



**INFORMATIONAL MEMORANDUM IS-07-008**

**United States  
Department of  
Agriculture**

Risk  
Management  
Agency

1400 Independence  
Avenue, SW  
Stop 0801  
Washington, DC  
20250-0801

**TO:** All Approved Insurance Providers  
All Risk Management Agency Field Offices  
All Other Interested Parties

**FROM:** William J. Murphy /s/ *William J. Murphy* *June 18, 2007*  
Deputy Administrator  
for Insurance Services

**SUBJECT:** Advisory – Reporting Corn Contracted for Grain as Silage on  
2007 Crop Insurance Acreage Reports

**BACKGROUND:**

The Risk Management Agency (RMA) has expanded insurance for non-irrigated corn grain in the North Dakota counties of Burleigh, Emmons, Kidder, Logan, McIntosh, McLean, McHenry, Pierce, Sheridan, and Ward. This expansion was the result of interest from producers who intend to supply corn to ethanol plants. RMA has been advised some policyholders may intentionally report corn planted and intended for harvest as grain that is contracted to be delivered to an ethanol plant, as silage on their crop insurance acreage report.

Producers may not realize that reporting corn intended for harvest as grain as silage may result in unexpected negative consequences. Insured producers who have Crop Revenue Coverage (CRC) or Revenue Assurance (RA) plans of insurance must be advised that corn planted for harvest as silage is not insurable under CRC or RA; therefore, reporting corn intended for harvest as silage, will result in no insurance coverage.

Lastly, producers insured under an Actual Production History (APH) policy in counties where both grain and silage types are specified in the Special Provisions should be advised that reporting corn acreage as silage when it is intended for harvest as grain could result in the loss of important grain quality adjustment provisions in the event of an insurable cause of loss that reduces the quality of the grain. Additionally, if the acreage is reported as silage, any loss on such acreage will be adjusted on a silage basis and any cause of loss that occurs after the silage end of insurance period is not covered.



The Risk Management Agency Administers  
And Oversees All Programs Authorized Under  
The Federal Crop Insurance Corporation

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**ACTION:**

Approved Insurance Providers (AIPs) and their agents must be diligent in advising insured producers that it is their responsibility to accurately report for insurance the proper crop/type/practice on the crop insurance acreage report and the consequences of reporting acreage as silage when it is planted for harvest as grain. AIPs must verify that the reported information is accurate when carrying out quality assurance reviews and before making replant payments, prevented planting payments, or indemnities. For CRC or RA plans, corn planted for harvest as silage is not insurable; therefore, suspected intentional underreporting of corn insured as grain when the reported uninsurable silage acreage, or portions thereof, is also harvested for grain, may expose the insured to further investigation and possible administrative sanctions.

**DISPOSAL DATE:** December 10, 2007