



United States  
Department of  
Agriculture

Farm and Foreign  
Agricultural  
Services

Risk  
Management  
Agency

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September 11, 2012

**INFORMATIONAL MEMORANDUM: PM-12-042**

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

**FROM:** Tim B. Witt /s/ *Tim B. Witt*  
Deputy Administrator

**SUBJECT:** Application Impacts Resulting from Changes to the Rainfall and Vegetation Index Programs for the 2013 and Succeeding Crop Years

**BACKGROUND:**

Informational Memorandum PM-12-023 announced significant Rainfall and Vegetation Index program changes effective for 2013 and succeeding crop years, including:

- replacing the Vegetation Index (VI) with the Rainfall Index (RI) in Nebraska and South Dakota; and
- allocating a percentage of the total insured value to each index interval selected rather than dividing the total insured acres.

The Risk Management Agency (RMA) has received several questions regarding whether new applications are required because of these program changes.

**ACTION:**

The 2013 program changes do not require a new application except for producers with a 2012 VI Pasture, Rangeland, Forage (PRF) or Apiculture (API) policy in Nebraska or South Dakota.

Except as provided in the table below, Approved Insurance Providers (AIPs) may allocate on the producer's 2013 application the percent of value to the index interval selected based on the percentage of the total insured acres allocated to the index intervals shown on the producer's 2012 crop year acreage report. However, on or before the sales closing date the producer must confirm the information for 2013 is correct, including but not limited to, the index intervals, the percent of value allocated to each index interval, and the productivity factor.

The following table provides actions required for producers with a 2012 VI-PRF or API policy in:

- Nebraska or South Dakota; and
- Arizona or New Mexico with index interval 645 or 654 selected.



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<b>IF the producer has a PRF or API policy in effect for 2012 crop year in ...</b>	<b>THEN ...</b>
Nebraska and South Dakota	<ul style="list-style-type: none"> <li>• AIP must: <ul style="list-style-type: none"> <li>• provide notice to insured of the change from the VI program to the RI program and cancellation of their policy at least 30 days prior to the November 15, 2012, cancellation date; and</li> <li>• cancel the policy on or before the cancellation date; and</li> <li>• a new application and associated documents must be signed and submitted on or before the November 15, 2012, sales closing date if the producer wishes to insure the crop in 2013.</li> </ul> </li> </ul>
Arizona and New Mexico with index intervals 645 or 654 selected in 2012	<ul style="list-style-type: none"> <li>• the producer must revise their application on or before the sale closing date to remove index intervals 645 and 654, and allocate a percent of value to available index intervals.</li> </ul>

AIPs must notify all policyholders of the changes to the RI and VI Basic Provisions and the PRF and API policies at least 30 days prior to the November 15, 2012, cancellation date.

**DISPOSAL DATE:**

December 31, 2012