following crop year the CAT policy and the additional coverage policy must be written with the same insurance provider.

- (2) Hybrid Seed Corn or Hybrid Sorghum Seed grown under contract with more than one seed company.
 - (a) A separate MPCl policy is allowed for acreage grown under contract with each different seed company.

- (b) Different coverage levels may be selected on each separate policy. Payment of losses must be made accordingly and coordinated between policies and insurance providers. Unit division is as stated in PAR. 55.
- (3) Crops insured under Adjusted Gross Revenue (AGR) policies. AGR policyholders are allowed to obtain MPCl insurance if it is available and in some cases are required to obtain MPCl insurance. Refer to the AGR Loss Adjustment Handbook or AGR policy. AGR-Lite policyholders are not required to obtain MPCl insurance, but they may do so if they desire.

Arizona and California Citrus, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Coarse Grains, Grapes (California ONLY), Small Grains, Stonefruit, and Guaranteed Tobacco Crop Provisions indicate different crops or type/varieties that are insurable as separate crops; therefore, duplicate coverage is not applicable. A

*** separate policy may be written for such crop or type/variety. Refer to Exhibit 2 for insurable crop names and codes.

If it is discovered or suspected that duplicate policies exist, notify the next level of supervision. Duplicate policies will be handled in accordance with the procedures in the CIH.

12 INSURANCE QUALIFICATIONS

A Who Can Be Insured

Only a person ^{1/} that has a *bona fide* interest in a crop at the time coverage begins, and that is not classified as ineligible can be insured. “*Bona fide* interest” means having a share of the crop (receives all or part of a crop) as an owner-operator, landlord, tenant, or sharecropper. Ineligibility occurs when a person ^{1/}: (1) has a delinquent debt to FCIC or an insurance provider, or (2) is disqualified through administrative proceedings. The producer is not eligible for crop insurance until the debt is resolved or the period of disqualification has elapsed. A producer is also ineligible for crop insurance if a producer is in violation of the controlled substance regulations as described in PAR. 56 and for the length of time stated therein.

^{1/} “Person” is an individual partnership, association, corporation, estate, trust or other legal entity and whenever applicable, a State or a political subdivision or agency of a State. “Person” does not include the United States Government or any agency thereof. For specific information regarding entities, refer to PAR. 14.

B Landlord

Landlord is the owner of land upon which the crop is grown and who receives a share of the crop.

C Owner-operator or tenant is a person who:

- (1) Produces the crop.
- (2) Exercises managerial control relating to producing and marketing the crop (controls what to plant, when to plant, when to till, cultivate, irrigate, fertilize, spray, harvest, market, etc.).
- (3) Makes credit arrangements.

- (4) Owns farming equipment, makes arrangements to obtain equipment, or hires custom work.

13 VERIFYING AND/OR DETERMINING INSURABLE SHARE

A Insurable Share

- (1) An insurable share is the percentage of interest in the insured crop the owner, operator, or tenant has at the time insurance attaches. Unless the accepted application clearly indicates insurance is requested for a partnership or joint venture, or is intended to cover the landlord's or tenant's share of the crop, insurance will cover only the share of the crop owned by the person (entity) who completed the application. The share will not extend to any other person having an interest in the crop except as may be specifically allowed in the policy or CAT Endorsement. The interest of spouses, children, or other household members in most cases will be insured under one entity and have only one policy number issued. Refer to PAR. 14 for exceptions that allow spouses and children to have separate policies.

- (a) If a person (entity) is sharing with multiple landlords or tenants, only one application is allowed per person (entity).

- (b) The landlord or tenant has requested to insure the other's share of the crop on their application, the percentage shares of both persons must be shown in the remarks section of the acreage report or on a Special Report attached to the acreage report. Each separate share arrangement qualifies as a basic unit; i.e., this arrangement does not negate the basic unit provisions in the policy that indicates there is a separate basic unit for the acreage shared with each different landlord or tenant. Insurance providers will provide this information to the adjuster if the adjuster is not provided a copy of the actual acreage report. Refer to PAR. 55 for information about how share arrangements affect unit structure.

- (2) The insured establishes his/her insurable share on the acreage report by reporting the share insurable at the time insurance attached. **However, only for the purpose of determining the amount of indemnity:** If, during the final loss adjustment inspection, it is determined that the insured's share differs from what it was at the time insurance attached, the insured's share will be the lesser of what:

- (a) it was at the time insurance attached, or
- (b) the insurance provider determines to be the share at the earlier of:
- 1 the time of loss, or
 - 2 the beginning of harvest of the unit, unless excepted by the specific crop policy.

At the time of final loss adjustment, if the insured's share is determined to be less than originally reported, decrease the share by entering the determined share in the appropriate column for the insured's share on the claim. This may also require a revised acreage report depending on the insurance providers processing system. Follow instructions as provided by the insurance provider.

B Share Arrangements (Written or Verbal)

(1) **100 percent crop share (Cash Lease)**

- (a) 100 percent crop shares includes 100 percent share as owner/operator and/or land that is rented for cash, a fixed commodity payment, or any consideration other than a share in the crop.
- (b) A lease that provides for EITHER a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) OR a crop share is considered a cash lease (e.g., lease provides for a 50/50 crop share or \$100 dollars, whichever is greater).
- (c) A lease that contains a crop share but the percentage is not a fixed amount at the time coverage begins is considered a cash lease. Such leases may contain a cash consideration with an undetermined crop share percentage at the time coverage begins.

(2) **Crop Share (Crop Share Lease)**

- (a) In order to have a crop share, the crop share percentage must be specified at the time coverage begins and cannot change based on the amount of production harvested. Refer to example 4 and 8.
- (b) Written or verbal lease agreements containing provisions for BOTH a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) AND a crop share is considered a crop share lease.

C Share Arrangement Examples

Situation 1: The tenant (insured) agrees to give the landlord 1/3 of the crop in return for farming the land.

- The agreement is a crop share.
- The insured's share is 2/3 of the crop.

Situation 2: The tenant (insured) agrees to give the landlord 1/3 of all the crops produced on the premises and to guarantee that the landlord's share of the crops will average \$35 an acre. In the event that the landlord's share of the crops is worth less than \$35 an acre, the tenant will pay the difference in cash to the landlord.

- The agreement is a crop share.
- The insured's share is 2/3 of the crop.

Situation 3: The tenant (insured) agrees to give the landlord \$50 per acre cash and 1/4 of the crop in return for farming the land.

- The agreement is a crop share.
- The insured's share is 3/4 of the crop. We do not convert the \$50 per acre cash payment to a share basis.

- Situation 4:** The tenant (insured) agrees to give the landlord \$50 per acre cash and 1/3 of all the bushels in excess of 60 bushels per acre. (Average yields for the area are usually around 55-65 bushels.)
- The agreement is a cash lease.
 - The insured's share is 100 percent. The bushels in excess of the 60 bushels per acre is a "bonus" above and beyond the insured crop. The share percentage of the entire crop cannot be determined at the time coverage begins since it is dependent on how many bushels in excess of 60 bushels will be produced.
- Situation 5:** The tenant (insured) agrees to give the landlord \$50 per acre cash and 10 bushels per acre.
- The agreement is a cash lease.
 - The insured's share is 100 percent. We do not convert the 10 bushels to a percentage share. In this scenario the tenant will pay the landlord a fixed amount, cash (\$50) and commodity (10 bushels per acre).
- Situation 6:** The tenant (insured) agrees to give the landlord 25¢ for every bushel of peaches harvested.
- The agreement is a cash lease.
 - The insured's share is 100 percent. Because there is no agreement for a set share percentage of the crop at the time coverage begins, the insured's share must be considered a cash lease.
- Situation 7:** The tenant (insured) agrees to pay the landlord \$25 per acre OR 1/4 of the crop, whichever is greater.
- The agreement is a cash lease.
 - The insured's share is 100 percent. Since the lease contains an either/or type arrangement, the share cannot be considered a fixed element of the lease.
- Situation 8:** The tenant's (insured's) lease agreement states that the tenant will receive the first 85 bushels per acre of corn produced. Of any bushels in excess of 85 bushels per acre, the tenant will receive 60 percent and the landlord will receive 40 percent. The insured's guarantee is 85 bushels and is based on the highest level of coverage that can be elected.
- The agreement is a cash lease.
 - The insured's share is 100 percent. Since the insured receives the first 85 bushels and this amount is the insured's guarantee it would be the maximum that could be insured under the policy.

D Verify the Following:

- (1) Producer has a bona fide interest in the crop. (Refer to PAR. 12).
- (2) Entity type processed from the application reflects the correct entity (individual, partnership, corporation, co-owner, joint operator, estate, trust, etc.). (Refer to PAR. 14.)
- (3) Producer qualifies as landlord, owner-operator, or tenant. (Refer to PAR. 14.)

E Crop Share Verification

Verify the insured's correct share, by crop, by comparing the reported share on the crop insurance acreage report to the insured's share shown on:

- (1) Lease agreements, elevator summaries, packer statements, etc.; or
- (2) FSA-578 (Do not use other FSA documents to verify crop share since these documents may contain "contract" shares rather than crop share.) When crop shares are reported to the FSA, insurance providers do not have to verify crop shares reported for crop insurance with the crop shares reported to the FSA, but are encouraged to do so since insurance providers must ensure that producer-certified information is accurate and that liability is established and indemnities are paid according to policy provisions;

- (3) If needed, land deeds, or other similar evidence to determine the correct share.

F Documentation

Document from what sources the share verification was made, and document anything else pertinent to the share verification.

G Resolving Share Discrepancies. (Refer to exceptions for spousal shares as outlined in subparagraph H below.)

- (1) If the shares on the crop insurance acreage report, by crop, do not agree with the shares on marketing records, lease or share agreements, FSA-578 (does not have to be used for verification purposes, refer to (3) below), or other documents or actions of the insured that reflect crop share, resolve these discrepancies as follows:
 - (a) If there is a written lease/share agreement in force, use the share identified on the agreement, unless the marketing records or FSA-578 (does not have to be used for verification purposes, refer to (3) below) or actions of the insured do not substantiate the share identified in the agreement; whereas, handle as stated in (1) (c) below. Refer to (2) and (3) below.
 - (b) If no written lease/share agreement is in force but crop shares are reported on the FSA-578, use the share identified on the FSA-578 if it is used for verification purposes (refer to (3) below); unless marketing records or actions of the insured do not substantiate the insured's share identified on the FSA-578, whereas, handle as stated in (1) (c) below. Refer to (2) and (3) below.
 - (c) If no written lease/share agreement is in force or the share shown on a written lease/share agreement or FSA-578 (does not have to be used for

verification purposes, refer to (3) below) is not substantiated with marketing records and/or actions of the insured, determine the share from the marketing records and/or actions of the insured. Refer to (2) and (3) below.

- (2) Marketing records may include settlement sheets, canceled checks, seed receipts, fertilizer receipts, chemical receipts, etc. Actions refer to other arrangements the insured may have made with the other party sharing in the crop; e.g., every third load is delivered to the other party sharing in the crop, etc. If there is evidence to support that the lease/share agreement is a scheme to acquire more USDA benefits, the insurance provider may, by policy provisions, void the contract.
- (3) Insurance providers are not required to verify crop shares reported to FSA, but are encouraged to do so since insurance providers must ensure that producer-certified information is accurate and that liability is established and indemnities are paid according to policy provisions.
- (4) Document your findings. The insurance provider will maintain documentation and copies of any applicable agreements and marketing records that substantiate the insured's correct share.

H Spousal Shares

- (1) Background information

Generally, it is found that spouses share in the SAME farming OPERATION(S). This is why you will find that in PAR. 14 under the definition "Individual Entity: Spouses," married couples are usually considered to be an individual entity, thus allowing only ONE insurance contract with only one share shown for both on the crop insurance acreage report, except as provided in 14 E (2) (d). However, occasionally, it will be found that one spouse operates a SEPARATE farming OPERATION independently of the other spouse. Spouses can be recognized as a separate entity and qualify for separate contracts if they meet the required criteria defined in PAR. 14 E (2) (d).

- (2) Spousal Shares at FSA

- (a) The Farm Bill provides that a married couple who shares in the SAME farming operation can be recognized as "two persons" for the purpose of farm program payment limitations. The "two person" recognition is ONLY for the purpose of the farm program payment limitation. The married couple who shares in the same farming operation is still considered to be one person (entity). Therefore, only ONE contract to participate in other FSA programs is signed by the married couple.
- (b) On the other hand, if FSA recognizes that a SPOUSE operates a SEPARATE farming OPERATION independently of the other spouse, each spouse can be classified as a separate individual entity for insurance purposes. If the FSA considers spouses to be operating separate farming operations, separate contracts are signed by each spouse, separate FSNs issued, etc.

- (3) Verifying the share

If there is only one crop insurance contract, there is only one share for the spouses shown on the crop insurance acreage report. However, the FSA-578

may list two, as explained in (a) below. If it is found that there are two crop insurance contracts, it must be verified that the spouses qualify for separate entities as stated in PAR. 14 E (2) (d) under "Individual Entity: Spouses."

When Companies verify crop insurance acreage reports with the FSA-578's, it is normally, as indicated in subparagraph G above, considered a discrepancy if the crop shares reported for crop insurance and the shares reported on the FSA-578 do not match. The same is true for names and entities. However, in some cases because of the "two person" recognition, the producer's name, entity type (e.g., partnership vs. individual), and/or share listed on the crop insurance acreage report and FSA-578 program can be in disagreement. Handle the verification of the spousal arrangements, as follows:

(a) When it is verified that both spouses SHARE an interest in the SAME farming OPERATION and the FSA-578 lists separate share interest for SPOUSES:

- 1 The share reported for crop insurance purposes will be considered correct if the total of the two shares listed for the spouses on the FSA-578 equals the same percentage as reported for crop insurance purposes. However, if it is determined the insured failed to provide the spouse's SSN, refer to PAR. 14 E (2) to determine how this will affect the insured's coverage. Document the facts in the narrative of the claim or on a Special Report.

EXAMPLE: Fred Jones is the only name listed on the wheat insurance application. Fred reported a 100% share in Farm Serial Number (FSN) 2020 to FCIC, but the FSA-578 shows that Fred Jones has a 60% share in FSN 2020, and an FSA-578 shows that Mary Jones has a 40% share in FSN 2020. The total of the two shares reported on the FSA-578 equals the same percentage reported for crop insurance purposes. Therefore, there would be no discrepancy in shares reported for crop insurance purposes and those reported to the FSA for other than crop insurance purposes.

- 2 It will be considered a share discrepancy when the total percentage of the two shares reported on the FSA-578 for non-crop insurance purposes does not equal the same percentage reported for crop insurance programs. Resolve the share discrepancy in accordance with PAR. 13 G.

(b) When it is verified that spouses DO NOT share in the SAME farming OPERATION (as verified with FSA representative and/or other sources):

If the FSA has recognized the spouses as being separate entities (operations), and for crop insurance purposes the insurance provider has recognized them as separate entities by giving each spouse a separate contract, the share reported on each spouse's crop insurance acreage report will be compared against the crop share reported to the FSA for the individual spouse. (Each operation will generally have separate FSNs.) If the individual spouse's crop share amount does not agree with what has been reported to the FSA for non-crop insurance purposes, handle in accordance with PAR. 13 G above.

I Questionable Insurable Interest in the Crop

When it is questionable whether the insured has an insurable interest in the crop, document the circumstances on a Special Report. Forward the Special Report to the next level of supervision, and include the insured's contract folder if it has been assigned to you.

14 ENTITIES

A Verify

- (1) From information obtained from the insured, FSA or other reliable sources, and from the criteria for each entity type found below; verify that the person qualifies for the entity shown on the application or qualifies for a separate entity from another household member, relative, corporation, etc., and that the entity on the application has a *bona fide* interest in the crop. Incorrect entities, in most cases, will result in an invalid policy (e.g., separate policies written for a husband and wife who do not qualify as two separate individual entities, but rather as a corporation or a joint entity, or separate policies written for a minor and a parent but the minor does not qualify as a separate entity from the parent).
- (2) Verify whether the insured is married and, if so, whether the insured has provided the spouse's SSN/EIN to the insurance provider. Refer to 14 **D and E (2)** below for requirements of the spouses SSN/EIN.

******* **Insurance providers** do not have to verify entities through the FSA; however, they are encouraged to do so since insurance providers must ensure that producer-certified information is accurate and that liability is established and indemnities are paid according to policy provisions.

- (3) **Applications must contain the applicant's SSN if the applicant is an individual, or EIN if the applicant is a person other than an individual. The application must also contain Substantial Beneficial Interest (SBI) information, if applicable, as stated in subparagraph D below.**
- (4) If the entity type reported is questionable, document the facts and refer the case to the next line of supervision or to whom the insurance provider has instructed. If an entity is verified at FSA and there is a discrepancy between the entity recorded for crop insurance and the local FSA office, insurance providers will try to resolve the discrepancy with the FSA. If the discrepancy cannot be resolved and the insurance provider has evidence supporting its position, the insurance provider should retain the entity type reported to them; and keep on file all documentation and evidence supporting this decision.
- (5) If it is determined the entity shown on the application has no insurable share in the crop, the policy must be voided; e.g., the insured's application shows "individual" but all FSA documents, marketing records, etc., show the entity that has the *bona fide* share in the crop is a Corporation. Even if the individual is a member of the Corporation, the insured as an "individual entity" does not have the *bona fide* share in this crop policy.

******* B **Unsupportable documentation.** The insured or the agent's certification and/or statement are not adequate documentation (evidence) to support questionable entities or discrepancies between the entities reported to FSA and the insurance provider.

C Signature/Documentation

Exhibit 5 lists the person authorized to sign documents (including loss documents) for each entity type and documentation required for each entity type.

D SBI Information

- ***** (1) Besides the required SSN or EIN of the applicant on the application (as stated in subparagraph A (3) above), the applicant (all entity types) must also provide on the application, the names of all persons with an SBI (10 percent or greater interest in the policy) in the applicant, and the SSN or EIN of each SBI provided.
- (2) SBI Certification Statements. For **only** individual type entities^{1/} completing an application, the following statements are to be initialed by the applicant as part of the **application** process:
- ^{1/} All of the following are considered a individual type entity: (1) "Individual Entity: Individuals," (2) "Spousal Entity," and (3) "Individual Entity: Joint and Survivor Interests." Refer to subparagraph 14 **E** below for more information regarding **SBI and spouses**.
- (a) I understand that I am required to provide the Social Security Numbers (**SSN**) of all individuals who have a substantial beneficial interest (SBI) in the applicant as herein required. _____ (**insured's initials**)
- (b) I understand that **if I have a** spouse he/she has an SBI in the applicant unless my spouse **can show differently** in accordance with the procedures established by the Federal Crop Insurance Corporation. _____ **insured's initials**)
- (c) I understand that if I fail to provide the SSN of any individual with an SBI in the applicant, the insured share of such crops will be reduced commensurate with the share of the individual whose SSN was not reported, **if the person is eligible. If the unreported individual is ineligible, the policy will be void.** _____ (**insured's initials**)
- (3) **When applicants fail to report the required SBI information and the:**
- (a) **SBI is ineligible, the policy will be voided. If any indemnity, prevented planting, or replanting payment was made, it must be repaid.**
- (b) **SBI is eligible, coverage is reduced by amount of share of SBI.**
- (4) **If the SSN, EIN, or identification number is incorrect for any SBI of the policyholder, corrections must be provided by the acreage reporting date, and if the:**
- (a) **SBI is ineligible, the policy will be voided. If any indemnity, prevented planting, or replanting payment was made, it must be repaid.**
- (b) **SBI is eligible, coverage is reduced by amount of share of SBI.**
- (5) **If the insured included an ineligible person's SSN, EIN, or identification number on their application and does not include the ineligible person's share on the**

acreage report, the policy will not be void and the ineligible person's share will not be insured.

E Entity Types

(1) **Individual Entity: Individuals**

Policies written as an individual entity require an SSN, or when applicable, an EIN. When an EIN is applicable, the insured must be listed as a person with an SBI and his or her SSN provided.

- (a) The applicant must be competent, of legal age (18 years of age or older) and capable of entering into a binding contract, and have the authority to fulfill the requirements of the contract. If the applicant is less than 18 years old, see subparagraph (6).
- (b) The applicant incurs debt (if any) related to production, stores or markets in his/her name, and receives proceeds.
- (c) The application covers the individual's share, including the individual's share as a co-owner, joint-operator, or partner, provided the co-ownership, joint-operation, or partnership is not insured separately. Refer to subparagraph (3) for information about the tenant or landlord insuring the other's share.
- (d) When more than one member of a family in the same household applies for insurance or the applicant resides in the household of an insured, applicants must provide evidence on a signed statement indicating separate insurable shares. In most cases, this is not applicable to spouses, and consequently, in most cases, spouses cannot have separate contracts (policies) as stated in E (2) below.

(2) **Individual Entity: Spouses**

If an insured is married, his/her spouse is considered to have an SBI in the applicant or insured unless the spouses can prove they are legally separated or otherwise legally separate under state law. Therefore, spouses are presumed to have a 50 percent share of the spousal entity. Refer to subparagraph D above for information about what happens if the insured fails to provide the insured's SBI holder. If the marital status of an insured changes after the sales closing date, the changed entity status becomes applicable the following crop year.

- (a) Only one contract is allowed when the insurable share is owned jointly or separately by husband and wife, except as stated in (d) below. This includes shares owned in community property states.
- (b) The FSA may recognize a married couple that shares in the same farming operation as two "persons" for the purpose of farm program limitations and require only one contract to participate in FSA programs to be signed by the married couple. Such married couples are considered to be a spousal entity for crop insurance purposes.
- (c) Some married persons are sole owners of land and farm as landlords, owner-operators, or as tenants independently of their spouses. For

example, if a wife separately owns land, which is operated and managed by the husband as head of a family farming enterprise, only one policy is allowed for the family operation and share. This is also true if such land is all or part of the land farmed by the husband as owner-operator with the proceeds deposited in either the husband's bank account or a joint bank account. In such instances, only one application in the husband's name, wife's name, or both names as co-owners is allowed and either spouse may sign the insurance documents. Refer to exception for separate contracts in (d) below.

(d) If both spouses operate SEPARATE farming operations independently of each other, each spouse (if they choose) may submit a separate application and insure his or her farming operation separately. To qualify as a separate farming operation:

1 ALL of the following criteria must be met: (1) separate ownership of land (land must have been acquired prior to or outside of marriage (e.g., inheritance) to qualify as separate ownership of land), (2) separate capital, (3) separate accounting of costs for equipment and/or labor, (4) separate management, (5) separate records maintained, and (6) neither spouse receives a benefit from the other's farming operation; OR

2 If the FSA recognizes that a spouse operates a SEPARATE FARMING OPERATION independently of the other spouse, each spouse may be classified as a separate individual entity for insurance purposes. FSA requirements to be recognized as separate farming operations are similar to those listed above. If the FSA considers spouses to be operating separate farming operations, separate contracts are signed by each spouse, separate FSNs issued, etc., (this should not be confused with an FSA determination of separate persons). However, insurance providers shall disregard a FSA separate farming operation determination if they are aware of information that would indicate the criteria listed above for separate farming operations is not being met.

*** (e) If each spouse is determined by the insurance provider to be operating a separate farming operation independently of the other spouse (as described above), the spousal reporting requirement does not apply.

(3) **Landlord/tenant**

Any entity (individual, partnership, corporation, etc.) may insure a landlord's and/or tenant's share(s). The application must clearly state the tenant will insure the landlord's share or landlord will insure the tenant's share; otherwise, the landlord or tenant must have separate contracts. Evidence of the other party's approval (lease, power of attorney, etc.) must be provided to the insurance provider and placed in the insured's file. The landlord(s) or tenant(s) insured by an entity must be listed as an SBI on the entity's application. Additionally, there is only a one-line entry on the acreage report showing a 100% share, and the percentage shares of all entities (e.g., tenant's share = 75%; landlord's share = 25%) must be shown in the remarks section of the acreage report or documented and attached to the acreage report. If an entity is sharing with multiple landlords/tenants, only one application/contract is allowed per entity.

(4) **Individual Entity: An Individual Operating as a Company**

The guidelines for an individual operating as a company are identical to those of an individual. The application must be signed by the owner or authorized representative of the company. A statement from the company which lists the authorized representative must be maintained in the insured's file folder in the service office. A company for this purpose is not a Corporation.

(5) **Individual Entity: Joint and Survivor Interests**

"Joint and Survivor Interests" are applicable in "community property" states in which a husband and wife have joint and survivor interest in insurable acreage and in states where such an interest may be created by deed. In such states, the application is completed in the name of the joint and survivor interest (e.g., "John W. Doe, James C. Smith", or whomever). All persons with an SBI in the insured entity must be listed and the SSN/EIN of each person with an SBI provided.

- (a) Both parties must sign the application. Exceptions: husband and wife or when a statement is prepared and signed by both parties showing the authority of either to act as agent for the other for crop insurance purposes.
- (b) If either party dies, the contract continues, but a successor-in-interest application must be obtained. The CIH contains information concerning the effective crop year for which the successor-in-interest application must be prepared.

(6) **Individual Entity: Minors or Mental Incompetents**

- (a) A minor must provide evidence that an insurable share exists and must have a court-appointed guardian or a parent co-sign the application and other crop insurance documents. **EXCEPTION: Under the CAT level of coverage**, a minor who is competent and capable of entering into a contract may insure a crop without a co-signer.
- (b) A mental incompetent may be insured ONLY if a court-appointed guardian signs the documents.
- (c) A written statement describing the farming operation and the insurable share must be provided and maintained in the insured's file folder in the service office.
- (d) When a minor becomes capable of entering into a binding contract or when incompetency is dissolved, a successor-in-interest application is required. See the CIH for information concerning the effective crop year for which the successor-in-interest application must be prepared.
- (e) When a parent or court appointed guardian co-signs the application, it must contain a statement guaranteeing payment of the annual premium.

(7) **Individual Entity: Competent Individuals Represented by Appointees**

If the application is signed by someone other than the individual entity, a Power of Attorney giving that person authority to sign must be maintained in the insured's file folder. The Power of Attorney must be considered to be legally executed by the state in which it was executed, and it must give the appointee the authority to

sign crop insurance documents for the insured. In states that require the Power of Attorney to be acknowledged (notarized), the signature of the individual and appointee must be notarized. In states that do not require the Power of Attorney to be notarized, the signatures of the individual and appointee must be witnessed and the signature of the witness obtained on the document.

(8) ***

(CAT policies ONLY →

(9) **Individual Entity: Undivided Interests**

Landowners with an undivided interest in land may insure crops on such land under one policy subject to ALL of the following conditions:

- (a) The policy covers only insured crop(s) grown on land with an undivided interest. None of the landowners may have other land on which CAT coverage is required.
- (b) The total liability for each crop insured under an undivided interest policy must not exceed \$2500.
- (c) The landowner designated as the named insured is responsible for:
 - 1 Furnishing proof to the insurance provider that an undivided interest in the land exists;
 - 2 Furnishing the insurance provider with an agreement signed by all parties authorizing insurance under one policy and designating the landowner responsible for fulfilling all contractual requirements (e.g., filing acreage reports, providing APH production reports, giving notice of damage, etc.);
 - 3 Furnishing the insurance provider with the names and the SSN/EIN numbers of all landowners sharing in the crop;
 - 4 Applying for insurance and paying the insurance provider any applicable administrative fee(s); and
 - 5 Distributing any indemnity payments (made to the named insured under his/her SSN/EIN number) to other producers sharing in the crop.

←**CAT policies ONLY**

(10) **Partnerships**

A partnership is a written or verbal (requires an EIN) contract between two or more persons. The essential element of a partnership which distinguishes it from other forms of joint ventures is that each partner has authority to enter into contracts and bind all other members to such contracts. The partnership entity includes General Partnerships, Limited Partnerships, and Limited Liability Partnerships. An EIN is required for entities that are insured as a partnership. All persons with an SBI in the entity must be listed and the SSN/EIN of each person with an SBI provided. At least two SBIs must be provided for data acceptance purposes. **Refer to the CIH for more information regarding SBIs for partnerships.**

- (a) The death, declaration of incompetence, or withdrawal of a partner, terminates the partnership, unless a written partnership agreement provides otherwise.
- (b) Crops to be insured under the partnership are those in which the partnership has a share and require only one application.
- (c) If the entire share of the partnership is not to be insured, an application to cover the share of an individual holding an interest in the partnership may be obtained. This application also covers any other individual interest the applicant may have.

(11) Corporations

(a) A corporation is a legal entity created and operating under state laws of incorporation. The corporation may insure its share as landlord, owner-operator, or tenant. An application must be signed by an officer of the corporation authorized to enter into contracts. A statement must be provided to the insurance provider stating where the articles of incorporation/organization are on file. Changing officers or stockholders does not affect continuity of the contract.

(b) Limited Liability Companies (LLCs) are considered to be an entity type of corporation for crop insurance purposes. Refer to the LLC's operating agreement to determine if changing members affect the continuity of the LLC and therefore the continuity of the policy.

(c) An EIN is required for entities that are insured as corporations. All persons (entities) with an SBI in the entity must be listed and the SSN/EIN of each person with an SBI provided. **At least one SBI is required.**

(12) Co-ownership/Joint Operations

A co-ownership or joint operation is a type of entity composed of two or more parties who engage in a farming operation jointly; pool their resources; contribute land, labor, or machinery; share in expenses; and at the end of the year divide the profits, according to their interests. No individual is authorized to bind any other individual in any business transaction as is possible under a partnership.

- (a) The application must be signed by all parties or by the authorized representative. If an authorized representative signs, an agreement must be executed by co-owners or joint operators giving the representative authority to sign, and must be maintained in the insured's file folder in the service office.
- (b) If the entire share of the entity is not to be insured, an individual application may be obtained to cover the individual share of a co-owner or joint operator and any other individual interest the applicant may have. Such an application will not cover the share of a partnership.
- (c) Death or withdrawal of one of the parties terminates the insurable interest at the end of the crop year.

- (d) An SSN or EIN is required for co-ownership/joint operations. All persons with an SBI in the entity must be listed and the SSN/EIN of each person with an SBI provided. Refer to the CIH for more information on **SBI for co-ownerships or Joint Operations.**

(13) **Estates**

The application covers the share owned by an estate and must be signed by the authorized court-appointed officer or executor. An SSN or EIN is required for estates.

- (a) Upon settlement of the estate and the discharge of the court-appointed officer, the contract and a new application is required to maintain insurance protection.
- (b) Removal or discharge of a court-appointed officer and appointment of another does not terminate the contract.

(14) **Trusts**

The application covers the trust's interest (not the beneficiaries' interest). The application must be signed by the administrator or trustee appointed to administer the business affairs of the trust. An SSN or EIN is required for trusts. All persons with an SBI in the entity must be listed and the SSN/EIN or the name of each SBI provided.

- (a) **Revocable** trusts are processed using the same guidelines as individual entities.
- (b) Irrevocable trusts require an EIN and/or SSN for processing purposes. **Grantor of the trust has the SBI in the trust.**

(15) **Trusts administered by Bureau of Indian Affairs**

Native American land is frequently held in trust by the Bureau of Indian Affairs (BIA) or Tribal governing body and leased to operators.

- (a) Native American land held under trust is processed in the same manner as land held in an irrevocable trust. The name of the trust is the named insured. Often BIA trusts are referred to as allotments, identified by an allotment number (i.e., BIA Allotment Number 0006, which is the name of the trust and consequently the named insured). A separate policy is required for each allotment with different individual owners. Linkage for certain USDA farm program benefits for individual Native Americans who own parcels of an allotment are established by that trust.
- (b) If the trust agreement provides that operators of leased land purchase crop insurance, a power of attorney will be executed by the BIA granting the operator the authority to purchase crop insurance on behalf of the trust.
- (c) If the BIA trust does not have an EIN, a nine-digit number may be established as follows: the first two digits identify the state, the next three the county, and the last four the allotment number.

(16) Other Entities

The following entities are generally assigned an EIN for tax purposes.

- (a) Receiver or Liquidator. Receivers or liquidators may insure crops under their administration. The application must be signed by the person authorized by the court to administer business of the receivership.
- (b) Public Agencies. State, county, or municipal offices may insure their share. The application must be signed by the person having authority to enter into a contract for the entity.
- (c) Association, Clubs, or Tax Exempt Organizations. To act as a representative for any principal, an entity (or an individual, etc.) must provide evidence of authority (preferably a power of attorney) or a signed statement indicating where such authority can be verified. If authority is by verbal agreement, a statement is required from the principal for verification. The signature of the person having authority to enter into a binding contract for the entity is required.

SECTION 2 INSURED'S CONTRACT INFORMATION

15 CONTRACT INFORMATION AND VERIFICATION

Before the appointment and inspection are made, thoroughly review all documents in the contract folder or data from the processed documents that are applicable to the inspection. Some information must be verified by the adjuster at the time of the on-the-farm visit. The following paragraphs contain verification requirements of the data on these forms.

16 APPLICATION

Before a loss adjustment inspection can be done, the insurance provider must assure that there is a properly accepted application confirmed by a policy confirmation (defined in Exhibit 1). For further information regarding the application and the late-filed application, refer to the CIH.

17 CONTRACT CHANGES

Prior to assignment of the loss inspection, the insurance provider is responsible for verifying any timely filed contract change for the crop and crop year that would affect the loss inspection and indemnity payment. If it is discovered during the loss inspection that a timely contract change has not been processed, contact your insurance provider for further instructions. Refer to the CIH for more information regarding changes in price election, level, cancellation, and successor-in-interest.

18 WRITTEN AGREEMENT

Verify whether any written agreement is in effect for the crop and crop year being inspected. If there is, read the entire agreement and determine how it affects the crop being inspected; e.g., a practice that is not otherwise insurable is insurable via this agreement, etc.

19 APH FORM (PRODUCTION AND YIELD REPORT)

APH Verification at Time of Loss. Insurance providers will use the following guidelines prior to or during farm inspections:

- A Perform APH Field Reviews when insureds are affiliated with Crop Insurance (employee, agent, contractor, etc.), and an APH field review has not been performed for the crop year for which the loss is being completed. If an APH field review cannot be performed and the inspection must be made, if the insured has a *bona fide* contract and claim, the inspection may be made but the claim cannot be finalized (do not obtain the insured's signature) until the APH field review has been performed.
- B Review Approved APH Forms. For insureds not affiliated with crop insurance (i.e., not an employee, agent, etc.), a current approved APH form must be on file in order to complete a claim.
- (1) Review the actual yields certified by the insured for reasonableness.
 - (2) Perform a cursory review to determine if the APH yield was calculated accurately.
 - (3) Compare the approved APH yields to the acreage report. Verify that the correct APH yields have been entered on the acreage report (by unit, Practice/Type/Variety, map area, etc.).
 - (4) Conduct additional reviews and/or make corrections, as appropriate, if:
 - (a) A current approved APH yield is not on file;
 - (b) Yields certified do not appear to be reasonable; or
 - (c) The approved APH yield appears to have been calculated incorrectly. If a correct/current APH yield cannot be verified before an inspection must be made, and the insured has a *bona fide* contract and claim, the inspection may be made but the claim cannot be finalized (do not obtain the insured's signature).

20 OPTIONS AND ENDORSEMENTS

A High-Risk Land Exclusion Option

If an option is in effect, verify that:

- (1) None of the acreage designated as high risk is included with insured acreage on the acreage report. If such acreage is included as insured acreage on the acreage report, revise the acreage report to correctly reflect the insured and uninsured acreage. (It is possible that the insured may have this high-risk land insured under a separate CAT policy - see the CIH for more information), and
- (2) Harvested production from the acreage designated as high risk has been kept separate. If it has not, refer to the commingled production procedure in PAR. 126.

B Review of Other Option Forms or Endorsements

Review any other option form or endorsement that pertains to the crop and crop year being inspected. Make any appropriate verification as it pertains to the provisions of the option or endorsement. If there is insured and uninsured acreage, verify that harvested production has been kept separate **or is allowed to be separated by meeting the criteria in PAR 126.** If it has not, refer to the commingled production procedure in PAR. 126.

21 ACREAGE REPORT

If it is after the final acreage reporting date, there must be an acreage report on file with the insurance provider before a claim can be filed.

A Late-Filed Acreage Reports or Tonnage Report-Raisins

When the insured DOES NOT report any acreage (or tonnage for raisins) for the insured crop by the established reporting date, the insurance provider may determine the acreage (tonnage for raisins) and establish premium and liability or the liability may be denied in accordance **with** procedures in PAR. 74.

B Verification of the Acreage Report Information at Loss Time

(1) General Information

Verify with the insured the correctness of all acreage report information, including whether all crop acreage (insured and uninsured) has been reported. See PAR. 127 for detailed information on unreported units. For non-loss units, verifications other than with the insured do not have to be made. However, for loss units, verification with the insured as well as other field verification requirements must be made. Acreage must be “determined” for loss units but not non-loss units. Acreage determinations must be made in accordance with PAR. 80.

(2) Prior to a farm visit, if an error is found in the acreage report information requiring a revised acreage report, complete an on-the-farm inspection and continue verification of information on the acreage report as follows: **(Refer to** Part 2, Section 3 of this handbook for revised acreage report instructions.)

(a) Crop

Verify that the crop acreage was actually planted and that the crop is insurable in accordance with the crop insurance contract. If planting is questionable, sample areas of the field to find evidence of planted seed, request seed tickets, and any other records needed to verify actual planting. If insurability is questionable, further investigation is needed relating to the area questionable, such as seed variety being adaptable to area, that seed planted was viable seed, etc. Contact your field supervisor for assistance and guidance. **Refer to PAR.'s 44 and 45 for more details on insurable acreage and insurable crop.**

(b) Planting Dates

Verify the planting dates with the insured and by field inspection.

1 If the insured confirms these dates, but the reported timely-planting dates or reported late-planting dates do not correspond to the growth

stage of the crop in the field, taking weather conditions into consideration, further investigation is needed. Request seed ticket receipts from the insured or where the seed was purchased. The adjuster or other insurance provider representative will verify with the seed dealer the amount of seed purchased and date purchased and whether any seed was returned, etc., to help make determinations of planting dates. It may be necessary to visit with neighbors or others who may frequently travel past the fields in question.

- 2 Revise the acreage report if any acreage reported timely was planted after the final planting date or if any of the reported late-planting dates are incorrect, revise the acreage report accordingly. Refer to the late-planted acreage procedures in Part 5.

(c) Acres reported

- 1 Verify that all insurable and uninsurable acreage for the crop has been reported. If any of the acreage reported as insurable is uninsurable, revise the acreage report to remove such acreage. Refer to PAR. 44 for information about uninsurable acreage.
- 2 For annually planted crops: If it is past the final planting date, verify that all acreage planted has been reported for all fields. Unreported acreage is uninsured acreage.

(d) Practices

- 1 Verify the actual planting practices carried out by the insured. Verify that the actual practice is insurable, as shown in the actuarial documents or Written Agreement, if applicable.
- 2 If the practice is not insurable, revise the acreage report to remove the uninsurable acreage, and verify that the production from the uninsured acreage and insured acreage has been kept separate. If production was not kept separate, follow the procedures in PAR. 126 for commingled production. Use the actual planting practice on the claim form except as explained in PAR. 42.

(e) Legal Descriptions and/or FSNs

Verify the physical location against the legal descriptions and/or FSNs on the acreage report by using FSA documents or other verifiable documents as references during inspection of the fields.

(f) Type, Class, or Variety

- 1 Verify that the type, class, or variety actually planted is insurable as defined in the crop policy/endorsement (or if applicable, by Written Agreement), and that it has not been excluded by the actuarial documents.
- 2 If the type, class, or variety is found to be uninsurable, revise the acreage report to remove all acreage with the uninsurable, type, class, or variety.

(g) Share

Verify with the insured and as instructed in PAR. 13 that the share reported is correct. Shares cannot be increased at loss time. However, if the share is lower at the time of the claim, the claim must reflect the correct lower share.

(h) Person's sharing in the crop

Verify with the insured and via lease-agreements or FSA records or other verifiable documents, the name of the person(s) sharing in the crop. Refer to PAR. 13.

(i) Risk classification

The insurance provider must verify that the risk classification is correct by verifying: (1) the adjuster-verified physical location of the acreage, against the actuarial documents (or written agreements, if applicable); (2) FSA documents if FSNs are applicable; and (3) if a FCI-32 (Producer Classification) is applicable, the insurance provider must verify the classification listed on the acreage report against what is listed on the FCI-32 for the insured.

(j) Special Purpose Information

This column is used for a variety of entries. It may contain contract prices for crops requiring them (e.g., green peas), etc. Verify the accuracy of this information using pertinent documents needed to verify this information.

(k) Unit Number

1 Insurance providers must verify that the legal description and FSA FSN for each unit on the acreage report is the same as on the APH form.

2 Verify that the unit numbers reported are in accordance with the applicable individual crop policy or endorsement or, if applicable, the unit division guidelines in the actuarial documents or Unit Division Option.

(l) Remarks. Review any information recorded in the remarks section that may be pertinent to this inspection.

(3) Uninsured or Uninsurable Acreage

Verify that any harvested production from the uninsured or uninsurable acreage was kept separate from the insured acreage. If it was not, refer to the commingled production procedure in PAR. 126.

C Misreported Information

(1) The insured must provide all required reports and is responsible for the accuracy of all information contained in those reports. The insured should verify the information on all such reports prior to submitting them to the insurance provider.

(2) **If the insured:**

- (a) **Under-reports liability** (reported information results in liability lower than the liability determined to exist), the loss liability will be held to the liability reported by reducing the production guarantee or amount of insurance on the unit by the liability adjustment factor (LAF). (In the event the insurable acreage is under-reported for any unit and a claim for indemnity is submitted, all production or value to count from all of the insurable acreage (reported and not reported) will count against the unit guarantee; or
- (b) **Over-reports liability** (reported information results in liability higher than the liability determined to exist), the information contained in the acreage report will be revised to be consistent with the correct information.

→**ONLY for crop/counties with a 2005 crop year CCD of 8/31/2004, or later**

- (3) In addition to the LAF specified in (2) (a) above, if the misreported information results in liability greater than 110.0 percent (**over-reported liability in excess of 10%**) or lower than 90.0 percent (**under-reported liability in excess 10%**) of the actual liability determined for the unit, any indemnity, prevented planting payment, or replanting payment will be reduced by a Misreported Information Factor (MIF).

The MIF represents the amount of reduction that is proportionate with the amount of liability that is misreported in excess of the tolerances stated above. The examples below show how the MIF is calculated. Refer to Exhibit 18 to determine what sequence the MIF is applied in the Indemnity, PP payment, or replanting payment calculation.

(a) **EXAMPLES:**

1 Steps when the reported liability is over-reported.

- a Reported liability is \$120 divided by \$100 determined (actual) liability = 1.200 over-reported liability.
- b Over-reported liability 1.200 minus 1.100 tolerance = .100 (10% in excess of tolerance).
- c 1.000 minus .100 (excess of tolerance) = .900000 (MIF). Always round factor to six decimal places.

2 Steps when the reported liability is under-reported.

- a Reported liability is \$100 divided by \$120 determined (actual) liability = .833 under-reported liability.
- b Tolerance .900 minus .833 under-reported liability = .067 (6.7% in excess of tolerance).
- c 1.000000 minus .067000 (excess of tolerance) = .933333 MIF. Round calculation to six decimal places.

ONLY for crop/counties with a 2005 crop year CCD of 8/31/2004, or later←

D Revised Acreage Report. Acreage reports cannot be revised except as outlined in **PAR. 29**.

22 HAIL AND FIRE EXCLUSION

A Eligible Acreage

(a) The hail and fire exclusion applies to all acreage of the crop insured at an equivalent to a minimum 65 percent coverage indemnified at 100 percent price election, unless the Basic Provisions for the plan of insurance does not allow exclusion of hail and fire coverage.

***** (b)** Due to an insured's ability to select different price elections for different types of dry beans, a single dry bean policy may have some types at sufficient coverage to exclude hail and fire and some with less than the minimum coverage required. When this occurs, hail and fire is excluded only from acreage with at least minimum coverage.

B Verifying Adequate Liability

(1) The insurance provider must ascertain/verify that for the crop year of the claim, the amount of liability under the hail and fire policy equals or exceeds the liability amount that would have been provided by the MPCl policy for that crop year. Liability for acreage that is eligible for prevented planting but was not planted is NOT considered and the premium is not reduced on such acreage.

(2) When ascertaining whether there is adequate liability, uninsurable acreage must be considered. If uninsurable acreage is involved, the total liability under the hail and fire policy may exceed the MPCl crop insurance liability due to the extra acreage (uninsured acreage), yet the insured still MAY NOT have adequate hail and fire liability to allow exclusion of hail and fire coverage from the MPCl policy.

Example:

MPCl coverage is:

100 insured acres (MPCl)
100 uninsured acres
\$10,000 total liability (MPCl insured acres)
\$100 per acre liability
(\$10,000 ÷ 100 insured acres
= \$100 per acre liability)

Hail & Fire coverage is:

200 insured acres
\$10,000 total liability
\$50 per acre liability
(\$10,000 ÷ 200 insured acres
= \$50 per acre liability)

VERIFICATION - Based on the above, the insured's hail and fire liability of \$50 per acre does not equal or exceed the \$100 per acre liability that would have been provided by the MPCl policy; therefore, the insured does not have adequate liability to exclude hail and fire from MPCl coverage.

C Damage Exceeds Deductible. If damage results from hail or fire and a hail and fire exclusion is in effect, the adjuster will make an appraisal for uninsured (excluded) causes of loss if the damage exceeds the deductible established in the policy. Use the following instructions for computing and entering the appraisal in the "Uninsured Cause" column.

- (1) Original hail or fire liability has NOT been reduced.
- (a) Make an entry in the “Uninsured Cause” column, as described below, ONLY if ALL the following conditions have been met:
- 1 Hail or fire damage has occurred on the unit;
 - 2 Hail and fire exclusion is in effect; and
 - 3 The original amount of hail or fire liability has NOT been reduced.
- (b) Enter the appraisal determined as follows:
- 1 Determine the weighted AVERAGE (based upon gross acres) percent of hail or fire damage (from the hail or fire claim) for the unit.

Weighted-average-damage example: Suppose a unit of wheat (270 acres) is covered by a MPCl policy (65% coverage level) with hail/fire excluded. Hail damages the unit as follows (percent of damage as shown on the private hail/fire carrier’s loss form):

80 acres @ 0%	80 acres X .00 =	0.0
55 acres @ 48%	55 acres X .48 =	26.4
75 acres @ 66%	75 acres X .66 =	49.5
60 acres @ 100%	60 acres X 1.00 =	60.0
	270 acres	135.9

$135.9 \div 270.0 = .503 = 50.3\%$ weighted-average damage percent for unit.

- 2 Determine the “hail/fire exclusion appraisal factor” either by:
 - a calculating as instructed in steps c and d below, OR
 - b skip steps c and d and obtain the factor representing the insured’s coverage level percent and weighted average percent of hail/fire damage from the “Hail/fire Exclusion Appraisal Factor Chart” in Exhibit 6.

Example of “hail/fire exclusion appraisal factor” derived from the chart Exhibit 6, based on the example in (1) above (65% coverage level).

$$\begin{array}{r}
 50\% \text{ hail/fire damage} = .2308 \\
 \underline{.3\% \text{ hail/fire damage} = .0046} \\
 50.3\% \qquad \qquad \qquad .2354
 \end{array}$$

- c **(Do not use this step if the “hail/fire exclusion appraisal factor” was obtained from the Hail/fire Exclusion Appraisal Factor chart; go to step in e below.)** For each coverage level, the “deductible” is 100% minus the coverage level percent (e.g., $100\% - 65\% = 35\%$). Subtract the percent “deductible” from the weighted average percent of hail or fire damage (e.g., 50.3% weighted ave. hail damage - 35% “deductible” = 15.3%).
- d **(Do not use this step if the “hail/fire exclusion appraisal factor” was obtained from the Hail/fire Exclusion Appraisal**

Factor chart; go to step in e below.) Multiply the result in step c times the applicable 2-decimal level factor to determine a 4-place factor (hail/fire exclusion appraisal factor). Determine the 2-place factor as follows: 100 divided by the coverage level percent in step c (e.g., $100 \div 65 = 1.54$ for the 65% coverage level). Determine hail/fire exclusion appraisal factor as follows: $.153 \times 1.54 = .2356$.

e Multiply the factor determined in step d above (or as derived from the Hail/fire Exclusion Appraisal Factor Chart," Exhibit 6) times the per-acre guarantee for the acreage. (If the crop is a dollar plan crop, the per-acre guarantee will be the per acre dollar amount of insurance, unless the instructions on the Production Worksheet for the uninsured cause column shows the entry in bu., lbs, etc.). Enter the result in the "Uninsured Cause" column of the claim form (e.g., $.2356 \times 4.6$ bu. guarantee (rounded to the nearest tenth) will equal a 1.1 bushel appraisal). Make no entry for "0" appraisals.

(2) Original Hail or fire Liability HAS BEEN reduced

(a) Make an entry in the "Uninsured Cause" column, as described below, ONLY if all of the following conditions have been met:

- 1 Hail or fire damage has occurred,
- 2 A hail/fire exclusion is in effect, and
- 3 The original amount of hail and fire LIABILITY HAS BEEN REDUCED.

(b) Enter the appraised amount of UNINSURED hail or fire damage per acre calculated as follows: Divide the hail or fire insurance indemnity per acre by the original hail and fire insurance liability per acre. Multiply the result by the guarantee per acre divided by your coverage level percentage, and this result will be the appraisal for uninsured causes.

EXAMPLE:

Assume insured has the following:

MPCI guarantee per acre	= 90.0 bu./acre
MPCI coverage level	= 75% (or .75)
MPCI liability	= \$180/acre
Original private hail/fire liability	= \$200/acre
Reduced private hail/fire liability	= \$150/acre
(reduced due to an MPCI insured cause of loss)	

Since the private hail/fire liability has been reduced below the MPCI liability (\$150 an acre versus \$180 an acre), the "EXCEPT THAT" clause in the Hail and Fire Exclusion provisions applies.

Private hail/fire indemnity = 30% loss \times \$150/acre = \$45/acre indemnity

\$45/acre private hail/fire indemnity \div \$200/acre original private hail/fire liability = $\frac{.2250 \times 90.0 \text{ bu./acre MPCI guarantee}}{75 \text{ coverage level}}$ = 27.0 bu./acre appraisal

******* The Hail/Fire Exclusion Factor Chart is not applicable for this calculation.

23 ASSIGNMENT OF INDEMNITY

- A General Information. A prescribed form signed by the insured to assign the right to an indemnity to a third party. **The assignment applies to all acreage of the crop covered under the policy. Refer to** the CIH for more detailed information.
- B When Made? Assignments of indemnity may be made after acceptance of the application but prior to the transmittal of a claim for processing an indemnity payment.
- C Life of Assignment. An assignment is in effect only for the crop year of the assignment.
- D Replant Payment and Assignment. Issuance of a replant payment for any insured unit does not restrict the insured from assigning the right to an indemnity to another party.
- E Assignment of Indemnity and Transfer of Right to an Indemnity. If a timely signed, Assignment of Indemnity and a timely signed Transfer of Right to an Indemnity for the crop and crop year are on file, and no release for either document is found, the earliest processed document will take precedence.
- F Release. **The Assignment of Indemnity may be released by the assignee submitting a signed statement of release showing the insured's name, mailing address, contract number, and crop(s). If it is discovered during the loss inspection that there is a release that has not been submitted or processed, document this on a Special Report, and attach it and the release statement to the claim form.**
- G Claim Instructions. Record whether an Assignment of Indemnity is in effect by completing the appropriate entry block (line) on the claim form, or in the absence of an entry block (line), record the information on an attachment or in the narrative of the claim form.

24 TRANSFER OF RIGHT TO AN INDEMNITY

- A General Information. A prescribed form used when an insured wishes to request a transfer of the right to an indemnity for a crop year on any part of the share and/or acreage in a unit when the transfer of ownership or share in the crop occurs during the insurance period. Therefore, a transfer of part or all of the ownership of the insurable share and/or acreage must occur before the earliest of the:
- (1) Date harvest was completed on the unit,
 - (2) Calendar date for the end of the insurance period, or
 - (3) Date the entire crop on the unit was destroyed, as determined by the insurance provider.
- B Approval. The transfer is subject to approval by the insurance provider and to any outstanding Assignment of Indemnity made by the transferor prior to the date of transfer.
- C Ownership Transfer. Ownership of the insured crop **MUST HAVE BEEN** transferred prior to the end of the insurance period. The completed and signed transfer form must be submitted prior to processing the claim.

- D Release. The Transfer of Right to an Indemnity may be released by the transferee submitting a signed statement of release showing the insured's name, mailing address, contract number, crop(s), and unit(s). If it is discovered during the loss inspection that there is a release that has not been submitted or processed, document this on a Special Report, and attach it and the release statement to the claim form.
- E Life of Transfer. The transfer established by the Transfer of Right to An Indemnity is effective only for the crop year specified. For succeeding crop years, if the transferee does not have a crop insurance contract in force for the succeeding crop year but wishes to continue insurance, the transferee must apply for insurance by the sales closing date for the crop.
- F Claim Instructions
- (1) **Transfer in Effect?** Record whether a Transfer of Right to an Indemnity is in effect by completing the appropriate entry block (line) on the claim form; or in the absence of an entry block (line), by recording the information on an attachment or in the narrative of the claim form.
 - (2) **How Many Claims Are Prepared?** Prepare only one claim form for the loss on the unit. Account for all the acreage, production, and share. The transferor's name must appear on the claim form as listed on the latest policy confirmation.
 - (3) **Required Signatures on Claim Form**
 - (a) **Partial Transfer:** For a partial transfer, the insured and transferee(s) must sign claim (transferee should sign below the transferor's signature).
 - (b) **Complete Transfer:** For a complete transfer, the transferee must sign the claim.

25 NOTICE OF PREVENTED PLANTING OR NOTICE OF DAMAGE OR LOSS

The insured is responsible for giving notice of prevented planting or notice of damage or loss for planted crop acreage within the prescribed time stated in the policy/endorsement/crop provisions. An FCIC-approved form or card is used by the insured to file written notice to the insurance provider.

A Insurance Provider's Responsibilities

- (1) Prepare and distribute the notice of damage to the appropriate parties.
*** (It is suggested that agents (or representatives taking notices of damage) are provided with instructions to obtain information pertaining to **companion contracts** (insured's shareholder in the loss-affected unit has a multiple peril contract); i.e., name of the shareholder's insurance provider; and in the absence of this or if it is not known whether the shareholder has a multi-peril contract; the name, address, and telephone number of the shareholder.
- (2) Remind insureds of their responsibilities, including but not limited to (the following is not applicable to prevented planting notices):
 - (a) continuing to care for the crop;

- (b) leaving representative samples/strips as provided in the policy/endorsement/crop provision when notice of damage has been given 15 days prior to or during harvest;
 - (c) keeping production separate for each unit and for each practice having separate APHs, etc.; and
 - (d) keeping production from 1st and 2nd crop acreage separate; e.g., 100 acres of soybeans is first crop acreage and 200 acres of soybeans is second crop acreage. The soybean production from the 200 acres of second crop acreage is required to be kept separate from the 100 acres of soybeans that is first crop acreage.
- (3) Assign notices of damage to adjusters as quickly as possible to assure timely service to the insured.
- (4) Assure that, if at all possible, **companion contracts** are adjusted at the same time, as follows:
- (a) If the companion contract is serviced by the same insurance provider, the insurance provider will make arrangements to have both contracts adjusted by the same adjuster.
 - (b) If the companion contract involves a different insurance provider, the insurance provider will notify the other insurance provider, if known, immediately of the situation. It should be encouraged that adjusters from different insurance providers adjust the claim together; however, if either insurance provider is unable to adjust the claim, the other insurance provider will make the loss inspection and provide the necessary documentation to the insurance provider unable to be present on the loss inspection. It is expected that the number of times this situation occurs will be minimal.
 - (c) When only one insurance provider completes a loss inspection, the other insurance provider will be provided legible copies of the appraisal worksheet (when applicable) and claim forms. At their discretion, both insurance providers may review the loss inspection at a later date for quality assurance purposes.
 - (d) In the event a loss inspection is completed by one insurance provider and the other insurance provider disagrees with the original findings, representatives from both insurance providers involved will meet and resolve the discrepancies. If the discrepancies cannot be resolved, each representative will follow their respective insurance provider's instructions.
 - (e) If upon receipt of a companion contract, it is discovered that an inspection has already been made by the other insurance provider, the claim may be completed based on the other insurance provider's findings, **PROVIDED** the insurance provider agrees with the original findings of the other insurance provider. (Refer to PAR. 84 C regarding production determination when crop shares are involved.) If there is reason to disagree with the findings of the other insurance provider, follow the same procedure outlined in PAR. 25 A (4) (d).

(f) When a loss inspection indicates the need for a good farming practice determination, insurance providers will work together to document the farming practices carried out by the insured, conduct research on the practice, and make the determination. If insurance providers are unable to make the determination, refer the request to RMA. Each insurance provider will notify its insured in writing of the good farming practice determination.

(5) Use the instructions for delayed notice inspections in PAR. 69 if the insured failed to provide notice within the time prescribed in the policy provisions.

B Adjuster Responsibilities

(1) Accepting Notices. Follow the insurance provider's instructions for accepting notices of loss.

(2) When the insured has less than 100 percent share of a loss-affected unit and the claim form does not indicate or the insurance provider has not provided the information indicating whether the shareholder has a multi-peril contract, question the insured to determine whether the OTHER person sharing in the unit also has a multi-peril contract. Contact the insurance provider for further instructions if the other person sharing in the crop unit has a multi-peril contract.

(3) Review all information from prior inspections for the crop(s) being inspected to determine if any information from these inspections (appraisal worksheets, maps, claim form, special reports, etc.) is pertinent to the inspection being performed.

26 POWER OF ATTORNEY

A Insurance Provider's Responsibility

The insurance provider will provide the adjuster with the name of the party who can act on behalf of the insured and assure that anyone other than the insured who has signed loss related forms or claims is authorized to do so. Refer to the CIH for information regarding what an acceptable power of attorney is.

B Adjuster Responsibility

If an individual other than the insured states they are acting in behalf of the insured, and the insurance provider has not provided information that this party has authority to act on behalf of the insured, do not allow signatures until it is verified with the insurance provider that an acceptable Power of Attorney is on file granting such authority to this individual.

SECTION 3 REVISED ACREAGE REPORTS

27 GENERAL INFORMATION

A Overview

Except for Nursery and Cultivated Clams, the acreage report (tonnage report for raisins) is the document used to determine the insurance provider's liability, the insured's premium, and amount of coverage. (Refer to the Nursery and Cultivated Clam

Handbooks for the document(s) used in lieu of an acreage report.) If incorrect, the acreage report may be revised if allowed under the parameters of this section.

B Possible Reasons for Revised Acreage Reports

The following circumstances may result in a revised acreage report being filed, IF by the criteria stated in **PAR.'s 28 and/or 29 below**, revised acreage reports are permitted.

- (1) The insured may file a request for a revision on a unit basis.
- (2) The insurance provider may file a revised acreage report to correct a keying error on the original acreage report discovered during loss adjustment, improper unit division, etc., provided the revision falls within the allowed parameters outlined in this section.
- (3) **Acreage Report Reviews.** During Acreage Report Reviews, acreage reports **must be revised to remove uninsurable acreage or may be revised to add acres not reported for a crop (except for prevented planting acres)**, provided liability is not increased on a unit that could not pass a crop inspection.
- (4) All acreage report revisions require:
 - (a) Documentation in the "Remarks" section of the acreage report (or other form specified by the insurance provider to revise acreage reports) or on a Special Report explaining why the revision took place and what changes were made (if a form was used to document, notate "See attached (Form Number)" in the "Remarks" section of the acreage report),
 - (b) Date, signature, and code number of the person preparing the revised acreage report (or other form designated by the insurance provider to revise acreage reports),
 - (c) Insured's signature and date, UNLESS circumstances warrant the absence of the insured's signature. If the insured's signature is not obtained, document why the signature was not obtained in the "Remarks" or on a Special Report. Based on the nature of the revision and the reasons the insured's signature was not obtained, the insurance provider will determine whether the revised acreage report should be approved without the insured's signature (e.g., correcting keying error would not require the insured's signature, and
 - (d) For acreage reports revised after the final acreage reporting date, the insurance provider's authorized representative's approval. Refer to PAR. 29 A for exceptions.

28 **REVISED ACREAGE REPORTS – ON OR BEFORE THE ACREAGE REPORTING DATE**

A Planted acreage. Acreage reports for a planted crop may be revised on or BEFORE the acreage reporting date anytime information that affects the guarantee, premium, or liability for the crop was incorrectly reported. No crop inspection or approval is required when revisions are filed BEFORE the acreage reporting date.

B Prevented planting acreage. Refer to the Prevented Planting Handbook for information regarding revised acreage reports for prevented planting acreage.

C All acreage report revisions require:

- (1) Documentation in the "Remarks" section of the acreage report (or other form specified by the insurance provider to revise acreage reports) or on a Special Report explaining why the revision took place and what changes were made (if a form was used to document, notate "See attached (Form Number)" in the "Remarks" section of the acreage report),
- (2) Date, signature, and code number of the person preparing the revised acreage report (or other form designated by the insurance provider to revise acreage reports),
- (3) Insured's signature and date, UNLESS circumstances warrant the absence of the insured's signature. If the insured's signature is not obtained, document why the signature was not obtained in the "Remarks" or on a Special Report. Based on the nature of the revision and the reasons the insured's signature was not obtained, the insurance provider will determine whether the revised acreage report should be approved without the insured's signature (e.g., correcting keying error would not require the insured's signature, and
- (4) For acreage reports revised after the final acreage reporting date, the insurance provider's authorized representative's approval.

29 REVISED ACREAGE REPORTS - AFTER THE ACREAGE REPORTING DATE

A Insurance Provider Approval

(1) Planted acreage.

- (a) Acreage reports may be revised AFTER the acreage reporting date ONLY with the insurance provider's authorized representative's consent (i.e., approval) as stated in the following subparagraphs.
 - 1 No cause of loss has occurred,
 - 2 The crop unit passes the crop inspection criteria for adding acreage or units, as stated in PAR. 74, or
 - 3 A crop inspection is not needed to revise the acreage report as stated in subparagraphs B below.
- (c) Acreage reported as an irrigated practice (and that qualifies for an irrigated practice at the time insurance attached) **cannot** be revised to a non-irrigated practice (even when the insured never applied any irrigation water) or vice versa WHEN loss is evident on the unit or WHEN harvest is general in the area, except as allowed in subparagraph B (2) below. PAR. 40 K (8) applies when acreage cannot be revised from irrigated to non-irrigated. When acreage does not qualify for an irrigated practice, PAR. 40 K (4) applies.

(d) When the insured claims there is an error in the reported irrigated and/or non-irrigated practices, a revised acreage report may be approved to change a non-irrigated practice to an irrigated practice (acreage must qualify for an irrigated practice) or irrigated may be revised to non-irrigated PROVIDED:

- 1 no damage or loss has occurred,
- 2 harvest is not general in the area, **AND**
- 3 the insurance provider has verified that the practice for which the change was requested actually existed and is being carried out in a manner consistent with a good farming practice for the practice that the acreage is being revised.

(2) Prevented Planting. Refer to the Prevented Planting Handbook.

B Crop Inspections Are Not Required for the Following Reasons:

- (1) Short-rated acreage (refer to subparagraph 29 C below);
- (2) Measurement service requested by the date specified in 29 E below;
- (3) The crop is replanted to a different type or variety than was initially reported and that is specified on the actuarial documents (e.g., initially planted oil-type sunflowers, and replanted to non-oil type), unless specified otherwise in the crop provisions or Special Provisions; or
- (4) More planted acres are reported than actually exist, as stated in B (1) below;
- (5) Keying errors of the acreage report caused an incorrect Summary to be issued;
- (6) Incorrect unit arrangement has been reported:
 - (a) Two or more optional/guideline units must be combined anytime separate records of production and acreage are not maintained. (Refer to Commingled Production, PAR. 126.)
 - (b) Part of a unit or an entire unit may be deleted.
 - (c) Additional units may not be created after the acreage reporting date, except for basic/policy units as in the case of share-rent on a unit. Basic/policy units must be separated even if damage has occurred on the unit.
- (7) The insured provided evidence that the insurance provider or someone from USDA has committed an error regarding the information on the insured's acreage report. Following are some, but not limited to, items and documents from which the insurance provider could make an error when transferring information from the document to the acreage report and which would substantiate that an error was made:
 - (a) Approved yield from the APH form.

- (b) Information from an approved Written Agreement.
 - (c) Information from County Actuarial Documents; e.g., the FCI-33 actuarial map was incorrectly read resulting in an incorrect classification, etc.
 - (d) A worksheet the insured completed to report his/her original acreage report information.
 - (e) Based on the document provided by the insured, the incorrect percent-planted factor was used to calculate acres for skip-row cotton, or that the incorrect yield-conversion factor was applied to the approved yield for non-irrigated skip-row cotton.
 - (f) The information on the acreage report is clearly transposed; e.g., 87.0 is written as 78.0., etc. Also, refer to (10) below for clear transposition of information between acreage report lines that are also correctable;
- (8) Any other reasons specified in the policy provisions or Special Provisions, including those shown in subparagraphs B (1), C, and E.
- (9) Acreage has been over reported
- (a) When an insured requests a decrease in reported acreage of a unit and no claim will be filed, advise the insured that all units on the crop must have existing acceptable determined acres, as defined in PAR. 80, to support such a revision.
 - (b) If any of the acreage does not meet the criteria for measured acreage as stated in PAR. 80, the insured must at his/her expense have such acreage measured. (FSA County Offices provide measurement services for a fee.)
 - (c) Document the acceptable determined acreage on a form used for documentation purposes or aerial photo map.
- (10) **Correctable Transposition Acreage Report Errors.** When it is obvious that the acreage was inadvertently switched **between lines** at the time the acreage report was completed resulting in incorrect acres between crops or practices, FSNs, types, etc., insurance providers may approve a revised acreage report to correct the error. In all cases, the reason for the revision must be documented in the "Remarks Section" of the acreage report or on a Special Report. If a Special Report is used, attach it to the acreage report. The insured must sign the revised acreage report.
- (a) Insurance providers are to use this type of correction prudently. Revisions of this type are to be approved **ONLY** when it is obvious that acreage reported on one line was inadvertently switched with acreage on another line, and the insurance provider believes that the insured did not intentionally report this way in order to benefit from doing so; i.e., lower premium because of lower premium rates, etc. The insurance provider should try to establish whether there is a pattern of misreporting every year. If so, the insurance provider should not consider the misreported acres as an inadvertent switching of acreage.

- (b) This procedure is not to be used to correct overall variances between acres reported and acres determined. For example: if the irrigated practice was reported as 100.0 acres and the non-irrigated practice is reported as 150.0 acres, and it is determined that there are 95.0 irrigated acres and 155.0 non-irrigated acres, this is a variance in reporting (under reporting and over reporting) and is not considered an inadvertent switch.
- (c) When the acreage report is revised to correct an inadvertent switching of acreage, the revised acreage report must be processed prior to the claim. The acreage on the revised acreage report will be used as the reported acres and cannot be used as the determined acres also. The determined acres must remain a separate determination.

For example: 100 acres was initially reported as irrigated and 50 as non-irrigated; however, the acres for the two practices were inadvertently switched. The determined acres for the irrigated acreage is 51.5 acres; the revised reported acres are 50.0 acres, so there is 1.5 acres under reported for this practice. The determined acres for the non-irrigated acres are 98.0 and the revised reported acres are 100.0, so there is 2.0 acres over reported for this practice.

- (d) The following can be considered correctable if the insurance provider believes that the insured did not switch the acreages to benefit from lower premiums, etc.:
 - Acreages for practices were inadvertently switched. For example: 100 acres were reported as irrigated and 50 as non-irrigated, however, the acres for the two practices were inadvertently switched when reported. (The inadvertent switch of acreage may occur within the same unit, or for additional coverage, it may occur between different units when there are optional units for irrigated and non-irrigated acreage.)
 - Acreages for different types were inadvertently switched. For example: 150 acres were reported as oil type (048) sunflowers and 100 acres were reported as non-oil type (049) sunflowers; however, the acres for the types were inadvertently switched when reported. The inadvertent switch may occur within the same unit, or when optional units are allowed by type for the coverage selected, the inadvertent switch may involve different units.
 - Acreage between legal descriptions was inadvertently switched. For example: Unit 00102 has 100.0 acres reported with legal description Section 2, Township 5, Range 3. Unit 00101 has 150.0 acres reported with legal description Section 1, Township 5, Range 3. The legal descriptions are correct for the unit structures shown on the APH form. However, the acreage for the legal descriptions was inadvertently switched. (The inadvertent switch may occur within the same unit; or may involve different units (for additional coverage) when optional units are allowed by sections (or other legals described in the policy).
 - When unit structure for the crop is by FSN and the acreage between two FSNs were inadvertently switched. For example, 200 acres for FSN 1234 was reported, and 300 acres for FSN 2345 was reported; however, the acreage for the FSNs was inadvertently switched.

- Acreages between two crops were inadvertently switched. For example: one line showed 120.5 acres of corn and one line showed 155.6 acres of soybeans; however, there was actually 155.6 acres of corn and 120.5 acres of soybeans.

C Revisions to Reduce Premium for Acreage Destroyed Prior to Harvest

- (1) Acreage reports CANNOT be revised after the acreage report date to remove or reduce premium because the insurable acreage was destroyed prior to harvest, except when the County Actuarial Documents provide a reduced premium rate (short-rate) for acreage destroyed prior to harvest and all other criteria is met as stated in (a)–(b) below. For such crops and counties, the insured may report all planted acreage as insurable. Premium will be due on all the acreage with additional coverage.
- (a) The premium amount will be reduced (short-rated), including CAT coverage, by the amount shown on the County Actuarial Documents **only if** the insured notifies the agent by the date shown on the Special Provisions that the acreage will be destroyed by grazing or mechanical means prior to harvest, and the insured does not claim an indemnity on such acreage.

If a notice of damage is filed and the insured wants to file a claim for indemnity on the acreage at this time rather than take a short rate, the acreage must be appraised. **Refer to** PAR. 85 and 88. If the insured wishes to destroy the acreage to comply with other USDA programs, the acreage must be released when an adequate appraisal is made; or if applicable, the insured has agreed to leave representative samples so that adequate appraisals can be made at a later date.

- (b) When timely and proper notification is received, the insurance provider will revise the acreage report and reduce (short-rate) the premium accordingly. Insurance coverage will cease on any acreage the insured does not intend to harvest on the date the insured notifies the agent of such intent.
- (c) If the acreage is not destroyed as intended, the insured will be subject to the under-reporting provisions contained in section 6 of the Basic Provisions. **Such acreage cannot be added back to the acreage report, even if the crop would pass a crop inspection in accordance with PAR. 74.**
- (d) If the insured destroys (by grazing or mechanical means) the acreage without proper and timely notification, the acreage is considered to have been destroyed without consent. An appraisal of not less than the guarantee will be assessed on such acreage.

D Adding acreage that was initially reported that it would be **grazed or** destroyed (i.e., **uninsured acreage**).

If, after the acreage reporting date, the insured decides to take to harvest acreage that was previously designated to be destroyed (uninsurable) and it meets all insurability requirements in the policy, it can be added if a crop inspection is made and the crop passes the crop inspection in accordance with the requirements in PAR. 74.

- (1) If the crop passes the inspection and is accepted, the acreage would be re-designated as insurable and the acreage report revised to add such acreage. If the acreage is accepted, premium will be applicable to the entire crop year.
- (2) If the crop fails to pass the crop inspection or is not accepted, the acreage is to remain designated as uninsurable in the "Remarks" section of the acreage report.

E Revisions Due to Measurement Service

→ **ONLY for crop/counties with a 2005 crop year CCD prior to 8/31/2004**

- (1) Acreage reports for 2005 may be revised after the acreage reporting date due to measurement service measurements ONLY for the following: (1) For CAT policies when FSA Measurement Service was requested as stated in PAR. 29 F of the 2004 LAM, and (2) for crops in Idaho, Oregon, and Washington, as stated in PAR. 29 G of the 2004 LAM.

← **ONLY for crop/counties with a 2005 crop year CCD prior to 8/31/2004**

→ **ONLY for crop/counties with a 2005 crop year CCD of 8/31/2004, or later**

- (2) If the insured provides documentation to the insurance provider that they have requested Measurement Service from FSA or a firm engaged in land measurement, prior to the acreage reporting date, and submits an acreage report to the insurance provider with estimated acres by the acreage reporting date, the insured must provide the measurement to the insurance provider. If the measured acreage was different than the reported acreage, the acreage will be increased or decreased based on the Measurement Service's measured acres. This adjustment is allowed even at loss adjustment time.

ONLY for crop/counties with a CCD of 8/31/2004, or later←

F Preparation, Documentation, and Submission

Prepare a revised acreage report and Special Report explaining errors or omissions on the previous acreage report or summary and what corrections were made. **All revised acreage reports require the items listed in PAR. 28 C.** Submit the revised acreage report and Special Report to the insurance provider's approving official. If a crop inspection was required, **refer to** PAR. 74 for additional requirements.

G Liability Adjustment Factor (LAF)

If the liability determined to have existed is higher (based on the information on the PW) than the liability reported (based on the information on the initial acreage report), the LAF must be applied to the replant payment, prevented planting payment, or indemnity payment calculation to hold the liability to the liability initially reported on the acreage report. Refer to the definition of LAF in Exhibit 1, and refer to Exhibit 18 for example of where the LAF is applied in the replant payment, prevented planting, or indemnity calculation. If the acreage report must be revised to process the practice, type, or variety determined to exist due to the changes in APH yields, the LAF based on the liability from the initial acreage report must still be applied to the indemnity payment calculation even though the liabilities would now match. Refer to PAR. 126 for information on calculating liability, except share needs to be applied in order to have the dollar liability needed to compute the LAF.

→ **ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004 or later:**

H Misreported Information. Insureds are subject to an MIF, unless the insurance provider is allowed to revise the acreage report to correct errors as stated in other subparagraphs in PAR. 29. If the insured does not meet the criteria for revising the acreage report for errors, refer to PAR. 21 C to determine if either or both of the misreporting rules apply.
ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004 or later←

I Misreported Practices/Types Within the Same Unit

If it is determined that: (1) a practice (or type) that actually existed for a unit was not the practice (or type) reported on the acreage report for the unit, (2) there are different APH yields for each practice or type (e.g., a summerfallow practice is reported but a continuous cropping practice actually exists with each practice having a different APH yield), and (3) a claim for indemnity will be processed, an APH record for the correct practice/type must be processed through the DAS, and the acreage report must be revised in order to process the unreported practice/type information (APH yield, guarantee, etc) on the claim form (Production Worksheet), **UNLESS** the insurance provider has evidence of the insured misrepresenting the practice/type for the purpose of obtaining lower premium or a higher guarantee. If there is supporting evidence of misrepresentation, the policy should be voided in accordance with the policy provisions. In cases where liability is not increased and misrepresentation is not applicable, the acreage report may be revised to the practice(s) that actually existed. In cases where liability would be increased and misrepresentation is not applicable, and the acreage report is revised, a LAF (based on the initial acreage report liability), if applicable, must be applied to the replant payment, prevented planting payment, or indemnity calculation. **For crops/counties with a 2005 crop year CCD prior to 8/31/2004, in addition to the LAF, the insured may also be subject to the MIF.**

→ **ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004, or later:**

J Different Production Method Has Been Carried Out and Will Result in Lower Yield

If it is discovered that a different production method has been carried out than what was reported on the acreage report, and will likely result in a lower actual yield than was established for the production method reported:

- (1) The approved yield will be reduced to an amount consistent with the production methods actually carried out for the crop year. The yield will be adjusted based on the insured's other units where such production methods were carried out or to the applicable county transitional yield for the production methods if other such units do not exist.
- (2) The acreage report will be revised with the revised APH yield that matches the practice determined to actually exist; and
- (3) If applicable, a LAF and MIF will be applied to the replant payment, prevented planting payment, or indemnity calculation. Refer to subparagraph G for more information about the LAF and PAR. 21 C for information about the MIF.
ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004 or later←

30 REVISED ACREAGE REPORTS - ACREAGE REPORT REVIEWS

Revised acreage reports resulting from an acreage report review (based on acreage determinations only) will not be prepared if the difference in premium does not exceed the FCIC approved tolerance (\$250) UNLESS the insurance provider has given written

authorization to allow revisions at a lower tolerance level. Refer to PAR. 73, "Acreage Report Review Inspection" for information in regards to the inspection.

31 REVISED ACREAGE REPORTS - EXAMPLES

Following are some examples of acreage report revisions that may be needed during an inspection. Always document the reason for the revision on the form used to revise acreage reports or document on a Special Report.

A Examples

- (1) Insured reported units 00101 and 00102 of grain sorghum as insurable. Upon inspection unit 00102 was found to be planted to an uninsurable practice.

ACTION: Delete 00102 from the acreage report noting in the remarks that the acreage is planted to an uninsurable practice.

- (2) During an inspection prior to harvest being general in the area, the insurance provider discovered that unit 00200 of soybeans had not been reported on the original acreage report. The crop inspection indicated that this unit and all other units met the appraisal criteria for accepting additional liability for the additional unit, as defined in PAR. 74.

ACTION: Unit 00200 may be added.

- (3) Based on the APH yield, an incorrect risk classification for unit 00100 was entered on the original acreage report.

ACTION: Revise the acreage report to show correct risk classification, and notate the reason of the revision in the "Remarks Section" or on a Special Report.

- (4) The original acreage report shows 25.0 acres for unit 00100, and the inspection reveals 50.0 acres were planted. The crop inspection indicated that all the criteria for accepting additional acreage for this unit (reported and unreported acreage) were met, as defined in PAR. 74.

ACTION: The acreage report may be revised to add the additional acreage.

- (5) The original acreage report shows all of unit 00100 (108.0 acres) was planted by the final planting date and there is no late planting provision for the crop, but it was determined 20.0 acres of unit 00100 were planted after the final planting date.

ACTION: Revise the acreage report to reduce the 108.0 acres of insured acreage to 88.0 insured acres. Notate in the remarks section of the acreage report that unit 00100 was revised to remove the 20 acres planted after the final planting date (complete specified area of the acreage report for uninsured acres if the acreage report has such area). Advise insured to keep harvested production from insured acreage (108.0 acres) separate from harvested production from the uninsured acreage (20.0 acres).

- (6) The original acreage report shows all of unit 00100 (200 acres) was planted by the final planting date, but it was determined that 50 acres were planted 5 days after the final planting period. This is a crop that the policy provisions provide for automatic late-planted acreage coverage.

ACTION: Revise the acreage report to show 150 acres as timely planted and make a separate line entry showing the 50 acres with the correct planting date.

- (7) The original acreage report shows 50 percent share for unit 00100. It is determined that the share at the time of planting was 100 percent and is still 100 percent. (No additional acreage is being added.)

ACTION: Provided a crop inspection indicates that unit 00100 acreage meets the criteria for accepting additional liability, as defined in PAR. 74, the acreage report can be revised to reflect 100 percent share.

- (8) The original acreage report shows 100 percent share for unit 00101 soybeans. The inspection revealed the share at the time of planting was 50 percent.

ACTION: Revise the acreage report to reflect the appropriate share at the time of planting.

- (9) The original acreage report showed unit 00100 of wheat with 100 percent share. The inspection revealed there were two units, one with 100 percent share and one with 50 percent share. Additional units must be "broken out" because they are basic/policy units.

ACTION: Revise the acreage report to show the correct unit structure.

- (10) The original acreage report showed two optional units of soybeans. The inspection determined that no separate records of production or acreage were maintained to support the production report filed.

ACTION: Revise the acreage report to combine the two optional units. Delete the unit number not kept.

- (11) The original acreage showed Unit 00102 soybeans with .333 share. The verification of the share revealed that the insured had no interest in this unit.

ACTION: Revise the acreage report to remove unit 00102 soybeans.

- (12) The original acreage report for tobacco showed unit 00100 with risk classification of T18, but the FCI-32 listing showed the correct classification for the insured as T20.

ACTION: Revise the acreage report to show the risk classification as T20 for unit 00100 tobacco.

- (13) The insured reported two units of soybeans (unit 00101 and unit 00102) on his/her acreage report. After the final acreage reporting date, the insured reviewed the Summary of Coverage that was generated from the soybean acreage report and discovered that he/she had failed to report unit 00103 soybeans. The insured requests unit 00103 is added. The crop inspection to accept additional acreage (PAR. 74) reveals that the appraisal for unit 00101 and the appraisal for 00103 exceed 90 percent of the yield upon which the per-acre

guarantee for each of these units is based. However, unit 00102 acreage appraises below 90 percent of the yield upon which the per-acre guarantee is based.

ACTION: The insurance provider must deny the request to add unit 00103 (additional acreage) since unit 00102 is considered to be in a potential loss situation as outlined in PAR. 74 **D** and **E**.

B Document Distribution and Unit Numbers to be Retained

Follow the insurance provider instructions for document distribution and for unit numbers to be retained when deleting a unit.

SECTION 4 UNREPORTED ACREAGE

32 UNREPORTED ACREAGE DISCOVERED AFTER ACREAGE REPORT FILED FOR THE CROP

If the insured timely filed an acreage report for a crop but did not report ALL the acreage for the crop that could have been insured, and the unreported acreage is discovered prior to harvest of the crop or prior to when harvest for the crop is general in the county, follow the procedures below: (When the insured has never filed an acreage report for the crop, refer to PAR. 21 A, Late-filed Acreage Reports.)

A Insurance Provider's Responsibilities. Inform the insured of his/her responsibility of reporting ALL insured and uninsured crop acreage in the county, and that the insurance provider will handle the unreported acreage in accordance with the procedure in subparagraph B and C below.

B For Acreage that Would be Insured as a Separate Unit

If such acreage AND ALL other reported unit(s) for the crop meet the requirements for accepting acreage as outlined in PAR. 74, revise the acreage report to add the unreported unit acreage that could have been insured if it had been reported timely. If such acreage OR ANY OTHER reported unit(s) for the crop DOES NOT meet the requirements for accepting acreage, the acreage report will not be revised and the harvested or appraised production from the unreported unit acreage will be prorated to all insured units if an indemnity is claimed on any unit (refer to PAR. 127).

*** Even though there may be damage on other reported units and the unreported unit will not be added for this reason, APPRAISE the unreported unit acreage (that could have been insured) if it has not been harvested, and it appears that it will not be harvested. This appraisal will be used if a claim is filed on any insured unit as outlined in PAR. 127.

C For Acreage that Would be Part of an Insured Unit (Under reported Acreage in a Reported Unit)

If such acreage (INCLUDING the reported acreage for that unit) meets the requirements for accepting acreage as outlined in PAR. 74, revise the acreage report to add the under reported acreage to the reported unit. If such acreage (including the reported acreage for the unit) IS NOT acceptable as outlined in PAR. 74, the guarantee will be computed on the information reported, but the production from the unreported acreage will count against the guarantee.

33 UNREPORTED ACREAGE WHICH MAY BE LATE PLANTED

A **General Information.**

Acreage which the insured did not report or designate (even as uninsured acreage), and which the insured asserts was planted after the final planting date (or late planting date, if applicable) will be handled as follows:

B **Acreage will be Considered INSURABLE (but NOT INSURED) If:**

- (1) The acreage is insurable under the County Actuarial Documents or by written agreement; i.e., rates and coverage are available for the acreage itself, or crop type, class, variety, or practice carried out; and
- (2) The adjuster CANNOT verify to his/her satisfaction that such acreage was planted after:
 - (a) the final planting date for the crop shown on the Special Provisions for the applicable county, or
 - (b) the latest allowable date under the late-planting provisions found in the applicable crop provisions, if applicable to the crop, and the acreage was not prevented from planting.

C **Production to Count.** When it is determined that there is **unreported insurable** acreage as part of a reported unit structure (i.e., under-reported acreage for a unit), all production from the insurable/unreported acreage will be counted against the production guarantee for that unit. (If production is commingled with another unit, the procedures for commingled production must be applied; refer to PAR. 126.) On the other hand, if the entire unreported insurable acreage could qualify as a separate unit in the same county, the production from the unreported unit acreage will be prorated to all other reported units as outlined in the procedure for unreported units (PAR. 127). If the production from an unreported unit in one county is commingled with the production from a reported unit in another county, follow the procedures in PAR. 126. Because this involves two different counties, PAR. 127 does not apply.

D **Acreage will be Considered UNINSURABLE If:**

- (1) The acreage is NOT insurable under the policy provisions, Special Provision statements, County Actuarial Documents or by written agreement; i.e., acreage is uninsurable due to the crop being planted after the late planting period (final planting date if late planting period is not applicable) or rates and coverage are not available for the acreage itself or the crop practices, type, class, or variety or practice carried out; or
- (2) The adjuster CAN verify to his/her satisfaction that the unreported acreage has been planted after the:
 - (a) final planting date for the crop shown on the Special Provisions for the applicable county, or
 - (b) latest allowable date under the Late Planting Provisions found in the applicable crop provisions and the acreage was not prevented from planting by an insurable cause of loss within the insurance period for prevented planting.

- (3) When it is determined that there is **unreported uninsurable** acreage, the production from the unreported uninsurable acreage will NOT be counted against the production guarantee for the unit or any other unit; provided, the production is kept separate from the insurable acreage production. If the production from the uninsurable acreage is commingled with production from insurable acreage, the procedures for commingled production must be applied.

SECTION 5 ACTUARIAL DOCUMENTS AND VERIFICATION

34 USAGE

A General Information

The actuarial documents provide the information necessary to establish the protection available for state and county programs. There are actuarial documents for each approved county program in each state. The actuarial documents list crops alphabetically except for nursery, which lists **insurable plants** (rather than crops) alphabetically. (The Special Provisions are also considered an actuarial document).

B Actuarial Documents Information. The actuarial documents are the resource for the following information on a county and state basis by crop and crop year:

- (1) Crop price elections.
- (2) Insurance program dates for initial and final planting, and acreage reporting.
- (3) Guidelines for unit division (division of basic units) for crops with crop policies that provide for unit division.
- (4) Actuarial classification of farm land, or when applicable, actuarial classification will be by individual.
- (5) Premium rates for insurance protection.
- (6) Types, classes, or varieties and farming practices insured.
- (7) Exceptions to insured causes of damage, types, classes, varieties, or farming practices.
- (8) Requirements for levels of coverage.
- (9) Applicability of APH.
- (10) Definition of County.
- (11) Crop rotational requirements, if any.

35 ACTUARIAL CLASSIFICATION - DOCUMENT PRECEDENCE

Remember the order of precedence of actuarial document material. The most important document is listed first, the order of precedence being listed from top to bottom.

- A Written Agreement.
- B Special Provisions of Insurance (Special Provisions)
- C FCI-32: Supplement (to Classification Listing).
- D FCI-32: Classification List.
- E FCI-33: Map Supplement.
- F FCI-33: Actuarial Map.
- G FCI-35: Supplement (used for coverage adjustments).

36 USING ACTUARIAL DOCUMENTS FOR VERIFICATION

- A Information from the actuarial documents must be used during loss adjustment process to verify:
 - (1) That the actuarial classification recorded on the acreage report and/or Summary of Coverage is correct. Verify the insured's correct classification utilizing the actuarial classification sequence shown in PAR. 35 above.
 - (2) The insurability of the actual farming practices performed and types, classes, or varieties planted.
 - (3) That crop rotational requirements or any other special requirements set forth in the actuarial documents have been followed.
 - (4) That the cause of loss is not excluded for this crop or county.
 - (5) If there are any special statements regarding insurable varieties, types, or classes; limitations of options; practices; etc., pertaining to the crop and county being inspected.

SECTION 6 INSURABLE FARMING PRACTICES

37 GENERAL INFORMATION

The Basic Provisions, crop provisions, and Special Provisions from the county actuarial documents may provide for or exclude from insurability certain farming practices.

- A Where and How A Farming Practice Is Listed

The county actuarial documents list rates and coverages for specific farming practices, by crop. When permitted by the policy, coverage by Written Agreement for unrated farming practices may be requested from the RMA RO. For some crops, instead of a specific farming practice, there is a practice designation of "no practice specified." This

refers to established practices that are commonly used in the geographical area for the insured crop. There is a numerical code for each practice (including “no practice specified”) shown on the actuarial documents. These numerical codes are used on such forms as the acreage report and/or claim form, as appropriate. If types or varieties are listed in the actuarial documents, insurable practices for each type or variety are listed. The following paragraphs in Section 6 address some of the farming practices found on the actuarial documents.

B Special farming practices, singly or in combination, determine the guarantee

- (1) Verify that the insured has met all the requirements to qualify for the reported practice.
- (2) If two or more requirements apply, failure to meet one requirement will disqualify the acreage.
- (3) Make determinations in accordance with requirements provided in the applicable crop policy, crop endorsement, and/or County Actuarial Documents and in the following paragraphs.

C A Good Farming Practice Determination is not a determination of insurability. Acreage must meet policy requirement for insured acreage before a good farming practice determination for the insured crop can be made. Refer to PAR. 121 for more information on Good Farming Practice Determinations.

38 CONTINUOUS CROPPING PRACTICE

Definition. This distinguishes land that is continuously cropped from land that lies fallow (idle) in the prior crop year.

39 SUMMERFALLOW PRACTICE

Summerfallow (SF) is an insurable practice in some areas of the country.

A The SF practice is carried out by using mechanical tillage or chemicals on uncropped land, during the summer, to control weeds and store moisture in the soil for the growth of a later crop. To qualify for SF, the land must not have been planted to a crop in the preceding crop year and must lie fallow for a full crop year, except as provided in subparagraph B below.

- (1) SF Date. Termination of plant growth is required prior to the date designated for the area (May 1 in California; June 15 in North Dakota, Montana, and South Dakota; and June 1 (i.e., June 1, 2003, for the 2004 crop year) in all other states) followed by a continuous chemical and/or mechanical weed control program.
- (2) SF practices carried out must be consistent with NRCS soil erosion control measures and good SF practice(s) for the area with regard to method(s), frequency, and adequacy of tillage and/or chemical control.

B Exceptions to SF rule

The following exception to the SF rule in A above will apply unless the first crop is harvested (refer to the crop provisions for definition of harvest). If the first crop is harvested, the second crop will not qualify as SF in the subsequent crop year. The land

must not have been planted to a crop in the preceding crop year and must be fallow for a full crop year, except if a crop was planted on acreage:

- (1) In the fall of 2002 or spring of 2003 that qualified for the SF practice, the crop failed and/or was destroyed before the date specified in A (1) above. If all other SF requirements were carried out, a crop planted on such acreage for the 2004 crop year (fall of 2003 or spring of 2004) qualifies for the SF practice for the 2004 crop year.
- (2) In the fall of 2002, or spring of 2003 that did not qualify for the SF practice, the crop failed and/or was destroyed before the date specified in A (1) above. A crop planted on such acreage in the spring of 2004 qualifies for the SF practice. A crop planted in the fall of 2003 for the 2004 crop year will not qualify for the SF practice.
- (3) That qualified for the SF practice, the crop failed and the insured was given consent to put the acreage to another use. If the crop that qualified for the SF practice was destroyed before the date specified in A (1) above and the insured plants to a different (second crop), the second crop also qualifies for the SF practice.
- *** (4) Representative sample areas left for loss adjustment purposes, that are timely destroyed after loss adjustment has been completed, will qualify for the SF practice if the remainder of the field qualifies for the SF practice. However, if the representative sample areas are not destroyed within 30 days after the date specified in A (1) above, the acreage left in strips will be considered sub-fields which will not qualify for the SF practice.

40 IRRIGATED PRACTICE

The crop insurance contract provides that insureds are to report as irrigated, and the insurance provider will insure as irrigated, only the acreage for which the insured has adequate facilities and adequate water or the reasonable expectation of receiving adequate water at the time coverage begins, to carry out a good irrigation practice for the insured crop. Insureds that knew or had reason to know prior to the time insurance attached that their irrigation water supply may be reduced before coverage begins or will be reduced or cut off during the irrigation season, have no reasonable expectation of adequate irrigation water. Therefore, the insured must make decisions to plant fewer acres, plant and insure acreage for which adequate water is not available under a non-irrigated practice (if available), or report acreage as prevented planting (if prevented planting is available for the crop), provided that all prevented planting policy provisions have been met. Refer to the Prevented Planting Handbook for more details regarding eligibility of a prevented planting payment under an irrigated practice. In general, for annually planted crops, insurance attaches at the time the crop is planted (except for first year applications received after planting) and on a specified date for perennial crops. (For crops with prevented planting coverage, see the Prevented Planting Handbook.) It is the insured's responsibility to provide documentation, upon the insurance provider's request, of the information used to determine the adequacy of irrigation water and facilities for the acreage reported for insurance under the irrigated practice.

The insurance policy covers the failure of the irrigation water supply due to an insured peril occurring during the insurance period but does not cover failure of the irrigation equipment for counties/crops under the 2004 Basic Provisions, unless otherwise stated in the crop provisions or Special Provisions. However, for crop/counties under the 2005 Basic Provisions, failure of irrigation equipment or facilities due to an insured peril listed in the crop provisions is a covered peril. If damage is due to an insured peril, the insured must make all reasonable

efforts to restore the equipment or facilities to proper working order with a reasonable amount of time, unless the insurance provider 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. Refer to the definitions of irrigation water supply and irrigation equipment in B (2) below.

Under the terms of the policy, the burden is on the insured to show that any prevented planting or loss on annually planted (or perennial) acreage was caused by an insured cause of loss. This includes failure of the irrigation water supply. Insureds must show that such failure was caused by an insured cause of loss that occurred during the insurance period.

Insurance providers must verify and document that any failure of the irrigation water supply was due to an insured cause of loss before making any prevented planting payment or paying an indemnity.

A General Information

(1) **Increased Costs for Water, Electricity, Fuel, Etc.**

Increased costs for water, electricity, fuel, etc., from sources (reservoir, etc.) historically used by the insured are not considered insurable causes of loss under the policy. Any acreage for which the irrigation water supply has been reduced by the insured before insurance attached because of such increased costs is not insurable under an irrigated practice and no prevented planting payment or indemnity may be made. The insured's reduction of irrigation water after insurance attaches because of increased costs is also an uninsured cause of loss.

However, an insured would not be denied a claim if the insured did not purchase high-cost water, electricity, fuel, etc., that was available to them from sources from which the insured **does not historically purchase** these products or services. Likewise, an insured would not be denied a claim if the insured did not purchase high-dollar motors and equipment to pump the amount of water pumped in normal years when due to an insured cause of loss the water level was so low that the existing pumps could not lift the amount of water historically lifted to adequately irrigate the crop even if the pumps run 24 hours a day.

EXAMPLE OF INCREASED WATER COST:

A producer normally receives 100 units of water per year from two sources (50 units each) to irrigate 1000 acres of land for a crop or crops for which failure of the irrigation water supply due to drought is a covered cause of loss. The producer receives notice that due to reduced carryover water in the reservoir and diversion to other uses, the normal allocation is being cut by 20 units. Ten of the units cut are due to an ongoing drought and an additional ten units are being diverted by the Bureau of Reclamation to support the flow of water downstream to provide improved fish habitat. At the same time, the producer learns that the other water sources are doubling the cost of water due to increased demand by urban users. The producer calculates that only 30 units will be purchased from this source based on the increased price.

The producer will only have 60 units of available water for the year and must allocate or reduce the acreage accordingly. Prevented planting may only be reported and claimed for that acreage associated with the ten units of water decreased due to drought. Assuming 1 unit of water irrigates 10 acres, the producer would have enough water for 600 acres and be permitted to claim

prevented planting on 100 acres. The acreage associated with the 30 units of water lost due to the government diversion and increased cost is not insurable under an irrigated practice.

(2) **Electricity Buy-back Programs or Water Rights Buy-back Programs**

- (a) Any reduction in the water supply due to participation in an electricity buy-back program or the sale of water under a water rights buy-back program (either before or after insurance attaches) is not considered an insurable cause of loss under the policy. However, if an insured cause of loss reduces the amount of irrigation water available, then subsequent participation in an electricity buy-back program (relative to the amount of water reduced by an insured cause of loss) will not reduce the insured loss.
- (b) Insureds that elect to participate in electricity buy-back programs or water rights buy-back programs that result in a reduction of the irrigation supply before insurance attaches cannot insure any acreage affected by this reduction in the irrigation water supply as an irrigated practice or receive a prevented planting payment on an irrigated basis for such acreage.
- (c) Insureds that elect to participate in electricity buy-back programs or water rights buy-back programs that result in a reduction of the irrigation supply after insurance attaches may not receive an indemnity related to the reduction in the irrigation water supply.
- (d) In those cases where an insured cause of loss reduced the irrigation water supply for a portion of the insured's acreage and the insured elects to participate in the electricity buy-back programs or water rights buy-back programs, the insurance provider must separately determine the amount of acreage for which:
 - 1 an insured cause reduced the irrigation water supply, and
 - 2 participation in the electricity buy-back programs or water rights buy-back programs caused the reduced irrigation water supply. The insured may still be eligible for a prevented planting payment or indemnity, as applicable, on the acreage where an insured cause of loss reduced the irrigation water supply, provided that all other requirements in the policy have been met.

(3) **Environmental Diversions**

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.

B Irrigated Practice Guidelines

(1) **Purpose**

- (a) Insurance providers are to use the "Irrigated Practice Guidelines" to administer the following standards and to verify at loss time that the insured properly reported as irrigated only the acreage for which the insured qualified for an irrigated practice. It is important to understand the meaning

*** of various terms such as irrigation equipment and facilities, irrigation water supply, and water source that are found in herein and should be reviewed before proceeding with the standards in subparagraphs C through O.

- (b) In accordance with procedures in the CIH, insurance providers are to provide to insureds the following guidelines to enable them to properly report annually planted or perennial acreage to be insured under the irrigated practice in order to receive maximum protection under their crop insurance contract. It is very important that these guidelines are utilized by the insured to document whether, at the time insurance attaches, that there is REASONABLE EXPECTATION of receiving adequate water to carry out a good irrigation practice for the acreage reported under the irrigated practice.

(2) **Definitions**

The following definitions are provided to facilitate a uniform understanding of the standards and guidelines for the irrigated practice.

- (a) **Acreage Insurable under the Irrigated Practice** - Insurable acreage for which the insured can demonstrate, to the insurer's satisfaction, that adequate facilities and water existed, at the time insurance attached^{1/}, to carry out a good irrigation practice for the insured crop.

*** ^{1/}The insured is responsible for demonstrating that, at the time insurance attached, there was a REASONABLE EXPECTATION of receiving adequate water to carry out a good irrigation practice on acreage insured under the irrigated practice.

- (b) **Reasonable Expectation, 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 insured's water may be reduced before coverage begins, no reasonable expectation exists.

- (c) **Adequacy of Water** - The determination of the 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) snowpack storage levels; AND
- 2 supplementary precipitation which would normally be received, after insurance attaches, during the period that a good irrigation practice is normally carried out. Consideration will also be given to the factors identified in subparagraph (7) below, including the legal entitlement or rights to water.

- (d) **Good Irrigation Practice** - Application of adequate water in an acceptable manner, at the proper times necessary to produce at least the yield used to establish the irrigated production guarantee or amount of insurance on the irrigated acreage planted to the insured crop.

- (e) **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.

- (f) **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.
 - (g) **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.
 - (h) **Water Source** - The source from which water is made available. This includes wells, lakes, reservoirs, streams, aquifers, etc.
- (3) Failure of planted acreage to qualify for insurance under the irrigated practice 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.
 - (4) 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 (due to a specific cause of loss contained in the crop provisions) of the irrigation water supply after insurance attached , or

→**ONLY for crops/counties with a 2005 crop year CCD of 8/31/2004, or later:** 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 insurance provider 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). **ONLY for crops/counties with a 2005 crop year CCD of 8/31/2004, or later←**

- *** 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 and even if the insured never applied any water. Refer to exception in PAR. 29 **A (d)**.
- (5) Insureds are to keep their production separate for acreage insured under the irrigated practice, acreage insured under a practice other than irrigated (or with no practice applicable), and uninsured acreage.
 - (6) Insureds are expected to be prepared to provide documentation of the factors that were considered in reporting acreage to be insured under the irrigated practice.

(7) **FACTORS TO CONSIDER IN DETERMINING ACREAGE TO BE REPORTED AND INSURED UNDER AN IRRIGATED PRACTICE INCLUDE, BUT ARE NOT LIMITED TO:**

- (a) Water source history, trends, and forecasting reliability;
- (b) Supplemental water supply availability and usage (including return flow);
- (c) Pumping plant efficiency and capacity;
- (d) Water distribution uniformity; and flexibility of the system or district;
- (e) Water requirements (amount and timing) of all crops to be irrigated;
- (f) Water rights (primary, secondary, urban versus agricultural use, etc.);
- (g) Contingency plans available to handle water shortages;
- (h) Acres to be irrigated, amount of water to be applied, and expected yield;
- (i) Ownership of water (state or federal versus landowner);
- (j) Use of meters and other measuring devices or methods;
- (k) Soil types, soil moisture levels, and pre-plant irrigation needs;
- (l) Water conserving methods, devices, and plans utilized;
- (m) Past crop planting history, trends, and recommended local practices;
- (n) Prudent activities and practices utilized by non-insured producers;
- (o) Irrigation water supply (both quantity and quality) and facilities;
- (p) Recommendations from local CES or NRCS (or other source recognized by CES or NRCS, and other source recognized by CES or NRCS to be an expert in this area) regarding irrigation and crop production; and
- (q) Information the insured knew (or should have known), and when the insured knew (or should have known) such information.

(8) The insurance provider will use the above, and any other appropriate factors necessary to verify whether acreage was properly reported under the irrigated practice. Insureds who need assistance in determining the proper acreage to report for insurance under an irrigated practice should contact their crop insurance agent for information and assistance.

(9) **Refer to** the Prevented Planting Handbook for Irrigated Practice Guidelines for prevented planting coverage.

C Identify Irrigated Acres

The number of acres for which a good irrigation practice can be carried out must be identified and properly reported by the insured as early in the insurance period as possible, but no later than the published acreage reporting date.

D Provide Irrigated Practice Guidelines

Insurance providers are to provide a copy of the "**Irrigated Practice Guidelines**" found in subparagraph B above and in the Prevented Planting Guidelines to all insureds for whom the irrigated practice may apply. The "Irrigated Practice Guidelines" identify factors to be considered in determining the proper acreage to be reported and insured under an irrigated practice. Upon the insurance provider's request, insureds must document the factors they considered in reporting acreage to be insured under the irrigated practice. Insurance providers must verify this documentation whenever a claim for indemnity is made due to failure of the irrigation water supply, as well as anytime the accuracy of the irrigated practice reporting is suspect.

E Regional Irrigation Assessments

- (1) The RMA ROs will assist in a clearinghouse capacity for information concerning regional irrigation assessments in order to identify areas, water districts, aquifers, reservoirs, and other water sources where inadequate irrigation water is suspected.
- (2) The RMA RO may initiate a regional assessment on its own if warranted and may contact insurance providers as well as other appropriate sources for information concerning the availability and quality of irrigation water.
- (3) The RMA RO Director will provide this information to Insurance Services. RMA will issue an Information Memorandum to publish this information to be utilized by insurance providers operating in the affected regions. Each insurance provider is responsible for assuring compliance with these standards.

F Areas Suspected to Have Inadequate Irrigation Water

- (1) All insurance providers are to notify the appropriate RMA RO immediately of any areas they suspect to have inadequate irrigation water quality or quantities, so RMA can develop, update, and distribute the information.
- (2) Areas are to be identified by county, and if only a specific irrigation area or district is applicable, the identification should specify accordingly; e.g., Grant County (Nemaha Irrigation District only). Crops for which an irrigated practice is available that may be affected by suspected inadequate irrigation water should also be identified.

G National Assessment of Irrigation Supply

The Deputy Administrator for Insurance Services will coordinate a national assessment and issue further guidance if necessary.

H Random Reviews

- (1) All insurance providers **should** conduct random reviews of policies with acreage reported for insurance under an irrigated practice in areas identified in the regional assessment as having suspected irrigation water inadequacies.

- (2) The reviews are to be conducted at the earliest possible time after insurance attaches. Findings of any review are to be maintained in the insured's file.

I General Irrigation Data Specific For An Area

The RMA RO Directors will compile data on water needs by crop in their region, normal precipitation figures, and other data considered appropriate to ensure uniform application of these irrigated practice standards. This task will be initiated first in those areas where irrigation problems are anticipated in the near future and/or have existed in the past.

J Adequate Irrigation Water and Facilities

Insurance providers are to determine the adequacy of the irrigation water and facilities.

- (1) The QUANTITY of irrigation water will be considered to be adequate ONLY if the insured can demonstrate to the insurance provider's satisfaction that, at the time insurance attached, there was a REASONABLE EXPECTATION of receiving an adequate quantity of water at the times necessary to carry out a good irrigation practice on the acreage insured under the irrigated practice. Refer to the definition of "Water Adequacy" in 40 B (2) (c) when making determinations of water adequacy.
- (2) For the water quantity to be considered adequate, it also must be of sufficient QUALITY to be acceptable for irrigation purposes (e.g., water with high salt content or other yield-limiting properties may not be acceptable for irrigation or may be acceptable only if the amount used will not restrict the ability of the irrigated acreage to produce a normal crop). The local CES or NRCS should be utilized in making any necessary water quality determinations.
- (3) Water quality is a characteristic of the water supply. Thus, failure of the water quality to be suitable for irrigation would be considered as failure of the water supply. However, to be insurable, such failure must be unavoidable and must occur during the insurance period (e.g., intrusion of saline water during the insurance period caused the irrigation water supply to be unsuitable for the crop). If the insured was or should have been aware of a water quality problem prior to the insurance period, the adequacy of the irrigation water at insurance attachment is suspect and must be determined in order for the irrigated practice to apply.

K Determination and Administration Instructions. The following instructions are to be applied in determining the adequacy of the irrigation water supply and facilities, properly classifying acreage, and administering the standards.

- (1) Insurance Providers are responsible for advising insureds regarding irrigated practice requirements, and determining whether the requirements have been met.
- (2) Acreage properly insured under an irrigated practice, which suffers a water shortage during the insurance period, must be managed consistent with good farming practices to produce the best possible yield under the circumstances. Insureds must take appropriate actions to seek the best possible yields by utilizing farming practices which mitigate, as much as possible, the adverse impacts of insufficient irrigation.
- (3) If the insured has not followed a good irrigation practice by giving irrigation priority to uninsured acreage that results in a loss of production to the insured crop, an assessment must be made for that uninsured loss of production. (This does not apply to prevented planting. Refer to the Prevented Planting Handbook for situations where there is failure of the irrigation water and it involves insured and

uninsured acres.) EXCEPTION: Producers may allocate life-sustaining amounts of water to their perennial crops (except forage crops) to avoid long term losses to their operations, regardless of whether or not a perennial crop is insured.

- (4) Deny irrigated practice coverage on any acreage reported under the irrigated practice, which is not eligible for that practice.
 - (a) Insure such acreage at appropriate practice other than irrigated if such a practice is available and the acreage qualifies for that practice. Otherwise, the acreage is not insurable.
 - (b) INSUREDS ARE TO BE INSTRUCTED to keep production separate for acreage insured under the irrigated practice, acreage insured under a practice other than irrigated (or with no practice applicable), and uninsured acreage.
- (5) If the acreage reported for insurance under the irrigated practice exceeds the capacity of the irrigation facilities and/or water supply reasonably expected at the time of planting (or on the calendar date for the beginning of the insurance period for perennial crops), limit (reduce) the number of acres insured under the irrigated practice to an amount which could have been adequately irrigated.

Example: An insured reports 100 acres under the irrigated practice. It is later determined that, at the time insurance attached, the facilities or water supplies were adequate for only 75 acres but were used on the 100 acres.) Proceed as follows:

- (a) Document the number of acres that are insurable as irrigated (75 acres, in this case).
 - (b) Determine, to the extent practical, the highest yielding 75 acres to be the irrigated acres, appraise any reduction in production on the 75 acres caused by applying the available water to the 100 acres, and enter the appraisal on the claim as an uninsured-cause appraisal.
 - (c) If only irrigated acreage is insurable in the county for the crop, prepare a revised acreage report showing 75 acres under the irrigated practice. Enter the 25 acres in the "Remarks" as uninsurable acreage due to inadequate facilities and/or water supplies.
 - (d) If both irrigated and non-irrigated acreage are insurable in the county for the crop, prepare any claim and/or revised acreage report in accordance with approved procedures.
 - (e) If facts support misrepresentation of the reported practice by the insured, document the facts and handle the case under misrepresentation procedures.
- (6) Diversion of Water from Insured Crops

Although it is preferred that the insured notify the insurance provider in advance of any diversion, failure to do so will not, in itself, result in appraisals for failure to carry out a good irrigation practice. However, advance notification allows the

provider the opportunity to verify the appropriateness of such diversion at the same time that the insured makes the decision to divert the water.

This subsection is intended primarily to address the insured's actions intended or taken to divert water. There may be situations, however, in which the insurance provider determines that the insured should have, but did not, divert water or divert the recommended amount of water to acreage insured under the irrigated practice. In such cases it may be appropriate to assess an appraisal for uninsured causes, unless it can be documented that justifiable circumstances prevented such diversion (e.g., multiple water sources or great distances between acreage, making diversion impractical or impossible).

(a) Water Diversion within a Crop, When ALL Involved Acreage is Eligible (as stated in PAR. 40 J above) for the Irrigated Practice:

- 1 Verify that a water shortage exists or whether wind and extreme heat conditions have caused evaporation of the irrigation water before the water can reach all areas of the crop, thus, creating a need to irrigate only a portion of the crop that initially was being irrigated (e.g., instead of irrigating the entire pivot which is not receiving enough water to survive, irrigate only half of the crop so that at least this part will survive). Also, verify whether recommendations from local CES or NRCS (or other source recognized by CES, or NRCS to be an expert in this area) agree with the insured's intentions or actions taken.

Verification of water shortage is done by verifying the insured's water source and/or supplier (water district, etc). Verify wind and extreme heat conditions by obtaining and documenting the data from the National Weather Bureau for the closest location to the insured acreage and/or other local sources that keep records of wind and temperatures. Based on this data obtain the recommendations of local CES or NRCS as stated above.

- 2 Determine that such diversion is appropriate. Recommendations from local CES or NRCS (or other source recognized by CES, or NRCS to be an expert in this area) should be used to document this determination.
- 3 Document (on an appropriate form) the insured's intention or action taken to divert water on the affected acreage. Include the circumstances affecting your determinations required by 1 and 2 above.
- 4 IF the requirement in 2 above is not met, consider this as failure to carry out a good irrigation practice for the insured crop, and assess any appropriate appraisal(s) representing the additional indemnification anticipated as a result of the diversion. Use appraised and/or harvested production figures, APH yields, etc., of the acreage or units involved as a guide to establish any appropriate uninsured-cause appraisals that may be necessary to assess against the acreage or unit from which the water was diverted.
- 5 Inspect any acreage involved in the diversion and appraise any insured acreage that is not to be harvested.

6 Defer final settlement of claims of this type until total production on all involved acreage can be verified or determined.

(b) Water Diversion from One Crop Properly Insured Under the Irrigated Practice to Another Crop(s) Properly Insured Under the Irrigated Practice:

(c) Document the circumstances as in (a) 3 above.

- (7) Termination or reduction of production on perennial crops (tree/vine crops only) due to failure of the irrigation water supply after insurance attached: There is controversy over whether it is a recommended practice to terminate or reduce a developing perennial crop to enhance tree/vine survival. However, if an insured chooses to do so:
- (a) Verify that a water shortage exists and that the local CES (or other source recognized by CES to be an expert in this area) has recommended that the insured terminate (remove) or reduce the crop on the affected acreage.
 - (b) Establish a zero per-acre appraisal on acreage for which the crop was completely removed as a recommended practice. If the crop is reduced, but not completely removed, the remaining production is counted in accordance with current procedures for the crop. That portion of the crop removed in accordance with recommendations from the local CES (or from other source recognized by CES to be an expert in this area) will not be production to count in determining any indemnity or for APH purposes.
 - (c) Verify crop termination or reduction at final inspection.
- (8) If the insured fails to carry out a good irrigation practice on acreage properly insured at the irrigated practice, assess an appraisal for uninsured causes representing:
- (a) the loss of production due to failure to carry out a good irrigation practice, or
 - (b) not less than the guarantee for the acreage if the loss is due solely to uninsured causes.

*** (9) If a loss is evident, acreage reported as an irrigated practice and that qualified as an irrigated practice at the time insurance attached cannot be revised to a non-irrigated practice because the insured never applied any water. Refer to PAR. 29 A (1) (c).

L When Insureds Are Aware of Water Restrictions, Reductions, Etc.

Insureds who obtain evidence of decreased water allocation due to an insurable cause AFTER insurance begins may report losses due to failure of the irrigation water supply in accordance with the policy provisions. Refer to PAR. A above for information regarding insurability of certain causes resulting in water reduction; e.g., environmental, increased costs, buy-back programs, etc.

Instructions regarding insureds that are advised of (or should otherwise have been aware of) water restrictions, reductions, or diversions by water districts, municipalities, or other water regulatory agencies:

(1) Annual Crops

(a) If announcement or knowledge of such restriction, reduction or diversion occurs PRIOR to insurance attachment, the insured will be expected to reduce planting accordingly, to plant other less-water-demanding crops, or to take other prudent actions necessary. However, if announcement or knowledge first occurs AFTER insurance attachment, the acreage will be considered as insurable under the irrigated practice, UNLESS information on the situation was such that the majority of producers took prudent actions necessary. In such cases, all insureds under similar circumstances will be expected to do likewise.

(b) Prevented Planting Due to Decreased Water Allocations

Carryover policyholders (those with active policies prior to the current crop year) who have evidence of decreased water allocations due to an insurable cause PRIOR TO planting may report acreage for prevented planting for crops eligible for prevented planting provisions in accordance with the prevented planting provisions in the Basic Provisions. New policyholders are eligible for prevented planting payments only if the peril insured against occurred after the sales closing date for the current year. For more information regarding prevented planting, see the Prevented Planting Handbook.

(2) Perennial Crops

Perennial crop producers seldom have the option to respond to such announcements or knowledge by reducing plantings, other than refraining from planting additional acreage and removing less productive or less desirable plantings. Producers may allocate life-sustaining amounts of water to their perennial crops (except forage crops) to avoid long-term losses to their operations, regardless of whether or not a perennial crop is insured. However, all other standards herein are to be followed to safeguard against adverse selection and other unacceptable risk exposure.

M Pre-Acceptance Inspections

Apply these irrigated practice standards to determine the adequacy of irrigation water and facilities when conducting pre-acceptance inspections that are required by current procedures. (Pre-acceptance inspections primarily affect perennial crop first-year policies and acreage increases exceeding 35 percent for a unit.) Refer to the CIH.

N Properly Identifying Cause of Loss

(1) Drought CANNOT be a Cause of Loss Under an Irrigated Practice

Insurance providers are responsible for ensuring that damage and losses due to failure of the irrigation water supply are properly identified as such, and are not misidentified as drought, excessive heat, hot winds, etc. The insurance provider MUST NOT pay drought losses on acreage insured under the irrigated practice, except where drought has caused the failure of the irrigation water supply, and in that instance, the cause of loss code must be shown as failure of the irrigation water supply, not drought.

- (2) Causes of Loss Under an Irrigated Practice that Normally Do Not Occur
- (a) Heat, hot winds, poor pollination, etc., may be appropriate causes of loss on acreage insured under the irrigated practice, but the likelihood of such causes are less than for non-irrigated acreage. However, under the right climatic conditions, hot dry winds may cause the amount of evaporation of irrigation water to be so great that the irrigation equipment cannot deliver the water at a fast enough rate to benefit the crop. Also, there have been instances where hot dry winds have affected the ability of a drip irrigation system to deliver water to the seed zone area or enough water to enable the water to remain long enough for the seed to germinate and/or develop an adequate root system to survive. It may be possible that similar effects are experienced with other irrigation methods.
- (b) When such claims are made, the insurance provider must verify and document whether (If other producers with the same type of irrigation system did not experience the same problem, it may be a problem with the system rather than due to an insured cause of loss.):
- 1 other producers using the same type of irrigation system had the same problem; and
 - 2 the problem can be attributed to hot dry winds in the area for the dates in questions by verifying:
 - a what the local weather conditions and sub-soil moisture levels were for the dates in question, and
 - b with agricultural experts in the area, who are knowledgeable of the irrigated practice method and irrigation equipment used, what the expected results would be utilizing the irrigated practice method and irrigation equipment under the particular conditions and soil types for the dates in question.
- (3) Cause of Loss Code When Due to Insured Cause, Insured Unable to Prepare the Land for their Established Irrigation Method
- (a) In some areas, it is a normal and recognized practice to prepare furrows for irrigation after the crop is planted and established. In some instances severe, prolonged drought may not allow a crop to mature to a height sufficient enough to allow furrows to be made without severe damage or destruction of the crop trying to establish the furrows. Also, in some instances severe, prolonged drought may cause some soil types to collapse when trying to make the furrows. In either instance, without the furrows, irrigation water cannot be properly distributed to all areas of the field, which may lead to loss of production. If it is determined that the severe drought was the sole reason for the furrows not being made, the resulting loss of production is covered. Confer with the local NRCS and other similar sources knowledgeable in furrow type irrigation operations to help make these determinations.
- (b) The cause of loss on the claim form would be shown as "Other" with an explanation of what "other" is in the Narrative of the claim form or on an attachment. Additionally, supporting documentation explaining why it has been determined that drought was the sole reason the furrows were not made must be shown on the claim form or on an attachment.

O Notification and/or Reminder of Irrigation Policy Provisions and These Guidelines

Agents, insureds, and adjusters are to be advised of the significance of this issue. It is recommended that documentation of any notification to insureds be placed in each insured's file, particularly in irrigation water shortage areas identified by the RMA RO.

P Center Pivot Irrigation System

Reference. For information regarding center pivot irrigation systems and the corners of the field on which there is a center pivot irrigation system, refer to PAR. 55 (Unit Structures).

41 NON-IRRIGATED PRACTICE

Explanation. Usually used in combination with irrigation practice (where insurance is offered on both practices) and distinguishes dry-land acreage from irrigated acreage.

42 INITIAL PLANTING PRACTICE (IBR, NIBR, etc.)

A General Information. If the insured replants the acreage to a different planting practice, the crop will continue to be insured under the practice initially planted and reported even when the crop is replanted by a practice that was uninsurable as an initial planting. This is not applicable to practices such as irrigated, non-irrigated, staked tomatoes, ground tomatoes, etc.; these practices are considered to be production practices rather than planting practices.

B Claim Instructions. If the insured files a claim for indemnity, the **planting practice** initially reported will be entered in the "practice column" on the claim form and the replanted practice will be documented in the narrative.

43 ORGANIC FARMING PRACTICE

A Insurance Coverage For Crops Grown Under an Organic Farming Practice

(1) Insurance is available for Certified Organic Acreage and Transitional Acreage (acreage being converted to certified organic acreage in accordance with an organic plan). (Buffer Zone Acreage will be included with the certified organic or transitional acreage of which it is a part), PROVIDED:

(a) The information needed to determine a premium rate for an organic farming practice for the state, county and crop is specified on the actuarial table, **or**

(b) An approved Written Agreement is in effect to insure the acreage being grown under an organic practice when a premium rate for an organic farming practice is **not** shown on the actuarial table. Written Agreements are not available for Catastrophic Risk Protection (CAT), Income Protection (IP), Revenue Assurance (RA) plans of coverage, or for pilot program crops, unless permitted by the crop provisions.

(2) If there is no premium rate for an organic farming practice on the actuarial table and the insured does not have an approved written agreement in effect for an organic practice, then the acreage designated in the insured's organic plan as certified organic or transitioning to organic is uninsurable. Such acreage must be reported as uninsured acreage.

(3) The "*Organic farming practice*" (as defined in the Basic Provisions) does not apply when the insured has no organic plan in effect from a certifying agent. Therefore, the same policy terms and conditions as would apply to a producer utilizing a non-organic practice (conventional, or sustainable farming practice, if applicable) will apply in this situation, and appraisals for production lost due to uninsured causes may apply for not following the recommended weed or disease control measures recommended for conventional or sustainable farming practices.

(4) The price elections or dollar amounts of insurance applicable to both certified organic and transitional acreage will be the price elections or dollar amounts of insurance published by RMA for the crop grown under conventional means for the crop for the current crop year.

(5) In addition to standard acreage reporting provisions and procedures, on the date the insured reports his/her organic acreage, the insured must have:

(a) For certified organic acreage: A written certification in effect from a certifying agent indicating the name of the entity certified, effective date of certification, certificate number, types of commodities certified (refer to 1, 2, and 3 below), and name and address of the certifying agent (A certificate issued to a tenant may be used to qualify a landlord or other similar arrangement);

1 The National Organic Program published at 7 CFR states in section 205.404 Granting Certification, under subsection (b): "The certifying agent must issue a certificate of organic operation which specifies the: (1) . . . (2) . . . (3): "Categories of organic operation, including crops, wild crop, livestock, or processed products produced by the certified operation." Subsection (c) of this same section states: "Once certified, a production or handling operation's organic certification continues in effect until surrendered by the organic operation or suspended or revoked by the certifying agent, the State organic program's governing State official, or the Administrator."

2 Therefore, "types of commodities" as stated in section 37 (c) (1) of the Basic Provisions is considered to be the categories listed in 7 CFR 205.404 (b); i.e., crops, wild crop, livestock, or processed productions. To qualify for this portion of the requirements for Certified Organic coverage of insured crops as stated in the Basic Provisions, the certificate must list the name of a crop(s) (not wild crops, livestock or processed products) on the certificate. It does not have to list every crop the insured might plant. Since the certificate is not issued every year, as stated in 1 above, it is very possible that the certificate may not list every insured crop the insured may plant and insure.

EXAMPLE: A Written Certification was issued in 2001 and lists, corn, oats, dry beans, and wheat. The next crop year, the insured plants canola, flax, and dry peas, which are not listed on the certificate, and the organic plan has not been updated for the current crop year to show these crops. In this case, the type of organic operation is still "crops," and as long as the canola, flax, and dry peas were grown on ground that had previously been identified in the organic plan to be certified organic, then they would be insured under an organic practice, as "certified organic." On the other hand if the "Organic Certificate" listed livestock

or listed the names of livestock, such as hogs, sheep, cattle, etc., then the commodity certified was not crops, it was livestock. Therefore, you cannot consider the crops (i.e., corn, dry beans, wheat, canola, flax, etc.) to be certified organic under that "Organic Certificate."

- (b) For transitional acreage, a certificate as described in (a) above or written documentation from a certifying agent indicating an organic plan is in effect for the acreage. The organic plan must list the legals, crops, etc.; and
 - (c) Records from the certifying agent showing the location of each field and acreage maintained and **not** maintained under organic farming practices (including buffer zone acreage). This could be an organic inspection report completed by an organic inspector for the current crop year.
- (6) If any acreage qualified as certified organic or transitional acreage on the date the insured reports such acreage, and such certification is subsequently revoked by the certifying agent, **or** the certifying agent no longer considers the acreage as transitional acreage for the remainder of the crop year, that acreage will remain insured under the reported practice for which it qualified at the time the acreage was reported.
- (7) See the Prevented Planting Handbook in regards to any special information for crops eligible for prevented planting coverage and that are insured under an organic farming practice.
- (8) Also, review responses to frequently asked questions in subparagraph D below for more information.

B Causes of Loss When Insured Under an Organic Farming Practice

All loss of production or amount of insurance due to insured causes of loss listed in the crop provisions are applicable to organic farming practice, unless specified otherwise in the Special Provisions, and provided the cause was not due to the insured not following a good organic farming practice. The definition for "Good Farming Practice" in Exhibit 1 also defines "good organic farming practice." Section 37 of the 2004 and 2005 Basic Provisions state the following:

- (1) Any loss due to failure to comply with the standards under the National Organic Program will be considered an uninsured cause of loss.
- (2) Contamination by application or drift of prohibited substances onto land on which crops are grown using organic farming practices will not be an insured peril on any certified organic, transitional or buffer zone acreage.

C Loss Adjustment of Organic Farming Practices

- *** (1) In accordance with the Basic Provisions, the insured must provide the insurance provider with copies of the records required in A (5) above. During the loss adjustment inspection, request these records and verify pertinent information from these records to determine insurability, practice, if applicable, whether the insured has been following good organic farming practices from any field inspection report performed by an inspector for the certifying agent, and whether acreages reported agree with the acreage shown on the certifier's records for certified acres and the organic plan approved by a certifier if the insured has only transitional acreage. Items to identify, but not limited to, are as follows:

- (a) Exact field locations of certified organic, transitional, and buffer zone acreage,
 - (b) Exact field location of acreage not maintained under organic management (i.e., crops grown under conventional or sustainable farming practices),
 - (c) Rotation requirements, etc.
- (2) If the insured produces the insured crop using both an organic and conventional/sustainable farming practice, verify that separate records of acreage and production for each farming practice have been maintained.
 - (3) There is no additional quality adjustment for certified organic or transitional acreage. The quality adjustment procedures that apply to conventional acreage also apply to certified organic, transitional, or buffer zone acreage. Refer to the Basic Provisions and applicable crop provisions and Special Provisions (if applicable) for information on quality adjustment.
 - (4) When a cause of loss is questionable for the organic farming practice, such as weed, disease, or insect control for organically grown production, verify with sources in the "Organic Agricultural Industry," as defined in Exhibit 1.
 - (5) Use separate line entries for certified organic, transitional acreage (buffer zone acreage planted to insured crop is included with the certified organic or transitional acreage of which it is a part), and also acreage grown under conventional or sustainable farming practice when insured in the same unit on the claim form.
 - (6) Revised acreage reports.
 - (a) If acreage was reported as organic, and: (1) there is an organic plan from a certifying agent in effect for such acreage, (2) an organic premium rate factor was NOT included in the actuarial documents for the crop and county, and (3) no written agreement was in effect to insure the organic acreage, then the acreage report must be revised to delete the acreage since it can only be insured via a written agreement.
 - (b) If acreage was reported with a conventional/sustainable farming practice, but: (1) such acreage had an organic plan from a certifying agent in effect, and (2) there is an organic premium rate factor on the actuarial for the crop and county, then the acreage report must be revised to show the acreage insured under the organic farming practices.
 - (c) If acreage was reported as organic, but: (1) An organic plan was not in effect from a certifying agent (without a plan the acreage does not meet the policy definition of "organic farming practice"), and (2) there is an organic premium rate factor on the actuarial, the acreage report must be revised to show the acreage insured under the conventional rates (conventional/sustainable farming practice) and uninsured causes may apply.
 - (d) All other rules for revised acreage reports apply. Refer to PART 2, Section 3 herein.

D Frequent Questions and Answers

Question 1: If an **insured** grows both **conventional/sustainable** and organic, are they required to insure both if there are organic premium rates in the county?

Answer 1: YES, it is not an option; all insurable acreage must be insured.

Question 2: Could **insureds** choose to insure everything under the conventional **premium** rates even though there are organic **premium** rates in the county? (Uninsured cause appraisals applied if appropriate.)

Answer 2: NO, if the acreage is grown using "organic farming practices" and under an organic plan in effect from a certifying agent, it must be insured as organic.

Question 3: Could **insureds** choose to insure the conventional crop under the conventional rate and decline coverage for the organic?

Answer 3: NO, it is not an option; all insurable acreage of the crop must be insured.

Question 4: Could **insureds** choose to decline coverage for the organic acreage if there weren't any organic **premium** rates in the county?

Answer 4: If organic premium rates are not on the actuarial table, and:

- (1) Acreage is under an organic plan in effect from a certifying agent; **such acreage would** only be insured by an approved written agreement, which would provide for the organic premium rate. If a written agreement was NOT approved, the crop acreage would NOT be insured; or
- (2) An organic plan was not in effect from a certifying agent for the acreage, **such** acreage does not meet the policy definition of "organic farming practice" and would, therefore, be insured under the conventional rates and uninsured causes may apply.

Question 5: Could **insureds** choose to insure everything under the conventional rate if there were no organic **premium** rates in the county? (Uninsured cause appraisals applied if appropriate.)

Answer 5: See answer 4 above.

Question 6: Under what circumstance, if any, would Section 8 (b) (1) of the Basic Provisions be applied? (e.g., Insurance will not be provided at all, under any rate, for the "organic" acreage even if the producer wants. In other words, when is the "organic" acreage uninsurable, Section 8 (b) (1), versus when would it be insured under the conventional rate but uninsured cause appraisals applied if appropriate?)

Answer 6: Section 8 (b) (1) of the Basic Provisions may be applicable at any time the Insurance Provider determines "the farming practices carried out are not in accordance with the farming practices for which the premium rates, production guarantees, or amounts of insurance have been established." This determination should be made when a crop type, class, variety or condition under which the crop is planted, are not generally recognized for the area. (For example where **organic** agricultural experts determine planting non-irrigated corn following a failed small grain crop is not appropriate for the area).

In addition, for crop acreage that has an organic plan in effect from a certifying agent:

- (a) Such acreage cannot be insured as conventional with or without organic premium rates being shown on the actuarial documents.
- (b) If no organic premium rates are shown, such acreage is insurable only by written agreement.
- (c) If organic premium rates are shown and it is reported as conventional, it would be treated as a misreported practice and the acreage report must be revised to show the crop is insured as organic. Such acreage is subject to adjustment for the proper premium rate, possible yield adjustment (separate APH for organic and transitional) and the lowest liability would apply.
- (d) If the producer is following organic practices but the acreage does not qualify because an organic plan from a certifying agent is not in effect, the acreage would be insured under the conventional practice and may be subject to uninsured causes of loss appraisals.

SECTION 7 INSURABLE ACREAGE

44 VERIFYING INSURABLE ACREAGE

- A The adjuster must verify that the acreage on which the crop is planted is insurable, in accordance with the policy provisions, and if applicable, the Special Provisions. If uninsurable acreage is detected, notify your next level of supervision, and document on a Special Report the reason why the acreage is uninsurable.
- B In accordance with the Basic Provisions (unless specified otherwise in the crop provisions or Special Provisions), all acreage planted to the insured crop in which the insured has a share is insurable except acreage:
 - (1) That has not been planted and harvested or insured (including insured acreage that was prevented from being planted (NAP coverage is not considered insured acreage)) in at least one of the 3 previous crop years, unless the insured can show that:
 - (a) Such acreage was not planted:
 - 1 →ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004, or later: In at least two of the previous three crop years ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004, or later.←to comply with any other USDA program;
 - 2 Because of crop rotation, (e.g., corn, soybean, alfalfa; and the alfalfa remained for 4 years before the acreage was planted to corn again);
 - 3 Because a perennial tree, vine, or bush crop was grown on the acreage; or
 - (b) The Crop Provisions or a Written Agreement specifically allow insurance for such acreage;

- (c) Such acreage constitutes five percent or less of the insured planted acreage in the unit;

- (2) That has been strip-mined, unless otherwise approved by written agreement, or unless an agricultural commodity other than a cover, hay, or forage crop (except corn silage), has been harvested from the acreage for at least five crop years after the strip-mined land was reclaimed.
- (3) For which the actuarial documents do not provide the information necessary to determine the premium rate, unless insurance is allowed by a written agreement;
- (4) On which the insured crop is damaged and it is practical to replant the insured crop, but the insured crop is not replanted;
- (5) That is interplanted, unless allowed by the crop provisions;
- (6) That is otherwise restricted by the crop provisions or Special Provisions; or
- (7) That is planted in any manner other than as specified in the policy provisions for the crop, unless a Written Agreement to such planting exists.
- (8) Of a second crop if the insured elects not to insure such acreage when an indemnity for a first insured crop may be subject to reduction in accordance with Section 15 of the Basic Provisions and the insured intends to collect an indemnity payment that is equal to 100 percent of the insurable loss for the first insured crop acreage. This election must be made on a first insured crop unit basis. For example, if the first insured crop unit contains 40 planted acres that may be subject to an indemnity reduction, then no second crop can be insured on any of the 40 acres. Refer to Section 9 of this handbook for additional information regarding first insured crop, second, and subsequent crops.
- (9) Of a crop planted following a second crop or following an insured crop that is prevented from being planted after a first insured crop, unless it is a practice that is generally recognized by agricultural experts or the organic agricultural industry for the area to plant three or more crops for harvest on the same acreage in the same crop year, and additional coverage insurance provided under the authority of the FCIC Act is offered for the third or subsequent crop in the same crop year. For additional information regarding third or subsequent crops, see Section 9.
- C Refer to PAR. 40 about restrictions regarding irrigated acreage.
- D Insurable acreage may be restricted to the amount allowed under any acreage limitation program established by the United States Department of Agriculture if USDA (RMA) notifies the insurance provider and in turn the insurance provider notifies the insured by the sales closing date.
- E Acreage Under Contract With a Processor (APH CROPS ONLY)

- (1) General Information

Several crop policies require that a processor contract be in effect for the crop to be eligible for insurance. There are three types of processor contracts, as follows:

(a) Acreage contracts,

An acreage processor contract states the amount of acreage to be planted by the producer and that the processor agrees to purchase all production from this acreage meeting the requirements as stated in the contract.

(b) Production contracts, or

A production processor contract states a specific amount of production to be grown by the producer and that the processor agrees to purchase all production (up to the specified amount) meeting the requirements of the contract.

(c) A combination of acreage/production contracts.

An acreage/production processor contract specifies a combination of acreage and production requirements.

Most crop provisions require all processor contracts to be executed not later than the acreage reporting date for the insured crop. Refer to the individual crop provisions.

(2) Determining Insurable Acreage Under a Processor Contract

To determine insurable acreage under a processor contract, apply the following:

(a) For an acreage processor contract, specifying a minimum number of acres, maximum number of acres, or both, the insurable acreage will be:

- 1 Zero, if the producer plants less than the minimum acreage stated in the contract and the contract contains no provision that makes the processor liable to accept the production and the producer cannot provide documentation confirming that the processor will accept the lesser amount; or
- 2 The lesser of the planted acres or maximum number of acres specified in the contract.

(b) For a production processor contract, the insurable acreage will be the planted acres.

(c) For an acreage/production processor contract, apply E (2) (a) above.

(3) Total Production Guarantee on Insurable Acreage

To determine the total production guarantee, apply the lesser of the:

- (a) Contracted acres multiplied by the production guarantee (per acre);
- (b) Planted acres multiplied by the production guarantee (per acre);
- (c) Total production stated in the contract; or
- (d) For acreage/production contracts, the contracted acres multiplied by the contracted production per acre.

(4) Indemnity Payment Calculation

An indemnity payment will be made only if the total production to count for the insurable acreage falls below the Total Production Guarantee for the insurable acreage (as established above) for the respective unit.

F Examples of different situations.

The following provides questions that describe different situations with answers of whether the acreage is insurable. These situations assume that the acreage otherwise is insurable under the terms of the crop insurance provisions and the actuarial material (e.g., there is no uninsurable land designated in the actuarial tables).

- Q 1: What acreage is reported as insurable when the processor contract states that the processor will accept the production from a specific number of acres and the insured plants more than this amount?
- A 1: The acreage reported as insurable will be the acreage stated in the processor contract. The remaining acreage must be reported as uninsurable. See question # 4 for instructions on processing a claim for indemnity.
- Q 2: What acreage is insurable when the processor contract states a minimum or a maximum number of acres, or both?
- A 2: If a minimum number of acres is specified and the insured fails to plant this amount, and the contract contains no provision that makes the processor liable to accept the production, there is no contract and thus no insurable acres. If a maximum number of acres is specified, the acreage to be reported as insurable is planted acres, not to exceed the maximum. Planted acres that exceed the maximum are to be reported as uninsurable. If both a minimum and a maximum are specified, the same rules as stated above apply. For prevented planting purposes, the minimum number of acres stated in the contract will be used if both a minimum and a maximum are specified.
- Q 3: If the insured plants more acres than are stated in the processor contract and the processor is willing to accept the production from the additional acreage, can the processor amend the contract, and is the additional acreage insurable?
- A 3: Unless otherwise specified in the crop provisions, the contract can be amended to add the acres prior to or on the acreage reporting date, and the additional acreage will be insurable. If the contract is amended after this date, the additional acreage may not be reported as insurable.
- Q 4: How will the production to count be determined in situations when the insured plants more acreage than what is insurable under the crop provisions, and there is no way to distinguish prior to harvest what the insured acreage and what the uninsured acreage was? For example: The insured has a contract with a processor for 80 acres, but the insured plants 90 acres of the insured crop within the same field. At harvest time, the insured harvests 80 of the 90 acres selected by the processor (10 of the planted acres were by-passed by the contractor). If the insured and uninsured acreage were in separate fields, this would not apply unless acreage from both fields were harvested to fulfill the 80 acres under contract.

- A 4: **The 10 uninsurable acres that were by-passed by the contractor and left unharvested will be appraised.** Then the total production (harvested and appraised) from all planted acreage (whether reported as insurable or uninsurable within each unit will be divided by the number of planted acres to establish the average yield per acre. This yield per acre will then be multiplied by the insured acreage to determine the production to count for the claim and subsequently for APH purposes. This approach eliminates the need to determine which acreage is the insurable acreage (e.g., 40 acres specified in the processor contract and 45 acres planted).
- Q 5: If the processor contract does not state the insured's name, is the crop considered as being under contract?
- A 5: In most instances, the processor contract must contain the name or names of each individual whose production will be accepted under the processing contract. However, in some cases a person's name may not be listed on the contract even though their share of the production is considered to be under contract by the processor.
- In these instances, if the insurance provider can verify that the production will be accepted under the processor contract, then the insurance provider can consider all production under this contract as insurable. Verification that the production is under contract should be documented and maintained in the insurance file.
- Q 6: If the processor contract stipulates both the number of acres to be planted and the amount of production to be delivered, which unit division guidelines are effective?
- A 6: Acreage insured to fulfill a processor contract which provides that the processor will accept a designated amount of production or a combination of acreage and production will not be eligible for optional units, unless specified otherwise in the crop provisions or Special Provisions; e.g., Green Pea Crop Provisions state that optional units for green peas may be established based on shell type and pod type. **If the insurance provider verifies that the processor will take all of the production from the listed acres in the processor contract, the insured acreage would be eligible for optional units.**
- Q 7: If a producer contracts with more than one processor and plants the crop in one or more fields, how does the insurance provider know what acreage is covered by which processor contract?
- A 7: The producer must designate on the acreage report on or before the acreage reporting date, what acreage is under which contract (i.e., the 10 acres in the south part of the field is covered under processor A, the 15 acres in the middle of the field is covered under processor C).
- Q 8: What acreage is insurable when the contract contains both an acreage and production figure and the insurance provider verifies that the processor will take all of the production from the listed acres in the processor contract; particularly if harvested production exceeds the production figure listed in the contract?
- A 8: All acreage specified in the contract will be insurable.
- Q 9: What if the processor contract allows for an acreage tolerance of XX%? Is the insurable acreage still the stated acreage figure on the contract, or can it be increased not to exceed the acreage percentage tolerance?

- A 9: The insurable acreage would be up to the amount stated with the tolerance applied. For example, if the stated acres were 100 acres with a tolerance of 5%, then the insurable acres could be up to 105 acres.

SECTION 8 INSURED CROP

45 VERIFYING INSURED CROP

A The Basic Provisions state the following:

- (1) The insured crop will be that shown on your accepted application and as specified in the Crop Provisions or Special Provisions and must be grown on insurable acreage.
- (2) A crop which will NOT be insured will include, but will not be limited to, any crop:
 - (a) That is not grown on planted acreage (except for the purposes of prevented planting coverage), or that is a type, class, or variety; or where the conditions under which the crop is planted are not generally recognized for the area (For example, where agricultural experts determine that planting a non-irrigated corn crop after a failed small grain crop on the same acreage in the same crop year is not appropriate for the area.);
 - (b) For which the information necessary for insurance (price election, premium rate, etc.) is not included on the actuarial documents, unless such information is provided by a written agreement;
 - (c) That is a volunteer crop;
 - (d) Planted following the same crop (insured or not insured) on the same acreage and the first planting of the crop has been harvested in the same crop year unless specifically permitted by the Crop Provisions or the Special Provisions;
 - (e) That is planted for the development or production of hybrid seed or for experimental purposes, unless permitted by the Crop Provisions or by written agreement to insure such crop (If experimental seed is planted, it would be considered planted for experimental purposes.); or
 - (f) That is used solely for wildlife protection or management. If the lease states that specific acreage must remain unharvested, only that acreage is uninsurable. If the lease specifies that a percentage of the crop must be left unharvested, the insured's share will be reduced by such percentage.

EXAMPLE 1: The insured farms 100 acres and has 100 percent share. The lease specifies that 10 acres will be left unharvested for wildlife, but the location of the 10 acres is not specified in the lease and is not specified on the acreage report. In this situation the insurable acres is 100 acres at 90 percent share.

EXAMPLE 2: The insured farms 100 acres and has 100 percent share. The lease does not specify the location of the 10 acres that will be left

unharvested for wildlife but the insured specifies on the acreage report the specific location of the 10 acres in the field(s) that will be left for wildlife and reports these as uninsured acres. In this situation, the insurable share is 100 percent on 90 acres.

EXAMPLE 3: The insured farms 100 acres and has 100 percent share. The lease specifies the exact location in the field(s) the 10 acres will be left unharvested for wildlife. The remaining 90 acres are the insured acres and the insurable interest is 100 percent. If the insured did not report this correctly on the acreage report, the acreage report is to be revised to reflect the correct acres and share of these acres.

(g) Although certain policy documents may state that a crop type, class, variety, or practice is not insurable, it does not mean all other crop types, classes, varieties, or practices are insurable. To be insurable, the crop type, class, variety, or practice must meet all the conditions as stated in A above.

B The Crop Provisions or Special Provisions:

The applicable crop provisions or Special Provisions for the applicable crop and county may have additional reasons why the crop would not be insured.

C Loss Adjustment Verification

- (1) Verify whether the crop is insured in accordance with the policy as stated above.
- (2) When the adaptability of the seed or plant type/variety to the area is questionable (e.g., varieties not commonly produced in the area), consult with agricultural experts or organic agricultural industry, as applicable. Refer to Exhibit 1 for definition of "Agricultural expert" to determine who constitutes agricultural experts. Document your findings.
- (3) If it is determined that the crop or part of the crop acreage is not insurable, the acreage report must be revised to show such acreage as uninsurable acreage.

SECTION 9 FIRST, SECOND, AND SUBSEQUENT CROPS PLANTED ON SAME ACREAGE IN THE SAME CROP YEAR

In accordance with the Agricultural Risk Protection Act of 2000, Section 508a of the Federal Crop Insurance Act was amended and subsequently the Basic Provisions were amended to limit indemnity payments on the same acreage in the same crop year, except as allowed for acreage that qualifies for double-cropped acreage, as defined in the Basic Provisions.

The following definition applies ONLY to PAR.'s 46-52 as they relate to first/insured crop acreage:

Insurable loss: For the purpose of determining whether payment reductions will apply to first insurable crop acreage, an insurable loss is considered to have occurred for a second crop when the insured accepts an indemnity payment on the second crop.

46 FIRST INSURED CROP PLANTED AND SECOND CROP

If there is an insurable loss on the first insured crop acreage, except in the case of double cropping as stated in PAR. 49 below, the following applies:

A General Information

- (1) A second crop does not include replanting of first crop acreage to the same first crop.
- (2) Forage production and other insured perennial crops are considered a first insured crop. Although forage and other perennial crops may not be planted each year, they are the first insured crop.
- (3) If an insured plants and insures skip-row cotton, it fails, and grain sorghum is planted in the rows that were not planted to cotton, the grain sorghum is still considered the second crop for this acreage.
- (4) The first insured/second crop rules apply to certified seed potatoes and malting barley the same as they do to other crops such as regular potatoes and feed barley.
- (5) Insurance providers should make insureds aware that an insured's election not to insure acreage of a second crop may affect any linkage requirement for FSA program participation. Disaster payments are administered by FSA and they will determine the impact of not insuring a second crop. GRP and AGR are acceptable for meeting any linkage requirements.
- (6) When a policyholder elects to not insure second crop acreage, the acreage and production from such acreage is not included for APH purposes for subsequent years except when it is commingled with production from insured acreage. Refer to the CIH for procedures regarding commingled production.
- (7) Insurance providers do not have the option of denying the additional first insured crop indemnity when no indemnity is paid for second crop acreage if all policy provisions are met. Insurance providers should handle late notices of loss in accordance with current policy and procedures.
- (8) Some insurance providers have developed forms that allow the insured to elect to not plant an insured second crop, plant an insured second crop but not insure it, or plant an insured second crop and waive the indemnity on the second crop if the first crop indemnity is greater than the second crop indemnity but if it is not, then the indemnity for the second crop will not be waived.

B Insured's Options

- (1) **Not plant a second crop** on the same acreage for harvest in the same crop year and receive 100 percent of indemnity due for the first insured crop acreage.
- (2) **Plant but not insure a second crop** on the same acreage for harvest in the same crop year. For this situation, the following applies:
 - (a) This decision is on a first insured crop unit basis. If the insured has multiple units of the first insured crop, the election to insure second crop acreage is made separately for each of the first insured crop units and applies to ALL

acreage in the unit, unless double-cropping provisions apply in which case, the second crop acreage meeting the double-cropping-history requirements must be insured.

- (b) If a second crop will be planted after first insured crop acreage is harvested, the insured must make the election to not insure the second crop acreage by the earlier of the acreage reporting date for the second crop or when the insured signs the claim for the first insured crop.
- (c) Insureds must be permitted to elect not to insure second crop acreage even if it is not certain the first insured crop unit will have an indemnity due (for example: under the GRP, it may not be known whether there is an insurable GRP loss until well after the second crop is planted). The provisions allowing the insured not to insure second crop acreage is designed to protect any first insured crop indemnity from required reductions when a second crop is insured. Therefore, to allow insureds to protect a potential indemnity for a first insured crop, the insured must be permitted to make this election before knowing the first crop's loss outcome.
- (d) When a portion of a first insured crop unit's acreage is appraised at less than the guarantee and released to plant a second crop, an insured must be permitted to elect not to insure the second crop acreage even when it is not known there will be a loss on the first insured crop unit.
- (e) The insured will collect 100 percent of indemnity due for the first insured crop acreage, provided:
 - 1 **Written notice is provided** by the insured to the insurance provider stating that the insured **elects not to insure** acreage of a **second crop**.
 - a Written notice must be provided at the time the first insured crop acreage is released ^{1/} by the insurance provider, or if the first insured crop is insured under the Group Risk Protection plan of insurance, before the second crop is planted.

^{1/} If second crop acreage is to be planted after first insured crop acreage that suffers an insurable loss is harvested, the election to not insure the second crop should be made the earlier of the acreage reporting date for the second crop, or when the claim is signed by the insured for the first insured crop.
 - b A Written Notice can be considered a statement on: (1) the Production Worksheet (PW), (2) an attachment to the PW (e.g., Special Report), or (3) a form developed by the insurance provider for this purpose that states the insured elects to not insure the second crop. In all cases the insured must sign and date the Written Notice by the time stated in (e) 1 a above.
 - 2 If the insured fails to provide such notice, the second crop acreage will be insured in accordance with policy provisions (the same as (3) below), and the insured must repay any overpaid indemnity for the first insured crop.

- a If the insured had control of the land (owns or leases the land for the entire crop year) and elected in writing not to insure any second crop acreage, but subsequently planted second crop acreage that is insured crop acreage, the acreage report must be revised to remove the second crop acreage as insurable acreage and show such acreage as uninsured acreage on the acreage report. This is because the insured had previously elected not to insure the second crop acreage.
- b On the other hand, if insured A has elected in writing that a 2nd crop will not be insured on the same acreage as the 1st insured crop was planted, but insured A does not own or have control of the land and someone else (insured B) plants an insured crop (2nd crop) that suffers a loss on this same acreage, insured A will be limited to 35% indemnity on the 1st crop acreage because a 2nd crop was planted on the acreage on which insured B collected an indemnity.

(f) The insured must report in the area for uninsurable acreage on the applicable acreage report, the second crop acreage planted on first insured crop acreage (within the same crop year) that will not be insured as uninsurable acreage.

(3) **Plant and insure the second crop** on the same acreage (as the first insured crop was planted) for harvest in the same crop year. For this situation, the following applies:

- (a) If the second crop acreage is planted and insured with a different insurance provider, the insured must provide written notice to each insurance provider that a second crop was planted on acreage on which the insured had a first insured crop.
- (b) If there is an insurable loss on the second crop acreage and the insured has not waived the indemnity for the second crop acreage, the insured will:
 - 1 Receive 100 percent of the indemnity due for the second crop acreage. The insured will pay the full premium (producer-paid premium) for the second crop acreage. Subsequent crops planted on the same acreage within the same crop year will not affect the indemnity of the second crop acreage;
 - 2 Collect an indemnity payment that is 35 percent of the insurable loss for the first insured crop acreage;
 - 3 Owe 35% of the premium (producer-paid premium) for the first insured crop acreage having a second crop planted on it.
- (c) If the insured's option was to plant second insured crop acreage but: (1) no crop is planted, (2) the acreage is planted to a crop not insured, or (3) the insured second crop acreage does not suffer an insurable loss:
 - 1 The insured should request to receive the remainder (65 percent) of the first insured crop indemnity that was not previously paid. However, if the insured does not request such payment, the insurance

provider should contact the insured for follow-up to determine the status of any second crop. For most situations, this should be done on or before the billing date for the first insured crop.

- 2 If the insured certifies there is no second crop loss on the same acreage on the first insured crop unit, or the insurance provider otherwise verifies there is no second crop loss, then the remainder (65 percent) of the first insured crop indemnity must be paid to the insured, and if the entire premium is not offset by the indemnity, a bill for the remaining premium is sent. Payment of the indemnity should be made in accordance with the 30-day provisions in the policy, unless the insurance provider is unable to verify whether an insured loss occurred to the second crop. It is the insured's responsibility to provide sufficient documentation to the insurance provider.
- 3 The insured does not have the option to avoid payment of the additional premium for the first insured crop by refusing the remaining 65 percent of the indemnity owed for the first insured crop.
- 4 Insurance providers may make payment of the additional indemnity for the first insured crop before announcement of the harvest price for revenue plans of insurance, or they may choose to wait until after the announcement to avoid making two additional payments.

(d) If the second crop acreage planted is insured and has an insurable loss:

- 1 The insurance provider must adjust the loss on the second crop (after receiving notice) and give the insured the option to accept or reject the second crop indemnity. It is possible for the insured to decline any second crop loss indemnity without the insurance provider conducting loss adjustment. If the second crop is insured with a different insurance provider, the insurance provider for the first insured crop may use claim documents from the other insurance provider to show there was a loss for the second crop acreage. It is the insured's responsibility to obtain copies of such documentation and provide it to the insurance provider for the first insured crop.
- 2 The insured may elect not to accept the second crop indemnity payment up until the time they would cash the second crop indemnity payment check, if one was issued.
- 3 Insurance providers may elect whether or not the loss adjuster will calculate indemnity payments for policyholders to assist them in determining whether to accept the additional 65% first crop indemnity (less 65% premium), or accept the second crop indemnity.
- 4 And the insured waives the indemnity or does not cash the indemnity check for the second crop acreage, the insured will:
 - a Collect an indemnity payment for the other 65 percent of insurable loss that was not previously paid for the first insured crop; and
 - b Be responsible for paying the remainder of the premium for the first insured crop.

5 If an insured rejects the second crop indemnity, insurance providers shall use normal procedures to show claim closure with an indemnity due but rejected by the insured. Second crop indemnities must be rejected on a unit basis except where double cropping history is applicable to a portion of the acreage in the unit, in which case the insured can accept the loss payment for acreage eligible for the double-cropping exemption and reject the loss on acreage not eligible for the exemption.

(e) Separate records of production

1 If the first insured crop suffers a loss, the insured must provide separate records of production for all insured crops planted on the same acreage as the first insured crop. Those records acceptable for loss adjustment purposes are acceptable as documentation for separate production from acreage that is and is not planted to a second crop.

EXAMPLE: The insured has an insurable loss on 100 acres of wheat and subsequently plants cotton on 10 acres of that wheat acreage. The insured must provide records of the wheat **and** cotton production on that 10 acres separate from any other wheat and cotton production that may be planted in the same unit.

2 If the insured fails to provide separate records, the production of each crop will be allocated to the acreage in proportion to the liability of the acreage.

C Possible Impacts on Companion Contracts

Situations may exist where different policyholders sharing an insurable interest on the same acreage might be such that one entity could have a greater loss amount on the first insured crop acreage but the other entity has a greater loss amount on the insured second crop acreage. Different levels of coverage, different APHs, or different insurance plans, etc., between landlords, tenants or other sharing parties may cause this situation to occur. The following scenarios illustrate this.

Scenario 1: Both the landlord and the tenant have insurance policies in effect for both the first insured and second crops and neither qualify for double-crop exemption. One insured has CAT level of coverage, while the other has additional coverage.

Landlord/Tenant

LANDLORD FIRST INSURED CROP		TENANT FIRST INSURED CROP		
CAT Policy	No Loss	Buy-up Policy	\$10,000 Loss	35% = \$3,500
LANDLORD INSURED SECOND CROP		TENANT INSURED SECOND CROP		
Buy-up Policy	\$10,000 Loss	CAT Policy		No Loss

The landlord did not have a first insured crop loss. Therefore, the landlord would not have the option to decline insurance on the second crop. Even though the tenant did not have an insured second crop loss, the landlord did. The tenant would be restricted to \$3,500 (35% of the first insured crop loss) if the landlord accepted the \$10,000 second crop indemnity.

Scenario 2:

LANDLORD FIRST INSURED CROP			TENANT FIRST INSURED CROP		
CAT Policy	\$500 Loss	35% = \$175	Buy-up Policy	\$10,000 Loss	35% = \$3,500
LANDLORD INSURED SECOND CROP			TENANT INSURED SECOND CROP		
Buy-up Policy	\$10,000 Loss		CAT Policy	\$500 Loss	

The landlord and tenant will each receive at least 35% of their insured share of any first insured crop loss. Each would have the option to waive insurance on the second crop. Prior to knowing the outcome of the second crop, each may have been given the opportunity to request the insurance provider to calculate and then pay the greatest possible indemnity for both crops as allowed by the policy provisions (refer to item A (8) above). In certain situations, this may mean waiving a second crop indemnity in order to be eligible for the remaining 65% first insured crop indemnity. However, once any entity is indemnified for an insured second crop loss on the same acreage, all entities with an insurable interest in the first insured crop will be limited to 35% of their insured share of any payable loss. PRECEDENCE IS BASED ON WHETHER ANY INSURED ACCEPTS A SECOND CROP INDEMNITY. If the landlord is indemnified (\$10,000) for their second crop loss, the greatest possible indemnity allowed by the policy provisions for the tenant from both crops would be \$4,000 (\$3,500 which is 35% of their insured share of the first insured crop loss plus \$500 from the second crop).

Thirty-five percent (35%) of any first insured crop indemnity plus any insured second crop indemnity IS the greatest possible indemnity outcome allowed by the policy provisions for all insured entities sharing in the first insured crop if ANY entity is indemnified on second crop acreage.

47 FIRST INSURED CROP PREVENTED FROM PLANTING AND SECOND CROP

Refer to the PP Handbook for additional 1st insured /2nd crop information relating specifically to PP claims.

48 ADDITIONAL INFORMATION ABOUT REDUCTION OF PAYMENTS AND PREMIUM DUE TO SECOND CROP

Except in the case of double cropping as described in PAR. 49 below, the following applies:

A Another Person Plants Second Crop Acreage

- (1) Even if another person plants a second crop on acreage where the **first insured crop was planted and suffered a loss and the second crop is insured and suffers an insurable loss**, the indemnity payment for first **insured** crop acreage will be 35% of indemnity **due for the first insured crop acreage**.

For example: Insured AA plants **2005** corn and receives an indemnity. Insured AA then cash rents this acreage to Insured ZZ who plants insured soybeans on this same acreage. Insured AA must notify his/her insurance provider and must notify Insured ZZ's insurance provider that a second crop was planted on acreage on which he/she (Insured AA) had a first insured crop.

(2) If the first insured crop is planted, is shared with another person or other people, and the crop suffers a loss, each of the shareholders can decide whether they want to insure a second crop that is planted on the same acreage independently of each other. However, if the second crop suffers a loss and the person or any one of the people who chose to insure the second crop accepts their indemnity check, the first insured crop indemnity will be limited to 35% for all shareholders.

*** (3) If the **first insured crop acreage was planted acreage** and the second crop acreage does not suffer a loss or is not insured, 100% of indemnity of the first **insured** crop acreage will be applicable.

(4) For prevented planting, refer to the Prevented Planting Handbook.

B First insured crop acreage that is cash rented by another person who plants a crop on this acreage

(1) Cash rent, as used in PAR. 48 means cash renting for agricultural use (growing a crop, haying, grazing, etc.) This does not apply when the acreage is cash rented for a non-agricultural use; e.g., hunting.

(2) The crop that is planted by the person cash renting the acreage is considered the second crop for both the person having the first insured crop, and is also considered the second crop for the person that cash rented the acreage and planted a crop on this acreage.

(3) Another person planting the second crop cannot choose not to insure the acreage if the second crop is an insurable crop and that person has an active policy for this crop in the county. This is because **only** the insured that had the first crop indemnity may elect to not insure any second crop acreage to preserve 100% of his/her first crop indemnity.

49 **INDEMNITY PAYMENT AND PP PAYMENT AS THEY RELATE TO DOUBLE-CROPPING HISTORY**

A Receive a full Indemnity Payment or PP Payment When these Conditions Exist

The insured may receive a full indemnity payment or PP payment IF ALL of double cropping qualifications are met, as stated in section B below, and the:

(1) First insured crop was PP and the second crop is planted on the same acreage in the same crop year, regardless of whether or not the second crop is insured or sustains an insurable loss;

(2) First insured crop was PP and the subsequent insured crop is prevented from planting on the same acreage in the same crop year (cannot call the subsequent PP crop a second crop since it is not a planted crop; refer to definition of second crop);

(3) First insured crop is planted and the subsequent insured crop is prevented from planting on the same acreage in the same crop year (cannot call the subsequent PP crop a second crop since it is not a planted crop; refer to definition of second crop); or

(4) The first planted crop for the crop year is uninsured but insurance is available for the uninsured crop (refer to footnote in B (4) below) and a subsequent insured crop

is prevented from planting on the same acreage in the same crop year (cannot call the subsequent PP crop a second crop since it is not a planted crop; refer to definition of second crop);

B Double Cropping Criteria

IF all of the following conditions are met, the insured qualifies for double cropping history:

- (1) It is a practice that is generally recognized by agricultural experts or the organic agricultural industry in the area to plant the second crop for harvest following harvest of the **first insured crop**;
- ***
(2) Additional coverage insurance offered under the authority of the Act is available in the county for two or more crops that are double cropped (insured is not required to have additional coverage to qualify ^{1/});

^{1/} The two crops claimed as qualifying double-cropped acreage for the current crop year, must both be “insurable” in the current crop year in order to qualify as double-cropped acreage; i.e., insurance offered under the authorization of the ACT is AVAILABLE in the county for both crops. Available means that a Federal crop insurance program is offered for the insured crop in the county by either having: (1) actuarial documents on file for the crop in the county (crop not required to be insured), or (2) if no actuarial documents are on file for the crop in the county, the crop is insured via a written agreement.

EXAMPLE: wheat planted for harvest as grain would have insurance available under the ACT, but wheat planted for haying purposes would not. For the purpose of determining double-crop history, both crops do not have to have been insurable or insured in prior years; e.g., for the current crop year, the first insured crop is wheat, and the second crop is soybeans. Prior year records show wheat is followed by carrots in at least two of the last four crop years. If soybeans are planted on the PP wheat acres, the PP wheat acreage qualifies for double-cropping (entitled to 100% PP payment) due to the fact that there was double-cropping history for carrots, which is not a crop for which insurance is available.

- (3) The insured provides records acceptable to the insurance provider of acreage and production that show the insured has double cropped acreage in at least two of the last four crop years in which the **first insured crop**^{1/} was planted, or that show the applicable acreage was double cropped in at least two of the last four crop years in which the first insured crop was grown on it. Acceptable records that would show double cropping history would include, but is not limited to: Insured’s APH records (production and acres), crop appraisals for the Federal crop insurance program (production and acres), production from settlement sheets (insured has identified the unit/acreage from which the production has come) or bin measurements, and FSA maps and FSA-578 identifying the acres; and

^{1/} If an insured crop is planted prior to the PP crop, then the double-cropping history must be determined based on the first insured crop, not the subsequent PP crop. If the first insured crop is the subsequent crop planted on the same acreage in the same crop year as the uninsured crop, the double crop records are based on the subsequent crop (first insured crop). Refer to examples below.

CLARIFICATION: Potential production from appraised acreage (including acreage by-passed by a processor) of an insured crop would meet the requirement

for records of acreage and production that show double-cropping history, provided it also meets the criteria in (1) above. Short-rated wheat acreage cannot be considered for double-cropping history since such acreage is not appraised and does not meet the criteria in (1) above.

- (4) The amount of acreage the insured is double cropping in the current crop year does not exceed the number of acres for which the insured provides records, as required in (3) above.

C Double cropping history is specific to the county/policy in which the PP claim is being made.

D EXAMPLES OF DOUBLE-CROPPING ELIGIBILITY

EXAMPLE 1: A producer on Farm A had double cropped 300 acres of wheat and soybeans three years ago. This same producer on Farm B (same county) had double cropped 300 acres of wheat and soybeans the previous year. These are the only double cropping records this producer has for the last four crop years. This insured would be eligible for 300 acres of double cropping wheat and soybeans for the current crop year in this county.

EXAMPLE 2: A producer on Farm A had double cropped 200 acres of wheat and soybeans for one year out of the last four crop years and for another year out of the last four crop years, the same producer double cropped 200 acres of wheat and sunflowers on Farm B (same county). The insured would be eligible for 200 acres of double cropping wheat.

EXAMPLE 3: An insured has 50 acres of proven double cropping somewhere in the county and the insured's unit structure is an Enterprise unit with different fields and different APHs, which 50 acres will be considered the double cropped acreage that the insurance provider pays 100% on the first insured crop acres on which a second crop is planted? The insured has the choice of whichever 50 acres, he/she desires.

EXAMPLE 4:

<p>First insured Crop for 2005 crop year: Wheat Planted</p> <p>History:</p> <p>1999 CY 100 acres of wheat harvested 2000 CY 200 acres of wheat harvested 2001 CY 0 acres of wheat planted 2002 CY 0 acres of wheat planted 2003 CY 300 acres of wheat; not harvested/not appraised. 2004 CY 0 acres of wheat planted.</p>	<p>Subsequent insured crop in the 2005 crop year is PP Soybeans</p> <p>History:</p> <p>1999 CY 100 acres of soybeans planted on wheat acreage. 2000 CY 200 acres of soybeans planted on wheat acreage. 2001 CY 300 acres of soybeans planted 2002 CY 250 acres of soybeans planted 2003 CY 300 acres of soybeans planted on wheat acreage 2004 CY soybeans planted</p>
<p>Based on the first insured crop wheat, the insured has 100 acres of double cropping history in two out of the past four crop years of the first insured crop. You cannot count 2003 as a double cropping year because the unharvested wheat acreage was not appraised.</p> <p>In the four years wheat was planted, there were two years in which wheat was followed by soybeans – 1999 and 2000, and out of those two years, only 100 acres were planted in both of those years. Two hundred acres could not qualify as the double-cropped acreage because 200 acres of soybeans were not planted in both years, but 100 acres were.</p>	

EXAMPLE 5

<p>First Crop Planted for 2005 crop year:</p> <p>Wheat Planted but not insured (insurance is available for wheat in this county.)</p> <p>History:</p> <p>1999 CY 100 acres of wheat harvested 2000 CY 200 acres of wheat harvested 2001 CY 0 acres of wheat planted 2002 CY 0 acres of wheat planted 2003 CY 300 acres of wheat; not harvested/not appraised. 2004 CY 0 acres of wheat planted.</p>	<p>First insured crop for 2005:</p> <p>Subsequent insured crop in the 2005 crop year is PP Soybeans and is the first insured crop.</p> <p>History:</p> <p>All soybean acreage planted below was harvested.</p> <p>1999 CY 100 acres of soybeans planted on wheat acreage. 2000 CY 200 acres of soybeans planted on wheat acreage. 2001 CY 300 acres of soybeans planted 2002 CY 250 acres of soybeans planted 2003 CY 0 acres of soybeans planted on wheat acreage 2004 CY 0 acres of soybeans planted</p>
<p>Based on the first insured crop (soybeans), the insured has only 100 acres of soybean double-cropping history because there is only 100 acres of double cropping history in two out of the past four crop years of the first insured crop, soybeans.</p> <p>In the last four years of the first insured crop soybeans, there were two years that soybeans were planted and harvested in the same crop year that wheat was planted and harvested – 1999 and 2000, and out of those two years, only 100 acres were planted in both of those years. Two hundred acres could not qualify as the double-cropped acreage because 200 acres of soybeans were not planted in both years.</p>	

EXAMPLE 6:**Total cropland 2545.9:**

In 2005, the insured planted, reported, and harvested 399.9 acres of insured winter (fall-planted) wheat.

Question: Based on the following history, what amount of soybean acreage would be eligible for a 100% payment due to the double-cropping history?

CROP HISTORY FROM INSURED'S RECORDS OR APH RECORDS						
CROP YEAR	OATS	CORN	SOYBEANS			WHEAT
			NFAC PRACTICE	FAC PRACTICE	TOTAL SB ACRES	
2004	0.0	793.4	816.7	341.3	1158.0	349.6
2003	0.0	805.3	954.8	106.9	1061.7	106.9
2002	0.0	909.4	950.9	50.9	1001.8	200.8
2001	20.0	979.3	979.1	0.0	979.1	0.0
2000	30.0	0.0	1079.1	0.0	1079.1	0.0
1999	0.0	0.0	885.7	191.6	1077.3	268.7
MAX. ELIGIBLE PP ACRES FOR CROP (based on highest # of acres in one of the past four crop years.	20.0	979.3			1158.0	349.6

Answer: 191.6 acres would be the maximum acreage that could be claimed for double-cropping in 2005 crop year. Assume no soybeans in the NFAC column followed wheat.

CROP YEAR	WHEAT (1st Insured crop in 2005 Crop Year)	1st CROP PLANTED (Yes/No)	FAC Soybeans in the last 4 crop years the 1st insured crop was planted
2004	349.6	YES	341.3
2003	106.9	YES	106.9
2002	200.8	YES	50.9
2001	0.0	NO	n/a
2000	0.0	NO	n/a
1999	268.7	YES	191.6
Maximum FAC acres based on at least two of the last four crop years that the first insured crop was planted			191.6

Reason: Per the double crop history (FAC) above, 191.6 FAC acres is the maximum number of soybean acres that have been double cropped in at least 2 of the last four crop years that the first insured crop was planted (wheat). Out of the years there were double cropping records on wheat acreage (2004, 2003, 2002, and 1999 crop years), 191.6 acres in 1999 would constitute the maximum number of double-cropped soybean acres. Since there was no wheat planted in 2000 or 2001, those years have to be eliminated (i.e., another crop did not follow wheat since wheat was not planted in those years). Policy provisions require two years of double cropping in at least two of the last four crop years in which the first insured crop was planted. Therefore, it cannot be 341.3 acres because 341.3 acres have not been double-cropped for two of those last four crop years, but 191.6 acres have; i.e., 191.6 of the 341.3 acres were double cropped in 2004; and in 1999, 191.6 acres were double cropped.

E Limitations of Number of Double Cropped Acres

- (1) The receipt of a full PP payment on both crops that are double cropped is limited to the number of acres for which the insured can demonstrate he/she has double cropped or that have been historically double cropped as specified in (1) (e) above. Ratios for increasing PP eligibility do not apply to this. For example: If the producer has the two years of required history and double cropped 40 acres one year and 50 acres in the other, then 40 acres would qualify for the double cropping exemption.
- (2) If the first insured crop is wheat and the insured qualifies for 200 acres of double cropping wheat based on the highest number of double cropping wheat in two of the last four crop years in which wheat was planted and harvested, and the insured reports 205 acres of PP wheat, the insured would only qualify to receive 100% payment on 200 acres based on the insured's double cropping history of 200 acres, and the other 5 acres would be subject to the 35% PP payment and APH reduction.
- (3) If the first insured crop is planted wheat, and the subsequent insured crop is PP soybeans, the 5 acres would be removed from the acreage report and simply not qualify for a PP payment.

50 **SUBSEQUENT PLANTED CROPS**

A General Information

A subsequent crop is a crop following a second crop (i.e., third, fourth, etc.) or following an insured crop that is prevented from being planted after a first insured crop.

B Insurance is not provided for subsequent crops, unless it is a practice that is generally recognized by agricultural experts or the organic agricultural industry for the area to plant three or more crops for harvest on the same acreage in the same crop year, and additional coverage insurance provided under the authority of the Act is offered for the third or subsequent crop in the same crop year. Insurance will only be provided for a subsequent crop if the criteria in both items (1) and (2) below are met.

- (1) The insured must provide records acceptable to the insurance provider that show:
 - (a) The insured has produced and harvested the insured crop following two other crops that were harvested on the same acreage in the same crop year in at least two of the last four years in which the insured produced the insured crop; or
 - (b) The applicable acreage has had three or more crops produced and harvested on it in at least two of the last four years in which the insured crop was grown on it; and
- (2) The amount of insurable acreage must not exceed 100 percent of the greatest number of acres for which the insured provides the records required in B (1) above.

51 **LOSS ADJUSTMENT**

A Be familiar with and understand the policy provisions for first insured crop, second crop and subsequent crops, as outlined above.

B Inspection of First Insured Crop

(1) On an inspection for the first insured crop, the adjuster must obtain a certification from the insured certifying to the following or ask the insured the following: (1) whether the insured plans to plant a second crop on any of the acreage released, **or** (2) whether the insured plans to cash rent the acreage to another person who plans to plant an insured crop on such acreage. Refer to PAR. 48 for more information regarding cash renting first insured crop acreage and also PAR. 46 **B (2) (e)** regarding the insured's written notice requirements. The election to not insure the second crop must be made as specified in PAR. 46 **B (2)**.

******* (2) Insureds can elect not to insure a second crop on a first insured crop unit, when only a portion of the first insured planted crop unit is being released for another use and it is unknown whether there will be a loss on the first insured crop unit. The election applies to all second crop acreage on the unit of the first insured crop.

(3) If the insured does not plan to insure the second crop acreage, the insurance provider must obtain a signed written notice (signed certification) from the insured at this time so stating, unless it is for a GRP crop. If it is a GRP crop, the insured must turn in a written notice (signed certification) prior to planting the second crop. Follow the individual insurance provider's instructions regarding the document to use in the completion of the written notice (certification). Refer to PAR. 46 **A (8) and 46 B (2) (e)** above for information pertaining to written notices.

(4) If the insured plans to plant and insure a second crop, explain the insured's requirements about keeping separate production records and the consequences if the insured cannot provide the required records, as explained in PAR 46 **B (3) (e)** above. Refer to PAR. 52 below for instructions for recording the separate production on the Production Worksheet.

C Appraisal of First Insured Crop Acreage

When it is known that some acreage of the first insured crop will be planted to a second crop, and this acreage is going to be appraised, it needs to be appraised separately from the acreage that will not be planted to a second crop. Refer to PAR. 85 I for information pertaining to when it is known that a specific part of the first insured crop acreage in a field will be or probably will be planted to a second crop.

D Inspection of Second Crop Acreage that is Insured

(1) If the insured has any other insured crops, there is the potential of having second crop acreage that is insured. Verify whether the crop being inspected is insured second crop acreage.

(2) When there is first and second crop acreage within the same unit, obtain the insured's separate records of production of the second crop acreage. Refer to PAR. 46 **B (3) (e)** for the record requirements. If the required records have not been kept, the production to count for the first and second crop must include the allocation of production as stated in subparagraph **E** below. For PP payments involving second crop acreage, refer to the Prevented Planting Handbook.

E How to Prorate Production

When separate records of crop production have not been kept for first insured crop acreage and second crop acreage, the production must be prorated. Use the same formula as is used for commingled production in PAR. 126. Also, refer to the example in the first Q&A in PAR. 53.

52 CLAIM FORM ENTRIES RELATIVE TO FIRST INSURED AND SECOND INSURED CROPS

A Codes for First and Second Crops

- (1) The following codes apply to all policies except clams and nursery, and apply to all insurance plans, except AGR and Livestock. More than one code may apply to a claim unit, but only one code per loss line.
- (2) The multiple cropping code(s), as shown below, must be entered on the claim form by the adjuster or any other person authorized to handle the claim, based on the insured's certified elected option; UNLESS the insurance provider generates through their computer system the appropriate multiple cropping codes correlating with the insured's certified elected option for first or second crop acreage; e.g., option to plant a second crop but not insure it would generate a WI code on a line of first insured planted crop acreage, or option to plant and insure a second crop would generate an IR code on a line of first insured planted crop acreage, etc. The insured's certified elected option, and when applicable, the adjuster's verification of the insured's actual actions, must be maintained in the insured's loss file.

- (3) When insureds refuse to certify or are uncertain of their elected option for the first crop acreage, the insurance provider shall limit the indemnity or PP payment to 35%. However, if an insured's certification limits him/her to a 35% payment, the appropriate codes would be used; i.e., respective code to reinstate the remaining 65% (indemnity or PP payment), if 35% had already been paid; or 100% if 35% had not already been paid. The reverse would also apply; i.e., certification indicates the insured is entitled to 100% payment but actions limit insured to 35%.

(4) Multiple Cropping Code Table

CODES FOR FIRST INSURED CROP LOSS LINES	DEFINITION	USE ONLY ON LINES OF FIRST INSURED CROP ACREAGE WHEN. . .
<p>WI (on planted acres)</p>	<p>Waive insurance on 2nd crop acreage</p> <p>100% Indemnity on 1st insured crop acreage</p>	<p>The insured waives insurance on second crop acreage contained in unit of a first insured planted crop.</p> <p>(1) This waiver is based on the unit structure for each individual first insured planted crop unit that contains second crop acreage; e.g., 100 acres of failed wheat, first insured crop (unit 00100). Soybeans (second crop) are insured and planted on 10 acres (unit 00300 soybeans) of the failed wheat acres (unit 00100). The insured waives insurance on the 10 acres of soybeans (second crop acres). Soybeans, second crop acres (also unit 00300) are planted on 150 acres of the failed wheat (unit 00200), but the insured elects NOT to waive insurance on the 150 acres of soybeans (second crop acres) in unit 00300 soybeans.</p> <p>(2) The waiver must be done by the time specified in PAR. 46 and cannot be accepted at a later date. Once the waiver is signed, it cannot be retracted at a later date.</p> <p>(3) Insurance cannot be waived on second crop acreage when the first insured crop acreage was prevented from planting.</p>
<p>NS (on planted acres)</p>	<p>NO 2nd INSURED CROP PLANTED ON 1st INSURED CROP ACRES</p> <p>100% Indemnity on 1st insured planted crop acreage</p> <p>***If insurance is waived for 2nd crop, use WI code above.</p>	<p>(1) At the time of the final inspection for the 1st insured crop acres, the insurance provider accepts the insured's certification that no second crop will be planted; or</p> <p>(2) The insured did not waive insurance on the 2nd crop, the indemnity for the first insured crop has not been processed yet, and the adjuster has verified after it is too late to plant a 2nd crop that a 2nd crop was not planted.</p> <p>If an indemnity payment of 35% has already been made on the 1st insured crop acreage and it is determined that a 2nd insured crop was not insured, or if insured, was not planted, the RI code would be used rather than the NS code. Refer to the RI code.</p> <p>If someone other than the insured plants a second crop on any of the first insured crop acreage, policy provisions require the insured to notify their insurance provider of this.</p>

CODES FOR FIRST INSURED CROP LOSS LINES	DEFINITION	USE ONLY ON LINES OF FIRST INSURED CROP ACREAGE WHEN. . .
NS (on PP acres)	NO 2nd CROP ON PP 1st INSURED CROP ACRES 100% PP payment on first insured crop acreage	<p>The insurance provider, in accordance with Section 5 E of the Prevented Planting Handbook, allows and accepts the insured's certification that no second crop will be planted for harvest, or no cover crop will be planted and hayed, grazed, or otherwise harvested, or no volunteer crop will be hayed, grazed, or otherwise harvested.</p> <p>(1) If the insurance provider cannot or does not allow the insured's certification, an initial PP payment of 35% will be made as stated in Section 5 E of the Prevented Planting Handbook.</p> <p>(2) Insurance providers should require insureds to sign a statement certifying they will notify them if another person plants a second crop for harvest on the PP acreage (1st insured crop) or if another person hays or grazes prior to November 1st, or otherwise harvests a cover crop or volunteer crop at any time.</p> <p>(3) If 35% of the PP payment has been made and it is determined the insured is entitled to the remaining 65% of the PP payment, the RI code rather than the NS code will be used. Refer to the RI code for PP.</p>
DC	Meets Double-Cropping requirement 100 % Indemnity or PP payment on 1 st insured crop	<p>It has been verified the insured meets all double-cropping requirements as stated in PAR. 49 above.</p>
IR	65% Indemnity Reduction of the 1st insured crop (planted acreage)	<p>Double cropping eligibility does not apply, and insurance was not waived on the 2nd crop acreage.</p> <p>(1) The insured is unsure if a second crop will be planted;</p> <p>(2) The insured states a second crop will be planted and insured;</p> <p>(3) A second crop is insured and has been planted;</p> <p>(4) The insurance provider does not allow or does not accept the insured's certification that a second crop will not be planted; or</p> <p>(5) The insurance provider accepts the insured's certification that a second crop would NOT be planted and 100% of the indemnity was paid. However, it subsequently is planted, suffers an insurable loss, and the insured accepts the 2nd crop indemnity.</p>

CODES FOR FIRST INSURED CROP LOSS LINES	DEFINITION	USE ONLY ON LINES OF FIRST INSURED CROP ACREAGE WHEN. . .
RP	65% Reduction of PP payment of the 1st insured crop (PP acreage)	<p>It is determined that a PP payment is payable on the first insured crop and double cropping eligibility does not apply but:</p> <p>(1) At the time of final inspection for the PP payment, the insured is unsure if any of the following will occur, or the insured states or certifies that one of the following will occur:</p> <ul style="list-style-type: none"> ▪ Second crop will be planted for harvest; ▪ Cover crop will be planted and hayed or grazed after the LP period (FPD if LP period does not apply) but prior to November 1; ▪ Volunteer crop will be hayed or grazed after the LP period (FPD if LP period does not apply) but prior to November 1; or ▪ A cover crop or volunteer crop will be otherwise harvested at any time. <p>(2) The insured or someone else actually carries out one of the items in (1) above.</p> <p>(3) The insurance provider accepted the insured's certification that any of the items in (1) above would not occur and 100 % of the PP payment was made. However, subsequent to the certification and payment of 100% of the PP payment, the insured or another person carries out one of the items in (1) above.</p>
RI (for planted acres indemnity)	Restore Indemnity of 1st insured crop to 100% (planted acres)	<p>The first insured crop's indemnity was reduced to 35%, and the:</p> <p>(1) Insured second crop did not suffer a loss; or</p> <p>(2) Adjuster verified a 2nd crop was not insured, or if insured, was not planted; or</p> <p>(3) Indemnity of first insured crop was erroneously reduced; or</p> <p>(4) Insured waives indemnity on the second crop acreage.</p> <p>Adjusters will only use this code on corrected claims they prepare that also need the indemnity restored. If no corrected claim is required, the insurance provider will use this code internally in the computer program. Refer to PAR. 131 for the reasons that corrected claims are prepared. Documentation must be placed in the insured's loss file that explains why the indemnity is being restored.</p>

CODES FOR FIRST INSURED CROP LOSS LINES	DEFINITION	USE ONLY ON LINES OF FIRST INSURED CROP ACREAGE WHEN. . .
RI (for PP Payment)	Restore PP Payment of first insured crop to 100%	<p>The first insured crop PP Payment was reduced to 35% and the:</p> <p>(1) Adjuster verified a 2nd crop was not planted, a volunteer or cover crop was not hayed or grazed prior to Nov. 1, or a volunteer or cover crop was not otherwise harvested.</p> <p>(2) Insured stated or certified a 2nd crop would be planted, or a volunteer or cover crop would be hayed, grazed, or otherwise harvested. However, subsequent to the statement or certification, the adjuster verifies that a 2nd crop was not planted, or a volunteer or cover crop was not hayed or grazed prior to November 1, or otherwise harvested.</p> <p>If a cover crop or volunteer crop that still exists November 1 or later appears to be harvestable, the PP payment cannot be restored until the final disposition of the cover crop or volunteer crop is determined.</p> <p>(3) PP payment of first insured crop was erroneously reduced.</p> <p>Adjusters will only use this code on corrected claims they prepare that also need the PP payment restored. If no corrected claim is required, the insurance provider will use this code internally in the computer program. Refer to PAR. 131 for the reasons that corrected claims are prepared. Documentation must be placed in the insured's loss file that explains why the indemnity was restored.</p>
FC	First <i>insured</i> Crop acreage for which no other multiple cropping code applies and 100% indemnity is applicable	<p>EXAMPLE: First insured crop unit 00100 is 80 acres of wheat (Field A, 30 acres and Field B, 50 acres.) The unit suffers a loss. However, only Field B contributed to the unit loss. The acres in Field A did not. The insurance provider accepts the insured's certification that no 2nd crop will be planted on Field B and that soybeans (2nd crop) will be planted on Field A. Even if the soybeans (2nd crop) planted in Field A suffers an insurable loss, the 1st crop acreage on these 30 acres would receive 100% indemnity. Therefore, at the time unit 00100 wheat indemnity is paid, 50 acres would be coded as NS, and the 30 acres would be coded as FC, indicating the insured is paid 100% on the entire unit. The FC code cannot be used when all of the first crop acres were planted to a second crop, unless some of the 1st crop acres were not subject to an indemnity reduction.</p>

CODES FOR SECOND CROP LOSS LINES	DEFINITION	USE ONLY ON LINES OF SECOND CROP ACREAGE WHEN . . .
SC	<p>Second Crop Acreage that is Insured</p>	<p>This insured crop was planted on the same acreage of the first insured crop (planted or prevented from planting) within the same crop year, and if the first insured crop acreage was planted acreage, the indemnity for the second crop acreage was not waived. This also applies to the second crop acreage that is double crop PP acreage.</p> <p>The indemnity for second crop acreage cannot be waived if the insurable loss on the first insured crop was prevented planting.</p>
SW	<p>Second Crop Acreage Insured - Indemnity Waived</p> <p>***Indemnity cannot be waived when the first insured crop has payable PP Payment.</p>	<p>(1) The acreage for the entire unit is second crop acreage for which the indemnity is waived.</p> <p>(2) The acreage on this claim unit has both first insured crop planted acreage and the second crop acreage indemnity is waived, or</p> <p>(3) The acreage on this claim unit has second crop acreage on which part of the second crop acreage indemnity is waived and some of it is not.</p> <p>The indemnity waiver is based on the unit structure for each individual first insured crop unit that contains second crop acreage.</p> <p>Waiver of the second crop acreage indemnity can be allowed when acreage of a second crop unit lies in two different units of the first insured crop acreage. For example: 100 acres of failed wheat, first insured crop (unit 00100). Soybeans, second crop (unit 00300), is insured and planted on 10 acres of Field A, the failed wheat acres (unit 00100). The insured waives the payable indemnity on the 10 acres of soybeans (second crop acres). Soybeans (second crop) is insured and planted on 150 acres of the failed wheat (unit 00200), but the insured elects NOT to waive the payable indemnity on the 150 acres of soybeans (second insured crop acres) that are also part of unit 00300 soybeans.</p> <p>Waiver of the second crop acreage indemnity cannot be allowed when acreage of a second crop unit lies in only one unit of the first insured crop acreage. For example: Unit 00101 consisted of 100 acres of failed wheat acres – 50 acres, Field A and 50 acres, Field B. Unit 00201 soybeans is the same legal description as unit 00101 wheat. Field A and B are planted to soybeans; i.e., total of 100 acres soybeans (second crop). In this situation, the insured cannot waive only a portion of the 100 acres since the acreage lies in the unit structure of the first insured crop. The insured can either waive indemnity on all 100 acres, or none. Exception to this would be if part of the 100 acres qualifies for double cropping; e.g., Field A (50 acres) qualifies for double cropping acreage. Then the indemnity on the remaining 50 acres in Field B that did not qualify for double cropping acres could be waived.</p>

B Multiple-Cropping Exception Flag (Field 41 of T-21 Record in the Data Acceptance System (DAS))

(1) **General Information.**

(a) Multiple-Cropping codes (M-C codes) are required to be transmitted for each line of the Production Worksheet that is transmitted on the record entitled "Loss Line-Type 21" (hereafter called the 21 Record) through the Risk Management Agency's DAS. The M-C code identifies whether the indemnity amount due for the line is 100% or as applicable, reduced by 65% due to a first and second insured crop on the same acreage in the same crop year.

(b) However, current DAS processing methods may not calculate indemnities properly when there is a net negative indemnity (production exceeds guarantee) on some acreage (loss lines) not subject to the 65 percent reduction. The DAS uses a negative (-) and positive (+) type calculation to determine the indemnity amount for all loss lines in the unit. This can result in no indemnity due when the 65% reduction is applicable on some acreage in a unit even though the overall unit is in a loss situation and an indemnity, although reduced, should be paid. In these cases, the usual calculation must be modified and an exception flag will be used.

(c) It is expected that insurance providers will automate the calculation needed to determine whether the exception flag will be used and the modification of the indemnity calculation. **However, for the purpose of understanding the steps used in making this determination and the modified indemnity calculation, the following is provided:**

Step 1 - Determine if any of the lines on the PW (T-21 Record) within a unit has an M-C Code of 'IR' and there are other lines on the PW (T-21 Record) with any of the following codes (DC, FC, WI, SC, NS, RI), and any of the lines exceed the guarantee for the line.

Step 2 - Determine the "Farm Unit Deficiency" (FUD) or "Loss" for each of these loss lines. (*Loss guarantee minus the production to count) e.g., loss guarantee of 1200 bu. minus 1300 production to count = -100 bu. (negative farm unit deficiency).

Step 3 - Determine the positive and negative dollar "Payable Indemnity" for each of these loss lines. (Farm unit deficiency X price election).

Step 4 – Sum the results of step 3 (sum of "Payable Indemnity" lines).

Step 5 - If the results of step 4 is less than or equal to "0," then .35 is multiplied by the indemnity for all the lines in the unit, except any line with a M-C Code of "SW" or any line with a Guarantee Reduction flag of ***"P" or **"E."

*Loss guarantee = stage guarantee from PW

***"P" = prevented planting and "E" = prevented planting when there are no remaining eligible acres for the crop claimed as prevented planting and remaining eligible acres from another unit or crop is used to pay the prevented planting payment for the crop claimed.

Step 6 – If the M-C Exception Flag is applicable, an “X” is transmitted in Field 41 (M-C Exception Flag) of the T-21 record for the lines with a M-C Code of DC, FC, WI, SC, NS, and RI.

- (d) The lines with DC, FC, WI, SC, NS, and RI will be calculated at 100% indemnity unless this exception exists.
- (e) The sum of all the lines with the code of IR (and without a guarantee reduction flag of P or E) within a unit cannot be a negative or zero.
- (f) **Example of indemnity showing exception is needed.**

Indemnity has been calculated without the exception to illustrate how there is a loss payable but due to summing negative and positive lines and then applying the multi-cropping percentage, it results in a no indemnity due claim. Assume the insured has 1.000 share.

EXAMPLE WITHOUT EXCEPTION:

Loss Line	Stage Guar.	Acres	Line Guar.	PTC	Loss (FUD)	PE	Indem. before M-C Code	MC Code	% of Indem.	Payable Indem.
1	40	25.0	1000.0	1200.0	-200.0	\$3.35	-\$670.00	NS	100%	\$-670.00
2	40	25.0	1000.0	900.0	+100.0	\$3.35	+335.00	IR	35%	\$+117.25
3	20	25.0	500.0	350.0	+150.0	\$3.35	+502.50	DC	100%	\$+502.50
			2500.0	2450.0	+50.0					\$ -50.25

No indemnity due even though the unit loss FUD is 50 bushels.

EXAMPLE OF THE SAME INDEMNITY CALCULATED USING THE M-C EXCEPTION:

Assume the insured has 1.000 share.

Loss Line	Stage Guar.	Acres	Line Guar.	PTC	Loss (FUD)	PE	Indem. before M-C Code	MC Code	MC Exc. Flag	% of Indem. with Except.	Payable Indem.
1	40	25.0	1000.0	1200.0	-200.0	\$3.35	-\$670.00	NS	X	=35%	\$-4.50
2	40	25.0	1000.0	900.0	+100.0	\$3.35	+335.00	IR		=35%	17.25
3	20	25.0	500.0	350.0	+150.0	\$3.35	+502.50	DC	X	=35%	75.88
			2500.0	2450.0	+50.0	\$					+58.63

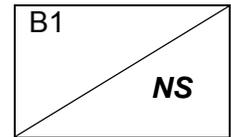
(Rounded to whole \$ =+ \$59 indemnity due)

C Entry Instructions in Section I of the Production Worksheet (ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS)

Item No. Information Required

- A. **Field ID:** For each line entry, draw a diagonal line and enter the field identification symbol from a sketch map or an aerial photo in the upper portion of the block.

In the lower portion of the block, enter the applicable two digit multi-crop code (refer to the LAM for the applicable multi-crop codes and additional instructions regarding situations where a second crop will be planted on first (original) crop acreage within the same crop year). For any third (subsequent or additional) crop, enter only the field identification symbol. In the bottom of the last line entry for each inspection or in the margin (or in a separate column), enter the date of inspection.



Refer to the Narrative instructions.

Entry Instructions for Narrative:

If more space is needed, document on a Special Report, and enter "See Special Report." Attach the Special Report to the Production Worksheet.

Document if second crop acreage is involved with this crop unit, the name of the first insured crop planted within the crop year on the second crop acreage. Enter the field identification symbol, the unit number, and policy number (if known) if different than this claim.

D. Entry Instructions for Section II of the Production Worksheet (HARVESTED PRODUCTION)

GENERAL INFORMATION

SE SEPARATE LINES FOR: Production from first or second crop acreage when a second crop will be or is planted on the first crop acreage within the same crop year.

Item No. Information Required

- A.2. **Field ID:**

If the claim is for a first or second crop and the second crop is or will be planted on first crop acreage within the same crop year, enter the field identification symbol. For any third (subsequent or additional) crop, enter only the field identification symbol. (Refer to the Narrative instructions.)

- B.-E. When production from first and second crop acreage was not kept separate, prorate the production to the first insured crop as described above, and enter the following Prorated Production –1st and 2nd crop.

I. Bu. Ton, Lbs., CWT:

Enter the calculated number of prorated bushels tons, lbs. or CWT (units of measure as appropriate for the crop) due to commingling production from 1st and 2nd crop acreage.

53 FIRST AND SECOND CROP QUESTIONS AND ANSWERS

First Insured Crop is 130 acres of winter wheat on unit 00100. The share is 100%, the price election is \$3.35, and the level of coverage is 65%. Field A has 100 acres of irrigated winter wheat with a 50-bushel per-acre guarantee. Field B has 30 acres of non-irrigated winter wheat with a 25 bushel per acre guarantee. The total guarantee for unit 00100 wheat is 5750 bushels.

All wheat acreage is harvested and an indemnity is due. Total harvested production to count from the 130 acres is 3000.0 bushels. However, separate production records for fields A and B were not kept.

After completion of wheat harvest, fields B and C are timely planted to insured soybeans. The insured does not qualify for the double cropping exception. Therefore, the reduction specified in section 15 of the Basic Provisions will apply to the wheat acreage in field B.

Field A 100 acres IRR wheat First Insured Crop	Field B 30 acres NI Wheat First Insured Crop	Field C 30 acres Fallow
Unit 00100 Wheat	Unit 00100 Wheat	Unit 00100
No insured Second Crop	Second Crop = 30 acres of Soybeans – Unit 00101	First insured Crop = 30 acres of Soybeans – Unit 00101

Q 1. After appropriately applying the reduction, what would the initial wheat loss indemnity be?

A 1. The following answer is given under the assumption that it is known, at the time the initial payment is made, that no insured second crop will be planted in field A:

Since separate records were not kept on the wheat acres subject to reduction, prorate wheat production based on the total bushel liability, as follows:

The total wheat guarantee is 5750 bu. (100 ac. X 50 bu. + 30 ac. X 25 bu.)

Liability for Field B (30 acres of NI wheat) 30 x 25 = 750 bushels

750 bu. (NI wheat guarantee in field B) ÷ 5750 bu. Total Wheat Guarantee = .1304 Proration Factor.

In this case, production to count for the non-irrigated acreage (field B) is 391.2 bushels (3,000 bu. total production to count x .1304 Proration Factor) which is 358.8 bushels less than the guarantee for the acreage (750.0 - 391.2 = 358.8)

The initial payment for field A and B is \$8431 and is calculated as follows:

358.8 bushels X \$3.35 per bushel X 1.000 share = \$1201.98

\$1201.98 X .65 indemnity reduction factor = \$781.29 reduced indemnity rounded to \$781 indemnity for field B.

\$9212.50 (5750 bu. – 3000 bu. = 2,750 bu. X \$3.35 price election X 1.000 share) – \$781.29 = \$8431.21 rounded to \$8431 = indemnity for fields A and B.

Q 2. Same scenario as question 1 except this time separate wheat production records were kept for fields A and B. 2200 bushels were harvested from the 100 acres in field A and 800 bushels were harvested from the 30 acres in field B. What would the initial wheat indemnity be?

A 2. Since there is no loss attributable to the 30 acres (field B) of non-irrigated wheat (800 bushels of production to count exceeds the 750 bushel guarantee for the acreage, the wheat loss would not be limited. The wheat indemnity would be \$9212.50 and rounded to \$9213 in accordance with rounding rules found in PAR. 107.

Second crop is soybeans. Unit 00200 contains 60.0 insured acres of which (field B) 30 acres are NI-FAC second insured crop and (field C) 30 acres are NI-NFAC first insured crop. The NI-FAC guarantee (field B) is 25 bushels per acre and the NI-NFAC guarantee (field C) is 35 bushels per acre. Total guarantee for unit 00200 soybeans is 1,800 bushels. The share is 100%.

SECOND CROP

Field A	Field B	Field C
100 Wheat acres (First insured crop)	First Insured Crop is 30 acres of Winter Wheat, Unit 100	First Insured Crop is 30 acres of NI-NFAC Soybeans
Unit 00100 Wheat	Second Insured Crop NI-FAC Soybeans Unit 00200 Soybeans	Unit 00200 Soybeans
No insured second crop		

The entire soybean acreage is harvested and the insured accepts an indemnity based on a claim indicating the harvested production to count from the 60 acres is 1500 bushels. However, separate production records for fields B and C were not kept. For questions 3-5, assume the first crop wheat (unit 00100 – fields A and B) has an indemnity due.

Q 3. Is an indemnity payment for the other 65% of the wheat loss due the insured?

Total soybean guarantee is 1800 bu. (30 ac. X 25 bu. + 30 ac. X 35 bu.)
Guarantee for Field B = 750 bu.

750 bu. guarantee for field B ÷ 1800 bu. = .41666 rounded to .4167 proration factor

A 3. Production to count allocated to second crop soybeans in field B would be 625.1 bushels (.4167 proration factor X 1500 bu. total production from fields B and C). Since a soybean unit indemnity is accepted by the insured and since 625.1 bushels is less than the production guarantee for the second crop soybeans acreage (750 bushels), the remaining 65% loss on Field B wheat would not be paid.

Q 4. Same scenario as question 4 except this time assume separate soybean production records were kept for field B and C. 800 bushels were harvested from the 30 acres in Field B and 700 bushels were harvested from the 30 acres in field C. Is an indemnity payment for the other 65% of the wheat loss due the insured?

- A 4. Since 800 bushels of soybeans were harvested from field B and this amount exceeds the 750-bushel guarantee for the acreage, the remaining 65% loss on Field B wheat would be paid.
- Q 5. Assume separate soybean production records were kept for fields B and C except this time, the total harvested production from the 60 acres is 2000 bushels. However, only 500 bushels were harvested from the 30 acres in field B and 1500 bushels were harvested from the 30 acres in Field C. Is an indemnity payment for the other 65% of the wheat loss due the insured?
- A 5. Since there is no loss for the soybean unit, the wheat loss would not be limited and the remaining 65% loss on field B wheat would be paid.

SECTION 10 UNIT DETERMINATION

54 UNIT VERIFICATION

Unit verification will be made by the adjuster during an on-the-farm inspection; however, no further DIVISION of optional/guideline units (hereafter called optional units) will be made at loss time. Basic/policy unit(s) (hereafter called basic units) will be corrected when found to be in error.

A Verifying Unit Structure

- (1) Be knowledgeable with (and as needed refer to) unit provisions in the applicable policy provisions or endorsement (or if applicable, unit division guidelines in the Special Provisions).
- (2) Use the procedure in PAR. 55 (Unit Structures) below.
- (3) More than one basic unit.

Verify with the insured that the reported shareholders have an interest in the crop. If you suspect or question whether there is an interest or that there are separate insurable interests (such as spouse, children or other household members), contact the insurance provider.

- (4) Optional units

Determine that all field requirements^{1/} are met for qualification of the unit structure (other insurance provider personnel will verify record (APH) requirements unless delegated to you):

^{1/} Field requirement refers to items that can be determined from a field visit or review of aerial photo of the growing crop; e.g., does the planted crop cross section lines, is the irrigated/non-irrigated acreage planted in a manner that meets the requirements to qualify for separate optional units.

- (a) Optional units by section, section equivalent, or FSN

- 1 Locate fields and verify that there is acreage planted in separate legally identifiable sections or other applicable optional unit separators allowed by the crop policy.

2 Visit fields and determine whether planting patterns have crossed optional unit boundaries; e.g., section lines, FSN lines, or other section equivalent boundary lines.

(b) Optional units by irrigated and non-irrigated practice.

Visit the fields and determine if planting patterns and other requirements outlined in this procedure qualify the unit as separate optional units by irrigated and non-irrigated practices.

(c) Optional units for acreage insured under an organic farming practice.

Verify that the acreage qualifies as organic farming practice acreage and that the acreage specified for the optional unit under the organic farming practice is correct by visiting the fields and verifying against organic records required under the policy provisions for organic farming practices. Refer to PAR. 43 for additional information regarding organic farming practices.

(d) Optional Units by Unit Division Option

If a Unit Division Option is in effect, the section for the optional unit will be identified by the legal identification of the parcels of land that has been aggregated to form such "section." To verify that such "section" qualifies for an optional unit, verify it in the same manner that you would other optional units divided out by section; e.g., planting pattern does not cross section lines, production is kept separate, etc.

B Incorrect Unit structure

Basic units will be corrected at loss time; however, no further DIVISION of optional units will be made at such time. Refer to PAR. 29 **A (1) (c) 6 c.**

55 UNIT STRUCTURES

A Guidelines. Each insured crop has its own unit structure defined in the policy and/or respective endorsement. However, the CAT Endorsement generally limits the units available for each insured crop to BASIC units determined ONLY by the crop share arrangement on the date coverage begins for the crop year. Further unit division (examples: type, noncontiguous land, FSA FSN, etc.) as defined in the applicable crop endorsement, policy provisions, or Special Provisions are not allowed under the CAT Endorsement. See the CAT Endorsement for the unit definition. All insurable acreage of each insured crop within the unit is the basis for determining coverage, premium, and indemnities.

B Basic Units for Guaranteed Production Tobacco and Quota Tobacco. Unless specified otherwise in the Special Provisions, for Guaranteed Production Tobacco and Quota Tobacco policies with additional coverage, the basic unit consists of all insurable acreage of the crop covered by a single FSA FSN without regard to state or county lines. Refer to the Special Provisions for other unit definitions.

C CAT Coverage/Basic Units for Dry Beans and Quota Tobacco

The CAT Endorsement changes the basic unit structure for dry beans and quota tobacco to units by crop share arrangement. However, producers of tobacco for which a marketing card is issued by FSA and who agree to insure 100 percent of the tobacco

acreage covered by the marketing card under one policy, are limited to one basic unit for all of the acreage covered by the marketing card. A policy covering all landowners with an undivided interest in the land upon which an insured crop is planted is limited to one basic unit. GRP policies at the CAT level of coverage are limited to one unit per crop per county.

- D Unit Structures for Most Crops. For most other crops, the basic unit structures in the policies are as follows, except the CAT Endorsement limits to basic units. Refer to subparagraph E for dry beans: (Refer to applicable policy and crop provisions.)

(1) **Basic Units**

A basic unit for most other crops is all of the insurable acreage of a crop in the county on the date coverage begins for the crop year in which the insured has:

- (a) **100 percent share in the crop.** This is one basic unit. Refer to PAR. 13 B (1) and C for examples of 100 percent share arrangements.
- (b) **Less than 100 percent share in the crop** (acreage is owned by one entity and operated by another entity on a share basis). A crop shared with each different landlord, tenant, or sharecropper is a separate basic unit. Reversed roles do qualify for separate basic units. For example: The insured is a landlord on part of the farming operation and a tenant on another part of the farming operation. Varying percentages of shares within a basic unit do not qualify for separate basic units. Refer to PAR. 13 B (2) and C for various examples of crop share arrangements.

- (c) For loss adjustment purposes, production commingled from two or more basic units (including high-risk land excluded from additional coverage and insured under a CAT policy) will be allocated in proportion to the liability for the harvested acreage from the commingled units; refer to PAR. 126.

(2) **Optional Units**

When the policy allows, land that would otherwise be one basic unit may be divided into optional units according to the optional unit definition contained in the crop's Basic Provisions, crop provisions, and/or Special Provisions. Optional units may be available when the acreage of the insured crop is located in separate, legally identifiable sections, section equivalents, or FSA FSNs, whichever applies. Some perennial crops allow optional units for acreage of the crop grown on non-contiguous land and/or for different type/varieties. Most crops allow optional units for irrigated and non-irrigated practices. Refer to subparagraph 55 E below for dry beans.

- (a) **Qualification Requirements.** To qualify for optional units, all of the following must be met:
- 1 For APH crops, by the Production Reporting Date, the insured must file acceptable production reports^{1/} for all planted insurable acreage for^{1/} "File acceptable production reports," as used above, refers to the most recent APH crop year in the base period. When assigned yields are used for the most recent crop year of the base period, optional unit provisions DO NOT apply for the crop/county.

at least the most recent APH crop year in the base period that have been arranged according to the optional units that will be requested for the current crop year. (Refer to 4 below for exceptions.) The insured must have supporting records which can be independently verified, of planted acreage and production used to determine the insured's production guarantee for each optional unit.

- 2 Optional units will be combined at the time of loss adjustment if the insured failed to meet any provision required to qualify for optional units. Basic units cannot be further divided into optional units at the time of loss adjustment nor can further division of optional units occur at loss time.
- 3 The crop must be planted in a manner that results in a clear and discernable break in the planting pattern at the boundaries of each optional unit unless a written agreement is provided for this purpose by the RMA RO. Planting means the original planting, including any reseeding or replanting. (Cultivating, disking, mowing, etc., between sections, section equivalents, FSA FSNs, irrigated and non-irrigated practices, etc., after planting or harvesting does not qualify the acreage for optional units.)

However, for center pivot irrigation systems only, planting end rows either before or after planting the crop or cultivation, disking, mowing, etc., after the crop was planted between the irrigated acreage and the non-irrigated corners of a center pivot system may be used to establish breaks between irrigated and non-irrigated planting patterns for optional unit purposes. Such breaks will be acceptable only if completed on or before the acreage reporting date for the crop and are clearly discernable if a subsequent inspection is required during the crop year (appraisal, claim for indemnity, APH review, etc.). In addition, if irrigated and non-irrigated practices are carried out within a single section, section equivalent, or FSA FSN:

- a Proper planting and fertilization practices must be carried out for each respective practice; and
- b Records of harvested production must also be maintained separately for each practice.

4 **EXCEPTIONS FOR CROPS REQUIRING PRODUCTION REPORTS (APH RECORDS):**

EXCEPTIONS: Insureds who do not provide production reports for the most recent crop year in the base period may qualify for optional units if either of the following apply:

- a The insured is a new producer who has not produced the crop and is not providing records from another person sharing in the crop, and intends to keep separate acreage and production records by practice, type, or variety according to the optional unit division requirements; or

- b New land or a new practice (irrigated or non-irrigated), type or variety is added to the operation for the current crop year that meets all optional unit requirements, and the insured:
 - i has not produced the crop,
 - ii is not providing records from another person sharing in the crop on that acreage, and
 - iii intends to keep separate acreage and production records according to optional unit provisions.

Verifiers (as applicable, RMA RO or insurance providers) have the option of considering a *bona fide* zero acreage report for a unit as a production report for that unit.

(b) **Separate Optional Units Determined By:**

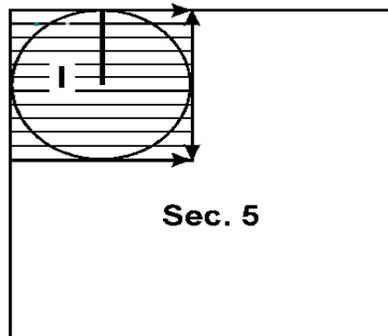
- 1 **Section**, for most crops, when the Rectangular Survey System is applicable. For the purpose of the unit structure, a section is defined as a unit of measure under the rectangular survey system describing a tract of land usually one mile square and containing approximately 640 acres.
- 2 **Section equivalents**, such as Spanish land grants, railroad surveys, leagues, labors, and Virginia Military Lands in the absence of section descriptions. Each section equivalent must contain 640 acres or more.
- 3 **Separate FSA FSNs:**
 - a in the absence of sections, section equivalents, or other unit division arrangements approved by FCIC;
 - b in areas where survey boundaries are not readily discernable;
 - c in Alabama, Arkansas, Florida, Louisiana, and Mississippi for barley, corn, cotton, grain sorghum, oats, rice, rye, soybeans, and wheat. Refer to Exhibits 2, 3, 4, and 5 in the CIH for further explanation and illustrations. The boundaries of the section, section equivalent, or FSA FSN must be easily identifiable by the insurance provider without using survey instruments or locating survey markers.
- 4 **Irrigated and non-irrigated practices** within a single section (section equivalent, or FSA FSN) may qualify for separate optional units, provided such division is allowed by the crop policy and all requirements in subparagraph D (2) (a) above are met. For annual crops, this includes the non-irrigated corners of a field in which a center pivot irrigation system is used to irrigate the insured crop.
- 5 Optional units for acreage under an organic farming practice. In addition to or instead of establishing optional units by section, section equivalent or FSA farm serial number, or irrigated and non-irrigated acreage, separate optional units may be established for acreage of the

insured crop grown and insured under an organic farming practice. Certified organic, transitional and buffer zone acreage do not individually qualify as separate units.

(c) **Center pivot irrigation systems for all annual crops for which the crop policy permits unit division for irrigated and non-irrigated practices.**

- 1 If the crop's planting pattern/rows continue into one or more non-irrigated corners of the field and the portion of the field irrigated by a center pivot irrigation system (circle), the acreage within intersecting lines drawn at right angles to the radius of the center pivot is NOT eligible for a separate optional non-irrigated unit.

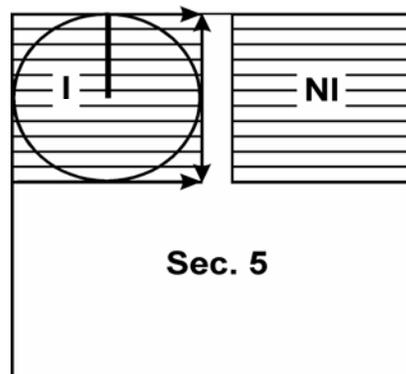
(One Unit)



The acres and production from the non-irrigated corners of a field planted to the insured crop may be included in the irrigated acreage. A separate line entry for a non-irrigated practice is not required on the acreage report for the corners of the field when they are considered to be irrigated. Refer the CIH for further information.

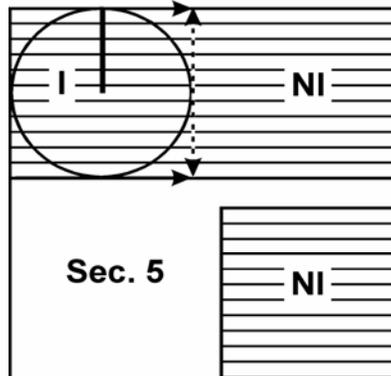
- 2 If the crop's planting pattern/rows continue between the non-irrigated corners of the field and the portion of the field irrigated by a center pivot irrigation system (circle), but do NOT extend into other non-irrigated acreage in the same section, section equivalent, or FSN; other non-irrigated acreage can qualify as a separate non-irrigated optional unit if the requirements in subparagraph D (2) (a) above are met.

(May qualify for two units.)



- 3 If the crop's planting pattern/rows extend beyond intersecting lines drawn at right angles to the radius of a center pivot into other non-irrigated acreage of the crop in the same section, section equivalent, FSN; the insured is not eligible for a non-irrigated optional unit.

(One Unit)



The non-irrigated acreage beyond the intersecting lines will require a separate line entry on the acreage report (will be the same unit number as the irrigated acreage). Any other non-irrigated acreage from other fields in the section (or section equivalent) will also be included in the line entry for non-irrigated acreage. The irrigated acreage is limited to the irrigated circle.

(d) **When Optional Units Are Established**

- 1 For crops that require production reports and that are eligible for optional units, insureds must qualify for optional units at the time the APH form is completed and signed by the insured. However, insureds may make the final determination of whether optional units or basic units will apply at the time the acreage report is submitted.
- 2 For all other crops that do not require production reports but are eligible for optional units, optional units are established at the time the acreage report is submitted.

(3) **Cranberries**

For cranberries, further division of a basic unit is permissible, provided that the requirements in subparagraph D (2) (a) above are met, and that each unit's insured acreage is located in separate tracts of noncontiguous land. "Contiguous Land" may be defined as "any separate tracts of land owned and/or operated by the insured, whose boundaries touch at any point." Land that is separated by a public or private roadway, waterway, or irrigation ditch is considered as contiguous.

- (4) For Durum or Club Wheat, further unit division is allowed if the actuarial documents designate durum or club wheat as a separate wheat type.

E Unit Structures for Dry and Contract Seed Beans

- (1) **BASIC UNITS.** Acreage planted to dry beans and contract seed beans are separate basic units. For dry beans and contract seed beans, a basic unit is all insurable acreage of dry beans in the county in which the insured has a:
 - (a) 100 percent share, or
 - (b) is owned by one entity and operated by another specific entity on a share basis.
- (2) **OPTIONAL UNITS.** Basic units determined in subparagraph A above may be further divided into optional units by:
 - (a) Bean type shown on the Special Provisions (dry beans ONLY). For more information see the CIH.
 - (b) Section, section equivalent, or FSA FSN (dry beans or contract seed beans IF the contract specifies the number of acres under contract).
 - (c) Irrigated and non-irrigated practices (dry beans or contract seed beans IF the contract specifies the number of acres under contract).
 - (d) Written Unit Agreement (dry beans or contract seed beans IF the contract specifies the number of acres under contract). Optional units are not available for contract seed beans grown under a seed bean processor contract that specifies ONLY an amount of production.

F Unit Structures for Hybrid Seed Corn and Hybrid Sorghum Seed

Unit division is determined as follows:

- (1) Contracts specifying production or production and acres. There will be no more than one basic unit for all production contracted under each processor contract. For example, if an insured has three contracts with the same processor, the insured is eligible for three basic units. Optional units are not applicable.
- (2) Contracts stating acreage. Acreage that would otherwise be one basic unit may be divided into optional units provided optional unit qualifications are met (i.e., acreage located in separate, legally identifiable sections, etc.)

Exception: Optional units by irrigated and non-irrigated practices are not applicable to Hybrid Sorghum Seed.

G Written Unit Agreements for Optional Units

- (1) Land located in a high-risk area is not eligible for written unit agreements.
- (2) Written unit agreements authorized for unit division purposes may be continued in subsequent crop years without re-approval or re-issuance by an insurance provider.

- (3) Each optional unit will be delineated on a map or photo, showing and identifying the boundaries of the optional unit and the sections, section equivalent or FSN and other information needed. The FSN, track, or multi-track and field number for each parcel contained in the optional unit will be noted on a map or photo, GIS maps, other legible map issued by a State or Federal agency. The map or photo will be specifically referenced in the Written Unit Agreement and will be attached to the Agreement. The optional unit will be referenced on the map in a manner that can be easily coordinated with the insured's acreage report.
- (4) Loss Adjustment Verification. The adjuster will use the Written Unit Agreement and attached maps and information described in (3) above to verify the insured's qualification for optional units, the location and size of the optional unit(s), and unit production.

(5) Example of Written Unit Agreement

WRITTEN UNIT AGREEMENT

Company Name
101 East Main Street
Any Town, USA XXXXX

Agent: Joe Agent

STATE:	Illinois [17]	COUNTY:	Sangamon [167]
REQUEST:	00414277	POLICY:	1234567
INSURED:	J.B. Any Name		
ADDRESS:	1521 S Park, Anytown		
SSN/TAX ID No.:	XXX-XX-XXXX	CROP YEAR	2005

Request Type: UA – Written Unit Agreement

Crop(s)	Crops
0041 CORN	(0081) Soybeans

Under the above insurance policy for the respective insured crop(s), the undersigned parties expressly agree that the following is an endorsement to Section 34 of the Common Crop Insurance Policy Basic Provisions. The policy is revised as follows:

The optional unit division structure applicable to the above insurance policy is modified as shown on the attached map(s)/or/aerial photograph(s) dated: XX-XX-XXXX

Each optional unit must contain at least 640 acres of continuous land within permanent field boundaries.

You can only have one agreement per county for all of your insured crops that are eligible for optional unit division unless you are insured with more than one insurance provider for different crops. If it is determined you have two or more agreements for the same crop in the same county, the agreement with the earliest date will be applicable to all crops and the other agreements will be void.

You must comply with all applicable policy provisions to qualify for all optional units.

All other provisions of the policy not in conflict with this agreement are applicable.

This agreement will not apply to acreage identified as high-risk, or insured under the Catastrophic Risk Protection Endorsement or to insurance plans and pilot crop insurance programs for which written agreements are not authorized.

This written unit agreement will be in effect for the XXXX and succeeding crop years provided no significant changes occur to the farming operation that invalidate the approved unit structure. If significant changes occur, this written agreement is null and void. Any party to the agreement may cancel this agreement in writing by the earliest crop cancellation date applicable under the agreement.

This agreement is not effective until approved by the Risk Management Agency. Any information certified by you that is incomplete, incorrect, or otherwise deficient and that is used to qualify for this agreement or to determine the terms and conditions of insurance will cause this agreement to be voided for the crop year and succeeding crop years.

(continued on the next page)

This agreement is not effective until approved by the Risk Management Agency. Any information certified by you that is incomplete, incorrect, or otherwise deficient and that is used to qualify for this agreement or to determine the terms and conditions of insurance will cause this agreement to be voided for the crop year and succeeding crop years.

ACCEPTANCE: I certify that I have carefully reviewed this endorsement and agree to its terms and conditions. I further agree and understand that nothing contained herein will otherwise change any of the other terms or conditions of the policy.

<u>Signature</u>	<u>XX-XX-XXXX</u>
(INSURED'S SIGNATURE)	(DATE)

<u>ABC Company</u>	<u>Signature</u>
(COMPANY NAME)	(SIGNATURE OF COMPANY REP.)

<u>2344 Any Street</u>	<u>XX-XX-XXXX</u>
(COMPANY ADDRESS)	(DATE)

<u>Any Where, USA XXXXX</u>	<u>XS</u>
(COMPANY ADDRESS)	(COMPANY CODE)

Approved by: Risk Management Agency, Best Region Regional Office

<u>R.D. SPECIALIST</u>	<u>XX-XX-XXXX</u>
R. D. Special Senior Risk Management Specialist	(DATE)

RMA authorizes the use of this Written Agreement. Any modification to the Written Agreement voids RMA authorization.

DISTRIBUTION: Original to the Insurance Provider; copy to the agent, insured, and Risk Management Regional Office.

H Unit Division Option

For certain areas of Indiana, Illinois, Ohio, and Texas that have not been surveyed under the U.S. Rectangular Survey System or a similar system allowing for "sections" (640 or more acres), insureds may request this option to aggregate two or more (any shape) legally identifiable parcels of land into section equivalents (containing at least 640 acres). By doing this, such land will be eligible for optional units, if allowed by the policy provisions. However, the insured must have complied with the production reporting, record, and planting pattern guidelines specified in the applicable crop policy/endorsement or actuarial documents. Even though such land will be eligible for optional units under this option, the insured still has the choice each crop year of insuring each crop(s) under basic unit(s) or optional units. Refer to CIH.

I Enterprise or Whole Farm Units

(1) General Information

- (a)** Enterprise (EU) or whole-farm unit (WFU) coverage may be requested by the insured (in writing on or before the earliest sales closing date for the crop(s) and county insured) if shown as available in the Special Provisions.
- (b)** The unit designation remains in effect from year to year unless written notification is provided to the insurance provider by the earliest sales

closing date for the crop year for which the insured wishes to change this election.

(2) Enterprise Unit Determination

Enterprise units are available for some crops and counties. The requirements vary for different coverage plans. Refer to the crop provisions for unit composition requirements.

- (a) An EU, as defined in the MPCl Basic Provisions (may vary for other plans), consists of all insurable acreage of the insured crop in the county in which the insured has a share on the date coverage begins for the crop year, and requires:
 - 1 Two or more basic units of the same insured crop that are located in two or more separate sections, section equivalents, or FSA farm serial numbers; or
 - 2 Two or more optional units of the same insured crop established by separate sections, section equivalents, or FSA farm serial numbers.
- (b) The insured may not combine qualifying basic units or optional units into an EU unless provided for by the applicable Special Provisions. A basic unit structure will be assigned if the insured does not qualify for an EU.
- (c) The insured may select the EU structure for one crop/county and basic/optional units for other crops/counties.
- (d) To allow the insured to elect basic or optional units in subsequent crop years, the insured must maintain ALL required production records for each basic or optional unit within the EU.
- (e) Although the insured must have insurable acreage of the same crop for the current crop year and request the enterprise unit structure by the earliest applicable sales closing date, qualification for the EU will be determined at acreage reporting time when the insured reports all insurable acreage of the insured crop in the county for all basic and/or optional units comprising the EU. Once elected and qualified, an EU may not be further divided except as specified in the individual policy. However, the unit structure may be changed based on information determined to be correct when adjusting a loss.
- (f) If the insured qualifies for an EU, a premium discount based on the insured crop and the number of acres in the unit will apply (refer to the County Actuarial Table).
- (g) A five-position unit number and abbreviation (EU) will be used. The unit designation is shown as 00100EU on the acreage report. (Unless the insurance provider specifies otherwise, do not show EU with the unit number on the claim form.)

(3) Whole-farm Unit (WFU) Determination

A WFU structure is available under MPCl if shown as available in the Special Provisions (RA and Adjusted Gross Revenue (AGR) have similar concepts). A

WFU consists of all insurable acreage of all insured crop(s) in the county in which the insured has a share on the date coverage begins for the crop year. In order to qualify for a WFU, the following unit guidelines apply:

- (a) If the insured selects a WFU coverage:
 - 1 No other unit structure can be selected for the county. (Different unit structures may be selected for other counties insured.)
 - 2 The insured will be required to pay a separate administrative fee for each crop included in the WFU.
- (b) A WFU will be determined when the acreage is reported but may be adjusted or combined to reflect the actual unit structure when adjusting a loss.
- (c) A five-position unit number and WFU abbreviation (WU) will be used. The unit designation is shown as 00100WU on the acreage report. (Unless the insurance provider specifies otherwise, do not show WU with the unit number on the claim form.)

SECTION 11 USDA FARM PROGRAM COMPLIANCE

56 CONTROLLED SUBSTANCE VIOLATION

Under the Food Security Act of 1985, any person who is convicted under Federal or state law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance in any crop year will be ineligible for USDA benefits, including crop insurance, for 5 years from the date of conviction.

SECTION 12 HAZARDS CONNECTED WITH PESTICIDES OR OTHER CHEMICAL SUBSTANCES

57 PESTICIDE OR OTHER CHEMICAL SUBSTANCE HAZARDS

- A General Information. Most all pesticides have a period of time that must lapse after they have been applied before it is safe to enter the treated field without wearing protective clothing and equipment. Normally, this is at least the time necessary for sprays to dry and dusts to settle (8-48 hours). Material Safety Data Sheets (MSDS) contain pertinent detailed information about specific chemicals including health hazards, emergency and first-aid, and the safe re-entry period after a chemical has been applied. Some USDA field offices such as FSA and NRCS house MSDSs. Other local agencies may have these data sheets for possible use. In addition, each state has a poison control center, which normally carries a toll-free number and maintains a 24-hour consultant service in the diagnosis and treatment of human illnesses resulting from toxic substances. Check with NRCS or FSA for MSDSs or other literature pertaining to pesticide or chemical hazards.
- B Prior to Inspection. At the time the appointment is set up, ask the insured or the insured's representative if the field, orchard, or vineyard to be entered has been treated with pesticides or other chemicals. If the field, orchard, or vineyard is to be treated or has been treated within this time period, reschedule the appointment(s) and document the visit accordingly.

SECTION 13 FSA OFFICE

58 FSA INFORMATION

A Background

- (1) Although insured producers are not required to certify acreage to FSA, insurance providers may use certain information or documents from the FSA office as one option to verify and/or determine data for loss adjustment inspections if it has not already been done by a previous inspection for the crop year.
- (2) FSA offices are required to ensure that anyone requesting information on another person is authorized. Identify yourself, the insurance provider you are representing, and provide some kind of evidence that shows that the insurance provider you represent has a policy in effect for the insured. FSA offices have been instructed to accept any one or more of the following documentation as evidence that the insurance provider you represent has a policy in effect for the insured:
 - (a) A producer signed FCIC-approved form showing request for cancellation and transfer of the insured's MPCl insurance to the insurance provider for which you are working;
 - (b) A claim form completed or partially completed indicating loss adjustment work will be performed for the producer;
 - (c) A personal request by the producer;
 - (d) A signed statement or telephone call from the producer asking for copying or releasing of FSA documents to a named insurance provider representative (contractor or employee);
 - (e) Summary of Insurance Protection (or Schedule of Insurance);
 - (f) Notice of Acceptance; or
 - (g) A written statement by the agent in the FSA-426, item 10, stating the following:

"I certify that the producer(s) listed above has a current policy with the insurance company I represent. This information will be used solely by the insurance company I represent for the express purpose of fulfilling its loss adjustment and compliance obligations."
- (3) The FSA County Office will provide, without charge to FCIC employees or insurance provider representatives, one copy of the following, when requested for MPCl insureds: FSA 425 and reproduced copies of FSA-578 (Producer Print), aerial photographs, and copies of other forms available to the public. Additional copies of aerial photographs are available for \$1 each. **Refer to** Exhibit 7.
- (4) FSA offices have been instructed to strikeout (black out) any personal information that does not apply to the specific producer identified on the FSA-426.

- (5) To avoid delays in obtaining copies, work with FSA county office personnel during busy periods, program sign-up, etc., to determine the best times to come into the office to obtain the forms and aerial photographs.

59 INFORMATION REQUESTS

A Requesting Forms, Aerial Photographs, Documents, Etc.

FSA offices require that requests are made on an FSA-426, MPC/FCIC Information Request Worksheet (Exhibit 7). The FSA-426 is a self-explanatory form that was designed to provide uniformity for processing crop insurance information and as a measurement tool to record the number of requests.

- (1) FSA will not accept requests on company-created request forms.
- (2) Do not make requests on the FSA-426-A for normal loss adjustment activities. The FSA-426-A is to be used only for activities outlined in the FCIC Program Integrity Handbook (4-RM); i.e., reconciliation of discrepancies of data reported by an insured to FSA and the insurance provider and regional compliance office initiated review-activities of insureds that are suspected of program abuse, misrepresentation, or fraud.

B How requests are submitted

The FSA-426 may be mailed, faxed, or submitted in person.

C When the FSA-426 should be submitted

Most FSA offices will require that the FSA-426 be submitted in advance of filling the request. Because of this, it is best to submit the request as soon as possible after receiving the notice of damage.

D Who submits the FSA-426

There is no set procedure on who submits the FSA-426. It can be submitted by the agent, adjuster, supervisor, etc. Each insurance provider should implement a plan that will work best for them and ensure copies are available for subsequent use by insurance provider representatives (employees or contractors).

E Untimely filled requests

FSA offices should have the requests filled within 3 workdays of the receipt of the request. If an FSA office continually takes longer than this, notify the insurance provider. The insurance provider will notify Insurance Services of the situation. Insurance Services will coordinate with FSA to resolve the problem.

60 ***

61 VERIFICATION MATERIALS/INFORMATION

A Materials/Information. The following FSA office material and information can be used to verify data and to make determinations.

- (1) Aerial photographs and other required forms or data.
- (2) Existing acreage figures.

- (a) Identification of permanent fields.
 - (b) FSA measurements which the insured obtained through FSA-measurement service. (Measurements may be used as "Determined Acres" for loss adjustment purposes as outlined in PAR. 80.)
 - (c) Identification and measurements obtained from large-scale aerial photographs. Refer to PAR. 80 regarding "Determined Acres."
 - (d) Cropland acres from the FSA-578 (Producer Print) to use in calculating eligible prevented planted acreage. Refer to the prevented-planting procedures in the Prevented Planting Handbook.
- (3) Insured's entity recorded with FSA to compare against entity recorded with the insurance provider for crop insurance purposes. (The entities should agree; if they do not, further research is needed to establish the correct entity.) Also refer to PAR. 14.
 - (4) Insured's share reported on the FSA-578 (Producer Print) (used to compare with share reported to the insurance provider for insurance purposes). Refer to PAR. 13.
 - (5) The FSN and/or legal description of land (used to compare FSN and legal descriptions recorded on the insured's acreage report and any other crop insurance document where it is pertinent, such as APH forms, etc).
 - (6) ***
 - (7) ***
 - (8) Any other information that may be helpful or is needed or required in procedures for determinations or verification purposes.

PART 3 ON-THE-FARM INSPECTION

SECTION 1 TYPES OF INSPECTIONS

62 GENERAL INFORMATION

There are only two types of inspections: indemnity inspections and special contract services inspections, such as Crop Inspections, Growing Season Inspections, etc.

63 INDEMNITY INSPECTION - PRELIMINARY

A When Required. Preliminary inspections are required when insureds give notice of damage before the time of harvest to: (1) replant, (2) obtain consent to put acreage to another use, (3) abandon the crop, or (4) destroy any of the insured crop that is not harvested. Unless specified otherwise in these procedures, policy provisions, or Special Provisions, the insurance provider must provide **written consent** (not verbal) to the insured when releasing acreage for any of the aforementioned actions. If the insured takes any of these actions prior to the date the insurance provider released the acreage, the acreage is considered destroyed without consent. The insured and the adjuster's signature shown on a completed appraisal worksheet and Production Worksheet as the result of the Preliminary Inspection or Final Inspection is considered the insurance provider's written consent to the insured. The date of verbal consent, if allowed by these procedures, must be documented and filed in the insured's loss file. **Be aware that:**

(1) Written consent must not be given until you are satisfied:

- (a) It is no longer practical to replant to the same crop when consent is being given to go to another crop and to finalize the claim. Winter and spring types are considered the same crop - see exception for spring crop planted in counties having only winter types in PAR. 65 A (5). Refer to PAR. 65 A (3) for definition for "Practical to Replant" and for crop policy/provisions requiring processor contracts.
- (b) It is possible to make an accurate appraisal of potential production. Certain types of damage or conditions require delays in appraisals; e.g. frost, freeze, hail, crop is still in dormancy, etc. Refer to PAR.'s 85 and 88 for details. Appraisals must represent the maximum potential production that could be expected with normal weather conditions and proper crop care from the time of the appraisal through the completion of harvest.

(2) If the insurance provider has given written consent to destroy the unharvested acreage, put the acreage to another use or crop, or abandon the acreage, and the insured has not done so, the following applies:

*** (For acreage released for replanting that the insured has not replanted, refer to PAR. 65 B.)

- (a) If the insured continues to care for such acreage and such acreage is harvested, the insurance provider will use the harvested production.
- (b) The acreage can be re-appraised if harvest becomes general in the county (area) or additional damage occurs.

- (c) For some crops, such as table grapes, the crop provisions indicate that the insured must not destroy the damaged crop (or take it to another use) until the EARLIER of 15 days from the date the insured gave notice or the insurance provider gives written consent to do so. For this reason insurance providers should make every effort to inspect and appraise the potential production within 15 days of the insured's notice of loss. Refer to the applicable crop provisions.

B During the preliminary inspection inform the insured that:

- (1) If acreage is put to another use without written consent, an appraisal will be assigned for such acreage of not less than the amount of the production guarantee. This may result in no indemnities being paid, but premium will be charged.
- (2) When prior written consent is given and the acreage is not put to another use before harvest, or the acreage is harvested, the indemnity will be determined without regard to the written consent or appraisal made. **(Replanting to the same crop under any practice is not putting the acreage to another use. Refer to PAR. 65 A (5) for exception.)**

C Claim Completion Instructions. Refer to individual crop handbooks for completion instructions for a preliminary claim for indemnity.

D Prevented Planting or Late Planting Instructions. For specific instructions regarding preliminary inspections involving late planted acreage refer to PART 5 of this handbook. For specific instructions regarding prevented planting acreage, refer to the Prevented Planting Handbook.

64 REPLANT PAYMENT INSPECTION AND CERTIFICATION

A General Information

- (1) There are two types of replant inspections, on-the-farm replant inspections and self-certification replant inspections. At the discretion of the insurance provider, the self-certification replant inspection may be used for certain crops with 50 gross acres (before share) per unit or less to be replanted. The self-certification replant program allows an insured consent to replant and receive replanting payments without a crop inspection. If there is any reason to suspect that the insured will misrepresent information regarding the replanting claim, an on-the-farm replant inspection should be conducted.
- (2) For specific replanting questions general to replanting requirements (also includes crops to which a replanting payment is not applicable) refer to PAR. 65.

B On-the-Farm Replant Inspection

- (1) The insurance provider, upon receiving the notice of damage, will assign the claim as a Preliminary Inspection. The adjuster will determine at the time of inspection if it is a final inspection.
- (2) The adjuster upon field inspection will determine if the unit qualifies for a replanting payment based on the provisions of the individual crop policy or endorsement.

- (3) **Refer to** individual crop handbooks for completion instructions for preliminary and final replant claims.
- (4) Decisions regarding whether or not the unit qualifies for a replant payment will be made on the basis of:

(a) The Date of the Initial Planting

Crop acreage planted earlier than the **Earliest** Planting Date specified in the Special Provisions for the applicable crop and county is not eligible for a replanting payment. However, if acreage is replanted after the Earliest Planting Date, and then this acreage is replanted a second time, the acreage replanted a second time may be eligible for a replant payment.

(b) The Acreage Damaged

1 The acreage to be replanted must be at least the lesser of 20 acres or 20 percent of the insured planted acreage for the unit as determined on the final planting date or within the late planting period if a late planting period is applicable. (This is not applicable to forage seeding.)

***** a** Acreage planted after the final planting date for crops not having late planting periods or after the late planting period for crops having late planting periods, will not be considered in determining the 20 acres or 20 percent of insured planted acres to qualify for a replanting payment.

b For Enterprise and Whole Farm Units, the 20 acres/20 percent rule applies to the total acreage for the damaged crop (e.g., corn) in the Enterprise or Whole Farm Unit.

2 If this determination cannot be made because additional insured acreage on the unit is to be planted and the minimum may not be met, consent to replant may be given, but the replant claim is to be handled as a preliminary replant inspection as instructed in the appropriate crop handbook and below.

- (c) An appraisal of potential production cannot exceed the amount stated in the crop policy. **Refer to** the individual crop provisions for specific amount.
- (d) A previous replanting payment must not have been made on the same acreage for the same crop year.
- (e) Replanting payments do not apply to crops insured under the Small Grains Crop Provisions that have been initially planted to a winter type of the insured crop (including rye) in any county for which the Special Provisions has **ONLY** a fall final planting date (including final planting dates in December, January, and February.)

- (5) If the unit qualifies for a replant payment, the notice will be changed from a preliminary notice to a FINAL notice (Final replant claim) utilizing a Certification Form (Exhibit 11).
- (6) An acreage report must be submitted with the final replant claim, if not previously submitted. If the acreage report is revised for the replant units after submission of a replanting payment (final) claim, a corrected claim must be submitted with the revised acreage report.
- (7) A Certification Form cannot be accepted until the ENTIRE unit has been INITIALLY PLANTED. The adjuster must have the completed Certification Form (by personal contact or otherwise) prior to signing the claim form.
- (8) Certification Form spot-checks should be conducted regularly by the adjuster. The insurance provider will determine the number of reviews to be conducted. Any questionable Certification Form should always be reviewed.
- (9) If the unit did not qualify for a replant payment but later has a routine final claim filed, the original preliminary inspection entries should be reviewed and corrected as necessary.
- (10) Unless specified otherwise in the individual crop provisions or Special Provisions (Small Grains Crop Provisions specify otherwise), replant payments will be based on the insured's actual cost per acre not to exceed the amount specified by the individual crop policy, endorsement, or crop provisions.

Some crop provisions allow that if more than one person insures the same crop on a share basis, a replanting payment based on the total shares insured by the insurance provider may be made to the insured person who incurs the total cost of replanting. Payment will be made in this manner only if an agreement exists between the insured person(s), **and such agreement** requires one person to incur the entire cost of replanting or gives the right to all replanting payments to one person. Refer to applicable crop handbooks and specific Crop Provisions for more information. The amount of the replant payment paid cannot exceed the total sum that each is entitled to receive under the respective replant policy provisions.

EXAMPLE:

There are three parties sharing in the crop. Each insured has one-third share in the crop. There has been 80 acres replanted. Insured A and B have additional coverage with insured A having a \$5 price election and insured B having a \$3.75 price election. Insured C has CAT coverage. Insured A incurs the total replant costs and there is an agreement between all parties for insured A to receive a replanting payment based on the total shares. If, in accordance with the replant provisions for the crop, the maximum amount that each individual can receive is as follows:

Insured A: 8 bu. X \$5 price election X 80 acres X .333 share =\$1065.60 (rounded to \$1066.00)

Insured B: 8 bu. X \$3.75 price election X 80 acres X .333 share = \$799.20
(rounded to \$799.00)

Insured C: \$0.00. No payment is allowed on insured C's share since replant payments are excluded from CAT coverage

The maximum replant payment that insured A is entitled to receive is \$1865.00 (\$1066.00 + \$799.00 + \$0.00).

- (11) If the insured replants the acreage to a different planting practice, the crop will continue to be insured under the practice originally planted and reported even when the crop is replanted by a practice that was uninsurable as an original planting. (This is not applicable to such practices as irrigated, non-irrigated, staked tomatoes, ground tomatoes, etc.; they are considered **production** practices rather than **planting** practices. This is also not applicable to skip-row planting patterns for cotton.) If the insured files a claim for indemnity, the practice originally reported will be entered in the appropriate column for practice on the claim form, and the replanted practice will be documented in the narrative.
- (12) Some crop provisions have a liability limitation when the crop is replanted by a practice that was uninsurable as an original planting. Specific claim preparation instructions will be found in the applicable crop handbooks.
- (13) If the crop is replanted to a different type than initially planted, the acreage report must be revised to the new type and amount of acres replanted. Replant payments will be based on the new type replanted, unless specified otherwise in the crop provisions or Special Provisions.
- (14) Replanting payments will be calculated using the price election and production guarantee for the crop type that is replanted and insured, unless specified otherwise in the crop provisions or Special Provisions. For example: The Small Grains Crop Provisions indicates: A replanting payment will be based on the guarantee and price election for the crop type initially planted when: (1) A damaged winter crop type is replanted to a spring crop type, and retains insurance based on the winter crop type guarantee and price election, and (2) Acreage replanted at a reduced seeding rate into a partially damaged stand of the insured crop.

C Self-Certification Replant Inspections

- (1) General Information
 - (a) If authorized by the insurance provider, the self-certification inspection can be used on the following crops provided replanted acreage will be 50 gross acres (before share) or less on a unit and the unit acreage qualifies for a replanting payment in accordance with policy/endorsement replanting provisions. **Authorized crops: barley (spring-seeded only), corn, dry beans, flax (spring-seeded only), grain sorghum, oats (spring-seeded only), popcorn, peanuts, soybeans, sugar beets, sunflowers, and spring wheat (if replant payment allowed by crop provisions and/or effective endorsement).**
 - (b) No provisions of the contract are waived. As outlined below, the Self-Certification Replant Worksheet (Exhibit 12) will be used in lieu of the on-the-farm-visit and in place of the Certification Form. The APPROVED Self-Certification Replant Worksheet constitutes the insurance provider's determination that all replanting payment requirements are considered to have been met.

- (c) To claim a replanting payment, the insured must give notice of damage to his/her insurance provider prior to obtaining consent to replant without an inspection. (The agent CANNOT give consent to replant without an inspection.) The insurance provider upon receiving the notice of damage will prepare the claim form as a Preliminary Notice.
 - (d) A Self-Certification Replant Worksheet is mailed to the insured when insurance provider consent is given to replant. A form letter provided by the insurance provider, which highlights the insured's requirements, will be attached to the worksheet.
- (2) Prior to mailing the Self-Certification Replant Worksheet to the insured, the adjuster will:
- (a) Contact the insured to determine if the insured's damaged acreage to be replanted is 50 gross acres or less per unit and if the unit acreage will qualify for a replanting payment.
 - 1 Unit replanting acreage qualifications are based on the same qualifications as in subparagraph B (4) (a)-(d) above.
 - 2 If this determination cannot be made because additional insured acreage on the unit is to be planted and the minimum may not be met, consent to replant may be given, but handle as a preliminary replant inspection with an on-the-farm visit.
 - 3 Refer to subparagraph B (9) above if the unit does not qualify for a replanting payment at this time.
 - 4 Damaged acreage appraisals will be based on the insured's judgment that the potential production from the damaged acreage will not exceed the amount stated in the applicable policy. Obtain the insured's estimated yield per acre to determine this, and enter in item 18 of the worksheet. The insured must certify to this information by completing and signing the worksheet.
 - (b) Complete as many items as possible from information obtained from the insured's file folder information and/or from the insured. Circle the uncompleted items that are to be completed by the insured. (Completion instructions are included in Exhibit 12.)
- (3) The insured is to be advised:
- (a) To review the Self-Certification Replant Worksheet items completed by the adjuster, line through any incorrect information, insert the correct information, and initial any changes;
 - (b) To complete the circled uncompleted items on the worksheet (upon replanting the acreage), sign and date, and immediately return the completed worksheet to the person/office instructed by the insurance provider;
 - (c) To submit a copy of receipts to support his/her actual replanting cost (not applicable to support replanting costs insured under Small Grains Crop Provisions but is required to verify that the crop was replanted);

- (d) That further notification is required if additional acreage will need to be replanted;
 - (e) An adjuster must make an on-the-farm inspection and appraisal any time the total (cumulative) replanting payment acreage will exceed 50 gross acres for a unit;
 - (f) That the acreage replanted in EXCESS of 50 gross acres for a unit WITHOUT the adjuster making an on-the-farm inspection and crop appraisal, WILL NOT be eligible for a replanting payment;
 - (g) That a random review will be conducted on self-certification replants;
 - (h) That the replant payment cannot be processed until ALL acreage for the unit has been planted, and the insured reports the unit acreage to his/her agent; and
 - (i) That it is the insured's responsibility to report ALL other acreage planted for all insured crops to his/her agent prior to the acreage reporting date for the crop and county.
- (4) A Self-Certification Replant Worksheet cannot be approved until the entire unit has been initially planted.
- (5) The adjuster (or other authorized employee) will review the insured's completed worksheet and attached receipts to verify eligibility for a replanting payment in accordance with policy/endorsement provisions (refer to subparagraph B (4) above and B (9)-(10) and any procedural restrictions for self-certification before signing and dating the completed worksheet.
- (6) For the applicable replant unit(s), compare the reported acres, practice, etc., shown on the acreage report against the acres, practice, etc., shown on the replant worksheet.
- (a) If there is a discrepancy in acres and/or practice, which would result in a lower premium when the replant claim is processed, contact the insured to clear up the discrepancy or make an on-the-farm visit to determine the acres and/or practice. If an on-the-farm-visit is not made, the insured must be in agreement with the reduction in premium as a result of the reduced acres or different practice. If it is before the acreage reporting date, the acreage report can be revised by the insured without the insurance provider's approval.
 - (b) The insured should understand that if the liability is reduced as a result of the information on the replant worksheet and the acres/practice determined at final loss time results in a greater liability than the unit liability established by the insured on the replant worksheet, the unit liability at time of final loss will be held to the unit liability reported for the replant claim. Any production from any under reported and/or unreported acreage will count against the adjusted guarantee and a MIF may apply.
- (7) If an initial acreage report has not been previously submitted and processed by the insurance provider, it must be submitted and processed before the replant claim can be processed.

- (8) If the acreage report HAS NOT been received by the agent by the acreage reporting date, but the Self Certification Replant Worksheet was received prior to that date; the acreage on the replant worksheet will be considered the timely reported acres for the crop. Contact the insured and do a field inspection.
- (a) Determine all insured and uninsured acreage for the unit(s) for which a replant payment has been claimed, and prepare an acreage report accordingly.
 - (b) Any insurable acreage not reported on the replant worksheet at this time is considered late filed and will require a crop inspection to determine if such acreage will be accepted or rejected, as outlined in PAR. 74.
- *** If crops other than the crop reported on the worksheet has not been reported by the final acreage reporting date, the insurance provider will determine whether the inspection will include determinations for a late-filed acreage report for the unreported crop(s). For example, the acreage reported on the Self-Certification Replant Worksheet was for soybeans; however, the insured has a policy for corn and grain sorghum but failed to timely report the acres for these two crops.
- (9) If the acreage report is revised after submission of a replanting payment (final) claim, a corrected claim must be submitted with the revised acreage report if it affects the replant unit.
- (10) After confirming that the insured acreage for the unit is eligible for a replanting payment, and any discrepancy on the acreage report and replant worksheet have been resolved:
- (a) Change the notice from a Preliminary to a Final Replant Claim.
 - (b) Transfer the information from the worksheet to the claim form in accordance with completion instructions in the crop handbook for replanting payments, with the exception of obtaining the insured's signature. Enter "See attached" on the line for the insured's signature, and enter the same date the insured signed the worksheet.
 - (c) Attach the worksheet original and receipts to the insurance provider's copy of the claim form.
 - (d) Attach a copy of the worksheet to the insured's copy of the claim form.
- (11) Self-Certification Random Reviews
- (a) Insurance providers **should** establish a system to monitor the disposition of self-certification replant worksheets, and implement a random review of not less than 10 percent of the replanted policies.
- ***
- (b) In order for these random reviews to be effective, they must be assigned and completed prior to processing the Replant Claim for payment. These reviews must have priority above all other reviews.
- (12) If there is any reason to suspect misrepresentation by the insured for this type of inspection, do not allow the insured to self-certify a replant claim. An actual field inspection must be completed in this type of situation.

D Replant Payments Offsetting Amounts Due

Replant payments are not to be used to offset amounts due (i.e., premium, interest, or overpayments), unless the insured agrees to this.

65 REPLANTING PROVISION ISSUES

This section applies to crop provisions that have replanting provisions regardless of whether the crop provisions also include replanting payment provisions.

A When an Insured Must Replant (Annual Crops)

- (1) Most crop provisions indicate that damaged insured acreage must be replanted in order to maintain insurability when the crop acreage is damaged **before the final planting date** to the extent that a majority of producers in the area would not normally further care for the crop, and the insurance provider determines it is practical to replant the insured crop. Some crop provisions may contain different or additional language that is specific to that crop. Refer to the appropriate crop provisions (or, if applicable, a stand-alone crop policy) for specific language.

If the insured has given notice of damage when it is still practical to replant, advise the insured of these provisions and if applicable, replanting payment provisions provided in the crop policy or endorsement. Do not release such acreage for other use until it is no longer practical to replant. If it is practical to replant and the insured does not replant, refer to subparagraph B below. Refer to PAR. 64 for Replanting Payment Inspections if replant payments are applicable.

- (2) Replanting to a different practice, type, or variety is not planting to another crop, unless the actuarial distinguishes the type or variety as a different crop, except as stated in (5) below.

(3) PRACTICAL TO REPLANT

The determination of whether it is practical to replant is made by the insurance provider after loss or damage to the insured crop. These determinations must be based on all factors including, but not limited to moisture availability, marketing window, condition of the field, and whether the replanted crop can attain crop maturity prior to the calendar date for the end of the insurance period.

It will be considered to be practical to replant regardless of availability of seed or plants (unless otherwise provided in the specific Crop Provisions or Special Provisions) or the input costs necessary to produce the insured crop such as those that would be incurred for seed or plants, or irrigation water from sources (reservoirs, etc.) historically obtained by the insured. (Refer to (4) below.)

- (4) Some crop provisions may provide additional or modified requirements/factors in order for it to be considered practical to replant, such as, the additional items stated in examples below. Refer to the specific crop provisions for this information.

Example 1:

Some crop provisions, for which processor or seed contracts apply, contain language stating that it is not practical to replant if the production from the replanted acreage cannot be delivered under the terms of the contract or the processor/seed contractor does not agree in writing to accept the production from

the replanted acreage. Some crop provisions for which processor contracts apply, state it is not practical to replant if the replanted acreage cannot produce at least the specified percentage of the approved yield and the processor agrees in writing to accept the production from the replanted acreage (e.g., processing sweet corn, processing beans, processing tomatoes, and green peas).

Example 2: The Sugar Beet Crop Provisions state it will not be considered practical to replant 30 days after the initial planting date for all counties where a late planting period is not applicable unless replanting is generally occurring in the area.

(5) Spring Wheat Replanted In Counties Having Only Fall Planting Dates:

If the insured's planted winter wheat is damaged to the point there is a loss situation and the insured wishes to plant the winter wheat acreage to a spring variety, the claim will be finalized based on the insurance provider's appraisal of the winter wheat crop. The spring-planted variety would not be considered replanted to wheat since spring wheat is not insurable in these counties. HOWEVER, if the insured inter-seeds the spring variety into the existing winter variety, DO NOT finalize the claim. The winter wheat will continue to be insured. Refer to subparagraph G below.

B When It Is Practical to Replant

If the insurance provider determines it is practical to replant any acreage (subparagraph A above), it cannot be released to go to another crop. If the insured does not replant or is going to plant to another crop; the insurance provider:

- (1) WILL NOT pay an indemnity on such acreage; and
- (2) WILL revise the acreage report to remove such acreage and the acreage must be designated as uninsurable in the "remarks" section of the acreage report.

C When It Is Determined That It Is (Was) IMPRACTICAL to Replant

(1) Insured notifies insurance provider of intent to replant, but the insurance provider determines that it is TOO LATE TO REPLANT.

- (a) During the farm visit, appraise the acreage. Inform the insured that the insurance provider no longer considers it practical to replant the crop (subparagraph A (3) above), but the insurance provider will release the acreage for ANOTHER USE. **(Replanting to the same crop (even to a different practice) IS NOT putting the ACREAGE to another use. Refer to A (2) above and exception in subparagraph A (5) above.)** If the entire unit acreage is damaged, the claim can be finalized AFTER the insured certifies that the entire unit acreage was put to another use. (If the entire unit is released to go to another use, a Certification Form must be left with the insured, refer to PAR. 66.)
- (b) If the acreage is replanted rather than put to another use, inform the insured of the following:
 - 1 IF it is a crop that has a replant-payment provision, no replant payment will be made on such acreage,

- 2 The claim cannot be finalized at this time,
- 3 The greater of, harvested and/or appraised production (from appraisal before replanting) from the replanted acreage will be counted against the guarantee, and
- 4 If an indemnity is later claimed on the unit:
 - a any loss of production (reappraised and/or harvested) below the initial appraisal will be assessed against the guarantee as an uninsured-cause appraisal. HOWEVER, if comparisons of surrounding acreages reveal that the replanted acreage would have suffered all or part of the additional damage even if the acreage had not been replanted, adjust the uninsured-cause appraisal accordingly.
 - b Document all facts. Anytime the replanted-acreage production is less than the initial appraisal and you have determined that the additional loss of production should not be assessed against the production guarantee as described in (1)(b) 4 a above, indicate why and how you arrived at your figures.

(2) **Insured Does Not Notify Insurance Provider of Intent to Replant**

If the insured replants without giving proper notification of damage and the insurance provider determines that the replanting was done later than was practical to do so (subparagraph A (3) above), any potential production lost as a result of this will be assessed against the production guarantee as an uninsured-cause appraisal. If the potential production lost can be solely attributed to the late replanting, an uninsured-cause appraisal of NOT LESS than the PRODUCTION GUARANTEE will be assessed against the acreage.

D Replant Provision/Herbicide Usage

- (1) When an herbicide has been properly applied as a recommended farming practice, and the label restrictions prohibit replanting the crop by the final planting date, replanting the acreage will generally be considered impractical. The individual circumstances should be documented using label restrictions and local CES information to make individual determinations.
- (2) Advise the insureds that to protect their interest in determining the impracticality to replant they should notify the insurance provider of the circumstances in order to provide timely documentation of the facts.
- (3) No standard response can be given as to the practicality to replant in this situation. Every case may have varied conditions that will affect the decision. Included in these conditions are the following:
 - (a) Label restrictions for herbicide used;
 - (b) Crop variety;
 - (c) Planting date;

(d) Soil, moisture, and temperature conditions; and

(e) Stage of plant growth;

E Availability or Cost of Seed/Plant

Unless specified otherwise in the definition of "Practical to Replant" in the individual crop provisions, availability or cost of seed/plants IS NOT a consideration in determining if it is practical to replant. The insured must pursue normal options to obtain necessary seed to replant (if necessary) in the same manner that a noninsured producer would make prudent management decisions.

F Planting Other Acreage in Lieu of Replanting the Acreage Initially Planted

(1) Susceptibility to plant disease, susceptibility to damage due to soilborne insects or herbicides, blowing ground, or other soil conditions may make it impractical to replant on the initially-planted acreage. The insured IS NOT allowed to receive a replanting payment on other acreage planted to replace the initially-planted and subsequently destroyed acreage. Any such "replacement" acreage is treated as any other initially-planted acreage.

(2) If it is not practical to replant the crop on the initially planted acreage, the insured must elect whether to carry the crop to harvest or receive consent for other use. Follow all instructions for the appropriate preliminary or final inspections as outlined in the crop handbook.

G Replanting on Interplanted Acreage

(1) There is no specification in the endorsement/policy as to how a crop is to be replanted. However, if a replanting method contributes to any subsequent loss of production, such loss should be reflected in an appraisal for production lost due to uninsured causes.

(2) An existing stand does not have to be destroyed prior to replanting in order to qualify for a replanting payment as long as the acreage being replanted meets the minimum requirements in the policy/endorsement. If the insured chooses to interplant a spring variety with a winter variety, for example, the insured's inability to market or loss of value of the production because of the mixed classes is not insured against. If subsequent damage occurs which lowers the quality of the crop due to insurable causes, a determination of the value of the grain WITHOUT consideration of its mixed status must be made to determine the extent of any quality adjustment.

(3) In all replant claims, the actual cost of replanting must be considered when making the replant payment. The policy/endorsement specifies that the replant payment cannot exceed the actual cost of replanting. In cases of interplanting, it is even more important to ascertain the actual cost of the replant operation to assure that the replant payment claimed does not exceed this cost.

H Inability of Insured to Replant

No potential production will be assessed to acreage the insured has destroyed with consent to replant if, due to weather and/or soil conditions, the insured is unable to replant. However, if it is determined that the insured could have replanted within the time

frame that it was still practical, prepare a revised acreage report designating the acreage as uninsurable (refer to PAR.'s 28-29 for revised acreage report instructions).

I Inspection to Release Acreage to be Replanted

Even though a crop or crop coverage may not be eligible for replanting payments, a majority of the crops still have replanting requirements, and the insured must provide notice of damage as described in preceding paragraphs.

- (1) In all cases, the insurance provider representative, or other party responsible for recording notices, will record the notice of damage or loss and forward the notice to the person or office designated by the insurance provider to assign losses to adjusters.
- (2) The adjuster will contact the insured to determine the insured's intent for handling the damaged crop and to determine whether a field inspection is required. The insured will be informed that if a field inspection is not performed, the insured should be prepared to show original seed receipts/tickets and other supporting receipts/tickets to support that the crop was initially planted and replanted in case of an audit or final loss to this unit.
- (3) Determinations that field inspections are not required, must be fully supported by information documented in the insured's loss claim file, based on contact with the insured or the insured's authorized representative. Notices of damage MAY NOT require a field inspection when the crop provisions do not provide for replanting payments (or replant payments are not applicable because the policy has CAT coverage) for the crop and crop damage is consistent with other producers' crop damage in the area, and the other producers are replanting. Refer to (5) below.
- (4) When the notice of damage is cleared without a field inspection, consent to replant will be considered given to the insured when the adjuster:
 - (a) documents why the insured's claim file does not require a field inspection, and
 - (b) closes the notice of damage.
- (5) A field inspection MUST be completed WHEN:
 - (a) Policy provisions provide for replant payments (except self-certification replant inspections and policies with CAT coverage);
 - (b) An insured requests consent to put insured acreage to another use;
 - (c) There is reason to suspect the insured did not follow good farming practices or uninsured causes of loss;
 - (d) Damage is inconsistent with other crops in the insured's area;
 - (e) There is any need to document actual field crop conditions; or
 - (f) It becomes evident (from contact with the insured or general crop conditions) that these insured crops have been damaged to the extent that

replanting would be required, but the insured does not intend to replant the insured acreage. An inspection is required in order to determine practicability to replant and therefore insurability of the damaged acreage.

- (6) No potential production will be assessed to acreage the insured has destroyed with consent to replant (with or without a field inspection if, due to weather and/or soil conditions, the insured is unable to replant). However, if the insured could have replanted within the time frame that it was still practical, the acreage must be considered uninsured and the acreage report revised accordingly.

J Replanted During the Late Planting Period Due to an Uninsured Cause

- (1) If the insured crop is replanted during the late planting period due to the crop being destroyed by an uninsured cause (e.g., chemical damage), it will not be considered to be late planted and no reduction in the guarantee will apply. The replanted crop will be handled as any other replanted crop (i.e., the initial planting date, initial planting practice, applies, etc.), except the insured is not eligible for a replanting payment on such acreage, if it is a crop that has replanting provisions.
- (2) During final loss adjustment of a unit containing such acreage:
 - a Determine if there is any reduction of yield that can be directly attributed to replanting the crop acreage in the LP period. If there is, show the per-acre amount of reduced yield as an uninsured cause appraisal.
 - b To determine whether there is a reduction in yield, compare the replanted acreage yields to yields of timely planted acreage of the same crop in the surrounding area. If such acreage did not suffer any loss of yield due to an insured cause, then this should indicate the loss of yield can be contributed to planting in the late planting period. On the other hand, if timely planted acreage of the same crop in the same surrounding area shows the replanted and timely planted acreage both had similar losses of yield due to insured causes, an appraisal for uninsured causes should not apply.

66 PURPOSE OF THE CERTIFICATION FORM

A Uses of the Certification Form

Prepare the Certification Form upon completing:

- (1) A replant inspection (for a replant payment) or;
- (2) The “final” inspection when any of the following apply:
 - (a) ALL the acreage on a unit has been appraised to be put to another use, and it is expected that the insured's intentions for such other use will not change.
 - (b) Mature appraised or harvested production with applicable quality adjustment is declared zero value (due to insured causes). Refer to PAR. 96 J for zero value-harvested production.
 - (c) Production records are not readily available, for certain crops (or unavailability of price information to determine production value, if required

to complete a claim; e.g., the value of cherries is not available until the marketing pools close. Refer to PAR. 69 C (4).

- (d) The crop can never be mechanically harvested. The insured must sign a certification statement on this form as instructed in PAR. 85.
- (e) The requirement to destroy an immature or mature crop or put an immature crop to another use on the entire unit before indemnification is waived due to wind and soil conditions as indicated in PAR. 134. The insured must sign a certification statement on this form as stated in PAR.134.
- (f) The insured wishes to allow gleaning of the crop or remaining crop. The insured must sign a certification statement on this form as stated in PAR. 94 G (2).

(3) Refer to Exhibit 11 for Certification Form completion instructions.

B When Insured is to Return Certification Form. The insured returns the Certification Form to the person or office designated by the insurance provider when, as applicable:

- (1) The acreage has been replanted,
- (2) Put to another use,
- (3) The production with zero value, as described in A 2 (b) above, (due to an insurable cause) is destroyed, or
- (4) The production records have been received as indicated in A 2 (c) above.

C Adjuster Review of Returned Certification Form. When the insured signs and returns the Certification Form with a proper indication of "Replanted" or "Other Use" of the acreage, review all data on the Certification Form and claim.

- (1) If all data on the Certification Form and the claim agree, the adjuster signs and dates the claim form. (The claim will have been prepared as a "Final" during the appraisal inspection, and signed by the insured.) After receiving the certification form, the adjuster must have the certification reviewed and the claim signed and returned to the insurance provider within the time frame designated by the insurance provider.
- (2) If any data on the Certification Form and the claim do not agree, the adjuster MUST NOT sign the claim form. The adjuster will make another farm visit. If, during the subsequent farm visit, the adjuster still does not agree with the information on the claim, the claim will be voided and a new claim prepared based upon the facts found on the farm visit.

*** (3) In the case of mycotoxin-infected production that the insured is required to destroy under Federal or State laws, another farm inspection is required to verify that the production has been destroyed. (The affected production should be destroyed in accordance with any applicable State or Federal regulations.) Refer to PAR. 102 for information pertaining to mycotoxins.

D Claim Form Completion Instructions. Refer to the individual crop handbooks.

67 INDEMNITY INSPECTION - FINAL (INCLUDING NO INDEMNITY DUE CLAIMS)

A final inspection must be made in order to document production, acreage, insured and uninsured causes of loss, and all other pertinent entries to determine the amount of indemnity, unless the notice has been withdrawn or cleared.

- A Field Visit. To make adequate determination, actual visits to the field(s) where the crop is/was grown must be made.
- B Information to Consider. Consider information from preliminary inspections, and review the determinations of any previous inspection(s), if any.
- C Additional Determinations. Make additional determinations as required to establish the amount of production and loss, if any.
- D Procedures. Refer to specific areas of this handbook for more information regarding determinations of total production, acreage, appraisals, insured/uninsured causes, shares, etc. Refer to PART 5 for claims involving late planted acreage or the Prevented Planting Handbook for prevented planting acreage.
- E Comparison of Representative Strip Production to Harvested Production

Use representative strips that are left to determine whether harvested production is comparable to production in the strips.

- (1) If there is a large discrepancy between harvested production and production within the strips, obtain all pertinent information needed; however, DO NOT sign the claim(s) at this time. Contact the insurance provider for assistance in completing these cases. If necessary, controversial claims will be prepared (some insurance providers use Non-Waiver Agreements rather than controversial claims). Refer to PAR. 120.
 - (2) In the event representative strips are comparable to harvested production and the representative strips do not represent a significant portion of the insured acreage, the acreage strips will be considered as harvested; however, no production from the strips will be counted. The insurance provider has the authority to develop guidelines for determining the portion of the insured acreage involved for representative strips, which would be considered "significant." IF the strips represent a "significant" amount of the acreage, the production from the amount of acreage that is excessive will be included in the production to count.
 - (3) If the representative strips have not been left or have been destroyed prior to the inspection, determine if production is reflective of crop residue and conditions in the area. If you are satisfied the production to count is reasonable, prepare the claim accordingly. If production to count is not reflective of crop residue and area conditions, refer the case to the insurance provider for assistance in handling. (In some cases, this may be grounds for rejection of the claim by the insurance provider in accordance with the applicable Basic Provisions and crop provisions.
- F Review Prior Determinations. Review the determinations of any inspection giving written consent for other use of a part of the total acreage in a unit. If the earlier inspection was incomplete or the information is incorrect, explain in narrative of the claim form or submit documentation on a Special Report.

G Claims of Persons Affiliated With MPCCI Program

If the claim is filed by any FCIC employee or insurance provider employee; or loss adjustment contractor, agent, or anyone directly affiliated with FCIC, or an insurance provider; the claim must be reviewed by the insurance provider (or other disinterested party assigned by the insurance provider) prior to payment of the claim. Generally, the insurance provider will accompany the adjuster on the initial loss adjustment inspection and will conduct the review at the same time. If it is not known prior to the loss adjustment inspection that the claim is for an employee or any other person described herein, the adjuster is to notify the insurance provider immediately so that an insurance provider representative has the opportunity to accompany the adjuster during the inspection.

H DO NOT finalize claims until you are satisfied with all determinations, including but not limited to:

- (1) Total disposition of the crop;
- (2) Value (or reduction in value (RIV), if applicable) of the crop needed for quality adjustment purposes. Special care must be given when there are zero value (1.000 RIV) offers (or non-marketability) in a local area or extremely low market price (or extremely high RIV, if applicable) for the crop in the local marketing area (**Refer to** PAR. 96 H.); and
- (3) The insured's Certification Form, if applicable, has been received and verified. **Refer to** PAR. 66.

I Indemnity Due. If an indemnity is due, refer to the individual crop handbooks for procedure in completing the claim.

J "No Indemnity Due Claims"

- (1) "No Indemnity Due" claims must be verified by an APPRAISAL or NOTIFICATION from the insured that the production exceeded the production guarantee (or value of crop exceeded the dollar guarantee, if applicable); i.e., damage/amount of loss (or revenue) was not great enough to generate a loss.
- (2) If it is determined that NO INDEMNITY IS DUE during an inspection:
 - (a) Complete the inspection;
 - (b) Record all pertinent information on either of the following:
 - 1 the claim as instructed in the crop handbook, OR
 - 2 if directed by the insurance provider, complete and have the insured sign a "Withdrawal of Claim," NCIS-M920 or other FCI approved "Withdrawal of Claim" form rather than prepare a "No Indemnity Due;" and
 - (c) If inspection determinations indicate a reduction in premium is applicable, follow the insurance provider's instructions.

K Final Claims Based on Appraised Production that Is Later Harvested

(1) If a claim is to be settled on the basis of appraised production, the insured must agree to notify the insurance provider if the appraised acreage is later harvested. The harvested production will then be used to determine any additional indemnity due or any indemnity amount that will have to be repaid. For the purpose of administering this provision (contained in the Basic Provisions), **claims** settled on appraised acreage that is subsequently harvested will only be corrected (**recalculated**) **using harvested production WHEN:**

(a) The amount of **harvested production is greater than the amount of appraised production** (it does not matter whether harvest is completed before or after the calendar date for the end of the insurance period); or

(b) The amount of **harvested production is lower than the amount of appraised production, AND harvest was completed on or BEFORE the calendar date for the end of the insurance period, AND** no cause of loss occurred between the end of the insurance period (any event that ends the insurance period including failure to timely harvest which is considered abandonment) and the date of harvest.

*** (2) If production is **harvested AFTER the calendar date for the end of the insurance period, AND** the amount of **HARVESTED production is LOWER THAN the amount of APPRAISED production, the harvested production will not be used** to correct (recalculate) a claim.

*** (3) The standard corrected claim tolerances apply to these procedures.

68 **INDEMNITY INSPECTION (FINAL) - END OF THE INSURANCE PERIOD**

A When the **calendar date for the end of the insurance period has been reached, and the crop has not been harvested, appraised production will be used to adjust the loss if the crop will not be harvested.** A final inspection is required as soon as practical unless the insurance provider determines that insured perils (listed in the policy) delayed and prevented harvest of the crop.

(1) **Insurance providers may settle claims based on harvested production by authorizing additional time to harvest on a case-by-case basis if:**

(a) **The insurance provider determines and documents that the delay in harvest was due to an insured cause of loss; and**

(b) **The insured proves that harvest was not possible; and**

(c) **The delay in harvest was not due to uninsured causes of loss or because the insured did not have sufficient equipment or manpower to harvest the crop by the calendar date for the end of the insurance period.**

(2) If additional time is not granted because it is determined that an insured peril was not the cause for the crop not being harvested; and there is significant snow cover, the crop is under water, or extreme wet conditions exists, insurance providers should not, and are not required to, perform final inspections when such conditions make it impossible to obtain appraisals accurately according to procedures.

(3) Insurance providers are expected to perform appraisals and close out any open claims after the calendar date for the end of the insurance period once conditions improve sufficiently to do so.

*** (4) When an appraisal is deferred for immature crop acreage that has been released to go to another crop or use, the end of insurance period does not occur for such acreage until the representative areas left for the deferred appraisal have been appraised or harvested (within time frame specified in procedures or crop provisions where there is a disagreement of appraisal amount), unless the insured failed to care for the representative areas (i.e., abandons the acreage in the representative areas). Refer to PAR.'s 85 C and 88 for more information about deferred appraisals.

B When the insurance provider authorizes additional time to complete loss adjustment due to an insured peril preventing harvest by the calendar date for the end of the insurance period (as stated above), follow the instructions below:

(1) Notify RMA's Risk Management Services Division (RMSD) via e-mail at RMA.RMSD@rma.usda.gov. when authorization is being provided to an insured or insureds, list the following approximate number authorization given, the reason authorization is being provided, and the state, county(ies), and crop(s) affected. RMSD will notify the other insurance providers, PDD, Risk Compliance, RMA ROs and CFOs that service the counties/states where the authorizations have been provided.

(2) If harvest completion was delayed due to an insurable cause occurring within the insurance period, any subsequent damage to the crop, due to the insurable causes specified in the contract, is covered provided that it is determined on a case-by-case basis that the insured has:

(a) complied with the notice of damage or loss requirements identified in the policies and administered in accordance with the loss adjustment procedures, and

(b) made every reasonable attempt to harvest the crop timely and properly.

*** (3) This does not include a mature crop that could have been harvested by the calendar date for the end of the insurance period but was not because the insured was waiting for the moisture to decrease to avoid drying costs. In such cases, appraise the crop and finalize the claim as soon as possible after the calendar date for the end of the insurance period.

(4) The calendar date for the end of the insurance period is NOT extended. Rather, the insured is given additional time to attempt to harvest the crop in order to settle any loss on the basis of harvested production.

- (5) In the above circumstances, any subsequent and unavoidable loss of production caused by insurable causes is to be considered as an unavoidable loss resulting from the original insurable cause, which prevented the timely harvest of the crop. Any avoidable loss of production is to be charged as an appraisal against the guarantee.
- (6) The insured is expected to harvest the crop if a window of harvest opportunity arises. If the insured had the opportunity to harvest and failed to do so, insurance providers are to appraise the acreage and finalize the claim based on the appraisal. Damage occurring after the producer had an opportunity to harvest is uninsurable.
- (7) Verify and document that damage resulted from insured causes occurring during the insurance period (as clarified in B (2) and (3) above). Items to verify include (but are not limited to) the following:
- (a) Specific variety planted.
 - (b) Planting date.
 - (c) Length of normal growing season needed for the insured crop variety.
 - (d) Insurable causes preventing timely harvest and dates of occurrence.
 - (e) Area conditions, surrounding producers' situations, percent of harvest completion in the area, the adequacy of the insured's harvest equipment and efforts to harvest, and windows of harvest opportunity.
 - (f) The rationale for establishing the portion of the loss resulting from causes which occurred during the insurance period and any appraisals for uninsured causes.
 - (g) The following is to be used if the insurance provider wishes to further document that the insured was informed of the above: Copy of notice sent to the insured outlining the insured's responsibility to mitigate the damage by harvesting at first opportunity, and informing the insured that if a window of harvest opportunity occurs and harvest does not occur, appraisals will be assessed for failure to follow recognized good farming practices.
 - (h) Photographs, video, etc., if they will conclusively verify the reasons that the crop could not be harvested by the end of the insurance period.
- (8) If a loss is anticipated and acreage remains unharvested, perform an inspection on the unharvested acreage in the unit as soon as possible after the calendar date for the end of the insurance period. Although it is preferred to provide the insured reasonable opportunity to harvest the crop and to settle losses on the basis of harvested production, very few claims should remain to be finalized beyond 60 days after the calendar date for the end of the insurance period. Such cases will require extensive documentation to support proper payment of the affected claims.
- (9) All applicable instructions in PAR. 67 also apply.

69 INDEMNITY INSPECTION (FINAL) - DELAYED NOTICE OF DAMAGE OR LOSS AND/OR DELAYED CLAIM

A Delayed Notice Definition

A DELAYED NOTICE is a notice that is filed after the time required in the policy.

Example: The policy requirements for coarse grains require that the insured provides notice, by unit, within 72 hours of the insured's initial discovery of damage (but not later than 15 days after the end of the insurance period). The insured finished harvest of the loss unit on October 1. (In accordance with the policy provisions, the insurance period ended upon harvest.) The insured mailed the notice on October 30, and the insurance provider received it on Nov 3. In order to meet the policy requirements, the notice would have to be received by the insurance provider by October 16. In this instance, the notice was 18 days late.

*** If the notice is filed LATER than the time required in the policy for the insured to submit (sign) a claim (generally 60 days after the end of the insurance period), any resulting claim for which the notice was given is a DELAYED CLAIM. Refer to C below.

B Acceptance of a Delayed Notice

Acceptance of the notice does not constitute approval of the claim. The insurance provider may accept the notice only if the insurance provider still has the ability to accurately adjust the loss. When the notice is accepted, the insurance provider will perform any necessary inspections. When the insured submits a delayed notice, remind the insured of:

- (1) The requirement for filing timely notice of damage.
- (2) The right of the insurance provider to reject any claim if failure to give timely notice affects the insurance provider's ability to SATISFACTORILY establish ALL data needed to properly adjust the claim.

C Delayed Claims

- (1) When the insured signs a claim later than the time specified in the policy or endorsement for submitting claims, it is a DELAYED CLAIM. The time specified in most policies (or endorsements) is the earlier of, 60 days after:
 - (a) the total destruction of the insured crop on the unit;
 - (b) harvest of the unit; or
 - (c) the calendar date for the end of the insurance period.

ONLY for crops/counties with a 2005 crop year CCD of 8/31/2004, or later→

- (2) If the insured will not be able to sign a claim on or prior to 60 days after the end of the insurance period, the insured must submit to the insurance provider a request for an extension and the insurance provider must agree to the extension. **Insurance providers can only grant extensions if the amount of the loss cannot be determined within such time period because the information needed to**

determine the amount of the loss was not available. The insured's failure to submit the claim or provide the required information will result in no replant payment or indemnity payment.

→**ONLY for crops/counties with a 2005 crop year CCD of 8/31/2004, or later**

ONLY for crops/counties with a 2005 crop year CCD prior to 8/31/2004→

(3) When the insured signs a claim later than the time specified in the policy or endorsement for submitting claims, **and subparagraph (4) is not applicable**, remind the insured of the following:

- (a) The policy provision for submitting a claim within the time specified in the applicable policy or endorsement.
- (b) The right of the insurance provider to reject any claim if the delayed claim affects the insurance provider's ability to satisfactorily establish all data needed to properly adjust the claim.

(4) Delayed Claims Due to Unavailability of Production Records (or unavailability of price information to determine production value, if required to complete the claim.)

For such crops as almonds, cotton, citrus, hybrid seed, peaches, prunes, walnuts, and occasionally others; production records are not always available at loss adjustment time. For some crops the settlement price is not always available at loss adjustment time; e.g., cherries may not have a settlement price(s) until marketing pool(s) close. This may result in insureds having to sign the claim later than the time specified in the policy. A Certification Form may be used when through no fault of the insured, the production records are not available from the processor, gin, or seed company or the settlement price when the price is necessary to complete the claim. **In such situations, the following instructions will apply:**

- (a) Make all determinations possible and complete the claim form without the production records or settlement price information.
- (b) Enter "Certification Form" in the heading of the claim form or note in the narrative that a Certification Form was used.
- (c) Obtain the insured's signature and date. Do not sign or date the claim form during the initial inspection.
- (d) Complete a Certification Form. (Refer to Exhibit 11.)
- (e) Instruct the insured to do the following when the production records or settlement price(s) are available:
 - 1 Enter "Production Records Available" or "Settlement Price Available" in the "remarks" section of the Certification Form;
 - 2 Sign and date the Certification Form; and
 - 3 Return it to the person/location indicated on the Certification Form or as instructed by the insurance provider.

←**ONLY for crops/counties with a 2005 crop year CCD prior to 8/31/2004**

ONLY for crops/counties with a 2005 crop year CCD prior to 8/31/2004→

- (f) Upon receipt of the completed Certification Form; sign, date, and mark the Certification Form indicating a farm visit is required to obtain the production records (or settlement price, if applicable) and for completion of the claim.
- (g) For this type of delayed claim, the Certification Form will be all the documentation required; the instructions in the following subparagraphs will not apply unless the claim is also a delayed notice.

D Delayed Claims or Delayed Notices Which Have Companion Contracts That Have Been Finalized

- (1) Unless you disagree with the findings, use the information from the companion contract to make your determinations. Do not make your determinations until you have reviewed the companion contract and all respective documentation. Enter date and code number on the claim form, but DO NOT sign the claim.
- (2) Submit a Special Report with the following information and any other information relevant to the case: Do not include the items in subparagraph G below, except as stated in subparagraph D (4) below.)
- (3) State whether you agree with the companion-contract findings. If you disagree, identify any findings that you do not agree with and why.
- (4) If the companion contract was a delayed notice or a delayed claim, were all the items listed in subparagraph G addressed in the report for the companion contract? Document your findings on any pertinent items omitted. Include a copy of the report initially prepared for the finalized companion contract as part of the documentation.
- (5) If a companion contract has not been finalized, follow the procedures pertaining to companion contracts found in the crop handbooks; and **if applicable**, subparagraphs B, C, E, F, and G.

←ONLY for crops/counties with a 2005 crop year CCD prior to 8/31/2004

E Caution. For an inspection involving a delayed notice or a delayed claim, the adjuster DOES NOT have the authority to bind the insurance provider to any particular course of action, UNLESS authorized as outlined in **C (2) for crops/counties with a 2005 crop year CCD of 8/31/2004, or later; or in C (4),** for crops/counties with a 2005 crop year CCD prior to 8/31/2004. If this inspection IS NOT authorized under **C (2) or C (4) respectively,** do not make statements to the insured which could be construed as admitting or denying liability. Inform the insured of the following:

- (1) The adjuster's responsibility is limited to establishing the facts and assisting in the preparation of the delayed claim for consideration by the insurance provider.
- (2) The insurance provider will inform the insured in writing of the approval or rejection of the claim.

F Delayed Notice and/or Delayed Claim Inspection

These instructions do not apply to delayed notices and/or delayed claims involving companion contracts that have been finalized (refer to subparagraph D above), or for delayed claims involving unavailability of production records (refer to subparagraph **C (4)** above).

For all claims involving delayed notices and/or delayed claims:

- (1) Follow the loss adjustment procedures for making appraisals, acreage determinations, acreage report information verifications, uninsured causes, etc.
- (2) Complete all claim form entries for which the determination CAN satisfactorily be made, but DO NOT SIGN the claim. If there is any determination that cannot be satisfactorily determined, do not make an entry on the claim form for that information. Document it as indicated in subparagraph G below.

G Delayed Notice and/or Delayed Claim Report

For crops with a 2005 crop year CCD of 8/31/2004, or later, a Delayed Claim Report is not applicable unless the Delayed Notice is also involved and if an extension of the required 60 days has been extended by the insurance provider as allowed in subparagraph C (2) above.

Document on a Special Report whether or not information necessary to accurately determine the amount of loss is available by addressing the items listed below, and any other pertinent information. Attach the completed Special Report to the claim form and forward to your insurance provider.

- (1) The number of acres of the insured crop, by unit, practice, and type that had been plowed, pastured, or otherwise used after the time the insured was required to give notice of loss under policy provisions.
- (2) Whether all acreage could be accurately identified and whether such acreage was measured or estimated.
- (3) How the actual production was determined, including information as to whether the records of anyone buying production from the insured were examined.
- (4) The cause of loss and how it was possible to establish that all of the loss occurred within the insurance period.
- (5) How appraisals of unharvested, mature production were determined.
- (6) Whether any uninsured causes contributed to the loss, and if so, the methods used in making per-acre appraisals for such causes. (See PAR. 121.)
- (7) How production on the unit compared with that of other farms in the community; include a statement as to whether other insureds or producers on nearby farms incurred similar losses.
- (8) If the insured's reason for delay was inability to harvest timely because of unfavorable weather during the normal harvest period, include the following information:
 - (a) The date when the insured started harvesting this crop, and the date harvest was started on this unit.
 - (b) To what extent neighboring farmers (both insured and uninsured) were able to complete harvest by the calendar date for the end of the insurance period specified in the crop policy or endorsement.

- (c) Whether the insured owns harvesting equipment and if it was adequate to complete harvest timely under normal conditions. Whether the insured performed custom work in lieu of timely harvesting his/her insured crop.
- (d) If the insured does not own adequate equipment, document whether:
 - 1 There was firm, advance custom arrangements, assuring prompt harvest of the crop upon maturity,
 - 2 The insured deferred making arrangements until harvest time, or
 - 3 The insured depended upon equipment that would not be available until the custom operator completed his/her own harvest or that of other farmers.
- (e) With readily available equipment and other necessary facilities, the earliest date harvest could have been completed under the weather and soil conditions that existed.

H Approval or Rejection

- (1) The insurance provider's approving official will:
 - (a) Approve claims for which the amount of loss CAN be accurately determined; and
 - (b) Reject claims for which the amount of loss CANNOT be accurately determined.
- (2) Provide written notification to the insured of approval or rejection of the claim.

I Approval/Rejection Guidelines

Generally, the amount of loss CANNOT be accurately determined if the insured failed to give the insurance provider the opportunity to examine the unharvested crop potential or the harvested crop residue. Therefore, usually a claim will be rejected if the crop and crop residue have been removed from the fields prior to loss adjustment inspection. However, if such a claim is approved, it will require extensive documentation to support satisfactory determinations of planting practices, production, etc.

70 PRODUCTION PRE-MEASUREMENT SERVICE INSPECTION

- A General Information. In order to keep production separate by unit when there is a probable loss situation for a crop, ADJUSTERS, not insureds (unless the insurance provider's authorization is given – refer to PAR. 105), are to measure existing production in a single storage structure when an insured is going to add production from another unit, crop year, or production harvested from acreage which has been identified as uninsurable and such production will not be weighed before placing in the storage structure. Refer to PAR. 104.
- B Measurements from FSA. Insured's can also request measurement services from FSA for grain in on-the-farm-storage. Storage measurements (not calculated production from the measurements) for each individual unit, etc., taken from FSA records are to be accepted for this purpose, unless:

- (1) The insurance provider has supportable reasons to believe the measurements are incorrect;
- (2) The paperwork upon which the measurements are recorded DOES NOT contain all of the following:
 - (a) Insured's name,
 - (b) For each structure measured:
 - 1 Date of each measurement that shows that the measurements were done just prior to production being added to the existing production from another unit, crop year, or uninsured acreage or vice versa;
 - 2 Dimensions of the structure and depth of production in each structure for: (1) preceding crop year's production (if applicable) with crop year(s) identified, (2) each unit for current crop year with crop year identified (if unit number is not shown, the field(s) the production was from, production from uninsured acreage (if applicable), and (3) measurements of space displaced by chutes, vents, etc.; and
 - 3 Location of the structure with some type of alpha/numeric or other type identifier for each structure.

C Insured's Notification to Insurance Provider for **Production Pre-Measurement** from the Insurance Provider

Prior to adding such production, the insured will notify his/her insurance provider that measurements are needed for this reason. The insurance provider will immediately forward this information on to the appropriate personnel who sets up the adjuster assignments so that the insured can be contacted for an appointment or as otherwise described in PAR. 105, provided all parts of the criteria for authorization in PAR. 105 have been met.

D Recording Production Pre-Measurement for Insurance Provider

The Pre-Measurement Service will be recorded on a claim form or other FCI-approved form used for this purpose. At least the following information must be recorded when performing a Pre-Measurement Service Inspection:

- (1) Insured's Name (as shown on the most recent Policy Confirmation).
- (2) Policy Number from the Policy Confirmation.
- (3) County and State if it cannot be identified within the policy number.
- (4) Unit Number.
- (5) Crop Year (crop year in which the production pre-measurement service is conducted).
- (6) Location of the storage structures being measured.
- (7) Date the insured requested the production pre-measurement service. (This date can be considered as a notice of loss for follow-up purposes.)

- (8) Measurement of each structure being measured and depth of production in each structure, and if applicable, measurements of space displaced by chutes, vents, etc. Use separate line entries to identify each structure and varying share(s).
- (9) If measurement is for corn, indicate whether the corn is shelled, ear, silage, etc.
- (10) Indicate, by structure, from what crop year the production was harvested.
- (11) Sketch map showing structure design of the storage facility(ies) and its relative location to the farmstead home. (Identify each structure with a numeric or alpha designation. Correlate the numeric/alpha identification of each structure with the line entry for the measurement or calculation of each structure.)

E Distribution of Insurance Provider's Pre-Measurement Documents, is as follows:

- (1) Copy to insured, and
- (2) Original to office that the insurance provider has designated to maintain insureds' files of original documents.

71 GROWING SEASON INSPECTION

*** Growing Season Inspections (GSIs) are done as a part of quality assurance and are normally done in conjunction with Pre-Harvest Inspection (refer to PAR. 72).

A Recording Inspection

Record the GSI on the following:

- (1) GSI Report; (Refer to C below.)
- (2) Aerial photocopy. (Refer to D below);
- (3) Appraisal Worksheets for each unit of the crop being inspected (refer to "Exception" below); and
- (4) One of the following:
 - (a) A claim form completed like a preliminary inspection, but identify on the claim form that it is a GSI; or
 - (b) A FCIC-approved Growing Season Inspection form; or
 - (c) A Special Report recording all the required information.

B Appraisals

- (1) Appraisals must be performed during the inspection, and recorded on the appropriate appraisal worksheet for each unit. Refer to the appropriate crop handbook for appraisal instructions.
- *** (2) If an inspection is being done shortly after the final planting date to determine if the crop has been planted by the final planting date and/or within the late planting period (if applicable), appraisals are not expected for this early inspection

However, as much information as possible should be obtained and recorded for this inspection.

C GSI Report

Determine and document the answers to the following questions on a Special Report **or on an insurance provider's form developed for this purpose and developed from the questions below.** If using a Special Report, label the beginning of the report as "GSI Report."

- (1) Planting date (and replanting date, if replanted).
- (2) What kind of tillage methods has the insured carried out?
- (3) What kind of weed control practices are being carried out?
- (4) Has a current soil test(s) been taken on any of the insured acreage?
- (5) How does the crop inspected compare with those in the general area?
- (6) What type of fertilizer program is being followed?
- (7) Briefly explain the weather in the past 4 to 6 weeks, the current conditions, and the long-range forecast for the area.
- (8) Should the producer's farming operation be reviewed at a later date?
- (9) Briefly enter any other pertinent remarks.

D Documentation on Aerial Photo Copy

On the aerial photocopy, clearly identify the following:

- (1) Insured's name and contract number,
- (2) Insured's farm and the field(s) inspected,
- (3) Area in the field where the appraisals were taken,
- (4) Any problem areas within the field(s), and
- (5) Any field(s) of the same crop that border (a neighbor's field and the condition of that neighbor's field).

E GSI Report Package and Distribution

Attach together completed aerial-photo documentation, GSI Report, appraisal worksheet, and claim form prepared as a GSI Inspection if the claim form is used to record GSI information. Distribute originals to office designated by the insurance provider to maintain insureds' files of original documents and as otherwise instructed by the insurance provider.

72 PREHARVEST INSPECTION

A General Information

Pre-harvest Inspections are done as a quality assurance/control function to deter insureds from shifting or hiding production in order to create losses or create larger losses. It also serves to discover producers who are attempting to do this. By appraising all fields prior to harvest, the appraised production can be compared against the harvested production. If there are large discrepancies, it may be possible to use the appraisals to establish misrepresentation or as a key that further investigation is needed to establish the misrepresentation.

B How to Complete the Pre-harvest Inspection

- (1) Do appraisals on all units of the crop.
- (2) Record the inspection on a claim form and appropriate appraisal worksheets using the same instructions as for a preliminary inspection. Final claims can also be prepared during this inspection, if appropriate, by using the instructions for final claims in this handbook and appropriate crop handbook. Prepare one claim form for each unit.
- (3) Identify somewhere in the heading of the claim form that this is a Pre-harvest Inspection, unless the unit is going to be finalized on this visit. Document any pertinent information in the narrative of the claim or on a Special Report.
- (4) Post-Audit of Inspections

Any loss units submitted for payment that have harvested acreage will be compared against the pre-harvest appraisals. When there are significant discrepancies, the insurance provider will try to resolve these discrepancies with the insured. If these discrepancies cannot be resolved, insurance providers may forward such cases to the appropriate FCIC Compliance Office for further review, action, or assistance.

73 ACREAGE REPORT REVIEW INSPECTION

Acreage Report Reviews are done as a part of quality assurance. Insurance providers **should** conduct field inspections for a percentage of its crop insurance contracts to verify the accuracy of the information certified on the acreage reports.

A During the inspection, verify the following:

- (1) Insurable and not insurable acreage planted;
- (2) Legal Descriptions;
- (3) Shares (and shareholder=s name);
- (4) Practices;
- (5) Types, classes, or varieties;
- (6) Planting dates;
- (7) Risk classifications;

- (8) APH yields as listed on the appropriate forms;
- (9) Unit arrangements; and
- (10) Any other information contained on the acreage report pertaining to the reported crop or/and acreage; e.g., contract prices for peas, information provided in the remarks or attachment pertinent to the report, etc.

- B Revised Acreage Reports. Revised acreage reports will be prepared when appropriate. (Refer to PAR. 29.)
- C Recording the inspection. Record the results of the inspection on a Special Report or other form provided by the insurance provider.

74 CROP INSPECTION TO DETERMINE ACCEPTANCE OF UNREPORTED ACREAGE FOR INSURANCE

- A This inspection can be initiated when the:

- (1) insured files a late-filed application (late-filed applications permitted only as specified in the CIH) and/or acreage report or wishes to add acreage that the insured had a share in at the time insurance attached but was initially not reported on the timely filed acreage report for the crop(s), or
- (2) insurance provider discovers that acreage in which the insured had an insurable share at the time insurance attached was under-reported, a unit(s) was not reported, or no acreage was reported by the insured or for the crop. (Refer to PAR. 32)

- B Additional Information

- *** (1) Acreage, for which the insured did not have a share until after the time insurance would have attached, cannot be insured under the insured's policy, unless specified otherwise in the Basic Provisions, crop provisions, or Special Provisions.
- *** (2) The following criteria also apply to crops covered under Crop Revenue Coverage, Income Protection, and Revenue Assurance.

- C Crop Inspection. The crop inspection will consist of an on-the-farm visit to determine the number of acres and to perform crop appraisals and make observations of the current general crop, soil, and weather conditions to determine if the crop acreage for the unit will produce at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based.

- D Approval/Rejection. The approving official may accept (with the exception of subparagraph E below) or reject, by UNIT, at his/her discretion (based upon crop, soil, weather conditions, etc.) the unreported acreage when appraisals indicate that the crop acreage for the unit would produce at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based. Unit acreage appraising below 90% of the yield will be rejected. The unit acreage for the purpose of crop-inspection appraisals includes the reported acreage and unreported insurable acreage. Refer to exception in subparagraph E below. Also, refer to B (1) above.

For example: if the reported acreage for unit 00100 was 90 acres but a field consisting of 80 insurable acres was omitted from this unit, the appraisal would be conducted for all

170 acres to determine if the unit acreage appraised at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance was based. For unreported units, the individual unit acreage is comprised of all the acreage that could have been insured under the particular unreported unit. However, when there are unreported units involved, all units of the crop must be appraised until one unit fails or all units pass the criteria for accepting an unreported unit; refer to subparagraph E below.

E Unreported Units.

- (1) Units that the insured omitted from his/her timely submitted acreage report for the crop.

Unreported units CANNOT be added IF ANY reported insured unit for the crop at this time WILL NOT produce at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based. When unreported units are rejected, the unreported unit procedure in PAR. 127 must be followed.

- (2) Insured did not timely submit an acreage report for the crop

Any unit of the crop that is rejected during the crop inspection is considered an unreported unit, and the unreported unit procedure in PAR. 127 must be applied.

F Recording the Appraisal. Record the appraisal performed during the crop inspection on the appropriate appraisal worksheet.

G Inspection Report/Documents Submitted to Insurance Provider. Submit to the insurance provider, the original or revised acreage report prepared during the inspection, the appraisal worksheet, and a Special Report with the following information:

- (1) Whether any significant damage has occurred on the unit, and
- (2) Whether the appraisal for the unit acreage (reported and insurable unreported acreage) was at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based can be expected under the current crop, moisture, and weather conditions.

H Notification of Approval/Rejection. Inform the insured that he/she will be notified in writing by the insurance provider of approval or rejection of the acreage.

75 INTEREST PAYMENT ON CLAIMS

A Policy Provisions

Unless otherwise specified, the Basic Provisions (or as applicable, crop policy) state that simple interest will be paid from the 61st day on the net indemnity after the insured signs, dates, and submits the properly completed claim, if the reason for failure to pay within 60 days is not due to the insured's failure to provide information.

B Interest Determined From Adjuster's or Approving Official's Signature

FCIC has identified the following types of claim situations on which interest should be paid from the 61st day of the adjuster or approving officer's signature date rather than the insured's signature date. The claim situations are as follows:

- (1) Certification Form has been used on the unit.

- (2) The insured is an absentee insured (adjuster will enter the date when the claim form was mailed to insured for signature in the narrative).
- (3) Controversial or other unusual type of claim.

SECTION 2 VERIFYING THE CAUSE OF LOSS

76 GENERAL INFORMATION

- A The causes of loss insured against are clearly identified in the individual crop provisions. Insured causes of loss, by crop, are listed in Exhibit 3.
- B The insured must establish the cause of loss; the adjuster will:
- (1) Verify the cause of loss during the on-the-farm inspection.
 - (2) Be satisfied that the damage or loss is due to one or more insured causes(s) of loss; e.g., drought CANNOT be an insured cause of loss for acreage with an irrigated practice; however, failure of the irrigation water supply due to drought would be an insured cause of loss under an irrigated practice. Each inspection must be an individual determination. If the cause of loss appears to be different from what the insured has stated, document the facts on a Special Report. For more information see Unusual/Controversial Cases in Part 4.

77 HAIL AND FIRE EXCLUSION

When hail and fire have been excluded as insurable causes of loss and hail or fire is determined to be the sole cause of loss, there generally will be no indemnity. Refer to the individual crop handbooks for instructions. Refer to verification requirements in PAR. 22.

78 UNINSURED CAUSES

A Causes of Loss Not Covered

As specified in the Basic Provisions, only unavoidable loss directly caused by specific causes of loss contained in the Crop Provisions are covered. All other causes of loss, except where the crop provisions specifically cover loss of revenue due to a reduced price in the marketplace, must be due to a naturally occurring event. All other causes of loss, including, but not limited to the following are NOT covered and are considered uninsured causes:

- (1) Negligence, mismanagement, or wrongdoing by the insured, any member of the insured's family or household, or the insured's tenants, or employee;
- (2) Failure to follow recognized good farming practices for the insured crop (for additional information refer to PAR. 12);

ONLY FOR crops/counties with a CCD of 8/31/2004, or later:

- (3) Failure or breakdown of the irrigation equipment or facilities unless the failure or breakdown is due to a cause of loss specified in the crop provisions (if damage is due to an insured cause, the insured must make all reasonable efforts to restore the equipment or facilities to proper working order within a reasonable amount of time unless the insurance provider 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);

ONLY FOR crops/counties with a CCD of 8/31/2004, or later.←

- (4) Failure to carry out a good irrigation practice for the insured crop, if applicable;
- (5) Any cause of loss that results in damage that is not evident or would not have been evident during the insurance period, including, but not limited to damage that only becomes evident after the end of the insurance period unless expressly authorized in the crop provisions. Even though the insurance provider may not inspect the damaged crop until after the end of the insurance period, damage due to insured causes that would have been evident during the insurance period will be covered; and
- (6) Water that is contained by or within structures that are designed to contain a specific amount of water, such as dams, locks or reservoir projects, etc., on any acreage when such water stays within the designed limits (for example, a dam is designed to contain water to an elevation of 1200 feet but the insured plants a crop on acreage at an elevation of 1100 feet. A storm causes the water behind the dam to rise to an elevation of 1200 feet. Under such circumstances, the resulting damage would not be caused by an insurable cause of loss. However, if the insured planted on acreage that was above 1200 feet elevation, any damage caused by water that exceeded that elevation would be caused by an insurable cause of loss.
 - (a) Levees are not considered to contain water but rather levees channel the water; i.e., the levees keep water moving within a certain bound instead of actually holding it (containing it) at a certain location such as a dam for a reservoir would do.
 - (b) Some Special Provisions specify the particular lake containing such water and require measurement by the Corps of Engineers (e.g., Marion county Iowa). Also, prevented planting coverage is not available on such acreage if the elevation of the contained water reaches or exceeds the land elevation (or denies access to) the insured acreage between the Sales Closing Date and the Final Planting Date shown on the Special Provisions for the crop. Refer to the FCI-33, Maps and Rules Pages for additional information affecting the insurability of the land, if applicable.
 - (c) **Verification Documentation**

The adjuster must document the elevation of the contained water at the time of loss, as measured by the Corps of Engineers and/or other reliable public or governmental sources that measure such water elevations. The water elevations during the period of loss are to be obtained. (Some Special Provisions require measurements be from Corps of Engineers). The adjuster/insurance provider must also document the elevation of the subject land for use as a comparison to the elevation of the contained water. To determine the elevation of the subject land, the insurance provider is responsible for obtaining maps or data containing the elevations for the acreage.
 - (d) ******* There are several web sites offering topographical maps that provide land elevations. One such source is the United States Geographic Survey web site. There are also many other commercial sites that sell CD's containing topographical maps.

B **Verification that cause of loss is uninsurable**

During the on-the farm inspection, verification of whether the cause of loss is insurable or uninsurable must be made. When it has been verified that there is an uninsurable cause of loss it must be documented. Refer to PAR. 121 for additional details about verifying whether there are uninsured causes of loss.

79 ABANDON VERSUS NOT FOLLOWING A GOOD FARMING PRACTICE

There is a definite distinction between “not following a good farming practice” and “abandon.”

A Abandon

- (1) Basic Provision Definition of Abandon. “Failure to continue to care for the crop, providing care so insignificant as to provide no benefit to the crop, or failure to harvest in a timely manner, unless an insured cause of loss prevents the insured from properly caring for or harvesting the crop or causes damage to it to the extent that most producers of the crop on acreage with similar characteristics in the area would not normally further care for or harvest it.
- (2) Acreage where the producer has stopped caring for the crop, at whatever stage, is considered to have been abandoned, regardless of whether the crop was otherwise damaged by an insurable cause of loss. There does not need to be an express intent to abandon the crop. The producer must simply have stopped all care for the crop, or the care provided must be so insignificant as to provide no benefit to the crop. An appraisal as stated in PAR. 85 (B) (9) below must be assessed when the crop is abandoned.

- (3) Although rare, the insured may decide to harvest the abandoned acreage if there is production that can be harvested. If this happens, and the harvested production from the abandoned acreage is commingled with the harvested production from the acreage not abandoned, all of the harvested production from the abandoned acreage will be included in the production to count.
- (4) A crop damaged to the extent that harvest is not practicable will not be considered as abandoned because the producer fails to harvest the crop. In these cases, the producer should provide a notice of loss and the acreage should be appraised. For “failure to timely harvest” to be considered as abandonment, the crop must be in a condition where harvest would be considered as a good farming practice and no condition exists which would make it physically impossible to harvest the crop, such as the ground is too wet.
- (5) The insured turns in a notice of damage or loss after the act of abandonment.

It must be considered abandonment if the insured stops caring for the crop PRIOR to providing notice of damage or loss and the time elapsed is such that the insurance provider cannot satisfactorily distinguish whether damage is solely from the insured cause or a combination of the insured cause and the abandonment.
- (6) The insured abandons the crop for a length of time and then begins caring for the crop. If enough time has elapsed that the care is untimely and will not benefit the crop or the care is so insignificant that it does not benefit the crop, it is still considered abandonment as stated in (2) above.

B Not Following A Good Farming Practice

Acreage where the producer continues to care for the crop by performing all the practices needed to produce a mature crop, but does so inadequately, such as the application of an insufficient amount of fertilizer or herbicides, topping only a portion of the tobacco acreage, etc., will be considered not following a good farming practice. The amount of loss attributed to not following a good farming practice will be included as the production to count; i.e., an uninsured cause of loss appraisal. These determinations must be on a case-by-case basis. The insurance provider must first determine whether the necessary farming and cultural practices have been carried out by the producer and, if they have, whether they were adequate. Refer to PAR.'s 121 K and R for additional information.

SECTION 3 ACREAGE DETERMINATION

80 GENERAL INFORMATION AND METHODS

Determined acres are required on some preliminary claims and all final claims as specified in the crop handbooks. Determined acres must consist of ONLY insurable crop acres. Significant amounts of non-crop acres must also be measured so that this measurement can be deducted from the total measurement of the field, orchard, etc. Refer to illustrated example in 81 C (6). Use the following procedures for determining acreage:

A FSA Measured Acres

Acres measured through or during FSA spot check of the insured's certified acres for the current crop year, may be used as the determined acres if they are available at the time the claim is worked. If for some reason it is believed that the measured acres are incorrect, re-measure the acres.

*** B Measurement Service

(1) For crops/counties with a 2005 crop year CCD of 8/31/2004, or later→

- (a) If the insured has requested acreage measurement from FSA or a firm engaged in land measurement prior to the acreage reporting date and has submitted the documentation of the measurements as described in PAR. 29 E (1), the acres measured by the measurement service will be used as the determined acres, provided the measurement was performed by a person that has no conflict of interest as described in PAR. 8 B (17) and provided it is acreage to be used when irreconcilable differences occur, as stated in D below.
- (b) If the measurement has not been completed by the acreage reporting date, the insured must submit estimated acres to the agent for the acreage report. No indemnity, prevented planting payment, or replanted payment will be paid until the acreage measurement has been received by the insurance provider. As soon as the insured has received the measurement, the insured must submit it to the agent. The acreage report will then be revised to reflect the measured acres.

(c) If the insured fails to provide the measurement to the insurance provider, it will result in:

1 The claim being worked as though no measurement service had been requested; i.e., the insured is subject to under-reporting and over-reporting rules and may be subject to a LAF and MIF.

2 The insurance provider or future insurance provider's from accepting the insured's acreage measurements obtained from a measurement service after the acreage reporting date.

(2) **ONLY for crops/counties with a 2005 crop year CCD prior to 8/31/2004→**

(a) For crops insured at the CAT level of coverage if the insured requested FSA measurement service on or prior to the acreage reporting date, the FSA measurement may be used as the determined acres.

(b) For the states of Idaho, Oregon, or Washington, if the insured certified in writing that acreage measurement service for a crop will be requested from FSA or other qualified third party measurement service, the acreage measurement from the measurement service will be the determined acres on the claim, provided the measurement does not increase or decrease more than 20 percent, and all of the other criteria stated in 29 G of the 2004 LAM is met. Refer to PAR. 29 F.

ONLY for crops/counties with a 2005 crop year CCD prior to 8/31/2004

For crops/counties with a 2005 crop year CCD of 8/31/2004, or later→

C Differences Between FSA, Measurement Service, and/or Insurance Provider's Measurements

(1) If there is a difference in measurements between or among FSA, the insurance provider, or a Measurement Service Firm these differences should try to be reconciled.

(2) If there is an irreconcilable difference between:

(a) The acreage measured by FSA or a measuring service and the insurance provider's on-farm measurement, the insurance provider's measurement will be used.

(b) The acreage measured by a measuring service, other than the insurance provider's on-farm measurement, and FSA, the FSA measurement will be used.

←For crops/counties with a 2005 crop year CCD of 8/31/2004, or later

D Previously Measured Acreage

(1) Use acres that have been previously measured for the current crop year by:

(a) FSA as described in A or B above unless the insurance provider chooses to measure the acres for the current crop year or believes the measurement is incorrect, or by other measurement service as described in B above.

(b) Another insurance provider (measurement of a companion contract) unless it is felt that measurement is incorrect.

(c) Because discrepancies between FSA's and insurance provider's acreage measurements may have to be reconciled at a later date, it is recommended that insurance providers verify with the FSA whether actual measurements of the acreage being inspected have been made, and if actual measurements have been made, to use those measurements. HOWEVER, if the insurance provider believes the FSA measurement is incorrect and re-measures the acreage or chooses to make their own measurement and finds that their measurement is not in agreement with FSA's, the insurance provider should try to resolve the difference with FSA.

- (2) Prior year(s) measurements of a field that was measured by an insurance provider, local FSA office, or firm engaged in land measurement services, will be used if the acres have not been measured for the current crop year, provided the:
- (a) entire field is planted to a single crop (same practices or types if there are separate guarantees), and
 - (b) field boundaries have not changed.

If there is reason to suspect that the measurements are not accurate, the acres must be re-measured as described in D below.

E Acres Not Measured

If measured acres as described in subparagraphs A or D are not available or **no measurement service has been requested as stated in subparagraph B:**

- (1) The acres reported on the Crop Insurance Acreage Report may be considered "determined acres" for claim purposes, IF the:
- (a) insured has signed the acreage report indicating certification of the reported information; AND
 - (b) the adjuster can determine through visual inspection of the acreage, the use of FSA certified acreage reports or aerial photo copies (obtained from the local FSA office or other acceptable sources), landmarks, etc., that the acreage would measure within 5 percent of the acreage reported on the acreage report.
- (2) If the adjuster measures the acres because the adjuster does not believe the reported acres would be within the 5% tolerance, the measured acres must be used even when the measured acres are within the 5% tolerance.

EXAMPLE 1: The insured reports and certifies 100 acres planted. The adjuster believes the acreage would measure more than 105 acres. The adjuster measures the acreage to be 104 acres. The 104 acres must be used as the determined acres even though it is within the 5 % tolerance. Therefore, the insured has under-reported acres and all production from the 104 acres will be applied to the liability for the 100 acres the insured reported.

EXAMPLE 2: The following is an example of a situation where the reported acreage is within the 5 percent tolerance, but cannot be used as the determined acreage:

- Previous measurement = 80 acres (field boundaries have not changed).

- Crop insurance acreage report = 80 acres of corn
- Entire field planted to boundaries, but about 2 acres are oats.

In this instance, the reported acres cannot be used as the determined acres. Either an actual measurement must be made (e.g., wheeled) OR because the reported acreage is within the 5 percent tolerance, the acreage can be determined as follows: estimate the oat acreage and deduct from the reported corn acreage. Determined corn acres = 78 acres (80 - 2 = 78).

F When Insurance Provider Must Measure Acreage

Acreage must be measured (or re-measured, as applicable) IF it fails to meet the criteria described in A, B, C **or D** above OR if any of the following apply:

- (1) Part of a unit is released and that part released will lose its field identity (i.e., there will be no way to establish the amount of acres at the time of a final loss inspection because of the loss of field identity);
- (2) The insurance provider or the insured has reason to question the accuracy of the measurement or does not agree with the previously measured acres;
- (3) Field boundaries have changed;
- (4) Only a portion of a field is planted and measurements for determining the planted portion are unavailable; or
- (5) Acreages of varying practices, types, appraisals, etc., (as appropriate to separate on the claim) are not separated.
- (6) When there is a significant amount of non-crop acres, so that this measurement can be deducted from the determined acres in the field, orchard, etc.**

G Acreage Measurement of Perennial Crops

All acreage measurements for perennial crops will be based on land acres (i.e., planimetered, wheeled/taped, GPS, etc.) with deductions for non-crop areas. Within the land-acre measurement method, tree/vine acres may be used to determine acreage for limited situations. To determine tree/vine acreage, the tree/vine spacing(s) and number of trees/vines must be determined/verified. Non-crop acreage must be determined in the same manner as when land-acre measurements are employed. When blocks/groups of trees/vines are removed, the acreage is measured/determined and then deducted. If tree/vine acreage determinations will result in more accurate acreage determinations than land acre measurements, tree/vine acreage determinations are acceptable for the following situations:

- (1) Acreage determination of different types, varieties, or interplanted crops within a particular tract of measured acreage. The sum of the parts must be equal to the measured acreage.
- (2) Acreage determination of irregular shaped fields when the acreage has not been previously measured and FSA aerial photography that identifies the acreage is NOT available at the local FSA office.

- (3) Irregular terrain is not conducive to accurate wheel/tape measurements, the acreage has NOT been previously measured, and FSA aerial photography that identifies the acreage is NOT available at the local FSA office.

H Measurement Methods

- (1) Acreage measurement for loss adjustment purposes must be performed by using:
 - (a) the measuring wheel, or
 - (b) FSA-accepted measuring methods or devices used with aerial photos that are to scale (such as: polar planimeter, digitizer, or scale rule).
- (2) Surveying devices, global positioning systems (GPS), remote sensing devices used in conjunction with aerial photos or satellite imagery, etc., may be used if accuracy is comparable to the measurement methods listed above.

I When Measurement Estimates Are Allowed

Acreage breakdowns WITHIN a unit or field may be estimated if a determination is impractical. An example would be where irregular areas of a field (low area, along a draw, etc.) are being harvested. Such acreages may be estimated (use width of combine or swather, length of cut, etc., to assist). Explain any estimated acreages in the Narrative of the claim or on a Special Report. Total acreage for the field or unit, however, must be determined in accordance with the procedures in subparagraph A-E above.

J Documentation. Document, in the narrative of the claim or on a Special Report, the method of acreage determination and any calculations used to arrive at the determined acres; e.g., "Acreage wheel measured - Field A - 215.0 W X 180.0 W = 38.7 acres; Field C - 220.0 W X 185.0 W = 40.7 acres; Total unit acreage - 38.7 + 40.7 = 79.4 acres, or in the case of determined acres via the acreage the insured certified to on his/her MPCl acreage report; "Determined acres using MPCl acreage report-would measure within 5 percent."

81 WHEEL MEASURING METHOD AND FORMULAS

A When measuring with a measuring wheel:

- (1) Determine the basic lines of linear measurements needed to calculate the acreage. Refer to subparagraph D below for examples of basic measurements (and Combinations) required.
- (2) Begin each linear measurement with the revolution counter turned to indicate all "0's." If the wheel has a white spoke, start with the white spoke on the ground and the counter at "0."
- (3) Walk in a straight and direct line. Do not lift the wheel off the ground or allow the wheel to skip or bounce. If an obstacle (to the wheel) is encountered directly in the path, grasp the wheel with the handle shaft (so that the wheel will not turn in relationship to the handle), and move at a right angle to clear the obstacle. Place the wheel on the ground and wheel forward enough to clear the obstacle. Again, grasp the wheel and the handle shaft to immobilize the rotation, walk at a right angle again in order to be directly in line with the original path of measurement, and continue making the measurement.

(4) Note the position of the handle. It must be in the same position when being set to zero, as it is when it is read, at the end of the linear measurement. Additionally, at the end of the linear measurement, if the wheel has a white spoke, count the number of spokes past the last whole revolution of the white spoke, and add to the counter reading. Each spoke past the white spoke, is one-tenth of a wheel. Round according to procedure for the crop being measured.

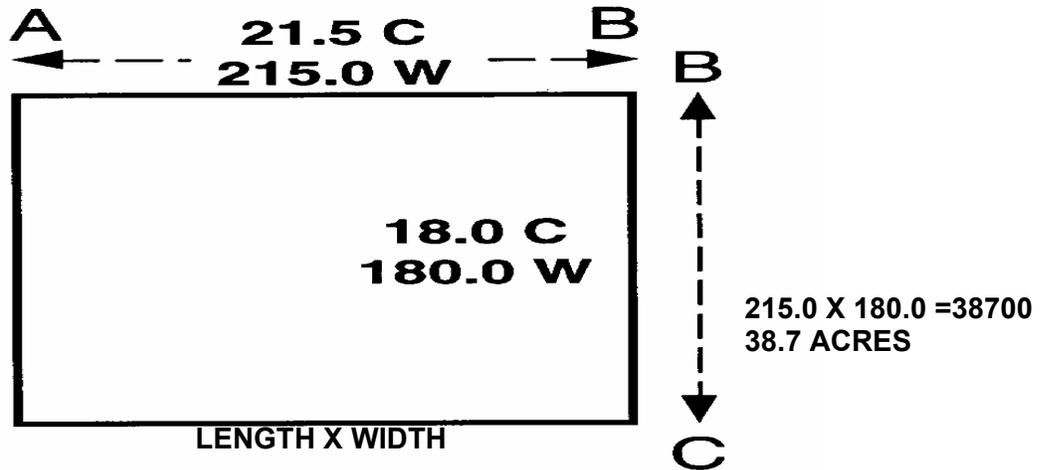
*** (5) Non-crop acres must also be measured so that this measurement can be deducted from the total determined acres, provided they have not already been deducted from the determined acres; e.g., the measurement of a permanent field is with the deductions for non-crop acres. Refer to C (6) below.

B Converting Square Wheels to Acres. When converting square wheels to acres, move the decimal three places to the left; i.e., 38700 square wheels = 38.7 acres. (1000 square wheels equals one acre.)

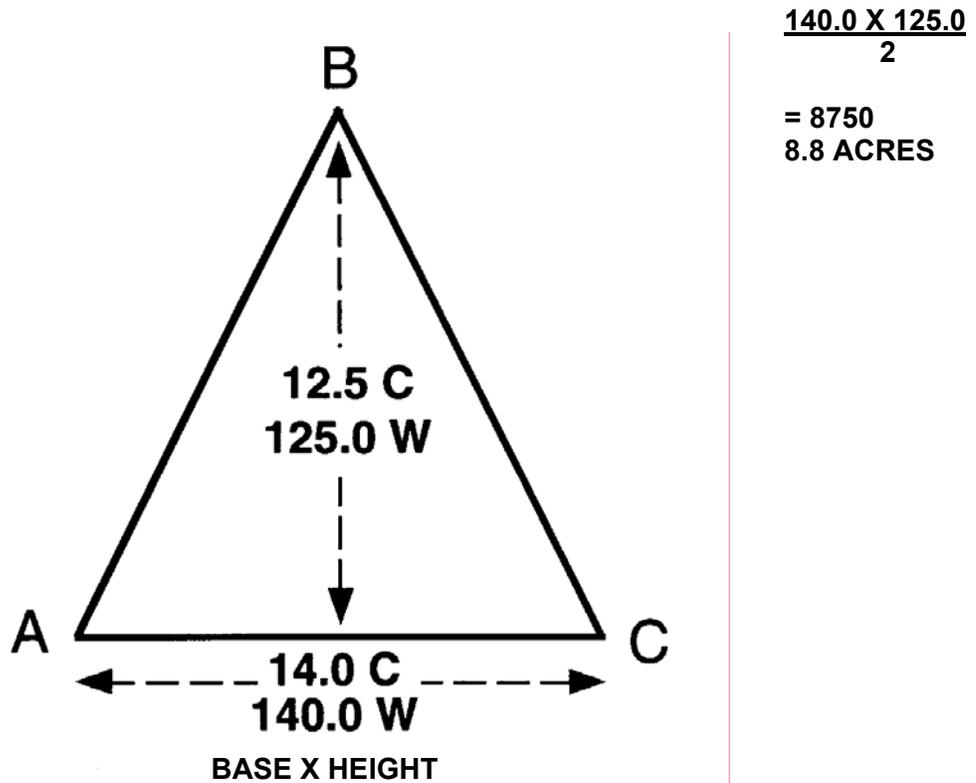
EXAMPLE: 1.0 chain = 10.0 wheels = 66.0 feet
1.0 wheel = 6.6 feet

C Wheel Measuring Formulas

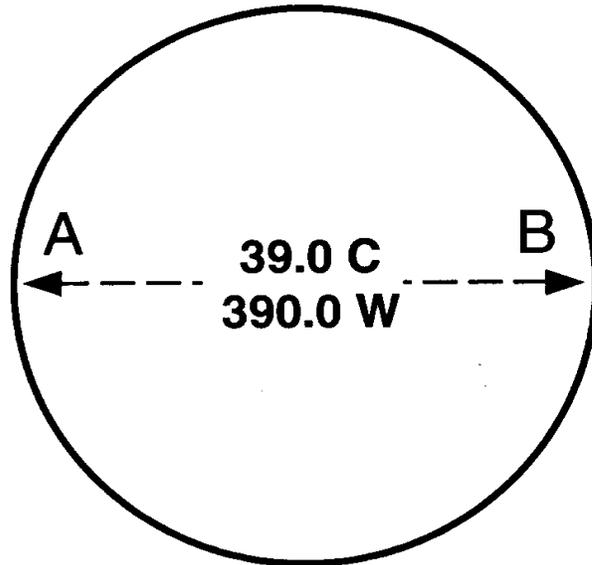
- (1) **Square or Rectangular Field Formula:** Length (wheels) x Width (wheels) = Square wheels. (Move the decimal point three (3) places to the left to determine the acres).



- (2) **Triangular Field Formula:** Base (Wheels) x Height (Wheels) ÷ by 2 = Square Wheels. (Move the decimal point three places (3) to the left to determine the acres)



- (3) **Circular Field Formula:** Diameter (Wheels) x Diameter (Wheels) x .7854 = Square Wheels (Move the decimal point three (3) places to the left to determine the acres).



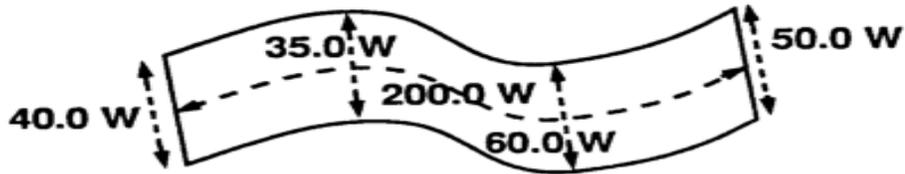
$$390.0 \times 390.0 = 152100$$

$$152100 \times .7854 = 119459.34$$

$$119.5 \text{ ACRES}$$

DIAMETER

- (4) **Irregular Field Formula:** Length (Wheels) x Average Width (Wheels) = Square Wheels (Move the decimal point three (3) places to the left to determine the acres).



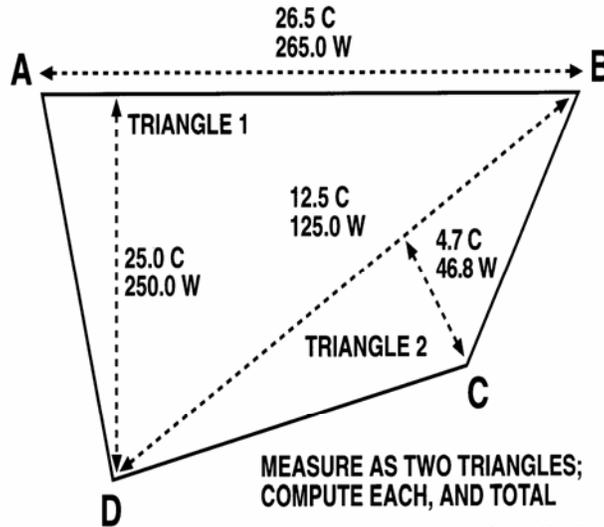
$$\text{AVERAGE WIDTHS X LENGTH } 40.0 + 35.0 + 60.0 + 50.0 =$$

$$185.0 \div 4 = 46.25$$

$$46.3 \times 200.0 = 9260$$

$$9.3 \text{ ACRES}$$

- (5) **Combination Field Formula:** When a field will not conform to any regular formula, measure the field into regular pieces to determine the acreage.

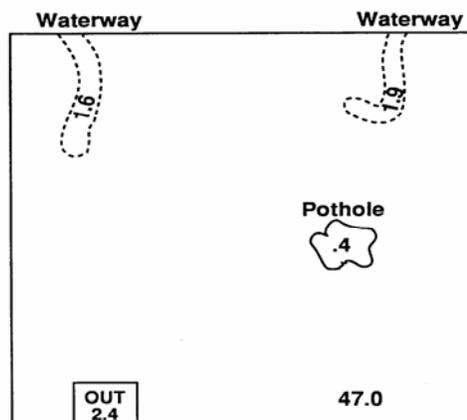


$$\text{TRIANGLE 1} \\ \frac{265.0 \times 250.0}{2} = 33125 = 33.1 \text{ ACRES}$$

$$\text{TRIANGLE 2} \\ \frac{125.0 \times 46.8}{2} = 2925 = 2.9 \text{ ACRES}$$

$$\text{TOTAL ACREAGE} = 33.1 + 2.9 = 36.0 \text{ ACRES}$$

- (6) **Deductions From Acreage:** Anytime a significant amount of acreage in a field is not planted to the crop it must be deducted from the total acreage in the field. The insurance provider will determine what to consider a significant amount of acreage, by crop.



Field 47.0 acres MINUS deduction of 6.3 acres = 40.7 insurable acres.

82 SKIP-ROW PLANTING PATTERNS (Cotton)

- A Acreage Report and Claim Entries. When the cultural practice of skip-row planting patterns are followed, NET acres are entered on the acreage report and the claim.
- B Determining Net Acres. Follow established procedures outlined in the AUP/ELS Cotton Handbook to determine NET acreage for cotton.

SECTION 4 ESTABLISHING PRODUCTION

83 GENERAL INFORMATION

- A Insured's Requirements. The insured is required, by the policy, to keep **complete records the planting, replanting, inputs, production, harvesting, and disposition of the insured crop on each unit for three years after the end of the crop year (This requirement also applies to all such records for acreage that is not insured)**. The insured must make these records available to the insurance provider, any employee of USDA authorized to investigate or review any matter relating to crop insurance.

Except as stated in PAR 105, records of production kept from combine monitors are not acceptable for production records for loss purposes.

- B Establishing Total Production on Damaged Units

The adjuster establishes total production for each damaged unit from appraisals of unharvested production, appraisals for uninsured causes, prorated production from unreported units, measuring farm-stored production if production has not been weighed or acceptable weight tickets are not available, and from verifying harvested production from the insured's records, as described in the following subparagraphs for the type of disposition. The TOTAL production for the entire damaged unit is the insured's production share plus the production share of each person sharing in the unit. If the insured has not kept acceptable records separate by unit (whether stored, fed, or sold), the production is considered commingled. **Refer to** PAR. 126.

- C Establishing Total Production from Non-Loss Units

Obtain and document an estimate of production per acre for each undamaged unit of the indemnified crop from the insured or the insured's authorized representative and record as instructed in the crop handbook.

- D Insured's Request of Measurement of Stored Production When Crop Damaged

The insured is responsible for providing separate records of production for each unit and for notifying the insurance provider for measurement of production when production from another unit, crop year, or uninsured acreage is to be added to existing production in a single storage structure. (**Refer to** PAR. 70.) If the inspection indicates that separate records have not been kept for each unit, **refer to** PAR. 126 for commingled production. Also, **refer to** PAR. 126 if production from more than one practice/type, which have separate APH yields, have been commingled.

- E Determining and Recording Production

Accurately determine and enter in the appropriate column(s) of the claim the amount of established production for the entire damaged unit including production from unreported

unit(s) if applicable (**refer to** subparagraph F below). Enter the unit number and estimated production for each undamaged unit on the claim (**Refer to** the individual crop handbook for specific instructions).

F Accounting for Production from Unreported Units

Production from unreported units discovered at loss time will be counted. **Refer to** PAR. 127 for specific instructions.

84 VERIFYING TOTAL PRODUCTION - APPRAISED OR HARVESTED

A General Instructions

Be aware and watch for certain problems while on the farm verifying the information you have collected, such as (but not limited to), the following:

- (1) Unreported production or acreage. If you are measuring one bin and notice another bin with the same type of grain that the insured has not informed you of, question the farmer to see where the grain was produced. If the explanation does not seem reasonable, document and notify your supervisor.
- (2) Unjustified difference in production. If one farm produced 100 bushels of corn per acre and across the road the farm produced only 30 bushels per acre, determine if there is a justifiable explanation. **Refer to** PAR. 118 regarding written and pictorial documentation.

B In determining if total **HARVESTED** production is correct, check:

- (1) Representative sample of unharvested production left under the terms of the policy for available evidence of yield such as stand, number of bolls or burrs, stage of maturity, size of stalk, plant population, etc. If the sample areas required by the policy were not left by the insured or have been harvested before the field is inspected, examine the stubble, size of the stalk, amount of straw stubble, etc., to judge whether the amount of production turned in by the insured is reasonable.
- (2) The harvested fields to determine whether there is an excessive amount of production remaining on the stalk, stem, ground (cracked, fallen, or discarded by the harvest equipment) etc., due to malfunctioning or improperly adjusted harvesting equipment, rather than due to an insured cause of loss (such as lodging due to storm damage).
- (3) Other farming operations of the insured.
- (4) The productive capacity of the land (i.e., is the land in a low swamp area or is the land highly fertile and dry?);
- (5) For the presence of livestock or poultry to determine whether any of the current year's production has been fed. Also, **refer to** PAR. 92 for more information pertaining to fed production.
- (6) For the location and quantity of a crop retained for seed, or which has been sold for seed.
- (7) Where the production is stored or sold, when production is questionable and the insured farms in surrounding counties.

- (8) Whether the insured shares with a tenant/landlord. **Refer to** detailed information in subparagraph C below.
- (9) Production from comparable acreage when there is reason to question harvested production reported. If the insured has comparable acreage, use it; however, when comparable acreage is not available on the insured's farming operation, use comparable acreage from other neighboring farms. Comparable acreage is acreage that is planted to the same crop, following the same farming practices, management practices, similar planting dates, etc. If comparable acreage is not available from the insured's operation or from neighboring farms, **refer** to PAR. 121 L (2) (c). If production is still questionable, refer to subparagraphs C and D.

C Another Person Sharing in the Crop

When another person is sharing in the crop, you must verify that all of the actual production for the entire unit(s) has been reported, not just the INSURED'S share. Verify and make production determinations of the other person's production share as you would the insured's production share; i.e., if the other person's production is farm stored and the production had not been weighed prior to storage, storage measurements must be made, etc. Do not establish the total production by dividing the insured's production by his/her share unless you are unable to establish it by any other means. If this should happen, document the circumstances preventing the measurement of the other entity's share of the production. Generally, the fact that the other share of the production is located in another storage structure at some other location is not a justifiable reason for determining the total unit production by dividing the insured's portion by his/her percent share. ***** If the other person(s) share is insured through another insurance provider, refer to the procedure for companion contracts in PAR. 25.**

D Amount of Production Reported for Unit(s) is Questionable

Anytime the actual production reported is in question and you are going to meet with the insured about the questionable reported production follow the individual insurance provider's instructions regarding the meeting.

E Documentation. Prepare a Special Report if there:

- (1) is unreported production, or
- (2) are unjustified differences in production between different shares or different units.

F Adjuster's Signature. DO NOT sign a claim if there is any evidence of additional production that has not been accounted for.

85 APPRAISALS

A General Information

Appraisals must not be made until an accurate appraisal of potential production can be made.

- (1) If during an inspection any crop acreage is not going to be carried to harvest and an accurate appraisal of potential production CANNOT be made, do not release acreage to another use or to replant when replant payment is applicable until an

accurate appraisal can be made OR representative sample areas are left for later appraisals as described in subparagraph C below and PAR. 88.

- (2) If the inspection is performed at a time when production can be determined accurately by appraisal and the crop is not being carried to harvest (except when pre-harvest appraisals are required), appraise the production by unit, and grant written consent to put insured acreage to another use. Record this production on an appraisal worksheet and a Special Report, if needed. Refer to applicable crop handbook for appraisal methods.

B Appraisals are made when:

- (1) The insured requests consent to put acreage to another use or to replant to the same crop originally planted if a replant payment will be claimed.
- (2) The insured chooses not to harvest all of the acreage.
- (3) The insured plans to use a crop in such a way that it will not be possible to determine production after harvest; e.g., a crop insured as grain (e.g., grain sorghum) will be partially or all cut for silage. For corn insured as grain that will have some of the acreage cut for silage, refer to the Corn Loss Adjustment Standards Handbook for exception of when small acreage has been cut for silage.
- (4) The insurance period ends for a crop. The appraisal will establish the potential production of the unharvested acreage at the time the insurance period ceases.
- (5) Late-filed acreage is requested or unreported acreage is discovered (to determine acceptance or rejection of such acreage).
- (6) An unreported unit (not reported on the acreage report) is discovered, and it is suspected or known that it will not be harvested or harvested and stored in such a manner that production cannot be accounted for. Refer to PAR 127 for more information on unreported units.
- (7) The insured insists on replanting, but it is determined it is too late to replant. See PAR. 65 for more information.
- (8) The crop will be stored in such a manner that production cannot be measured; e.g., high-moisture corn, silage stored in an airtight structure, etc. For corn insured as grain that will have some cut as silage, refer to the Corn Loss Adjustment Standards Handbook for exception of when a small field is harvested as silage.
- (9) Uninsured causes of loss are determined, acreage is destroyed without consent, abandoned, or if the insured has failed to provide production records that are acceptable. Acreage damaged solely from uninsured causes or if any of the other aforementioned reasons exist in this item, not less than the per-acre production guarantee for the acreage involved will be assessed.

The definition for abandon in the Basic Provisions indicate that when the crop is not timely harvested, it is abandoned; however, exercise good judgment in establishing that a crop that has not been **timely harvested** is truly abandoned. Refer to PAR. 79.

- ***
- (10) An unharvested portion of the field (or orchard) remains after harvest or harvested production that could have been removed from the field was not removed due to improperly functioning harvesting equipment, windrows of crop not all picked up; etc. This does not include unharvested representative samples areas the insured has left in accordance with policy requirements, unless the areas represent a significant portion of the acreage. Refer to PAR. 67 E (2).
- (11) If the policy provisions, Special Provisions, or a Written Agreement authorizes direct marketing, conduct an appraisal within the time frame stated in the applicable policy that will be used to determine production to count for production that will be sold by direct marketing.

C Deferred Appraisals

Deferred appraisals are appraisals that are deferred to a later date in order to assess crop recovery and/or obtain more accurate appraisals.

- (1) Appraisals must be deferred when:
- (a) Hail damage or damage from blowing sand has occurred on **IMMATURE** crops. Defer appraisals 7-10 days from the date damage occurred, unless specified otherwise by agricultural experts in the area for the crop or as otherwise specified in the individual crop handbook. If agricultural experts in the area specify less days are needed to determine damage to the particular crop, written documentation of this must be retained in the insured's loss file; i.e., name of agricultural expert, date, written statement from the agricultural expert specifying the number of days to defer appraisal, etc. Refer to Exhibit 1 for definition of agricultural expert.
 - (b) Frost/freeze damage has occurred on immature crop. Defer appraisals at least 7-10 days from the date of frost/freeze, unless specified otherwise by agricultural experts in the area for the crop or as otherwise specified in the individual crop handbook. If agricultural experts in the area specify less days are needed to determine damage to the particular crop, written documentation of this must be retained in the insured's loss file; i.e., name of agricultural expert, date, written statement from the agricultural expert specifying the number of days to defer appraisal, etc. Refer to Exhibit 1 for definition of agricultural expert.
 - (c) A crop is in dormancy. Defer appraisal until at least the time the crop is out of dormancy. Refer to (3) below.
 - (d) For spring-seeded crops where insufficient soil moisture has affected seed emergence and the insured requests acreage to go to another use, appraisals must be deferred until at least 8 days after the late planting period (15 days after the final planting date if no late planting period applies.) None of the acreage in the field(s) can be released until the appraisals are completed. The seed must have been planted at least 15 days prior to release for a final indemnity. Use the stand reduction appraisal method.
- (2) Defer appraisals anytime a more accurate appraisal can be made at a later date due to type of damage or circumstances; e.g., extent of damage or recovery of crop after flooding, pollination problems, freeze, etc. Refer to (3) below.

- (3) Utilize **agricultural experts** for the crop for the length of time appraisals should be deferred for the particular crop and situation. Include a copy of these recommendations with the paperwork pertaining to the inspection to support the insurance provider's actions. **Refer to Exhibit 1 for the definition of agricultural expert.**
- (4) Unless specified elsewhere (as in (1) (d) above), the deferred appraisal may be made from representative sample areas (as specified in PAR. 88) when the insured wants immediate release of crop acreage in order to put it to another use or to replant it, provided the insured agrees to leave and maintain the representative sample areas as described in PAR. 88.
- (5) In widespread deferral situations, all insurance providers should maintain coordination through Insurance Services so that uniform guidance can be provided to all insurance providers regarding the length of deferral time necessary to allow accurate appraisals to be made for the circumstances.

D When appraisals are made, inform the insured of the following:

- (1) The method used to determine potential production and how the appraisal will be used if an indemnity is claimed. If at all possible, the insured or an authorized representative of the insured should accompany you on the entire appraisal. Encourage the insured or authorized representative to participate in determining the appraisal.
- (2) Appraisals on acreage for which the insurance provider has given consent to be put to another use are final when the claim is signed by the insured or insured's authorized representative and the adjuster, unless such acreage is:
 - (a) not put to another use before harvest becomes general in the county and is reappraised by the insurance provider,
 - (b) further damaged by an insured cause and is reappraised by the insurance provider, or
 - (c) harvested.

For this reason, DO NOT finalize a claim until you are satisfied with all determinations. Refer to PAR. 67 H.

- (3) The appraisal determination. (Never advise the insured whether or not to harvest the crop; this must be the insured's decision.)

E Approved Methods. The appraisal methods for the crop are identified in the individual crop handbooks.

F Harvested Representative Sample Appraisals

Appraise mature production by arranging with the insured to harvest representative sample areas, if possible. **Refer to** PAR. 88 for representative sample area instructions. Use this production to determine the yield per acre.

G New Appraisals for Additional Damage

If an insured notifies the insurance provider of additional damage after consent to put acreage to other use and requests re-inspection, a new appraisal may be made provided the additional damage was due to an insured cause of loss and the acreage has NOT been put to another use.

H Unable to Mechanically Harvest

(1) General Procedure.

- (a) When crop acreage which is routinely mechanically harvested is damaged by INSURED cause(s) to the extent that it can NEVER be mechanically harvested with normal harvest equipment, no production will be counted for such acreage. If mechanical harvest is feasible with normal harvest equipment on any portion of the unharvested acreage, appraise and count only the production that you determine could have been mechanically harvested. **However, if the insured elects to hand harvest, such as handpick corn, or use specialized harvesting equipment, the harvested production will be counted.**
- (b) Wet field conditions or snow covered fields that prevent harvest of the crop by the end of the insurance period does not mean it can NEVER be mechanically harvested with normal harvest equipment. This is only a temporary condition. **Likewise, the fact that it would cost more to harvest the crop than the crop is worth does not constitute that the insured is unable to mechanically harvest the crop.**
- (c) **Examples of insured causes that could result in the insured being unable to mechanically harvest the crop.** Hurricane, tropical depression, or tornado damage has rendered the crop unharvestable with normal harvesting equipment or small grain that has been drought-stressed may be so short that it cannot be mechanically harvested with the normal harvest equipment in the area. For grain height too short to harvest with normal harvesting equipment, the adjuster must establish and document the individual cutting height based on the terrain (rocky soil, level field, terraces, slopes, etc.) and the insured's farming practices (type of harvesting equipment, swathed grain, etc.). Remember, insureds employing good farming practices will lower the combine headers or swather bars to recover a short crop to the maximum extent possible.

(2) Determination and documentation

- (a) Determine (on an individual basis) whether any portion of the acreage can ever be mechanically harvested with normal harvest equipment **and if the reason is due to an insured cause.** Consider what other insured and noninsured growers in the area are doing with the same crop, similar soil and terrain, or equipment (whether owned or otherwise available to the insured).
- (b) Determine whether the insured did or could have made every reasonable effort to harvest such acreage, and whether the insured plans to hand harvest or use specialized harvesting equipment.

- (c) If it is difficult to determine what potential is machine harvestable, arrange with the insured to harvest representative areas of the crop. Use this production to determine the production to count.
- (d) Document your determinations thoroughly on a Special Report when zero appraisals have been made under these circumstances. Photographs to show the condition of the crop, terrain, etc., may be a necessary part of the documentation to support determinations of "0" appraisals which are made under these procedures.
- (e) If it is determined that the crop cannot be harvested with normal harvesting equipment and the insured does not elect to hand pick or use specialized harvesting equipment, a Certification Form must be signed by the insured with the following statement in the body of the Certification Form: "As indicated by the insured's signature below, the insured certifies that the damaged acreage that cannot be mechanically harvested with normal harvest equipment will not be harvested. If the crop is harvested after this certification, the insured understands he/she may be subject to the misrepresentation provisions in the crop insurance policy." Attach the Certification Form to the claim.

I Number of Samples Needed When Appraising 1st Crop Acreage in a Field and It Is Known that Part of the Field Will Be Planted to Second Crop.

If it is known a certain part of a field will be or will probably be planted to a second crop, sub-divide the field into the area that will be planted to a second crop and that which will not. Use the number of samples required by the applicable crop handbook based on the number of acres in the subfield.

86 APPRAISAL METHOD VARIATIONS

A Appraisal Modifications

The insurance provider's authorizing official may authorize the use of any appraisal modifications listed in the crop handbooks **without prior approval from RMA**. However, the use of the modification cannot begin until the insurance provider has notified RMA's Risk Management Services Division (RMSD). Insurance provider's are to notify RMSD via e-mail at RMA.RMSD@rma.usda.gov and provide the following in the e-mail: A copy of the written authorization stating the modification, documentation of the field condition that warrants an appraisal modification, effective crop year, area affected, and effective beginning and ending dates. RMSD will then in turn notify other insurance providers, RMA PDD, RMA Risk Compliance, and the affected RMA ROs and CFO's.

B Appraisal Deviations

- (1) Appraisal deviations **require** the RMA's written authorization after receiving approval from **RMA's PDD and/or RMSD**, and consist of deviations that are necessary to apply to the standard appraisal method in order to provide an accurate determination of crop potential under the circumstances.
- (2) The insurance provider will immediately notify RMA's **PDD and/or RMSD** of the situation with a recommendation and justification, before proceeding. Notify RMSD via e-mail at RMA.RMSD@rma.usda.gov and PDD at.

subparagraph **E** below. Appraisals from the representative sample areas of the unharvested crop acreage are made at a later date to determine the per-acre appraisal for the entire unharvested acreage.

- *** (2) For perennial crops, the required size and number of representative samples do not apply. Use the instructions in the respective perennial crop handbook.

B Representative Sample Area Appraisals are used when any of the following apply:

- (1) Heavy workload situations exist and timing is critical to give consent to put acreage to other use or replant.
- (2) Deferred appraisals are required, as stated in PAR. 85, and the insured desires immediate release of the acreage in order to put acreage to another use or to replant acreage.
- (3) The insured does not plan to harvest the acreage, and agrees to harvest the representative areas for appraisal purposes.
- (4) The insured does not agree with the initial appraisal of the acreage to be released, and the insurance provider agrees to allow the insured to leave representative sample areas, as described herein.
- (5) Such sample areas are otherwise required by the policy (e.g., for grain deficient corn)

*** PAR. 88 is not referring to the policy provisions that require the insured to leave representative areas of the insured crop if the insured initially discovers damage within 15 days of, or during harvest.

C Insured's Agreement.

- (1) When representative sample areas of immature production are established for appraisal purposes, the insured **MUST** agree, in writing:
 - (a) to leave the size, number and location of representative sample areas, per field, selected by the adjuster (as described below). The sample areas must remain intact until the time they are appraised;
 - (b) to care for the representative sample areas in the same manner as if they were to be harvested and this care must continue until the areas are appraised;
 - (c) that production for the acreage released will be determined from appraisals from the sample areas, unless the insured fails to comply with any part of this agreement; and
 - (d) that when the released acreage is to be grazed, to protect the representative sample areas from livestock by fencing or an equally effective barrier that is acceptable to the insurance provider. The fencing or effective barriers must remain in place until completion of the appraisal.
- (2) Include on or attach to the agreement the items listed in **D** (4) below.
- (3) Insurance providers may choose to allow the insured to leave representative sample areas due to disagreement with the initial appraisal. When this is done,

some crop provisions state that the representative areas must be left and properly cared for until the crop has matured. **However, if the insurance provider determines there is no insured cause of loss present when the producer requests acreage to be released to be put to another use (e.g., grazing), then no deferred appraisal will be allowed. The insured must decide whether to take the appraisal, carry the crop to harvest, or in the case of short-rated wheat, take the short rate and graze or destroy the acreage by mechanical means as stated in the Special Provisions.**

D Adjuster's Instructions for First On-the-Farm Inspection

***** Insureds' disagreement of an appraisal must be from the appraisal made prior to giving consent to put acreage to another use.**

Do the following while on the first on-the-farm inspection:

- (1) Select at **least two or more** representative sample areas of the crop (per field) that:
 - (a) are **not** located at the edge of the field or in other areas that fail to be representative of the acreage to be appraised;
 - (b) are at **least** the following size:
 - 1 For fields where the direction of the rows
 - a **follow the length of the field**, at least 10 feet wide and extend the entire length of the field. The area must be wide enough to include a buffer area surrounding all sides of the potential areas from which the appraisal samples will be extracted to ensure that the actual appraised samples will not be exposed to damage in excess of what would be experienced had the crop around the sample areas remained intact (e.g., excessive drying, insect, or weed infestation, grazing, etc.) Appraisal samples must not be taken in the same area of the strip; move down or up the strip for each sample. To assure that adequate care of the crop can be achieved, it may be necessary to require the width of the sample area to be the width needed to maintain the crop with the equipment used to care for the crop up to the time the crop would be appraised.

******* **i** If acreage is in a center pivot, use 1 b or 2 below so that irrigation can continue without wasting irrigation water or power to operate the equipment; i.e., the representative sample strip is as wide as the irrigation boom so it will allow an ample sample area without wasting irrigation water or power as would happen if a 10 foot strip following the entire circumference of the circle was irrigated.

******* **ii** When acreage has been released for grazing and the only access the livestock has to a permanent structure containing water (e.g., pond, lake, etc.) is through the field, a small break (no more than a 30-foot break) in the length of the strip may be left for the cattle to pass through, provided the ends of the break are also fenced.

b **are other than the length of the field** or contour farming is involved, it may be more practical to not have strips that actually extend the entire "length" of the field. In these cases, use the following procedures:

- i the shorter strips must accumulatively reflect the minimum area stated in (1) (b) 1 above, and
- ii must be wide enough to accommodate the equipment that will be used to maintain the crop (i.e., sprayer with a 30-foot boom, six-row cultivator, etc.) and sufficient enough in size to provide at least a 10-foot buffer area surrounding all sides of the potential areas from which the appraisal will be extracted. The buffer area will ensure the potential appraisal areas will not be exposed to damage in excess of what would be experienced had the crop not been released (e.g.; excessive drying, insect or weed infestation, grazing, etc.).

2 **For crops planted with row widths wider than small grains are normally planted**, the width of each sample must be wider than 10 feet and must be wide enough to accommodate the equipment that will be used to maintain the crop (i.e., sprayer with a 30 foot boom, six-row cultivator, etc.) and large enough to ensure that all sides of the potential areas from which the appraisal will be extracted will not be exposed to damage in excess of what would be experienced had the crop around the sample not been released (e.g.; excessive drying, insect or weed infestation, grazing, etc.). When wider widths are needed, the square feet of each representative area can be equivalent to the square feet of 10 feet X length of field).

(c) Will enable, at least, the minimum recommended number of samples stated in the crop handbook to be selected on a proportional basis to the acreage represented. **Refer to** example below for an explanation of what samples to be selected on a proportional basis means.

EXAMPLE: The minimum representative samples required are five for the acreage being appraised. The adjuster has determined that splitting the field into subfields is inappropriate because although one-third of the field is in uniformly satisfactory condition and two-thirds of the field is in uniformly poor condition, the respective portions are randomly scattered across the field. To maintain the proper proportionate sampling as it relates to damage, six samples are to be utilized instead of five, two in the satisfactory areas and four in the poor areas. The number of samples to maintain a proportionate sampling may be taken from less than six separate representative sample areas if four samples of the sample size stated in the appropriate handbook can be obtained in the poor areas and two from the satisfactory areas.

(2) Identify for the insured the selected representative area(s) by flags, physical markings, or sketch map to protect the integrity of the samples. In all cases, document the location of the selected representative area(s) in the field(s) on an aerial photo or on a sketch map and the agreed upon fencing or protective barrier that the insured intends to use. This documentation must be maintained in the insured's loss file.

- (3) Instruct the insured to continue to care for the selected representative samples areas as if they were to be harvested and not to move the representative areas from the areas selected by the adjuster since these areas will be the basis for the appraisal of the entire acreage.
- (4) On the agreement the insured signs:
 - (a) State what the consequences will be if they fail to comply with what they have agreed to as stated in B above. The consequence of the insured's failure to comply with the items listed in B above is as stated in E below.
 - (b) If the acreage is released for grazing, enter the type of fencing the insured plans to use before the insured signs the agreement.
 - (c) Make a sketch map showing the locations and size of samples in each field or attach to the copy of the signed agreement, a copy of a sketch map or aerial photo showing the location and size of the samples in each field.
- (5) Provide the insured a copy of the agreement the insured has signed, and leave the original in the insured's file folder.

E Exception to Adjuster's First on-the-farm Inspection

- (1) General Information

This exception is to be authorized only when there is a heavy workload and the insured cannot afford to wait until the time an adjuster can make an on-the-farm inspection to make appraisals before the insured can replant or put the acreage to another use or crop. **Insurance providers must not authorize this exception on a routine basis and are not to authorize this exception unless there is a known cause of loss in the area that could have damaged the crop acreage.** If there is not a known cause of loss, an adjuster must make an on-the-farm inspection.

- (2) **The Exception.** Insurance providers, on an insured-by-insured basis, may release acreage via telephone, fax, or e-mail when the insured agrees to leave representative sample areas to be used at a later date for appraisal purposes **and, the following items are adhered to:**
 - (a) The insured must agree to and understand:
 - 1 To leave intact until the time of appraisal, two or more representative strips of the crop (per field) that are:
 - a **Not** located at the edge of the field or in other areas that fail to be representative of the acreage to be appraised;
 - b Are of the following size:
 - i At least 10 feet wide and the entire length of the field for appraisal purposes and that comply with C (1) (b) 1 a above. (The C (1) (b) 1 a i and ii also apply.), or

- ii When contour farming or row-crop planting with rows planted in a direction other than the length of the field is applicable, the strips may be less than the entire length of the field, but the shorter strips must:
 - (i) accumulatively reflect the minimum area stated in D (2) (a) 1 b i above, and
 - (ii) be wide enough to accommodate the equipment that will be used to maintain the crop (i.e., sprayer with a 30-foot boom, six-row cultivator, etc.) and sufficient enough in size to provide at least a 10-foot buffer area surrounding all sides of the potential areas from which the appraisal will be extracted. The buffer area will ensure the potential appraisal areas will not be exposed to damage in excess of what would be experienced had the crop not been released (e.g.; excessive drying, insect or weed infestation, grazing, etc.); and
- 2 To continue to care for the selected representative samples areas as if they were to be harvested and not to move the representative areas from the areas agreed upon since these areas will be the basis for the appraisal of the entire acreage.
- 3 That production for the acreage released will be determined from appraisals from the sample areas, unless the insured fails to comply with any part of this agreement; and
- 4 That when the released acreage is to be grazed, to protect the representative sample areas from livestock by fencing or an equally effective barrier that is acceptable to the insurance provider. The fencing or effective barriers must remain in place until completion of the appraisal.
- (b) The individual authorized by the insurance provider to authorize this exception to insureds must document in writing on a Special Report or other document (e-mail is acceptable) an agreement with the insured on the approximate location of the strips authorized to be left for appraisal purposes, the insured's agreement and understanding of the agreement as stated in D (2) (a) above and the consequences if they fail to comply with any other part of the agreement. Include the reason for immediacy, date, authorization method (by phone, fax, etc.), and name of the person providing the authorization. Authorization is to be provided **ONLY** by individuals authorized by the insurance provider to do so. **Insurance providers cannot authorize sales agents, agency employees, or sales supervisors to provide this authorization to the insured.** Following are two examples of documentation:

EXAMPLE 1: "Date: MMDDYYYY – Authorization provided by e-mail. I.M. Insured needs to replant the acreage immediately while it is still practical. As, I. M. Supervisor discussed, by telephone, with Mr. Insured, on MMDDYY, Mr. Insured acknowledged that he agrees and understands: (1) to leave two representative strips of the crop intact, each at least 10 feet wide and the length of the field, approximately one-third of the distance in from each edge of the field, (2) to care for the representative sample areas

in the same manner as if they were to be harvested and continue this care until the areas are appraised, (3) that production for the acreage released will be determined from appraisals from the sample areas, and if Mr. Insured fails to comply with any part of this agreement, the per-acre guarantee may be used as the per-acre appraisal. Name of person providing authorization to insured.”

EXAMPLE 2: “Date: MMDDYYYY – Authorization provided by fax. Insured must destroy immediately. As, I. M. Supervisor discussed, by telephone, with Mr. Insured, on MMDDYY, Mr. Insured acknowledged that he agrees and understands: (1) to leave two strips of the crop intact (one in the poorer area and one in the better area of the field), each wide enough to accommodate the equipment that will be used to maintain the crop and containing the longer rows following the contour planting and the strips will accumulatively reflect the square feet of two strips 10 feet wide and the length of the field, (2) to care for the representative sample areas in the same manner as if they were to be harvested and continue this care until the areas are appraised, (3) that production for the acreage released will be determined from appraisals from the sample areas, and if Mr. Insured fails to comply with any part of this agreement, the per-acre guarantee may be used as the per-acre appraisal. Name of person providing authorization to insured.”

- (c) When the adjuster makes the on-the-farm inspection to make the appraisal, the adjuster must verify that the insured has complied with all the items in D (2) above. If the insured has failed to comply with any of these provisions, the acreage will be assessed an uninsured cause appraisal of up to at least the per-acre guarantee of the crop released.

F Appraisals of Representative Sample Areas

- (1) Representative areas of IMMATURE production:

Appraisals MUST be completed as soon as the production to count can be ACCURATELY determined (no earlier than 7-10 days after damage due to hail or frost/freeze, or the number of days specified by an agricultural expert if it differs from the 7-10 days). Very few circumstances would justify allowing the crop to become fully mature prior to completing the appraisal. If representative areas have not been adequately cared for, assess an appraisal for uninsured causes of loss.

Exception: In cases where the insured disagrees with the initial appraisal of the crop acreage to be released, and the insurance provider agrees to use representative areas for appraisal purposes. When representative areas are used for this purpose, the canola, coarse grains, cotton, dry beans, ELS cotton, small grains, sugar beets, and sunflower seed, provisions require that appraisals from the representative areas are deferred until the time harvest would have occurred. Any additional damage to the representative areas due to a named peril in the policy will be considered an insured cause of loss.

(2) Representative areas of MATURE production

(a) **Representative areas established solely for the initial appraisal of the released acreage.**

1 Appraise these areas immediately upon the crop's maturity. If representative areas have not been adequately cared for, assess an appraisal for uninsured causes of loss.

2 If the insured agrees, these representative areas can be harvested, after the adjuster has inspected them, to obtain the per-acre appraisals as described in (2)(c) below.

(b) **Representative areas established because the insured disagreed with appraisal of immature crop acreage to be released.**

Appraise these areas at the time harvest should have occurred. If the insured agrees to harvest the areas for appraisal purposes, the adjuster must inspect the representative areas prior to the insured harvesting them to assure that the areas have been adequately cared for, protected, and left intact in the locations initially selected and agreed upon. When these areas are not left intact or have not been sufficiently cared for, use the per-acre appraisal made prior to giving consent to put the acreage to another use. Any additional damage to the representative areas due to a named peril in the policy will be considered an insured cause of loss.

(c) **Representative areas established at the time the crop is mature (solely for the purpose of basing the appraisal on harvest of the representative areas).**

After the representative areas have been harvested, establish the per-acre appraisal from the harvested production. If for some reason, the insured decides not to harvest the representative areas as agreed, appraise the unharvested representative areas immediately.

(d) **Representative areas of corn insured as silage for purpose of determining grain deficient silage when appraisals cannot be made before the corn is cut for silage.**

Appraise these areas as soon as possible. Additional damage after the date the corn was harvested as silage will not be considered an insured cause of loss even if the damage was from a named peril in the policy. This is because the insurance period ended at the time the crop was harvested; i.e., the corn was cut for silage. The appraisal of the representative areas will determine whether the corn met the criteria for grain-deficient silage. If the silage was put in an airtight structure, the representative strips can also be used to determine the production to count. If the insured agrees to harvest the areas, the adjuster must inspect the representative areas prior to the insured harvesting them to assure that the areas were adequately cared for and to assure additional damage after the date corn was harvested as silage has not occurred. Apply uninsured cause appraisals as stated in B above if the areas were not properly cared for, and for any damage that occurred after the corn was harvested as silage.

89 BYPASSED ACREAGE

A General Information

Bypassed acreage procedures are applicable only to crops under a processor contract that must be harvested within a certain timeframe to be acceptable by the processor; e.g., cucumbers, chile peppers, green peas, processing beans, processing tomatoes, and processing sweet corn, sugar beets, etc. Sometimes such acreage is bypassed by the processor for reasons that have nothing to do with an insurable cause of loss that is preventing or delaying harvest.

B Definition of Bypassed Acreage

Bypassed acreage is defined as "Land on which production is ready for harvest but the processor elects not to accept such production so it is not harvested."

- (1) Inspections must be made by the insurance provider on all unharvested acreage of insured crop to verify the cause of loss and the reason the acreage was bypassed by the processor.
- (2) Appraisals are not required on acreage bypassed due only to an insurable cause of loss. Appraisals will be made on all unharvested acreage when any uninsurable cause of loss prevented timely harvest of the crop.

C Documentation From Insured of Why Acreage Was Bypassed. The insured must provide acceptable documentation of the reason the acreage was bypassed. Failure to provide such documentation will result in the insurance provider's determination that the acreage was bypassed due to an uninsured cause of loss.

D Bypassed or Not Timely Harvested Due to Insured Cause. Production losses from unharvested, not timely harvested, or bypassed acreage of the insured crop are insurable if the losses are due to an insurable cause of loss (as stated in the crop provisions), such as adverse weather conditions. Adverse weather includes, but is not limited to:

- (1) Excessive moisture that prevents harvesting equipment from entering the field or that prevents the timely operation of harvesting equipment; and
- (2) Abnormally hot or cold temperatures that cause an unexpected number of acres over a large producing area to be ready for harvest at the same time, affecting the timely harvest of a large number of such acres or the processing of such production is beyond the capacity of the processor, either of which causes the acreage to be bypassed.

Refer to the applicable Crop Provisions for notice of damage requirements. The insured should contact the insurance provider immediately upon being notified that acreage will be bypassed so an inspection by the insurance provider can be made, but not later than the time specified in the crop provisions.

E Bypassed or Not Timely harvested Acreage Due to Uninsured Cause. Insurance coverage is not provided on any loss of production if acreage is not timely harvested (unless such delay in harvesting is solely and directly due to an insured cause of loss) or is bypassed due to:

- (1) breakdown or non-operation of equipment or facilities;

- (2) the availability of a crop insurance payment;
 - (3) failure to follow the requirements contained in the processor contract; or
 - (4) for some crop provisions, bypassed acreage would not be insured if the following apply (Check the applicable crop provisions to see if either (a) or (b) or both (a) and (b) apply):
 - (a) The insured and the processor are the same or related persons, or Insured acreage was NOT harvested first, or
 - (b) Acreage insured under the terms of the applicable crop provisions was bypassed and acreage not insured under the applicable crop provisions was harvested instead.
- F Claim Entries When Bypassed Acreage Due to Insured Cause of Loss. The stage column on the claim form will show “UB” for unharvested acreage that is bypassed or not timely harvested by the processor because the insured crop was damaged due to INSURED causes of loss. The potential production per acre shown on the claim form in the column for appraised potential will be **zero (“0”)**. Consistent with the claim form, no production from the bypassed acreage will be counted for APH purposes.
- G Damaged and Undamaged Acreage in the Same Field. When there is damaged and undamaged insured crop acreage in the same field (and can be identified as such) and the processor chooses to bypass the entire field instead of accepting the harvested production or the processor harvesting the undamaged acreage, the damaged and undamaged acreage will be divided into separate subfields.
- (1) An appraisal is not required on the damaged acres, provided the insurance provider can verify the damage was due to an insurable cause of loss.
 - (2) The undamaged acreage will be appraised, and the production will be counted as production to count for claim purposes.
- H Claim Entries When Bypassed Acreage Due to Uninsured Cause of Loss. The stage column on the claim form will show “PB” for unharvested (bypassed) acreage **when insured cause(s) of loss did not prevent the processor or producer from timely harvesting** (e.g., the processor over-contracted, equipment breakdown, etc.). The potential production per acre (as of the date the crop should have been harvested) shown on the claim form in the column for appraised potential will be the appraised amount and will be counted as production against the guarantee for claim purposes and for APH purposes.
- (1) A separate appraisal is required to assess production lost on acreage damaged by uninsured causes of loss (i.e., livestock damage, failure to follow good farming practices, etc.). The appraised per acre production from such acreage will be shown on the claim form in the item for uninsured causes. This appraisal for uninsured causes will not be counted for APH purposes.
 - (2) Although acreage may have been bypassed and an insured cause of loss did not prevent harvest (e.g., the processor over-contracted, equipment breakdown, etc.), an appraisal which shows production below the unit guarantee due to insurable causes (e.g., drought reduced the potential PRIOR to bypass) may result in an indemnity.

I Production to Count When NO Insured Cause of Loss Prevented Timely Harvest.

When an insured cause of loss DID NOT prevent timely harvest of the crop, the production to count for the insured crop acreage that is bypassed or not timely harvested will include:

- (1) The appraised production on unharvested acreage;
- (2) Any production or value lost due to uninsured cause(s), whether harvested or unharvested acreage; or
- (3) **For green peas, chile peppers, processing beans, processing cucumbers, and processing sweet corn:** The harvested/delivered production from any acreage not timely harvested. The amount of harvested production to count will be determined by dividing the dollar amount paid, payable, or which should have been paid under the terms of the processor contract for the quality and quantity of the insured crop delivered to the processor, by the base contract price per pound.

*** If the price paid for the harvested production has been reduced because of quality deficiencies resulting from not timely harvesting (when an insured cause of loss did not prevent timely harvest of the insured crop), an appraisal for uninsured cause will be required. Subtract the amount paid from the amount that would have been paid before the price reduction. Divide this amount by the contract price and enter the result in the column on the claim form for uninsured cause appraisals.

J Processor Payments For "Bypassed Acreage"- Do NOT include such payments in any appraisal OR as production to count.

90 VERIFYING HARVESTED PRODUCTION

A Harvested production will be verified or determined by the following:

- (1) Acceptable evidence of sales and/or commercial storage.
- (2) Measuring farm-stored harvested production. (Refer to Part 3, Section 6.)
- (3) Comparing harvested production to appraisals made from the unharvested areas of the fields left under the terms of the policy when the amount of reported harvested production is questionable.

- (4) Comparing reported production to appraisals and production in the area when there is reason to question the reported harvested production.
- (5) Weighed and farm-stored records (Refer to PAR. 104).
- (6) If the insured claims all of the unit has been harvested, verify that all fields and areas of the field (orchards or vineyards, if applicable) has been harvested. Also, verify that all of the production that could be harvested has been harvested; i. e., if only the best acreage or best fruit (cherry picked) from the trees or vines has been harvested, the remaining unharvested crop must be considered production to count unless such crop is not considered production to count in accordance with PAR 85 H of this handbook, with procedures in the respective crop loss adjustment handbook, crop provisions or if applicable, Special Provisions.

- B Caution. DO NOT rely solely on statements or evidence of sales to represent all of the production. Review all production evidence CLOSELY when the policyholder controls the transportation (e.g., trucking or handling company); manufacturing (processing plant); farm scales; or sales (warehouse) of a particular crop. If there is evidence that suggests the insured has misrepresented production, DO NOT (adjuster) sign the claim. Notify the insurance provider of the situation.

91 VERIFYING SOLD OR COMMERCIALY STORED PRODUCTION

- A Names in which Production Was Sold. Verify with the insured the names(s) in which production has been sold on insured acreage under the contract.
- B Harvested Production Records and Receipts. Follow up and verify harvested production records documented by receipts from but not limited to:

- (1) Commercial elevators
- (2) Seed companies
- (3) Packing Houses
- (4) Marketing Cooperatives
- (5) Mills
- (6) Warehouses
- (7) Gins
- (8) Processors

C Receipts/Settlement Sheets

Verify receipts against the entries on the summary/settlement sheets. Obtain GROSS PRODUCTION for the unit from the summary and/or settlement sheets after verification.

- *** Refer to the Forage Loss Adjustment Handbook for specific information regarding requirements for forage production records.

D Claim Entry

Enter the GROSS PRODUCTION (before deductions are made for dockage, moisture, percent of shell or sugar, or quality adjustment) in the appropriate column for gross production on the claim form.

E Individual Weight Tickets or Load Slips

- (1) DO NOT use individual weight tickets or load slips without supporting documentation of total production such as ledger sheet(s) or settlement sheet(s) to determine harvested production for an individual unit unless the storage facility or buyer will not provide ledger or settlement sheets. When the buyer or storage facilities will not provide ledger or settlement sheets, document the facts in the narrative of the claim or a Special Report.

- (2) Loads cannot be split between units because this constitutes commingled production and must be handled as such, unless the insured has verifiable load records as noted in PAR. 105 C, and the insured fulfills all requirements in PAR. 105 C. Refer to PAR. 126 for commingled production procedures. This does not apply to crops using containers, bins, boxes, crates, etc., if each container, bin, etc., is labeled for the unit where production was obtained.

92 VERIFYING FED PRODUCTION

A Include in Production to Count. Fed production must be counted as production when determining total production on a unit.

B Insured's Responsibilities

The insured is responsible for maintaining a formal written record system (e.g., FCIC's Guidelines for a Production Record Management System) of fed production and to have those records available at the time the claim is prepared.

C Review Records

Review the fed production records for reasonableness and if written records are questionable, document the reasons and notify your next level of supervision. Also, use the following guidelines when determining reasonableness: If feeding from a previous year's inventory, to which current year's production will be added, the amount of previous year's production must be measured prior to adding current year's production. For acceptable records of fed production, the following is needed:

- (1) Amount of grain fed each day,
- (2) Bin ID from which the production was taken, if applicable,
- (3) Number and kind of livestock,
- (4) Estimated average weight of livestock per head and location or pen number,
- (5) The unit number from which the fed production was taken, and
- (6) Whether fed production was from previous year's production or fed directly from the field or truck.

D Refer to the Forage Loss Adjustment Handbook for specific record requirements for fed and sold forage production.

E Claim Entry

If fed production records are reasonable, enter fed production on the claim form as gross production. (See the crop handbook for entry instructions for harvested production.) Adjustments for moisture, dockage, or quality will be allowed ONLY if acceptable records are available to support the deductions or a sample for grading is available; i.e., settlement sheets from a landlord who has a share in the same crop acreage or adjuster obtained samples from the landlord's stored production can be obtained for grading.

F Documentation

Document the fed production records in the narrative of the claim form or on a Special Report. If a Special Report is used, it must be signed by the adjuster and the insured.

93 VERIFYING AND ACCOUNTING FOR PRODUCTION NOT TO COUNT

There are times when production may not be counted as part of the total production of a unit. In order to enter production not to count on the claim form, ACCURATE RECORDS of such

production must have been kept; i.e., it must have been measured or weighed (with satisfactory scale records available) before other production is added.

A Examples. Some common examples of production that should not be counted when accurate records of such production are provided.

- (1) Previous or prior crop year's production when stored with the current crop year's production,
- (2) Harvested production from uninsured acreage when stored with production from insured acreage,
- (3) Harvested production from acreage damaged solely by uninsured causes (appraisal for solely uninsured causes has been applied to such acreage in the "Uninsured Cause" column of the claim form),
- (4) Harvested production from multiple units or contracts when stored within one storage facility, and
- (5) Purchased grain is stored with harvested grain.

B Verification

Substantiate production not to count from current year's production with farm management records (settlement sheets, sales receipts, load counts, weight slips, feeding records, etc.) to assure that you are COMPLETELY satisfied that such production should be considered production **not** to count. If the production not to count is prior year's production, the only acceptable record is the insurance provider's or another USDA agency's measurement of the prior year's production just prior to current year's production being added. This measurement must be kept in the insured's loss file. Otherwise, the production must be considered production **to** count. Refer to (2) in subparagraph C below.

C Accounting for Production Not to Count on the Claim Form

(1) There are two ways to account for production not to count on the claim form. Either method outlined below can be used unless your insurance provider specifies that only one of the particular methods listed below will be used.

(a) For production with storage measurements that are to be recorded in the columns for recording such measurements on the claim form, the depth measurement of the production not to count may be subtracted from the total bin measurement depth. The resulting depth measurement (production to count) will be entered in the appropriate column for depth measurements as instructed in the crop handbook. Although no specific entry for production not to count is required, document the depth measurement for the production not to count in the narrative of the claim form and explain why it is production not to count. Refer to PAR. 113 E for detailed example; OR

(b) Calculate all production not to count to net production, and enter in the "Production not to Count" column as instructed in the crop handbook.

- (2) Insurance providers are not to authorize insured's to make bin markings to separate production from the current and prior year(s) stored in the same storage structure, as described in PAR. 105, unless the insurance provider or another USDA agency measures the prior year's production just prior to current year's production being added (a copy of the other USDA agency's measurements must be kept in the loss file).

94 GLEANEED ACREAGE

A General Information

Gleaning is the collection of crops from farmers' fields that have already been harvested or fields where it is not economically profitable to harvest. FCIC encourages and promotes gleaning efforts of insureds. Insurance providers are encouraged to allow gleaning in situations where a crop or portion of a crop may otherwise go unused or be destroyed. Refer to the definition of "Gleaner" In Exhibit 1.

B Gleaning Allowed Only If There Is An Acceptable Charitable Organization

- (1) FCIC will allow gleaning only when the crop has been gleaned by a charitable organization listed in the Department of Agriculture Handbook, "*A Citizen's Guide to Food Recovery*" and the insured has not received compensation from the organization (refer to D below). If a particular organization is not listed in the handbook, contact the State coordinator listed in the handbook. The State coordinator will provide updated information on approved organizations added to the list. Include updated information from the State coordinator showing approval of the particular organization as documentation in the insured's loss file.

- (2) "*A Citizen's Guide to Food Recovery*" also contains other relevant information on gleaning and food recovery, such as the "Good Samaritan Law" that protects the insured for liability issues. "*The Citizen's Guide to Food Recovery*" can be located on the Internet at www.fns.usda.gov/fns.

- (3) Documentation of Charitable Organization

The charitable organization's name and address will be shown on the claim form in the "Narrative" section, or on a Special Report.

C Gleaning will be allowed for all insured crops as follows:

- (1) Harvested Acreage

- (a) Gleaning will be allowed on crop acreage that has been harvested as long as any remaining crop production on the harvested acreage cannot be harvested using normal and proper harvest methods (e.g., production from lodged corn that can only be hand harvested).
- (b) Some crop provisions (e.g., tomatoes, peppers) state that production not meeting the specific requirements of the crop provisions will not be considered production to count; other crop provisions may contain similar provisions. Producers should be encouraged to permit such production to be gleaned.
- (c) For harvested production declared zero market value (quality adjusted to zero value or zero production to count) and that is required to be destroyed

(e.g., corn with quality adjustment factor of .000); gleaning or food recovery of any salvageable production will be allowed (except as limited by subparagraph D below) and such production will not be considered as production to count.

(2) Unharvested Acreage

- (a) If the crop can be harvested, but the insured elects not to harvest, the acreage must be appraised before gleaning is allowed and such appraisal will be used as production to count.
- (b) On crop acreage that is routinely mechanically harvested and is damaged by insured causes (e.g., wind, hurricane, etc.) to the extent that it cannot be mechanically harvested with normal harvest equipment, no production is currently counted. However, if the insured elects to hand harvest or use specialized harvesting equipment, the production is counted. If the insured elects to allow gleaning in these situations, production on this acreage will not be considered production to count.
- (c) For unharvested production declared zero value (quality adjusted to zero value or zero production to count) and that is required to be destroyed (e.g., unharvested potatoes in excess of 5.1 percent tuber rot that could not be sold); gleaning or food recovery of any salvageable production will be allowed (except as limited by subparagraph D below) and such production will not be considered as production to count.

(3) When gleaning is allowed for acreage qualifying as unharvested acreage, the acreage that is gleaned will not be considered harvested.

D Waiving Requirement to Destroy Zero-Value Production

In cases where FCIC normally requires destruction of harvested or unharvested zero-value production (quality adjusted to zero value or zero production to count), gleaning can be allowed as long as the crop does not contain substances or conditions identified by the Food and Drug Administration or other public health organizations of the United States as injurious to human or animal health.

E No Compensation Can Be Received For the Gleaned Crop

If any compensation is received by the insured for the gleaned crop from any qualified charitable organization, it will not be considered gleaning for crop insurance purposes. Compensation for non-crop items, services, labor, etc., as described in (1) below is not considered compensation for the crop.

(1) Situations not to be considered compensation for the crop:

- (a) States tax credits and other state and federal tax advantages for donating gleaned commodities.
- (b) Reasonable compensation from a qualified charitable organization to the insured for harvest and/or transportation of the gleaned (donated) crop:

¹ the qualified charitable organization indicates in writing the amount of compensation and that the compensation is solely for reimbursement of harvest and/or transportation costs incurred by the insured, and

2 the insured certifies in writing that the compensation is solely for harvest and/or transportation costs.

- (2) Situations considered to be compensation for the crop:
- (a) When the qualified charitable organization and/or insured have not provided the required information in writing as specified in (1) above, the compensation received will be considered to be for the crop.
 - (b) When the insurance provider determines that the compensation for harvest and/or transportation as allowed in (1) above is excessive (i.e., not reflective of the associated costs) and/or that part of the compensation is for the crop, the insurance provider will consider the compensation received to be compensation for the crop.
- (3) Do the following when compensation is considered to be compensation for the crop:
- (a) If the claim has already been processed, a corrected claim will be prepared for the types of claims described in the above subparagraphs C (1) (a), C (1) (c), C (2) (b) and C (2) (c). The harvested production will be used as production to count. In cases where production records are not available, the amount received for gleaning will be divided by the elected price election to determine production to count. For dollar amount crops, the dollar amount received will be used to determine the amount of production or value to count.
 - (b) For the types of claims described in above subparagraphs C (1) (b) and C (2) (a); the claim will not be corrected.

F Gleaning Codes For the Claim Form

In the “Stage” column on the claim form (Production Worksheet for most crops), code acreage that is released to be gleaned as shown in the table below:

GLEANING CODE	USE WHEN. . .
“HG”	it is the type of claims described in the above subparagraphs C (1) (a) and C (1) (c) AND it IS NOT a crop for which stage guarantees apply.
<p>“2G,” “3G,” OR applicable stage code the crop was gleaned in followed by “G.”</p> <p>*** For Mint, claims having stages W1, W2, and W3 (claims having damage covered under the winter coverage option) would never be changed to show a gleaning code.</p>	it is the type of claims described in the above subparagraphs C (1) (a), C (1) (c), C (2) (a), C (2) (b), and C (2) (c); AND it IS a crop for which stage guarantees apply.
“UG”	it is the type of claims described in the above subparagraphs C (2) (a), C (2) (b), and C (2) (c) AND it IS NOT a crop for which stage guarantees apply.

G Signed Certification of Gleaning

A Certification Form will be prepared, as follows:

- (1) For the type of claim described in above subparagraph C (2) (b), the certification on the Certification Form as required in PAR. 85 H (2) (f) is still required except the statement must be modified as follows:

“As indicated by the insured’s signature below, the insured certifies that the damaged acreage that cannot be mechanically harvested with normal harvest equipment will not be harvested and if the acreage is gleaned it will be gleaned by the organization shown in the narrative of the claim form (or other USDA approved charitable organizations) and the insured will not receive any compensation from the organization. If the insured harvests the crop after this certification or receives compensation from the charitable organization, the insured understands he/she may be subject to the misrepresentation provisions in the crop insurance policy.”

- (2) For the type of claim described in above subparagraph C (1) (c) and C (2) (c):

Before a claim can be finalized, the insurance provider must receive a completed Certification Form from the insured showing the insured’s certification of the

name and address of the approved charitable organization that gleaned the acreage and/or production released for gleaning, that all such acreage and production was gleaned, and that the insured received no compensation from the charitable organization. Refer to the PAR. 66 for procedures regarding the Certification Form.

******* When the entire production is not gleaned on any acreage as indicated by the insured on the Certification Form, then the adjuster must make a farm visit to verify that the balance of the production has been destroyed or a completed Certification Form will need to be signed for destruction of the balance of the production.

SECTION 5 ADJUSTMENTS TO PRODUCTION

95 GENERAL INFORMATION

A Reasons Why Production May Be Adjusted

Adjustments are allowed for the following:

- (1) Moisture when the moisture percentage meets the requirements stated in the crop provisions or endorsement (unless specified otherwise in the Special Provisions). Refer to PAR. 97 for more information.
- (2) Foreign-material (FM) or Conspicuous Admixture or Admixture, as defined by FGIS, (adjustment for dockage (as defined by FGIS) ONLY if allowed for the crop, as specified in PAR. 98). Adjustments for any of these items can only be made if they meet all of the criteria specified in PAR. 98.

******* **If there is a conflict about FM instructions between the LAM and the individual crop handbook, the LAM will prevail.**

- (3) Low quality caused by an insurable cause of damage. Adjustment for quality is made only when deficiencies and conditions of the crop meet the requirements stated in the crop provisions or endorsement to the crop (unless specified otherwise in the Special Provisions). Refer to PAR. 96 for more information.

B Who Makes Adjustment Determinations

Refer to PAR. 97 for moisture adjustments and PAR. 98 for FM (dockage percentages if allowed in PAR. 98). All deficiencies and conditions of the crop for which quality adjustment applies MUST have been graded or determined by the entity specified in the crop provisions (Special Provisions or endorsement, if applicable), except test weights can be determined by the adjuster as specified in PAR. 96.

******* **Samples to make determinations CANNOT be obtained by the insured or insured's representative. Samples must be obtained by an adjuster or disinterested third party. Refer to PAR. 96 for more information.**

C Production Disposed of Before Determinations Are Made

- (1) When the insured's interest is 100 percent in the crop:

Adjustments in production for moisture, FM (dockage ONLY if allowed for the crop, as specified in PAR. 98), or quality (quality adjustment) cannot be allowed for production disposed of before necessary determinations are made, unless sales or weight tickets show gross weight, moisture content, FM and/or dockage, and any other applicable deficiency (deficiency for which quality adjustment applies, must be graded by the entity specified in the crop provisions before deductions for deficiencies or conditions can be made; refer to PAR. 96.)

- (2) When the insured's interest is LESS than 100 percent in the crop:

- (a) Moisture or FM (dockage ONLY if allowed for the crop, as specified in PAR. 98) can be allowed IF:

- 1 The production belonging to the other person sharing in the crop is available to make determinations, or
- 2 Weight tickets are available which show gross weight, FM, and moisture content.

***** This is applicable ONLY when the other production is representative of the insured's share.**

- (b) Quality adjustment can be allowed ONLY if:

- 1 The production belonging to the other person is available for the adjuster to pull samples to be sent to the entity allowed in the applicable crop provisions, Special Provisions, or quality endorsement to make determinations of deficiencies and/or substances or conditions injurious to human or animal health. Refer to PAR. 96 for more information concerning quality adjustment; or
- 2 A copy of records (tickets, slips, receipts or other records) from the other person's share of the crop is furnished and the records specify the deficiencies (and deficiency amounts) for which quality is allowed under the insurance contract. These records are only acceptable if the crop was delivered to a buying point where samples were pulled by a disinterested third party and were graded by an entity specified in the applicable crop provisions, Special Provisions, or quality endorsement or option to the crop.

***** This is applicable ONLY when the other production is representative of the insured's share.**

96 QUALITY ADJUSTMENT (QA)

A Policy/Endorsement Provisions

Some policies/endorsements provide for a reduction in the production to count when the quality of the appraised and/or harvested production is reduced due to insurable causes. The quantity of mature production to count is reduced when it meets the requirements stated in the crop policy/endorsement (Special Provisions, if applicable).

B Who Can Obtain the Samples for Grading/Analyzing

Only the adjuster or a person who is a disinterested third party approved by the insurance provider can obtain the samples for grading. For claims involving mycotoxins refer to PAR. 102.

C Sample Requirements For Adjuster-Obtained Samples

The following applies, unless samples involve mycotoxin-infected production. Refer to PAR. 102 for sample requirements for mycotoxin-infected production.

(1) Samples from unharvested production

- (a) The minimum number of representative samples and size of the representative sample areas must be at least the required number and size stated for appraisals in the applicable crop handbook.
- (b) Encourage the insured to harvest representative sample areas. However, if the insured is unwilling or unable to harvest the selected representative sample areas, the adjuster must hand harvest representative sample areas of the production to obtain the samples.
- (c) From the production harvested from the representative sample areas, the samples to be graded must be obtained and identified by unit number and field I.D. and/or subfield I.D., if applicable. Refer to (3) below for information about sample size and transportation of samples.

(2) Samples from Harvested Production

If the insured has harvested the production and samples are taken from trucks, wagons, etc., prior to delivery, the adjuster should probe in different areas of the trucks, wagons, etc., to obtain a sample from each load (refer to paragraph 102 E (2) (d)). If the quality of grain in the field or subfield of a unit appears similar, a blended sample may be used. If the production is stored, obtain the sample from the storage structure for all QA factors other than mycotoxins. Identify samples by bin ID and unit number. If the production has been commingled between units, refer to PAR. 126.

***** When samples are taken from farm-stored production or from unharvested mature production to obtain quality determinations, only adjusters can extract the samples, unless specified otherwise in the crop provisions or Special Provisions. The adjuster is responsible for taking enough samples to ensure that the combined samples will be representative of all production in the storage structure. For stored production, this is done by using a probe (may need an extension) or other various means to extract samples from various depths and areas of the storage structure.**

(3) Sample size and transportation

Follow the instructions provided by the entity specified in the crop provisions to grade samples in regards to sample size, container, and transportation to ensure the integrity of the sample(s).

(4) For crops administered under the United States Grain Standards Act or the Agricultural Marketing Act, adjuster obtained samples can ONLY be submitted to

FGIS, AMS, or their designee, as applicable for the crop, OR a grain grader as noted in PAR. 96 E who can grade submitted samples. For state licensed graders, this can vary from state to state. Inquire at the individual warehouse or at the appropriate State office for this information.

(a) United States Grain Standards Act

- 1 Crops administered under this Act are, as follows: barley, canola, corn, flaxseed, oats, rye, grain sorghum, soybeans, sunflower seed, and wheat.
- 2 Locations of offices that can grade samples of a particular crop

Refer to the GIPSA Official Agency Directory for official inspection sites. A copy of the directory can be obtained through the GIPSA Compliance Division in Washington, D. C. An abridged version can also be found on the GIPSA Internet site or links can be found on the RMA Internet site.

(b) Agricultural Marketing Act

- 1 Insurable crops administered under the Agricultural Marketing Act (crops include but not limited to dry beans, lentils, dry peas, rice, safflowers; check individual crop provisions)
- 2 Locations of offices that can grade samples of a particular crop.

Contact the nearest FGIS field office for the location of the nearest facility that can give a grade for submitted samples for the applicable crop. A list of FGIS field offices can be found at the GIPSA Internet site or a link can be found at the RMA Internet site.

*** Not all facilities working under FGIS are licensed to grade all commodities administered under the Agricultural Marketing Act.

D Samples from Harvested and Delivered Production

(1) **Unblended Samples:** If samples are pulled from each conveyance and each sample from each conveyance is graded, these are unblended samples. For unblended samples, determine quality adjustment factors from the grades of each conveyance. Refer to Exhibit 1 for the definition of conveyance.

(2) **Blended Samples:**

(a) For grains, oilseeds, dry peas, dry beans, and rice; grades from blended samples, by unit, for non-mycotoxin quality adjustment, from both USWA licensed warehouses and warehouses holding a storage agreement with CCC may be accepted ONLY if all of the following apply:

- 1 The commodity is sold on the same basis as the blended samples used to determine the grading factors for quality adjustment.
- 2 Proof of the sale, sale amount and grades, or signed written certification of pending sale from the buyer including the quantity and quality is provided and is acceptable to the insurance provider.

3 The blended sample is representative of all the loads for which it applies, and it is determined acceptable by the insurance provider.

(b) In no circumstances will grades from improper blending methods such as the following be accepted:

1 A sample from each conveyance, regardless of producer, is put into one container and then a sample is taken from the container at the end of the day or the week. The grade from that sample is applied to each producer's production who delivered grain during that time.

2 On a basis greater than the unit structure on which the insurance is based (optional, basic, enterprise, or whole farm, as applicable), all samples from a single producer are put into a container and then a sample is taken from this producer's container when harvest for the crop is completed or when otherwise directed by the producer. The grade from that sample is applied to all of that producer's production.

3 A single sample is taken from one conveyance for the producer. The grade from that sample is applied to all of that producer's production.

E Who Can Determine the Quality of Most Crops for Quality Adjustment Purposes

- (1) For canola, coarse grains (corn, grain sorghum, and soybeans), small grains crops (barley, flax, oats, rye, and wheat), and sunflowers, determinations of deficiencies in quality (except test weight, which may be determined by the adjuster), the production must be analyzed by a:
 - (a) Grain grader licensed under the United States Grain Standards Act or the United States Warehouse Act;
 - (b) Grain grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or
 - (c) Grain grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; and
 - (d) With regard to substances or conditions injurious to human or animal health, the samples must be analyzed by a laboratory that meets the required criteria for an insurance provider-approved testing facility (laboratory) as outlined in PAR. 102 F.
- (2) For dry beans, dry peas, rice, and safflowers, deficiencies in quality (except test weight, which may be determined by the adjuster) must be made by:
 - (a) A grader licensed under the United States Agricultural Marketing Act or the United States Warehouse Act,
 - (b) A grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or

- (c) A grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; and
- (d) With regard to substances or conditions injurious to human or animal health, the samples must be analyzed by a laboratory that meets the required criteria for an insurance provider-approved testing facility (laboratory) as outlined in PAR. 102 F.

(3) **Information About USWA and Location of USWA Licensed Warehouses**

A facility licensed under the USWA must have individuals on site who are licensed to weigh, inspect, or grade specific commodities, and may only give a grade for production that is delivered to that warehouse for storage or handling. Warehouse employees licensed to grade specific commodities under the auspices of the USWA cannot provide grades for samples submitted for grading purposes only. A listing of licensed warehouses, the city and the applicable crops (e.g., CTN is cotton, GRN is grain, DEB is dry edible beans) can be found on the FSA Internet site or a link can be found on the RMA Internet site.

*** Each warehouse is only licensed for certain types of commodities. For example, a warehouse licensed for grain cannot inspect, weigh, or grade dry beans unless it is also licensed to handle dry beans.

Refer to the applicable individual crop handbook, crop provisions, endorsement or option (if applicable), or Special Provisions for specific quality adjustment qualifications and provisions.

F Who Can Determine the Quality of Other Crops

- (1) For crops other than those specified in subparagraph E above that have quality adjustment provisions, the policy provisions may allow various factors of quality to be determined by the processor, State grader, or USDA grader, or may not specify who grades the crop but only requires that the crop be graded in accordance with specified U.S. standards for fresh fruit, dried fruit, standards set forth in Marketing Orders, or standards set up by other industry standards, etc. For example: Samples of **mustard** must be analyzed in accordance **with the mustard standards of the state specified in the Special Provisions**, or by a laboratory approved by the insurance provider.)
- (2) When policy provisions do not specify a specific entity to grade the crop but only specifies that the crop meet or not meet certain standards in order to qualify for quality adjustment, the insurance provider must assure that the entity that is grading the crop is qualified to do so; i.e., if an adjuster is grading the crop, the adjuster must have received adequate training to make the grade determinations (this may be on the job training from another adjuster proficient in grading the crop or through the agency or association that sets the standards for the crop. A state grader or Federal grader will be assumed to be qualified. If the crop provisions specify the deficiencies identified by the processor are acceptable, the entity that grades for the processor will be assumed to be adequately trained. Refer to the applicable crop handbook and/or crop policy/endorsement for specific quality adjustment qualifications and provisions.

- (3) When there is farm-stored production or unharvested mature production, only adjusters can obtain samples for quality determination purposes, unless specified otherwise in the crop provisions or Special Provisions.

G Actual Test Weights to Tenths of Pound

In almost all cases, grain handlers determine test weight to tenths of a pound. Unless specified otherwise in a crop handbook, test weights are recorded to tenths on the claim form. If the grain handler does not determine the test weight to tenths of a pound, the test weight is still entered to tenths on the claim form (e.g., if the weight is shown as 42 pounds, enter the test weight as "42.0"). Pounds rounded to whole pounds can cause grain to appear to be ineligible for quality adjustment; e.g., oats having an actual test weight of 26.5 would be eligible for quality adjustment, but when the weight is entered on the claim form as a rounded weight (27 pounds), it does not appear to qualify. Therefore, if quality is at issue and the grain buyer has shown pounds in whole weight, try to determine if the buyer does have the weights in tenth of a pound.

H Crops having Quality Adjustment Charts in the Special Provisions

- (1) **For barley, canola, corn, flax, grain sorghum, oats, rye, safflowers, soybeans, sunflowers, and wheat** production that is eligible for quality adjustment, the quality adjustment factor (QAF) is determined by subtracting from 1.000, the sum of all applicable pre-established discount factors (DFs) listed in the Special Provisions or DFs derived from reductions in value (RIV) of the damaged grain. The QAF (not less than 0.00) is multiplied by the number of applicable bushels or pounds remaining AFTER any reduction due to excessive moisture (in accordance with the crop provisions).

- (2) Claims involving mycotoxin infected production that exceeds the maximum amounts allowed by the Food and Drug Administration or other public health organization of the United States or agency of the applicable State may not be settled until the production is sold, used, or destroyed.

- (3) Pre-established DFs from the Chart

- (a) When there is a pre-established DF for the individual type/level of damage (e.g., test weight, kernel damage, etc.) or grade (refer to (b) below) shown on the chart in the Special Provisions, the pre-established DF must be used to establish the QAF, unless (3) (c) or (e) applies.

- (b) Pre-established DFs for Grade

1 General Information.

- a Besides DFs for the individual type/level of damage (e.g., test weight, kernel damage, etc) there may also be a DF for grade. The individual type/level of DFs should be added to the DF for grade (if the grain qualifies for the grade DF). The grade DF factor is not used in combination with RIVs.

b Types of Grade DFs

(i) DFs for U.S. NO. 5

The U.S. NO. 5 grade DF is applicable to only Wheat and Barley. Use this DF only once plus any applicable pre-established DFs.

(ii) DFs for U.S. Sample Grade

The Sample Grade DF is applicable to barley, canola, corn, flax, grain sorghum, oats, rye, soybeans, Oil-type sunflowers only, and wheat. (Safflowers do not have a DF for this grade type.) Use the Sample Grade DF only once plus any applicable pre-established DFs. The Sample Grade DF is not used in combination with RIVs.

(iii) DFs for Allowable Special Grades or Specific Allowable Sample Grade Defects

- i** Special grade of light smutty (Wheat), smutty (Wheat, Oats) or garlicky (Barley, Oats) DFs may be used separately or in addition to U.S. NO. 5 or Sample Grade DFs unless there is no pre-established DF for an applicable type and level of insurable damage.
- ii** Pre-established DFs for specific allowable Sample Grade defects such as musty, sour, or commercially objectionable foreign odors (Flax, Corn, Grain Sorghum, Soybean, Sunflower, Safflower, Canola) will be used in addition to the Sample Grade DF unless there is no pre-established DF for an applicable type and level of insurable damage.

Refer to item (6) below for various examples; e.g., when there are types/levels of damage or grade for which there are pre-established DFs, a type/level of damage for which there is NO pre-established DFs, and a combination of a type/level(s) of damage for which there are pre-established DFs and a type/levels of damage for which there are no pre-established DFs.

- (c)** If the damaged grain has a zero market value in the insured's local marketing area AND a net zero value* at a market within reasonable distance outside the local marketing area, **no production will be counted if the production is destroyed. In lieu of destruction, production may be gleaned provided the criteria stated in PAR. 94 are met. The method of destruction must result in the production having no possibility of being marketed or possibility of salvage use that could result in any type of compensation to the insured.** For mycotoxin-infected grain, refer to PAR. 102.

*** When there are pre-established DFs for the type/level of damage or grade, there should be very few instances, if any, where a value cannot be found for such grain.

*Net Zero Value means: The additional costs to transport the grain to a market within reasonable distance outside the insured's local marketing area (distant market) exceeds the value in the distant market. Additional costs means: Costs in excess of costs to transport to the local marketing area. Transportation costs to be used in this determination must be usual, reasonable, and customary.

- (d) When it has been established that there is a zero market value in the insured's local marketing area and a positive value for grain that would be transported to a distant market (of reasonable distance) OR the insured refuses to destroy the grain, the applicable pre-established DFs for the level or type of damage (without adjustments for additional transportation costs) will be used to determine the QAF to adjust the production to count if for ALL of the types/levels of damage, there are pre-established DFs shown on the QA chart in the Special Provisions.
- (e) If there is a type/level of damage or grade for which there are pre-established DFs AND at least one type/level of damage for which there are NO pre-established DFs in the QA section of the Special Provisions, the pre-established DF(s) are not used to determine the QA factor. When the preceding situation exists, a DF factor will be established from the reductions in value for all the types/levels of insurable damage (including the damage or grade for which there is a pre-established DF). Refer to Examples 5 and 6 in subparagraph (6) below.
- (f) Other than to consider whether there is net zero value as described in (3) (c) or as allowed in (3) (e) above, transportation costs are not allowed when the only types and/or levels of damage or grade are ones for which there are pre-established DFs shown on the chart, regardless of the market value of the grain. Additionally, conditioning costs are not allowed when the only types and/or levels of damage or grade are ones for which there are pre-established DFs on the chart.

(4) DFs Derived From RIVs

In the absence of pre-established DFs for types or levels of damage (not inclusive of absence of DFs for U.S. No. 5 grade or Sample Grade) or when the situation as described in E (1) (e) above exists, DFs are derived by dividing the total RIVs by the Local Market Price (LMP) (rounded to three places). The LMP is as defined in the applicable crop provisions. If the RIV for **each** qualifying damage cannot be established from the buyer, the RIV will be the total reduction in value (excluding any RIV as stated in (5) (d) below) of the price of the grade stated in the definition of Local Market Price (LMP) in the applicable crop provisions; i.e., the definition for LMP for corn in the Coarse Grains Crop Provisions is No. 2 for corn; therefore, the reduction in-value is the reduction in value of the price of No. 2 corn.

(5) Establishing RIVs

- (a) The adjuster is responsible for ensuring that only usual, customary, and reasonable RIVs are used. When determining RIVs, it is not necessary to determine the actual **value** of the production if the buyer is able to specifically provide, to the adjuster's satisfaction, the reduction in value (RIV) requested.

- (b) RIVs and LMPs will be those in effect on the earlier of, the date such quality-adjusted grain is sold or the date of final inspection for the unit.
- (c) The RIV is also to be based on the same kind and class of crop that is insured.
 - 1 **For Sold Production.** The RIV will be the RIV applied by the buyer for each load unless it is determined that such RIVs are not usual, customary, and reasonable.
 - 2 **For Unsold Production (Commercially Stored, Farm Stored, or Appraised Mature Production).** The RIVs will be the RIVs for the types/levels of damage at the local market on the date of final inspection. However, if a lower RIV is available at a market within a reasonable distance outside the insured's local marketing area (distant market), the RIV can be increased by the additional costs to deliver the production to the distant market; provided the resulting RIV does not exceed the RIV in the insured's local marketing area.
 - 3 **Fed Production.** The RIV will be the RIV for the type/level of damage at the insured's local marketing area on the date of final loss adjustment PROVIDED acceptable weight records are available showing necessary quality adjustment information, or grain is still available from which the adjuster can obtain samples. Refer to PAR. 104 B for what constitutes acceptable records.
- (d) No RIV is allowed if it is due to (1) moisture content, (2) damage due to uninsured causes, or (3) drying, handling, processing or any other costs associated with normal harvesting, handling, and marketing of the production.
- (e) Conditioning Costs: If an RIV can be decreased by conditioning the production, the RIV after conditioning may be increased by the cost of conditioning, provided the resulting RIV does not exceed the RIV before conditioning.
- (f) Contracted Production
 - *** Contracted production as used in the context of this procedure refers to speculative-type contracts, not processor contracts.

- 1 Contract has been fulfilled (production delivered/sold):

The RIV will be the RIV applied by the buyer (who had the contract with the insured) as long as the RIV is usual, customary, and reasonable. To determine whether the RIV is usual, customary, and reasonable, the RIV must be compared to the RIV that would have been applied to the damaged production (same type/level of damage) if it had not been contracted. For example:

The contracted wheat price is \$4.50

In the local market area, the LMP is \$3.

Contracted wheat - RIV: delivered October 1, RIV of \$2 applied to the contracted wheat, due to 5.1 ppm of vomitoxin. There were no other RIVs applied by the buyer.

Non-contracted wheat RIV - The RIV for the same level of vomitoxin in the Local Market Area was \$1 on October 1.

In this case, the \$2 RIV for the level of vomitoxin that was applied by the buyer of the contracted and delivered grain was not usual and reasonable compared to the \$1 RIV in the local market area for non-contracted wheat with the same level of vomitoxin. The \$1 RIV would be used to compute the quality adjustment factor.

2 Contract has not been fulfilled (production not delivered/unsold):

Since settlement has not been made, there is no way to establish the RIV with any certainty; therefore, the production will be considered to be unsold. Establish the RIV as instructed in (5) (c) above.

3 Disregard the fact that the insured may receive additional money after the claim has been finalized. The only RIV that can be considered is the actual RIV applied by the buyer on the date the production was sold unless the RIV applied by the buyer is not usual or reasonable (see (f) 1 above); or if unsold, the RIV determined at the time of the final inspection as instructed in (5) (c) 2 or 3, as applicable.

(6) Examples of Determining QAFs with Pre-established DFs and Derived DFs (QAFs cannot be less than zero.)

Example 1: Crop only qualifies for the pre-established DF for grade

Soft Red Wheat with a test weight of 54 pounds and 15% defects is designated as U.S. No. 5 wheat. There is no pre-established DF on the chart for a 54 pound test weight or 15% defects for soft red wheat (this test weight exceeds the point at which pre-established DFs begin for test weight), and there is no pre-established DF for 15% defects (15% defects exceed the point at which pre-established DFs begin for defects); however, the 15% defects do cause the wheat to grade U.S. No. 5 which qualifies the wheat for quality adjustment. The grade DF for U.S. No. 5 wheat is .344.

(a) .334 (DF for U.S. No. 5 wheat) (b) $1.000 - .344 = .656$ QAF

Example 2: Individual pre-established DFs applied but crop does not have a pre-established DF listed for the applicable grade

Corn with kernel damage (12%) and test weight (47 pounds) per bushel is designated as U.S. No. 5 corn. The test weight and kernel damage DFs would only be applied to arrive at the QAF. There is no U.S. No. 5 grade DF for corn. The U.S. Sample grade DFs would not be used in this example.

(a) .066 (DF for kernel damage)
.071 (DF for test weight)
.137 Total DFs (b) $1.000 - .137 = .863$ QAF

Example 3: Individual pre-established DFs applied in combination with pre-established DF for grade

Corn with kernel damage (25%) and test weight (47 pounds) is designated as U.S. Sample Grade (kernel damage qualifies). The individual kernel damage DF's and test weight DFs would be applied in combination with the U.S. Grade Sample DFs.

$$\begin{array}{r} \text{(a)} \quad .254 \text{ (DF for kernel damage)} \\ \quad .071 \text{ (DF for test weight)} \\ \quad + .188 \text{ (DF for Sample Grade)} \\ \quad \hline \quad .513 \text{ Total DFs} \end{array} \qquad \text{(b)} \quad 1.000 - .513 = .487 \text{ QAF}$$

Example 4: Type/level of damage with NO pre-established DF

Wheat has only one type/level of damage (garlicky grade) that qualifies for quality adjustment. Since this type of damage has NO pre-established DF, the QAF will be derived from the RIV as follows:

$$\begin{array}{l} \text{(a)} \quad \$1.80 \text{ RIV (for garlicky grade)} \div \$2.90 \text{ LMP} = .621 \text{ (DF)} \\ \text{(b)} \quad 1.000 - .621 = .379 \text{ QAF} \end{array}$$

Example 5: Combination of type/level of damage with pre-established DFs and type/level of damage with no pre-established DF

Corn with kernel damage (25%) and test weight (45 pounds) is designated as U.S. Sample Grade. Since the test weight has no pre-established DF, the pre-established DF for kernel damage and the DF for Sample Grade will be ignored. The LMP for corn is \$2.20. The QAF for the damaged corn is determined as shown in the following steps:

$$\begin{array}{l} \text{(a)} \quad \$.65 \text{ (RIV for test weight)} \\ \quad + \$.75 \text{ (RIV for kernel damage)} \\ \quad \hline \quad \$1.40 \text{ Total RIV} \\ \text{(b)} \quad \$1.40 \text{ (Total RIV)} \div \$ 2.20 \text{ (LMP)} = .636 \text{ (DF)} \\ \text{(c)} \quad 1.000 - .636 = .364 \text{ QAF} \end{array}$$

Example 6: Combination of type/level of damage with pre-established DF and a type/level of damage (mycotoxin) with no DF

Corn had a low-test weight of 46 pounds and had mycotoxin damage. It was determined that there was a 65 cents a bushel RIV for mycotoxin. There is a DF of .063 for 46-pound test weight on the chart in the Special Provisions for corn, and a determined RIV of 16 cents a bushel for the low-test weight. Mycotoxins are a type of damage for which the Special Provisions has no listed DFs, thus the DF for mycotoxins are derived. However, since there is a type of damage for which there is no pre-established DFs (mycotoxin), AND a type/level of damage for which there is a pre-established DF, the pre-established DFs will be ignored. A RIV for the low-test weight and a RIV for the mycotoxin will be determined to establish a DF for each type of damage.

The LMP for corn is \$2.20. The QAF for the damaged corn is determined as shown in the following three steps:

- (a)
$$\begin{array}{r} .65 \text{ (RIV for mycotoxin)} \\ +.16 \text{ (RIV for test weight)} \\ \hline \$.81 \text{ Total RIV} \end{array}$$
- (b) $.81 \text{ (Total RIV)} \div 2.20 \text{ (LMP)} = .368 \text{ (DF)}$
- (c) $1.000 - .368 = .632 \text{ QAF}$

*** If the mycotoxin was a type/level for which there was 100% RIV; i.e., due to Federal and State regulation, the grain cannot be sold; the QAF would be “.000,” regardless of DFs for types/levels of damage or grade on the chart.

I Crops that use the Actual Value Received to Determine QAFs

For some crops, there are no quality adjustment charts in the Special Provisions, and the crop provisions provide that the dollar-and-cents value of the damaged crop is used in establishing the quality adjustment factor (value of the damaged production divided by the Local Market Price as defined in the specific crop provisions). Check the crop provisions for applicable crops. **This does not apply to barley, corn, canola, flax, grain sorghum, oats, rye, safflowers, soybeans, sunflowers, and wheat; see subparagraph H above for these crops.**

- (1) The dollar-and-cent value of the damaged production is the local market value for the same quality as the damaged production. (Refer to allowances for conditioning costs in (5) below.) When determining the value of production, consideration must be given to the test weight, damaged kernels, moisture content, substances or conditions injurious to human or animal health, and other factors which (due to insurable causes) affected the value of the production. In regards to moisture, refer to subparagraph I (4) below.
- (2) The dollar-and-cents value shall NOT REFLECT ANY REDUCTION:
 - (a) due to uninsured causes;
 - (b) for drying charges, handling, processing, or any other costs associated with normal harvesting, handling, and marketing of the production; and/or
 - (c) for moisture discounts
- (3) The Actual Dollar-and-Cents Value of Damaged Production
 - (a) **Unsold Production (Commercially Stored, Stored on Farm, or Appraised Mature Production)**

The actual value is the value of the damaged production obtained in the local market area on the date of final inspection. Local market is the area in which the insured normally markets the crop, to the extent possible. If zero value, refer to subparagraph J for additional information.

If a higher price is available at a market within a reasonable distance outside the local market area, this price is to be used with transportation

costs in excess of transportation costs to the local market being deducted from such price. Transportation costs to be used in this determination must be usual, reasonable, and customary.

(b) **Fed to Livestock**

- 1 The actual value of fed production is the value at the local market on the date of final inspection PROVIDED: (1) the adjuster can obtain a sample that is representative of the grain being fed and from which the adjuster can obtain the test weight or the sample can be submitted to a licensed grader to grade for test weight and allowable quality defects, or (2) the insured can provide weight tickets and/or grading slips from an elevator who has a licensed grader and who has obtained samples from all loads of production that is being fed; e.g., if the insured only has a test weight/grading slip from one truckload out of 10 truckloads harvested and being fed, this cannot be considered to be representative of all of the production.
- 2 If production to be fed is zero value, refer to subparagraph J for additional information. The insured cannot pull a sample from farm-stored production being fed and submit it for a test-weight and grade; only the adjuster or a licensed grader can extract samples from the harvested production for quality adjustment purposes.

(c) **Sold or Otherwise Disposed of**

- 1 The actual value is the dollar amount received or the local market value, by load, on the date of disposition; whichever is higher taking into consideration the other procedures in subparagraph I.
- 2 You MUST verify the value received from the settlement sheet. If the final settlement has not been made, you MUST verify with the elevator operator or grain buyer what value will be paid for the damaged production. DO NOT USE LOAD TICKETS.
- 3 When grain qualifies for quality adjustment and the grain dealer has applied additional dockage to dock high moisture grain:
 - a Grain dealers sometimes apply additional dockage relative to the amount of moisture to dock high moisture grain. When the production shown on warehouse or elevator tickets has been reduced by applying such additional dockage, the gross units of wet production must be determined before the production can be adjusted.
 - b If the grain buyer takes this deduction by reducing pounds or bushels rather than reducing the value, the price per bushel must be adjusted to equate with gross production reported on the claim form. In such situations, do the following:
 - i Adjust the deduction for moisture to allowable limits.
 - ii Revise the settlement sheet to reflect the correct moisture deduction and allowable amount payable.

- iii Divide the value received for the reduced total weight or bushels of the lot by the number of bushels determined from the original delivered weight.
- iv This gives the value per bushel for the damaged crop and needs no further adjustment unless there have been uninsured causes of loss. (The sale price will reflect foreign material and other factors.) The resulting revised value per bushel divided by the appropriate local market price gives the applicable Quality Adjustment Factor that will be used to calculate the production to count.
- v The crop handbook will provide additional instructions and specific entry instructions. Identify the quality adjustment in the narrative of the claim form as instructed in the appropriate crop handbook.

(d) Contracted Production

***** Contracted production as used in the context of this procedure refers to speculative-type contracts, not processor contracts. There are no applicable procedures for production contracted under speculative type contracts in the Crop Handbooks.**

1 Contract has been fulfilled (production delivered/sold)

The actual dollar and cents value is the price received for the damaged production delivered as long as the discounts used to establish the price received is usual, customary, and reasonable. The QAF CANNOT be GREATER than 1.000.

2 Contract has not been fulfilled (production not delivered/unsold)

Since settlement has not been made, there is no way to establish the value of the damaged production with any certainty; therefore, the production will be considered to be unsold. Establish the value as instructed in (3) (a) above.

3 In some cases, contracts will be set up with minimum prices, which can be adjusted to a higher price after delivery of the damaged production and receipt of the minimum price. In these cases, if the contract has been fulfilled by the date of final inspection, the price the insured has received by this date is the value used (either the minimum (adjusted for quality) alone or the minimum (adjusted for quality) plus any additional value received due to the adjusted minimum price).

4 Disregard the fact that the insured may receive additional money after the claim has been finalized. The only value that can be considered is the actual value the insured has received by the date of final inspection.

Example 1

At the time of loss adjustment, the insured had fulfilled the contract (delivered all contracted grain) and had received \$4 a bushel, the minimum (less discounts for the damage). The value used to determine the QAF is \$4.

Example 2

Prior to loss adjustment, the insured fulfilled the contract and received \$4 a bushel, the minimum value (less discounts due to the damaged grain). However, by the time loss adjustment was done, the insured had received an additional 25 cents a bushel, due to the adjusted minimum price. In this case, the value received is \$4.25 not \$4. Thus, the \$4.25 is used to determine the QAF.

Example 3

At the time of final inspection, the insured has signed a contract with the elevator giving the elevator title to the grain in exchange for a delayed settlement. This is done in hopes that the market price will be higher at a later date. Until the insured triggers the date that settlement is to be made, no price has been agreed upon nor no money received by the insured. In cases where settlement has not been made, the production is considered unsold stored production and adjustment will be made based on the value of the damaged production that is quoted in the local market area on the date of final inspection.

- (e) The affected price (value) of the damaged crop may reflect other insurable factors besides the factor(s) that qualified the crop for quality adjustment. When the price does reflect other factors, make sure double credit is not given for such factors; e.g., dockage. **Refer to** subparagraph **I** (4) below.
- (4) Drying Charges and Moisture Discounts
 - (a) Drying Charges: No drying charges are allowed in the established value of the damaged crop.
 - (b) Moisture Discounts
 - 1 Moisture adjustments for excess moisture must be made separate from and **prior to** quality adjustment and can only be made if allowed for in the crop provisions or Special Provisions.
 - 2 Allow **ONLY** the moisture adjustments (essentially representing standard shrink for the particular grain) provided in the crop provisions, or Special Provisions, if applicable (e.g., .12 percent for each .1 percentage point of moisture in excess of 18.0 percent, etc.).
- (5) Conditioning Charges
 - (a)** If conditioning charges are incurred to obtain a higher value for the production, reduce the price of the production after it has been conditioned by the cost of conditioning to obtain its value (unless otherwise specified in

the crop provisions or Special Provisions); but the established value is not to be lower than the value of the production before conditioning. This adjusted value will be considered the value of the affected production for quality adjustment purposes.

- *** (b) Drying charges for reducing the moisture content of the production are not considered conditioning charges.

(6) Refer to the individual crop handbooks for specific information.

J Zero-Value Production

Unless specified otherwise in the individual crop handbook, the following procedures apply. This procedure does not apply to production that cannot be mechanically harvested as described in PAR. 85 H.

- (1) Every effort should be made by the insured and insurance provider to find a market for the production before it is declared zero. Communication through the RMA RO is essential to ensure that insurance providers are aware of available markets for damaged production. The following items are to be followed when trying to find a market for the zero-value production.
- (a) Determine if there are buyers outside of the insured's local marketing areas (within a reasonable distance). Transportation costs (in excess of costs to local market) incurred as a result of transporting production outside the insured's local marketing area in order to obtain a value will be considered in determining:
- 1 The value of the damaged production, or
 - 2 For crops using RIVs, transportation costs will be considered in determining the RIV of the damaged production (see subparagraph H (1) (b) above or the Special Provisions for the specific crop), or
 - 3 For crops having quality provisions in the Special Provisions and for which there is a pre-established discount factor for the type and level of damage, whether there is a net zero value; i.e., value minus transportation cost (in excess of cost to local market) equals zero or negative value. If after the consideration of the transportation cost there is a positive value, the grain must be adjusted in accordance with the pre-established discount factors, and there will be no consideration in adjusting the discount factor for the transportation cost.
- (b) Determine if the production can be sold directly to cattle or poultry feeding operations or other types of buyers.
- (c) Determine if the damaged production can be conditioned and sold.
- 1 Conditioning costs will be considered in determining the value of the damaged production; or as applicable, for some crops, the RIV of the damaged production.

*** **2** Conditioning costs are not allowed if for the types/levels of damage(s) there are pre-established discount factors shown on the chart in the Special Provisions.

- (d) If a market still cannot be found after the determinations in subparagraph J (1) (a)-(c) above have been made, insurance providers may delay finalization of claims if there is a reasonable probability that there will be a market for the damaged production within the next 2 to 3 weeks. This may happen if the markets have bought enough higher quality grain to enable them to buy the lower quality grain.
- (e) For crops having quality adjustment provisions in the policy or for crops having quality adjustment provisions in the Special Provisions and the production has a type or level of damage for which there are no pre-established discount factors (i.e., RIVs are used):

1 The insured may offer a value for the production rather than having to destroy the production IF it has been determined that there are no markets or other outlets that will offer a value for the production, and the insurance provider considers this a reasonable offer or refer to PAR. 94 for procedures allowing such production to be gleaned by an approved charitable organization. A value cannot be accepted for mycotoxin-infected grain that CANNOT be disposed of in a manner that will not exceed advisory levels. Refer to PAR. 102.

*** **2** For crops with QA provisions within the Special Provisions: If for the type(s)/level(s) of damages, there are pre-established DFs shown on the chart in the Special Provisions, offers will not affect the quality adjustment of the grain. If the grain is not destroyed, the production will be adjusted in accordance with the established DFs on the chart.

- (f) Document all determinations made in subparagraph J (1) (a)-(e) above, including names and locations of marketing outlets, values quoted for the damaged production, any information pertinent to possible conditioning of the damaged production, any allowable transportation costs of the damaged production, etc. If multiple above-zero-values are determined, use the highest obtainable value (after allowable adjustments for conditioning or transportation costs, if applicable).

(2) Destruction

- (a) When the insurance provider has declared production to be zero-value, the production must be destroyed prior to finalization of the claim. A Certification Form can be used as described in (3) below. Destruction of such grain should be done in accordance with any applicable method prescribed by state or Federal regulations. The method of destruction must result in the production having no possibility of being marketed or possibility of salvage use that could result in any type of compensation to the insured. For mycotoxin-infected grain, refer to PAR. 102.

(b) Exceptions:

Exception 1: In cases of mature unharvested production that in itself is destroyed (i.e., the production is of such quality that it could never be used for feed or anything else), the requirement to destroy the crop prior to indemnification can be waived by having the insured (or insured's representative) sign a Certification Form containing a statement indicating that the crop will not be harvested and will be destroyed.

Exception 2: Also, if the criteria are met as provided in PAR. 134, the destruction requirement is excepted for mature unharvested production when destruction of such crop acreage would cause wind erosion problems.

Exception 3: Production can be gleaned by an approved charitable organization rather than destroyed, provided all the criteria stated in PAR. 94 is met.

THERE IS NO EXCEPTION TO DESTRUCTION WHEN PRODUCTION IS INFECTED BY A TYPE AND LEVEL OF MYCOTOXIN FOR WHICH STATE AND/OR FEDERAL REGULATIONS OR GUIDELINES REQUIRE DESTRUCTION OF THE INFECTED PRODUCTION. REFER TO 66 C (3).

(3) Certification Form

A Certification Form is to be used to record the insured's certification that the production has been destroyed and must be received by the insurance provider prior to the claim being finalized. Follow regular Certification Form procedures in PAR. 66, when completing the portion of the form that the adjuster completes and in providing instructions to the insureds for the portion that they are to complete. Also, in PAR. 66, note the required field visit after insured has certified on the Certification Form the destruction of mycotoxin damaged production.

K Consolidating QAF Entries

*** When there are loads of production that have the same QAFs, these loads can be consolidated on one line in the part of the Production Worksheet for harvested production as long as the other information (such as FM and moisture) is the same.

L Flooded Crop That May Be Contaminated With Sewage, Pathogenic Organisms, Pesticides, Chemical Wastes, Heavy Metals, or other toxic substances.

Even if a mature crop can be mechanically harvested, if FDA or other State or Federal Agency issues a written statement that crops in a certain geographical area cannot be marketed even for animal feed because of contaminants, the crop will be declared zero production to count. However, if the State or Federal Agency indicates the crop can be conditioned and tested for the listed substances, the insured will be expected to harvest the crop, unless the costs of conditioning and testing results in a zero net value. If the crop is harvested, conditioned, and testing determines the crop contains levels of contaminants that are harmful to human or animal health, such production will be declared zero. Regardless of whether the crop is harvested or unharvested mature production that is declared zero, the crop must be destroyed prior to finalizing the claim. Follow the procedures in PAR. 102 for samples, testing, etc.

97 ADJUSTMENTS FOR MOISTURE

A Policy or Endorsement Provisions

(1) When crop provisions provide for adjustment for excess moisture, the mature production will be reduced when it meets the requirement stated in the crop policy/endorsement. If moisture adjustment for excess moisture is applicable, it is applied prior to any adjustment for quality.

*** (2) Hybrid Corn Seed Crop Provisions and Hybrid Sorghum Seed Crop Provisions provide for adjustments for excess and deficient moisture percentages, as set forth in the individual crop provisions. Refer to the specific crop provisions and crop handbooks.

(3) Moisture charts are in the Reference Material Section contained in applicable crop handbooks and provide the moisture adjustment factor for the percentage of moisture. Use these charts only when computing net production.

B Moisture Determinations from Sold Production

Moisture percentages are established from the individual load slips or settlement sheets, as explained in this subparagraph. Grain Dealers Use Various Methods to Dock High Moisture Grain. One method reduces the price in relation to the amount of moisture on the basis of currently established standards (charts). Another method applies additional dockage, relative to the amount of moisture, which is determined from established guidelines. Where the production shown on warehouse or elevator receipts has been reduced by applying such additional dockage, the gross units of wet production and the actual moisture percentage must be determined before the crop can be considered for a moisture adjustment.

C Moisture Tests of Farm-Stored Production.

Make moisture tests for farm-stored production at the time of the farm inspection. The adjuster is responsible for ensuring that any moisture determination is representative of the production in the entire storage structure. This is done by using a probe (may need an extension on the probe) to take samples from various depths and areas of the bin or other various means to derive a moisture percentage that is representative of the entire storage structure.

*** Only the adjuster can take samples of farm-stored production for moisture determinations.

D Consolidating and Averaging Moisture Percentages. For consolidating and averaging moisture percentages on the claim form, refer to PAR.'s 99 and 100.

E Claim Form Entries. Entries for moisture factors (and/or moisture percentages) on the claim form are made as instructed in the individual crop handbook.

98 ADJUSTMENTS FOR FOREIGN MATERIAL (FM) AND IF ALLOWED, DOCKAGE

A General Information

(1) For the purpose of determining production to count, adjustments of gross production due to FM in most instances will be allowed (there may be other items

such as conspicuous admixture for which gross production may be adjusted, as stated in A (6) below). Adjustment for dockage is NOT allowed unless it meets the criteria stated in A (5) below. If the insured did (or will) receive compensation for the FM (or dockage, if allowed as provided below), deductions cannot be made.

(2) The crop provisions for grain and seed crops state the following in the “Settlement of a Claim” section: **“Any production harvested from plants growing in the insured crop may be counted as production of the insured crop on a weight basis.”** For most crops, such production is defined as dockage by FGIS (for some crops where there is no FGIS dockage definition, such production would be included in FM, as defined by FGIS.) However, there are some crop provisions that specify that the crop will be graded in accordance with the State grading standards or grading standards of another entity’s. In those cases, such production is defined as dockage, as stated in the applicable grading standards of the State or other entity. This policy provision will be administered as stated below.

*** (3) Refer to Exhibit 17 for a chart of the FGIS or applicable State or other entity definitions. The chart is current as of the date shown on the bottom of the pages contained in Exhibit 17. These seldom change. However, to be assured that the FGIS definitions are current, refer to the definitions shown in the U.S. grade standards for the crop (if U.S. grade standards are not available for the crop, refer to the FGIS directive for inspection standards for the crop). These can be found at the FGIS website at: <http://www.usda.gov/gipsa/reference-library/library.htm>

(4) For crops having FGIS definitions for FM and dockage (except for dry peas*) or where crop provisions require a State or other entity grading standards for the crop, gross production can ONLY be adjusted for FM (as defined by FGIS for the respective crop or as defined in applicable State or other entity grading standards when required by individual crop provisions), UNLESS it is determined that the dockage is due to an insured cause. If dockage is due to an insured cause of loss, the percentage of both FM and dockage may be used. Keep in mind that dockage can result from improper harvest of the crop, not following good farming practices due to improper applications of weed control, etc., so caution must be used when determining that the dockage was due to an insured cause. An example of an insured peril causing dockage is excess precipitation that caused weed or insect control measures to be ineffective and resulted in other plants (or for the geographical area, an above normal amount of other plants) growing in the crop from which production is harvested with the insured crop.

*** (5) In addition to FM, the Dry Pea Handbook allows the gross weight of peas to be adjusted by the percentage of dockage as defined by the US Standards for Dry Peas.

(6) For crop grading standards or inspection standards that have definitions for “dockage” ONLY and definitions for stones, conspicuous admixture, and admixture; adjustments for dockage is not allowed UNLESS dockage is due to an insured peril, as stated in A (5) above. The applicable grading or inspection standards will be FGIS’, unless the crop provisions specify grading standards of a State or some other entity. However, adjustments for stones, conspicuous admixture, and admixture are allowed, provided the insured was not compensated for these. These crops do not contain all three of these definitions. Some contain only one and some contain two. Refer to Exhibit 17.

- (7) For crop grading standards or inspection standards that have a definition for “dockage” ONLY and NO definitions for stones, conspicuous admixture, and admixture; adjustments for dockage is not allowed unless the dockage is due to an insured cause of loss and the insured has not received compensation for the dockage. The applicable grading or inspection standards will be FGIS’ unless the crop provisions specify grading standards of a State or some other entity. Refer to Exhibit 17.
- (8) For crop grading or inspection standards that have a definition for FM ONLY, adjustment for FM is allowed, unless it is determined that the FM includes production from other plants growing in the crop. The applicable grading or inspection standards will be FGIS’ unless the crop provisions specify grading standards of a State or some other entity. If the FM percentage for the crop, crop year, and geographical area is in excess of what other producers in the area have delivered to buyers and it cannot be determined that the excessive amount is due to insurable causes, adjustments for FM is not allowed. If there are no other producers in the area, contact the RMA’s Product Development Division, Loss Adjustment Standards Branch (LASB). LASB will contact FGIS (or applicable State or other entity, if grading standards for a State or other entity is specified in the crop provisions for the respective crop) for the average FM for the crop. Refer to Exhibit 17.
- (9) FM (and other terms, as allowed above) is determined on the basis of weight (not volume).

B Dockage and/or FM terms used by buyers

The term “dockage” or “FM” is sometimes used by buyers differently than the FGIS definition for “dockage” and “FM.” (This may also be true of “FM” and “dockage” definitions defined in grading standards for a State or other entity; e.g., some buyers may combine dockage and FM into a single percentage and call it dockage which would not meet the aforementioned definitions for FM or dockage) The adjuster must determine that the buyer’s term for FM (dockage, if allowed as stated in A above) is the same as FGIS’ definitions for the crop or other FGIS terms allowed as specified above (or if the crop provisions specify that grading standards of a State or other entity will be used, the adjuster must determine that the buyer’s term for FM (dockage if allowed as stated in A above) is the same as the definitions in grading standards of the applicable State or entity. If the term(s) used by the buyer is not consistent with the FGIS definitions (or definitions in the grading standards of a State or other entity specified in the crop provisions for the respective crop), the adjuster must work with the buyer to determine the percentage of FM (dockage, if allowed above) deducted by the buyer that is consistent with FGIS’ definition for FM (and FGIS’ definition for dockage, if allowed above) or FM (dockage, if allowed above) definitions in the grading standards of a State or other entity, if grading standards of a State or other entity standards is specified in the crop provisions for the respective crop.

C Commercially Stored or Sold Production

- (1) When a FM percentage(s) is shown on producers' records; i.e., summaries, settlement sheets, individual load slips, enter in the FM column of the claim form the actual percent to the nearest tenth of FM (dockage if allowed for the crop as stated in A above or as determined in B above) that the buyer has actually deducted from the gross production sold (the amount entered in the column for gross production on the claim form) or if unsold, the amount the buyers in the

area would deduct. Refer to PAR.'s 99 and 100 for consolidating or averaging FM percentage entries on the claim form.

- (a) If you are not certain if the elevator allowed 1% of a 4% FM and only charged the producer for 3%, contact the elevator either by phone or visit to ascertain what percentage was actually deducted. If still in doubt, show the full FM, and explain in the narrative.
 - (b) Show the FULL AMOUNT (percentage of FM deducted regardless of the grade tolerance (e.g., the U.S. Standards for Grain allow 2% FM on soybeans which grade No. 2). If the producer's records show 4% FM actually deducted, the 2% FM allowed in the U.S. Standards for Soybeans is NOT deducted from the 4% on the producer's records. Thus "4.0" is entered in the FM column on the claim form.
- (2) When FM (and /or dockage, if allowed for the crop as stated in A above) is shown as a price discount and not as a percentage (provided production does not qualify for quality adjustment), try to ascertain the percentage of FM (and/or dockage if allowed as stated above) contained in the production. Make no entry in the FM column of the claim form if this percentage cannot be determined.
 - (3) If the FM (and/or dockage if allowed as stated in A above) is accounted for under quality adjustment, even though FM may not have been the quality adjustment determining factor, DO NOT show the FM percent in the FM column of the claim form.
 - (4) Do not include any adjustments for moisture in the FM entry.

D Farm-Stored Production

- (1) FM (and/or dockage, if allowed for the crop as stated in A above) as defined by FGIS, can be determined by the adjuster if the adjuster has the proper equipment and follows FGIS instructions (refer to E below) and the adjuster and the insured agree there are no quality deficiencies other than test weight.
- (2) The adjuster may take samples to a local elevator to obtain the percentage of FM (and/or dockage percentage, if allowed for the crop as stated in A above), **provided** the insured agrees that there is no quality involved. However, if the adjuster and the insured are unsure, the adjuster must obtain a sample of the farm-stored production and transport or mail it to an FGIS office (AMS if applicable or if the crop provisions for the respective crop require grading standards of a State or other entity, the applicable sites specified by the State or other entity) for these determinations.
- (3) If samples are sent to FGIS (AMS if applicable), follow FGIS instructions for the crop, particularly regarding sample sizes, packaging, and transportation. This information can be obtained at FGIS' website or by phone call to an FGIS field office. If the crop is one that requires grading standards of a State or other entity and the sample is mailed, follow the instructions provided by the State or other entity regarding sample sizes, packaging, and transportation.
- (4) If the adjuster performs FM and/or dockage tests for crops using FGIS grading or inspection standards, the grain must be measured, and weighed as described in subparagraph E below or if the crop is not listed below, from the FGIS publication "*Practical Procedures for Grain Handlers.*" This publication can be downloaded

and printed from the FGIS website. If the crop is not included in this handbook, contact FGIS to determine where this information can be obtained. For crops for which the crop provisions require grading standards of a State or other entity, obtain instructions from the applicable State or entity. If the State or other entity will not provide such instructions, samples must be transported or mailed to a facility designated by the State or other entity.

- (5) The FM percentage (and/or dockage percentage, if allowed for the crop as stated in A above) to the nearest tenth (that the buyer would actually deduct from the gross production) is entered in the appropriate column for FM on the claim form. Refer to the specific crop handbook instructions.

E Determining Dockage and FM on the Farm

The following materials and instructions are to be used when determining dockage and FM on the farm for wheat and barley. For a large portion of the crops, screen sizes and procedures can be obtained from the FGIS publication "*Practical Procedures for Grain Handlers*." This is the same publication referred to in D (2) above. If the crop is not listed in this publication, contact FGIS to obtain this information or submit the adjuster-obtained samples to FGIS. For crops for which crop provisions require grading standards for a State or other entity, obtain the instructions from the applicable State or entity. If the State or other entity will not provide such instructions, the samples must be transported or mailed to a facility designated by the State to grade.

(1) Materials

- (a) Screen "A" - 12/64" round aperture (for wheat).
- (b) Screen "B" - 8/64" triangular aperture (for wheat).
- (c) Screen "C" - 5/64" or 4.5/64" round aperture (for wheat).
- (d) Screen "D" - 5/64" triangular aperture (for barley).
- (e) Pan - round non-perforated (610-E).
- (f) Funnel.
- (g) One-pint or one-quart grain measuring bucket.
- (h) One-pint or one-quart grain measuring scale (each scale must be calibrated to the respective bucket).
- (i) Leveling stick.

(2) Weight and FM

- (a) Measure and weigh grain as outlined in PAR. 90 B, except the samples will not be "clean" (free of FM and/or dockage (as defined by FGIS)). Determine the weight of one pint or one quart of grain by use of the "lbs. & ozs." Line on the scale. (One pint = one pound.)
- (b) Refer to subparagraph (1) above: screens "B" and "C" are both wheat screens. Use screen "B" in the presence of buckwheat infestation. Use screen "C" under normal conditions.

- (c) For wheat, place screen "B" or "C," whichever is needed, in the non-perforated pan, insert screen "A" next and spread weighed grain over screen "A". Use a circular shaking motion to cause all dockage to pass through the screens into the pan. For barley, follow all the same instructions, except only screen "D" is used. (See subparagraph (1) above for screens A, B, C, and D.)
- (d) The screenings in the pan along with anything remaining in the top screen is dockage.
- (e) From the dockage-free sample, remove all the matter other than wheat that remains in the sample by hand picking. The matter that was handpicked is FM. Establish the amount of FM by weighing the handpicked matter with the bucket and scale. Use the "% of lbs." Line on the scale to make the final determination of the FM percentage.

F FM Factor

- (1) The FM factor is computed by subtracting the determined percent of FM (and/or dockage if allowed as outlined in subparagraph A above) actually deducted by the buyer from 1.0000, provided what the buyer designates FM (and dockage if allowed for the crop) meets the definitions found in Exhibit 17. Example: $1.000 - .030 \text{ (FM)} = .970 \text{ FM factor}$. When this factor is applied to the production to count, it is reduced. (For dry peas, this factor would also include any applicable dockage; see subparagraph A above and the Pea Loss Adjustment Handbook.)
- (2) Unhusked cribbed corn. (Husk factor is NOT TO BE ENTERED in the dockage column of the claim form.
 - (a) Unhusked cribbed ear corn on which none of the husks have been removed is unusual, but when it occurs, determine the husk factor and apply this factor to the calculated gross bushels to determine the production to be entered on the claim. Determine the husk factor as follows:
 - 1 Fill a straight-sided container (wooden box 24" X 24" X 12") with a representative sample packed to the same density as the crib.
 - 2 Remove husks. Put husked ears in the box. Pack and measure depth.
 - 3 Divide the depth of the husked corn by the depth of the unhusked sample. Round to two decimal places. Retain a copy of all calculations in the insured's contract folder.

99 CONSOLIDATING MOISTURE OR FM PERCENTAGE ENTRIES ON THE CLAIM FORM

A General Information and Instructions

- (1) Adjusters may consolidate loads having the same moisture or FM percentages (and/or dockage percentage if allowed by PAR. 98 A) on a single line of the claim form (as listed below) unless separate lines are required for reasons other than FM or moisture differences. This applies to the following crops: barley, dry beans, canola/rapeseed, corn, grain sorghum, hybrid corn seed, hybrid sorghum seed, millet, mustard, oats, dry peas (FM only, moisture percentage not applicable – refer to PAR. 98 and Pea Loss Adjustment Handbook for FM entries),

popcorn, rice (moisture only, FM and dockage are not applicable) rye, safflowers, soybeans, sunflowers, and wheat.

*** (2) Moisture adjustment is not allowed for flax in accordance with the Small Grains Crop Provisions.

(a) When quality adjustment applies, list quality-adjusted production on separate lines.

(b) When there are two or more individual settlements or summaries, list each on a separate line.

(c) To consolidate percentages, total the production of the loads with the same percentages, and make a single entry for such loads.

100 AVERAGING MOISTURE OR FM PERCENTAGE ENTRIES ON THE CLAIM FORM

A General Information and Instructions

(1) When the elevator has averaged the FM (and/or dockage if allowed by PAR. 98 A) or moisture percentages on the settlement or summary sheet, adjusters may average moisture or FM (and/or dockage as stated in PAR. 98 A) percentage entries on a single line of the claim form or production worksheet (as listed below) unless separate lines are required for reasons other than moisture and/or FM (dockage if allowed as stated above) differences. This applies to the following crops: barley, dry beans, canola/rapeseed, corn, grain sorghum, hybrid corn seed, hybrid sorghum seed, millet, mustard, oats, dry peas (FM only, moisture percentage not applicable – refer to PAR. 98 and Pea Loss Adjustment Handbook for FM entries), popcorn, rice (moisture only, FM and dockage not applicable) rye, safflowers, soybeans, sunflowers, and wheat.

*** (2) Moisture adjustment is not allowed for flax in accordance with the Small Grains Crop Provisions.

(a) When quality adjustment applies, list quality-adjusted production on separate lines.

(b) When elevator settlements or summaries are based on consolidated or averaged FM and there are two or more individual settlements or summaries, list each on a separate line.

(c) To enter averaged percentages, use the same average provided on the elevator settlement or summary sheet, after verifying its acceptability. Use of averaged percentages is authorized ONLY when the elevator has calculated and settled on the basis of an average on the settlement or summary sheet and the determined average is acceptable to the adjuster. **Exercise caution in determining acceptability of averages because of the potential for significant impact on indemnities; e.g., one 20,000# load @ 15% moisture and one 4000# load @ 25% moisture (Simple avg. = 20%; Weighted avg. = 16.7%). Use of the simple average in this case would not be acceptable.**

101 TEST WEIGHT AND TEST-WEIGHT FACTOR

A Test Weight For Farm-stored Production

(1) For crops having a unit of measurement other than pounds, the test weight and test-weight factor (TWF) must be used to determine the number of bushels on the basis of gross weight. For those crops using pounds as a unit of measurement, the test weight is used to determine the number of pounds. (Farm-stored crops that use pounds as their unit of measurement are: canola/rapeseed, dry beans, dry peas, mustard seed, popcorn, rice, safflowers, and sunflowers.)

(2) For grain storage structures, the test weight must be taken before dockage and FM are removed (FM (and/or dockage if allowed by PAR. 98) will be accounted for in column specified for FM on the PW (claim form)).

(3) **If samples of farm-stored production of barley, canola, flax, rye, non-oil type (confectionary) sunflowers, and wheat are going to be submitted to FGIS, a test weight must be taken during the farm inspection, unless a special request is made to FGIS for a test weight prior to removal of dockage or FM. (Test weight is not a grading factor under the U.S. grading standards for canola or as a factor for quality adjustment.) This must be done because FGIS determines the test weight for the crops listed in this subparagraph from a dockage-free sample (FM-free for oil-type sunflowers), and the test weight entered on the PW, as instructed above, is prior to removal of dockage or FM.**

(4) If test weight is measured in tenths of a pound, record weight to tenths in Section II of the Production Worksheet, unless the insurance provider has specified otherwise.

(5) **For quality adjustment (QA):**

(a) test-weight determinations for barley, flax, rye, non-oil type (confectionary) sunflowers, and wheat must be made from a dockage-free sample for oil-type sunflowers, from an FM-free sample. (Dockage and FM are as defined by FGIS.)

(b) Enter the test weight determined for QA purposes in the Narrative section of the PW (claim form). (The test-weight determined for QA purposes may differ from the test weight entered in the test-weight column on the Production Worksheet since the test-weight determinations specified in A (2) above must be made before the removal of dockage and/or FM.)

(c) Test-weight determinations for quality adjustment must be performed by the adjuster or by a grader licensed under the authority specified in the crop provisions in accordance with the applicable FGIS official standards.

B Determine test weight by:

(1) Mixing and pouring samples of the stored grain into the test bucket from a height of approximately four inches (a normal hand width) above the bucket to simulate natural fall.

(2) Filling the test bucket to overflowing and leveling with prescribed leveling stick. Unless the test-bucket manufacturer's instructions specify otherwise, level by

using THREE zigzag motions across the rim of the grain bucket with the leveling stick held at a 90 degree angle to the top of the bucket (do not use scale bar to level the grain in the bucket and do not pack).

- (3) Weighing the leveled bucket of grain using a calibrated scale. Determine the weight by using the "pound per bushel" line from the scale (to tenth of a pound if the test weight bucket shows pounds to tenth).

C Test-Weight for Ear Corn

For ear corn, a representative sample must be shelled to make the test weight determination (refer to corn handbook for specific instructions).

D Test-weight for corn silage and sorghum silage

For corn silage, refer to the Corn Loss Adjustment Handbook for specific instructions. For sorghum silage, refer to the Sorghum Silage Loss Adjustment Handbook.

E Determine the test-weight factor as follows:

Divide the determined test weight by standard test weight, to three decimal places.

*** DO NOT USE TEST-WEIGHT FACTOR FOR CANOLA/RAPESEED, DRY BEANS, DRY PEAS, MUSTARD SEED, POPCORN, RICE, SAFFLOWERS, OR SUNFLOWERS; USE ACTUAL TEST WEIGHT.

F Standard Bushel Weights

TABLE OF STANDARD BUSHEL WEIGHTS

CROPS	POUNDS PER BUSHEL
Soybeans, Wheat	60
Flax, Rye, Shelled Corn, Grain Sorghum	56
Corn-and-cob meal (ground ear corn)	45
Cracked corn, corn meal, and millet	50
Barley	48
Oats	32
Canola/Rapeseed, ***, Dry Beans, Dry Peas, Mustard Seed, Popcorn, Rice, Safflower, and Sunflowers	USE ACTUAL TEST WEIGHT

- G Standard Weight for Corn Silage and Sorghum Silage. For corn silage, refer to the Corn Loss Adjustment Handbook. For sorghum silage, refer to the Sorghum Silage Loss Adjustment Handbook.

102 MYCOTOXINS IN GRAIN CROPS

A General Information

Due to improved testing procedures, availability of test kits, animal and human health concerns, and general awareness of grain quality, the presence of mycotoxins in grain is becoming an ever-increasing factor in its sale.

B What Are Mycotoxins

Mycotoxins are the by-products of fungal activity promoted by environmental conditions, which are stressful to the affected host plant. Actual grain yields may or may not be adversely affected by the presence of the organism, but harvestability and grain quality (hence market value) may be adversely affected. Although over 200 mycotoxins have been identified, Aflatoxin and Vomitoxin have specifically caused insured grain to be unmarketable.

C Level of Mycotoxin Can Cause Reduced Value

Production to count will be determined in accordance with the applicable policy provisions for quality adjustment. If the level of mycotoxin presence results in a reduction in the value of the insured crop, such reduction will be considered due to disease if ALL of the following criteria are met:

- (1) An economic level of mycotoxin is present in the grain PRIOR TO GRAIN STORAGE (field infested). Economic levels of mycotoxin are defined as levels exceeding those of the particular mycotoxin at which advisory levels and/or feeding restrictions have been placed by university research and/or the Federal Food and Drug Administration (FDA). Contact the FGIS or RMA RO for the latest advisory levels.
- (2) Aflatoxin has the potential to increase in grain storage. Any potential loss due to Aflatoxin presence in stored grain will be covered ONLY if samples of the grain were obtained by the adjuster before storage or from representative strips of the crop left standing in the field. There is no evidence that the mycotoxin Vomitoxin increases in storage, other than in ear corn stored in cribs at moisture levels high enough for the fungus to continue to develop from infections that occurred in the field (approximately 22-25 percent moisture in corn and approximately 16 percent in small grains). Likewise, grains that are free of Vomitoxin at harvest will not develop in storage. Therefore, only under extremely unusual circumstance would Vomitoxin-infected stored grain not be considered to have Vomitoxin levels before storage. Insurance providers should inform agents and insureds of the need to notify the insurance provider anytime that it is suspected that aflatoxin could be present in the grain so that insurance provider can inspect the crop prior to harvest and/or storage.
- (3) Mycotoxin presence must be due to insured causes. Factors contributing to plant stress and subsequent mycotoxin presence such as insufficient irrigation (under an irrigated practice), the use of marginally adapted varieties, non-weather-related delayed harvest, inappropriately high plant populations, etc., will result in the determination that the mycotoxin was the result of uninsured causes.

D Sample Requirements

- (1) The minimum number of representative samples and size of the representative sample area must be at least the required number and size stated for appraisals in the applicable crop handbook. The representative samples are to be used for determining the appraised production as well as the samples needed for the mycotoxin testing and any other quality considerations.
- (2) The adjuster must obtain samples for mycotoxin testing if the insured is not going to harvest, is uncertain of whether to harvest, or has discontinued harvest due to mycotoxin levels of the harvested production.
- (3) Adjusters are to obtain samples for mycotoxin testing from the selected representative sample areas of the field(s) or subfield(s) utilizing the Hand Sample Method, or if the insured will agree, the Harvested Sample Method (**Refer to E** below).
- (4) For mycotoxin testing:
 - (a) One blended sample of all the hand harvested or harvested samples obtained from the appraised representative samples of all fields or subfields for the unit appraised are permitted. However, since mycotoxin levels can vary from field to field (or subfield to subfield), the insured and insurance provider can agree to obtain a mycotoxin testing sample for each field or subfield (e.g., Three fields in a unit (no subfields used) would equal three separate mycotoxin samples for the unit.
 - (b) Samples suspected of containing levels of mycotoxins less than minimum advisory levels or exceeding maximum allowable useable limits for any purpose should not be blended. **Refer to** example in subparagraph N below.
- (5) **Refer to** subparagraph G for required mycotoxin testing sample size.

CAUTION: RMA has been advised by grain specialists that adjusters should wear protective clothing, including protective gloves and dust mask when handling mycotoxin infected grains. If a dust mask is not used, adjusters should at least position themselves so they are NOT downwind of any grain dust coming from the harvesting equipment or from any grain dust that might occur during the collection of the required representative samples.
- (6) Mycotoxin testing must be done by a testing facility that meets the criteria for an insurance provider-approved testing facility as outlined in subparagraph F.

E Representative Area Sampling Methods

- (1) Hand Harvested Method
 - (a) If the insured is not willing to harvest the selected representative sample areas, the adjuster must hand harvest representative sample areas of the production.
 - (b) After the representative samples have been taken, the mycotoxin sample (**refer to** required size in subparagraph G (1) below) must be obtained and

must be identified by unit number if one blended mycotoxin sample for a unit is used (or field I.D. and/or subfield I.D. (if applicable) and unit number if a mycotoxin sample was taken for each field or subfield).

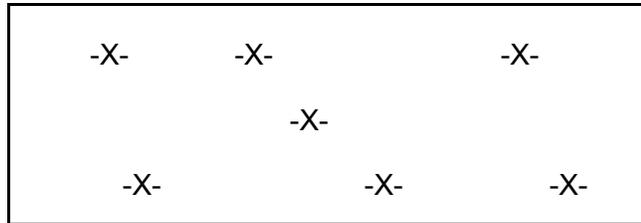
(2) Harvested Method

- (a) If the insured will agree, have the insured harvest the selected representative sample areas of the field(s) or subfield(s).
- (b) After the representative samples have been harvested, the adjuster MAY obtain the mycotoxin samples by either of the following methods:
- 1 If the adjuster has a **hand probe**, the adjuster can extract grain from the combine hopper, wagon, or other temporary holding structure used for the harvested production from the representative sample area. Obtain the required sample size (refer to subparagraph G (1) below) by using the hand probe and the FGIS sampling patterns as shown in (d) below as a guide to collect samples.
 - 2 If the adjuster **does NOT have a hand probe**, have the insured unload the combine hopper into a wagon, truck or other temporary holding structure used for the harvested production from the representative sample area, and collect the required sample size (see subparagraph G (1) below) from the stream of production at the beginning, at the end, and periodically in between as the production is being emptied from the combine.
- (c) After the mycotoxin sample(s) have been taken, the mycotoxin sample must be identified by unit number if one blended mycotoxin sample for a unit is taken (or field I.D. and/or subfield I.D. (if applicable) and unit number if a mycotoxin sample was taken for each field or subfield). Because of the possible increase in mycotoxins due to high humidity, heat, and moisture content of the grain, the adjuster is to take the samples immediately after harvest. (Do not have the insured harvest and leave the grain in a wagon, combine hopper, or other structure, then return the next day to obtain the samples).
- (d) Representative Sampling Pattern Guidelines

The following examples are standard sampling patterns recommended by FGIS, and are to be used as a guide for locations of extraction when extractions are made with a probe. Insert the probe at the points marked, with the tip of the probe angled ten degrees. (FGIS indicates that nearly 90 percent of error associated with aflatoxin testing can be attributed to how the original sample was extracted.)¹

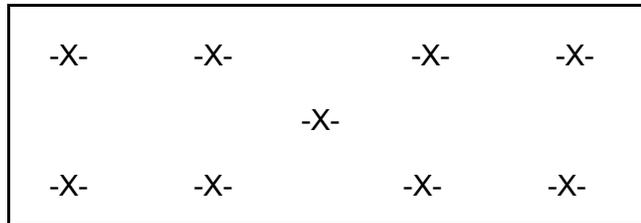
¹ Grain Fungal Diseases & Mycotoxin Reference book published by GIPSA, Technical Service Division
JANUARY 2005

Example 1:



Seven-probe pattern flat-bottom truck or trailer containing grain more than four feet deep.¹

Example 2:



Nine probe pattern for flat-bottom trucks or trailers containing grain less than four feet deep.²

Example 3:

Probing Combine Hoppers. From the top of the combine hopper, insert the probe slightly off-center at a ten-degree angle, and probe the entire depth of the hopper.³

F Criteria for Insurance Provider Approved Testing Facilities

To be an approved testing facility, the testing facility must meet all of the following criteria:

- (1) Perform quantitative tests on the grain, itemizing results in parts per million (ppm) or parts per billion (ppb) of mycotoxin present. The quantitative test kits used to perform the test must be certified by FGIS. A list of quantitative test kits certified by FGIS can be found in the FGIS handbook entitled "Grain Fungal Diseases and Mycotoxin Reference." The PDF version of this handbook can be downloaded from the FGIS website.
- (2) Be a recognized commercial, governmental, or university testing laboratory (including approved testing facilities on site at the delivery point of the buyer; i.e., elevators) that uses industry recognized sample sizes, equipment, and procedures for testing the specific type of mycotoxin;
- (3) Be a disinterested testing facility, unless RMA issues written authorization to waive this requirement as described below. (A disinterested testing facility is a facility not involved in buying or selling the grain in question. A facility which buys grain is not restricted if it does not buy or had no intention of buying the grain from the insured for whom it is doing the testing.) If a test was made by a facility

¹ Grain Fungal Diseases & Mycotoxin Reference book published by GIPSA, Technical Service Division

² Grain Fungal Diseases & Mycotoxin Reference book published by GIPSA, Technical Service Division

³ Grain Fungal Diseases & Mycotoxin Reference book published by GIPSA, Technical Service Division

that was a potential buyer but refused the grain because of the mycotoxin, the test performed by the potential buyer is still considered an interested party since they were interested at the time the grain was delivered.

In situations where a large number of policyholders in a geographic area have mycotoxin-infected production, RMA may waive this requirement if FGIS has indicated to RMA that an excessive workload exists for them. In such situations, **insurance providers** are to request the waiver of this requirement through RMA's Insurance Services and/or Product Development Division.

G Mycotoxin Sample Size and Transportation of Mycotoxin Samples

- (1) Sample size to be submitted for testing will be dictated by the approved testing facility. (For aflatoxin, most facilities will likely require at least a ten-pound sample).
- (2) Follow the approved testing facilities recommendations for storage and transportation, including required container composition (e.g., paper or other breathable material – DO NOT USE PLASTIC or air-tight containers), provisions for maintaining proper temperatures of the sample, any special requirements for high-moisture production, and any other specific information pertaining to handling and transporting the sample to ensure and maintain the integrity of the sample.
- (3) Samples must be sent to the approved testing facility within 24-48 hours of the time the sample was taken, and stored in a cool place until shipping.

H Harvested Production Delivered to Elevator

If the insured harvests and delivers production to an elevator, any mycotoxin testing done by the elevator cannot be accepted for insurance purposes unless the elevator has a testing facility that meets the criteria for an approved testing facility for testing mycotoxins.

- (1) If the elevator to which the insured delivers production does not meet the criteria for an approved testing facility (refer to subparagraph F above), the adjuster must obtain the samples prior to hauling the production to the elevator or the elevator must be advised to extract an additional sample per load (**samples per load can be blended into one sample per unit**) that can be sent to an approved testing facility in order for the mycotoxin damage to be considered for quality adjustment purposes. (For sample size, see subparagraph G (1) above.) The sample must be tagged in a way that will identify the insured's name, load number and/or unit from which the sample was obtained, and any other pertinent information. The same care in transportation that is stated in subparagraph G (2) and (3) above must be used.
- (2) If the elevator has a testing facility that meets the criteria for an approved testing facility, and there is a mycotoxin test result for each load, use the test results of each load to determine the RIV for quality adjustment (value of damaged grain for crops that use value of damaged production instead of RIVs for quality adjustment purposes).

- *** (3) Loads having the same quality adjustments factors can be combined and entered on one line on the claim form as stated in the crop handbooks.

I Discrepancy Between Test Results

If the elevator is NOT an approved testing facility and their test results shows a lower mycotoxin level than the approved testing facility; and therefore, would result in a lower RIV than would have been offered if the test results from the approved testing facility had been used, the RIV from the elevator will be used if this is how the insured has been paid or can be documented this is how the insured is going to be paid. However, if the test results from the approved testing facility indicates a lower mycotoxin level than the test results from the elevator's approved testing facility; and therefore, would result in a higher RIV than would have been offered if the test results from the approved testing facility had been used, the RIV offered or paid by the elevator must be adjusted to agree with the test results from the approved testing facility rather than the elevator.

EXAMPLES: In both examples the elevator is discounting mycotoxin grain 20 cents for every 50 PPB. The elevator's testing facility is not an approved facility.

Example 1: The elevator's test results show 100 PPB with a total RIV of 40 cents per bushel. The approved testing facility's test results show 200 PPB, which if used by the elevator, would have resulted in a RIV of 80 cents per bushel. The elevator RIV will be used in this case.

Example 2: The elevator's test results show 200 PPB with a total RIV of 80 cents per bushel. The approved testing facility's test results show 100 PPB, which if used by the elevator, would have resulted in a RIV of 40 cents per bushel. The RIV will be adjusted to agree with the approved testing facility's results; i.e., a 40 cent/bu. rather than an 80 cent/bu. RIV will be used.

J Documentation of Mycotoxins

Document in the narrative of the claim form or on a Special Report, the following:

- (1) Test name and type of mycotoxin for which the grain is being tested,
- (2) Test type - qualitative or quantitative,
- (3) Name and location of testing facility,
- (4) Type of testing facility,
- (5) Test date, and
- (6) Type and level of mycotoxin established from test.

K Determining the Reduction in Value

- (1) Presence of the mycotoxins must have resulted in an ACTUAL reduction in grain value.
 - (a) If the final settlement for grain does not reflect a value reduction due to mycotoxins, the grain does not qualify for quality adjustment for mycotoxins.
 - (b) Absence of a local market does not automatically give the grain a zero value. Refer to PAR. 96 J for additional information about zero value production. Also, refer to L below for information regarding potential markets.

- (c) Consider markets outside the local area and supply such market information to the insured.
 - 1 For crops using RIVs, use the lowest reduction in value obtainable plus reasonable transportation costs. Refer to PAR. 96 H for more information on RIVs and transportation.
 - 2 For crops that use actual value to determine the quality adjustment factor, use the highest value obtainable for the damaged grain less transportation costs. See PAR. 96 I for more information on actual value and transportation.
 - (d) If very low-valued or zero-valued grain can be conditioned to decrease the RIV (increase the value for crops using value for quality adjustment), handle as instructed in PAR. 96.
 - (e) If the insured can make disposition without exceeding the advisory levels for required destruction, this value (if agreed to by the insurance provider) may be accepted. Refer to PAR. 96.
- (2) If the insured chooses NOT to harvest the field(s) or subfield(s) after the mycotoxin test results are received, quality adjustment for mycotoxin damage on the appraised production will be determined from the RIV of the damaged grain (actual value of the damaged grain for crops using value to determine quality adjustment factor) for each mycotoxin sample for the unit (field or subfield, if a mycotoxin sample was taken for each field or subfield). This determination will be based on the mycotoxin test results and any other reduction in value for any other insurable damage qualifying for quality adjustment of production. Refer to PAR. 96 for more quality adjustment information.

L Potential Markets for Infected Grains

Since various mycotoxins affect animal species differently, document by name which potential markets were contacted in establishing a fair grain market price. Take into account use for feed for tolerant animal species, value for blending with other grain (where allowed), and commercial (alcohol fuel plant or other product) uses. Take steps to safeguard against any vulnerability involving claims of insureds who are directly involved in the buying or testing of damaged grains. If the infected mycotoxin production is sold, the value or RIV, as applicable, for the crop will be used. Refer to the respective paragraphs for the crops that use RIV and those that use value to determine quality adjustment factors.

M Verification of Zero-Valued Grain

Follow procedures in PAR. 96 J.

- N Settlement of Claim. Claims involving mycotoxin infected production that exceeds the maximum amounts allowed by the Food and Drug Administration or other public health organization of the United States or agency of the applicable State may not be settled until the production is sold, used, or destroyed. NO claim for indemnity is to be finalized until you are satisfied with all determinations as stated in PAR. 67 H. When there is zero market value (net zero value) for the production, the claim cannot be settled with zero production to count until the production is destroyed as stated in the introductory paragraph in the quality adjustment (QA) section of the Special Provisions (for crops with

the QA section in the Special Provisions), crop provisions, or in the procedural requirements in PAR. 96 J.

EXAMPLE 1:

For aflatoxin-infected corn, there are three main categories of aflatoxin.

- Category 1 0-20 ppb (parts per billion)
(There are no advisory levels for this category; i.e. it is safe for humans and animals. Therefore, no discounts can be accepted for quality adjustment purposes. The claim would be settled when all determinations can be made.)
- Category 2 21 ppb-maximum ppb
(There are FDA advisories at these levels. Settlement of the claim may be delayed until all determinations can be made and the production is sold, used, or destroyed. Refer to requirement for destruction of zero value production as stated in N above.)
- Category 3 Over the maximum ppb
(Must be destroyed before settlement can be made for unsold or undelivered production. Refer to requirement for destruction of zero value production as stated in N above.)

*** Always verify what the current action or advisory levels are. The above and following action levels for aflatoxin are based on the current FDA action levels for corn as of the date of this issuance, but they are subject to change. Corn with 400 ppb of aflatoxin is over the maximum FDA levels advised for any animal usage (300 ppb); however, in Texas such corn production could be blended to the level required by the State (200 ppb or less). Therefore, an elevator operation in Texas may be willing to buy corn at the 400 ppb level if the operation believes they have enough good corn to blend to the level required by the State. In a case such as this, and where the elevator has bought the corn, the corn would not have to be destroyed.

Also, when a crop has been affected in widespread areas of a state, the state may request and receive temporary deviation of this requirement from FDA, such as those stated for Texas above. Therefore, check with the State Agricultural Department to determine if any deviation has been approved for that state.

REFER TO EXAMPLE 2 ON THE NEXT PAGE

EXAMPLE 2:

For vomitoxin (DON), there are no advisory levels for human consumption for raw grain, just finished production. FDA states the reason there are no advisory levels for vomitoxin in raw grains destined for human consumption is because most of the vomitoxin is removed during the milling process. Following are some examples of vomitoxin-infected wheat and how the levels, discounts, etc., relate to quality adjustment: Using the minimum level for animal use (5 ppm for swine and most animals), the advisory level is 5 ppm. Therefore, to be eligible for quality adjustment purpose, lab results from approved labs would have to show the samples contained in excess of 5 ppm.

SITUATION 1	IF Elevator Discounts:	THEN RIV is:	IF Elevator Discounts	THEN RIV is:
54 # of Hard Red Spring Wheat	\$.30	-----	\$0.30	-----
8% damage	\$0.50	-----	\$0.90	-----
5.1ppm DON	\$0.40	\$0.40	No Discount	-----
TOTAL RIV		\$0.40		-0-

Test weight or kernel damage has not reached a level for which quality would apply for the wheat as described in the Small Grains Crop Provisions. No RIV for test weight or damage is allowed for insurance purposes, even though the elevator has applied a discount.

SITUATION 2	IF Elevator Discounts:	THEN RIV is:	IF Elevator Discounts	THEN RIV is:
54 # of Hard Red Spring Wheat	\$0.10	-----	\$0.10	-----
11% Damage	\$0.50	\$0.50	\$0.50	\$0.50
5.1 ppm DON	\$0.40	\$0.40	No Discount	-----
TOTAL RIV		\$0.90		\$0.50

11% damage qualifies the grain for quality since this amount of damage would cause the grain to grade U.S. #5.

SITUATION 3	IF Elevator Discounts:	THEN RIV is:	IF Elevator Discounts	THEN RIV is:
52# of Hard Red Spring Wheat	\$0.40	\$0.40	\$0.40	\$0.40
18% Damage	\$0.60	\$0.60	\$0.80	\$0.80
5.1 ppm DON	\$0.50	\$0.50	No Discount	-----
TOTAL RIV		\$1.50		\$1.20

52# test weight qualifies the grain for quality since the 52-pound test weight would cause the wheat to grade U.S. #5.

SECTION 6 RECORDING AND DETERMINING THE QUANTITY OF FARM-STORED PRODUCTION

103 DETERMINING AND RECORDING FARM-STORED PRODUCTION THAT REQUIRES MEASUREMENTS

A Accurate Measurements

Accurately measure storage structure(s). If possible, the measurements must be INSIDE measurements. If inside measurements are not possible, the measurements must reflect the wall-thickness of the structure. The circumference range on the Round Bin Conversion Chart (Exhibit 14) reflects the wall-thickness of a steel bin.

B Recording Measurements. Record measurements in feet to tenths.

C Claim Form Entries. Entries on the claim form must be legible and printed in ink.

D Deductions for Obstructions. All obstructions must be found and deducted from the volume of the grain or silage.

E Insured/Adjuster Cooperation. Cooperate with the insured while working in and around his/her property.

F Caution

DO NOT ENTER storage structures:

- (1) That are air tight (the result could be FATAL).
- (2) Without someone there to assist.
- (3) If the stored production has been treated with any chemicals and the re-entry time has not elapsed.

G Stirring Device

If a stirring device is being used in stored grain, advise the insured that accurate measurements cannot be made unless stirring is stopped at least 4 to 6 days prior to the inspection.

H Accounting for all Farm-stored Production

(1) Working with the insured, ensure that all storage structures containing production for the units being inspected have been accounted for and measured. DO NOT finalize the claim until the insured has confirmed that all structures have been accounted for and that production for ALL entities sharing in the crop(s) has been included (for all units being inspected). If TOTAL production for the crop (taking into consideration the soil type, practice carried out, etc.) does not seem reasonable, contact the insurance provider for further assistance. **Refer to** PAR. 83 for information about establishing total production for the crop.

***** (2)** **Current FSA measurements of storage structures and depth of production for each unit, crop year, etc., in each structure are acceptable if all the criteria shown in PAR. 70 have been met.**

104 PRODUCTION WEIGHED AND FARM-STORED

- A Weighed/Weight Tickets. Production weighed with an acceptable type scale by the insured (or other entity selected by the insured) prior to storing on the farm may be used to determine production, provided:

ACCEPTABLE TYPE SCALES are: non-portable farm scales, commercial elevator scales, or grain carts, provided the grain cart: (1) can produce printed tickets showing the weight, or (2) has an integrated display panel to show the weight, provided the cart **is available so the** capacity of the cart can be determined, if weights are in question.

- (1) Acceptable weight tickets are available as described in **C** below;
- (2) The weighed production is reasonable for the unit (If any verification point in PAR. 84 indicates the production is not reasonable, verify the accuracy of the scales or check scale certification, if available.);
- (3) If non-portable farm scales or grain carts are used, the location of the scales or grain carts used to weigh the production can be verified;
- (4) It can be satisfactorily verified that there is not more production in the storage structure than is shown on the corresponding weight tickets. Generally, satisfactory verification can be accomplished by visually inspecting the storage-structure contents rather than measuring the contents. For example: two units of production have been identified to be stored in a bin that has a 10,000-bushel capacity. Weight tickets for the two units total 7,500 bushels. From the visual inspection of the bin, it is determined that the bin is approximately 3/4 full which would be satisfactory. On the other hand, if it is determined that the bin is filled to its capacity (10,000 bushels), the weight tickets (total of 7,500 bushels) cannot be accepted (unless the discrepancy can be satisfactorily resolved) since more grain is in the bin than is shown on the submitted weight tickets.
- (5)** For farm stored production, samples for moisture and quality adjustment can only be taken by the adjuster, UNLESS (1) the load(s) have been weighed at a commercial facility and at the same time load samples were extracted by authorized personnel (not insured) at the commercial facility, and (2) the samples were analyzed by a grain grader licensed as stated in PAR. 96 E (for mycotoxin damage, **refer to** paragraph 102 F for acceptable testing facility), AND (3) the adjuster is able to verify the preceding with the elevator. See Section 5 for more information regarding adjustments to production and who is authorized to take samples of production.

B Adjuster-Determined Weight of Harvested Farm-stored Forage Production

Adjusters often use portable scales to perform appraisals. Adjusters are also allowed to use portable suspended scales to determine the average weight of representative bales of forage production to determine harvested production. The scales must be calibrated for accuracy and verified by the insurance provider. The adjuster can accept the insured's weights from commercial elevator scales or the insured's weights of farm-stored forage production **that were made** from portable suspended scales, or, but ONLY if the insured can provide weight tickets for each individual bale and the adjuster can verify the accuracy of the scale.

C The insured and adjuster working together must ensure that the weight tickets provide at least the following information:

- (1) Insured's name,
- (2) Load number or ticket number,
- (3) Crop,
- (4) Gross weight,
- (5) Unit number and FSN,
- (6) Tare weight,
- (7) Date weighed,
- (8) Net weight of production,
- (9) Legal description of the land from which the production was harvested,
- (10) Identification and/or location of farm-storage structure in which the load(s) are stored and/or satisfactory explanation of disposition of the production if any or all of the production is no longer stored at the time of inspection, and
- (11) Location of the scales used to weigh the production.

*** Weight tickets from grain carts should be photo copied since the print can disappear with time.

D Converting Scale Weights to Unit of Measure Used for the Crop

To convert scale weight to units of measure, divide the weight by the standard weight per unit of measure. (Refer to PAR. 101 F for standard bushel weights). Example: The standard weight for a bushel of wheat is 60 lbs. (10256 lbs. ÷ 60 lbs. = 170.9 bushels). This bushel amount would be entered in the column for gross production on the claim form. Refer to Exhibit 4, Unit of Measure of Production, by Crop.

E Verification and Documentation of the Weighed Production.

Verify and document that the weight tickets met the criteria stated in subparagraph A above. Weight tickets and supporting documentation are to be retained in the policyholder's file.

105 AUTHORIZATION TO ACCEPT INSUREDS' BIN MARKINGS, LOAD RECORDS AND COMBINE MONITOR RECORDS

A Measurements Prior to Insured Commingling Production

- (1) For purpose of indemnities, insurance providers generally cannot accept the insured's determinations of separate unit production when production has been commingled with other units, uninsured acreage production, or different crop years (PAR. 126). When a loss situation is probable, the insured should request measurement of existing production in a storage structure PRIOR TO adding production from other units, uninsured acreage, etc.

- (2) **Refer to** (PRODUCTION PRE-MEASUREMENT SERVICE, (PAR. 70). However, when authorized by the insurance provider and in accordance with conditions and requirements described in B below, the insured's load records and/or bin markings may be used.

B Authorization of Insureds' Load Records, Bin Markings, or **Combine Monitor Records** in Lieu of Insurance Provider Measurements

Sometimes the insurance provider may not be able to timely perform Pre-Measurement Services due to the large number of requests. Under these conditions, the insurance provider may authorize the use of insureds' truckload (or wagon load) records or bin (or other structure) markings if all the following conditions apply. **Additionally, these procedures may be authorized when the insured believes there may be a need to commingle production from more than one unit or production from insured and uninsured acreage within the same conveyance. If the production within the conveyance is not farm-stored, it must be conveyed to a buying point and all applicable records must be acceptable to the company. Authorization is not to be provided on a routine basis as stated in (6) below.**

- (1) The loss workload indicates that individual unit production determinations cannot be made timely.
- (2) Failure to implement this authorization will result in a hardship to the insured; i.e., the insured will have to delay harvest while waiting for an adjuster to arrive to mark the structure or measure the grain.
- (3) The loads are recorded and the structure is marked and identified as outlined in subparagraph C below.
- (4) There is no production from prior years in the structure, unless the production has been measured by the insurance provider or another USDA agency just prior to the current year's production being added. If another USDA agency's measurements are used, you must determine whether the grain was leveled.
- (5) The total production within the structure must be accounted for; i.e., all production stored in the storage structure can be identified separately by unit number or field I.D., uninsured acreage, etc.
- (6) Written authorization is used on an individual-by-individual basis to ensure compliance with the restrictions **and is not to be used on a routine basis**. Each case should have a copy of the specific authorization file. Agents may not provide this authorization, but should assist in the coordination of individual cases with the insurance provider. Document the date and name of insurance provider representative who provided authorization in the remarks section of the Production Worksheet or on a Special Report.
- (7) **When the insurance provider authorizes the insured to separate multiple units or production from uninsured and insured acreage contained in the same structure, by load records, storage structure markings, or combine monitor tickets, the insurance provider must assure that the insured is provided the instructions in PAR. 105 C (1), (2) and (3) (orally or in writing) and assure that the insured understands non-compliance with these instructions will result in the production being commingled as stated in PAR. 126.**

C Insurance Provider's Authorization. The insurance provider's authorization allows the insured to identify production from separate units by load records, storage structure markings, or printed records from combine monitors, as follows:

(1) Loads

(a) Maintain a ledger, recording loads of production identified by unit and field number, date of harvest, identity of the conveyance* used to transport the grain to the bin and the estimated bushel volume per conveyance^{1/}. **If production has been weighed before emptying into the storage structure as stated in PAR. 104, pre-authorization is not needed.**

*** ^{1/} Refer to Exhibit 1 for definition of conveyance.

*** (b) Measure the empty conveyance to verify reasonableness. Refer to Exhibit 1 for definition of conveyance.

(c) Load records will be used to prorate the commingled production contained in a larger structure (i.e., grain bin, semi-hopper, etc.) on a percentage basis. (Refer to example below.)

EXAMPLE: Insured's load records indicate six 250.0 bu. loads in bin "A" from unit 00101 and four 250.0 bu. loads also in bin "A" from unit 00102. The adjuster measures bin "A" and determines a total of 2,618.0 bu. in bin "A."

6 loads X 250.0 bu./load = 1,500.0 bu. unit 00101 ÷ 2,500.0 total = 60%
4 loads X 250.0 bu./load = 1,000.0 bu. unit 00102 ÷ 2,500.0 total = 40%
2,500.0 bu. total (in bin based on insured's records)

2,618.0 bu. X 60% = 1,570.8 bu. production to count for unit 00101
2,618.0 bu. X 40% = 1,047.2 bu. production to count for unit 00102

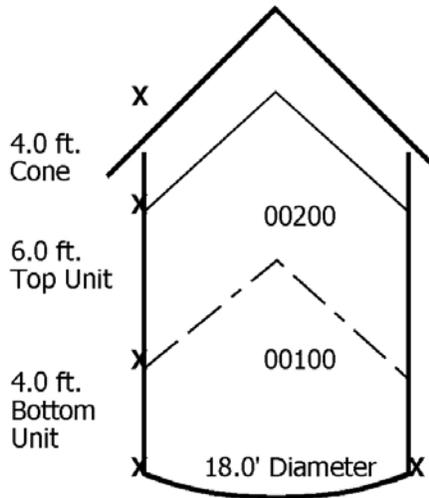
(2) Storage Structure Markings

Identify the depth of such production by marking the storage structure with a permanent marker. Write the unit number(s) (by field ID) from which the production was harvested, and date and initial the mark. Also, on the storage structure, identify and mark the depth of uninsured-acreage production separately from insured-acreage production when the storage structure contains both.

The adjuster must verify with the insured whether the bin was leveled prior to the addition of production from another unit (from uninsured acreage, if applicable), and whether the bin marking was made at the base of the cone or height of the cone. If the insured has not leveled the production before adding additional production from another unit (uninsured acreage, if applicable), the adjuster must measure the cone at the top of the bin and use this measurement for the cone measurement for the bottom unit of production in the bin. For any unit atop of the bottom unit of production in the bin, no cone measurement will be used for these upper units of production (uninsured acreage, if applicable). This is because the cone of the lower unit protrudes into the upper unit and offsets the cone that is atop of that unit. The volume of the grain in all cones in the bin is considered to be the same.

Refer to example on the next page.

Example:



The diameter of the bin is 18 feet. The depth of the cone at the top of the bin is 4 feet. There are two units of corn in the bin. Unit 00100 is the unit at the bottom of the bin, and unit 00200 is the unit at the top of the bin. (The depth measurements for each unit marked on the bin did not include the height of the cone.) The depth of unit 00100 is 4 feet, and the depth of unit 00200 is 6 feet.

Unit 00100 gross stored production: (bottom unit in bin)
 $18^2 \times .7854 \times 4.0' \times .8 = 814.3 \text{ bu.}$
Cone - $18^2 \times .2618 \times 4.0' \times .8 = \underline{271.4 \text{ bu.}}$
Total 1085.7 bu.

Unit 00200 gross stored production (top unit in bin): $18^2 \times .7854 \times 6.0' \times .8 = 1221.5 \text{ bu.}$

(3) Records from combine monitors. Printed records from combine monitors that show the location of field, name of crop, date, and number of pounds or bushels of the crop may be used, provided the production appears to be reasonable for the acreage and units identified. Follow the instructions in PAR. 84 to determine reasonableness.

D Testing the Accuracy of the Calculated Individual Unit Production

(1) To test the accuracy of the calculated individual unit production, the total production in the bin and the sum of the calculated production for the two individual units should be the same. Using the example above the total bin production calculates to be 2307.2 bu. ($18^2 \times .7854 \times 10.0' \times .8 = 2035.8$ + cone measurement $18^2 \times .2618 \times 4.0' \times .8 = 271.4$). The production for the two units stated above calculates to be the same amount; i.e., unit 00100 production, 1085.7 + unit 00200 production, $1221.5 = 2307.2$.

(2) If the bin marking was made at the height of the cone, the depth of the unit must be adjusted for the height of the cone by using the height of the cone for the top unit (uninsured acreage, if applicable) in the bin.

E Quality Adjustment Determinations

Quality adjustment is allowed if the production qualifies as provided in the policy and/or Special Provisions and if the samples are extracted from the storage structure by the insurance provider's representative (samples cannot be taken by the insured). Quality will be determined from the samples extracted from the bin by the adjuster. If significant differences in grain quality between (or among) units are indicated on the truck ledger, storage structure, or a storage structure ledger these significant differences (by individual unit) can be allowed only if the adjuster can assure that a sample can be extracted from the structure for each unit in the structure, and that the tested samples reflect the significant differences recorded on the truck ledger, storage structure, etc. Otherwise, the average sample of what is in the bin should be used/applied to all units in the bin; i.e., one test weight, one moisture percentage, etc.) Document in the narrative of the claim or on a Special Report any significant differences in grain quality.

F Non-quality Adjustment Determinations.

Moisture percentages, FM/dockage percentages, and non-quality levels of test weight would be handled the same way as stated in F above.

G When Claims Can Be Finalized

DO NOT finalize claims on units with production in such structures until all production from all units, uninsured acreage, prior crop year(s), etc., within the structure can be accounted for (Refer to subparagraph B (5) above).

H Additional Information

This authorization is to be used on a case-by-case basis, and is not to be considered as a routine means to satisfy the insured's responsibility to keep production separate by units and uninsured acreage, etc. The insured is still responsible for giving timely notice to the insurance provider that production from the unit needs to be measured so that the insurance provider has the opportunity to do so, rather than rely upon the insured's bin markings or load records.

I Adjuster Determination

The adjuster must be satisfied that the insured has met all the requirements of this procedure and the bin markings or load records are reasonable between units, uninsured acreage production, or crop years. Follow the procedures in PAR. 84 to determine reasonableness of the unit production. If the adjuster is not satisfied with reasonableness of the production determinations for a unit(s) based on the storage structure markings or load records, such production will be considered commingled. Production for such units will be determined based on the procedure in PAR. 126.

J Exception for Required Insurance Provider's Authorization

Insured's records of commingled production that have been separated by loads, bin markings, or combine monitor as stated in subparagraph B above may be accepted without the insurance provider's pre-authorization ONLY in the following situation: The insured has coverage for the crop commingled under Crop Revenue Coverage, Revenue Assurance, or Income Protection plans of insurance and did not turn in a request for authorization to separate commingled production because they did not have a production loss (inclusive of quality adjustment) but later had a revenue loss due to the announcement of a harvest price lower than the base price (projected harvest price).

106 RECORDING AND CONVERTING MEASUREMENTS

Record all measurements in feet and tenths. Inches are converted to tenths of a FOOT as follows:

INCHES	TENTHS		INCHES	TENTHS
1	.1		7	.6
2	.2		8	.7
3	.3		9	.8
4	.3		10	.8
5	.4		11	.9
6	.5		12	1.0

ROUNDING RULES**A** Rounding Computations

Carry out computations to one digit beyond the digit to be rounded.

B Rounding Rules. If the last digit is 4 or less, disregard; if 5 or more, round upward. (Refer to example below.)

EXAMPLE: Bushel fractions are to be rounded to tenths:

100.04 bushels ----- Record as 100.0 bushels
100.66 bushels ----- Record as 100.7 bushels

C General Rounding Applications - Round

FOR:	ROUND:
Acres	to tenths (10.0, 10.9) exceptions: tobacco acres, to hundredths (1.05); and raisin acres, to whole acres.
Linear measurement	in feet to tenths (10.0, 10.9).
Bushels	to tenths (100.0, 100.9) except APH yield entries, which are in whole bushels.
Hundredweights	to tenths (1.3, 0.6) except APH yield entries, which are in whole hundredweight.
Tons	to tenths (40.0, 40.9) except for raisin tonnage, round to hundredths (40.58).
Insured share percent	to three decimal places (.500, 1.000).
Monetary entries	to cents (\$1.00, \$1.97). Refer to crop handbooks for exceptions for cotton, peanuts, and peas for quality adjustment values and contract prices for peas and bush beans. (DO NOT USE "\$" when making an entry on the claim form.) Final dollar indemnity amounts are rounded to whole dollars.
Cubic feet	to tenths (40.0, 40.9).
Moisture percentage	to tenths (15.7, 16.1).
Foreign Material (FM) percentage	to tenths (3.2, 5.0). Use the normal rounding procedure.
Test weight	to whole pounds (50, 58). Refer to exception in PAR. 85 G.
Shelling percentage	to whole percentage points (80, 85).
Shelling percentage factor	to hundredths (.90, .98).
Corn silage sample weight	in pounds to tenths (12.0, 13.8).
Crops with contract prices	Except bush beans and peas (refer to the crop handbook), contract prices are to three decimal places (\$0.125, \$1.120). DO NOT USE "\$" WHEN MAKING ENTRY ON THE CLAIM FORM.
Pounds	to whole pounds (1752).

108 TABLE TO CONVERT FRACTIONS TO PERCENT FIGURES

TABLE TO CONVERT FRACTIONS TO PERCENT FIGURES																	
	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th
1	.333	.250	.200	.167	.143	.125	.111	.100	.091	.083	.077	.071	.067	.063	.059	.056	.053
2	.667	.500	.400	.333	.286	.250	.222	.200	.182	.167	.154	.143	.133	.125	.118	.111	.105
3		.750	.600	.500	.429	.375	.333	.300	.273	.250	.231	.214	.200	.188	.176	.167	.158
4			.800	.667	.571	.500	.444	.400	.364	.333	.308	.286	.267	.250	.235	.222	.211
5				.833	.714	.625	.556	.500	.455	.417	.385	.357	.333	.313	.294	.278	.263
6					.857	.750	.667	.600	.545	.500	.462	.429	.400	.375	.353	.333	.316
7						.875	.778	.700	.636	.583	.538	.500	.467	.438	.412	.389	.368
8							.889	.800	.727	.667	.615	.571	.533	.500	.471	.444	.421
9								.900	.818	.750	.692	.643	.600	.563	.529	.500	.474
10									.909	.833	.769	.714	.667	.625	.588	.556	.526
11										.917	.846	.786	.733	.688	.647	.611	.579
12											.923	.857	.800	.750	.706	.667	.632
13												.929	.867	.813	.765	.722	.684
14													.933	.875	.824	.778	.737
15														.938	.882	.833	.789
16															.941	.889	.842
17																.944	.895
18																	.947

109 METRIC CONVERSION TABLE

FROM METRIC TO BRITISH UNITS OF MEASUREMENT				
LENGTH	SYMBOL	WHEN YOU KNOW	MULTIPLY BY:	TO FIND:
	mm	Millimeters	0.04	inches
	Cm	Centimeters	0.4	inches
	M	Meters	3.3	feet
	M	Meters	1.1	yards
	Km	kilometers	0.6	miles
AREA	Cm ²	square centimeters	0.16	square inches
	m ²	square meters	1.2	square yards
	Km ²	square kilometers	0.4	square miles
	ha	hectares	2.5	acres
VOLUME	m ³	cubic meters	35	cubic feet
	m ³	cubic meters	1.3	cubic yards
MASS (Weight)	G	grams	0.035	ounces
	Kg	kilograms	2.2	pounds
	T	Tones	1.1	tons

110 RECORDING FARM-STORED PRODUCTION ON THE CLAIM FORM

A Reference. For production weighed prior to farm-storage, see PAR. 104.

B For Production Not Weighed Prior to Storage

(1) For square, rectangular, and round storage structures.

Entries for internal measurements of structural space occupied by the crop, test weight, and any entries for moisture, dockage, production not to count, and/or quality will be entered in the appropriate columns on the claim form as instructed in the crop handbook. From these entries the net production-to-count will be calculated for the storage structure(s).

*** (2) Outside measurements of storage structures may be used when internal measurements cannot be obtained; however, the dimension used should reflect the internal space occupied by the crop taking the wall-thickness into consideration. Do not adjust circumference measurements of steel bins for the wall-thickness of the structure because the circumference range on the Round Bin Conversion Chart (Exhibit 14) accommodates varying wall-thickness.

(3) ALL OTHER STRUCTURES (Hexagon, Octagon, Odd Shaped, etc.)

(a) If the insurance provider's Production Worksheet requires calculation of gross production for odd-shaped structures, hand calculate gross production adjusted by test weight from these structures, and enter in the column used for gross production on the claim form.

(b) If the insurance provider's Production Worksheet requires calculation of net cubic feet, hand calculate the net cubic feet from these structures, and enter in the column used for net cubic feet on the claim form UNLESS component parts from an odd shape structure are square, rectangular, or round as explained in B (2) (e) below.

(c) Enter any applicable entries for moisture, dockage, quality, test weight (conversion factor, if applicable per insurance provider's Production Worksheet) or production not to count, etc., in the appropriate columns on the claim form as instructed in the crop handbook and from these entries, make further adjustments to the production entered in the column for gross production to determine the net production.

(d) PAR. 111 shows the steps to calculate gross production adjusted for test weight, pack factor (if applicable)* and PAR. 112 provides gross cubic feet formulas for these structures.

*** (e) If the odd-shaped structure consists of component parts that are square, rectangular, or round, the individual component-part-measurement for each square, rectangular, conical, or round part in the odd-shaped structure may be entered on the claim as stated in subparagraph B above. Refer to PAR. 113 for unusual (odd-shaped) storage configurations for measurement and computations

C Documentation

Document any calculations you have made, on a Special Report or other form provided by the insurance provider, for storage structures requiring entries in the column used for gross production on the claim form or calculations used to obtain square, round, or rectangular component part measurements for odd shaped structure that were entered on the claim form. Copies of calculations are to remain in the contract folder.

D Pack Factors

(1) Pack factors are applicable, effective for the 2005 crop year, for the following crops: Barley, corn, grain sorghum, hybrid corn seed, hybrid sorghum seed, oats, popcorn, soybeans, and wheat. The pack factor tables and instructions can be found in the applicable crop handbooks. Pack factors are to be applied to all production in farm storage structures.

(2) Although there are pack factor tables for the following crops, RMA is not including them because the factors are merely a test weight conversion (Actual TW/Standard TW) with no adjustment for pack in the factors. The crops are: canola, chick peas, dry peas, flaxseed, lentils, mustard, safflower, and sunflower seed.

(3) Steps in Determining Pack Factor

Step 1: Go to the Combination Test Weight and Pack Factor Table in the appropriate Handbook.

Step 2: Find the column for "Test Weight" and find column having the range of square feet of floor space for the stored grain.

Step 3: From the line showing the correct test weight move across the line to the appropriate column of square feet to find the correct pack factor.

EXAMPLE:

Suppose corn has a test weight of 56 pounds and is stored in a structure with 254 square feet of floor space (refer to PAR. 111 B below for determining square feet of floor space). For a test-weight of 56 pounds and 254 square feet of floor space, the Table for Combined Test Weight and Pack Factor shown in the Corn Loss Adjustment Standards Handbook shows the correct pack factor would be 1.045. This factor is placed in the entry space for the test-weight factor on the Production Worksheet as shown in the examples in PAR. 113 E. Refer to PAR. 111 below for the formula for calculating farm-stored production.

111 **FARM-STORED PRODUCTION-TO-COUNT FORMULA**

AT THE INSURANCE PROVIDER'S CHOICE, ADJUSTERS ARE TO ROUND AFTER EACH STEP OR AT THE END OF THE CALCULATION.

A Regular structures - Round, Square, Hexagon, Octagon, Conical Pile, etc.

The step-by-step process used to determine production for these structures is:

(1) Record measurements accurately.

- (2) Determine gross cubic feet (Refer to PAR. 112).
- (3) Gross cubic feet minus deductions in cubic feet equal net cubic feet (Refer to PAR. 115).
- (4) Net cubic feet times Conversion Factor equals unadjusted gross production (Refer to PAR. 116).
- (5) Unadjusted Gross Production times shell factor X percent of shell or sugar factor, if applicable for the crop, equals Adjusted Gross Production for Shell or Sugar Factor. Shell factor is for ear corn. Procedures to determine percent of shell are in the Corn Loss Adjustment Handbook. Refer to the applicable crop handbooks for procedures regarding Sugar Factor. If Shell or Sugar Factor is not applicable, skip to step (6).
- (6) Unadjusted Gross Production (Adjusted Gross Production for Shell or Sugar Factor) times FM factor (if applicable) equals Adjusted Gross Production for FM (refer to PAR. 98).
- (7) Adjusted Gross Production for FM times moisture adjustment factor (if applicable) equals Adjusted Gross Production for Moisture (refer to PAR. 97).
- (8)
 - (a) For crops not having a pack factor: Adjusted Gross Production for Moisture X actual test weight divided by standard test weight equals Adjusted Gross Production (refer to PAR. 103). Actual test weight will be used for canola/rapeseed, dry beans, rice, dry peas, mustard, safflowers, and sunflowers. Refer to the Cultivated Wild Rice Handbook for specific test weight to be used.
 - (b) For crops having pack factors (refer to the list in PAR. 110 D above): Adjusted Gross Production for Moisture X Pack Factor for the applicable crop equals Adjusted Production.

Refer to subparagraph B below for calculating square footage of floor space, which is needed to determine the pack factor.
- (9) Adjusted Production minus Production Not to Count, if applicable.
- (10) Production equals the results of last applicable step; i.e., either step (8) or (9).
- (11) Production times quality adjustment factor (if crop provisions allow for quality adjustment and production qualifies for quality adjustment) equals Production to Count.
- (12) Production to count (refer to PAR.'s 95 and 96) equals the results of step (10) or (11), whichever is applicable.

B Calculating Square Footage of Floor Space to be Used to Determine Pack Factor

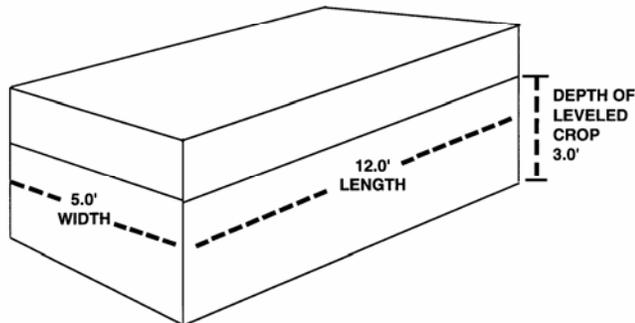
Floor space for a round structure is determined by multiplying diameter X diameter X .7854. Square footage of floor space in a square or rectangular structure is length X width. For other structure shapes, refer to PAR. 112, and use the formula for the specific shape without applying the step for depth. Refer to the applicable crop handbooks for instructions on determining the pack factor from the Combination Test Weight and Pack Factor Table.

112 GROSS CUBIC FEET FORMULAS BY STRUCTURE

All of the following measurements are made in feet, to tenths. Round at the end of the calculation unless instructed otherwise by the insurance provider.

A Square or Rectangular Structure

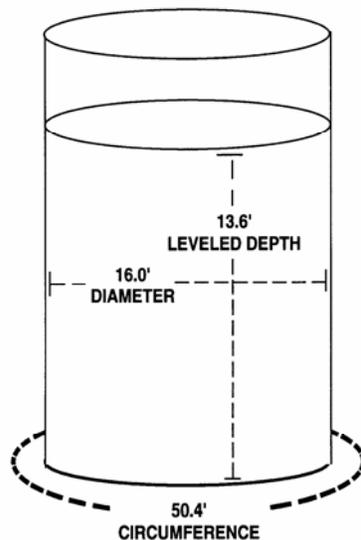
Length times Width times Levelled Depth equals Gross Cubic Feet.



12.0' X 5.0' X 3.0'
GROSS CUBIC FEET=180.0

B Round Structure

- (1) Diameter squared times .7854 times Levelled Depth equals Gross Cubic Feet.



$16.0^2 = 256.0 \times .7854 \times 13.6 =$
2735.0 GROSS CUBIC FEET

- (2) The circumference measurement can be used to determine the diameter of the bin. Use the Round Bin Chart (Exhibit 14) to determine the diameter of the bin from the circumference measurement. The Round Bin Chart also provides the square foot factor for each size of bin.

(3) The adjuster can mathematically compute the diameter of a round bin by multiplying the circumference measurement by .31831.

*** The square foot factor (Round Bin Chart, Exhibit 14) times the level crop depth will also determine the gross cubic feet of a round bin.

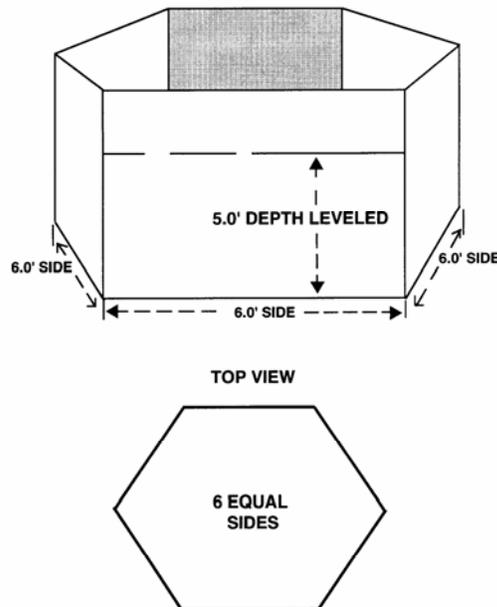
C Pentagon Structure (5 sides)

Length of Side squared times 1.720 times Leveled Depth equals Gross Cubic Feet.

D Hexagon Structure (6 sides)

Length of Side squared times 2.598 times Leveled Depth equals Gross Cubic Feet.

$$6.0^2 \times 2.598 \times 5.0 = 467.5 \text{ GROSS CUBIC FEET}$$

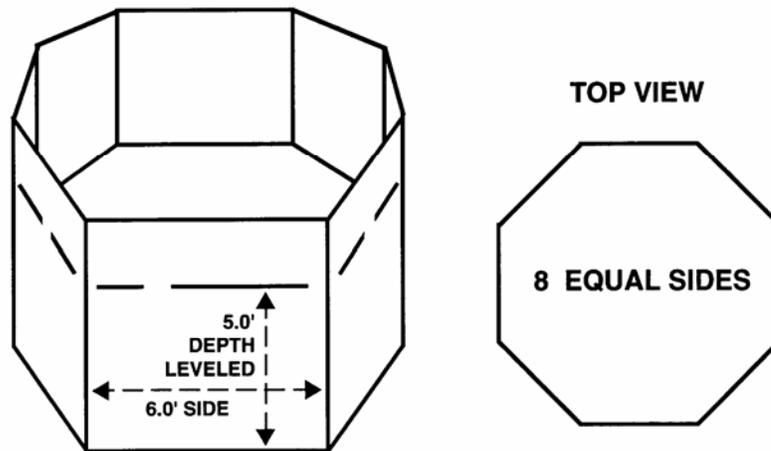


E Heptagon Structure (7 sides)

Length of Side squared times 3.634 times Leveled Depth = Gross Cubic Feet.

F Octagon Structure (8 sides)

Length of Side squared times 4.828 times Leveled Depth equals Gross Cubic Feet.



$$6.0^2 \times 4.828 \times 5.0 = 869.0 \text{ GROSS CUBIC FEET}$$

G Nonagon Structure (9 sides)

Length of Side squared times 6.182 times Leveled Depth equals Gross Cubic Feet.

H Decagon Structure (10 sides)

Length of Side squared times 7.694 times Leveled Depth equals Gross Cubic Feet.

I Undecagon (11 sides)

Length of Side squared times 9.36 times Leveled Depth equals Gross Cubic Feet.

J Dodecagon (12 sides)

Length of Side squared times 11.196 times Leveled Depth equals Gross Cubic Feet.

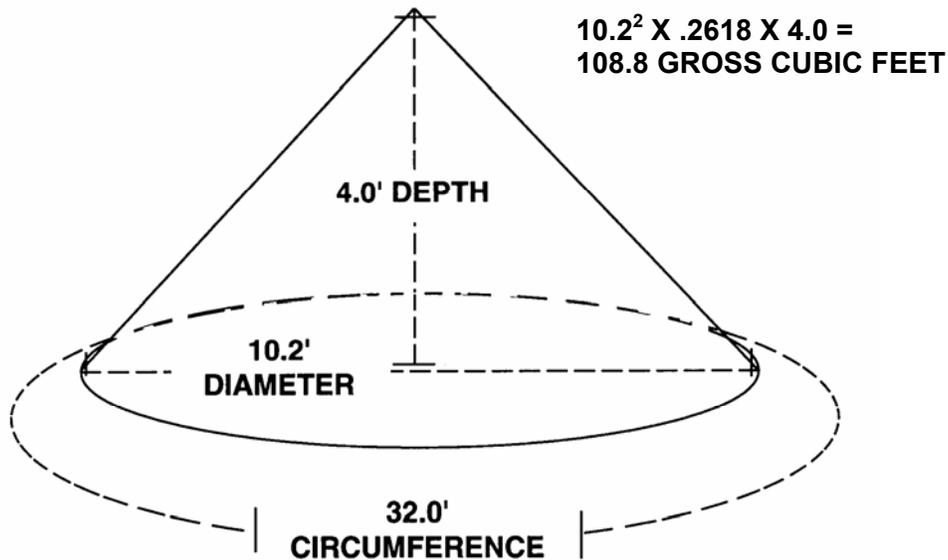
K Any Structure with More than 12 Sides

Use the formula for a circle for any structure with more than 12 sides.

GO TO NEXT PAGE

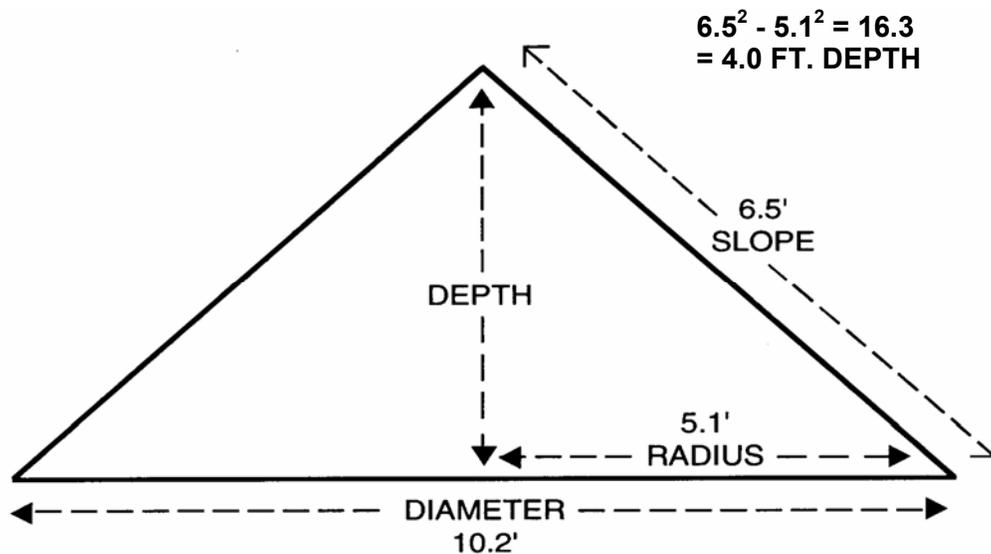
L Conical Pile

Diameter squared times .2618 times depth (feet to tenths) equals Gross Cubic Feet.



*** When it is not possible to accurately measure the depth of a conical pile of grain the formula below may be used.

M Formula for determining depth of a conical pile. The length of the slope² - the radius (1/2 the diameter)² = the height². Determine the square root of the result to determine the height of the cone in feet to tenths. (Refer to Exhibit 13 for square root table.)



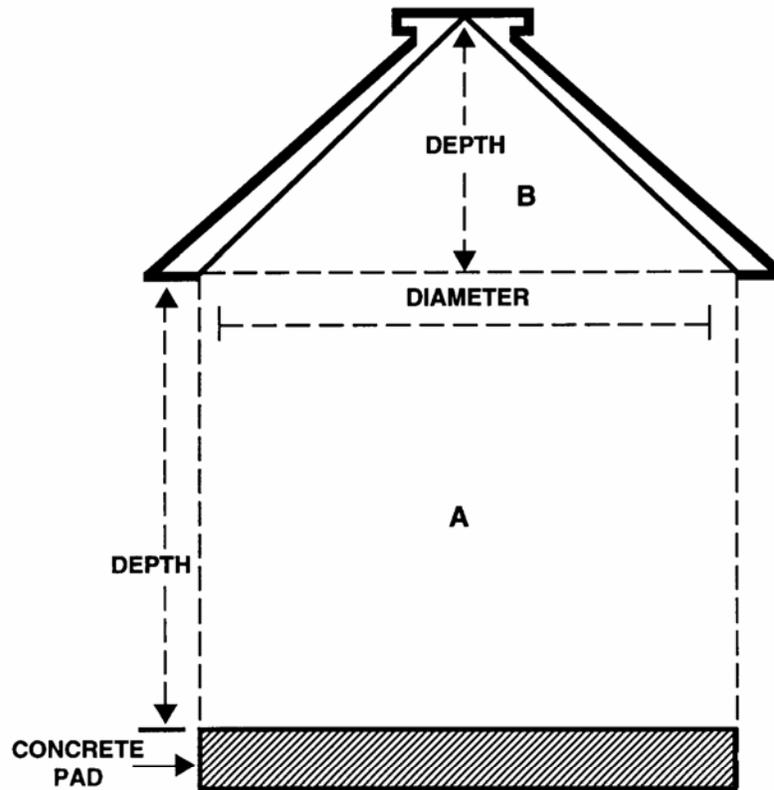
113 UNUSUAL STORAGE CONFIGURATIONS: MEASUREMENTS AND COMPUTATION

A Inverted Cone

- (1) The dimensions of an inverted cone are recorded on the claim form in the items used for recording structure measurements. "Cone" is entered in the column entitled "width" on the claim form.
- (2) If the inverted cone is a permanent part of a storage structure, record the measurements on a Special Report or other FCIC-approved form used for measurement purposes, prior to harvest to be retained permanently with the insured's file folder. To record this information, ask the insured if any of the storage structures have an inverted cone while on a pre-harvest appraisal, acreage report review, growing season inspection, etc. The manufacturer's or builder's specifications may be used if it is not possible to measure the inverted cone during the inspection. If these are not available, FSA may have measurements on record for the particular storage structure in question.
- (3) To determine the amount of grain in an inverted cone, obtain these measurements:
 - (a) Diameter if round; width and length if square or rectangular.
 - (b) Depth - by actual measurement.
- (4) To determine the unadjusted gross production of grain in an inverted cone, follow this formula:
 - (a) Square. Length times width times $1/3$ recorded depth equals gross cubic feet.

Round. Diameter squared times $.2618$ times x recorded depth equals gross cubic feet.
 - (b) Gross cubic feet minus deductions in cubic feet equal Net cubic feet
 - (c) Net cubic feet times Conversion factor equals unadjusted gross production.
- (5) To determine adjusted gross production (by test weight), follow this formula: Multiply the unadjusted gross production by the test weight factor (refer to Test Weight and Test-Weight Factor, PAR. 101) equals adjusted gross production (by test weight).
- (6) Enter on the claim-form-line entry any adjustments necessary for correct computation of production; i.e., entries for FM, moisture, or quality if applicable.

B Cone on a cylinder

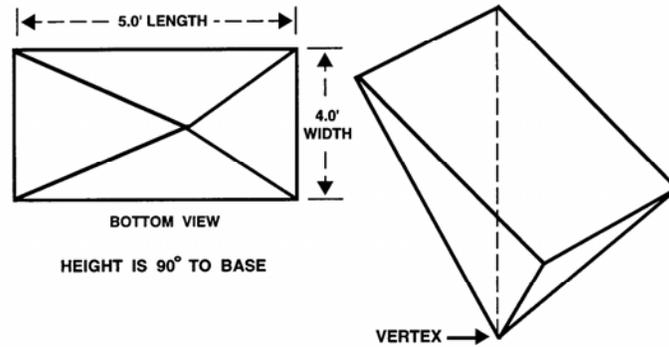
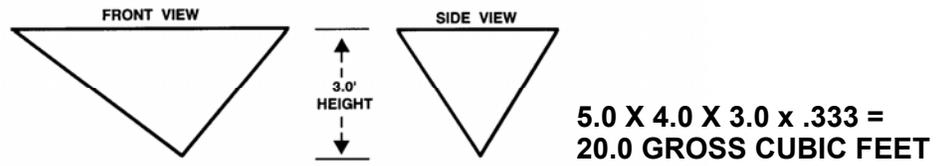


There will be two (2) line entries in the part of the claim form used to record structure measurements.

- (1) One line will be identified by "RND" (for production in A) with all determined measurements and adjustments entered for that line.
- (2) One line will be identified as "Cone" (for production in B) with all determined measurements and adjustments entered for that line on the Production Worksheet.

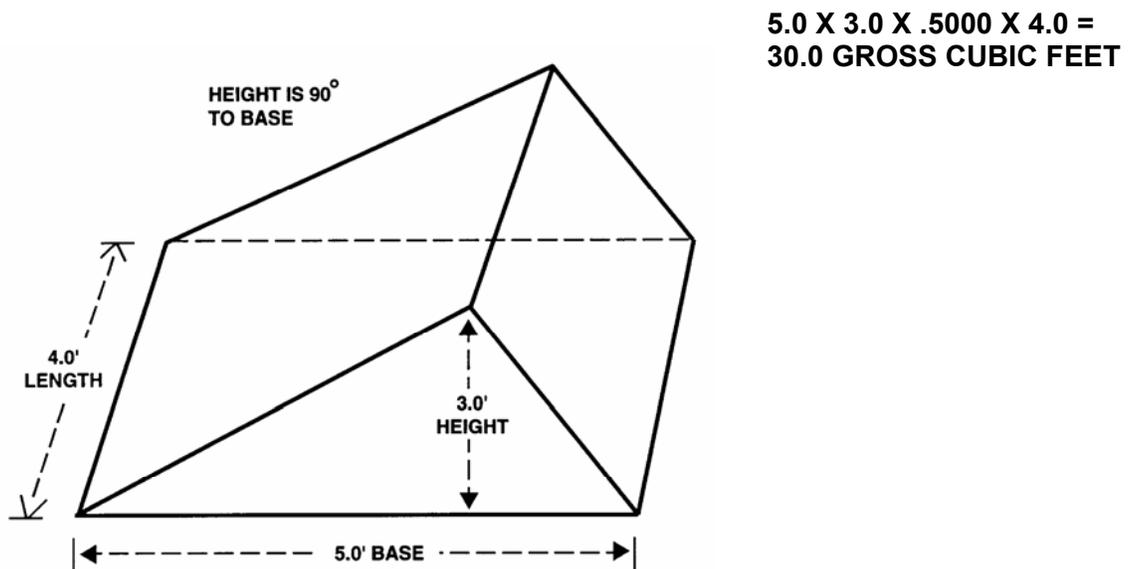
C Pyramid

Length X width X height X one-third = gross cubic feet.



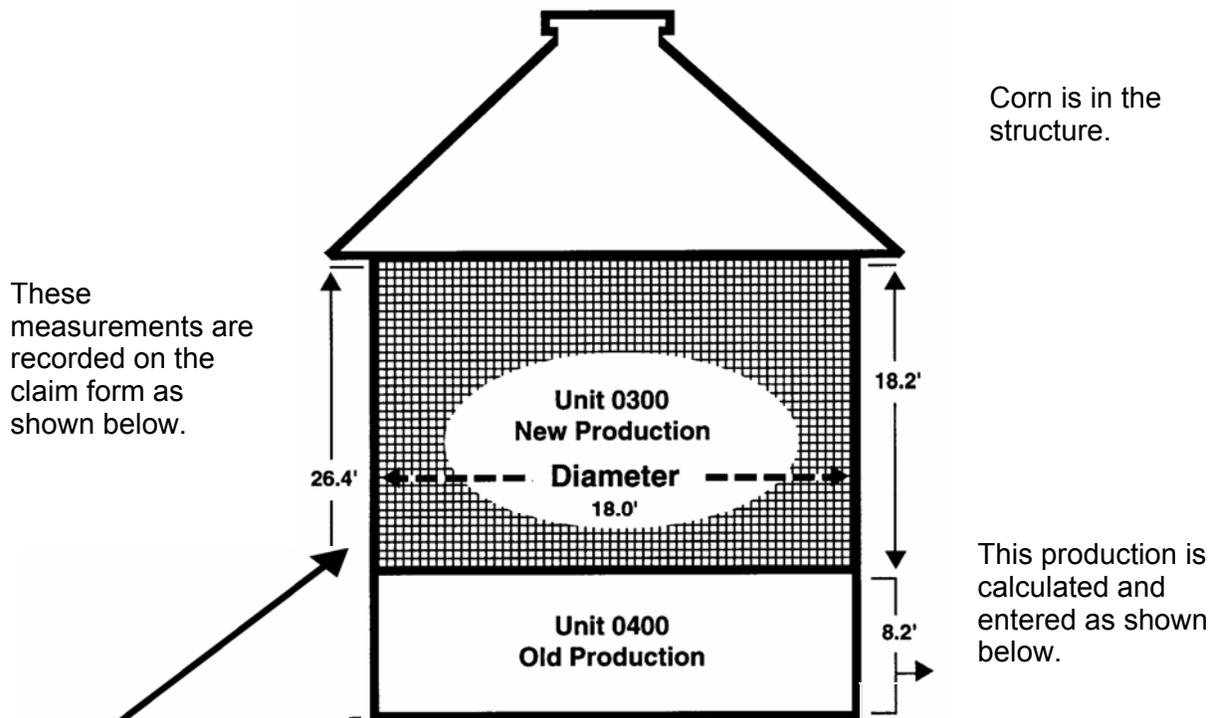
D Triangle Box

Area of triangle (base X height X 1/2) X length of box = gross cubic feet.



E Production-Not-to-Count in a Storage Structure

Example 1: This example shows structural measurements for the total production in the storage structure in the appropriate columns of the claim form and the calculated adjusted gross production by test weight (BEFORE deductions for moisture, dockage, etc.) in the "Production Not to Count" column. The calculated production-not-to-count will be deducted and the test weight entered in the "Test Weight" column and any other applicable entries for moisture, dockage, or quality will be used to calculate the remaining grain contained in the structure to arrive at the unit production-to-count in the storage structure.

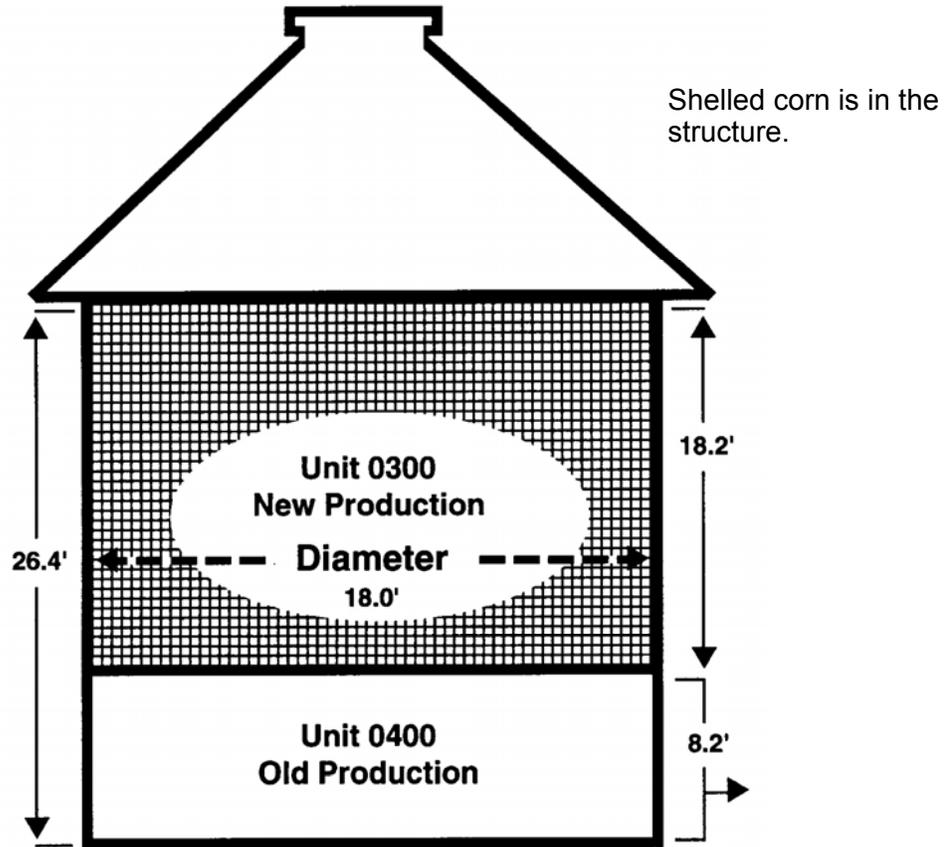


HARVESTED PRODUCTION							
Length or Dia.	Width	Depth	Deduction	Net Cubic Feet	Conver-Factor	Gross Prod.	Bu. Ton. Lbs., CWT.
18	0	RND	26	4	6718.8	.8	5375.0

Adjustments to Harvested Production					
Shell/Sugar Factor	FM %	Moisture %	Test WT	Adjusted Production	Production Not To Count
	Factor	Factor	Factor		
SH			56.0	5616.9	1744.6
			1.045		

Production-Not-to-Count in a Storage Structure (continued.)

Example 2: This example shows that the production-not-to-count and production-to-count are determined separately. The depth measurement of only the production-to-count is entered in the "Depth" column. The measurement for the production-not-to count is entered in the narrative of the claim form.

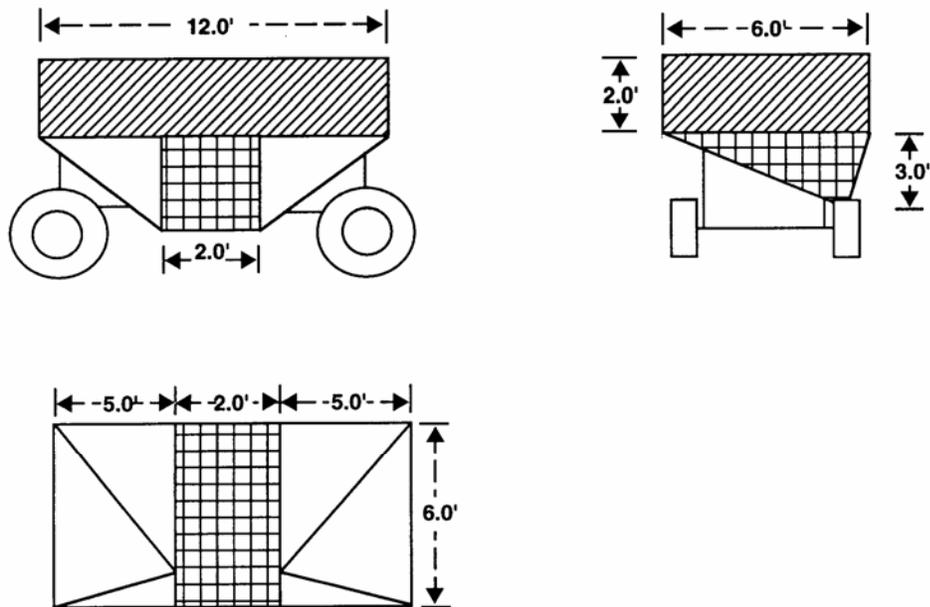


HARVESTED PRODUCTION										
Length or Dia.	Width	Depth	Deduction		Net Cubic Feet	Conver-Factor	Gross Prod.	Bu. Ton. Lbs., CWT.		
18	0	RND	18	2			4631.9	.8	3705.5	

NARRATIVE: Production not to count from unit 00400, depth 8.2 ft. Previous bin measurements for unit 00400 attached.

F Gravity Flow Wagon

Break the gravity flow wagon into volume components which can be accurately measured, and use the existing formulas to determine the production in each component.



**TOP RECTANGLE BOX = 12.0 X 6.0 X 2.0 = 144.0 GROSS CUBIC FEET
(LINED AREA)**

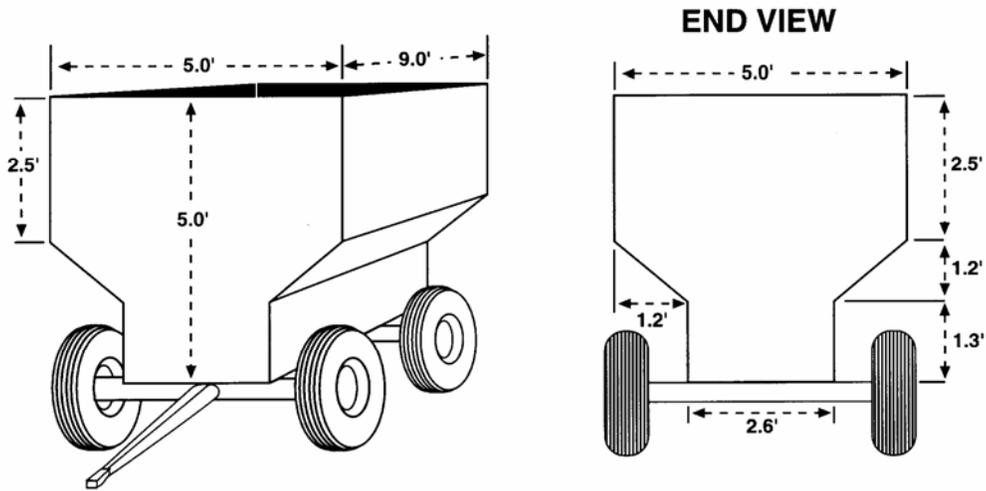
**MIDDLE TRIANGLE BOX = 6.0 X 3.0 X 2.0 X .5000 = 18.0 GROSS CUBIC FEET
(CHECKERED AREA)**

**2 PYRAMIDS = 2 X (5.0 X 6.0 X 3.0 X .3333) = 60.0 GROSS CUBIC FEET
(UNMARKED AREA)**

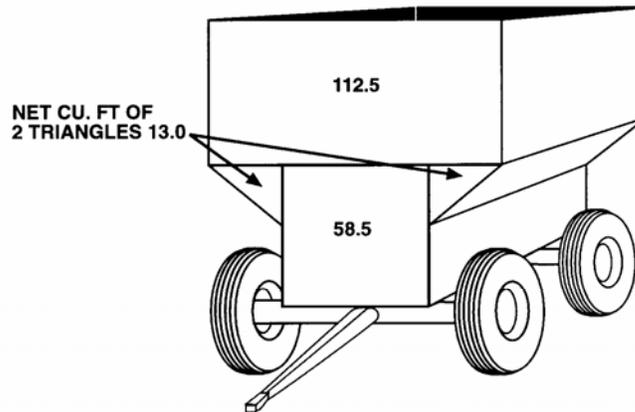
TOTAL GROSS CUBIC FEET OF WAGON = (144.0 + 18.0 + 60.0) = 222.0

G Flare box wagon

Break the flare box wagon into component parts which can be accurately measured and use the existing formulas to determine the production in each component.



CU. FT OF COMPONENT PARTS



NET CUBIC FEET OF COMPONENT PARTS

$$9.0 \times 5.0 \times 2.5 = 112.5 \text{ CUBIC FEET}$$

$$9.0 \times 2.6 \times 2.5 = 58.5 \text{ CUBIC FEET}$$

$$+9.0 \times 1.2 \times 1.2 \times .5000$$

$$9.0 \times 1.2 \times 1.2 \times .5000$$

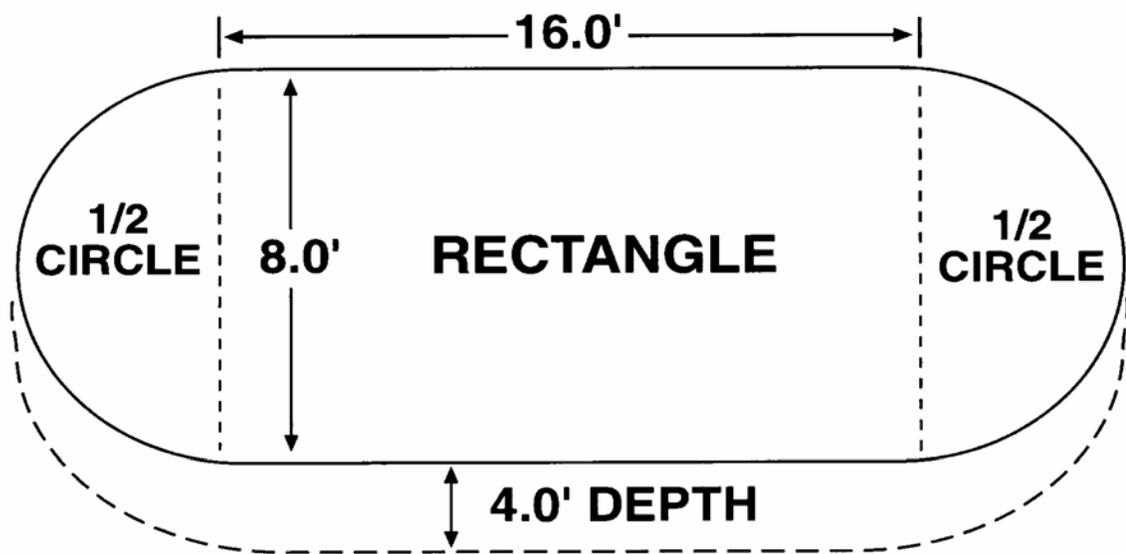
TOTAL

$$= + 13.0 \text{ CUBIC FEET}$$

$$184.0 \text{ NET CUBIC FEET}$$

H Oval Storage Structure

Break the oval storage structure into component parts which can be accurately measured and use the existing formulas to determine the production in each component.



RECTANGLE 16.0' X 8.0' X 4.0' = 512.0 CUBIC FEET

TWO 1/2 CIRCLES - $8.0^2 \times .7854 \times 4.0 = 201.2$ CUBIC FEET
(100.6 cubic feet for each)

TOTAL CUBIC FEET = 713.2

114 ROUND BIN CHART

Refer to Exhibit 14 for converting circumference to diameter and square feet.

115 NET CUBIC FEET FORMULA (CUBIC FEET DEDUCTIONS)

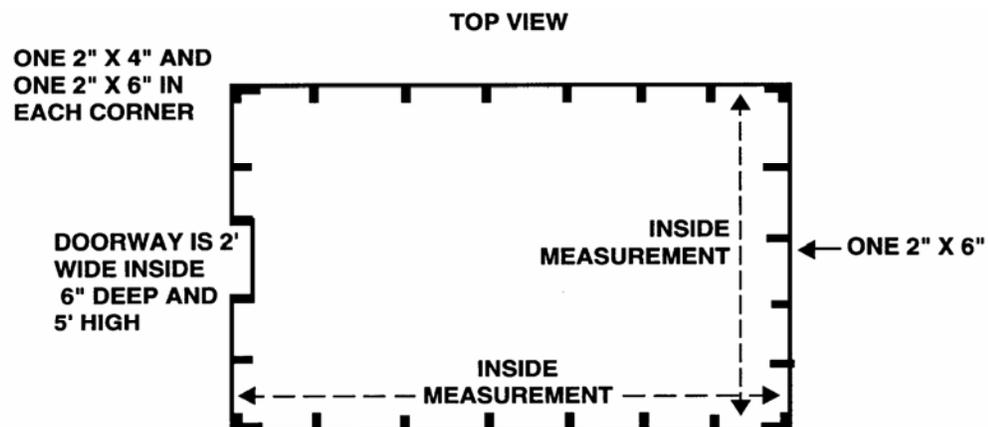
- A Net Cubic Feet Calculation. Gross cubic feet minus Cubic feet of deductions equals net cubic feet.
- B Determining Deductions. Calculate net cubic feet by computing the cubic feet of studs, vents, etc., which displace the crop inside the structure and deducting that amount from the gross cubic feet.
- C Deductions for Regular Type Structures. For regular type structures (round augers, square air vents, etc.) use the formulas given in PAR. 111 and in D below to determine cubic feet deductions.
- D To compute studs and joists which displace the crop:
- (1) 2" x 4" - multiply the number of studs times depth of the stored crop and divide by 18.
 - (2) 2" x 6" - multiply the number of studs times depth of the stored crop and divide by 12.
 - (3) 2" x 8" - multiply the number of studs times depth of the stored crop and divide by 9.

EXAMPLE: A bin with 30 studs (2" x 6") with a depth of 5 feet in the crop:

$$\frac{30 \times 5}{12} = 12.5 \text{ cu. ft.}$$

- (4) Angled (diagonal, etc.) support studs should be calculated by dividing the total length of the studs by the appropriate factor.

OBSTACLE DEDUCTION



116 CONVERTING VOLUME TO BUSHELS, HUNDREDWEIGHT, OR POUNDS

Net cubic feet times conversion factor, hundredweight, or pounds shown in the chart below equals unadjusted gross production (before adjustments for weight, moisture, and dockage).

CONVERSION FACTOR CHART

CROPS	FOR BUSHELS	FOR HUNDREDWEIGHT	FOR POUNDS
Barley	0.8		
Beans (Dry)	0.8		*
Canola/rapeseed	0.8		*
***	***		***
Corn (Shelled)	0.8		
Corn (ear)	0.4		
Corn (Ground Shelled)	0.7		
Corn (Ground Ear)	0.6		
Corn (Hybrid Seed)	0.8		
Flaxseed	0.8		
Grain Sorghum	0.8		
Hybrid Seed Sorghum	0.8		
Millet	0.8		
Mustard (Pilot)	0.8		*
Oats	0.8		
Peanuts (Spanish SW & SE)			19.7
Peanuts (Runner)			16.9
Peanuts (Virginia)			13.5
Peanuts (Valencia)			17.5
Peas (Dry)	0.8		*
Popcorn (Shelled)	0.8		*
Popcorn (Ear)	0.4		*
Potatoes		0.4167	*
Rice	0.8		
Rye	0.8		*
Safflowers	0.8		*
Soybeans	0.8		
Sunflower (oil and non-oil)	0.8		*
Sweet Potatoes (Pilot)		0.4283	
Wheat	0.8		
Wild Rice (Cultivated)	0.8		**

* To convert to pounds: Net cubic feet x Conversion Factor x Actual Test Weight = adjusted Gross Production for test weight. **See Cultivated Wild Rice Handbook for specific weight to use for calculations.

PART 4 UNUSUAL/CONTROVERSIAL CASES AND SPECIAL CLAIMS PROCEDURES

SECTION 1 GENERAL INFORMATION

117 GENERAL PROCEDURES TO FOLLOW WHEN INVOLVED WITH UNUSUAL OR CONTROVERSIAL CASES

There will come a time when you will run into problem cases. Whenever you are on an inspection and you suspect problems in the information given to you by the insured or in previous contract information reported to the insurance provider (e.g., entity, APH, etc.), follow the procedures listed below in the order that they are listed:

- A Inspection. Complete the inspection according to procedure.
- B Documentation. Document what you find during the on-the-farm inspection, on the claim (MPCI Non-Waiver Agreement (NA) if your company uses a MPCI NA rather than a claim) and on a Special Report. (Refer to PAR. 118 for instructions on how to document your findings).
- C Insured's Signature. Obtain the insured's signature on the claim (or MPCI NA). Obtain the insured's signature on the Special Report, if possible.
- *** D Adjuster's Signature. If a claim form is used, DO NOT sign the claim. If a MPCI NA is used, the adjuster's signature is required.
- E Document Potential Need For Growing Season or Pre-Harvest Inspection

Document on a Special Report the potential need for growing season inspections or pre-harvest appraisals, whenever the need appears, to protect the insurance provider's position in the case of a controversial claim due to uninsured causes of loss or not following recognized good farming practices. Send a copy of the Special Report to the supervisor designated by the insurance provider.

118 REPORT WRITING - HOW TO DOCUMENT FINDINGS

A Principles of Report Writing

A report is written to convey concisely what you have found while on an inspection, the reason for the inspection, what problems, if any, you have encountered, and to indicate follow-up actions that may be necessary.

- (1) The report should be in a standard form but should be sufficiently flexible to fit the special requirements of the subject matter and the individual(s) to whom it is submitted.
- (2) The report should be simple, concise, and as brief as possible.
- (3) The tone of the report should be dispassionate, impersonal, and factual.
- (4) The report should be legible and devoid of smudges, crossed-out words, or sections.

- (5) Illustrations such as sketch maps, bin locations, etc., should be used whenever they will promote a better understanding of the report.
- (6) Documentation should be reviewed with the next level of supervision at the time the formal report is submitted.
- (7) Do not make recommendations.

B Report Arrangement. There are many acceptable arrangements for reports as indicated below:

- (1) The title and the report should be short and descriptive.
- (2) If the report is lengthy or detailed, a table of contents should list the location of major sections and subsections.
- (3) The report should have an introduction that tells why the report was written.
- (4) The body should clearly explain the facts or findings presented in the introduction.
- (5) The summary is the most important element of the report since many people read only this section thoroughly. State the problem simply, along with any significant findings. Remember, keep the summary brief to maximize its impact. Ideas should be presented in short paragraphs or numbered sentences. State your conclusions without elaboration.

119 POINTS TO REMEMBER WHILE DEALING WITH PROBLEM CASES

When dealing with any problem case, adjusters should NEVER WORK ALONE. As instructed by your insurance provider, a supervisor, another adjuster, or other insurance provider representative may ACCOMPANY you on any field or farm inspection involving a problem case.

A Potential Use of Information

Although the potential use of information for legal action cannot be denied, do not voluntarily discuss any possible legal action, as it will discourage a candid discussion. If the insured is prepared to make a statement, it should be submitted in the insured's own handwriting, if possible, and signed and dated by the insured. Do not assist the insured with the contents or wording of the statement. It does not have to be grammatically correct.

If you prepare a statement, have the insured dictate it word for word to you. The insured should read it and agree to its contents by signing and dating the statement. If a minor error is made in the body, it should be corrected and then initialed by the insured. This is very strong evidence that the statement was read and understood. It is also helpful if the statement explains its purpose, but not in a manner to exclude other uses the statement may have.

B Use of Photography or Cam-Recording

- (1) It is often helpful on a farm review to have a camera available. Certain conditions detected during reviews may be substantiated and documented very clearly in color photographs. Use of color photographs in reports is encouraged. (In some

cases the use of video filming can be even more precise and advantageous for documentation purposes.) Photographs or video filming of neighboring fields of the same crop, type, variety, grown on same soil type, etc. should be used as comparison. Their use can:

- (a) Reduce the volume of writing necessary to explain certain situations.
 - (b) Substantiate crop conditions, field or stubble conditions, and hidden production.
 - (c) Reduce very complex situations to easily understood images.
 - (d) Increase comprehension of the report.
- (2) Take photographs or video in a straightforward, open manner to avoid giving the appearance of being secretive or suspicious. There may be occasions when resentment or disapproval of the use of photographs or videos is expressed. In such cases, contact your next level of supervision for a decision on whether to proceed with the photographs or videos.
 - (3) Document photographs and video using a log to show the following pertinent information (also narrate on videotape): Date taken, where taken (legal description, etc.) and by whom, the subject matter depicted, direction of view, contract and unit number, etc. The log should be initiated at the time the photograph or video are taken, and the photo, and the photo number should correspond with the print number. PHOTOGRAPHS AND VIDEOS SHOULD ALWAYS DEPICT A REFERENCE of the nearest identifiable intersection (document estimated distance to subject field), an integrity picture of the entire field or concerned area, and then close-up photographs (video) identifying the condition. Reference and integrity photographs should always include permanent landmarks when possible. If any individual appears in photographs, identify each individual. Make every attempt to include the insured (or representative in the photograph, in the field.
- C Insured Deception or Misrepresentation. On occasion, an insured will attempt to misinform the insurance provider with respect to insurability or losses. The purpose of the misinformation is usually to qualify for or enhance an indemnity payment; however, there have been situations in which the insured deceives the insurance provider in order to be consistent with an erroneous position taken with another agency. A search must be made to discover the facts upon which the insurance provider should act.
- D Evidence Admissible and Not Admissible. An insurance provider employee or a loss adjustment contractor (adjuster) is NOT a law enforcement agent. In the ordinary course of duty, a statement or fact obtained by an insurance provider employee or adjuster may be admissible in a court of law. The same statement or fact obtained by law enforcement officials may be admissible only if prescribed procedures are followed. This distinction is based on the purpose of the inquiry. As long as reviews are conducted for the sole purpose of obtaining information necessary for the contractual operation of the insurance program, the information obtained is not considered an illegal search or seizure.
- E Purpose of Farm Visit. In actuality, questionable claims may be investigated when there is some indication that legal action may occur. This is still a legitimate function as long as the information is intended for insurance provider use. Consideration must not be given as to the eventual evidentiary value of the information. If it is discovered upon

cross examination that a particular farm visit was for the purpose of obtaining evidence for criminal or civil prosecution, that visit could be considered to have a law enforcement purpose. The absence of prescribed law enforcement procedures would render the information inadmissible.

- F Promises to Insured for Cooperation. It should be kept in mind that any promises made to an insured for cooperation may render the information inadmissible, and possibly impose civil liability on the person(s) who made such an offer. Any evidence, no matter how small, indicating that the information supplied by the insured was in consideration of a waiver of civil or criminal charges can void a successful prosecution or, at the least, devalue the evidentiary weight of such evidence.

120 CONTROVERSIAL CLAIM PROCEDURE

If the insured will not agree with the adjustment data, refer the case to the insurance provider. The insurance provider representative and the adjuster will review the case with the insured and make every effort to resolve it.

If an agreement cannot be reached with the insured, insurance providers will follow the procedure in A and B below or use a MPCCI Non-Waiver Agreement. If a MPCCI Non-Waiver Agreement is used, follow the instructions provided by the insurance provider for completing this form, and follow the documentation procedures in C below.

A Prepare Two Claims

- (1) One claim showing the data submitted by the insured, signed only by the insured. (The insured should be provided a copy of the claim and any appraisal worksheets or other documents signed by the insured at the time of this inspection.)
- (2) The other claim showing the data determined and the date signed by the insurance provider representative(s).

B Submission of Claims. Submit both sets of the claims to the person or office designated by your insurance provider along with complete documentation. **Refer to** C below.

C Documentation. To the extent possible, the documentation will include the following:

- (1) Interviews with the insured, the insured's employees, neighbors, and other persons recommended by the insured as having knowledge of the facts in the case, and additional individuals the insurance-provider-representative determines to have information relevant to the case. The insurance-provider-representative conducting the interview should be accompanied by another individual represented by the insurance provider.
- (2) Signed statements by the insured and other persons interviewed. The insured should personally prepare a detailed Special Report to document the points of disagreement in support of the claim as submitted.
- (3) Field Observations
 - (a) Appraisals of potential production and uninsured cause(s) of loss in the insured field(s) and neighboring fields. Make appraisals explicit as to potential production and uninsured causes i.e., "16-bushel-per-acre

potential, 86 weed plants in 36-square-foot area." Any neighboring field used for comparison purposes should be of similar soil type, farmed with similar cultural practices, and planted to the same crop as the insured field.

- (b) Properly documented photographs showing the damaged crop and identifiable landmarks of both insured and neighboring fields documenting damage.
- (4) Production data
 - (a) Harvested production data from insured field(s).
 - (b) Harvested production data from neighboring field(s).
 - (c) Photographs, if pertinent to the case.
- (5) Signed statements by insurance provider representatives involved in the case. Do not include any evidence, insinuations or opinions which do not have complete supporting facts in the statements, nor references to the insured's personal habits or traits. Prepare the statements in a manner that will lead the reader to a logical conclusion based upon the facts presented.

SECTION 2 UNUSUAL/CONTROVERSIAL CASES

121 CONTROVERSIAL CLAIM: UNINSURED CAUSES OF LOSS

A General Information

The contract provides protection only against unavoidable loss of production due to the named insured causes that occur during the insurance period. It is specific as to what causes of loss are insured against; therefore, all other causes of loss are not insured. Moreover, any loss from the cause(s) named is not insured if it was avoidable. For example, loss due to failure of the insured to take adequate measures to control insects, plant disease, or weeds when such measures are practical and have proven effective in the area is AVOIDABLE and is an UNINSURED cause of loss. However, if the insured carried out recognized and accepted measures to control insects or plant disease (if provided as insured causes) or weeds, these causes are considered UNAVOIDABLE INSURED CAUSES. Although weeds are not a stated insured cause, the FCIC will consider damage caused by them as insured IF recognized and accepted control measures were used, and if adverse weather directly caused the control measures to be less effective.

- B The **named** uninsured causes of loss can be found in the Basic Provisions, individual crop provisions, and actuarial documents. **Causes of loss not listed as an insured peril, or that are not due to a naturally occurring event are also considered uninsured causes of loss. For example, theft of a crop is an uninsured cause of loss. Also refer to PAR. 78 for list of uninsured causes of loss that are specified in the Basic Provisions.**

C Included in Total Production to Count

Most policy provisions require that total production to count include all of the following:

- (1) An appraisal for potential production lost due to uninsured causes. (Uninsured cause appraisals are not included in APH determinations.)

- (2) An appraisal of not less than the per-acre guarantee (per-acre dollar amount of insurance for dollar crops) for any acreage:
 - (a) Abandoned,
 - (b) put to another use without the insurance provider's prior written consent,
 - (c) damaged solely by an uninsured cause, and
 - (d) for some crops, for which the insured failed to provide records of production that are acceptable to the insurance provider.

- *** (3) Some crop provisions may also require notification to the insurance provider when the crop will be direct marketed and failure to provide such notification may result in at least an appraisal of the per-acre guarantee or per-acre dollar amount of insurance.

D Contained Water

In accordance with the Basic Provisions, water contained by any governmental, public, or private dam or reservoir project is an uninsurable cause of loss. When flooding has occurred, if the elevation of the contained water (e.g. subject reservoir), as measured by the Corps of Engineers or other public source, exceeds the elevation of the insured acreage at the time of loss, the flooding will be considered to have been caused by the contained water (uninsured cause) unless the insured can prove otherwise. Refer to PAR. 78 A (6) for more information, including details on verification and documentation.

- E Chemicals. Any loss of marketability of crops due to misapplication of chemicals or **application of chemicals which are controversial, withdrawn from sale, etc.**, IS NOT INSURED under the insurance contract unless provided specifically as a condition of the contract.

F Loss Due Solely to Uninsured Causes

The insurance provider cannot indemnify an insured when all of the loss is due solely to uninsured cause(s). In such cases, the appraisal must not be less than the production guarantee or amount of insurance. When the appraisal is more than the production guarantee, use the actual appraisal.

G When loss is due to uninsurable cause(s):

- (1) Consider production on same or similar crop(s) on other farms in the area, if available.
- (2) Verify cause of loss (e.g. apparent loss may be poor weed control; however, the damage may have been indirectly caused by insufficient rainfall to activate a properly applied herbicide).
- (3) Make an appraisal that represents only that part of the loss that is due to uninsured or avoidable cause, and a separate appraisal for potential production remaining.
- (4) Discuss appraisals with insured.

- (5) Determine efforts to prevent or control the situation (chemical used and/or methods followed). Record the number of applications and dates they were applied based on receipts or other third party records.
- (6) Determine efforts neighbors and others in the community used to prevent or control the same situation.
- (7) Photograph the evidence of the crop in question and surrounding farms, with identifying landmarks in each photograph.
- (8) Compare productivity and yields of surrounding farms. The suggested comparison formula is found in subparagraphs "L" and "M."

H In every case, establish that the damage or loss is due:

- (1) Solely to one or more unavoidable insured causes(s).
- (2) To both unavoidable insured cause(s) and uninsured cause(s).
- (3) Solely to one or more uninsured causes, (including avoidable insured causes).

I Contact Insurance Provider. If on the initial inspection you are satisfied that the loss adjustment will involve uninsured cause(s) of loss, contact and advise the insurance provider of the situation. Request assistance with the adjustment. Circumstances may warrant that an insurance provider-employee accompany the adjuster.

J Uninsured causes of loss could be determined at the time of:

- (1) Preliminary inspections.
- (2) Final inspections.
- (3) Quality assurance reviews.
- (4) Farm visits made to obtain an original acreage report, to revise an acreage report, or make a growing season inspection.
- (5) Making appraisals for APH record-keeping purposes.
- (6) Driving by an insured farm on other assignments. Such observations will be documented on a Special Report and provided to the insured, putting the insured on notice that the insurance provider is aware of the damage by livestock, herbicide drift, etc.

K Failure To Follow Good Farming Practices

The contract does not cover any loss that is due to the insured's failure to follow recognized good farming practices. Such farming practices vary by crops and by areas. SOME of the more common uninsured CAUSES of loss DUE TO FAILURE TO FOLLOW recognized GOOD FARMING PRACTICES are:

- (1) Failure to plant the recommended quantity of seed.
- (2) Improper seedbed preparation.

- (3) Failure to properly plant, care for, or harvest the insured crop.
- (4) Failure to timely or properly apply control measures recommended by **agricultural experts** for the control of insects, plant diseases or weeds.
- (5) Failure to apply adequate water under an irrigated practice and/or failure to timely apply irrigation water.
- (6) Planting another crop (except winter legumes) in a growing cotton crop.
- (7) The use of chemicals resulting in damage to the insured crop.

L Concepts of Determining Uninsured or Avoidable Insured Cause(s) of Loss

- (1) When insured cause(s) of loss are present in the area, the yield potential of the crop, before any uninsured cause(s), must be determined. For example, the yield potential determined from comparable acreage of the crop without uninsured cause(s) of loss is 70 bushels. If 30 bushels of potential remain in the field or have been harvested and all other cause(s) are uninsured, then 40 bushels of production were lost due to uninsured cause(s) regardless of the production guarantee.
- (2) If comparable acreage is available, use it as the basis for determining yields due to uninsured cause(s) of loss. Comparable acreage is acreage that is planted to the same crop following the same farming practices, management practices, similar planting dates, etc., that has not been damaged by uninsured cause(s) of loss.
 - (a) If the insured has comparable acreage, this acreage should be used to determine the yield basis for uninsured cause(s) of loss.
 - (b) When comparable acreage is not available on the insured's farming operation, comparable acreage from other farms in the community should be used to determine the yield basis for uninsured cause(s) of loss.
 - (c) When comparable acreage is not available, consider using APH yields on the insured's farm and/or farms with similar productivity to determine the yield basis for uninsured cause(s) of loss.
- (3) When damage due to an insurable cause(s) (drought, frost, freeze, excess precipitation, etc.) has occurred on surrounding farms, care must be taken to identify only that portion of the production lost due to uninsured cause(s).
 - (a) Determine the yield potential of comparable acreage of the crop without uninsured cause(s) of loss. Compare this yield potential to the production guarantee and use the higher of the two as the yield for determining production lost due to uninsured causes. (**Refer to** L (2) above, if comparable acreage is not available.)
 - (b) When unharvested potential remains in the field, appraise the potential remaining and subtract it from the yield determined in subparagraph (3) (a) above. The difference is the appraisal for uninsured cause(s) of loss.

- (c) When no unharvested potential remains in the field, determine the yield as outlined in subparagraph (4) (a) above and use as the appraisal for uninsured cause(s).
 - (d) Enter any production harvested from acreage damaged solely by uninsured cause(s) as production not to count after proper appraisal entries are made.
- (4) Appraisals for uninsured cause(s) must always be discussed and the impact on the loss explained to the insured. Always include full information in the report as to the uninsured cause(s) of loss and the basis used for determining the amount of production lost by such causes.

M Using Other Farms to Determine Production Lost Due to Uninsured Cause(s)

Give proper weight to what other farmers, who did not have uninsured causes present, produced in the area. For crops which require cultivation or other care during the growing period, it is not unusual for an insured to allege that because of some insured cause, such as excessive rain, it was not possible to care for the crop in the proper way. While this may be true, consider what other farmers in the surrounding area accomplished under similar conditions. The following formula may be used to determine yields to use for an uninsured cause(s) of loss.

- (1) When comparable acreage is not available on the insured's operation, but is available on those of other producers in the area, try to get permission to appraise the other producers' fields to use as a comparison. For example, the insured's acreage, which has been damaged by uninsured causes of loss, appraised at 60.0 bushels per-acre. You obtain permission to appraise the fields of two neighboring producers who have comparable acreage (comparable as described in subparagraph L (2) above) that has NOT been damaged by uninsured cause(s) of loss. The appraisals are as follows:

Producer No. 1: Field appraisals indicate 105.0 bushels per acre.

Producer No. 2: Field appraisals indicate 99.0 bushels per acre.

The average yield produced in the area would be 102.0 bushels per acre, as determined from the average of producer 1's and 2's appraisals. $(105.0 + 99.0 \div 2 = 102.0)$. Use the insured's 60.0 bushel per-acre appraisal compared against the 102.0 bushel average area yield as a basis to determine the per-acre amount of production the insured lost due to uninsured causes.

- (2) When comparable acreage is not available in the area, the following may be used as a guide for determining a yield to use for uninsured cause(s):

Insureds' approved APH Yield: 90.0 bushels

Producer No. 1: "T" yield: 85.0 bushels

Producer No. 2: "T" yield: 83.0 bushels

Under normal conditions the insurance provider expects the crop to produce 86.0 bushels in the area (based on an average of the yields located on 3 farms of similar productivity in the area). The insured's production guarantee is 67.5 bushels per acre. The average yield expected in the area (with no insured or uninsured cause(s) of loss) is 86.0 bushels per acre and, therefore, would be used as the basis for uninsured cause(s) of loss.

N Judgment

Judgment is extremely important for establishing production lost due to uninsurable cause(s). A working knowledge of cultural practices and technical aspects of growing the crop in the area as well as scientifically sound research and publications from agricultural experts. Refer to definition of agricultural experts in Exhibit 1.

O Documentation

Document on a Special Report the circumstances involved, bearing in mind that any individual reviewing the claim generally knows nothing about the circumstance beyond the information conveyed on a Special Report.

P Insured's or Insured's Authorized Representative's Presence During Appraisals

If at all possible, the insured or the authorized representative should be present for appraisals involving uninsured cause(s) of loss. All aspects of the appraisal must be thoroughly discussed and explained to the insured. Mutual agreement is imperative if the insured is to be expected to sign the claim for indemnity and Special Report.

Q Other Causes of Loss Not Insured Against:

- (1) Damage caused by water contained by any governmental, public, or private dam or reservoir project. Refer to subparagraph D above for more information.
- (2) Chemical damage as listed in subparagraph R (2) below.
- (3) Quarantine (e.g., Karnal Bunt in wheat or Plum Pox Virus in Peaches), unless the crop provisions or Special Provisions insure loss of production (or trees) due to required destruction of the crop under a State or Federal quarantine; e.g., Florida Fruit Tree when quarantine is due to Asiatic Citrus Canker.
- (4) Any cause not specified as an insured cause in the crop policy or endorsement as limited by the County Actuarial Documents.
- (5) For policies listing fire as an insured peril: Fire when ignition source of the fire was not due to a natural cause or natural disaster. Refer to FAD-35, dated September 3, 2004.
- (6) Inability to obtain labor, seed, machinery, repairs or pesticides.
- (7) Breakdown of machinery or failure of equipment due to mechanical defects.
- (8) Damage by domestic animals or poultry.
- (9) Neglect by the insured or by any person in the insured's household connected with the farming operation.
- (10) Theft of crop.

R Partial Investigating Guide

Use the following to help detect any failure to follow recognized good farming practices (uninsured cause(s) of loss).

- (1) Livestock damage as indicated by tracks, leaves stripped from main stem stalk, main stem stalk severed, grain head absent, or ears separated from stalk. Percent of damage due to missing heads or ears can be determined as follows:
 - (a) Count missing heads or severed ear shanks and remaining heads or ears from a sample of 100 consecutive stalks.
 - (b) Divide the number of missing heads or ears by the determined original number of heads or ears to obtain the percent of damage.
 - (c) Subdivide the field if damage is limited to a specific area(s) or if damage is not uniform.
- (2) Chemical damage caused by:
 - (a) Use of improper chemical;
 - (b) Residual (toxic) effect of chemicals used in the previous crop year(s) as a result of not following the label specifications and restrictions when the chemical was applied;
 - (c) Improper application (rates, methods, timeliness, label restrictions, etc.); and/or
 - (d) Chemical drift from spraying of adjoining field(s). This can be identified by an irregular pattern of damage showing leaf droppage or wilted, stunted, pale colored, dying, or dead plants.
- (3) Failure to follow recognized good farming practices adapted to the area, which have been successfully carried out by other producers in the area, following recommendations of **agricultural experts as defined in Exhibit 1**. Some of these are:
 - (a) Seeding method, variety, timeliness, depth, and rate.
 - (b) Fertilization timing and rates.
 - (c) Row spacing.
 - (d) Cultivation timing and depth.
 - (e) Chemical application (application rate, appropriateness, method, and timeliness).
 - (f) Seed treatment and germination potential (not use of old or damaged seed).
 - (g) Irrigation rates, number of times irrigated, and time of irrigation for the soil type, crop, climatic conditions, and irrigation equipment.

122 CLAIMS FOR INDEMNITY INVOLVING SUSPECTED CONCEALMENT OR MISREPRESENTATION

If concealment or misrepresentation is suspected, do the following:

A Inspection/Documentation

- (1) If the inspection is a result of the insured's notice of loss, make all field verifications and/or determinations necessary to complete a final inspection, but advise the insured that further assistance will be needed before the claim can be finalized. Record information from the field inspection on appropriate appraisal forms (if applicable) and any other necessary worksheets needed to complete a final inspection. The information from the field inspection may be recorded on a claim form or MPCl Non-Waiver Agreement, whichever the insurance provider prefers to use for this type of case. **If a claim form is used, the adjuster and the insured will NOT sign the claim form at this time.**

***** (2) A copy of any form signed by insured and adjuster at this time should be provided to the insured (e.g., appraisal worksheets, MPCl Non-Waiver Agreement, etc., PRIOR to signatures, review all data with the insured.**

- (3) If the inspection is a Growing Season Inspection or Pre-harvest Inspection, record the information as described in the PAR.'s 71 and 72.

B Insurance Provider's Review of Case. The insurance provider will review all forms and documentation completed as a result of the field inspection and will provide any further assistance necessary for additional follow-up. After final evaluation of the case, the insurance provider will handle in accordance with the instructions in FCIC-14010 for reporting suspected misrepresentation, fraud, waste, and abuse.

SECTION 3 SPECIAL CLAIMS PROCEDURES

123 SUBROGATION - THIRD PARTY CAUSE OF LOSS

A General Information

The insurance contract does not cover loss from any cause which is due to neglect or wrongdoing of the insured, any member of the insured's household, tenants, sharecroppers, employees, nor uninsured damage caused by a third party. If the claim is paid, the insured's right to recovery will, at the insurance provider's option, belong to the insurance provider. **If the insurance provider recovers more than the insurance provider paid the insured, plus the insurance provider expenses, the excess will be paid to the insured.**

B If Only Part of a Loss is Due to a Third Party Not Connected with the Insured

- (1) Inform the insured that if any settlement is made the full amount should be claimed with the third party so as not to discharge the third party of liability.
- (2) Enter in the narrative of the claim or on a Special Report, the following:
 - (a) Cause of loss,
 - (b) Evidence available as to the person responsible,

- (c) The name and address of responsible party, if available, and
- (d) Information regarding settlement with responsible party.

(3) If the insured receives any compensation from another party for the loss, (excluding private hail insurance payments and payments covered by section 35 of the Basic Provisions) and the indemnity due under the crop policy plus the amount the insured receives from the other party exceeds the amount of the insured's actual loss, the indemnity will be reduced by the excess amount. If the indemnity has already been paid, the insured will be required to repay the excess amount, not to exceed the amount of indemnity. The total amount of the actual loss is the difference between the value of the insured crop before and after the loss, based on the insured's production records and the highest price election or amount of insurance available for the crop.

124 **MEDIATION, ARBITRATION, APPEALS, JUDICIAL REVIEW, ADMINISTRATIVE REVIEW, AND LARGE CLAIM REVIEW**

No award or settlement determined in mediation (mediation only applicable to crop/policies under the 2005 Basic Provisions) arbitration, appeal, or administrative review or reconsideration process can exceed the amount of liability established or which should have been established under the policy, except for interest awarded.

A → **ONLY FOR crops/counties with a 2005 crop year CCD prior to 8/31/2004:**

(1) The policy provisions provide each insured the opportunity to request arbitration of any factual determination made by the insurance provider with which the insured is not in agreement. This may include, but is not limited to, a review of premium and/or other debts, rejected applications, rejected and/or revised acreage reports, and rejected or corrected claims. The disagreement will be resolved in accordance with the rules of the American Arbitration Association. Disputes of **whether a farming practice is a good farming practice** will be **resolved by Administrative Review**, as discussed in (3) below. Disputes regarding the **amount of assigned production for uninsured causes** due to the insured's failure to use good farming practices will be **resolved by Arbitration**. Refer to subparagraph (3) below.

(2) Appeals

Any factual determination made by FCIC must be resolved through the FCIC appeal provisions published at 7 CFR Part 11.

ONLY FOR crops/counties with a 2005 crop year CCD prior to 8/31/2004←

→ **ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004, or later:**

B Mediation

If the insured and the insurance provider fail to agree on any determination made by the insurance provider except for good farming practices, the disagreement may be resolved through mediation. All agreements reached through settlement must be in writing and contain at a minimum a statement of the issues in dispute and the amount of the settlement. To resolve any dispute through mediation, the insured and insurance provider must both:

(1) Agree to mediate the dispute;

ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004 or later←

→ **ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004, or later:**

- (2) Agree on a mediator; and
- (3) Be present, or have a designated representative who has authority to settle the case present, at the mediation.

C Arbitration

- (1) If resolution cannot be reached through mediation, or the insured and the insurance provider do not agree to mediation, the disagreement must be resolved through arbitration in accordance with the rules of the American Arbitration Association (AAA).
- (2) The arbitrator must provide the insured and the insurance provider a written statement describing the issues in dispute, the factual findings, the determinations, the amount and basis for any award and breakdown by claim for any award. The statement must also include any amounts awarded for interest. Failure of the arbitrator to provide such written statement will result in the nullification of all determinations of the arbitrator. All agreements reached through settlement must be in writing and contain at a minimum a statement of the issues in dispute and the amount of the settlement.
- (3) Any decision rendered in arbitration is binding on the insured and the insurance provider unless judicial review is sought in accordance with E (3) below. Notwithstanding any provision in the rules of the AAA, the insured and the insurance provider have the right to judicial review of any decision rendered in arbitration.

D Mediators or Arbitrators Must Be Disinterested Third Parties

The mediator or arbitrator must not have a familial, financial, or other business relationship to the insured or insurance provider, or to the agent or loss adjuster of the insurance provider's.

E Time limits

Regardless of whether mediation is elected:

- (1) The initiation of arbitration proceedings must occur within one year of the date the insurance provider denied the insured's claim or rendered the determination with which the insured disagrees, whichever is later;
- (2) If the insured fails to initiate arbitration in accordance with (1) above, and complete the process, the insured will not be able to resolve the dispute through judicial review;
- (3) If arbitration has been initiated in accordance with (1) above and completed, and judicial review is sought, suit must be filed not later than one year after the date the arbitration decision was rendered; and
- (4) In any suit, if the dispute in any way involves a policy or procedure interpretation, an interpretation must be obtained from FCIC as stated in F below.

← **ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004, or later**

→ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004, or later:

F Policy or Procedural Interpretations

If a dispute in any way involves a policy or procedure interpretation, regarding whether a specific policy provision or procedure interpretation is applicable to the situation, how it is applicable or the meaning of any policy provision or procedure, either the insurance provider or the insured must obtain an interpretation from FCIC in accordance with 7 CFR part 400, subpart X or such other procedures as established by FCIC.

- (1) Any interpretation by FCIC will be binding in any mediation or arbitration.
 - (2) Failure to obtain any required interpretation from FCIC will result in the nullification of any agreement or award.
 - (3) An interpretation by FCIC of a policy provision is considered a rule of general applicability and is not appealable. If the insured disagrees with an interpretation of a policy provision by FCIC, the insured must obtain a Director's review from the National Appeals Division in accordance with 7 CFR 11.6 before obtaining judicial review.
 - (4) An interpretation by FCIC of a procedure may be appealed to the National Appeals Division in accordance with 7 CFR part 11.
 - (5) RMA will issue separate procedures for requesting a procedural interpretation.
- ←ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004, or later

G Administrative Review Regarding Whether Insured Followed A Good Farming Practice

*** If the insured does not agree with any determination regarding whether the insured followed a good farming practice made by the insurance provider or FCIC (excluding determinations by the insurance provider of the amount of assigned production for uninsured causes for the insured's failure to use good farming practices), the insured may request reconsideration by FCIC of this determination in accordance with the reconsideration process established for this purpose and published at 7 CFR part 400, subpart J. To resolve disputes regarding determination of the amount of assigned production, the insured must use the arbitration or mediation process stated above. The general procedures for this process will be issued separately by RMA.

- (1) The insured must complete the reconsideration process before filing suit against FCIC and any such suit must be brought in the United States district court for the district in which the insured farm is located.
- (2) Suit must be filed not later than one year after the date of the decision rendered in the reconsideration.
- (3) The insured cannot sue the insurance provider for determinations of whether good farming practices were used by the insured.

→ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004, or later:

H Other Determinations Made by FCIC

Except for good farming determinations, if the insured disagrees with any other determination made by FCIC, the insured may obtain an administrative review in
←ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004, or later

→**ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004, or later:**

accordance with 7 CFR part 400, subpart J (administrative review) or appeal in accordance with 7 CFR part 11 (appeal). If the insured elects to bring suit after completion of any appeal, such suit must be filed against FCIC not later than one year after the date of the decision rendered in such appeal. Under no circumstances can the recover any attorney fees or other expenses, or any punitive, compensatory, or any other damages from FCIC.

I Judicial Reviews

In a judicial review only, the insured may recover attorneys fees or other expenses, or any punitive, compensatory, or other damages from the insurance provider only if the insured obtains a determination from FCIC that the insurance provider, the insurance provider's agent or loss adjuster failed to comply with the terms of the policy or procedures issued by FCIC and such failure resulted in the insured receiving a payment in an amount that is less than the amount to which the insured was entitled.

J If FCIC Participates In Loss Adjustment of Insured's Claim (Large Claim Reviews)

If FCIC elects to participate in the loss adjustment (Large Claims Review) of the insured's claim, or modifies, revises, or corrects the insured's claim, prior to payment, the insured may not bring an arbitration, mediation, or litigation action against the insurance provider. The insured must request administrative review or appeal in accordance with 7 CFR part 400, subpart J (administrative reviews). RMA will be issuing procedures for Large Claim Reviews in the near future.

ONLY FOR crops/counties with a 2005 crop year CCD of 8/31/2004, or later←

125 CLAIMS INVOLVING FIRE DAMAGE

A General Provisions

- (1) In all cases where the insured can establish the ignition source of the fire was due to a natural cause or natural disaster (refer to FAD-35, dated 9/3/2004) and the fire damages or destroys an insured crop WITHIN THE INSURANCE PERIOD, upon final inspection, establish whether or not the insured has other fire insurance ON THE CROP IN THE FIELD.

Any damage resulting from fire when the insured cannot establish that the ignition source of the fire was due to a natural cause or natural disaster is uninsurable.

- (2) The amount of loss from fire is the difference between the fair market value of the production BEFORE AND AFTER the fire.

B No Other Fire Insurance

If the insured does NOT have other fire insurance, prepare a claim and state in the narrative that there is no other insurance. The claim is worked on a unit basis. When only a portion of the unit acreage is destroyed by fire and the harvested/appraised production exceeds the unit guarantee, ALL OF THE FOLLOWING INSTRUCTIONS MAY BE DISREGARDED.

C Other Fire Insurance but Hail and Fire Excluded

If there is other fire insurance and hail and fire coverage has been excluded from the MPCI policy, follow the instructions given in PAR. 22.

D Other Fire Insurance and MPCFI Fire Coverage (Double-Fire Coverage)

If the insured has other fire insurance and MPCFI fire coverage:

- (1) The insurance provider will be liable only for loss due to fire for the smaller of, the amount:
 - (a) of indemnity computed, or
 - (b) by which the loss from fire exceeds the indemnity paid or payable under the other insurance.
 - (2) Prepare documentation on a Special Report in the following manner:
 - (a) Name and address of other insurance company and the name of their adjuster.
 - (b) The other insurance policy number.
 - (c) The applicant's issue date and the termination date of the other policy.
 - (d) Whether the loss was total or partial (all or part of the unit).
 - (e) Divide the determined acreage for the unit by the total acreage for all units involved and round the resulting factor to three decimal places.
 - 1 Multiply the amount of fire coverage by this factor.
 - 2 The result thus obtained will be used as the amount of fire coverage applicable to the unit.
 - (f) The amount of indemnity paid or payable to the insured by the other insurer with respect to:
 - 1 the entire loss, and
 - 2 that part of the loss applicable to the unit in question.
 - (g) The quantity of the crop (expressed in bushels, tons, pounds, etc.) from the unit damaged or destroyed by fire. Include:
 - 1 The fair market VALUE per **unit of measure (e.g., pounds, bushel, etc.)** AND the total value on the date of the fire BEFORE fire damage
 - 2 The fair market VALUE per **unit of measure (e.g., pounds, bushel, etc.)** (if any) on the date of the fire AFTER fire damage from the "Value" column in the Harvested Production portion of the claim form.
- ***** (h) If the crop from two or more units was damaged or destroyed by the same fire, show the total **unit of measure (e.g., pounds, bushel, etc.)** and value and the bushels and value applicable to the unit for which the loss is being adjusted.

- (i) Indicate if an agreement with the other insurance adjuster has been reached as to the quantity and value per unit of production destroyed. If there is disagreement, explain what caused the difference and how the quantity and value of the crop destroyed were determined.
- (j) A statement of all known facts as to how the fire originated (including location of the field(s)), and if the fire resulted from the act of any person, the name and address of such person, and the name and address of person(s) having knowledge of the origin of the fire.
- (k) Damage from fire is only covered if the fire is the result of an act of nature. If it is found that fire was NOT caused by an act of nature, follow the instructions for uninsured causes of damage.

E Claim Calculation Examples For Fire Claims (Double Coverage) (Hail/Fire Exclusion Not In Effect)

EXAMPLE 1- Example where MPCl payable indemnity is smaller than indemnity paid or payable under other insurance.

Assume:

1,425# per-acre guarantee Tobacco sold 20,174# X \$2.04 = \$41,155;
 15.15 acres in unit Tobacco lost in fire 15,840# (Fair Market Value (FMV) \$2.04/POUND)
 \$1.62 price election (for CAT coverage) Amount paid by other insurance \$20,899

COMMON CROP INSURANCE POLICY 04-BR (BASIC PROVISIONS) SECTION 22 (b) (1) (2) and (c):
 "If you (insured) have other insurance, whether valid or not, against damage to the insured crop by during the insurance period, and you (insured) have not elected to excluded coverage for fire from the policy, we (insurance provider) will be liable for loss due to fire only for the smaller of:"

<p>"(1) The amount of indemnity determined pursuant to this policy without regard to any other such insurance; or"</p>	<p>"(2) The amount by which the loss from fire is determined to exceed the indemnity paid or payable under such other insurance. (c) For the purpose of subsection (b) of this section, the amount of loss from fire will be the difference between the fair market value of the production of the insured crop on the unit involved before the fire and after the fire, as determined from appraisals made by us (insurance provider)."</p>
<p>GUARANTEED TOBACCO CROP PROVISIONS, (99-071) SECTION 12. "(a) . . . on a unit basis. (1) . . (2) . (b) In the event of loss or damage covered by this policy, . . . : (1) Multiplying the insured acreage by its respective production guarantee; (2) Subtracting therefrom the total production of tobacco to be counted; (3) Multiplying the remainder by the applicable price election; and (4) Multiplying this result by your share."</p>	<p>FMV of tobacco before the fire 20,174 # sold at tob. market \$41,155 15,840 # lost in fire @\$2.04 +\$32,314 Total FMV of tob. before fire = \$73,469</p>
<p>(1) 15.15 acres X 1425 lbs. (per-acre guarantee) 21,589 lbs. unit guar.</p>	<p>FMV of tobacco after the fire 20,174 # sold at tob. market = \$41,155 15,840 # lost in fire @\$0.00 -\$ 0 Total FMV of tob. after fire = \$41,155</p>
<p>(2) 21,589 lbs. (unit guarantee) -20,174 lbs. sold at tobacco market (PTC) 1,415 lbs. Production loss</p>	<p>Amount of loss from fire Total FMV of tob. before fire \$73,469 Total FMV of tob. after fire -\$41,155 Amount of loss from fire = \$32,314</p>
<p>(3) 1,415 lbs. Production loss X \$1.62 price election* \$2,292 dollar loss before share *For Income Protection, CRC, or RA, or similar types of revenue insurance, the price election will be the projected price (base price for CRC).</p>	<p>Amount of loss from fire exceeding the indemnity paid from other insurance Amount of loss from fire \$32,314 Amount other insurance paid -\$20,899 Amount of loss exceeding = \$11,415</p>
<p>(4) \$2,292 dollar loss before share X 1.000 share \$2,292 dollar loss after share</p>	<p>THE INSURANCE PROVIDER IS LIABLE FOR THE LESSER OF THE TWO INDEMNITY CALCULATIONS WHICH IS \$2,292.</p>

*** The net production to be entered on the claim would be 20,174 lbs. (before share).

EXAMPLE 2 - Example where indemnity for fire loss from other insurance company is smaller than indemnity payable under crop insurance

Assume: 1,425# per-acre guarantee Tobacco sold 5,000# X \$2.04 = \$10,200;
 15.15 acres in unit Tobacco lost in fire 18,000# (Fair Market Value (FMV) \$2.04/POUND)
 1.62 price election (for CAT coverage) Amount paid by other insurance \$26,616.

COMMON CROP INSURANCE POLICY 04-BR (BASIC PROVISIONS) SECTION 22 (b) (1) (2) and (c):

"If you (insured) have other insurance, whether valid or not, against damage to the insured crop by fire during the insurance period, and you (insured) have not elected to exclude coverage for fire from the policy we (insurance provider) will be liable for loss due to fire only for the smaller of:"

<p>"(1) The amount of indemnity determined pursuant to this policy without regard to any other such insurance; or"</p>	<p>"(2) The amount by which the loss from fire is determined to exceed the indemnity paid or payable under such other insurance. For the purpose of subsection (b) of this section, the amount of loss from fire will be the difference between the fair market value of the production of the insured crop on the unit involved before the fire and after the fire, as determined from appraisals made by us (insurance provider)."</p>						
<p>GUARANTEED TOBACCO CROP PROVISIONS, (99-071) SECTION 12. "(a) . . . on a unit basis. (1) . . . (2) . (b) In the event of loss or damage covered by this policy, . . . : (1) Multiplying the insured acreage by its respective production guarantee; (2) Subtracting therefrom the total production of tobacco to be counted; (3) Multiplying the remainder by the applicable price election; and (4) Multiplying this result by your share."</p>	<p>FMV of tobacco before the fire</p> <table border="0"> <tr> <td>5,000 # sold at tob. market</td> <td>\$10,200</td> </tr> <tr> <td>18,000 # lost in fire @\$2.04</td> <td>+ \$36,720</td> </tr> <tr> <td>Total FMV of tob. before fire</td> <td>= \$46,920</td> </tr> </table>	5,000 # sold at tob. market	\$10,200	18,000 # lost in fire @\$2.04	+ \$36,720	Total FMV of tob. before fire	= \$46,920
5,000 # sold at tob. market	\$10,200						
18,000 # lost in fire @\$2.04	+ \$36,720						
Total FMV of tob. before fire	= \$46,920						
<p>(1) 15.15 acres X 1425 lbs. (per-acre guarantee) 21,589 lbs. unit guar.</p>	<p>FMV of tobacco after the fire</p> <table border="0"> <tr> <td>5,000 # sold at tob. market =</td> <td>\$10,200</td> </tr> <tr> <td>18,000 # lost in fire @\$0.00</td> <td>- \$ 0</td> </tr> <tr> <td>Total FMV of tob. after fire =</td> <td>\$10,200</td> </tr> </table>	5,000 # sold at tob. market =	\$10,200	18,000 # lost in fire @\$0.00	- \$ 0	Total FMV of tob. after fire =	\$10,200
5,000 # sold at tob. market =	\$10,200						
18,000 # lost in fire @\$0.00	- \$ 0						
Total FMV of tob. after fire =	\$10,200						
<p>(2) 21,589 lbs. (unit guarantee) - 5,000 lbs. (production to count) 16,589 lbs. production loss</p>	<p>Amount of loss from fire</p> <table border="0"> <tr> <td>Total FMV of tob. before fire</td> <td>\$46,920</td> </tr> <tr> <td>Total FMV of tob. after fire</td> <td>- \$10,200</td> </tr> <tr> <td>Amount of loss from fire</td> <td>= \$36,720</td> </tr> </table>	Total FMV of tob. before fire	\$46,920	Total FMV of tob. after fire	- \$10,200	Amount of loss from fire	= \$36,720
Total FMV of tob. before fire	\$46,920						
Total FMV of tob. after fire	- \$10,200						
Amount of loss from fire	= \$36,720						
<p>(3) 16,589 lbs. production loss X \$1.62 price election * \$26,874 dollar loss before share *For Income Protection, CRC, or RA, or similar types of revenue insurance, the price election will be the projected price (base price for CRC).</p>	<p>Amount of loss from fire exceeding the indemnity paid from other insurance</p> <table border="0"> <tr> <td>Amount of loss from fire</td> <td>\$36,720</td> </tr> <tr> <td>Amount other insurance paid</td> <td>- \$26,616</td> </tr> <tr> <td>Amount of loss exceeding</td> <td>= \$10,104</td> </tr> </table>	Amount of loss from fire	\$36,720	Amount other insurance paid	- \$26,616	Amount of loss exceeding	= \$10,104
Amount of loss from fire	\$36,720						
Amount other insurance paid	- \$26,616						
Amount of loss exceeding	= \$10,104						
<p>(4) \$26,874 dollar loss before share X 1.000 share \$26,874 dollar loss after share</p>	<p>THE INSURANCE PROVIDER IS LIABLE FOR THE LESSER OF THE TWO INDEMNITY CALCULATIONS WHICH IS \$10,104.</p>						

*** The net production to be entered on the claim would be 15,352 lbs. (before share).

Determine the net production to count as follows:

- (1) \$10,104 (indemnity payable) ÷ by 1.000 share and \$1.62 price election =6,237 lbs. (unit loss).
 - (2) 21,589 lbs. (unit guarantee) - 5,000 lbs. (production to count) =16,589 lbs. (production loss)
 - 16,589 lbs. (production loss) - 6,237 lbs. (unit loss) =10,352 lbs. (production to count).
- Make a 2-line entry on the claim form:
- | | |
|----------|---|
| Line 1 : | 5,000 lbs. (production to count). |
| Line 2 : | 10,352 lbs. (production to count) |
| | 15,352 lbs. (total production to count) |

Indemnity Due: 21,589 lbs.-15,352 lbs. = 6,237 lbs. X \$1.62 =\$10,104.

EXAMPLE 3: CLAIM CALCULATION WHEN THERE IS ANOTHER CAUSE OF LOSS BESIDES FIRE AND THE LOSS FROM FIRE IS LESS THAN THE AMOUNT PAID BY OTHER INSURER

Step 1

Calculate the claim as if there was no fire loss.

For example:

Guarantee

	<u>Acres</u>	<u>Stage</u>	<u>Guar.</u>	<u>Line Guar.</u>
Line 1	267.4	H	42.8	11444.7
Line 2	11.6	UH	42.8	<u>496.5</u>
				11941.2 Unit Guar.

Production

11201.6 ÷ 267.4 = 41.9 bu. (Average from harvested acreage.)

11235.3 X .997 (FM factor) =	11201.6	(Actual Harvested Production)
11.6 acres X 41.9 bu.	=	<u>486.0</u> (Additional production had fire not occurred)
		11687.6 (Production to Count)

11941.2 (Unit Guar.)

-11687.6 (Production to Count)

253.6 Bu. Loss X \$2.60 Price Election = \$659.36 X .667 share = \$439.79 **(Drought Indemnity)**

Step 2

Calculate maximum amount payable for fire.

Loss from fire - 11.6 X 41.9 = 486.0 X \$3.77 (Fair Market Value) =	\$1832.22
Paid by other insurer (for unit)	<u>== -2229.00</u>
Amount payable for fire	\$0.00

Step 3

Enter 41.9 bushels per acre (486.0 ÷ 11.6 acres) in the column for uninsured causes (column M) of the Production Worksheet on the line for the 11.6 unharvested acres.

Explain in the narrative of the claim that the line showing the uninsured cause appraisal is due to double-fire coverage and to see attached for calculations and explanations.

EXAMPLE 4 - CLAIM CALCULATION WHEN THERE IS ANOTHER CAUSE OF LOSS BESIDES FIRE AND THE LOSS FROM FIRE EXCEEDS THE AMOUNT PAID BY OTHER INSURER.

Using EXAMPLE 3 and assuming total amount for unit paid by other insurer to be \$1487.

Step 1

Same as step 1 in EXAMPLE 3 to arrive at the indemnity payable for drought.

Step 2

Calculate maximum amount payable for fire.

Loss from fire 11.6 X 41.9 = 486.0 X \$3.77 (Fair Market Value)	=	\$1832.22
Paid by other insurer (for unit)	=	<u>-\$1487.00</u>
		\$ 345.22
		(FIRE INDEM.)

\$ 439.79 payable for drought (from Example 3, step 1)		
+ \$ 345.22 payable for fire		
\$ 785.01 total indemnity		

Step 3

Calculate amount of production to be entered on the Production Worksheet (claim form).
(Work backward from the total indemnity payable).

$\$785.01 \text{ (total indemnity)} \div .667 \text{ share} = \$1176.93 \div \$2.60 \text{ (price election)} = 452.7 \text{ commodity loss}$

<p>(a) 11941.2 (guarantee)</p> <p style="padding-left: 20px;"><u>- 452.7</u> (commodity loss)</p> <p style="padding-left: 20px;">11488.5 (production to count)</p>	<p>(b) 11488.5 (production to count)</p> <p style="padding-left: 20px;"><u>-11201.6</u> (actual harvested sold production)</p> <p style="padding-left: 20px;">286.9 (production to count for the 11.6 unharvested acres 286.9 ÷ 11.6 = 24.7 bu. per acre X 11.6 acres will equal 286.5 PTC instead of 286.9)</p>
<p>(c) 11941.2 (guarantee)</p> <p style="padding-left: 20px;"><u>- 11488.5</u> (production to count)</p> <p style="padding-left: 20px;">452.7 (bu. commodity loss)</p>	

Step 4

In Section I, column J of the Production Worksheet, on the line for the unharvested 11.6 acres, enter 24.7 (the per acre bu. appraisal for the 11.6 unharvested acres- refer to Step 3 (b)). In section II, column I of the Production Worksheet, the actual harvested sold production of 11201.6 bu would be entered.

Total production to count = 11488.1 (11201.6 + 286.5)

11941.2 (guarantee) - 11488.1 = 453.1 bu. commodity loss

(Because of rounding the commodity loss may not always come out exactly the same as product shown in Step 3 (c)).

EXAMPLE 4 - Step 4 (Continued)

453.1 (commodity loss) X \$2.60 (price election) X .667 (share) = \$785.77 total indemnity (rounded to nearest dollar)

Explain in the narrative of the claim that the line showing the uninsured cause appraisal is due to double-fire coverage, and to see attached for calculations and explanations.

126 COMMINGLED PRODUCTION

This procedure applies to commingled production in storage structures or conveyances used to transport the harvest production. It also applies to sold production shown on settlement sheets that has not been or cannot be separated by unit.

A Different Types of Commingled Production

- (1) Harvested production from insured acreage commingled with harvested production from uninsured acreage;
- (2) Harvested production from two or more units is commingled;
- (3) Harvested production from more than one crop year is commingled; or
- (4) Harvested production from two or more practices/types within the same unit that have separate APH yields is commingled.

B Separated Commingled Production

If insurance provider's authorization has been provided to the insured to separate commingled production stored within the same storage structure or within the same truck load (or other conveyance) in accordance with PAR. 105, and the insured has satisfactorily complied with the instructions in PAR. 105 for separating the production, the following procedures do not apply.

C Unsatisfactory Records or No Records

When subparagraph B above does not apply and the insured does not have satisfactory records or no records are available, handle as instructed below:

(Satisfactory records would include weighed production as detailed in PAR. 104 and records of each weighed load of production sold or commercially stored, identified by unit.)

- (1) **Production from insured and uninsured acreage.** Prepare the claim to show all production as being from the insured acreage. In the narrative section, explain that the reported production is commingled production from insured and uninsured acreage.
- (2) **Production from current and prior crop year.** Prepare the claim to show all production as being from the current crop year acreage. In the narrative section of the claim explain that the reported production is commingled from current crop year and prior crop year production.

(3) **Production from acreage of a reported unit and from acreage of an unreported unit.** If it is determined that the unreported unit and the reported units were optional units, then allocate the amount of production from the commingled reported unit and unreported unit in accordance with (5) below. Once the amount of production for the unreported unit has been determined, follow the procedures for allocating the harvested allocated production from the unreported unit to the reported units, as stated in PAR. 127 below.

(4) **Production from two or more optional units.** If production from two or more separate optional units is commingled, such commingling renders any such unit determination void. Any remaining optional units that were not commingled will retain their optional unit structure.

(a) Determine which optional units were commingled. If there were other optional units that were not commingled, combine only the commingled optional units into one optional unit. If ALL optional units were commingled, combine all optional units into applicable basic unit structure(s).

(b) The approved APH yields for each commingled unit are retained for the current crop year but will be processed on the acreage report and claim form (Production Worksheet) under one unit. The claim form will be prepared with separate lines representing the guarantees based on the approved yields for each of the units commingled.

(c) The CIH outlines the eligibility of commingled optional units for the next crop year.

(d) The revised APH form and revised acreage report must be approved or rejected by the insurance provider's approving official for these forms.

(5) **Commingled harvested production from basic units and or from different policies/counties.** The total commingled production will be allocated to each basic unit in proportion to the liability (do not include share) for the harvested insured acreage of the commingled units. Prepare separate claims for each basic unit that has been commingled. This may involve more than one policy; e.g., basic units from two different policies (policy for each county or policy for the landlord and tenant). Liability is hereafter called dollar coverage or coverage (cov.).

(a) Use the following formula to allocate production to each commingled basic unit in proportion to the dollar liability for the harvested insured acreage:

1 For each basic unit, multiply the per-acre dollar coverage for the insured acreage X the number of harvested acres = unit dollar coverage for harvested acres (U Coverage.) (Refer to (b) below for dollar coverage calculation instructions.

2 Total the unit coverages for only harvested acreage from all commingled units to obtain the Total Commingled Unit Coverage (TCU Cov. for only harvested acres from all commingled units).

3 Divide the unit coverages for only the harvested acres by the TCU Cov. for only the harvested acres from all commingled units to obtain the Commingled Production (CP) Factor (four-place factor).

- 4 For each commingled unit: multiply the total harvested production (insured's and share holder's share) from all commingled units times the CP Factor to obtain the apportioned production for each commingled basic unit.

(b) Determine Per-acre Dollar Coverage, as follows:

- 1 For APH crops with insurance plan codes of 30 and 90: Alfalfa seed, almonds, avocados (FL), barley, canola, corn, cotton (AUP and ELS), cranberries, cultivated wild rice, dry beans, dry peas, flax, forage production, grain sorghum, millet, mint, mustard, oats, peaches, peanuts, popcorn, potatoes, rice, rye, safflowers, soybeans, sugar beets, sugarcane, sunflowers, sweet corn (C&F), sweet potatoes, tobacco (GP), FM tomatoes, canning & processing tomatoes, and wheat:
- a Approved APH yield X insured's coverage level X (if certified seed potatoes with 125% acreage limitation or sweet potatoes with the 110T acreage limitation take the preceding result X Yield Conversion Factor.) = Per-acre Guarantee.
- b Per-acre guarantee (X Guarantee Reduction Factor, if acreage late planted) X price election = Per-acre Coverage
- 2 For APH crops with insurance plan codes of 84 and 86: apples, blueberries, cabbage, citrus fruit (AZ, CA, TX), dry beans, dry peas, figs, forage production, grapes, green peas, macadamia nuts, onions, peaches, pears, plums, potatoes, processing beans, prunes, stonefruit, table grapes, and walnuts:
- a Yield X insured's coverage level X Option Historical Packout Factor (X Guarantee Reduction Factor, if acreage late planted) = Per-Acre Guarantee (all listed crops except cabbage and potatoes (certified seed)).
- b For cabbage (except processing) and potatoes (certified seed) with the 125 % acreage limitations:
- Yield X insured's coverage level X Yield Conversion Factor = Per -Acre Guarantee.
- c Per-acre guarantee X insured's price election = Per-acre Coverage.
- 3 For crops having dollar plan of insurance (plan code 50): Florida citrus, peppers, raisins, fresh market beans, fresh market sweet corn, fresh market tomatoes, winter squash:
- a The Reference Maximum Amount from the actuarial documents X the insured's coverage level (X the insured's elected price election factor for Florida Citrus only) = the Per-acre Dollar Amount of Insurance.

b Per-acre Dollar Amount of Insurance X price election = Per-acre Coverage.

4 For crops having Fixed dollar amount of insurance (insurance plan code 51): Chile peppers, strawberries, processing cucumbers, citrus, cherries, raspberries/blackberries:

a Actuarial document dollar amount X Guarantee Reduction Factor = Per-acre Dollar Amount of Insurance

b Per-acre Dollar Amount of Insurance = Per-acre Coverage.

5 For Dollar Amount of Insurance (Insurance plan code 46) California Avocados:

a Farmer Approved Average Revenue X insured's coverage level = Per-acre Dollar amount of Insurance.

b Per-acre Dollar Amount of Insurance = Per-acre Coverage.

6 For Dollar Amount of Insurance (insurance plan code 41) pecans:

a Yield X insured's elected coverage level = Per-acre Dollar Amount of Insurance.

b Per-acre Dollar Amount of Insurance = Per-acre Coverage.

7 For crops having Yield Base Dollar Amount of Insurance (insurance plan code 55) hybrid seed corn and hybrid seed sorghum.

a County Yield from FCI-35 X insured coverage level – minimum payment (in bushels) = Yield.

b Yield X insured's elected price election (if late planted, X Guarantee Reduction Factor due to late planting) = Dollar per-acre Guarantee.

c Dollar per-acre Guarantee per acre = Per-acre Coverage.

8 For crops having GRP (insurance plan code 12) and GRIP (insurance plan code 73):

a Must be $\geq 60\%$ of the Maximum Protection per Acre and $\leq 100\%$ of the Maximum Protection per Acre = Dollar Per-Acre Guarantee.

b Dollar Per-Acre Guarantee = Per-acre Coverage.

9 For Burley Tobacco (insurance plan code 70):

a Approved yield X insured's coverage level = Guarantee Per-acre.

b Guarantee Per-acre (X Guarantee Reduction Factor if acreage is late planted) X insured's price election = Per-acre Coverage.

10 For Income Protection (insurance plan code 42) and Indexed Income Protection (insurance plan code 45) crops:

a Approved APH Yield X insured's coverage level percent) X insured's price election (X Guarantee Reduction Factor, if acreage is late planted) = Per-acre Dollar Amount of Insurance.

b Per-acre Dollar Amount of Insurance = Per-acre Coverage.

11 For Revenue Assurance (insurance plan code 25) crops:

a Guarantee Per-acre (X Guarantee Reduction Factor if acreage late planted) = Per-acre Dollar Amount of Insurance.

b Per-acre Dollar Amount of Insurance = Per-acre Coverage.

12 For Crop Revenue Coverage (plan code 44) crops:

a Approved APH Yield X insured's coverage level (X Guarantee Reduction Factor if acreage late planted) = Per-acre Guarantee.

b Per-acre Guarantee X insured's price election (base price) = Per-acre Coverage.

EXAMPLE OF COMMINGLED PRODUCTION FROM THREE BASIC UNITS FROM DIFFERENT POLICIES

Step 1: Unit 00100: 10.0 harvested acres X 69.0 bu. (harvest guarantee) X \$2.00 (PE) = \$1380 (Line Cov.)

15.0 harvested acres X 78.0 (harvest Guar.) X \$2.00 (PE) = \$2340. (Line Cov.)

\$1380 (Line Cov.) + \$2340 (Line Cov.) = \$3720 (U Cov. for only the harvested acres in the unit)

Unit 00200: 20.0 acres harvested X 104.0 bu. (harvest Guar.) X \$2.00 (PE) = \$4160 (U Cov. for only the harvested acres in the unit)

Unit 00300: 25.0 harvested acres X 96.0 bu. (harvest Guar.) = X
\$2.00 (PE) = \$4800 (U Cov. for only the harvested acres
in the unit)

Step 2: \$3720 (00100 U Cov.) + \$4160 (00200 U Cov.) + \$4800 (00300 U
Cov.) = \$12,680 (TCU Cov. for only the harvested acres from all
commingled units.)

Step 3: Unit 00100: \$3720 (U Cov. for only the harvested acres in the unit) ÷
\$12,680 (TCU Cov. for only the harvested acres from all commingled
units) = .2934 (CP Factor)

Unit 00200: \$4160 (U Cov. for only the harvested acres in the unit) ÷
\$12,680 (TCU Cov. for only the harvested acres from all commingled
units) = .3281 (CP Factor)

Unit 00300: \$4800 (U Cov. for only the harvested acres in the unit) ÷
\$12,680 (TCU Cov. for only the harvested acres from all commingled
units) = .3785 (CP Factor)

Step 4: Unit 00100: 5000.0 bu. (TOTAL of only harvested Prod. from all
commingled units) X .2934 (CP Factor)
= 1467.0 bu. to be allocated to unit 00100.

Unit 00200: 5000.0 bu. (TOTAL of only harvested Prod. from all
commingled units) X .3281 (CP Factor)
= 1640.5 bu. to be allocated to unit 00200.

Unit 00300: 5000.0 bu. (TOTAL of only harvested Prod. from all
commingled units) X .3785 (CP Factor)
= 1892.5 bu. to be allocated to unit 00300.

(c) Completing the Claim Form for Basic Units that Are Commingled

- 1 Enter "Commingled Production" in the heading.
- 2 Prepare Parts I and II in the usual manner, except for farm-stored production; enter the allocated gross production for the unit in the column for gross production.
- 3 Enter the following in the narrative of each commingled unit claim or on a Special Report attached to the claim form:
 - a Total the harvested production from all commingled basic units and the calculations used to arrive at the allocated production for each commingled unit.
 - b Explain the reasons given by the insured for the commingling of production.

(6) Commingled production from different practices/types having separate APH yields within a unit: Prorate commingled production which cannot be separated with satisfactory records to each practice/type in proportion to the liability on the harvested acreage for each practice/type. (Separate line entries are required on the claim form in the harvest production part of the claim. (See applicable crop handbook.) **Refer to example below for formula to prorate production in proportion to the unit liability.**

(a) EXAMPLE: Unit 00100 having practices with different APHs

Step 1: LINE 1: 10 acres of harvested production (003 dryland practice) X 45.0 bu. (harvest Guar.) = 450.0 bu. (line guarantee (Line Guar.))

LINE 2: 15.0 acres of harvested production (002 irrigated practice) X 80.0 bu. (harvest guarantee) = 1,200.0 bu. (Line Guar.)

Step 2: 450.0 bu. (Line 1 Guar.) + 1200.0 bu. (Line 2 Guar.) = 1650.0 bu. unit guarantee (U Guar. for the harvested production from more than one practice having different APHs commingled for the unit)

Step 3: 450.0 bu. (Line 1 Guar.) ÷ 1650.0 bu. (U Guar. for the harvested production from more than one practice having different APHs commingled for the unit) = .2727 Commingled Production (CP) Factor.

1200.0 bu. (Line 2 Guar.) ÷ 1650.0 bu. (U Guar. for the harvested production from more than one practice having different APHs commingled for the unit) = .7273 CP Factor.

Step 4 1500.0 bu. (TOTAL the harvested production for practices commingled) X .2727 (Line 1 CP factor) = 409.0 harvested bu. to be allocated for line 1 (003 dryland practice).

1500.0 (TOTAL harvested prod.) X .7273 (Line 2 CP factor) = 1091.0 harvested bu. to be allocated for line 2 (002 irrigated practice).

(b) Enter the allocated production from the different practices/types in Part II of the claim form as instructed in the individual crop handbooks.

(c) Show all calculations on a Special Report and attach to the claim form.

(7) Production from the landlord's and tenant's share of the crop unit that is stored in the same structure is not considered commingled production. Refer to PAR. 84 C.

127 UNREPORTED UNITS

A General Instructions

(1) If the insured fails to report **all units** (acreage that could have been established as a separate unit), the insured's share of production from the acreage in the

unreported unit will be allocated to the acreage in the REPORTED unit(s) in proportion to the liability (do not include share) on the insured acreage on each reported unit.

- (2) If an insured reports zero acres for a unit and it is determined that there are insurable acres, it will be considered to be an unreported unit. If an insured reports uninsured acreage on the acreage report that is determined to have been a unit of insurable acreage, the unreported unit procedure will apply.
- (3) No production from unreported units will be allocated to prevented planting acreage or otherwise affect any prevented planting payment. The calculation examples in subparagraph D below show how the production is proportioned to the liability. No premium will be charged for the acreage on the unreported unit(s).
- (4) Production from the unreported unit(s) is allocated to reported units of the same crop in the SAME county, unless the "county" definition in the policy/endorsement or a written agreement specifies otherwise.
- (5) Production from the unreported unit(s) can only be established from harvested and/or appraised production. If no production has been harvested and/or appraised from an unreported insurable unit and this unit is destroyed prior to the adjuster's knowledge of its existence, potential production cannot be assessed for this unreported unit. At the time an unreported unit is discovered, appraise unreported unit acreage any time it is suspected or known that the crop will not be harvested or production will be harvested and stored in such a manner that such production cannot be established at a later date.

B Inform the Insured

Advise the insured that production from the unreported unit WILL NOT be counted for APH purposes for the reported unit even though it will be apportioned to it; however, the unreported unit production will be counted for APH purposes for the unreported unit.

C When Claim Can Be Finalized. Claims CANNOT be finalized until the production (preferably harvested rather than appraised) from unreported units is established for allocation.

D Calculation Instructions

Calculate the production from the unreported acreage unit, as follows:

- (1) If only one unit is reported, the insured's share of the production from the unreported unit divided by the insured's share of the reported unit will be the amount allocated to the reported unit.

Example: An unreported unit consisting of 50 acres with 1500.0 bushels of harvested production was found when completing a final loss inspection. It was determined that the insured had a 50 percent share in the unreported unit. The insured's share in the reported unit was 75 percent.

Step 1 - $1500.0 \text{ bu.} \times .500 = 750.0 \text{ bu.}$ share of unreported unit.

Step 2 - $750.0 \text{ bu. (insured's production share of unreported unit)} \div .750 \text{ (share percent of reported unit)} = 1000.0 \text{ bu. to be allocated to the reported unit.}$

*** Although the allocated production to the reported unit was increased in this example, it will be reduced to the correct share of production (750.0 bushels) when the indemnity amount is multiplied by the reported unit share (.750).

- (2) If more than one unit was reported, calculate the allocation of production from the unreported unit to each reported unit in proportion to the liability on the insured acreage as follows (liability as stated in (1) above is called coverage.):
- (a) For each reported unit, calculate the coverage for the insured acreage (insured acres X per-acre guarantee X price election (PE) = Unit Cov.).
 - (b) Total the unit coverage for the insured acreage on all reported units to obtain the contract Cov.
 - (c) Divide the Unit Cov. by the contract Cov. to obtain the unit liability factor (four-place factor).
 - (d) Multiply the insured's share of unreported unit(s) production by the Unit Cov. Factor and divide the result by the share on the reported unit to obtain the apportioned unreported production for each reported unit.

Example: Unreported acreage of 200.0 acres with 6000.0 bushels of harvested production was found when completing a final loss inspection. It was determined that the insured had a 50% share in this acreage. The insured's share of production to be allocated would be 3000.0 bu. Unit 00101 had 140.0 insured acres; unit 00102 had 100.0 insured acres; and unit 00200 had 200.0 insured acres.

Step 1: Unit 00101: $140.0 \text{ acres} \times 30.4 \text{ bu. guarantee} \times \$2.00 \text{ (PE)} = \$8512 \text{ Unit Cov. for unit 00101}$

Unit 00102: $100.0 \text{ acres} \times 22.2 \text{ bu. guarantee} \times \$2.00 \text{ (PE)} = \$4440 \text{ Unit Cov. for unit 00102}$

Unit 00200: $200.0 \text{ acres} \times 24.8 \text{ bu. guarantee} \times \$2.00 \text{ (PE)} = \$9920 \text{ Unit Cov. for unit 00200}$

Step 2:	Unit 00101 Cov.	\$8512
	Unit 00102 Cov.	\$4440
	Unit 00200 Cov.	+ \$9920
	Contract Cov.	\$22872

Step 3: $\$8512 \div \$22872 = .3722$ unit 00101 Coverage Factor
 $\$4440 \div \$22872 = .1941$ unit 00102 Coverage Factor
 $\$9920 \div \$22872 = .4337$ unit 00200 Coverage Factor

Step 4: $3000.0 \text{ bu.} = \text{insured's share from the unreported unit}$
 $(6000.0 \times .500 = 3000.0)$

$3000.0 \text{ bu.} \times .3722 = 1116.6 \div 1.000 = 1116.6 \text{ bu to be allocated to unit 00101}$

3000.0 bu. X .1941 = 582.3 ÷ 1.000 = 582.3 bu to be allocated to unit 00102

3000.0 bu. X .4337 = 1301.1 ÷ .500 = 2602.2 bu to be allocated to unit 00200

*** The allocated production for unit 00200 was increased to 2602.2 because it will be reduced to the correct share of production (1301.1) when the indemnity amount is multiplied by the reported unit share (.500).

E Entering Allocated Production from Unreported Unit(s) on the Claim Form

- (1) For Claims Having a Harvested (H) Stage and/or (P) (Destroyed without Consent) Stage:

Enter the apportioned production on a separate line in the "Bu. Lbs. Cwt. or Tons" column. Identify this line as such by entering the words "Unreported Unit Production" in the "Length" and "Width, Depth, and Deduction" columns. If production is stored on the farm, enter net production in the "Bu. Lbs. Cwt. or Tons" column. Refer to (3) below for documentation requirements.

- (2) For Claims Having ONLY an Unharvested (UH) Stage:

In the "Uninsured Causes" column, using only one line, enter a per-acre amount of production (total allocated production ÷ number of acres for the line) that will equal the total allocated production or come as close as possible to the total allocated production without exceeding it when the per-acre amount is multiplied by the acres on that line. If possible, choose a line that does not have an actual uninsured-cause appraisal in the "Uninsured Causes" column. However, if you must use a line that will have an actual uninsured-cause appraisal in the "Uninsured Causes" column, add the per-acre amount of production calculated for the allocated production to the uninsured-cause appraisal. Refer to (3) below for documentation requirements.

EXAMPLE: On the claim form, the line selected to make the entry in the "Uninsured Causes" column showed 50.3 acres in the "Final Acres" column. $743.7 \text{ acres} \div 50.3 \text{ (Total Allocated Production)} = 14.785$. This would be entered as 14.7 in the "Uninsured Causes" column) rather than 14.8 since $14.8 \times 50.3 = 744.4$ bushels, which would exceed 743.7 bushels (the total allocated production).

- (3) Document the following in the narrative of the claim or on a Special Report: (If a Special Report is used, attach a copy to each claim.)
- (a) Actual production from the reported and unreported units. Identify the location of the unreported unit by legal description and field I.D. number;
 - (b) The calculations used to arrive at the production allocated to the reported unit(s); and
 - (c) If the "Uninsured Causes" column has been used for the unreported-unit production, identify which line was used; e.g., line 2. Also, if any actual uninsured-cause appraisal has been included with the allocated production in the "Uninsured Causes" column, separately identify the amount of each.

128 CLAIMS INVOLVING SEVERE INSECT, DISEASE, OR WEED INFESTATION

A General Information

- (1) The first crop year damage resulting from severe insect, disease, or weed infestations (such as cheat grass) will generally be considered unavoidable if the insured was unaware of the conditions at planting time. However, if it is determined that the insured was (or should have been) aware of the infestation at planting time or later but did not follow appropriate recognized good farming practices, some or all of the loss will be considered an avoidable (uninsured) cause of loss. Failure to follow good farming practices might include not following recommended crop rotation or soil treatment practices, or not planting disease-resistant varieties. When the first crop year damage is considered unavoidable:
- (2) Unless otherwise stated in the crop provisions or Special provisions (e.g., Florida Fruit Trees), disease is not an insured cause of loss when the sole loss of production is due to the required destruction of the diseased crop (or, if applicable tree) by a Federal or State quarantine; i.e., the per-acre guarantee prior to required destruction is above the insurance guarantee. Refer to PAR. 121 Q (3).

B Inform Insured. Advise the insured that some or all of the damage due to the same cause in subsequent years on the same acreage will be considered avoidable (uninsured) unless recognized good farming practices have been followed. Suggest that the insured contact the local county extension office to obtain their recommendations for treating and eradicating the infestation.

C Documentation. Record the details of the case and identify the cause and name of weed, disease, or other pest in the narrative section of the claim or on a Special Report.

D Documenting Location of Infected Fields. Identify the infested field(s) on an aerial photomap and the claim or on a Special Report.

E Appraisal. Appraise and record loss of production from avoidable causes according to applicable procedure (Refer to PAR. 121).

129 AIRPLANE- OR BROADCAST-SEEDED BARLEY, OATS, RYE, OR WHEAT

A General Information. Insurance generally attaches at the time of seeding. The General Crop Insurance Policy or Basic Provisions provide that the contract will not cover any loss of production due to failure to follow recognized good farming practices.

B Protection for Airplane- or Broadcast-Seeded Barley, Oats, Rye, or Wheat

- (1) Most Special Provisions for most small grain crops state the following: Any fall planted acreage on which seed is spread onto the soil surface by any method (e.g., airplane or otherwise broadcast seeded) and is subsequently mechanically incorporated into the soil, will be insurable ONLY IF the insured requests insurance for the acreage within 72 hours after the final planting date or within 72 hours after the insured completed incorporating the seed in the late planting period, and the insurance provider agrees in writing that the acreage has an adequate stand to produce the yield used to determine the insured's production guarantee. Insurance will attach to such acreage on the date the insurance provider determines an adequate stand exists.

- (2) PAR. 137 C (3) provides instructions for when the insured is prevented from mechanically incorporating the seed due to an insured cause of loss. Mechanical incorporation is required unless excepted by the county actuarial documents.
- (3) All other insurability provisions of the contract are met.

This subparagraph is not applicable to an air seeder implement that applies the seed to the soil surface and incorporates it into rows in a single operation. Application of seed with an air seeder implement is considered planted and insurance would attach at that time.

C Improperly Prepared Seedbed

Failure to properly prepare the seed bed will be considered failure to follow recognized good farming practices, and when it results in a loss of potential production, it will necessitate an appraisal for uninsured causes on any subsequent claim.

D If Seed Not Mechanically Incorporated

If the insured did not mechanically incorporate (and lack of incorporation was not due to an insured cause of loss) the barley, oats, rye, or wheat seed into the soil and mechanical incorporation is not excepted in the county actuarial document, show such acreage in the "Remarks" section of the acreage report as uninsured. If the original acreage report showed such acreage as insurable acreage, prepare a revised acreage report to delete such acreage.

130 SEVERE WIND EROSION

A General Guidance

(1) As a recognized good farming practice, insureds may need to carry out emergency tillage to control wind erosion in order to conserve the soil and minimize further damage to the insured crop. Such emergency tillage usually begins in strips, but under extreme conditions may progress to the point of solid tillage. Implements used for this purpose vary, although a chisel plow is preferred in many areas. Appraisals are NOT TO BE CHARGED as production to count for acreage tilled to control severe soil erosion when the insurance provider can document that such tillage was necessary.

(2) This procedure applies to the ACTUAL acreage of the crop being physically destroyed by the tillage process; i.e., this would not apply to acreage between tilled rows.

(3) Apply the following procedures when the crop is to be tilled to control severe wind erosion.

B Specific Instructions

(1) Replanting Payment Provisions

Crops WITH policy or endorsement provisions for replanting payments will be subject to their particular rules and regulations, including the requirement that the insurance provider must have the opportunity to inspect the acreage prior to destruction to determine eligibility for a replanting payment. Representative areas of the crop are to remain intact for appraisal purposes to verify the eligibility of the acreage for a replanting payment. This requirement can be waived by the

insurance provider ONLY under extremely unusual conditions that necessitate solid-tilling prior to appraisal opportunity. Also refer to PAR.'s 64 and 65 or additional replanting information.

(2) Insureds' Notification Requirements

IN ALL CASES, insureds are to notify their insurance provider immediately of their intention to till acreage for the purpose of controlling soil erosion. If the urgency to till is such that insurance provider notification is impossible prior to such action, the efforts of the insured to provide immediate notification of the tillage undertaken will be considered in determining the insured's compliance with this requirement.

- (a) 25 percent or less. If the insured intends to till 25 percent or less of the field or subfield, (accumulative rather than single event) the insured can immediately begin tilling upon notifying the agent of such intentions.
- (b) More than 25 percent. If the insured intends to till more than 25 percent of a field or subfield, or finds that after tilling is started, more than 25 percent of a field or subfield needs to be tilled, the insurance provider must be notified immediately so that such acreage can be inspected prior to tilling. The insurance provider may waive this requirement for inspection prior to tilling ONLY under extremely unusual conditions that necessitate tilling prior to inspection opportunity; however, the insurance provider will make every attempt to give such cases priority attention to inspect the field(s) prior to solid tillage completion.

(3) Documentation of inspections

- (a) Upon the receipt of notices involving tillage of more than 25% of the acreage in a field or subfield, adjusters are to make on-the-farm inspections as soon as possible. The insurance provider has the authority to expand this inspection requirement to include notices under 25 percent or to include all notices; i.e., 100 percent of notices inspected. For each inspection, document on a Special Report, the following:
 - 1 The need for emergency tillage (to the extent tilled).
 - 2 The amount and percent of acreage ACTUALLY tilled or to be ACTUALLY tilled in each field or subfield.
 - 3 Whether the crop was ever initially planted.
 - 4 Any uninsured causes.
 - 5 A statement of the crop stand and condition (prior to tillage) as good, fair, poor, very poor, or destroyed.
 - 6 General weather and moisture conditions.
 - 7 Variability of crop within the subfield, field, and unit.
 - 8 Other pertinent information needed to make future determination of any loss.

- (b) If you have any reason to doubt the need for emergency tillage to the extent tilled (or to be tilled), then:
 - 1 Prepare a crop appraisal; and
 - 2 Support your documentation with recommendations from agricultural experts. Refer to Exhibit 1 for the definition of agricultural experts.

131 CORRECTED CLAIMS

A General Information

(1) Once a claim is processed, the claim cannot be corrected unless:

- (a) One or more entries on the claim form is incorrect due to an incorrect factor, an incorrect appraisal amount due to an error in calculating the appraisal on the appraisal worksheet (e.g., an incorrect factor was used or error in calculation), an incorrect measurement of a storage structure that can be verified to be incorrect, the insured failed to report all of the production from the unit, not all of stated production was accounted for, etc.
- (b) Entries of information that affect the indemnity were erroneously omitted; e.g., excess moisture percentage.
- (c) A decision from an arbitration, appeal, or administrative review requires a corrected claim.
- (d) Part or all of the claim is settled on appraised production and the insured later harvests the appraised production. Depending on the circumstances, the claim may or may not be corrected. Refer to PAR. 67 K for details; or

→**ONLY for crops/counties with a 2005 crop year CCD of 8/31/2004, or later:**

- (e) Misreported information exceeded the 10% tolerance for over or under-reported liability that would affect an indemnity, prevented planting payment, or replant payment that was paid in a prior crop year. Refer to PAR. 21 C for information in misreported information tolerances.

ONLY for crops/counties with a 2005 crop year CCD of 8/31/2004, or later←

(2) Corrected claims cannot be made solely because the insured subsequently sells more production than was determined from measurements of production in a storage structure(s) at the time of final settlement of the claim, unless the dimensions of the structure or obstacle deductions (studs, vents, etc.) or other details or circumstances can be verified to be in error.

- (3) Reprocessing claim information along with the proper codes to reduce or restore an indemnity or prevented planting payment due to first and second crop acreage is not considered a corrected claim for the purpose of this paragraph. This type of administrative action does not require a (claim) Production Worksheet to be completed. However, the claim information is processed through DAS with the proper codes to reduce or restore the indemnity or prevented planting payment, as applicable. Documentation of why the indemnity or preventing planting payment was required must be kept in the insured's loss file.

B When to Prepare

Prepare a corrected claim **only when you are authorized by your insurance provider** to do so, and in accordance with the following tolerances below. (For types of corrected claims for which dollar tolerance apply, insurance providers are not required to correct claims that are below the dollar tolerances but they may if they wish to do so.) There is no time limit for when a corrected claim can be prepared. Even though the reason for the corrected claim is not discovered until the subsequent crop year(s), the corrected claim will be prepared if it is to be corrected in accordance with the procedures in PAR. 131.

- (1) There are no dollar tolerances for preparing corrected claims due to items A (1) (c) above.
- (2) When errors as stated in subparagraph A (1) (a), (b), (d) or (e) are discovered, a corrected claim will be prepared if the underpayment or overpayment is in excess of the FCIC-approved tolerance (\$250). This tolerance applies on a policyholder basis. The results of a review on multiple policies held by a single policyholder within a county will be combined to determine the applicability of the tolerance.

C Labeling Claim as "Corrected Claim." Write "CORRECTED CLAIM" in the heading on all copies of the claim and prepare it in accordance to the applicable crop handbook.

D Documentation

Document on a Special Report why the corrected claim was prepared. The insured and adjuster shall sign all documents prepared. If the insured refuses to sign, document the reason for the refusal on a Special Report. Submit the corrected claim and Special Report to the person or office designated by the insurance provider. Document on the Special Report at least the following:

- (1) The circumstance(s) which resulted in erroneous data (production, acreage, share, etc.) on the original claim.
- (2) Insured's explanation for reporting incorrectly.
- (3) The name of the person finding the error and the manner used to establish the correct information. Determine if the insured was deliberately withholding or concealing production or other information.
- (4) Calculations of indemnity from original and corrected claim in narrative or on a Special Report. Include documentation of contract indemnity to show that the corrected claim was prepared in accordance to the FCIC approved tolerances for a policyholder within a county.
- (5) All other pertinent information.

132 DOCUMENTING DEATH OR INCOMPETENCY OF AN INSURED

A After Insurance Coverage Begins

If insured is deceased or judicially declared incompetent after the beginning of the insurance period for any insured crop, transmit the claim form to the next level of supervision with an attached Special Report showing the following:

- (1) Date of death or declaration of incompetency.
- (2) Name, mailing address and capacity of person entitled to indemnities.

B Before Insurance Coverage Begins

If death or incompetency occurred before timely planting any insured crop, the contract terminates. Check the possibility of an application for a successor contract. For crops that were already planted at the time of the insured's death, the contract will remain in force for the crop year for those crops, and those crops will terminate the next crop year.

133 BANKRUPTCY

A General Information

It is important that the insurance provider be notified promptly when an insured has filed for bankruptcy or is in bankruptcy.

B Adjuster Responsibilities

If the adjuster first gains knowledge of the insured filing or being in bankruptcy during a loss adjustment inspection, the adjuster will obtain the following information and promptly relay to the insurance provider.

- (1) Insured's Name,
- (2) Contract Number,
- (3) Insured's Social Security or TAX I.D. Number,
- (4) If possible, the bankruptcy number assigned by the court, and
- (5) If possible, the court or district court in which the bankruptcy has been filed.

C Loss Inspection. The adjuster will complete the loss inspection in its entirety, and will attach a Special Report with the information stated in B above.

134 MODIFICATION OF REQUIREMENT TO DESTROY CROP BEFORE INDEMNIFICATION

A General Information

When crops are planted in low-level soil moisture that continues to stay low, it often results in extremely poor germination of the crop with very little or no survival of what did germinate. When areas of the country that are subject to wind erosion experience this situation, it is unlikely that producers in those areas can establish any cover crop to keep the topsoil from blowing. To deter wind erosion in these areas, the county NRCS, soil specialists from the local CES, etc., may recommend that the existing soil surfaces **NOT** be disced, plowed, etc., in order to preserve existing soil surfaces and existing plants and plant residue.

B Modification of Requirement to Destroy Crop Before Indemnification

- (1) If conditions exist as described in subparagraph A above and the county NRCS, County Food & Agriculture Council, and/or a soil specialist from the CES recommend that existing soil surfaces, plants and plant residue **NOT** be disturbed

by discing, plowing, etc., in order to deter wind erosion, the insurance provider may authorize finalization of claims prior to destruction of the crop. This authorization is to be used only if the insured certifies that the crop will not be harvested and the acreage will be put to its intended other use when there is sufficient moisture. These procedures apply to immature and mature unharvested crop acreage.

- (2) Obtain the insured's certification that the crop will not be harvested on the Certification Form at the time the claim is signed. Complete the Certification Form as instructed in this handbook, with these exceptions:

Column Names

- | | |
|---|---|
| (a) Intended Use | Enter the insured's intended future use. |
| (b) Actual Use | Enter N/A. |
| (c) Date | Enter N/A. |
| (d) Remarks | Enter "As indicated by the insured's signature below, the insured certifies that the acreage in Unit XXXX WILL NOT be harvested and that the acreage will be put to the use stated in item 11 when there is sufficient soil moisture. The acreage will not be reappraised by the insurance provider." |
| (e) Insured's Signature & Date | Obtain insured's signature and date of signature. (The form should be signed on the same day that the claim is signed.) |
| (f) Accepted or Rejected | Mark "Accepted" or "Rejected," as appropriate. |
| (g) Code No. and Field Person's Signature | Adjuster's signature, code and date of signature. (The form should be signed on the same day that the insured signed the claim.) |

- (3) If this authority is utilized, the insurance provider will monitor the insured's certified disposition of the crop by implementing a random review of not less than 10 percent of such claims after sufficient moisture is received to allow destruction of the crop.

- (4) In the event that it is found that a crop has been harvested from the released acreage and the harvested production is greater than the appraised production, a corrected claim will be prepared using the harvested production if the amount of indemnity will be reduced.

135 CHEMICAL CARRYOVER DUE TO AN EXTENDED ADVERSE WEATHER CONDITION

Although chemical carryover is NOT a named insured peril under the insurance contract, any loss of production caused by chemical carryover resulting from a named peril (extended adverse weather condition; i.e., drought) is covered, provided that the insured followed recognized good farming practices. However, any payments or replacement product value(s) from chemical companies or suppliers as compensation for loss of production must be converted to an uninsured cause of loss appraisal.

- A Calculation. Calculate the uninsured cause appraisal by dividing the payment (or replacement product value) by the insured's price election for the insured crop. Include, as an uninsured cause of loss appraisal, any payments or replacement product values:
- (1) Provided to the insured,
 - (2) Pending,
 - (3) Offered to the insured (even if such offer has been rejected by the insured), and/or
 - (4) For which the insured might be eligible if a claim to the chemical company or supplier had been filed.
- B Documentation. Explain your calculations in the narrative of the claim or on a Special Report.

PART 5 LATE PLANTING COVERAGE

136 GENERAL INFORMATION

This part covers late planting (LP) provisions that are contained in the Basic Provisions. These provisions provide automatic LP coverage, unless the specific crop provisions or Special Provisions specifies otherwise.

137 LATE PLANTING COVERAGE

A General Information

(1) LP Period

For applicable crops planted during the LP period (regardless of the reason for the delayed planting), the per-acre production guarantee for those acres will be reduced as stated in C below, unless otherwise specified in the Special Provisions. The LP period, as specified in the Basic Provisions, is 1-25 days after the final planting date unless specified otherwise in the crop provisions or Special Provisions. (Crop Provisions for millet, guaranteed tobacco, and quota tobacco specify less than 25 days).

(2) After the LP Period

If the insured crop was prevented from being planted, due to an insurable cause, by the final planting date or during the LP period by an insurable cause occurring within the insurance period for PP coverage AND PP provisions are applicable to the insured crop, coverage will be provided for acreage planted to the insured crop after the LP period (or after the final planting date for crops that do not have a LP period). Refer to PAR. 137 C (2) for more information.

B Crops having automatic LP coverage are:

*** Barley 3/, canola/rapeseed, corn, cotton (except no late planting period for ELS cotton), dry beans, dry peas, flax 3/, grain sorghum, green peas 1/, hybrid seed corn, hybrid sorghum seed, millet, oats 3/, onions, peanuts, popcorn 1/, mustard, central and southern potatoes, northern potatoes, processing sweet corn 1/, processing beans 1/, rice, rye 3/, silage sorghum, safflowers, soybeans, sugar beets 2/, sunflower seed, tobacco (Guaranteed Production (GP)), tobacco (Quota (QTA)) and wheat 3/.

1/ Late planting period allowed ONLY if provided in the Special Provisions, and the insured provides written approval from the processor by the acreage reporting date that it will accept the production from the late planted acres when it is expected to be ready for harvest.

2/ LP is not available in California Counties with an April 30 CCD and a July 15 cancellation date.

3/ Late planting period is applicable to small grains, except to any barley or wheat acreage covered under the terms of the Wheat or Barley Winter Coverage Endorsement. In counties having one fall final planting date for acreage covered under the Wheat or Barley Winter Coverage Endorsement and another fall final planting date for acreage not covered under the endorsement, the fall late planting period will begin after the final planting date for acreage NOT covered under the endorsement.

C Guarantee

(1) **Planted within the LP period**

- (a) For all the crops **except millet, GP tobacco, and QTA tobacco** that are listed in subparagraph B above, the per-acre production guarantee or per-acre amount of insurance will be reduced by one (1) percent per day for each day planted after the final planting date, **unless otherwise specified in the Special Provisions.**

*** The per-acre production guarantee is reduced a maximum of 25 percent for planting 25 days after the final planting date.

- (b) For millet:

In accordance with the Millet Crop Provisions the following applies, unless stated otherwise in the Special Provisions:

For the first 10 days after the final planting date, the per-acre production guarantee for those acres will be reduced 1 percent for each day delay in planting.

For the 11th day through the 20th day after the final planting date, the per-acre production guarantee for those acres will be reduced an additional 3 percent for each day delay in planting.

*** The per-acre production guarantee is reduced a maximum of 40 percent for planting 20 days after the final planting date.

- (c) For Guaranteed Production (GP) Tobacco:

In accordance with the GP Tobacco Crop Provisions the following applies, unless stated otherwise in the Special Provisions:

For the first 10 days after the final planting date, the per-acre production guarantee for those acres will be reduced 1 percent for each day delay in planting.

For the 11th day through the 15th day after the final planting date, the per-acre production guarantee for those acres will be reduced an additional 2 percent for each day delay in planting.

*** The per-acre production guarantee is reduced a maximum of 20 percent for planting 15 days after the final planting date.

- (d) For quota tobacco:

In accordance with the Quota Tobacco Crop Provisions the following applies, unless stated otherwise in the Special Provisions:

For the first 10 days after the final planting date, the per-acre farm yield for those acres will be reduced 1 percent for each day delay in planting; however, if enough acreage is planted to fulfill the effective poundage marketing quota, no reduction in insured poundage quota will apply. For the 11th day through the 15th day after the final planting date, the per-acre farm

yield for those acres will be reduced an additional 2 percent for each day delay in planting; however, if enough acreage is planted to fulfill the effective poundage marketing quota, no reduction in insured poundage marketing quota will apply.

*** The per-acre farm yield is reduced a maximum of 20 percent for planting 15 days after the final planting date.

(e) For AUP Cotton:

In lieu of the AUP Cotton Provisions and in accordance with the AUP Cotton Special Provisions, the per-acre production guarantee will be reduced by one (1) percent per day for each day planted after the final planting date, up to a maximum of 15 days.

*** The maximum reduction of the per-acre production is 15 percent for planting 15 days after the final planting date.

(2) **Planted to the insured crop AFTER the LP period (after the final planting date for crops not having a LP period)**

Provided the crop was prevented from being planted, due to an insurable cause, as stated in PAR. 137 A (2) above and PP coverage is available for the crop, the insured may choose to insure such acreage. Insureds must report the date acreage is late planted if they decide to report it as insured acreage. The per-acre production guarantee or per-acre amount of insurance for such acreage will be the same as for the insured's PP guarantee for the insured crop.

EXAMPLE: The insured has 60 percent PP coverage level with a 100 bu. per-acre guarantee for timely planted acres. The guarantee for the LP acres will be 60 bu. (.60 X 100.0).

(3) **The definition of "planted acreage" was not met due to an insurable cause**

For acreage on which an insurable cause of loss prevents completion of planting as specified in the policy definition of "planted acreage" (e.g., seed is broadcast on the soil surface but cannot be incorporated and it would have been insurable had the seed been incorporated), is covered at a reduced guarantee provided that PP coverage is available for the crop. Such acreage will be considered as acreage planted after the final planting date, and the per-acre production guarantee will be the same as the PP guarantee for the crop; e.g., the insured has 60 percent PP coverage level with a 100 bu. per-acre guarantee for timely planted acres. The guarantee for these acres will be 60 bu. (.60 X 100.0).

(4) **Replanted during the late planting period due to an uninsured cause**

If the insured crop is replanted during the late planting period due to the crop being destroyed by an uninsured cause (e.g., chemical damage), no reduction in the guarantee will apply. However, refer to PAR. 65 for additional details.

EXHIBIT 1

DEFINITIONS

Abandonment	Refer to PAR. 79.
Acceptable Determined Acres.	Refer to PAR. 80.
Acreage Report (A/R) or Raisin Tonnage Report	An insurance document required by the Basic Provisions to be submitted by the policyholder used to establish the premium, and amount of coverage for the crop(s) insured by reporting the number of all acres (insurable and not insurable) of the insured crop in the county in which the insured has a share), share percentage, location, practice, type, planting date, (if applicable), and any other information required for the crop.
Acreage Reporting Date	The date contained in the Special Provisions, or as provided in the section entitled "Report of Acreage" contained in the Basic Provisions.
Actual Production History (APH)	An individual crop insurance yield program in which the producer furnishes or certifies acreage and production records to qualify for a production guarantee calculated from a base period. A transitional or FCIC determined yield is used if production records are not available.
Actual Yield	The yield per acre for a crop year calculated from the producer's records and/or claims for indemnities. The actual yield is determined by dividing total production (including harvested and appraised potential production) by planted insurable acreage for annual crops, and by insurable acres for perennial crops (unless production from uninsurable acreage is commingled with production from insurable acreage).
Actuarial	The statistical computation of probable risks and rates according to recorded facts. Includes all related documents.
Actuarial Documents	The material for the crop year which is available for public inspection in the agent's office, and published on RMA's website at http://www.rma.usda.gov/ or a successor website, and which shows available coverage levels, information needed to determine amounts of insurance, premium rates, premium adjustment percentages, practices, particular types or varieties of the insurable crop, insurable acreage, and other related information regarding crop insurance in the county.
Additional Coverage	A level of coverage greater than catastrophic risk protection.
Adjuster	A person under contract with or employed by the insurance provider and who is authorized to perform loss adjustment and related activities. The loss adjuster verifies information affecting the coverage and makes factual determinations regarding the existence or amount of loss under an eligible crop insurance contract. Also known as Loss Adjustment Contractor, Loss Adjuster, or Claims Adjuster.
Administrative Fee	A fee the policyholder must pay each crop year on a per crop and county basis for catastrophic risk protection and additional coverage, as specified in the Basic Provisions and the Catastrophic Risk Protection Endorsement.

EXHIBIT 1

DEFINITIONS

Agent	The individual licensed by the State in which an eligible crop insurance contract is sold and serviced for the reinsurance year, and who is under contract with the reinsured company, or its designee, to sell and service such eligible crop insurance contracts.
Agricultural Commodity	Any crop or other commodity produced, regardless of whether or not it is insurable.
Agricultural Experts	Persons who are employed by the Cooperative State Research, Education and Extension Service, or the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation are related to the specific crop or practice for which such expertise is sought.
Annual Crop	An agricultural commodity that normally must be planted each year.
Another Use, notice of	The written notice required when the insured wishes to put acreage to another use (refer to definition of other use).
Agreement in Writing	An agreement between two or more parties as would be permitted by the Crop Provisions or Special Provisions. For example, the Coarse Grains Crop Provisions provide that via an agreement between a tenant and landlord, the party who incurs the entire cost of the replant can receive a replanting payment based on the total share insured by the insurance provider. Written agreements are different from agreements in writing. Refer to Written Agreement definition.
Application	The form used to apply for multiple peril crop insurance coverage in a specific state and county which identifies the applicant, entity of applicant, crop, endorsements (options) to the crop provisions, types, coverage levels, and price elections selected by the applicant. This form must be completed and filed in the agent's office not later than the sales closing date of the initial insurance year for each crop for which insurance coverage is requested. The insurance provider must accept the application before insurance coverage will commence.
Appraised Production	Production from unharvested acreage determined by the insurance provider that reflects potential production for the crop at the time of appraisal. (Appraised production can also be production assessed (harvested or unharvested acreage) for uninsured causes, destroying or putting acreage to another use without consent, abandoned acreage, or the insured's failure to provide records of production that are acceptable.) Appraisals made for production LOST due to uninsurable causes are not allowed for APH production records.
Appraisal Worksheet	A form used by an adjuster to enter appraisal information such as plant counts, tillers, sample weights, etc., to compute appraisals on unharvested or damaged crop acreage.

EXHIBIT 1

DEFINITIONS

Approved Yield	The actual production history (APH) yield, calculated and approved by the verifier, used to determine the production guarantee by summing the yearly actual, assigned, adjusted or unadjusted transitional yields and dividing the sum by the number of yields contained in the database, which will always contain at least four yields. The database may contain up to 10 consecutive crop years of actual or assigned yields. The approved yield may have yield adjustments as specified in the Basic Provisions, revisions as specified in the Basic Provisions , or other limitations according to FCIC approved procedures.
Area	Land surrounding the insured acreage with geographic characteristics, topography, soil types and climatic conditions similar to the insured acreage.
Area Yield Plan	Refer to GRP.
Assignment of Indemnity	A transfer of policy rights, made on the insurance provider's form, and effective when approved by the insurance provider. It is the arrangement whereby the insured assigns his/her right to an indemnity payment to any party of the insured's choice for the crop year.
Assuming Agent	An insurance provider agent who assumes the contracts that were previously serviced by another insurance provider.
Assuming Company	An insurance provider that assumes the contracts that were previously serviced by another insurance provider.
Authorized Representative	A party that is authorized by the applicant/insured via a properly executed Power of Attorney to represent and sign crop insurance documents for the applicant/insured.
Basic Provisions	The multiple peril crop insurance policy (Common Crop Insurance Policy) that provides basic policy provisions common to all crops. Crop provisions that are specific to the crop are found in the crop provisions or crop endorsements.
Basic Units	Refer to PAR. 55
Beneficiary	The entity determined by the insurance provider to receive indemnity payments, in the event of the death of the original policyholder.
Buffer Zone	A parcel of land, as designated in the insured's organic plan, that separates agricultural commodities grown under organic practices from agricultural commodities grown under non-organic practices, and used to minimize the possibility of unintended contact by prohibited substances or organisms.
Cancellation Date	The calendar date specified in the Crop Provisions on which coverage for the crop will automatically renew unless canceled in writing by either the insured or the insurance provider, or terminated in accordance with the policy terms.

EXHIBIT 1

DEFINITIONS

Carryover Insured	An entity that was insured the previous crop year without respect to the carrier or agent and is determined on crop policy (by county) basis. If the insured had an MPCl, Income Protection, Crop Revenue Coverage, Group Risk Income Protection, Revenue Assurance, or Adjusted Gross Revenue plan of insurance and then switches from one plan to another plan, the insured is still considered a carryover insured.
CAT	Acronym for Catastrophic Risk Protection. It is the minimum level of Federal crop insurance coverage a producer can obtain.
Catastrophic Risk Protection	The minimum level of coverage offered by FCIC that is required before the insured may qualify for certain other USDA program benefits, unless the insured executes a waiver of any eligibility for emergency crop loss assistance in connection with the crop.
Ceding Agent	A reinsured company agent who cedes or transfers a contract (that the agent previously serviced) to another reinsured company agent.
Ceding Company	The reinsured company that cedes or transfers a contract (that the company previously serviced) to another company.
Certification Form	Refer to PAR. 66.
Certified Organic Acreage	Acreage in the certified organic farming operation that has been certified by a certifying agent as conforming to organic standards in accordance with 7 CFR part 205.
Certifying Agent	A private or governmental entity accredited by the USDA Secretary of Agriculture for the purpose of certifying a production, processing or handling operation as organic.
Circumference	The distance around the outer boundary of a circular structure, such as a grain bin.
Claim Form	An insurance document used to record appraisals of potential or assessed production, unharvested and harvested production to count, guarantees, and acres by practice and type from which an indemnity will be computed.
Claim for Indemnity	Loss and contract information documented on a claim form for the insured due to damage or loss to an insured crop unit and required by the Basic Provisions to be submitted to the insurance provider no later than 60 days after the end of the insurance period.
Claims Adjuster	Refer to Adjuster.
Claims Supervisor	Any person having immediate or day-to-day supervisory control, management or oversight authority of the activities of loss adjusters or other persons who determine whether an indemnity will be paid and the amount thereof.

EXHIBIT 1

DEFINITIONS

Classified Land (Insurable Land)	Land on which both a coverage and rate have been established in the County Actuarial Documents, making crops showed on the table that are grown on the land eligible for insurance.
Code of Federal Regulations (CFR)	The codification of general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. Rules published in the Federal Register by FCIC are contained in 7 CFR chapter IV. The full text of the CFR is available in electronic format at http://www.access.gpo.gov/ or a successor website.
Collateral Assignment	Refer to Assignment of Indemnity.
Commingled Production	Refer to PAR. 126.
Companion Contracts	Crop insurance contracts of individuals having a share in the same crop/crop units for the crop year.
Company	As used in the context of this handbook, Company refers to insurance providers.
Conical Pile	A quantity of crop whose base is a circle and whose sides taper evenly up to a point.
Consent	Approval in writing by the insurance provider allowing the insured to take a specific action; e.g., putting a damaged crop to another use.
Continuous Coverage	Insurance coverage not canceled or terminated for a crop year. Transfer of coverage to a different insurance provider is still continuous coverage.
Continuous Rating	A rate presentation method that allows a rate to be calculated for each unit of measure of a crop or for any producer's APH yield.
Continuous Production Report	Production reports submitted by a producer for each consecutive APH crop year (within the base period) and must include the most recent APH crop year in the base period.
Contained Water	Refer to paragraph 121.
Contract	Refer to Insurance Contract or Policy.
Contract Changes	The form used to make changes to or cancel an existing crop insurance contract.
Contract Change Date	The calendar date by which changes to the policy, if any, will be made available in accordance with the applicable section in the Basic Provisions.
Contract File	Refer to Policyholder File.
Contract Number	A number assigned by the insurance provider to identify insureds' specific contracts. Also known as policy number.

EXHIBIT 1

DEFINITIONS

Contract Provisions	All the provisions that make up the contract. See insurance contract.
Controlled Substance Violation	Refer to PAR. 56.
Conventional Farming Practice	A system or process for producing an agricultural commodity, excluding organic farming practices, that are necessary to produce the crop that may be, but is not required to be, generally recognized by agricultural experts for the area to conserve or enhance natural resources and the environment.
Conveyance	Anything in which agricultural commodities are transported. This may include combine hoppers, commodity bins, grain carts, grain wagons, farm truck, semi trailer, railcar, or barge. Transported does not include all forms of grain movement; e.g., the following are not conveyances, grain augers, grain dryers, elevator legs, or picking lines.
County (Parish in Louisiana)	The county, parish, or other political subdivision of a state listed in the actuarial table and designated on the accepted application, (county includes acreage in a field that extends into an adjoining county or state if the county or state boundary is not readily discernible). For quota tobacco, "county" includes any land identified by an FSA farm serial number for the county but is physically located in another county.
County Crop Program	The offering of insurance coverage by FCIC on a crop in a specified county or parish as approved by FCIC's Board of Directors.
Cover crop	A crop generally recognized by agricultural experts as agronomically sound for the area for erosion control or other purposes related to conservation or soil improvement. A cover crop may be considered to be a second crop (refer to the definition of "second crop").
Coverage (Guarantee)	The amount of insurance protection against insured loss of production or value, by unit as shown on the insured's summary of coverage.
Coverage Begins Date	The calendar date insurance begins on the insured crop, as contained in the Crop Provisions, or the date planting begins on the unit.
Crop Endorsement	An adjunct to the General Crop Insurance Policy or Basic Provisions that contains crop-specific provisions.
Crop Handbooks	The FCIC-approved crop-specific procedures that must be used to perform loss adjustment. They contain appraisal methods, forms completions instructions, and any other loss adjustment instructions specific to the crop.
Crop Loss Adjustment Standards (CLAS)	The required crop-specific instructions and methods (standards) that must be utilized during loss adjustment. The insurance provider must comply with these standards when performing loss adjustment.

EXHIBIT 1

DEFINITIONS

Crop of Economic Significance	A crop that has either contributed in the previous crop year, or is expected to contribute in the current crop year, 10 percent (10%) or more of the total expected value of the producer's share of all crops grown in the county. However, a crop will not be considered a crop of economic significance if the expected liability under the CAT Endorsement is equal to or less than the administrative fee required for the crop (\$100 per crop per county).
Crop Provisions	An adjunct to the Basic Provisions that contains crop-specific provisions (appraisal of production, production to count, indemnity calculations, definitions, etc.)
Crop Year	The period within which the insured crop is normally grown, regardless of whether or not it is actually grown, and designated by the calendar year in which the insured crop is normally harvested, unless otherwise specified in the crop provisions.
Damage	Injury, deterioration, or loss of production of the insured crop due to insured and/or uninsured causes.
Deductible	The amount determined by subtracting the coverage level percentage the insured chooses from 100 percent. For example, if the insured elected a 65 percent coverage level, the insured's deductible would be 35 percent (100% - 65% = 35%).
Delayed Claim	A claim for indemnity form signed by the insured later than the time required in the applicable policy.
Delayed Notice	A notice of damage or loss filed by the insured after the time required in the policy.
Destroyed Without Consent	A determination made by an adjuster that an insured has altered the condition of a crop (without permission) so that an accurate appraisal cannot be made.
Diameter	A straight line measurement passing through the center of a circle. Normally an inside measurement when measuring the volume of a round storage structure.
Digitizer	A measuring tool that computes areas and lengths by tracing an area and directly entering the results into a computer. Some digitizers have small internal computers. It is used to obtain acreage measurements.
Disinterested third party	A person that does not have any familial relationship (partners, brothers, sisters, children, spouse, grandchildren, aunts, uncles, nieces, nephews, first cousins, or grandparents, related by blood, adoption or marriage, are considered to have a familial relationship) with you or who will not benefit financially from the sale of the insured crop. Persons who are authorized to conduct quality analysis in accordance with the crop provisions are considered disinterested third parties unless there is a familial relationship.
Double Crop	Producing two or more crops for harvest on the same acreage in the same crop year.

EXHIBIT 1

DEFINITIONS

Earliest Planting Date	The initial planting date contained in the Special Provisions, which is the earliest date the insured may plant an insured agricultural commodity and qualify for a replanting payment if such payments are authorized by the Crop Provisions.
Eligible crop insurance contract	An insurance contract for an agricultural commodity authorized by the Act and approved by FCIC, with terms and conditions in effect as of the applicable contract change date, that is sold and serviced consistent with the Act, FCIC regulations, the procedures and the Standard Reinsurance Agreement, having a sales closing date within the reinsurance year, and with an eligible producer.
Eligible producer	A person who has an insurable interest in an agricultural commodity, who has not been determined ineligible to participate in the Federal crop insurance program, and who possesses a United States issued social security number or employer identification number.
Employee	A person who works for FCIC or insurance provider in return for wages or salary.
End of Insurance Period	The date upon which the insured's crop insurance coverage ceases for the crop year.
Enterprise Unit	All insurable acreage of the insured crop in the county in which the insured has a share on the date coverage begins for the crop year. To qualify, an enterprise unit must consist of all of the insurable acreage of the same insured crop in: (1) One or more basic units that are located in two or more separate sections, section equivalents, FSA farm serial numbers, or units established by written agreement, with at least some planted acreage in two or more separate sections, section equivalents, FSA farm serial numbers or two or more separate units as established by written agreement, or (2) Two or more optional units established by separate sections, section equivalents, FSA farm serial numbers, or as established by written agreement, with at least two optional units containing some planted acreage. (For this definition under CRC and RA plans of insurance, see the applicable Basic Provisions for these plans of insurance.)
Established Price	The price per unit of production issued by RMA by each crop's filing date.
Expected Market Price (Price Election)	The price per unit of production (or other basis as determined by FCIC) anticipated during the period the insured crop normally is marketed by producers. This price will be set by FCIC not less than 15 days before the sales closing date for the crop. The expected market price may be less than the actual price paid by buyers if such price typically includes remuneration for significant amounts of post-production expenses such as conditioning, culling, sorting, packing, etc. Expected market price is applicable to the following crops: barley, corn, grain sorghum, hybrid seed corn, cotton, hybrid sorghum seed, malting barley, oats, rye, soybeans, and wheat.
Familial relationship	Means the same as relative. (Refer to definition of relative).

EXHIBIT 1

DEFINITIONS

Farm Serial Number (FSN)	A number assigned by the FSA County Office to identify a specific tract of land. Also known as FSN.
Farming Organization	One or more individuals who participate in establishing a yield history; corporations, partnerships, and family operations are included under this title.
FCIC	An acronym for Federal Crop Insurance Corporation. A wholly owned government corporation under the control of the USDA and administered by the Risk Management Agency.
FCIC-approved Policies	Multiple Peril Crop Insurance (MPCI) policies, (including endorsements and amendments) approved by FCIC for use by the insurance provider to sell and service MPCI insurance.
Field	All acreage of tillable land within a natural or artificial boundary (e.g., roads, waterways, fences, etc.). Different planting patterns or planting different crops do not create separate fields.
Final Acreage Reporting Date	For each insured crop in the county on or before the acreage reporting date contained in the Special Provisions for the insured crop except as follows: (1) if multiple crops are insured (by the same insurance provider) that have final planting dates on or after August 15 but before December 31, the acreage report must be submitted for all such crops on or before the latest applicable acreage reporting date for such crops; (2) if multiple crops are insured (by the same insurance provider) that have final planting dates on or after December 31 but before August 15, the acreage report must be submitted for all such crops on or before the latest applicable acreage reporting date for such crops; (3) If the Special Provisions designate separate planting periods for a crop, the acreage report for each planting period must be submitted on or before the acreage reporting date contained in the Special Provisions for the planting period; and (4) If planting of the insured crop continues after the final planting date or is prevented from planting during the late planting period, the acreage reporting date will be the later of: (a) the acreage reporting date contained in the Special Provisions or applicable date described in (1) or (2) above if there are multiple insured crops insured by the same insurance provider; or (b) Five days after the end of the late planting period for the insured crop, if applicable. (See Late-Filed Acreage Reports for acreage reports filed after this date.)
Final Claim	An FCIC-approved claim form insurance document submitted by the insured after a final inspection has been completed which records the amount of production to count, guarantee, and acres by practice and type from which an indemnity will be computed. Also, used to record and pay replant payments.
Final Inspection	An inspection that requires all of the production and acreage to be accounted for on a unit prior to processing a claim for indemnity or replant payment.

EXHIBIT 1

DEFINITIONS

Final Planting Date	The date contained in the Special Provisions for the insured crop by which the crop must initially be planted in order to be insured for the full production guarantee or amount of insurance per acre. (Crops initially planted after this date are not insurable unless the crop provisions provide for coverage that extends beyond the planting date. Also, refer to definitions for Timely Planted and Late Planting Period.)
First Insured Crop	With respect to a single crop year and any specific crop acreage, the first instance that an agricultural commodity is planted for harvest or prevented from being planted and is insured under the authority of the Act. For example, if winter wheat that is not insured is planted on acreage that is later planted to soybeans that are insured, the first insured crop would be soybeans. If the winter wheat were insured, it would be the first insured crop.
Flood Irrigation	A method of irrigation other than sprinkler (traveling gun, center pivot, or other recognized forms of sprinkler systems) or furrow irrigation in which the cropland (wider than a furrow) between raised borders, embankments, or dikes of soil is inundated with controlled amounts of water.
Food Security Act	A law passed by Congress in 1985 that included provisions to discourage the planting of agricultural commodities on converted wetlands or land of predominately highly erodible soils.
FSA	Acronym for Farm Service Agency, an agency of the USDA, or successor agency.

Furrow Irrigation	A type of irrigation carried out by use of gravity water flow at the soil surface that is contained within furrows between planted rows. (Rows must be far enough apart to allow water furrows). The land must be formed to allow uniform distribution of water to the entire irrigated acreage without undue impoundment (ponding).
Generally Recognized	When agricultural experts or the organic agricultural industry, as applicable, are aware of the production method or practice and there is no genuine dispute regarding whether the production method or practice allows the crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance.
Gleaner	A person who harvests for free distribution to the needy, or for donation to a nonprofit organization for ultimate distribution to the needy, an agricultural crop that has been donated by the crop owner(s).
Good Farming Practice	The production methods utilized to produce the insured crop and allow it to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance, including any adjustments for late planted acreage, which are: (1) for conventional or sustainable farming practices, those generally recognized by agricultural experts for the area; or (2) for organic farming practices, those generally recognized by the organic agricultural industry for the area or contained in

EXHIBIT 1

DEFINITIONS

(Continued – Good Farming Practice	the organic plan. The insurance provider may, or the insured may request the insurance provider to, contact FCIC to determine whether or not production methods will be considered to be “good farming practices.”
Group Risk Plan (GRP)	A plan of insurance offered for certain crops in specific counties and states that compare an expected county average yield to the county yield for the insured year. A form of insurance coverage that provides protection against loss of crop production that affects an area rather than individual producers.
Guarantee (unit)	The guarantee for the unit expressed in the unit of measure for the crop (e.g., bushels, pounds, hundredweight, dollars, etc.) calculated by multiplying the total insured acres on the unit by the guarantee per acre times the insured’s share.
Harvest	To combine, thresh, cut, pick, dig, or otherwise remove the crop from the crop acreage. Refer to crop policy/endorsement/crop provisions for specific harvest definition for the crop.
Headed	When the plant’s head has emerged from the leaf sheath and is visible to the naked eye.
Heading	At least 50 percent of the crop has headed.
High-Risk Land	Land that has a loss frequency and severity potential that cannot be rated adequately on the standard rate table, such as a flood plain, high sand content soil, high aluminum toxicity soil, high sodium content soil, high alkali soil, peat soil, soil with high or low pH, etc.
Household	A domestic establishment including the members of a family (parents, brothers, sisters, children, spouse, grandchildren, aunts, uncles, nieces, nephews, first cousins, or grandparents, related by blood, adoption or marriage, are considered to be family members) and others who live under the same roof.
Indemnity	The dollar amount paid in the event of an insured loss.
Indemnity Summary	A computer-generated document showing the insured's dollar amount of indemnity payment by crop and unit number.
Initially Planted	The first occurrence of planting the insured crop on insurable acreage for the crop year.
Initial Planting Date	The earliest calendar date that an insured commodity can be planted and qualify for a replanting payment if such payments are authorized by the crop provisions. (If planted prior to this date, the crop is not eligible for a replanting payment but is still insurable.)

EXHIBIT 1

DEFINITIONS

Insurable Acreage	Either: (1) the land classified as insurable by FCIC and shown as such on the County Actuarial Map or appropriate land identification list, or (2) the land owned or operated by a person to whom a farm classification is assigned by FCIC or as otherwise provided on the actuarial table.
Insurance Contract	A binding agreement between the insurance provider and the insured producer to insure an agricultural commodity and consisting of the accepted application, the Common Crop Insurance Policy (Basic Provisions), Crop Provisions, other applicable endorsement or options, the actuarial documents for the insured agricultural commodity, the Catastrophic Risk Protection Endorsement, if applicable, and the applicable regulations published in 7 CFR Chapter IV. Insurance for each agricultural commodity in each county will constitute a separate policy.
Insurable Interest	The same meaning as the term "share" in the applicable crop insurance policy.
Insurance Period	The period during which liability for loss due to insured causes is assumed according to the applicable endorsement or policy.
Insurance Policy	Defines the rights and responsibilities of the insured and the insurance provider. Refer to Insurance Contract.
Insurance Premium	The dollar amount paid for insurance. (Does not include administrative fees.)
Insurance Provider	A company reinsured by FCIC to provide crop insurance coverage to producers participating in the Federal crop insurance program.
Insurance Provider Inspection	An inspection initiated by the insurance provider. These inspections may be initiated where misrepresentation is suspected or where routine spot checks are being performed.
Insured	The named person as shown on the application accepted by the insurance provider. This term does not extend to any other person having a share or interest in the crop (for example, a partnership, landlord, or any other person) unless specifically indicated on the accepted application.
Insured Cause of Loss	An unavoidable cause of loss defined in the policy or endorsement for which an indemnity can be paid.
Insured Crop	The crop in the county for which coverage is available under the Basic Provisions and the applicable Crop Provisions as shown on the application accepted by the insurance provider.
Interplanted	Acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crops.

EXHIBIT 1

DEFINITIONS

Irrigated Practice	A method of producing a crop by which water is artificially applied during the growing season by appropriate systems and at the proper times, with the intention of providing the quantity of water needed to produce at least the yield used to establish the irrigated production guarantee or amount of insurance on the irrigated acreage planted to the insured crop.
Kansas City (RMA) Office ***	The national office responsible for the acceptance and processing of electronically transmitted data for the Federal crop insurance program, for issuing actuarial documents, for issuing approved policies, underwriting and loss adjustment standards/procedures.
Late-Filed Acreage Report	Any original acreage report obtained from the policyholder after the final acreage reporting date established by the Actuarial Documents.
Late-Filed Application	Any original application for insurance signed by the producer after the sales closing date established by the Actuarial Document Book.
Late-Filed Claim	Refer to Delayed Notice.
Late Planted	Acreage initially planted to the insured crop after the final planting date or as provided in some crop provisions, during the late planting period or if due to an insured cause occurring within the insurance period for PP coverage and PP provisions are applicable to the insured crop, the acreage is prevented from planting by the final planting date or during the late planting period (if applicable for the crop), but is planted after the late planting period (final planting date if a late planting period is not applicable).
Late Planting Coverage	Refer to PAR. 137.
Late Planting Period	For crop provisions providing automatic late-planting coverage, this is the period that begins the day after the final planting date for the insured crop and ends twenty-five days after the final planting date, unless otherwise specified in the crop provisions or Special Provisions. (Not applicable for fall-planted wheat.)
Legal Description	A specified section, township, and range (or parts thereof) as identified by a land survey.
Legal Entity or Person	Refer to PAR. 14.
Level Election	The percentage of coverage selected by the insured from those offered by FCIC that is used to determine the production guarantee, premium, and dollar amount of insurance.
Liability	The dollar amount of insurance coverage used in the premium computation for the insured agricultural commodity.

EXHIBIT 1

DEFINITIONS

Liability Adjustment Factor (LAF)	When the dollar claim (determined) liability (based on the actual information determined by the adjuster and recorded on the claim form) is greater than the dollar acreage report liability (based on the acreage information reported by the insured), divide the dollar acreage report liability by the dollar claim liability; e.g., acreage report liability of \$1557 divided by claim (determined) liability of \$2000 = .778500 LAF (1557/2000 = .778500 rounded to six places).
Loss Adjustment Contractor (LAC)	A person under a personal contract with the insurance provider who is authorized to perform loss adjustment and/or contract service activities and is reimbursed for services rendered.
Loss Ratio	The ratio of paid indemnities to net premium expressed as a percentage (i.e., 1.10, etc.).
Management of a Crop	Person or persons exercise control of the day-to-day operation (controls what and when to plant, till, cultivate, irrigate, fertilize, spray, and harvest) of producing and marketing the crop.
Market Price Election	The price election offered by FCIC that represents expected market prices on specific crops. It is computed annually from the Chicago Board of Trade average market price for a set period of time (see Price Election).
Measuring Wheel	An instrument composed of a handle, wheel, and counter that is used to measure ground area. As the wheel is moved along the ground, the counter measures the number of revolutions of the wheel and then is converted to acreage measurements.
MIF	An acronym for Misreported Information Factor. Factor used to reduce a replanting payment, prevented planting payment, or indemnity payment when liability for the unit has been under/over reported by more than 10% of the actual liability determined for the unit. Refer to PAR. 29 and Exhibit 18.
Multiple Peril Crop Insurance (MPCI)	Crop insurance policies, which generally cover more than one cause of loss and that are sold and serviced by reinsured companies.
NAP	An acronym for Non-Insured Assistance Program. NAP covers non-insured commercial crops or other agricultural commodities (except livestock) for which CAT Coverage is not available and that is produced for food or fiber. NAP provides coverage similar to what CAT coverage would be if the crop were insurable under multiple peril crop insurance.
National Resources Conservation Services (NRCS)	Formerly the Soil Conservation Service.
Negligence	The failure to use such care as a reasonably prudent and careful person would use under similar circumstances.
New Crop Program	The offering of insurance or reinsurance coverage by FCIC on a crop that has not previously been entitled to insurance or reinsurance coverage.

EXHIBIT 1

DEFINITIONS

Next Level Supervision	A person authorized by the insurance provider to supervise employees, agents, contractors, or other functions as assigned by the insurance provider.
Non-contiguous	For crops/counties with a 2005 CCD of 8/31/2004, or later Acreage of an insured crop that is separated from other acreage of the same insured crop by land that is neither owned by the insured nor rented by the insured for cash or a crop share. However, acreage separated by only a public or private right-of-way, waterway, or an irrigation canal will be considered as contiguous. For crops/counties with a 2005 CCD of 8/31/2004, or later
Non-contiguous	For crops/counties with a 2005 CCD prior to 8/31/2004 Any two or more tracts of land whose boundaries do not touch at any point, except that land separated only by a public or private right-of-way, waterway, or an irrigation canal will be considered as contiguous. For crops/counties with a 2005 CCD prior to 8/31/2004
Notice of Acceptance	Refer to Policy Confirmation.
Notice of Loss	The written notice required to be provided by the insured to the insurance provider not later than 72 hours after certain occurrences or 15 days after the end of the insurance period, whichever is earlier, as identified in the policy provisions.
Nurse Crop	Sometimes called companion crop. It is a crop planted into the same acreage as another crop, that is intended to be harvested separately, and which is planted to improve growing conditions for the crop with which it is grown.
Official File	Hard copy of all original documents for each insured maintained by the insurance provider in their headquarters or as otherwise specified in their agreement.
Offset	The act of deducting one amount from another amount.
Operator or Tenant	Refer to PAR. 14.
Optional Unit	Further division of a basic unit as allowed and described by the Basic Provisions, Crop Provisions, or Special Provisions. The insured must pay the surcharge for each optional unit that is shown in the actuarial documents. Refer to PAR. 55.
Organic Agricultural Industry	Persons who are employed by the following organizations: Appropriate Technology Transfer for Rural Areas, Sustainable Agriculture Research and Education or the Cooperative State Research, Education and Extension Service, the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific organic crop or practice for which such expertise is sought.

EXHIBIT 1

DEFINITIONS

Organic Farming Practice	A system of plant production practices approved by a certifying agent in accordance with 7 CFR part 205.
Organic Plan	A written plan, in accordance with the National Organic Program published in 7 CFR part 205, that describes the organic farming practices that the insured and a certifying agent agree upon annually or at such other times as prescribed by the certifying agent.
Organic Standards	Standards in accordance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) and 7 CFR part 205.
Original Acreage Report, or Raisin Tonnage Report	The initial report filed for a crop year, by crop, used to determine the liability, amount of coverage, and premium. (See Acreage Report).
Other Use	Using insured acreage in a manner that is different from the original intended use as provided in the insurance provisions for the crop.
Palmer Drought Severity Index	A meteorological index calculated by the National Weather Service to indicate prolonged and abnormal moisture deficiency or excess.
Perennial crop	A plant, bush, tree, or vine crop that has a life span of more than one year.
Person	Refer to PAR. 14.
Plan of Insurance	A type of a crop insurance contract such as a revenue or a group risk plan of insurance.
Planted Acreage	Land in which seed, plants, or trees have been placed appropriate for the insured crop and planting method, at the correct depth, into a seedbed that has been properly prepared for the planting method and production practice.
Polar Planimeter	An instrument moved along boundaries on aerial photography. The instrument readings are used to convert photograph measurements to acreages.
Policy	See Insurance Contract.
Policy Confirmation	A form or document issued to the insured indicating that the application, cancellation, etc., has been accepted.
Policyholder	The individual or entity listed on the application and who has been accepted and issued coverage by the insurance provider.
Policyholder File or folder	The file(s) maintained for each insured. The file(s) contains copies of documents, such as, application, acreage report appraisal worksheets, claims, etc. (Also known as insured's contract file or folder.) Some insurance providers may have a file folder that maintains sales documents and another file folder for loss files.

EXHIBIT 1

DEFINITIONS

Policy Number	See Contract Number.
Power of Attorney	A document signed by the insured naming another party to act on behalf of the insured. For crop insurance purposes, this document may be specific to only certain transactions or all transactions involved with the crop insurance contract.
Practical to Replant	Refer to PAR. 65.
Practice	A special farming procedure or method, such as irrigated, summer fallow, continuous crop, etc., shown on the actuarial documents for which a separate premium rate and/or yield has been established.
Preliminary Inspection	A farm visit by an adjuster in which an appraisal is usually made on a part of an insured crop unit, and in some instances, written permission is given to make other use of or destroy the affected crop.
Preliminary Yield	The APH yield calculated by the agent prior to approval by the verifier. Preliminary yields are used to provide coverage estimates and premium quotations.
Premium Adjustment	A premium cost adjustment applicable to some policies, based on continuous favorable insurance experience or unfavorable insurance experience for the crop (also referred to as Experience Adjustment Factor).
Premium Discount	A reduction in the base premium rate for unit consolidation, good experience, as applicable, etc.
Premium Subsidy	The portion of the base premium paid by FCIC for the level elected as authorized by law.
Prevented Planting	Failure to plant the insured crop with proper equipment by the final planting date designated in the Special Provisions for the insured crop in the county. The insured may also be eligible for a prevented planting payment if the insured failed to plant the insured crop with the proper equipment within the late planting period. The insured must have been prevented from planting the insured crop due to an insured cause of loss that is general in the surrounding area and that prevents other producers from planting acreage with similar characteristics.
Previous Crop Year	The crop year immediately preceding the current crop year.
Price Election	The amounts contained in the Special Provisions or an addendum thereto, that is the value per pound, bushel, ton, carton, or other applicable unit of measure for the purposes of determining premium and indemnity under the policy.

Prior Crop Year	Two or more crop years preceding the current crop year.
Prior APH Yield	The approved APH yield from the previous year's APH form.

EXHIBIT 1

DEFINITIONS

Producer Premium	The insurance premium that a policyholder must pay after the subsidy is deducted.
Production Guarantee (Per Acre)	The number of pounds, bushels, tons, cartons, or other applicable units of measure determined by multiplying the approved yield per acre by the coverage level percentage elected by the insured. For some crops (e.g., onions, tomatoes), the guarantee per acre for harvested acreage is higher than the guarantee for unharvested acreage, or the guarantee may vary with the maturity (stage) of the crop. Refer to the crop provisions for specifics, by crop.
Production Not to Count	Harvested production of the same crop that is subtracted from the unit's production before the indemnity is computed.
Production Report	A written record showing the insured's annual production and is used by the insurance provider to determine the insured's yield in accordance with section 3 of the Basic Provisions. The report contains yield information for previous years, including planted acreage and harvested production. This report must be supported by written verifiable records from a warehouseman or buyer of the insured crop or by measurement of farm-stored production, or by other records of production approved by the insurance provider on an individual case basis.
Production Reporting Date	The last date production reports will be accepted for inclusion in the base period to be used to calculate an approved APH yield for the current crop year, and is the earlier of the acreage reporting date or 45 days after the earliest cancellation date for the crop for the current crop year, unless stated otherwise in the Special Provisions.
Production to Count	Harvested and/or appraised quantities of a crop produced (including appraised production from uninsured causes of loss) from a unit, which are subtracted from the unit's production guarantee in computing an indemnity.
Prohibited Substance	Any biological, chemical, or other agent that is prohibited from use or is not included in the organic standards for use on any certified organic, transitional or buffer zone acreage. Lists of such substances are contained at 7 CFR part 205.
Quality Assurance	An established review process maintained by the insurance provider to inspect and document the performance of its operations, employees, and adjusters. (This review process is also known as quality control.)
Quality Adjustment Factor	A factor used to reduce production to count when the policy allows for reduction of production to count and the production grades at or lower than the specified quality stated in the policy.
Raisin Tonnage Report	Refer to Acreage Report.
Range	All of the six-section north/south rows of a township identified as being east or west of the principal meridian.

EXHIBIT 1

DEFINITIONS

Recognized Good Farming Practices	Refer to Good Farming Practice
Reduction in Value (RIV)	The dollar and cents RIV (discount) that the buyer applies for each quality defect of the crop allowed by the policy provisions. The RIV applies only when there is at least one type or level of defect for which there is not a pre-established discount factor listed in the quality section of the Special Provisions.
Regional Office (RO)	Regional Office(s) of the Risk Management Agency. For the assigned states, the RO performs program and underwriting services for the crop insurance program.
Reinsured Company	Private insurance companies selling and adjusting multiple peril crop insurance reinsured by FCIC. Also known as insurance provider.
Relative	An individual who: (1) is a parent, brother, sister, child, spouse, grandchild, or grandparent; or (2) either resides in the household of, or engages in business with respect to a farming operation with, the person in question regardless of whether or not the individual is related by blood, adoption, or marriage.
Releasing Agent	Refer to Ceding Agent.
Replant Claim	An insurance document submitted by the insured after an inspection that records the number of acres replanted, not replanted, and the cost of replanting any damaged acres from which a replant indemnity will be computed.
Replanted Crop	The same agricultural commodity replanted on the same acreage as the first insured crop for harvest in the same crop year if the replanting is specifically made optional by the policy and the insured elects to replant the crop and insure it under the policy covering the first insured crop, or replanting is required by the policy.
Replanting ***	Performing the cultural practices necessary to prepare the land to replace the seed or plants of the damaged or destroyed insured crop, and then replacing the seed or plants of the same crop in the insured acreage. The same crop does not necessarily mean the same type or variety of the crop unless different types or varieties constitute separate crops or it is otherwise specified in the policy.
Replant Payment	The payment received when acreage qualifies for a replanting payment in accordance with the Basic Provisions and applicable crop provisions.
Reported Damage or Loss	A responsibility of the insured to promptly notify the Service Office Representative (agent) of any probable crop damage or loss.
Representative	Any person authorized by the insurance provider to work in the field or in an office to carry out in whole or in part the Federal crop insurance marketing, contract servicing, or loss adjustment functions for new applicants or present policyholders. See Agent.

EXHIBIT 1

DEFINITIONS

Representative sample	Portions of the insured crop that must remain in the field for examination and review by the insurance provider's loss adjuster when making a crop appraisal, as specified in the Crop Provisions. In certain instances, the insurance provider may allow the insured to harvest the crop and require only that samples of the crop residue be left in the field. (This is not the same thing as Representative Sample Areas, as specified below.)
Representative Sample Areas	Refer to PAR. 88.
Representative Strips (Sample)	Strips of the unharvested crop that the insured is required, in accordance with policy provisions, to leave if damage is initially discovered within 15 days of or during harvest.
Revised Acreage Report or Raisin Tonnage Report	Completed when changes and/or corrections are made to the original acreage or tonnage report. Revised acreage reports (tonnage reports) prepared after the acreage (tonnage) reporting date, must be approved by the insurance provider before they are processed.
Risk Classification	Classification provided for each individual and crop that is used in the premium calculation for the crop. This classification may be based on the individual's actual yield history, master yield, land, and/or other factors.
RMA	An acronym for Risk Management Agency. RMA administers the Federal crop insurance program.
Sales Closing Date	The last date for the crop year that a producer may apply for insurance on a crop in a specific county and the last date by which an insured may change the crop insurance coverage for a crop year.
Scale Ruler	A calibrated ruler for use with tapes graduated in chains and feet. Scale rulers for chains are graduated in 660 feet (60 parts to inch and 2,000 feet (75.7 parts to inch.) A tool that can be used by FSA to determine acreage measurements.
Second crop	With respect to a single crop year, the next occurrence of planting any agricultural commodity for harvest following a first insured crop on the same acreage. The second crop may be the same or a different agricultural commodity as the first insured crop, except the term does not include a replanted crop. A cover crop, planted after a first insured crop and planted for the purpose of haying, grazing or otherwise harvesting in any manner or that is hayed or grazed during the crop year, or that is otherwise harvested is considered to be a second crop. A cover crop that is covered by FSA's noninsured crop disaster assistance program (NAP), or receives other USDA benefits associated with forage crops, will be considered as planted for the purpose of haying, grazing or otherwise harvesting. A crop meeting the conditions stated herein will be considered to be a second crop regardless of whether or not it is insured. Notwithstanding the references to haying and grazing as harvesting in the Basic Provisions, for the purpose of determining the end of the insurance period, harvest of the crop will be as defined in the applicable Crop Provisions.

EXHIBIT 1

DEFINITIONS

Section	Refer to PAR. 55.
Share	Refer to PAR. 13.
Sketch Map	A diagram showing where fields or production are located.
Special Provisions	The part of the policy (contained in the county actuarial documents) that contains specific provisions of insurance for each insured crop that may vary by geographic area; e.g., planting dates, rotational requirements, exclusions to the policy, etc.
Special Report	A form used to record facts; e.g., used as an attachment to claims or acreage reports when there is not enough room in the narrative to record required documentation and for additional documentation regarding controversial claims, unusual cases, uninsured causes, not following good farming practices, etc.
Standard Reinsurance Agreement	The agreement between a reinsured company and FCIC by which the insurer cedes to FCIC certain liabilities arising from the insurer's sales of insurance policies in return for a portion of premium monies and administrative expense reimbursements.
SSN or EIN	The social security number or Employer Identification Number used on insurance application forms to track an insured entity's insurance history. Insurance coverage cannot be offered if the SSN or EIN is not provided by the prospective insured.
State Premium Subsidy	The portion of the premium paid by the state, when applicable.
Sub-field	A part of a field where damage is so variable within the field that smaller divisions of the field are necessary in order to make accurate appraisals.
Substantial Beneficial Interest (SBI)	An interest held by any person of at least 10 percent in the applicant or insured. Refer to PAR. 14 for additional information.
Successor-In-Interest Entity	A successor entity that is entitled to receive all of the experience earned by the previous entity, as determined by the insurance provider.
Summary of Coverage	Our statement to the insured, based upon the insured's acreage report, specifying the insured crop and the guarantee or amount of insurance coverage provided by unit.
Sustainable Farming Practice	A system or process for producing an agricultural commodity, excluding organic farming practices, that is necessary to produce the crop and is generally recognized by agricultural experts for the area to conserve or enhance natural resources and the environment.
Tenant	A person who rents land from another person for a share of the crop or a share of the proceeds of the crop (see the definition of "share" above).

EXHIBIT 1

DEFINITIONS

Termination for Indebtedness Date	The date specified in the crop policy or endorsement on which the insurance contract is subject to termination because of failure of the insured to pay the premium and/or administrative fee in full prior to this date.
Timely Planted	Planted on or before the final planting date designated in the Special Provisions for the insured crop in the county.
Township	A tract of land approximately 6 miles square containing approximately 36 sections, each 1 mile square.
Transfer of Coverage	Refer to Transfer of Indemnity.
Transfer of Contract/Policy	Transfer of a contract or policy to another reinsured company.
Transfer of Indemnity	A form signed by the insured that transfers the right to an indemnity payment to another party when land ownership or interest has been transferred on part or all of a unit.
Transferee	One who receives an insured right to an indemnity from another party.
Transferor Transitional Acreage	An insured who transfers an insured right to an indemnity to another party. Acreage on which organic farming practices are being followed that does not yet qualify to be designated as organic acreage.
Unit	An identifiable, insurable segment of land on which an insurable crop is grown and separate production records have been kept, and meets other guidelines defined in the crop policy; endorsement or option, if applicable; and/or Special Provisions.
Unrated Land	Land which is not rated on the actuarial map or actuarial listing, requiring a Written Agreement (sometimes known as unclassified or uninsurable).
USDA	An acronym for United States Department of Agriculture.
Varying Share	A landlord-tenant agreement that allows for different crop shares within the same unit.
Verifier	Individual or organization authorized by FCIC to verify APH records and data furnished by the insured to the insurance provider in order to calculate and determine the approved APH yield.
Verify	Determine by an on-site inspection, whether information submitted is true and accurate through independent means in accordance with procedures. With respect to certifications, asking the provider of the information whether the information is true and accurate does not constitute verification. Information from independent third parties or independent documentation must be obtained.
Void	When the policy is considered not to have existed for a crop year as a result of concealment, fraud, or misrepresentation.

EXHIBIT 1

DEFINITIONS

Whole Farm Unit	All insurable acreage of two or more insured crops planted in the county in which the insured has a share on the date coverage begins for each crop for the crop year. All crops for which the whole farm unit structure is available must be included in the whole farm unit. At least two of the insured crops must each constitute at least 10 percent of the total liability of all insured crops in the whole farm unit, and all crops in the unit must be insured under the same plan of insurance and with the same insurance provider, unless specified otherwise in the individual crop provisions or Special Provisions. (For this definition under CRC and RA plans of insurance, see the applicable Basic Provisions for these plans of insurance.)
Written Agreement	A written agreement between the insurance provider and the insured that alters designated terms of an additional coverage policy and that is authorized under the basic provisions, the crop provisions, or the Special Provisions for the insured crop.
Zero Acreage Report	An acreage report filed by an insured that certifies that the insured does not have a share in insurable acres of the crop for that crop year.

**EXHIBIT 2
CROP POLICY INFORMATION**

2005 CY INFORMATION (or 2006 CY where designated). Crop	Crop Code	FCIC		NCIS		APH or Dollar (\$)	Late Planting Prov.	Prev. Planting Prov.	** Replant Payment Prov.	***Enterprise (E) ** Optional (O) Basic (B) Unit	** High-Risk Land Ex. Opt.
		*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions						
Almonds	0028	05-BR	01-028	2005-700B	2001-719	APH				B/O	
Apples	0054	05-BR	05-054 (Rev. 10/04)	2005-700B	2005-721	APH				B/O	
Avocados (Pilot - California Only) 3/	0019	05-BR	2002-0019	2005-700B	2002-711	\$				B/O	
Avocados (Pilot - Florida Only)	0019	05-BR	99-019A	2005-700B	1999-808	APH				B/O	
Avocado & Mango Tree (Pilot - Florida Only)											
Avocado	0212	05-BR	2001-212	2005-700B	2001-804	\$				B	
Mango	0214										
Beans, Fresh Market (Pilot) 4/	0105	04-BR	03-105 (rev. 06/2002)	2004-700B	2003-826	\$	Yes 1/		Yes	B	
Beans, Fresh Market (Pilot) 5/	0105	05-BR	03-105 (rev. 06/2002)	2005-700B	2003-826	\$	Yes 1/		Yes	B	
Beans (Processing)	0046	05-BR	98-046	2005-700B	1998-704	APH	Yes 1/	Yes 1/		B/O/O by type	
Blueberries	0012	05-BR	05-012	2005-700B	2005-794	APH				B/O by type 2/	
Cabbage (Pilot) 4/	0072	04-BR	00-072	2004-700B	2000-810	APH			Yes	B/O	
Cabbage (Pilot) 5/	0072	05-BR	00-072	2005-700B	2000-810	APH			Yes	B/O	
Canola/Rapeseed 4/	0015	04-BR	98-015	2004-700B	1998-795	APH	Yes 1/	Yes 1/	Yes	B/O	
Canola/Rapeseed 5/	0015	05-BR	98-015	2005-700B	1998-795	APH	Yes 1/	Yes 1/	Yes	B/O	
Cherries (Pilot)	0057	05-BR	01-057	2005-700B	2001-812	\$				B/O	
Chile Peppers, Processing (Pilot)	0045	05-BR	00-045	2005-700B	2000-832	\$				B/O by Type	
California Citrus Dollar Plan (Pilot) Navel oranges 3/	0215	05-BR	2002-0215	2005-700B	2002-836	\$				B/O	
Citrus (AZ & CA) 3/ Grapefruit	0201	05-BR	00-126	2005-700B	2000-731	APH				B by Crop/O	
Lemons	0202										
Mandarin	0205										
Minneola Tangelos	0206										
Navel Oranges	0215										
Sweet Oranges	0216										
Valencia Oranges	0217										
Orlando Tangelos	0237										
Kinnow Mandarins	0239										

1/ Refer to Part 5 for additional LP and instructions and the Prevented Planting Handbook for additional PP instructions. 2/ Optional units allowed by type if on Special Provisions. 3/ 2006 Crop Year Information

4/ For counties with CCDs prior to 08/31/2004. 5/ For counties with CCD of 08/31/2004 or later.

*Current, up to signature date of this handbook. **Applies to additional coverage ONLY. *** Enterprise units if provided for in the Special Provisions.

Unit structures are as identified unless otherwise specified in the Special provisions. For pilot crops, only selected states and counties apply.

**EXHIBIT 2
CROP POLICY INFORMATION**

2005 CY INFORMATION (or 2006 CY where designated)	Crop Code	FCIC		NCIS		APH or Dollar (\$)	Late Planting Prov.	Prev. Planting Prov.	** Replant Payment Prov.	***Enterprise (E) Optional (O) Basic (B) Unit	** High-Risk Land Ex. Opt.
Crop		*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions						
Citrus Fruit (Florida) Citrus I Citrus II Citrus III Citrus IV Citrus V Citrus VI Citrus VII	0245 0246 0247 0248 0249 0250 0251	04-BR	99-026	2004-700B	1999-724	\$				B by type/O	
Citrus Fruit (Texas) ^{5/} Early & Midseason Oranges Late Oranges All Other Grapefruit Ruby Red Grapefruit Rio Red & Star Ruby Grapefruit	0224 0225 0226 0228 0238	05-BR	00-226	2005-700B	2000-733	APH				B/O	
Citrus Trees (Texas) Citrus Trees I Citrus Trees II Citrus Trees III Citrus Trees IV Citrus Trees V	0240 0241 0242 0243 0244	05-BR	99-025	2005-700B	1999-737	\$				B/O	
Cultivated Clams (Pilot)	0116	05-BR	2004-0116	2005-700B	2004-882 (rev. 09/03)	\$			Yes	B/O	
Coarse Grains Corn Grain Sorghum Soybeans	0041 0051 0081	05-BR	98-041	2005-700B	1998-702	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O/E	Yes <u>1/</u>
Cotton	0021	05-BR	99-021	2005-700B	1999-703	APH	Yes <u>2/</u>	Yes <u>2/</u>		B/O	Yes <u>1/</u>
Cotton (ELS)	0022	05-BR	99-022	2005-700B	1999-745	APH		Yes <u>2/</u>		B/O	Yes <u>1/</u>

Cranberries	0058	05-BR	99-058	2005-700B	1999-742	APH				B/O	
Cucumbers, Processing (Pilot)	0106	05-BR	00-0106	2005-700B	2000-834	\$				B <u>4/</u>	
Dry Beans	0047	05-BR	98-047	2005-700B	1998-712	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O/O by type	Yes <u>1. 3/</u>
Figs	0060	05-BR	01-060	2005-700B	2001-792	APH				B by type/O	

^{1/} Requires Insured's Signature ^{2/} Refer to Part 5 for additional LP instructions, and Prevented Planting Handbook for additional PP instructions. ^{3/} Not available in Idaho, Oregon, Utah, and Washington

4/ Basic unit by planting period. *Current, up to signature date of this handbook. 5/ For 2006 crop year information. ** Applies to additional Coverage ONLY. * Enterprise units if provided for in the Special Provisions.**

Unit structures are as identified unless otherwise specified in the Special provisions. For pilot crops counties, only selected counties apply.

**EXHIBIT 2
CROP POLICY INFORMATION**

2005 CY INFORMATION (or 2006 CY where designated)	Crop Code	FCIC		NCIS		APH or Dollar (\$)	Late Planting Prov.	Prev. Planting Prov.	** Replant Payment Prov.	***Enterprise (E) ** Optional (O) Basic (B) Unit	** High-Risk Land Ex. Opt.
Crop		*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions						
Florida Fruit Trees (Pilot) Orange Trees Grapefruit Trees Lemon Trees Lime Trees All Other Citrus Trees Carambola Trees	0207 0208 0209 0210 0211 0213	05-BR	00-014	2004-700B	2000-748 (rev. 12/99)	\$				B by Type/O	
Forage Production	0033	04-BR	01-033 (Rev. 3/2000)	2004-700B	2001-729	APH				B/O	
Forage Seeding <u>6/</u>	0032	04-BR	04-032	2004-700B	2004-730	\$				B/O	
Forage Seeding <u>7/</u>	0032	05-BR	04-032	2005-700B	2004-730	\$				B/O	
Forage Seed (Pilot) Alfalfa Seed	0107	04-BR	02-0107	2004-700B	2002-886	\$		Yes		B/O/O by contract or by variety <u>4/</u>	Yes <u>1/</u>
Grapes	0053	05-BR	00-053	2005-700B	2000-717	APH				B/O Variety <u>3/</u>	
Grapes, Table	0052	05-BR	01-052	2005-700B	2001-741	APH				B/O Variety <u>3/</u>	
Hybrid Seed Corn	0062	05-BR	98-062	2005-700B	1998-738	\$	Yes <u>2/</u>	Yes <u>2/</u>		B/O	
Hybrid Sorghum Seed	0050	05-BR	98-050	2005-700B	1998-797	\$	Yes <u>2/</u>	Yes <u>2/</u>		B/O	
Macadamia Nuts <u>5/</u>	0023	05-BR	00-023	2005-700B	2000-790	APH				B/O	
Macadamia Trees	0024	05-BR	99-024 (rev. 6/98)	2005-700B	1999-791	\$				B/O	
Millet	0017	05-BR	03-017	2005-700B	2003-789	APH	Yes <u>2/</u>	Yes <u>2/</u>		B/O	
Mint (Pilot)	0074	04-BR	04-74	2004-700B	2004-828	APH				B/O	Yes <u>1/</u>
Mustard (Pilot)	0069	05-BR	99-069	2005-700B	1999-816	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1/</u>
Nursery (Container/Field Grown)	0073	04-BR	99-073 (rev. 10/98)	2004-700B	1999-782	\$				B/O	
Onions <u>6/</u>	0013	04-BR	00-013 (rev. 6/30/99)	2004-700B	2000-709	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O/O by type	
Onions <u>7/</u>	0013	05-BR	00-013 (rev. 6/30/99)	2005-700B	2000-709	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O/O by type	
Peaches	0034	05-BR	01-034	2005-700B	2001-720	APH				B/O	

1/ Requires Insured's Signature. 2/ Refer to Part 5 for additional LP instructions, and the Prevented Planting Handbook for additional PP instructions. **** Applies to additional Coverage ONLY.**

3/ Basic unit by variety in CA/Optional units by non-contiguous land only - All other states B/O units. 4/ Optional unit by contract or variety only if permitted by the Special Provisions. 5/ For 2006 crop year information. 6/ For counties with a CCD prior to 8/31/2004 7/ For counties with a CCD of 8/31/2004 or later. *** Enterprise units if provided by Special Provisions.

*Current, up to signature date of this handbook. Unit structures are as identified unless otherwise specified in the Special provisions. For pilot crops, only selected states and counties apply.

**EXHIBIT 2
CROP POLICY INFORMATION**

2005 CY INFORMATION (or 2006 CY where designated)	Crop Code	FCIC		NCIS		APH or Dollar (\$)	Late Planting Prov.	Prev. Planting Prov.	** Replant Payment Prov.	***Enterprise (E) ** Optional (O) Basic (B) Unit	** High-Risk Land Ex. Opt.
Crop		*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions						
Peanuts	0075	05-BR	99-075 (Rev. 7/99)	2005-700B	1999-718 (rev. 10/04)	APH	Yes 2/	Yes 2/	Yes	B/O by FSN	
Pears	0089	05-BR	01-089	2005-700B	2001-715	APH				B/O	
Peas Dry Green	0067 0064	05-BR 05-BR	99-067 (rev. 7/98) 98-064	2005-700B 2005-700B	1999-713-D 1998-713-G	APH APH	Yes 2/ Yes 2/	Yes 2/ Yes 2/		B/O/O by Type	
Pecans	0020	05-BR	05-020	2005-700B	2005-802	\$				B by county	
Peppers, (Fresh Market)	0083	04-BR	99-083	2004-700B	1999-740	\$			Yes	B/O	
Plums	0092	05-BR	01-092	2005-700B	2001-706	APH				B/O	
Popcorn	0043	05-BR	99-043	2005-700B	1999-744	APH	Yes 2/	Yes 2/	Yes	B/O	Yes 1/, 5/
Potatoes (Central/Southern) 7/	0084	04-BR	99-284	2004-700B	1999-734 CS	APH	Yes 2/	Yes 2/		B/O	
Potatoes (Central/Southern) 8/	0084	05-BR	99-284	2005-700B	1999-734 CS	APH	Yes 2/	Yes 2/		B/O	
Potatoes (Northern)	0084	05-BR	98-184	2005-700B	1998-734N	APH	Yes 2/	Yes 2/		B/O	
Prunes	0036	05-BR	01-036	2005-700B	2001-747	APH				B/O 3/	
Raisins	0037	04-BR	98-037	2004-700B	1998-723	\$				B by variety /O 6/	
Raspberry/Blackberry (Pilot)	0108	05-BR	02-108	2005-700B	2002-884	\$				B/O 6/	
Rice	0018	05-BR	01-018	2005-700B	2001-716	APH	Yes 2/	Yes 2/	Yes	B/O	Yes 1/
Safflower	0049	05-BR	98-049 (rev. 12-97)	2005-700B	1998-749 (rev. 1/98)	APH	Yes 2/	Yes 2/	Yes	B/O	Yes 1/, 4/
Silage Sorghum Pilot	0059	05-BR	05-Silage Sorghum Endorsement	2005-700B	NCIS 702-SS	APH	Yes 2/	Yes 2/	Yes	B/O/E	Yes 1/
Small Grains 7/ Barley Flax Oats Wheat	0091 0016 0011	04-BR	04-011	2004-700B	2004-714	APH	Yes 2/	Yes 2/	Yes 5/	B/O/E	Yes 1/
Small Grains 8/ Barley Flax Oats Rye Wheat	0091 0031 0016 0094 0011	05-BR	04-011	2005-700B	2004-714	APH	Yes 2/	Yes 2/	Yes 5/	B/O/E	Yes 1/

1/ Requires Insured's Signature 2/ Refer to Part 5 for additional LP instructions, and Prevented Planting Handbook for additional PP instructions. 3/ Unless limited by Crop Provisions or Special Provisions. 4/ Not available in Utah or Idaho. 5/ Not available when Special Provisions for the crop/county has only a fall planting date for the small grain crop. 6/ Optional units only by non-contiguous land.

7/ For counties with a CCD prior to 8/31/2004. 8/ For counties with a CCD of 8/31/2004, or later. For pilot crops, only selected states and counties apply. *Current, up to signature date of this handbook. ** Applies to additional Coverage ONLY. *** Enterprise units if provided for in the Special Provisions. Unit structures are as identified unless otherwise specified in the Special provisions.

**EXHIBIT 2
CROP POLICY INFORMATION**

2005 CY INFORMATION (or 2006 CY where designated)	Crop Code	FCIC		NCIS		APH or Dollar (\$)	Late Planting Prov.	Prev. Planting Prov.	** Replant Payment Prov.	*** Enterprise (E) **Optional (O) Basic (B) Unit	** High-Risk Land Ex. Opt.
Crop		*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions						
Stonefruit Fresh Apricots Processing Apricots Fresh Nectarine Processing Cling Peaches Processing Freestone Peaches Fresh Freestone Peaches	0218 0219 0220 0221 0222 0223	05-BR	01-077	2005-700B	2001-796	APH				B/O by type	
Strawberries (Pilot)	0110	04-BR	05-110	2004-700B	2005-830	\$				B by type/O	
Sugar Beets <u>5/</u>	0039	04-BR	98-039	2004-700B	1998-707	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1, 4/</u>
Sugar Beets <u>6/</u>	0039	05-BR	98-039	2005700B	1998-707	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1, 4/</u>
Sugarcane	0038	04-BR	04-038	2004-700B	2004-732	APH				B/O	
Sunflower Seed	0078	05-BR	98-078	2005-700B	1998-708	APH	Yes <u>2/</u>	Yes <u>2/</u>	Yes	B/O	Yes <u>1/</u>
Sweet Corn (Processing)	0042	05-BR	98-042	2005-700B	1998-728	APH	Yes <u>2/</u>	Yes <u>2/</u>		B/O	Yes <u>1/</u>
Sweet Corn (Fresh Market) <u>5/</u>	0044	04-BR	99-044	2004-700B	1999-746	\$			Yes	B/O	
Sweet Corn (Fresh Market) <u>6/</u>	0044	05-BR	99-044	2005-700B	1999-746	\$			Yes	B/O	
Sweet Potatoes (Pilot)	0085	05-BR	05-085	2005-700B	2005-806	APH				B***	Yes <u>1/</u>
Tobacco, Guaranteed Production Flue Cured Fire Cured Maryland Dark Air Cigar Filler Cigar Binder Cigar Wrapper	0229 0230 0232 0233 0234 0235 0236	05-BR	99-071	2005-700B	1999-736	APH	Yes <u>2/</u>			B by/share/ type/ O by FSN <u>3/</u>	
Tobacco (Quota) Burley	0231	05-BR	99-070	2005-700B	1999-710	APH	Yes <u>2/</u>			B by FSN	
Tomatoes (Fresh Market Guar. Prod.)	0086	05-BR	99-186	2005-700B	1998-722	APH			Yes	B/O	
Tomatoes (Fresh Market Dollar Plan)	0086	04-BR	99-086	2004-700B	1999-739	\$			Yes	B/O	
Tomatoes (Processing)	0087	05-BR	05-87	2005-700B	2005-727	APH	Yes <u>2/</u>		Yes		
Walnuts	0029	05-BR	01-029	2005-700B	2001-743	APH				B/O	

1/ Requires insured's signature. 2/ Refer to Part 5 for additional LP instructions, and the Prevented Planting Handbook for additional PP instructions. 3/ Basic unit by FSN (Wisconsin only).

4/ Not available in Colorado. 5/ For counties with CCD prior to 8/31/2004. 6/ For counties with CCD of 8/31/2004 or later. Current, up to signature date of this handbook. **Applies to additional Coverage ONLY. *** Enterprise units, if provided for in the Special Provisions. Unit structures are

as identified unless otherwise specified in the Special provisions.

**EXHIBIT 2
CROP POLICY INFORMATION**

2005 CY INFORMATION (or 2006 CY where designated) Crop	Crop Code	FCIC		NCIS		APH or Dollar (\$)	Late Planting Prov.	Prev. Planting Prov.	** Replant Payment Prov.	*** Enterprise (E) **Optional (O) Basic (B) Unit	** High-Risk Land Ex. Opt.
		*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions						
(Cultivated) Wild Rice (Pilot) <u>1/</u>	0055	04-BR	99-055	2004-700B	1999-820	APH				B/O	
(Cultivated) Wild Rice (Pilot) <u>2/</u>	0055	<u>05-BR</u>	99-055	<u>2005-700B</u>	1999-820	APH				B/O	
Winter Squash (Pilot)	0065	<u>05-BR</u>	00-065 (Rev. 08-99)	<u>2005-700B</u>	2000-822	\$				B	
Catastrophic Risk Protection Endorsement <u>1/</u>		<u>3/</u>	01-CAT <u>5/</u>	<u>3/</u>	2001-777 <u>3/</u>						
Catastrophic Risk Protection Endorsement <u>2/</u>		<u>3/</u>	01-CAT <u>5/</u>	<u>3/</u>	2001-777 <u>3/</u>						

1/ For counties with CCD prior to 8/31/2004. 2/ For counties with CCD of 8/31/2004 or later. 3/ Endorsement attaches to Basic Provisions and specific crop policies when CAT coverage is selected by the insured.

Current, up to signature date of this handbook. Unit structures are as identified unless otherwise specified in the Special provisions.

**EXHIBIT 2
CROP POLICY INFORMATION**

2005 CY INFORMATION (or 2006 CY where designated)		FCIC		NCIS		Expected County Yield	Late Planting Prov.	Prev. Planting Prov.	Replant Payment Prov.	Unit of Measure	Unit by County/ Basic (B)/ Optional (O) Enterprise (E) Whole Farm (WF)	High-Risk Land Ex. Option
INSURANCE PLANS	Crop Code	*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions							
Crop												
Group Risk Plan (GRP)												
Corn	0041	05-102	00-141	2005-950	2000-954	Yes				bu.	Yes (C)	
Cotton	0021	05-102	00-121	2005-950	2000-956	Yes				lbs.	Yes (C)	
Forage Production	0033	05-102	00-133	2005-950	2000-942	Yes				tons	Yes (C)	
Sorghum	0051	05-102	00-151	2005-950	2000-962	Yes				bu.	Yes (C)	
Peanuts	0075	05-102	00-175	2005-950	2000-960	Yes				lbs.	Yes (C)	
Rangeland (Pilot)	0048	05-102	05-048	2005-950	2005-943	Yes				lbs.	Yes (c)	
Soybeans	0081	05-102	00-181	2005-950	2000-964	Yes				bu.	Yes (C)	
Wheat 3/	0011	04-102	00-111	2004-950	2000-941	Yes				bu.	Yes (C)	
Wheat 4/	0011	05-102	00-111	2004-950	2000-941	Yes				bu.	Yes (C)	
Group Risk Income Protection (GRIP)												
Corn	0041	05-GRIP-BASIC	04-GRIP-Corn Rev. 12/20/03	2005-950-GRIP	2004-954-GRIP	Yes					Yes (C)	
Grain Sorghum	0051	05-GRIP-BASIC	05-GRIP-Grain Sorghum	2005-950-GRIP								
Soybeans	0081	05-GRIP-BASIC	04-GRIP-Soybeans	2005-950-GRIP	2004-964-GRIP	Yes					Yes (C)	
Income Protection (IP)												
Barley (Pilot) 3/	0091	04-BR	2004-391	2004-700-B	2004-714B-IP	APH/\$	Yes 2/	Yes 2/		bu./\$	Yes (E)	
Barley (Pilot) 4/	0091	05-BR	2004-391	2005-700-B	2004-714B-IP	APH/\$	Yes 2/	Yes 2/		bu./\$	Yes (E)	
Corn (Pilot)	0041	05-BR	2002-341	2005-700-B	2002-702C-IP	APH/\$	Yes 2/	Yes 2/	1/	bu./\$	Yes (E))	
Cotton (Pilot)	0021	05-BR	2002-321	2005-700-B	2002-703-IP	APH/\$	Yes 2/	Yes 2/	1/	lbs./\$	Yes (E)	
Wheat (Pilot) 3/	0011	04-BR	2004-311	2004-700-B	2004-714W-IP	APH/\$	Yes 2/	Yes 2/	1/	bu./\$	Yes (E)	
Wheat (Pilot) 4/	0011	05-BR	2004-311	2005-700-B	2004-714W-IP	APH/\$	Yes 2/	Yes 2/	1/	bu./\$	Yes (E)	

1/ ONLY available for Additional Coverage ONLY. 2/ Refer to Part 5 for additional LP instructions and the Prevented Planting Handbook for additional PP instructions. 3/ For counties with a CCD prior to 8/31/2004. 4/ For counties with a CCD of 8/31/2004 or later. GRP, IP, CRC and RA insurance plans, if elected, meet the FSA linkage requirements. For pilot crops, only selected states and counties apply. *Current, up to signature date of this handbook. ** Applies to additional coverage ONLY. Unit structures are as identified unless otherwise specified in the Special Provisions.

**EXHIBIT 2
CROP POLICY INFORMATION**

2005 CY INFORMATION (or 2006 CY where designated)		FCIC		NCIS								
INSURANCE PLANS	Crop Code	*Basic Provisions	*Crop Provisions	*Basic Provisions	*Crop Provisions	Expected County Yield	Late Planting Prov.	Prev. Planting Prov.	Replant Payment Prov.	Unit of Measure	**Unit by County (C) Basic (B) Optional (O) Enterprise (E) Whole Farm (WF)	High Risk Land Exclusion Option
Crop												
Income Protection (Con't.)												
Grain Sorghum (Pilot)	0051	05-BR	2002-351	2005-700-B	2002-702G-IP	APH/\$	Yes 2/	Yes 2/	Yes 1/	bu./\$	Yes (E)	
Soybeans (Pilot)	0081	05-BR	2002-381	2005-700-B	2002-702S-IP	APH/\$	Yes 2/	Yes 2/	Yes 1/	bu./\$	Yes (E)	
Crop Revenue Coverage (CRC)												
Corn 1/	0041	05-CRC-BASIC	02-CRC-CG (9/26/01)	2005-700B-CRC	2002-702-CRC	APH/\$	Yes 2/	Yes 2/	Yes	bu./\$	YES (B/O/E)	Yes 3/
Soybeans 1/	0081	05-CRC-BASIC	02-CRC-CG (9/26/01)	2005-700B-CRC	2002-702-CRC	APH/\$	Yes 2/	Yes 2/	Yes	bu./\$	Yes (B/O/E)	Yes 3/
Grain Sorghum 1/	0051	05-CRC-BASIC	02-CRC-CG (9/26/01)	2005-700B-CRC	2002-702-CRC	APH/\$	Yes 2/	Yes 2/	Yes	bu./\$	Yes (B/O/E)	Yes 3/
Cotton 1/	0021	05-CRC-BASIC	02-CRC-021 (9/26/01)	2005-700B-CRC	2002-703-CRC	APH/\$	Yes 2/	Yes 2/	No	lb./\$	Yes (B/O/E)	Yes 3/
Rice 1/	0018	05-CRC-BASIC	02-CRC-RICE	2005-700B-CRC	2002-716-CRC	APH/\$	Yes 2/	Yes 2/	Yes	lb/\$	Yes (B/O/E)	Yes 3/
Wheat 4/	0011	04-CRC-BASIC	04-CRC WHEAT (7/10/03)	2004-700B-CRC	2002-714W-CRC	APH\$	Yes 2/	Yes 2/	Yes	bu./\$	Yes (B/O/E)	Yes 3/
Wheat 5/	0011	05-CRC-BASIC	04-CRC WHEAT (7/10/03)	2005-700B-CRC	2002-714W-CRC	APH\$	Yes 2/	Yes 2/	Yes	bu./\$	Yes (B/O/E)	Yes 3/
Adjusted Gross Revenue (AGR) (Pilot)												
Agricultural Commodities	0063	2005-AGR	N/A	2005-980	N/A	Revenue \$				\$	WF	
Adjusted Gross Revenue Lite (AGR-L)												
Agricultural Commodities	0061	05-AGR-Lite	N/A	2005-982	N/A	Revenue \$						

*Current, up signature date of this handbook. **Applies to additional coverage only. Unit structures are as identified unless otherwise specified in the Special provisions.

1/ Available as Additional coverage Only 2/ Refer to Part 5 for additional LP instructions and the Prevented Planting Handbook for additional PP instructions. 3/ Requires insured's signature

4/ For counties with a CCD prior to 8/31/2004. 5/ For counties with a CC of 8/31/2004 or later.

**EXHIBIT 2
CROP POLICY INFORMATION**

2005CY INFORMATION (or 2006 CY where designated)		FCIC		NCIS								
INSURANCE PLANS	Crop Code	Basic Provisions	Crop Provisions	Basic Provisions	Crop Provisions	Expected County Yield	Late Planting Prov.	Prev. Planting Prov.	Replant Payment Prov.	Unit of Measure	Unit by County (C) Basic (B) Optional (O) Enterprise (E) Whole Farm (WF)	High Risk Land Exclusion Option
Crop												
Revenue Assurance (RA)												
Barley, Spring (Feed) <u>1/</u>	0091	05-RA	04-RA-Barley	2005- 700B-RA	2004-714B-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	bu/\$	Yes (B/O/E/WF)	Yes <u>3/</u>
Canola/rapeseed <u>1/</u>	0015	05-RA	02-RA-Canola-CP	2005 700B-RA	2002- 795-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	lbs./\$	Yes (B/O/E/WF)	Yes <u>3/</u>
Corn <u>1/</u>	0041	05-RA	04-RA-Corn & Soybeans	2005- 700B-RA	2004-702-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	bu./\$	Yes (B/O/E/WF)	Yes <u>3/</u>
Cotton <u>1/</u>	0021	05-RA	03-RA-Cotton (9/24/02)	2005- 700B-RA	2003 703-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>		Lbs./¢	Yes (B/O/E/WF)	Yes <u>3/</u>
Rice <u>1/</u>	0018	05-RA	03-RA-Rice (9/24/02)	2005- 700B-RA	2003-716-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	Lbs./¢	Yes (B/O/E/WF)	Yes <u>3/</u>
Soybeans <u>1/</u>	0081	05-RA	04-RA-Corn & Soybeans	2005- 700B-RA	2004-702RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	bu./\$	Yes (B/O/E/WF)	Yes <u>3/</u>
Sunflowers <u>1/</u>	0078	05-RA	02-RA-Sunflower-CP	2005- 700B-RA	2002- 708-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	lbs./¢	Yes (B/O/E/WF)	Yes <u>3/</u>
Wheat – fall <u>6/</u>	0011	04-RA	04-RA-WH Rev. 7/25/03	2004- 700B-RA	2004-714W-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	bu/\$	Yes <u>4/</u>	Yes <u>3/</u>
Wheat –spring - <u>7/</u>	0011	05-RA	04-RA-WH Rev. 7/25/03	2005- 700B-RA	2004-714W-RA	APH/\$	Yes <u>2/</u>	Yes <u>2/</u>	Yes	bu/\$	Yes <u>5/</u>	Yes <u>3/</u>
LIVESTOCK												
Livestock Gross Margin	0815	05-LGM	N/A	2005-912	N/A							
Livestock Risk Protection Swine	0815	05-LRP Basic	04-LRP	2005-902	903(SCE)					Cwt./\$		
Livestock Risk Protection Fed Cattle	0802	05-LRP Basic	03-LRP Fed Cattle	2005-902	904(SCE)					Cwt./\$		
Livestock Risk Protection Feeder Cattle	0801	05-LRP Basic	03-LRP Feeder Cattle	2005-902	905(SCE)					Cwt./\$		

1/ Available as Additional coverage only. 2/ Refer to Part 5 for additional LP instructions, and the Prevented Planting Handbook for additional PP instructions.

3/ Requires insured's signature. 4/ For Winter Wheat, units can be Basic, Optional, or Enterprise Units. 5/ For Spring Wheat, units can be Basic, Optional, Enterprise, or Whole Farm Units.

6/ For counties with CCD prior to 8/31/2004. 7/ For counties with a CCD of 8/31/2004, or later.

EXHIBIT 3

CAUSE OF LOSS NAMES AND CODES		
LOSS CAUSE	CODE	APPLICABLE TO:
NO INDEMNITY	(00)	ALL CROPS
DECLINE OF PRICE	(01)	All crops insured under, Adjusted Gross Revenue, Income Protection, Crop Revenue Coverage, Livestock Risk Protection, Livestock Gross Margin, and Revenue Assurance policies, and avocados (Revenue plan CA only) pecans, and CA Dollar Citrus. For income protection, CRC, and RA policies, this is applicable when the harvest price falls below the projected price (base price for CRC policies) and is the primary or secondary contributor of the loss. This is applicable for avocados (Revenue plan CA only) when there is a decline in the standardized season average price, for pecans when a decline in the market price used to determine the indemnity is the primary or secondary contributor of the loss, or for CA Dollar Citrus when there is a decline in the average net price received.
DROUGHT <u>1/</u> , <u>2/</u>	(11)	ALL CROPS EXCEPT: Avocado and Mango Trees, Texas Citrus Fruit, Texas Citrus Trees, Florida Citrus, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Rice, Fresh Market Sweet Corn, Fresh Market. Tomatoes (\$ Plan), unless this cause of loss is provided on the Special Provisions.
HEAT <u>2/</u>	(12)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
FIS (Failure of irrigation (water) supply)	(13)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Cultivated Clams, Florida Fruit Trees, Livestock, and Raisins.
FIE (Failure of irrigation equipment)	(14)	All CROPS with a 2005 CCD of 8/31/2005 or later, EXCEPT: Raisins
HAIL <u>2/</u>	(21)	ALL CROPS EXCEPT: Avocado and Mango Trees, Cultivated Clams, Florida Fruit Trees, Livestock, and Raisins.
EXCESS SUN	(22)	ONLY: Apples when Sunburn Option in effect.
EXCESS MOISTURE/PRECIP/RAIN <u>2/</u>	(31)	ALL CROPS* EXCEPT: Florida Citrus, Livestock, and Cultivated Clams.
FROST <u>2/</u> , <u>3/</u> (See footnote below.)	(41)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
FREEZE <u>2/</u> , <u>3/</u> (See footnote below.)	(42)	ALL CROPS EXCEPT: Raisins and Livestock.

******* Some crop provisions may contain specific cause of loss definitions; e.g., wind, frost, or freeze. Please refer to the crop provisions for any such specifics.

1/ If the insured practice is irrigated, drought cannot be listed as the cause of loss. See PAR. 40 N for more information.

2/ If the applicable crop provisions list “adverse weather” as a cause of loss, the footnoted cause is considered “adverse weather.” For statistical purposes, RMA requires that “adverse weather” is broken down into the specific cause; e.g., drought.

3/ Special Provisions may state this is not an insurable cause if this cause occurs after the specified date or for some crops is not an insurable cause if adequate freeze protection is not in effect.

EXHIBIT 3

CAUSE OF LOSS NAMES AND CODES		
LOSS CAUSE	CODE	APPLICABLE TO:
COLD WINTER <u>2/</u>	(43)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
COLD WET WEATHER <u>2/</u>	(44)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
ICH (Insufficient Chill hrs.)	(45)	ONLY the following: Blueberries, Peaches, and Plums.
FLOOD <u>2/</u>	(51)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
GRP CROPS ONLY	(55)	CROPS INSURED UNDER THE GRP PLAN OF INSURANCE.
WIND/EXCESS WIND <u>1/</u> (See footnote below.), <u>2/</u>	(61)	ALL CROPS EXCEPT: Florida Citrus, Cultivated Clams, Livestock, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes (\$ Plan).
HOT WIND <u>2/</u>	(62)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
CYCLONE <u>2/</u>	(63)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
TORNADO <u>2/</u>	(64)	ALL CROPS EXCEPT: Avocado and Mango Trees, Cultivated Clams, Florida Fruit Trees, Livestock, and Raisins.
TIDAL WAVE	(65)	ONLY: CULTIVATED CLAMS.
OXYGEN DEPLETION	(66)	ONLY: CULTIVATED CLAMS.
STORM SURGE	(67)	ONLY: CULTIVATED CLAMS.
ASIATIC CITRUS CANCKER	(70)	ONLY: FLORIDA FRUIT TREES.
INSECTS <u>1/</u> (See footnote below.)	(71)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Figs, Livestock, and Raisins.
PREDATION <u>3/</u> (See footnote below.)	(73)	ONLY: CULTIVATED CLAMS.
ICE FLOE	(74)	ONLY: CULTIVATED CLAMS

******* Some crop provisions may contain specific cause of loss definitions; e.g., wind. Please refer to the crop provisions for any such specifics.

1/ Some policies may be limited or restricted for this cause of loss; see the individual crop provisions for specifics.

2/ If the applicable crop provisions list “adverse weather” as a cause of loss, the footnoted cause is considered “adverse weather.” For statistical purposes, RMA requires that “adverse weather” is broken down into the specific cause; e.g., drought.

3/ This cause of loss is excluded unless allowed by the Special Provisions.

EXHIBIT 3

CAUSE OF LOSS NAMES AND CODES		
LOSS CAUSE	CODE	APPLICABLE TO:
SALINITY	(76)	ONLY: CULTIVATED CLAMS.
DISEASE, AQUACULTURE	(80)	ONLY: CULTIVATED CLAMS.
PLANT DISEASE 3/ (See footnote below.)	(81)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Figs, Livestock, and Raisins.
MYCOTOXIN (e.g., AFLATOXIN)	(82)	ALL CROPS* EXCEPT: Almonds, Apples, Avocados (revenue and APH plans), Avocado and Mango Trees, Fresh Market Beans, Blueberries, Cabbage, Cherries, Crambe, AZ-CA Citrus, Florida Citrus Fruit, Texas Citrus, Texas Citrus Trees, Chile Peppers, Cultivated Clams, Cucumbers (Processing), Florida Fruit Trees, Figs, Grapes, Livestock, Table Grapes, Macadamia Nuts, Macadamia Trees, Mint, Peaches, Pears, Pecans, Fresh Market Peppers, Plums, Prunes, Raisins, Raspberries/blackberries, (California) Stonefruit, Strawberries, Sweet Potatoes, Fresh Market Sweet Corn, Fresh Market Tomatoes (\$ and GP Plans), Walnuts, and Winter Squash.
FIRE 4/ (See footnote below)	(91)	ALL CROPS EXCEPT: Avocado and Mango Trees, Cultivated Clams, Florida Fruit Trees, Livestock, and Raisins.
HURRICANE OR TROPICAL DEPRESSION 1/ (See footnote below), 2/	(92)	ALL CROPS EXCEPT: Avocado and Mango Trees, Texas Citrus Fruit, Texas Citrus Trees, Florida Fruit Trees, Livestock, Peaches, Raisins, and Fresh Market Sweet Corn.
WILDLIFE 3/ (See footnote below.)	(93)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Pears, Pecans, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
HOUSE BURN/POLE BURN	(95)	ONLY: Tobacco
EARTHQUAKE	(97)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
VOLCANIC ERUPTION	(98)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).
OTHER (Snow, Lightning, Etc.) 2/	(99)	ALL CROPS EXCEPT: Avocado and Mango Trees, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes (\$ Plan).

******* Some crop provisions may contain specific cause of loss definitions; e.g., wind. Please refer to the crop provisions for any such specifics.

1/ The Florida Citrus Fruit Crop Provisions lists “Hurricane” as an insured cause of loss, but not “Tropical Depression.”

2/ If the applicable crop provisions list “adverse weather” as a cause of loss, the footnoted cause is considered “adverse weather.” For statistical purposes, RMA requires that “adverse weather” is broken down into the specific cause; e.g., drought

3/ Some policies may be limited or restricted for this cause of loss; see the individual crop provisions for specifics.

4/ Fire must be due to an act of nature.

EXHIBIT 4

UNITS OF MEASURE OF PRODUCTION, BY CROP	
CROP NAME	UNIT OF MEASURE
Almonds	Pounds
Apples (Eastern)	Bushels (42 lbs.)
Apples (Colorado)	Bushels (40 lbs.)
Apples (Western)	Boxes (35 lbs. lose/field box)
Avocados California Only (Pilot)	Pounds/Dollars ****
Avocados Florida Only (Pilot)	Bushels
Avocado and Mango Tree (Pilot)	% Stand Dollar *
Barley	Bushels (48 lbs.)
Barley (Malting)	Bushels (48 lbs.)
Beans (Fresh Market) (Pilot)	Bushels/Dollars ****
Beans (Processing)	Tons ***
Blueberries	Pounds
Cabbage (Pilot)	Hundredweight
Canola/Rapeseed	Pounds
Cherries (Pilot)	Pounds/Dollars ****
Chile Peppers, Processing (Pilot)	Pounds/Dollars ****
Citrus (AZ-CA) (Navel, Valencia, Sweet Oranges) (Lemons) (Grapefruit) (Tangerines, Tangelos, Mandarin Oranges)	Cartons (38 lbs.) Cartons (40 lbs.) Cartons (32 lbs.) Cartons (25 lbs.)
Citrus, California Dollar Plan (Pilot) (Navel Oranges)	Cartons (38 lbs.)/Dollars ****
Citrus (FL)	Boxes (85 or 90 lbs.-depends on type)
Citrus (TX)	Tons
Texas Citrus Trees	% Tree Damage/Dollar *
Cultivated Clams (Pilot)	Dollar (Individual Clam Value) *****
Corn (Grain)**	Bushels (56 lbs.)
Corn (Silage)	Tons ***
Cotton	Pounds
Cotton, ELS	Pounds

* For Tree Crops the loss measurement is first based on the % of tree damage, and then the dollar loss is determined from this.

** To convert weight of ear corn to equivalent bushels of shelled corn divide by 70.

*** Tons = 2,000 pounds

**** Loss measurement is first based on weight/capacity measurement, as shown, and then is converted to dollars.

***** Clam value by size

EXHIBIT 4

UNITS OF MEASURE OF PRODUCTION, BY CROP	
CROP NAME	UNIT OF MEASURE
***	***
Cranberries	Barrels (100 lbs.)
Cucumbers, Processing (Pilot)	Bushels (50 lbs.)/Dollars <u>4/</u>
Dry Beans	Pounds (60 lbs. per bu)
Figs	Pounds
Flaxseed	Bushels (56 lbs.)
Florida Fruit Trees (Pilot)	% Stand/Dollar <u>1/</u>
Forage Production	Tons <u>3/</u>
Forage Seed (Pilot)	Pounds
Forage Seeding	% Stand/Dollar <u>1/</u>
Grain Sorghum	Bushels (56 lbs.)
Grapes	Tons <u>3/</u>
Table Grapes	Lugs (20-21 lbs. <u>2/</u>)
Hybrid Corn Seed	Bushels (56 lbs.)
Hybrid Sorghum Seed	Bushels (56 lbs.)
Livestock	Hundredweight/Dollar <u>3/</u>
Macadamia Nuts	Pounds
Macadamia Trees	% Tree damage/Dollar <u>1/</u>
Millet	Bushels
Mint (Pilot)	Pounds
Mustard (Pilot)	Pounds
Nursery	Dollar (Individual Plant Value)
Oats	Bushels (32 lbs.)
Onions	Hundredweight
Peaches	Bushels (50 lbs.)
Peanuts	Pounds
Pears	Tons <u>3/</u>
Peas, dry	Pounds (60 lbs. per Bu.)
Peas, green	Pounds

1/ For Forage Seeding, the loss measurement is first based on the % of stand, and then the dollar loss is determined from this. For Tree Crops, the loss measurement for a non-Asiatic-Citrus-Canker (ACC) loss is first based on the % of tree damage, and then the dollar loss is determined from this. For trees for which ACC is a covered cause of loss and for which there is an ACC loss, the loss measurement is based on number of trees destroyed and then dollar amount determined from this.

2/ 20 lbs. in Arizona and Coachella Valley, CA district; 21 lbs. in all other CA districts.

3/ Ton = 2,000 pounds

4/ Loss measurement is first based on weight/capacity measurement, as shown, and then is converted to dollars.

EXHIBIT 4

UNIT OF MEASURE OF PRODUCTION, BY CROP

CROP NAME	UNIT OF MEASURE
Pecans	Pounds/Dollars <u>2/</u>
Peppers	1 1/9 bushels (per box)
Plums	Lugs (28 lbs.)
Popcorn	Pounds
Potatoes (Northern and Central/Southern)	Hundredweight
Prunes	Tons <u>1/</u>
Raisins	Tons <u>1/</u>
Rangeland (GRP) (Pilot)	Pounds
Raspberries/Blackberries (Pilot)	Crates – California Pounds/dollars – Oregon, Washington
Rice	Pounds (45 lbs. per bu.)
Rye	Bushels (56 lbs.)
Safflowers	Pounds (35 lbs. per bushel)
Sorghum Silage (Pilot)	See the Sorghum Silage Handbook
Soybeans	Bushels (60 lbs.)
Strawberries (Pilot)	Pounds/Dollars <u>2/</u>
Stonefruit (Apricots) (Nectarines) (Freestone Peaches) (Proc. apricots and Proc. Peaches)	Lugs (24 lbs.) Lugs (25 lbs.) Lugs (22 lbs.) Tons <u>1/</u>
Sugar Beets	Tons <u>1/</u>
Sugarcane	Pounds
Sugarcane (Hawaiian)	Pounds
Sunflower Seed (Oil)	Pounds (29 lbs. per bu.)
Sunflower Seed (Non-oil)	Pounds (25 lbs. per bu.)
Sweet Corn (Processing)	Tons <u>1/</u>
Sweet Corn (Fresh)	Containers (42 lbs.)
Sweet Potatoes (Pilot)	Hundredweight
Tobacco (Guarantee & Quota)	Pounds
Tomatoes (Processing)	Tons <u>1/</u>
Tomatoes (Fresh & Fresh Guarantee)	Cartons (25 lbs.)
Walnuts	Pounds
(Cultivated) Wild Rice (Pilot)	Pounds (25 lbs. per bu. for MN & 29 lbs per bu. for CA.)
Winter Squash (Pilot)	Hundredweight/Dollars <u>2/</u>
Wheat	Bushels (60 lbs.)

1/ Ton = 2,000 pounds.

2/ Loss measurement is first based on weight/capacity measurement, as shown, and then is converted to dollars.

EXHIBIT 5

ENTITIES AND DOCUMENTATION CHART

ENTITY	APPLICATION	*SIGNATURE(S) REQUIRED	DOCUMENTATION NEEDED	ID NUMBER
INDIVIDUAL	John C. Doe	John C. Doe	None	Individual EIN or SSN <u>1/</u>
INDIVIDUAL	Northam Land Company c/o James T. Anderson	Northam Land Company By James T. Anderson, Sole Owner	None	EIN or SSN of The Owner <u>1/</u>
INDIVIDUAL (Female)	Anna M. Smith (Not Mrs. John C. Smith)	Anna M. Smith (Not Mrs. John C. Smith)	None	EIN or SSN of Individual <u>1/</u>
INDIVIDUAL (Joint & Survivor & Interest)	John W. Doe or Mary C. Doe	(Both must sign) John W. Doe Mary C. Doe	If they are not spouses, statements signed by both parties showing authority of one to act for the other	EIN or SSN of Individual <u>3/</u>
INDIVIDUAL (Minor, Natural Guardian)	John Doe, (minor) by Fred Doe, Guardian	Fred Doe, Guardian for John Doe and John Doe	Statement signed by minor and guardian showing qualifications as separate entity	EIN or SSN of Minor <u>1/</u>
INDIVIDUAL (Minor Unable To Enter Into Contracts & Incompetent Court-Appointed Guardian)	Frank W. Doe c/o John H. Doe, Guardian	John H. Doe Guardian for Frank W. Doe,	Statements signed by court-appointed guardian showing where court decree can be verified	EIN or SSN of Minor or Incompetent <u>1/</u>
INDIVIDUAL (Authorized Signature)	John C. Doe c/o Richard C. Roe, Authorized Representative	John C. Doe By Richard C. Roe, Under Power of Attorney	Power of Attorney	Individual EIN or SSN of insured <u>1/</u>
INDIVIDUAL (Tobacco Marketing Card)	John C. Doe	John C. Doe	Statement signed by all shareholders agreeing to the arrangement and designating responsible person	Named Insured EIN or SSN <u>2/</u>
INDIVIDUAL (Undivided Interest)	John C. Doe	John C. Doe	Copy of agreement designating responsible person	Named Insured EIN or SSN <u>2/</u>
SPOUSAL	John C. Doe	John C. Doe	None	Individual EIN or SSN <u>3/</u>
ENTITY INSURING A LANDLORD'S OR TENANT'S SHARE	John C. Doe	John C. Doe	None	Individual EIN or SSN <u>3/</u> or <u>4</u>
CO-OWNERS JOINT OPERATORS	James L. Smith and John A. Brown, Co-Owners James L. Smith and John A. Brown, Joint Operators	(All must sign) James L. Smith John A. Brown	None, if all sign, Or Power of Attorney authorizing signature	Joint Interest EIN or SSNs <u>2/</u>
CORPORATION	ABC Company, Inc. c/o Richard Roe, (Title) First National Bank of Dallas c/o John H. Doe, (Title)	ABC Company, Inc. By Richard Roe, (Title) First National Bank of Dallas By John H. Doe, (Title)	Statements where articles of incorporation/organization are on file. Application must be signed by authorized person.	EIN For the Corporation <u>4/</u>
ESTATE	Estate of Richard Roe, Deceased, c/o John H. Doe, Executor (or Administrator)	Estate of Richard Roe, Deceased, by John H. Doe Executor (or Administrator)	Statement advising where authority can be found	Estate EIN Or Deceased SSN or EIN
PARTNERSHIP (Written or Verbal)	Jones and Smith, A Partnership c/o Sam Jones	Jones and Smith, A Partnership By Sam Jones, A Partner	Statement signed by all partners certifying they are members of the partnership	Partnership EIN <u>4/</u>

1/ If EIN, individual MUST be listed as SBI and SSN provided

2/ All ENTITIES/PERSONS insured must be listed as SBI and EIN or SSN provided

3/ SSN of spouse.

4/ SSN/EIN of any individual/entity with a SBI; at least one SSN is required, even if no individual holds a SBI.

EXHIBIT 5

ENTITIES AND DOCUMENTATION CHART

ENTITY	APPLICATION	*SIGNATURE(S) REQUIRED	DOCUMENTATION NEEDED	ID NUMBER
TRUST (BIA) (Irrevocable) (Revocable)	John H. Doe Trust, c/o Richard Roe, Trustee or Administrator	John H. Doe, Trust by Richard Roe, Trustee or Administrator	Statement advising where authority can be found	EIN for Trust Or SSN Reported for the Trust <u>4/</u>
	Jones, Brown, Smith c/o Richard Roe, Trustee	Jones, Brown, Smith By Richard Roe, Trustee		EIN of Trust or SSN Reported for the Trust <u>4/</u>
	(Name of Trust) BIA Trust 0016	BIA Trust 0016 by John Doe Trustee or Power of Attorney	Statement advising where authority can be found	State County BIA# Example: 01 201 0016
	Ralph R. Doe, Trust, c/o Richard Roe, Trustee or Administrator	Ralph R. Doe Trust, c/o Richard Roe, Trustee or Administrator	Statement advising where authority can be found	EIN for Trust or SSN Reported for the Trust <u>4/</u>
	John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator	John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator	Statement advising where authority can be found	EIN for Trust or SSN Reported for the Trust <u>4/</u>
RECEIVER OR LIQUIDATOR	XYZ Company c/o John H. Doe, Receiver (or Liquidator)	XYZ Company By John H. Doe, Receiver or Liquidator & Court-Appointed	Statement advising where authority can be found	EIN of Named Insured or Correspondent's EIN and/or SSN
PUBLIC AGENCY (a state, a political subdivision of a state (county or parish), or any agency thereof)	Brown County Farms c/o Richard R. Roe Farm Manager	Brown County Farms By Richard R. Roe, Farm Manager (Other Authorized Title Acceptable)	Statement advising where authority can be found	EIN if issued
	State of Ohio, Board of Aeronautics, c/o John H. Doe, Director	State of Ohio, Board of Aeronautics, By John H. Doe, Director (Other Authorized Title Acceptable)		
	Fairtown Farms c/o I.M. Boss, City Mgr.	Fairtown Farms By I.M. Boss, City Mgr. (Other Authorized Title Acceptable)		
ASSOCIATION, CLUB OTHER TAX-EXEMPT ORGANIZATION	Park and Recreation Association c/o John H. Doe, Treasurer	Park and Recreation Association By John H. Doe, Treasurer	Statement advising where authority can be found	EIN for the Organization

- 1/ If EIN, individual MUST be listed as SBI and SSN provided
- 2/ All ENTITIES/PERSONS insured must be listed as SBI and EIN or SSN provided
- 3/ SSN of spouse.
- 4/ SSN/EIN of any individual/entity with a SBI; at least one SSN is required, even if no individual holds a SBI.

EXHIBIT 6

HAIL/FIRE EXCLUSION APPRAISAL FACTOR CHART

The following table lists the appraisal factors for the following levels of coverage when the percent of hail/fire loss exceeds the difference between 100% and the level of coverage percent.

% Hail Damage	65%	70%	75%	80%	85%
15%	0	0	0	0	0
16%	0	0	0	0	.0118
17%	0	0	0	0	.0236
18%	0	0	0	0	.0354
19%	0	0	0	0	.0472
20%	0	0	0	0	.0590
21%	0	0	0	.0125	.0708
22%	0	0	0	.0250	.0826
23%	0	0	0	.0375	.0944
24%	0	0	0	.0500	.1062
25%	0	0	0	.0625	.1180
26%	0	0	.0133	.0750	.1298
27%	0	0	.0267	.0875	.1416
28%	0	0	.0400	.1000	.1534
29%	0	0	.0533	.1125	.1652
30%	0	0	.0667	.1250	.1770
31%	0	.0143	.0800	.1375	.1888
32%	0	.0286	.0933	.1500	.2006
33%	0	.0429	.1067	.1625	.2124
34%	0	.0571	.1200	.1750	.2242
35%	0	.0714	.1333	.1875	.2360
36%	.0154	.0857	.1467	.2000	.2478
37%	.0308	.1000	.1600	.2125	.2596
38%	.0462	.1143	.1733	.2250	.2714
39%	.0615	.1286	.1867	.2375	.2832
40%	.0769	.1429	.2000	.2500	.2950
41%	.0923	.1571	.2133	.2625	.3068
42%	.1077	.1714	.2267	.2750	.3186
43%	.1231	.1857	.2400	.2875	.3304
44%	.1385	.2000	.2533	.3000	.3422
45%	.1538	.2143	.2667	.3125	.3540
46%	.1692	.2286	.2800	.3250	.3658
47%	.1846	.2429	.2933	.3375	.3776
48%	.2000	.2571	.3067	.3500	.3894
49%	.2154	.2714	.3200	.3625	.4012
50%	.2308	.2857	.3333	.3750	.4130
51%	.2462	.3000	.3467	.3875	.4248
52%	.2615	.3143	.3600	.4000	.4366
53%	.2769	.3286	.3733	.4125	.4484
54%	.2923	.3429	.3867	.4250	.4602
55%	.3077	.3571	.4000	.4375	.4720
56%	.3231	.3714	.4133	.4500	.4838
57%	.3385	.3857	.4267	.4625	.4956
58%	.3538	.4000	.4400	.4750	.5074
59%	.3692	.4143	.4533	.4875	.5192
60%	.3846	.4286	.4667	.5000	.5310
61%	.4000	.4429	.4800	.5125	.5428
62%	.4154	.4571	.4933	.5250	.5546
63%	.4308	.4714	.5067	.5375	.5664
64%	.4462	.4857	.5200	.5500	.5782
65%	.4615	.5000	.5333	.5625	.5900

EXHIBIT 6

% Hail Damage	65%	70%	75%	80%	85%
66%	.4769	.5143	.5467	.5750	.6018
67%	.4923	.5286	.5600	.5875	.6136
68%	.5077	.5429	.5733	.6000	.6254
69%	.5231	.5571	.5867	.6125	.6372
70%	.5385	.5714	.6000	.6250	.6490
71%	.5538	.5857	.6133	.6375	.6608
72%	.5692	.6000	.6267	.6500	.6726
73%	.5846	.6143	.6400	.6625	.6844
74%	.6000	.6286	.6533	.6750	.6962
75%	.6154	.6429	.6667	.6875	.7080
76%	.6308	.6571	.6800	.7000	.7198
77%	.6462	.6714	.6933	.7125	.7316
78%	.6615	.6857	.7067	.7250	.7434
79%	.6769	.7000	.7200	.7375	.7552
80%	.6923	.7143	.7333	.7500	.7670
81%	.7077	.7286	.7467	.7625	.7788
82%	.7231	.7429	.7600	.7750	.7906
83%	.7385	.7571	.7733	.7875	.8024
84%	.7538	.7714	.7867	.8000	.8142
85%	.7692	.7857	.8000	.8125	.8260
86%	.7846	.8000	.8133	.8250	.8378
87%	.8000	.8143	.8267	.8375	.8496
88%	.8154	.8286	.8400	.8500	.8614
89%	.8308	.8429	.8533	.8625	.8732
90%	.8462	.8571	.8667	.8750	.8850
91%	.8615	.8714	.8800	.8875	.8968
92%	.8769	.8857	.8933	.9000	.9086
93%	.8923	.9000	.9067	.9125	.9204
94%	.9077	.9143	.9200	.9250	.9332
95%	.9231	.9286	.9333	.9375	.9440
96%	.9385	.9429	.9467	.9500	.9558
97%	.9538	.9571	.9600	.9625	.9676
98%	.9692	.9714	.9733	.9750	.9794
99%	.9846	.9857	.9867	.9875	.9912
100%	1.0000	1.0000	1.0000	1.0000	1.0000

Instructions for using the “Decimal Part of a Percent” chart below: Add the whole number to the decimal %.
Example: 58.7 hail damage @ 65 % level of coverage (.3538 + .0108) = .3646 appraisal factor
.3646 X guarantee per acre = appraisal for uninsured causes.

	65%	70%	75%	80%	85%
.1	.0015	.0014	.0013	.0013	.0012
.2	.0031	.0029	.0027	.0025	.0024
.3	.0046	.0043	.0040	.0038	.0035
.4	.0062	.0057	.0053	.0050	.0047
.5	.0077	.0071	.0067	.0063	.0059
.6	.0092	.0086	.0080	.0075	.0071
.7	.0108	.0100	.0093	.0088	.0083
.8	.0123	.0114	.0107	.0100	.0094
.9	.0138	.0129	.0120	.0113	.0106

EXHIBIT 7

FSA DOCUMENTS

Reproduce Locally: Include form number and date on reproduction						
FSA-426 U.S. DEPARTMENT OF AGRICULTURE (xx-xx-xxxx) Farm Service Agency MPCI/FCIC INFORMATION REQUEST WORKSHEET			1. COUNTY OFFICE NAME, ADDRESS AND TELEPHONE NO. (Include area code) Anywhere County FSA Office (XXX) XXX-XXXX P.O. Box 555 City, State XXXXX-XXXX			
			2. Program Year 20YY		3. Date MM-DD-YYYY	
TO BE COMPLETED BY REQUESTER						
4. REQUESTER'S NAME <i>I. M. Adjuster</i>			A. ID NUMBER XXX-XX-XXXX		B. ID TYPE	
5. PRODUCER'S NAME	6. ID NUMBER	7. ID TYPE	8. INFORMATION REQUESTED Check appropriate box(es) that are applicable to producer			
			FSA-423	FSA-424	FSA-425	Map Photocopies
<i>I. M. Insured</i>	xxx-xx-xxxx	xxx		Y		Y
9. INFORMATION WILL BE: () MAILED (Y) PICKED UP			ADDRESS, IF MAILED			
10. REMARKS						
11. REQUESTER'S SIGNATURE <i>I. M. Adjuster</i>						
TO BE COMPLETED BY FSA ONLY						
DATE RECEIVED	DATE FURNISHED	WORKLOAD DATA	INITIALS			
This program or activity will be conducted on a nondiscriminatory basis without regard to race, color, religion, national origin, age, sex, marital status, or handicap						

***** (DELETED)**

EXHIBIT 8

FSA ABBREVIATIONS ON AERIAL PHOTOS

FSA AERIAL PHOTO ABBREVIATIONS	MEANING
HEL	Highly erodible land
NHEL	Not highly erodible land
W	Wetland
NW	Nonwetland
CW	Wetland converted before 11/28/90
CWA	Wetland converted after 11/28/90 Example: "CW95" to indicate that the conversion occurred in 1995.
FW	Farmed wetland
PC	Wetland converted before 12/23/85
AW	Artificial wetland or irrigated wetland
MW	Converted wetlands determined to have a minimal effect
MG	A prior converted wetland is restored to replace a frequently cropped wetland that is converted
MG	A prior converted wetland is restored to replace a non-frequently cropped wetland
RW	Restored wetland that was converted before 11/28/90
RW	Restored wetland that was converted after 11/28/90
RW	Wetland that was restored under a good faith agreement
CWTE	Wetlands determined by NRCS to be exempt because of technical error
CWNA	Wetlands converted for non-agricultural uses
FW	Wetland granted a commenced conversion or third party exemption that allows a maintenance of the current system
PC	Wetland granted a commenced conversion or third party exemption that does not restrict any drainage activities on the land
NC	Noncropland pasture and acreage reclassified as noncropland.
CRP	Land that is being devoted on a nonagricultural use (Land is under Conservation Reserve Program contract).
BCSYR	Fields approved for early release from the Conservation Reserve Program. The ΔYR@ is the year the CRP contract is scheduled to expire. CRP will have been lined through. When the originally expired date is reached the CRPBSCYR will be lined through and "Expired" will be shown beside it. Example Expired.@
FSN	Farm Serial Number. It is place in the upper-left corner of the farm on the photo.
T	T followed by numbers is the assigned "Tract number;" e.g., "T1520."
1...	An assigned number to identify the field, i.e., "1" or "2." When a field is subdivided a number followed by a letter suffix, such as Δ1A@ is shown.

EXHIBIT 9

FSA CODES USED ON FSA-578

CROP STATUS CODES					
First Character		Second Character		Third Character	
I	Initial (1st crop)	I	Intended	M	Multiple plantings on the same field
D	Double crop (2nd crop)	P	Prevented Planting		
S	Subsequent crop (3rd or later crop)	F	Failed		
A	After prevented planted or failed	A	Abandoned (Only for Peanuts)		
E	Experimental (Not counted as a crop)	“ “	Means planted		
R	Repeat (same crop)				
B	Program crop behind a contract commodity or minor oilseed.				

Examples: II-Initial Intended DF- Double crop failed I- Initial Planted

INTENDED USE CODES					
Abbreviation	Explanation		Abbreviation	Explanation	
BR	Brooders		JU	Juice	
CN	Canning		LV	Leaves	
DE	Dry edible		ML	Molasses	
DS	Destroyed without benefit		OL	Oil	
EG	Eggs		PP	Processing for pellets	
FD	Fodder		PR	Processed	
FF	Foodfish		RS	Rootstock	
FG	Forage		RT	Root(s)	
FH	Fresh		SD	Seed	
FN	Fingerlings		SE	Sets	
FZ	Freezing		SG	Silage	
GC	Greenchop		SK	Stockers	
GR	Grain		SO	Sod	
GZ	Grazing		ST	Storage	
GM	Green Manure				
GN	Greens		GP	Green peanuts	
HY	Hay		HP	Hogged peanuts	
HG	Haylage		NP	Nut peanuts	

EXHIBIT 9

FSA CODES USED ON FSA-578

LAND USE FLAG				
Abbreviation	Explanation		Abbreviation	Explanation
F	Fruit or Vegetables		N	No Credit
O	Other cropland (not counted for program purposes)			

FSA CODES AND ABBREVIATIONS

PLANTING PRACTICE CODES USED ON FSA-578
The planting practices on the FSA-578 are FCIC planting codes. Refer to the FCI-35 for the code and code explanation.

EXHIBIT 10

CLAIM CHECKLIST

A General Information for insurance provider

- (1) It is recommended that insurance providers provide this or a similar checklist to adjusters for them to complete during each loss inspection. (The insurance provider may choose to develop a similar checklist that has been modified to fit their region and the crops insured.)
- (2) The checklist is to be used as a tool to assist the adjuster in determining that important verifications have been made. It may be utilized for other purposes, such as review of adjusters' work, etc.
- (3) If the insurance provider chooses to use this checklist, be aware that this checklist was designed to be used nationwide. There may be some items that are not applicable to a particular geographical area or crop. On the other hand, there may be items that are not included on this list because they are specific to ONLY certain geographical areas or crops. Therefore, at the bottom of this checklist, space has been provided to add additional items that may be needed but have not been included.

B Adjuster completion instructions

- (1) Enter the insured's name, claim number, contract number, crop(s) and units inspected during the farm visit, and purpose of farm visit; e.g., acreage report review inspection, preliminary inspection, growing season inspection, final inspection, etc.
- (2) With a check mark, indicate "Yes" or "No" for each item on the checklist. If the item cannot be answered with a "Yes" or "No," explain on the line provided by each item or on the back of the checklist if more space is needed. Be sure to appropriately identify any comments made on the reverse side.
- (3) Signature is optional unless otherwise locally instructed; however, it is recommended that adjusters sign the form to facilitate any necessary follow-up action.
- (4) An indication that a particular item has been verified, such as "Special Option endorsements verified" is intended to be an indication that you not only verified that the insured had the option, endorsement, etc., but that you also verified the insured's eligibility for such option, etc., and that all applicable provisions have been met and applied properly in the adjustment of the loss.

Distribution

Place the completed checklist in the insured's contract folder. No other copies are required to be distributed unless otherwise instructed by the insurance provider.

EXHIBIT 10
CLAIM CHECKLIST

		Insured's name	Claim number	Policy number
		Crop(s)-Unit(s)		
YES	NO			
<input type="checkbox"/>	<input type="checkbox"/>	1	Insured Present _____	
<input type="checkbox"/>	<input type="checkbox"/>	2	Insurable Entity verified _____	
<input type="checkbox"/>	<input type="checkbox"/>	3	Timely Notice _____	
<input type="checkbox"/>	<input type="checkbox"/>	4	Share Verified _____	
<input type="checkbox"/>	<input type="checkbox"/>	5	Companion Contract Verified (if applicable) _____	
<input type="checkbox"/>	<input type="checkbox"/>	6	Legal Description Verified _____	
<input type="checkbox"/>	<input type="checkbox"/>	7	Practice(s) Insurability Verified _____	
<input type="checkbox"/>	<input type="checkbox"/>	8	Insurable Type/Variety Verified _____	
<input type="checkbox"/>	<input type="checkbox"/>	9	Planting Dates Verified _____	
<input type="checkbox"/>	<input type="checkbox"/>	10	Unit/Unit Division Verified _____	
<input type="checkbox"/>	<input type="checkbox"/>	11	Risk Area Verified _____	
<input type="checkbox"/>	<input type="checkbox"/>	12	Insurable Cause Of Loss _____	
<input type="checkbox"/>	<input type="checkbox"/>	13	Similar Damage _____	
<input type="checkbox"/>	<input type="checkbox"/>	14	Reasonable APH _____	
<input type="checkbox"/>	<input type="checkbox"/>	15	Insurable Acreage _____	
<input type="checkbox"/>	<input type="checkbox"/>	16	Sharing Interests _____	
<input type="checkbox"/>	<input type="checkbox"/>	17	Options/Endorsements _____	
<input type="checkbox"/>	<input type="checkbox"/>	18	Review Previous Reports _____	
<input type="checkbox"/>	<input type="checkbox"/>	19	Previous Appraisals _____	
<input type="checkbox"/>	<input type="checkbox"/>	20	Quality Adjustment Eligibility Verified _____	
<input type="checkbox"/>	<input type="checkbox"/>	21	Acreage Determined/Method _____	
<input type="checkbox"/>	<input type="checkbox"/>	22	Acreage Replanted _____	
<input type="checkbox"/>	<input type="checkbox"/>	23	Replanting Payment _____	
<input type="checkbox"/>	<input type="checkbox"/>	24	Certification Form _____	
<input type="checkbox"/>	<input type="checkbox"/>	25	Sold Production Verified _____	
<input type="checkbox"/>	<input type="checkbox"/>	26	Farm Stored Production Verified _____	
<input type="checkbox"/>	<input type="checkbox"/>	27	Commingled Production _____	
<input type="checkbox"/>	<input type="checkbox"/>	28	Fed Production Verified _____	
<input type="checkbox"/>	<input type="checkbox"/>	29	Other Names/Entities for Production Verified _____	
<input type="checkbox"/>	<input type="checkbox"/>	30	All Production Accounted For _____	
<input type="checkbox"/>	<input type="checkbox"/>	31	Unusual/Controversial Circumstances _____	
<input type="checkbox"/>	<input type="checkbox"/>	32	Reviewed Completed Claim with Insured or Insured=s Representative _____	
<input type="checkbox"/>	<input type="checkbox"/>	33	Obtained Signatures _____	
<input type="checkbox"/>	<input type="checkbox"/>	34	Second Crop Acreage _____	
<input type="checkbox"/>	<input type="checkbox"/>	35	Signatures _____	
<input type="checkbox"/>	<input type="checkbox"/>	36	Other _____	
<input type="checkbox"/>	<input type="checkbox"/>	37	Other _____	

Adjuster's Signature _____ Date _____

EXHIBIT 11

CERTIFICATION FORM AND COMPLETION INSTRUCTIONS

- A Refer to paragraph 66 for detailed information pertaining to uses of this form.
- B The example form in this exhibit serves as the minimum requirements for the Certification Form. All items and statements on the example form are “**Substantive**” (**required**), unless noted otherwise below.
- C The Privacy Act Statement and Nondiscrimination Statement are required statements that must be printed on the form or provided as a separate document. These statements are not shown in the example form in this exhibit but can be found in the FCIC-24040, 2004 Document and Supplemental Standards Handbook. Refer to the FCIC-24040 for other requirements general to all forms; e.g., point size of font, submission requirements for forms approval, etc.
- D The following items and completion instructions correspond with the item numbers on the Certification Form example in this exhibit. All of the following completion instructions are “**Substantive.**”
- E General Completion Instructions
- (1) The adjuster will complete the following entries:
Items 1 thru 12 and items 17 (intended use), 21, 22 and 23.
 - (2) The insured will complete the following entries:
Items 13, 14, 15, 16, 17 (actual use), 18, 19 and 20.
 - (3) Item numbers below apply to replant, crop with no market value (such as aflatoxin-infected corn), and final inspections (unless otherwise designated) and correspond with item numbers on the Certification Form.
- F Item No. Required Completion instructions:
- 1 Contract number exactly as shown on the most recent policy confirmation.
 - 2 Name of insured PRINTED exactly as shown on the most recent policy confirmation.
 - 3 Date originated (inspection date).
 - 4 Name of crop.
 - 5 Farm Serial Number from the acreage report after verification.
 - 6 Name of the individual (or office) and address of where the completed Certification Form will be mailed.
 - 7 Unit number from acreage report after verification.
 - 8 Total acres, to tenths, of crop on the unit. Account for all crop acreage on the unit.

EXHIBIT 11

CERTIFICATION FORM AND COMPLETION INSTRUCTIONS (Continued)

- | <u>Item No.</u> | <u>Required Completion instructions:</u> |
|-----------------|--|
| 9 | Enter Crop Year. |
| 10 | Identification symbol for each field (corresponds to the entry for this item on the claim form. Leave items 10 thru 17 blank when completed for special delayed claims (see PAR. 69). |
| 11 | Intended use of the acreage in the field. Make separate line entries for different intended uses of fields or subfields ("plow-under," "cut for hay," "destroy aflatoxin-infected corn," "destroy zero-value production," etc). |
| 12 | Acres, to tenths, of the intended use. (The acreage of all fields and subfields must equal the total acres in the unit as shown in item 8.) |
| 13 | Actual use of the acreage in the field (when completed). Make separate line entries for different actual uses. |
| 14 | Acres, to tenths, of actual use. (The acreage of all fields and subfields must equal the total acres in the unit as shown in item 8.) |
| 15 | Date that any acreage was replanted, crop with no market value (such as aflatoxin-infected corn) was destroyed, OR that each field in the ENTIRE unit was put to another use. |
| 16 | For replant payments only: Insured's actual cost per acre for replanting. |
| 17 | Total acreage of intended use and actual use, respectively. |
| 18 | Enter any remarks necessary to explain any entries on the form. (Method(s) used to destroy aflatoxin-infected corn or production records available). |
| 19 | Signature of the insured or insured's authorized representative, if applicable, after the actual use and after the Certification Form has been completed. If the landlord and tenant are both insured, the operator's (tenant's) certification can be used for both the landlord and operator. |
| 20 | Date of signature by the insured. |
| 21 | Acceptance or rejection as signified by a check mark in the corresponding box. If the Certification Form is rejected, refer to PAR. 64. |
| *** | A second field inspection is required for: <ol style="list-style-type: none">(1) mycotoxin infected crops that are infected at a level which Federal or State law require destruction of the production.(2) special delayed claims to verify information reported. |

EXHIBIT 11

CERTIFICATION FORM AND COMPLETION INSTRUCTIONS (Continued)

<u>Item No.</u>	<u>Required Completion instructions:</u>
22	Code number and signature by the adjuster or supervisor who accepted (or rejected) the completed form.
23	Date of signature by the adjuster or field representative.

DISTRIBUTION: Unless otherwise instructed by the insurance provider distribute copies as follows:

- Original and one copy to the insured.
- One copy to the contract folder.

EXHIBIT 11

CERTIFICATION FORM								
Complete and mail this form within five (5) days after: All acreage in the unit has been put to another use, or completion of replanting on the unit for replanting payment <u>1/</u>								
1. CONTRACT NO. <i>XX-XX-XXXXX</i>			2. INSURED <i>I.M. INSURED</i>			3. DATE ORIGINATED <i>06/15/YYYY</i>		
4. CROP <i>Soybeans</i>			5. FARM SERIAL NO. <i>1264</i>			6. MAIL TO: <i>INSURANCE PROVIDER</i>		
7. UNIT NO. <i>00100</i>	8. UNIT ACRES <i>85 0</i>		9. YEAR <i>20YY</i>			ANY STREET ADDRESS		
Replant/Other Use of acreage Identified above was completed on the date(s) shown:						ANY TOWN, STATE XXXXX		
10. FIELD ID	11. INTENDED USE	12. ACRES		13. ACTUAL USE	14. ACRES		15. DATE	16. REPLANT COST PER ACRE
<i>A</i>	<i>To Replant</i>	<i>20</i>	<i>0</i>	<i>Replanted</i>	<i>20</i>	<i>0</i>	<i>6/30/YYYY</i>	<i>18.00</i>
<i>A</i>	<i>Not Replanted</i>	<i>20</i>	<i>0</i>	<i>Not Replanted</i>	<i>20</i>	<i>0</i>		
<i>B</i>	<i>Not Replanted</i>	<i>45</i>	<i>0</i>	<i>Not Replanted</i>	<i>45</i>	<i>0</i>		
17. TOTALS		<i>85</i>	<i>0</i>		<i>85</i>	<i>0</i>		
18.								
1/ Refer to the crop policy qualifications for replanting payments.								
I submit this report pursuant to the requirements of my above-identified crop INSURANCE contract, and I certify that to the best of my knowledge and belief the information shown above is correct and that such information can be used for processing the claim which I previously signed.								
19. INSURED'S SIGNATURE <i>I. M. Insured</i>							20. DATE <i>6/30/YYYY</i>	
21. <input type="checkbox"/> : ACCEPTED <input type="checkbox"/> : REJECTED		22. CODE NO. AND FIELD PERSON'S SIGNATURE <i>XXXXX I. M. Adjuster</i>					23. DATE <i>7/5/YYYY</i>	
ORIGINAL								

EXHIBIT 12

SELF-CERTIFICATION REPLANT WORKSHEET AND COMPLETION INSTRUCTIONS

- A. Refer to PAR. 64 for authorized crops and other information pertaining to self-certified replant claims.
- B. The example form in this exhibit serves as the minimum requirements for the Self-Certification Replant Worksheet form. All items and statements on the form are **“Substantive” (required)**, unless noted otherwise below.
- C. The Privacy Act Statement and Nondiscrimination Statement are required statements that must be printed on the form or provided as a separate document. These statements are not shown in the example form in this exhibit but can be found in the FCIC-24040, 2004 Document and Supplemental Standards Handbook. Refer to the FCIC-24040 for other requirements general to all forms; e.g., point size of font, submission requirements for forms approval, etc.
- D. Self-Certification Replant Worksheet Completion Instructions. The following items and completion instructions correspond with the item numbers on the Self-Certification Replant Worksheet Form Example in this exhibit. All of the following completion instructions are **“Substantive.”**

Item No.	Item Descriptor	Required Completion Instructions
1.	Company	Insurance provider's name. (This can be a fill-in-entry or can be pre-printed on the form.)
2.	Insured's name	Insured's name as shown on the most recent Policy Confirmation.
3.	Policy number	Policy number from the most recent Policy Confirmation
4.	Crop/Crop year	Crop/Crop year for this replant.
5.	Claim Number	Claim number assigned by the company.
6.	Share	Insured's share to THREE decimal places. (If shares vary on same UNIT, all shares must be listed and the acreage associated with each share must be identified.)
7.	Unit No.	Unit number from the acreage report.
8.	FSA FSN	FSA Farm Serial Number for the replanted acreage.
9.	Unit Acres	Total number of insurable acres in the unit.
10.	Replanted Acres	Total number of replanted acres.
11.	Legal Description	Legal description(s) where acreage is replanted.
12.	Cause of damage	Insured cause of damage.

EXHIBIT 12

SELF-CERTIFICATION REPLANT WORKSHEET AND COMPLETION INSTRUCTIONS

Item No.	Item Descriptor	Required Completion Instructions
13.	Date of Damage	Month plus the year, during which MOST of the insured damage occurred. Include the specific DATE where applicable.
14.	Original Plant Date	Date acreage was originally planted.
15.	Replant Date	Date acreage was replanted.
16.	Field Diagram	Sketch of the field and replanted acreage (shaded as instructed on the worksheet.
17.	Indicate the Practice/ Type Utilized (✓)	Initial type/practice and the type/practice used for the replanted acreage (indicate by placing a check mark by the applicable practice.) Write in practice or type if not listed. Write in tillage method used for the original planting and tillage method used for the replanted acreage.
18.	"My yield potential for acres to be replanted is _____ per acre.	Insured's estimate of yield potential per acre on acres to be replanted.
19.	"Is damage on your farm similar to other farms in the area?" YES ___ "NO" ___	Mark "YES" or "NO" as indicated.
20.	The following represent my actual replant costs as landlord____ Tenant____ owner/operator____: *** This entry is not required for crops insured under the Small Grains Crops Provisions.	MAKE NO ENTRY IF CROP IS barley, flax, oats, rye, or wheat, but attach copies of receipts for replanting expenses actually incurred for the replanted acreage. Mark "landlord", "tenant", or "owner/operator" to indicate insured entity. Insured's TOTAL ACTUAL cost to replant the acreage. (Only the dollar amount the insured paid or is liable for.)
21.	I have an agreement with the other insured party(ies) to incur the entire cost of replanting or to receive all replant payments as provided by policy provisions. YES__NO__(If yes, provide documentation.)	Indicate whether an agreement exists with any other insured party to incur the entire cost of replanting or to receive all replant payments. If question in item 21 is answered "yes" include documentation of the agreement. If such provision is not shown in the policy, replant payments are limited to the insured's actual cost times the share no matter what agreement is in effect.
22.	Insured's Signature and Date	Insured's signature and date, certifying to information on the worksheet.

EXHIBIT 12

SELF-CERTIFICATION REPLANT WORKSHEET AND COMPLETION INSTRUCTIONS

Item No.	Item Descriptor	Required Completion Instructions
23.	Adjuster's Signature, Code No., and Date	Adjuster's signature, code number, and date (after reviewing and determining worksheet is correctly completed and crop acreage is eligible for a replanting payment.)
<p>GENERAL RANDOM REVIEW (AUDIT) INFORMATION.</p> <p>(a) Items 24-31 of the worksheet are to be completed when a random review (audit) is done.</p> <p>(b) Use a Special Report when there is not room in item 23 for documenting additional information or reasons for differences found during the review.</p> <p>(c) As part of the random review determine the unit acreage. If the determined acreage does not agree with what is on the worksheet, enter this fact in item 23 or on a Special Report.</p> <p>(d) Any information recorded on the Self-Certification Replant Worksheet or on the claim form that is found to be incorrect, line through the incorrect information, enter the correct information, and have the insured initial the change. (If you find it necessary or if instructed by the insurance provider, prepare a new claim form and void the original.)</p>		
24.	Reviewer Remarks	Enter information pertinent to audit. If additional room is needed, use a Special Report and write appropriately, "See attached (Title or number of form used for documentation purposes)." in item 23.
25.	Reviewer Code/Date	Enter the reviewer code number and the date of review.
26.	Actual/Replant Acres	Enter "O.K." if you verify the field was initially planted timely and that the number of acres actually replanted agree with the entry in item 10. If you verify that the number of acres do not agree with item 10, enter the correct number of acres replanted.
27.	Date of Damage	Enter "O.K." if you verify that the date of damage agrees with the entry in item 13. If you verify that the date of damage does not agree with the entry in item 13, determine the correct date and enter.
28.	Cause of Damage	Enter "O.K." if you verify that the cause of damage is insurable and agrees with the entry in item 12. If you verify that the entry does not agree with the entry in item 12, enter the cause of damage you have determined. If the cause of damage is not insurable, identify as such.

EXHIBIT 12

SELF-CERTIFICATION REPLANT WORKSHEET AND COMPLETION INSTRUCTIONS

Item No.	Item Descriptor	Required Completion Instructions
29.	Replant Practice	Enter "O.K." if you verify that the type or practice used for replanted acreage agrees with the entry in item 17. If you verify that the practice replanted does not agree with item 17, enter the practice you have determined.
30.	Did acreage appear to qualify?	Enter "Yes" or "No" to indicate whether the acreage recorded in item 10 and 26 appears to qualify for the replanting payment. If you answered no, document why the acreage did not qualify for the replant payment in item 24 or on a Special Report.
31.	Actual Cost	<p>For CROPS INSURED UNDER THE SMALL GRAINS CROP PROVISIONS: If receipts support the crop acreage has been replanted, enter OK.</p> <p>Enter "O.K." after you have verified with the insured or insured's authorized representative that the total cost incurred by the INSURED for the replanting operation (without regard to crop share and substantiated by receipts) is the same as the entry in item 20. If you verify that the total cost incurred by the INSURED in item 20 does not agree with your determination, enter the total cost you have determined and explain the difference in item 24 or on a Special Report.</p>

DISTRIBUTION:

Adjuster:

- 1 Transmit partially completed original and two copies to the insured to be completed by the insured.
- 2 Attach the completed original and copies (with receipts showing replanting costs) to all copies of the completed claim form and transmit in accordance with instructions from your insurance provider.

After the Self-Certified Replant claim is approved for processing, the minimum distribution of the Self-Certified Replant Worksheet is as follows:

- (a) Original attached to original claim to the office designated by the insurance provider to maintain insureds' file of original documents.
- (b) One copy to the insured along with a legible copy of the claim.

EXHIBIT 13

SQUARE ROOT TABLE

N	\sqrt{n}		n	\sqrt{n}		n	\sqrt{n}		n	\sqrt{n}
1	1.000		28	5.292		55	7.416		82	9.055
2	1.414		29	5.385		56	7.483		83	9.110
3	1.732		30	5.477		57	7.550		84	9.165
4	2.000		31	5.568		58	7.616		85	9.220
5	2.236		32	5.657		59	7.681		86	9.274
6	2.449		33	5.745		60	7.746		87	9.327
7	2.646		34	5.831		61	7.810		88	9.381
8	2.828		35	5.916		62	7.874		89	9.434
9	3.000		36	6.000		63	7.937		90	9.487
10	3.162		37	6.083		64	8.000		91	9.539
11	3.317		38	6.164		65	8.062		92	9.592
12	3.464		39	6.245		66	8.124		93	9.644
13	3.606		40	6.325		67	8.185		94	9.695
14	3.742		41	6.403		68	8.246		95	9.747
15	3.873		42	6.481		69	8.307		96	9.798
16	4.000		43	6.557		70	8.367		97	9.849
17	4.123		44	6.633		71	8.426		98	9.899
18	4.243		45	6.708		72	8.485		99	9.950
19	4.359		46	6.782		73	8.544		100	10.000
20	4.472		47	6.856		74	8.602			
21	4.583		48	6.928		75	8.660			
22	4.690		49	7.000		76	8.718			
23	4.796		50	7.071		77	8.775			
24	4.899		51	7.141		78	8.832			
25	5.000		52	7.211		79	8.888			
26	5.099		53	7.280		80	8.944			
27	5.196		54	7.348		81	9.000			

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
Circumference (feet)	Diameter (feet)	Factor (sq. ft.)		Circumference (feet)	Diameter (feet)	Factor (sq. ft.)
18.7-19.0	6.0	28.3		26.6-26.8	8.5	56.8
19.1-19.3	6.1	29.2		26.9-27.1	8.6	58.1
19.4-19.6	6.2	30.2		27.2-27.4	8.7	59.5
19.7-19.9	6.3	31.2		27.5-27.8	8.8	60.8
20.0-20.2	6.4	32.2		27.9-28.1	8.9	62.2
20.3-20.5	6.5	33.2		28.2-28.4	9.0	63.6
20.6-20.8	6.6	34.2		28.5-28.7	9.1	65.0
20.9-21.2	6.7	35.3		28.8-29.0	9.2	66.4
21.3-21.5	6.8	36.3		29.1-29.3	9.3	67.9
21.6-21.8	6.9	37.4		29.4-29.6	9.4	69.4
21.9-22.1	7.0	38.5		29.7-30.0	9.5	70.9
22.2-22.4	7.1	39.6		30.1-30.3	9.6	72.4
22.5-22.7	7.2	40.7		30.4-30.6	9.7	73.9
22.8-23.0	7.3	41.9		30.7-30.9	9.8	75.4
23.1-23.4	7.4	43.0		31.0-31.2	9.9	77.0
23.5-23.7	7.5	44.2		31.3-31.5	10.0	78.5
23.8-24.0	7.6	45.4		31.6-31.8	10.1	80.1
24.1-24.3	7.7	46.6		31.9-32.2	10.2	81.7
24.4-24.6	7.8	47.8		32.3-32.5	10.3	83.3
24.7-24.9	7.9	49.0		32.6-32.8	10.4	85.0
25.0-25.2	8.0	50.3		32.9-33.1	10.5	86.6
25.3-25.6	8.1	51.5		33.2-33.4	10.6	88.3
25.7-25.9	8.2	52.8		33.5-33.7	10.7	89.9
26.0-26.2	8.3	54.1		33.8-34.0	10.8	91.6
26.3-26.5	8.4	55.4		34.1-34.4	10.9	93.3

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
34.5-34.7	11.0	95.0		42.3-42.5	13.5	143.2
34.8-35.0	11.1	96.8		42.6-42.8	13.6	145.3
35.1-35.3	11.2	98.5		42.9-43.1	13.7	147.4
35.4-35.6	11.3	100.3		43.2-43.5	13.8	149.5
35.7-35.9	11.4	102.1		43.6-43.8	13.9	151.7
36.0-36.2	11.5	103.9		43.9-44.1	14.0	153.9
36.3-36.5	11.6	105.7		44.2-44.4	14.1	156.1
36.6-36.9	11.7	107.5		44.5-44.7	14.2	158.3
37.0-37.2	11.8	109.3		44.8-45.0	14.3	160.6
37.3-37.5	11.9	111.2		45.1-45.3	14.4	162.9
37.6-37.8	12.0	113.1		45.4-45.7	14.5	165.2
37.9-38.1	12.1	115.0		45.8-46.0	14.6	167.4
38.2-38.4	12.2	116.9		46.1-46.3	14.7	169.7
38.5-38.7	12.3	118.8		46.4-46.6	14.8	172.0
38.8-39.1	12.4	120.8		46.7-46.9	14.9	174.4
39.2-39.4	12.5	122.8		47.0-47.2	15.0	176.7
39.5-39.7	12.6	124.7		47.3-47.5	15.1	179.1
39.8-40.0	12.7	126.7		47.6-47.9	15.2	181.4
40.1-40.3	12.8	128.6		48.0-48.2	15.3	183.9
40.4-40.6	12.9	130.7		48.3-48.5	15.4	186.3
40.7-40.9	13.0	132.7		48.6-48.8	15.5	188.7
41.0-41.3	13.1	134.8		48.9-49.1	15.6	191.2
41.4-41.6	13.2	136.8		49.2-49.4	15.7	193.6
41.7-41.9	13.3	138.9		49.5-49.7	15.8	196.0
42.0-42.2	13.4	141.1		49.8-50.1	15.9	198.5

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
50.2-50.4	16.0	201.1		58.0-58.2	18.5	268.8
50.5-50.7	16.1	203.6		58.3-58.5	18.6	271.7
50.8-51.0	16.2	206.1		58.6-58.9	18.7	274.7
51.1-51.3	16.3	208.7		59.0-59.2	18.8	277.6
51.4-51.6	16.4	211.3		59.3-59.5	18.9	280.5
51.7-51.9	16.5	213.9		59.6-59.8	19.0	283.5
52.0-52.3	16.6	216.5		59.9-60.1	19.1	286.5
52.4-52.6	16.7	219.0		60.2-60.4	19.2	289.5
52.7-52.9	16.8	221.6		60.5-60.7	19.3	292.6
53.0-53.2	16.9	224.3		60.8-61.1	19.4	295.6
53.3-53.5	17.0	227.0		61.2-61.4	19.5	298.7
53.6-53.8	17.1	229.7		61.5-61.7	19.6	301.8
53.9-54.1	17.2	232.3		61.8-62.0	19.7	304.8
54.2-54.5	17.3	235.1		62.1-62.3	19.8	307.9
54.6-54.8	17.4	237.8		62.4-62.6	19.9	311.0
54.9-55.1	17.5	240.6		62.7-62.9	20.0	314.2
55.2-55.4	17.6	243.3		63.0-63.3	20.1	317.3
55.5-55.7	17.7	246.1		63.4-63.6	20.2	320.4
55.8-56.0	17.8	248.8		63.7-63.9	20.3	323.7
56.1-56.3	17.9	251.6		64.0-64.2	20.4	326.9
56.4-56.7	18.0	254.5		64.3-64.5	20.5	330.1
56.8-57.0	18.1	257.3		64.6-64.8	20.6	333.3
57.1-57.3	18.2	260.1		64.9-65.1	20.7	336.5
57.4-57.6	18.3	263.0		65.2-65.5	20.8	339.8
57.7-57.9	18.4	265.9		65.6-65.8	20.9	343.1

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
65.9-66.1	21.0	346.4		73.7-73.9	23.5	433.8
66.2-66.4	21.1	349.7		74.0-74.2	23.6	437.5
66.5-66.7	21.2	353.0		74.3-74.6	23.7	441.2
66.8-67.0	21.3	356.3		74.7-74.9	23.8	444.9
67.1-67.3	21.4	359.7		75.0-75.2	23.9	448.6
67.4-67.7	21.5	363.1		75.3-75.5	24.0	452.4
67.8-68.0	21.6	366.5		75.6-75.8	24.1	456.2
68.1-68.3	21.7	369.8		75.9-76.1	24.2	459.9
68.4-68.6	21.8	373.2		76.2-76.4	24.3	463.8
68.7-68.9	21.9	376.7		76.5-76.8	24.4	467.6
69.0-69.2	22.0	380.1		76.9-77.1	24.5	471.5
69.3-69.5	22.1	383.6		77.2-77.4	24.6	475.3
69.6-69.9	22.2	387.0		77.5-77.7	24.7	479.2
70.0-70.2	22.3	390.6		77.8-78.0	24.8	483.0
70.3-70.5	22.4	394.1		78.1-78.3	24.9	486.9
70.6-70.8	22.5	397.6		78.4-78.6	25.0	490.9
70.9-71.1	22.6	401.2		78.7-79.0	25.1	494.8
71.2-71.4	22.7	404.7		79.1-79.3	25.2	498.7
71.5-71.7	22.8	408.3		79.4-79.6	25.3	502.7
71.8-72.0	22.9	411.9		79.7-79.9	25.4	506.7
72.1-72.4	23.0	415.5		80.0-80.2	25.5	510.7
72.5-72.7	23.1	419.1		80.3-80.5	25.6	514.8
72.8-73.0	23.2	422.7		80.6-80.8	25.7	518.8
73.1-73.3	23.3	426.4		80.9-81.2	25.8	522.8
73.4-73.6	23.4	430.1		81.3-81.5	25.9	526.8

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
81.6-81.8	26.0	530.9		89.4-89.6	28.5	638.0
81.9-82.1	26.1	535.0		89.7-90.0	28.6	642.5
82.2-82.4	26.2	539.1		90.1-90.3	28.7	646.9
82.5-82.7	26.3	543.3		90.4-90.6	28.8	651.4
82.8-83.0	26.4	547.4		90.7-90.9	28.9	656.0
83.1-83.4	26.5	551.6		91.0-91.2	29.0	660.5
83.5-83.7	26.6	555.7		91.3-91.5	29.1	665.1
83.8-84.0	26.7	559.9		91.6-91.8	29.2	669.6
84.1-84.3	26.8	564.1		91.9-92.2	29.3	674.3
84.4-84.6	26.9	568.3		92.3-92.5	29.4	678.9
84.7-84.9	27.0	572.6		92.6-92.8	29.5	683.5
85.0-85.2	27.1	576.8		92.9-93.1	29.6	688.2
85.3-85.6	27.2	581.0		93.2-93.4	29.7	692.8
85.7-85.9	27.3	585.4		93.5-93.7	29.8	697.4
86.0-86.2	27.4	589.7		93.8-94.0	29.9	702.1
86.3-86.5	27.5	594.0		94.1-94.4	30.0	706.9
86.6-86.8	27.6	598.3		94.5-94.7	30.1	711.6
86.9-87.1	27.7	602.6		94.8-95.0	30.2	716.3
87.2-87.4	27.8	607.0		95.1-95.3	30.3	721.1
87.5-87.8	27.9	611.4		95.4-95.6	30.4	725.8
87.9-88.1	28.0	615.8		95.7-95.9	30.5	730.6
88.2-88.4	28.1	620.2		96.0-96.2	30.6	735.4
88.5-88.7	28.2	624.6		96.3-96.6	30.7	740.2
88.8-89.0	28.3	629.0		96.7-96.9	30.8	745.1
89.1-89.3	28.4	633.5		97.0-97.2	30.9	749.9

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
97.3-97.5	31.0	754.8		105.1-105.4	33.5	881.4
97.6-97.8	31.1	759.6		105.5-105.7	33.6	886.7
97.9-98.1	31.2	764.5		105.8-106.0	33.7	892.0
98.2-98.4	31.3	769.4		106.1-106.3	33.8	897.3
98.5-98.8	31.4	774.4		106.4-106.6	33.9	902.6
98.9-99.1	31.5	779.3		106.7-106.9	34.0	907.9
99.2-99.4	31.6	784.3		107.0-107.2	34.1	913.3
99.5-99.7	31.7	789.2		107.3-107.5	34.2	918.6
99.8-100.0	31.8	794.2		107.6-107.9	34.3	924.0
100.1-100.3	31.9	799.2		108.0-108.2	34.4	929.4
100.4-100.6	32.0	804.2		108.3-108.5	34.5	934.8
100.7-101.0	32.1	809.3		108.6-108.8	34.6	940.2
101.1-101.3	32.2	814.3		108.9-109.1	34.7	945.7
101.4-101.6	32.3	819.4		109.2-109.4	34.8	951.1
101.7-101.9	32.4	824.5		109.5-109.7	34.9	956.6
102.0-102.2	32.5	829.6		109.8-110.1	35.0	962.1
102.3-102.5	32.6	834.7		110.2-110.4	35.1	967.6
102.6-102.8	32.7	839.8		110.5-110.7	35.2	973.1
102.9-103.2	32.8	845.0		110.8-111.0	35.3	978.7
103.3-103.5	32.9	850.1		111.1-111.3	35.4	984.2
103.6-103.8	33.0	855.3		111.4-111.6	35.5	989.8
103.9-104.1	33.1	860.5		111.7-111.9	35.6	995.4
104.2-104.4	33.2	865.7		112.0-112.3	35.7	1001.0
104.5-104.7	33.3	870.9		112.4-112.6	35.8	1006.6
104.8-105.0	33.4	876.2		112.7-112.9	35.9	1012.2

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
113.0-113.2	36.0	1017.9		120.8-121.1	38.5	1164.2
113.3-113.5	36.1	1023.5		121.2-121.4	38.6	1170.2
113.6-113.8	36.2	1029.2		121.5-121.7	38.7	1176.3
113.9-114.1	36.3	1034.9		121.8-122.0	38.8	1182.4
114.2-114.5	36.4	1040.6		122.1-122.3	38.9	1188.5
114.6-114.8	36.5	1046.3		122.4-122.6	39.0	1194.6
114.9-115.1	36.6	1052.1		122.7-122.9	39.1	1200.7
115.2-115.4	36.7	1057.8		123.0-123.3	39.2	1206.9
115.5-115.7	36.8	1063.6		123.4-123.6	39.3	1213.0
115.8-116.0	36.9	1069.4		123.7-123.9	39.4	1219.2
116.1-116.3	37.0	1075.2		124.0-124.2	39.5	1225.4
116.4-116.7	37.1	1081.0		124.3-124.5	39.6	1231.6
116.8-117.0	37.2	1086.9		124.6-124.8	39.7	1237.9
117.1-117.3	37.3	1092.7		124.9-125.1	39.8	1244.1
117.4-117.6	37.4	1098.6		125.2-125.5	39.9	1250.4
117.7-117.9	37.5	1104.5		125.6-125.8	40.0	1256.6
118.0-118.2	37.6	1110.4		125.9-126.1	40.1	1262.9
118.3-118.5	37.7	1116.3		126.2-126.4	40.2	1269.2
118.6-118.9	37.8	1122.2		126.5-126.7	40.3	1275.6
119.0-119.2	37.9	1128.2		126.8-127.0	40.4	1281.9
119.3-119.5	38.0	1134.1		127.1-127.3	40.5	1288.3
119.6-119.8	38.1	1140.1		127.4-127.7	40.6	1294.6
119.9-120.1	38.2	1146.1		127.8-128.0	40.7	1301.0
120.2-120.4	38.3	1152.1		128.1-128.3	40.8	1307.4
120.5-120.7	38.4	1158.1		128.4-128.6	40.9	1313.8

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
128.7-128.9	41.0	1320.3		136.6-136.8	43.5	1486.2
129.0-129.2	41.1	1326.7		136.9-137.1	43.6	1493.0
129.3-129.5	41.2	1333.2		137.2-137.4	43.7	1499.9
129.6-129.9	41.3	1339.6		137.5-137.7	43.8	1506.7
130.0-130.2	41.4	1346.1		137.8-138.0	43.9	1513.6
130.3-130.5	41.5	1352.7		138.1-138.3	44.0	1520.5
130.6-130.8	41.6	1359.2		138.4-138.6	44.1	1527.5
130.9-131.1	41.7	1365.7		138.7-139.0	44.2	1534.4
131.2-131.4	41.8	1372.3		139.1-139.3	44.3	1541.3
131.5-131.7	41.9	1378.9		139.4-139.6	44.4	1548.3
131.8-132.1	42.0	1385.4		139.7-139.9	44.5	1555.3
132.2-132.4	42.1	1392.0		140.0-140.2	44.6	1562.3
132.5-132.7	42.2	1398.7		140.3-140.5	44.7	1569.3
132.8-133.0	42.3	1405.3		140.6-140.8	44.8	1576.3
133.1-133.3	42.4	1412.0		140.9-141.1	44.9	1583.4
133.4-133.6	42.5	1418.6		141.2-141.5	45.0	1590.4
133.7-133.9	42.6	1425.3		141.6-141.8	45.1	1597.5
134.0-134.3	42.7	1432.0		141.9-142.1	45.2	1604.6
134.4-134.6	42.8	1438.7		142.2-142.4	45.3	1611.7
134.7-134.9	42.9	1445.5		142.5-142.7	45.4	1618.8
135.0-135.2	43.0	1452.2		142.8-143.0	45.5	1626.0
135.3-135.5	43.1	1459.0		143.1-143.3	45.6	1633.1
135.6-135.8	43.2	1465.7		143.4-143.7	45.7	1640.3
135.9-136.1	43.3	1472.5		143.8-144.0	45.8	1647.5
136.2-136.5	43.4	1479.3		144.1-144.3	45.9	1654.7

EXHIBIT 14

ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART						
FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES						
144.4-144.6	46.0	1661.9		152.2-152.5	48.5	1847.5
144.7-144.9	46.1	1669.1		152.6-152.8	48.6	1855.1
145.0-145.2	46.2	1676.4		152.9-153.1	48.7	1862.7
145.3-145.6	46.3	1683.7		153.2-153.4	48.8	1870.4
145.7-145.9	46.4	1690.9		153.5-153.7	48.9	1878.1
146.0-146.2	46.5	1698.2		153.8-154.0	49.0	1885.7
146.3-146.5	46.6	1705.5		154.1-154.4	49.1	1893.5
146.6-146.8	46.7	1712.9		154.5-154.7	49.2	1901.2
146.9-147.1	46.8	1720.2		154.8-155.0	49.3	1908.9
147.2-147.4	46.9	1727.6		155.1-155.3	49.4	1916.7
147.5-147.8	47.0	1734.9		155.4-155.6	49.5	1924.4
147.9-148.1	47.1	1742.3		155.7-155.9	49.6	1932.2
148.2-148.4	47.2	1749.7		156.0-156.2	49.7	1940.0
148.5-148.7	47.3	1757.2		156.3-156.6	49.8	1947.8
148.8-149.0	47.4	1764.6		156.7-156.9	49.9	1955.7
149.1-149.3	47.5	1772.1		157.0-157.2	50.0	1963.5
149.4-149.6	47.6	1779.5				
149.7-150.0	47.7	1787.0				
150.1-150.3	47.8	1794.5				
150.4-150.6	47.9	1802.0				
150.7-150.9	48.0	1809.6				
151.0-151.2	48.1	1817.1				
151.3-151.5	48.2	1824.7				
151.6-151.8	48.3	1832.3				
151.9-152.1	48.4	1839.8				

EXHIBIT 15

NOTICE OF PREVENTED PLANTING, OR NOTICE OF DAMAGE OR LOSS FORM STANDARDS

The following provides the Notice of Prevented Planting or Notice of Damage or Loss Form standards.

*** A separate notice of prevented planting may be used rather than combining with the Notice of Damage or Loss for planted crops. However, the following items are required: Items (1)-(9), items (13)-(16), items (19)-(20), and items (23), (24) and (25).

A Insured's E-mail Notice of Loss

The insured can provide notice via E-mail, but must have the following information in order to be considered as complying with the policy requirements for providing a written notice:

- (1) Insured's Name
- (2) Policy number
- (3) Crops for which notice is being provided
- (4) State and county in which the damaged or prevented planting acreage is located

However, if the e-mail notice is not accompanied by an electronic signature for the insured, insurance providers are still responsible for verifying that the notice of loss was actually submitted by the policyholder. All other information contained in subparagraph B below must be obtained from the insured via telephone, postal service, fax, in person, etc.

B Notice of Prevented Planting, or Damage or Loss Form Standards

Following are the minimum items that are required (identified as substantive) for this form. Also, included are suggested but not required items identified as non-substantive).

- (1) Title of Form – “Notice of Prevented Planting, or Damage or Loss” (Substantive)
- (2) Company Name, Address, and Telephone Number (Substantive)
- (3) Insured's Name (Substantive)
- (4) Insured's Address and Telephone Number (Substantive)
- (5) Policy Number (Substantive)
- (6) Claim Number (Non-substantive)
- (7) Agency Name (Substantive)
- (8) Agency Address and Phone Number (Substantive)
- (9) Best Time to Contact Insured (Non-substantive)
- (10) Insured's Intention- Check one To harvest To chop/silage Leave for cover Destroy Plant to another crop Pasture Hay Crop will be direct marketed Other (explain) Replant (Substantive)

EXHIBIT 15

NOTICE OF PREVENTED PLANTING, OR DAMAGE OR LOSS FORM STANDARDS

- (11) If the intent is to replant and a replanting payment is applicable, is the acreage greater than 50 acres of the unit? YES____ NO____? (Non-substantive)
- (12) Request authorization to commingle production from two or more units or commingle production between insured and uninsured acreage within the same structure and to use my load records or bin markings to determine production between units or production from insured/uninsured acreage, provided I have followed the insurance provider's instructions. YES____ NO____

Written authorization must be received before production can be commingled. I understand that if authorization is given, and I have failed to follow all instructions concerning load records and bin markings to separate such production, my optional unit structure will be collapsed. (Non-substantive)

- (13) I am an agent, employee, or contractor affiliated with multiple peril crop insurance (MPCI)? Yes No (Substantive)
- (14) Crop (Substantive)
- (15) Unit No. (Substantive)
- (16) Acres (Non-substantive)
- (17) Legal Description (Substantive for prevented planting notices, but Non-substantive for planted acres.)
- (18) Est. Prod. (Non-substantive)
- (19) Cause of Damage (Substantive)
- (20) Date of Damage (Substantive)
- (21) Expected Harvest Date (Non-substantive)
- (22) Check one: This is a notice of Prevented Planting. (Substantive)
- This is a notice of damage only (appears that production will exceed the guarantee at this time) (Substantive)
- This is a notice of probable loss (Substantive)
- Immediate inspection is requested. If checked, explain why (Substantive)
- (23) Insured's Signature and Date (Substantive)
- (24) Refer to the Basic Provisions and the specific Crop Provisions for more details on notice requirements for acreage prevented from planting and notice requirements for damage or loss requirements." (Substantive)

EXHIBIT 15

NOTICE OF PREVENTED PLANTING, OR DAMAGE OR LOSS FORM STANDARDS

- (25) "If you have less than 100% share, is the other share insured under an MPCl program? If so, list the person's name, name of insurance company for which they carry MPCl insurance and policy number if known." (Substantive)

EXHIBIT 16

FORM No. XXXX Continuation Sheet (Reverse)

COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)

To the extent that the information requested herein relates to your individual capacity as opposed to your business capacity, the following statements are made in accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) and the Federal crop insurance regulations contained in 7 C.F.R. chapter IV.

Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in the Federal crop insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in you or your entity of 10 percent or more, as a policyholder within the systems maintained by the Federal Crop Insurance Corporation (FCIC). Furnishing the SSN or EIN is voluntary; however, failure to furnish that number will result in denial of program participation and benefits.

The balance of the information requested is necessary for the insurance company and **Risk Management Agency (RMA)** to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The information furnished on this form will be used by Federal agencies, **RMA** employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: **RMA** contract agencies, employees and loss adjusters; reinsured companies; other agencies within the United States Department of Agriculture; The Department of Treasury including the Internal Revenue Service; the Department of Justice, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response to judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit; ineligibility for insurance; and a unilateral determination of any monetary amounts due.

NONDISCRIMINATION STATEMENT

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)

To the extent that the information requested herein relates to your individual capacity as opposed to your business capacity, the following statements are made in accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) and the Federal crop insurance regulations contained in 7 C.F.R. chapter IV.

Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in the Federal crop insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in you or your entity of 10 percent or more, as a policyholder within the systems maintained by the Federal Crop Insurance Corporation (FCIC). Furnishing the SSN or EIN is voluntary; however, failure to furnish that number will result in denial of program participation and benefits.

The balance of the information requested is necessary for the insurance company and Risk Management Agency (RMA) to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The information furnished on this form will be used by Federal agencies, RMA employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: RMA contract agencies, employees and loss adjusters; reinsured companies; other agencies within the United States Department of Agriculture; The Department of Treasury including the Internal Revenue Service; the Department of Justice, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response to judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit; ineligibility for insurance; and a unilateral determination of any monetary amounts due.

NONDISCRIMINATION STATEMENT

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

EXHIBIT 17

FGIS' (OR APPLICABLE STATE OR OTHER ENTITY'S) FM AND DOCKAGE DEFINITIONS

CROP	FGIS Dockage Definition (State definition, as specified) (Conspicuous Admixture or Admixture, if applicable).	FGIS FM Definition (State or other entity, as specified)
Barley	Dockage: All matter other than barley that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of barley kernels removed in properly separating the material other than barley and that cannot be recovered by properly rescreening or recleaning.	All matter other than barley, other grains and wild oats that remains in the sample after removal of dockage.
Canola	Dockage - All matter other than canola that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of canola kernels that cannot be recovered by properly rescreening or recleaning. Machine separated dockage is added to conspicuous admixture in the computation of total dockage Conspicuous admixture: All matter other than canola including, but not limited to ergot sclerontinia, and stones, which is conspicuous and readily distinguishable from canola and which remains in the sample after the removal of machine separated dockage.	N/A
Corn	N/A	All matter that passes readily through a 6/64 round-hole sieve and all matter other than corn that remains on top of the 12/64 round-hole sieve according to procedures prescribed in FGIS instructions.
***	***	***
Dry Beans	N/A to grade – FGIS does not perform a dockage test unless requested.	Stones, dirt, weed seeds, cereal grains, lentils, peas, and all matter other than beans.
Dry Peas	Dockage - Small, underdeveloped dry peas, pieces of dry peas, and all matter other than dry peas, which can be removed readily by the use of an approved device in accordance with procedures prescribed in the Pea and Lentil Handbook and the Equipment Handbook. For the purpose of this paragraph, “approved device” shall include sieves as set forth in paragraph (q) of this section and any other equipment that is approved by the Administrator as giving equivalent results.	FM in dockage-free dry peas – All matter other than dry peas and including detached seedcoats. FM in thresher-run dry peas – All matter other than dry peas, including detached seedcoats, which cannot be readily removed in the determination of dockage.

EXHIBIT 17

FGIS' (OR APPLICABLE STATE OR OTHER ENTITY'S) FM AND DOCKAGE DEFINITIONS

<p>Flax</p>	<p>Dockage: All matter other than flaxseed that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of flaxseed kernels removed in properly separating the material other than flaxseed and that cannot be recovered by properly rescreening or recleaning.</p> <p>There are no definitions for stones or conspicuous admixture.</p>	<p>N/A</p>
<p>Millet</p>	<p>N/A</p>	<p>All matter other than millet seed that you can remove from the original sample by use of an approved device according to procedures prescribed in the Federal Grain Inspection Service (FGIS) instructions. Foreign material is also underdeveloped, shriveled, and small pieces of millet kernels removed in properly separating the material other than millet seed and which cannot be recovered by properly rescreening or recleaning and includes detached millet hulls.</p>
<p>Mustard</p>	<p>Dockage (as defined by State Standards specified in the Special Provisions for state/county in which the mustard is insured): All matter removed from the sample using the required standard method of dockage determination. Dockage is reported in percent and added to and made a part of the grade designation after subclass.</p>	<p>(As defined by the State Standards specified in the Special Provisions for the state/county in which mustard is insured): All material other than mustard seed of the four subclasses after the removal of dockage (includes weed seeds, other grains, earth pellets or stones, sclerotia, trash, etc.). This total foreign material is composed of: a) A combination of seeds of cockle (<i>Lychnis</i> spp.), wild mustard (<i>Brassica Kaber</i>), and rapeseed (<i>Brassica campestris</i> and <i>B napus</i>); b) Other weed seeds than those subdivision a: and c) All matter other than mustard or weed seeds of subdivisions a) and b).</p>
<p>Oats</p>	<p>N/A</p>	<p>All matter other than oats, wild oats, and other grains.</p>
<p>Popcorn</p>	<p>N/A</p>	<p>All matter other than popcorn</p>
<p>Rice</p>	<p>No definition (N/A)</p>	<p>No definition (N/A)</p>
<p>Rye</p>	<p>Dockage: All matter other than rye that can be removed from the original sample by use of an approved device in accordance with procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of rye kernels removed in properly separating the material other than rye and that cannot be recovered by properly rescreening and recleaning.</p>	<p>All matter other than rye that remains in the sample after the removal of dockage.</p>

EXHIBIT 17

FGIS' (OR APPLICABLE STATE OR OTHER ENTITY'S) FM AND DOCKAGE DEFINITIONS

Safflowers	<p>Dockage: All material other than whole safflower seed that can be easily removed with a cleaning device and by handpicking. Also, underdeveloped, shriveled, and small pieces of safflower seed that cannot be recovered by properly recleaning</p> <p>There are no definitions for admixture, conspicuous admixture, or stones.</p>	N/A
Sorghum, Grain	<p>Dockage: All matter other than sorghum that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of sorghum kernels removed in properly separating the material other than sorghum.</p>	All matter, except sorghum, which passes over the number 6 riddle and all matter other than sorghum that remains on the top of the 5/64 triangular-hole sieve according to procedures prescribed in FGIS instructions.
Soybeans	N/A	All matter that passes through an 8/64 round-hole sieve and all matter other than soybeans remaining in the sieved sample after sieving according to procedures prescribed in FGIS instructions.
Sunflower Seed Non-Oil (Confectionary)	<p>Dockage: All matter other than whole confectionary sunflower seeds containing kernels, which you can remove by using an approved device and by handpicking a portion of the sample.</p> <p>Admixture: Consists of all material other than confectionary sunflower seed which you can remove from a test portion by handseiving and handpicking. Consider empty hulls and part of seed as confectionary sunflower seed.</p> <p>There are no definitions for conspicuous admixture or stones.</p>	N/A
Sunflower Seed – Oil	N/A	All matter other than whole sunflower seeds containing kernels that can be removed from the original sample by use of an approved device and by handpicking a portion of the sample according to procedures prescribed in FGIS instructions.
Wheat	<p>Dockage: All matter other than wheat that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of wheat kernels removed in properly separating the material other than wheat and that cannot be recovered by properly rescreening or recleaning.</p>	All matter other than wheat that remains in the sample after the removal of dockage and shrunken and broken kernels.

EXHIBIT 18

CALCULATION SEQUENCE OF LOSS ADJUSTMENT FACTOR (LAF), MISREPORTED INFORMATION FACTOR (MIF), AND 1ST/2ND CROP REDUCTION

Refer to PAR. 21 for information on LAF, and Exhibit 1 for definition of LAF.

Refer to PAR. 21 for information on MIF, and Exhibit 1 for definition of MIF.

Refer to PAR. 47 for information on 1st/2nd Crop Reduction.

1. Indemnity Payment:

Step 1. Stage Guarantee Per Acre ^{1/} X Determined Acres X LAF = Loss Guarantee

Step 2 Loss Guarantee minus Production to Count (dollar amount to count, if applicable) = production or dollar loss.

Step 3 Production or dollar loss X price election X Stage Price Percent Factor ^{2/}, if applicable X Insured Share X MIF, if applicable = Preliminary Indemnity.

Step 4. Preliminary Indemnity X Multi-crop Reduction Factor, if applicable = Indemnity.

^{1/} If a Guarantee Reduction Factor is applicable, the Stage Guarantee Per Acre is Stage Guarantee Per Acre X Guarantee Reduction Factor; e.g., Guarantee Reduction Factor would be for late planted, prevented planting acres, and is also applicable for a particular crop such as strawberries, raspberries. Refer to Appendix III (M-13 Handbook) for applicable calculation for the Stage Guarantee Per Acre for the applicable crop.

^{2/} Refer to Appendix III/M-13 Handbook, to determine whether a Stage Price Percent Factor applies.

2. Replant Payment:

Step 1 Stage guarantee per acre = what the applicable crop provisions state the replant payment will be based; e.g., Lesser of: .20 of guarantee per acre or number of bushels stated in the policy.

Step 2 – Loss guarantee = Stage Guarantee per acre X Determined acres replanted X LAF.

Step 3 – Replant Payment = Loss Guarantee X price Election X Insured Share X MIF.

3. Prevented Planting Payment

Step 1 PP Guarantee = Stage Guarantee per acre X PP% of Guarantee X =+5 or +10 option, if applicable X LAF

Step 2 PP Preliminary Payment = guarantee X determined acres X price election X share X MIF

Step 3 PP Payment = PP Preliminary Payment X Multi-crop Reduction Factor

