



United States
Department of
Agriculture

BULLETIN NO.: MGR-09-010

Risk
Management
Agency

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

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

FROM: William J. Murphy /s/ William J. Murphy 11/18/2009
Administrator

SUBJECT: Determining Acreage for 2010 and Succeeding Crop Years for Fresh Market Tomato Dollar Plan, Guaranteed Production Plan of Fresh Market Tomato, Processing Tomato, and Fresh Market Pepper Crop Provisions.

BACKGROUND:

The Risk Management Agency (RMA) has been advised some insureds may be reporting the total land acreage of the field rather than the total planted acreage in the field under the subject crop provisions. The insured planted acreage must be properly established at acreage reporting time so premium and liability are determined accurately.

Section 9 (a) (Insurable Acreage) of the Basic Provisions states in part, “Acreage planted to the insured crop in which you have a share is insurable...” therefore, only planted acres are insurable. Section 6 of the Fresh Market Tomato Dollar Plan (99-086), Guaranteed Production Plan of Fresh Market Tomato (99-186), Fresh Market Pepper Crop Provisions (99-083), states in addition to the provisions of Section 6 (Report of Acreage) of the Basic Provisions, you must report the row width as defined in the applicable crop provisions and all the acreage of the crop in the county.

Each crop provision provides a definition for “Acre” as “43,560 square feet of land when row widths do not exceed six feet, or if row widths exceed six feet, the land area on which at least 7,260 linear feet of rows are planted.” Based on the Basic Provisions and definition of “Acre” in the applicable crop provisions, only planted acres are insurable. Row widths are determined by measuring the distance across four or more rows of plants or as many rows of plants as necessary to identify the planting pattern within the planted area, and divide the result by the number of row spaces measured across, to determine the row width in whole feet.

RMA has been asked to provide the appropriate methods to determine “Planted Acreage” for acreage reporting and loss adjustment purposes.

BULLETIN NO.: MGR-09-010

Page 2



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

An Equal Opportunity Employer

ACTION:

A. DETERMINING INSURABLE ACREAGE FOR ACREAGE REPORTING.

- 1) Ask the insured if all acreage within the field is planted or if there are any areas of the field that are not planted such as unplanted headlands, field roads, and/or other areas not part of the planting pattern used for spraying and care of the crop, because, unplanted acreage is not insurable.
- 2) Based on the applicable crop provisions, when the insured reports row widths greater than 6 feet, Approved Insurance Providers (AIPs) must determine the insurable acreage using the following method:
 - a) Divide 6 by the reported row width (i.e., reported 8 foot row width) $6 \div 8 = .750$ factor; and
 - b) Multiply the reported field acres by the factor to establish the insurable acreage that will be entered on the acreage report (i.e., reported 20.0 acres within the field multiplied by the factor $.750 = 15.0$ insurable acres).
- 3) In those instances where the insured's reported field acres, in prior crop years, were not adjusted as referenced above, AIPs may adjust the Actual Production History annual yields accordingly for the 2010 and succeeding crop years. Policyholders must provide continuous acceptable records indicating the reported acreage, row widths, and unplanted acres from prior years. Adjustments to premium, liability and indemnities will not be made for prior crop years.

For Processing Tomato (05-087), acreage adjustments to the reported acres will be made on the acreage report as stated in A 1), 2), or 3) above. The crop provisions do not require the insured to report row widths; however, the insured must be asked for the row width in order to determine the insured acres for acreage reporting purposes.

B. DETERMINING INSURABLE ACREAGE AND SAMPLE ROW LENGTH FOR LOSS ADJUSTMENT.

- 1) Use the following methods to determine insurable acreage for loss adjustment:
 - a) Establish the planted area(s) within the field (excluding unplanted

- b) headlands, field roads, and/or other areas not part of the planting pattern, used for spraying and care of the crop);
 - c) Determine row widths from planted area(s) within the field;
 - d) Apply the definition of “Acre” in the applicable crop provisions to the planted area(s):
 - 1. 6-foot row widths or less with 43,560 square feet of planted area(s) will equal one insured acre; or
 - 2. 6.1-foot row widths or more will require more than one land acre to equal one insured acre.
- 2) Determining sample row length for appraisal purposes:
- a) 6-foot row widths or less divide 43,560 square feet by the applicable row width equals the linear feet of row per acre. Divide this result by 100 or 1000, in this example 1000, to obtain the per acre sample row length ($43,560 \div 5 = 8,712 \div 1000 = 8.7$ feet of row per sample for 1/1000th acre appraisals); or
 - b) 6.1-row widths or greater divide the standard linear feet of row 7,260 by 100 or 1000, in this example 1000, to obtain the per acre sample row length ($7,260 \div 1000 = 7.26$ or 7.3 feet of row per sample for 1/1000th acre appraisals).

EXAMPLE 1: DETERMINING INSURABLE ACREAGE WITHIN A FIELD WHEN ROW WIDTHS EXCEED 6 FEET:

Insured reports 20.0 acres with 8-foot wide planted row spacing in the field. At loss time, the loss adjuster determines there are unplanted area(s) in the field (unplanted headlands, field roads, and/or other areas not part of the planting pattern that are used for spraying and care of the crop). The loss adjuster determines the insurable planted acreage as follows:

1,300 linear feet x 640 linear feet (8-foot row spacing x 80 planted rows) = 832,000 square feet of planted area. $832,000$ square feet of planted area \div 43,560 square feet per acre = 19.1 acres of planted area. The 19.1 acres of planted area based on 8 foot row spacing, must be adjusted to 6 foot row spacing to determine insurable planted acres. Multiply 19.1 acres x .750 factor (6 foot row spacing \div 8 foot row spacing = .750 factor) = 14.3 insurable planted acres.

EXAMPLE 2: DETERMINING INSURABLE ACREAGE WITHIN A FIELD

WHEN ROW WIDTHS DO NOT EXCEED 6 FEET:

Insured reports 20.0 acres with 5-foot wide planted row spacing in an irregular shaped field. At loss time, the loss adjuster determines there are unplanted area(s) in the field (unplanted headlands, field roads, and/or other areas not part of the planting pattern that are used for spraying and care of the crop). The loss adjuster determines the insurable planted acreage as follows:

5,808 feet (length) x 80 feet (width) = 464,640 square feet of planted area

2,904 feet (length) x 80 feet (width) = 232,320 square feet of planted area

464,640 square feet of planted area + 232,320 square feet of planted area = 696,960

total square feet of planted area

696,960 total square feet of planted area ÷ 43,560 square feet per acre = 16.0 insurable planted acres.

DISPOSAL DATE:

December 31, 2010.