

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Risk Management
Agency



Insurance
Services

GOOD FARMING PRACTICE DETERMINATION STANDARDS HANDBOOK

FCIC-Approved Standards and Procedures
for Administering Good Farming Practice
Decisions and Determinations for the 2017
and Succeeding Crop Years.

**FCIC-14060
(12/2016)**

**FCIC-14060-1
(7/2018)**

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

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|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| TITLE: GOOD FARMING PRACTICE STANDARDS HANDBOOK | NUMBER: 14060 14060-1 |
| EFFECTIVE DATE: Upon Approval for 2017 and Succeeding Crop Years | ISSUE DATE: July 2, 2018 |
| SUBJECT: | OPI: Risk Management Services Division |
| Provides the Standards and Procedures for Administering Good Farming Practice Decisions and Determinations | APPROVED: /s/ Robert Ibarra Deputy Administrator for Insurance Services |

REASON FOR AMENDMENT

This handbook contains the FCIC-issued standards and procedures for handling good farming practice (GFP) decisions and determinations. AIPs, Insurance Services and ROs will use these standards and procedures when administering GFP decisions, determinations, and reconsiderations.

Listed below are significant changes for the 2017 FCIC 14060 Good Farming Practice Standards Handbook (GFPH). Highlighted text throughout the GFPH represents changes or additions, and three stars (***) identify removal of information.

1. In Paragraph 1 B, updated current sources of authority
2. In paragraph 2 A (1)(a), added the words, “an initial” referring to an initial GFP decision.
3. In paragraph 2 A (1)(b), added the words, “along with” referring to what should be submitted by the AIP to the RO.
4. In paragraph 2 A (2), changed the word “accepts” to “receives”.
5. In paragraph 2 B (1)(d), added, “and Regional Compliance Office”.
6. In paragraph 22, added, “Policyholders are responsible for establishing that the farming practice in question was a good farming practice.”
7. In paragraph 22 A (4)(iv), replaced “for the area or is contained in the organic plan, as applicable” with, “by agricultural experts or organic agricultural experts, depending on the practice, for the area.”

8. In paragraph 23 B (2)(b), removed RO instruction to return a request if all material information is available for the AIP to make a decision, and replaced it with, “The RO must make a determination on whether production methods are GFP; however, the RO may ask for additional information from the AIP, as needed.”
9. In paragraph 31 A added the words “an initial”.
10. In paragraph 31 A (5)(b), added the words “an initial”.
11. In paragraph 31 A (6), deleted the final paragraph: “The RO cannot make a GFP determination without this documentation and analysis. RMA will not uphold any AIP GFP decisions that are not adequately documented and supported.”
12. In paragraph 32 A (1)(a), deleted “An incomplete request will not be accepted.”
13. In paragraph 32 A (1)(c), moved the paragraph from Exhibit 3 into RO Duties: “If there is no response from the AIP or the GFP decision letter still fails to meet the criteria in Paragraph 31 B and Exhibit 3, the RO must make a GFP determination on the Farming Practice(s) in question, and, if necessary, seek additional information from other sources if available.”
14. In paragraph 32 A (1)(d), changed the word “accept” to “make GFP determinations on”.
15. In paragraph 32 A (1)(e)(ii), deleted, “Return an incomplete request to the AIP with a letter explaining what is missing and allow 5 calendar days to resubmit a complete request to the RO” with “If a request is incomplete, notify the AIP of what is missing and allow the AIP 5 calendar days to resubmit a complete request to the RO.”
16. In paragraph 32 A (2) and (2)(c), deleted, “complete” and “for complete requests”.
17. In paragraph 32 A (2)(d)(ii), changed, “does not uphold” to “determines that GFP were followed”.
18. In Paragraph 52 B (4), changed the wording to read, “reconsideration determinations that uphold a determination that GFP were not followed...” for clarification.
19. In Exhibit 1, added FPAC, LC, and GFP/LC to acronyms.
20. In Exhibit 2, updated the definitions of “Good Farming Practices”, “Good Nursery Practices”, and “Organic Plan”.
21. In Exhibit 3 B, replaced GFP determination RO Evaluation Tool with Checklist and added, “If there is no response from the AIP or the GFP decision letter still fails to meet the criteria, the RO must make a GFP determination on the farming practice(s) in question, and, if necessary, seek additional information from other sources if available.” Deleted the note.
22. In Exhibit 4A (1)(a), added “or the LC/GFP Database”.

23. In Exhibit 5, updated the template for an RO GFP determination and added, “The following templates are suggested formats for RO GFP determinations. ROs may adjust language as appropriate for each particular case.”
24. In Exhibit 6, updated the template for determinations.
25. Removed Exhibit 7, renamed Exhibits 8 and 9 to Exhibits 7 and 8.

RISK MANAGEMENT AGENCY GOOD FARMING PRACTICES STANDARDS

CONTROL CHART

| RMA Good Farming Practice Determination Standards Handbook | | | | | | | |
|------------------------------------------------------------|-----------------|---------------|-----------------|-------------------|--------------------|--------|---------------------|
| | TP Page(s) | TC Page(s) | Text Page(s) | Exhibit Number | Exhibit Page(s) | Date | Directive Number |
| Insert | Entire Handbook | | | | | | |
| Current Index | 1-2 | 1-2 | 1-30 | 1 | 31-32 | 7-2018 | RMA-14060-1 |
| | | | | 2 | 33-34 | 7-2018 | RMA-14060-1 |
| | | | | 3 | 35-40 | 7-2018 | RMA-14060-1 |
| | | | | 4 | 41-42 | 7-2018 | RMA-14060-1 |
| | | | | 5 | 43-50 | 7-2018 | RMA-14060-1 |
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| | | | | 7 | 52-63 | 7-2018 | RMA-14060-1 |
| | | | | 8 | 64 | 7-2018 | RMA-14060-1 |

FILING INSTRUCTIONS

This handbook replaces FCIC-14060 Good Farming Practice Standards Handbook dated December 6, 2016 and is effective as of the issue date. This handbook is not retroactive to any 2016 or prior crop year determinations, however, Exhibits 1-8 should be used where applicable to document current or pending GFP decisions, determinations, or reconsiderations.

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1 General Information (Continued)

B. Source of Authority (continued)

(5) 7 CFR part 400

(6) 2017 SRA, Section I. Definitions

“‘Inspection’ means verification: (4) that the reported practice is being carried out in accordance with good farming practices.”

and

Appendix IV, Section III (a) (3):

“(a) The Company is responsible for (3) conducting an inspection.”

(8) FCIC Policy Provisions:

(a) Common Crop Insurance Policy Basic Provisions (17-BR), Sections 12 and 20.

(b) ARPI Basic Provisions (17-ARPI), Section 23.

(c) WFRP Pilot Policy (17-0076), Section 21.

(d) Rainfall and Vegetation Index Plan Common Policy (17-RIVI), Sections 6 and 15.

(e) LRP Insurance Policy (10-LRP-Basic), Section 11.

(f) Other crop provisions as applicable.

C. Order of Precedence

If there is a conflict between the procedure in this handbook and other documents issued by RMA, the following order of precedence will apply.

(1) The Federal Crop Insurance Act, as amended (7 U.S.C. 1501 et seq.) and any FAD interpreting the Act.

(2) The CAT Endorsement, as applicable, and any FAD interpreting the CAT Endorsement.

(3) Written Agreement, as applicable.

(4) The SP and other actuarial documents in the following order of precedence:

1 General Information (Continued)

D. Related Handbooks (continued)

| Handbook/Manual | Purpose |
|--------------------------------|----------------------------------------------------------------------------------------------|
| CIH | General underwriting standards and procedures for non-pilot crop insurance policies |
| GSH | Standards for policies administered by AIPs under the General Administrative Regulations |
| LAM Standards Handbook | General loss adjustment standards and procedures |
| Large Claim Standards Handbook | General standards and procedures for large claims |
| Prevented Planting LASH | Provides the procedures and instructions for administering the Prevented Planting Provisions |

2 Responsibilities

A. AIP Responsibilities

- (1) The AIP will:
 - (a) make **an initial** GFP decision in accordance with Paragraph 31 – AIP Duties; and
 - (b) send written requests for GFP determinations **along with** the entire GFP decision file to the RMA RO serving the location of the insured acreage through the LC/GFP Database as directed in Paragraph 23 B – Requests for GFP determinations.
- (2) When RMA **receives** a request for a GFP determination, the AIP will respond timely to any requests for further information or clarification.

B. RO Responsibilities

- (1) The RO will:
 - (a) screen GFP determination requests in accordance with Paragraph 23 – Requirements for an RMA Review, and accept or reject the request;
 - (b) send an acknowledgment letter to the AIP and Producer (see Exhibit 5);

2 Responsibilities (Continued)

B. RO Responsibilities (continued)

- (c) make the GFP determination based on Paragraph 32 – RO Responsibilities;
 - (d) issue the GFP determination letter to the requestor, with a copy to the AIP, Policyholder, and Regional Compliance Office, as appropriate;
 - (e) upload additions to the GFP file to the LC/GFP Database within 30 days of issuing the GFP determination letter; and
 - (f) write referrals upon discovering fraud, waste, abuse, or other vulnerabilities in accordance with Part 5 - Referrals of this handbook.
- (2) RO Directors will:
- (a) ensure all appropriate staff members are trained in accordance with Part 2 - Training; and
 - (b) maintain training records for their staff in the LC/GFP Database.

C. RMSD Responsibilities

- (1) RMSD will:
- (a) provide support, leadership, training, assistance, and monitoring to the ROs, and:
 - (i) develop and maintain policy and handbook procedures for GFP determinations;
 - (ii) develop training standards and procedures;
 - (iii) establish target deadlines and monitor the progress for timely completion of GFP determinations.
 - (b) provide a written process for referrals and:
 - (i) follow up on referrals and document the outcome;
 - (ii) advance and coordinate recommended corrections for vulnerabilities identified in FCIC programs.
 - (c) process reconsideration requests of GFP determinations and coordinate with the DAIS for signature on reconsideration determinations.

21 Agricultural Experts (Continued)

B. RMA Approval for Other Experts

Persons certified through other programs may be recognized as agricultural experts by RMA if their research or occupation is related to the specific crop or practice for which such expertise is sought.

To obtain approval for such persons, contact RMA's Deputy Administrator for Insurance Services at:

USDA/RMA
Deputy Administrator for Insurance Services
1400 Independence Avenue SW, Stop 0801
Washington, D.C. 20250-0801

22 General Bases for GFP Decisions

The purpose of the GFP provisions is to ensure that a Policyholder's production methods do not adversely affect the quantity and/or quality of the production. Consider any practice that could affect the amount and quality of the crop, from ground preparation through harvest. In the case of perennials, consider practices from post-harvest of the previous crop year through harvest of the current crop year that could affect the amount and quality of the crop. **Policyholders are responsible for establishing that the farming practice in question was a good farming practice.**

All GFP evaluations, including decisions made by the AIP, determinations made by the RO, or reconsideration determinations made by RMSD, must consider the items in 22A.

A. Bases for GFP Decisions

Base GFP determinations on the following:

- (1) Agronomic situation of the Policyholder, including:
 - (a) material facts about the production methods that were used or will be used to produce the crop;
 - (b) weather and climate factors;
 - (c) pest or disease risks; and
 - (d) other factors affecting the crop.
- (2) Expert opinion;

You must use the opinion from at least one agricultural expert, who meets the standards in Paragraph 21- Agricultural Experts, regarding the production

22 General Bases for GFP Decisions (Continued)

A. Bases for GFP Decisions (continued)

- (ii) produce at least the yield used to determine the production guarantee or amount of insurance, including any adjustments for late planted acreage;
- (iii) not reduce or adversely affect the yield; or
- (iv) stand as a generally recognized good farming practice by agricultural experts or organic agricultural experts, depending on the practice, for the area.

NOTE: Any other objective supporting statements provided by a disinterested third-party may be considered and included to support any basis for GFP decisions.

B. Determining if a Production Method May be Considered a GFP

The production method will not be considered a GFP if:

- (1) the production method fails to meet the standards in Paragraph 22 A (4); or
- (2) there are no published materials supporting the recommendation, unless two or more agricultural experts specifically support the production method as meeting all the criteria in Paragraph 22 A (4).

23 Requirements for an RMA GFP Determination

A. What Does Not Qualify for GFP Determination

A GFP determination is used to determine whether a particular production practice meets the criteria set forth as a GFP. It is not to be used for situations that fall outside of the GFP authority and definition in the Basic Provisions. As such, RMA will not accept requests related to:

- (1) the amount of production or value assessed to crop acreage for uninsured causes of loss due to a failure to follow GFP;

23 Requirements for an RMA GFP Determination (Continued)

B. Requests for RMA GFP Determinations (continued)

- (b) The RO must make a determination on whether production methods are GFP; however, the RO may ask for additional information from the AIP, as needed.

24 GFP Applicability

GFP decisions, determinations, and reconsiderations apply to all the Shareholders on the acreage for which a decision is made. All Shareholders and AIPs that service a policy on the acreage must receive a copy of the final decision letter by certified mail or encrypted email.

25-30 (Reserved)

PART 4 GFP PROCESS

31 AIP Duties

A. GFP Decision Process

The AIP makes **an initial** decision of whether the production methods used by a Policyholder constitute GFP according to the terms of the policy and these procedures, and confirms the Policyholder carried out generally recognized GFPs. These procedures apply to all GFP decisions, regardless of the origination of the review, i.e., RCO review requests, loss adjustment process, growing season inspection, etc., when the AIP or RMA has a reason to question whether GFP were followed by the Policyholder.

- (1) To decide if GFP were followed, the AIP may ask Policyholders to show they complied with the policy provisions and followed generally recognized GFP. The Policyholder must provide the AIP with all the relevant facts relating to their agronomic situation, including but not limited to:
 - (a) receipts;
 - (b) farm records;
 - (c) third party verification;
 - (d) Organic Plan, if applicable; and
 - (e) any other documentation to show the practice is or is not a recognized GFP, as requested.
- (2) The AIP may request the Policyholder provide, as applicable, published material relating to the production method or a written opinion directly from an agricultural expert:
 - (a) that the production method used by the Policyholder meets the standards contained in Paragraph 22 A (4); or
 - (b) recommending the production methods that would meet the standards contained in Paragraph 22 A (4).
- (3) The AIP should also document the condition in the field through adjuster reports, photographs (appropriately labeled with date, location, etc.), and other

A. GFP Decision Process (continued)

means, as applicable. The AIP may also consider including photographs from neighboring fields for comparison.

(4) Economic conditions are not a valid consideration for deciding if a production method is a GFP or if a Policyholder is justified in not following GFP. Accordingly, the Policyholder will not be exempt from following a recommended GFP because a Policyholder does not want to or cannot afford to incur the costs associated with following the recommendations of agricultural experts or published materials.

(5) The AIP must decide if:

(a) the production method is a GFP in accordance with Paragraph 22 – General Basis for GFP decisions; and

(b) there is a genuine dispute between agricultural experts or between agricultural experts and published materials such that the AIP cannot confirm the practice in question is a GFP. Only if there is a genuine dispute, the AIP must request a GFP determination from the RO. Otherwise the AIP must issue **an initial** GFP decision.

When deciding there is a genuine dispute among agricultural experts or between the opinion of an agricultural expert and published materials, consider whether:

(i) there is long standing general agreement among experts in an area that the practice is a GFP for the agronomic circumstances particular to the Policyholder's acreage, but a minority of experts disagree;

(ii) the Policyholder can prove that s/he or similarly situated Policyholders have used the production method in the same manner over an extended period and produced levels consistent with the APH yield;

(iii) the opposing opinion or published material is more general in applicability to the specific crop, area, or practice than the opinion or materials relied on by the Policyholder;

(iv) the opposing opinion or published material is issued by an expert whose experience is less directly applicable to the specific practice,

31 AIP Duties (Continued)

A. GFP Decision Process (continued)

area, or crop than the opinion or materials relied on by the Policyholder;

- (v) the opposing opinion or published material is not supported by substantiated scientific or experiential data to a sufficiently equivalent degree as the opinion or materials relied on by the Policyholder; or
- (vi) other relevant factors would lead a reasonable person to conclude that one expert opinion or set of published materials is more applicable, credible, or reliable than the other.

(6) The AIP must include the following in a GFP decision file:

- (a) documentation of agricultural expert opinion(s) and RMA procedures or other published material to support the AIP decision that the Policyholder failed to follow GFP;
- (b) description of the production methods employed by the Policyholder; and
- (c) analysis of production methods employed by the Policyholder compared to the recommendations of the experts or published material.

B. GFP Decision Letter

The GFP decision letter provided from the AIP to a Policyholder must:

- (1) be in writing, dated, and mailed via certified mail or overnight delivery;

NOTE: In situations where a producer refuses to sign for certified mail containing a GFP decision, the date an attempt was made by the postal service to obtain the signature is the date the Policyholder received the decision.

- (2) state the facts relating to the production method;
- (3) contain or reference RMA procedures, other published materials, any written opinions or recommendations, or state the opinion or recommendation of at least one agricultural expert;

A. GFP Determination Process

If the Policyholder disagrees with the AIP decision, or if the AIP cannot make a decision whether the production method is a GFP based on a genuine dispute among agricultural experts in accordance with Paragraph 31 A (5)(b), the Policyholder (through the AIP) or the AIP may make a written request that the RO serving the location of the insured acreage make a GFP determination.

- (1) Screening Requests for GFP determination
 - (a) Determine that the request is timely and complete. A complete request must be in writing and comply with Paragraph 23 B – Requests for RMA GFP determinations. ***
 - (b) Ensure the AIP GFP decision letter to the Policyholder contains required language in Paragraph 31 B and Exhibit 3. If the AIP GFP decision letter is unacceptable, require the letter be corrected and reissued to the Policyholder within 20 calendar days. The Policyholder will be given an additional 30 calendar days to request a GFP determination.
 - (c) If there is no response from the AIP or the GFP decision letter still fails to meet the criteria in Paragraph 31 B and Exhibit 3, the RO must make a GFP determination on the Farming Practice(s) in question, and, if necessary, seek additional information from other sources if available.
 - (d) Do not make GFP determinations on requests outside the authority of GFP in accordance with Paragraph 23 A – What Does not Qualify for Review.
 - (e) Send a letter by certified mail to the Policyholder and AIP to acknowledge receipt of the request within 10 business days. See Exhibit 5 for a sample Acknowledgement Template.
 - (i) Allow the Policyholder 10 calendar days from receipt of the RO letter in which to submit any additional information to support their position. Reasonable extensions may be approved by the RO Director.
 - (ii) If a request is incomplete, notify the AIP of what is missing and allow the AIP 5 calendar days to resubmit a complete request to the RO.

32 RO Duties (Continued)

A. GFP Determination Process (continued)

- (ii) A GFP determination letter issued by the RO that determines that GFP were followed is not considered adverse and will not include appeal rights.

B. GFP Determination Applicability

Any GFP determination issued by RMA is not retroactive and may not be used to reopen claims that were settled in prior crop years.

- (1) Enter all GFP correspondence and information in the LC/GFP Database.
- (2) The RO will create and maintain records in accordance with Exhibits 3 and 4.

D. Written Referrals

See Paragraph 41 – Procedures for Written Referrals for instances that require referrals.

33-40 (Reserved)

B. Processing Requests for Reconsideration by RMSD (continued)

- (3) If the request meets the criteria in 52 B (1), RMSD will:
 - (a) notify the AIP and RO of the request for Reconsideration;
 - (b) provide a letter to the Policyholder acknowledging receipt of the request for a reconsideration and allow 30 calendar days for the producer to submit any additional documentation for consideration;
 - (c) review the GFP case documents uploaded by the RO and if necessary contact the RO, the Policyholder or AIP for additional information or documentation;
 - (d) render a written reconsideration determination of whether the GFP determination was properly made by the RO under the standards in Paragraph 22;
 - (e) apply the reconsideration determination to all the crop acreage insured under Shareholder policies or companion policies (e.g., landlord/tenant operations, a Policyholder with a policy as an individual entity and a separate policy for a partnership or corporation, etc.). RMA may issue one decision for multiple requests on the same acreage, crop, and production method in the same crop year or for Policyholders who are grouped together because they are making the same request;
 - (f) brief the RO on the reconsideration determination prior to sending it to the Deputy Administrator for Insurance Services for signature.
- (4) reconsideration determinations **that uphold an RMA determination that GFP were not followed** will include a notice of the Policyholder's right to bring suit against FCIC in United States District Court and will state the Policyholder cannot bring suit against the AIP for GFP decisions or determinations made by the RO or DAIS respectively.
- (5) RMSD will send the GFP reconsideration letter and exhibits to the Policyholder in accordance with PII requirements via certified mail or overnight delivery service. The RO and AIP will also receive an email PDF copy of the reconsideration letter (no exhibits).
- (6) RMSD will scan, name, and upload the signed GFP reconsideration letter and new additional information generated or received during the review to the GFP/LC Database.

Acronyms and Abbreviations

The following table provides the acronyms and abbreviations used in this handbook.

| Acronym/ Abbreviation | Term |
|----------------------------------|-------------------------------------------------------|
| AIP | Approved Insurance Provider |
| AMS | Agricultural Marketing Service |
| APH | Actual Production History |
| ARD | Acreage Reporting Date |
| ARH | Actual Revenue History |
| ARPI | Area Risk Protection Insurance |
| BP | Basic Provisions |
| CES | Cooperative Extension Service |
| CFR | Code of Federal Regulations |
| CIH | Crop Insurance Handbook |
| CP | Crop Provisions |
| DAC | Deputy Administrator for Compliance |
| DAIS | Deputy Administrator for Insurance Services |
| DAPM | Deputy Administrator for Product Management |
| ECIC | Eligible Crop Insurance Contract |
| FAD | Final Agency Determination |
| FCIC | Federal Crop Insurance Corporation |
| FPAC | Farm Production and Conservation |
| FSA | Farm Service Agency |
| GFP/LC | Good Farming Practice and Large Claim Database |
| GIP | Good Irrigation Practices |
| GNP | Good Nursery Practices |
| GSH | General Standards Handbook |
| IS | Insurance Services |
| LAM | Loss Adjustment Manual |
| LASH | Loss Adjustment Standard Handbook |
| LC | Large Claim |
| LRP | Livestock Risk Protection |
| MPCI | Multi-Peril Crop Insurance |
| NAD | National Appeals Division |
| NCIS | National Crop Insurance Services |
| NIFA | National Institute of Food and Agriculture |
| NOP | National Organic Program |
| NRCS | Natural Resources Conservation Service |
| OGC | Office of General Counsel |
| OIG | Office of Inspector General |
| PASS | Policy Acceptance Storage System |
| PII | Personal Identifiable Information |
| PIVR | Plant Inventory Value Report |
| RCO | Regional Compliance Office |

Definitions

The following are definitions of terms related to good farming practices or are used in this handbook.

Agricultural Expert – 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 is related to the specific crop or practice for which such expertise is sought. See also Organic Agricultural Experts.

Approved Insurance Provider (AIP) – A legal entity, including the company, which has entered into a SRA with FCIC for the applicable reinsurance year.

Certifying Agent (Organic) – 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.

Conventional Farming Practice – A system or process that is necessary to produce an agricultural commodity, excluding organic practices.

Generally Recognized – When agricultural experts or organic agricultural experts, 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.

Good Farming Practices – 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 those generally recognized by agricultural experts or organic agricultural experts, depending on the practice, for the area. The AIP may, or the producer may request the AIP to, contact FCIC to determine whether or not production methods will be considered to be “good farming practices.”

Note: The use of NRCS Conservation Practices will generally be recognized by agricultural experts for the area as considered good farming practices. Therefore, the use of NRCS Conservation Practices will have no impact on Federal crop insurance coverage, provided the adoption of such practice does not negatively impact the insured crops ability to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance and provided the NRCS Conservation Practice is not an uninsurable practice under the terms and conditions of the individual crop insurance policy.

NRCS Conservation Practices – Practices recognized and published by Natural Resource and Conservation Services (NRCS) which contain technical information about the conservation of soil, water, air, and related plant and animal resources. Technical

Definitions (Continued)

guides used in each field office are localized so that they apply specifically to the geographic area for which they are prepared. More information regarding these practices can be found at:

http://www.nrcs.usda.gov/wps/portal/nrcs/detailfull/national/technical/cp/ncps/?cid=nrcs143_026849

Good Nursery Practices – In lieu of the definition of “good farming practices” contained in section 1 of the Basic Provisions, the horticultural practices generally in use in the area for nursery plants to make normal progress toward the stage of growth at which marketing can occur and: (1) for conventional practices, generally recognized by agricultural experts for the area as compatible with the nursery plant production practices and weather conditions in the county; or (2) for organic practices, generally recognized by the organic agricultural industry for the area as compatible with the nursery plant production practices and weather conditions in the county or contained in the organic plan. The AIP may, or you may request the AIP to, contact FCIC to determine whether or not production methods will be considered to be “good nursery practices.”

Organic Agricultural Experts – Persons who are employed by the following organizations: Appropriate Technology Transfer for Rural Areas, Sustainable Agriculture Research and Education or the Cooperative Extension System, 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. **NOTE:** Pre-approval from FCIC is recommended before using organic experts that do not fall into the listed organizations.

Organic Crop – An agricultural commodity that is organically produced consistent with Paragraph 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502).

Organic Farming Practice - A system of plant production practices used to produce an organic crop that is 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 you and a certifying agent agree upon annually or at such other times as prescribed by the certifying agent.

Personal Identifiable Information (PII) – Any information, in any medium, that identifies a specific individual whether on paper or electronic.

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 environment.

Written Documentation – Any written information related to the case in hard copy or compatible electronic format, including facsimile.

File Organization and Storage (Continued)

B Organization and Contents (continued)

- (b) After the GFP determination letter is signed, it becomes the final signed version. The final signed version will be scanned prior to mailing and will use the same naming convention as follows:

Example: Farmer Farms Potatoes GFP Determination Letter 01-23-16.pdf

- (c) All subsequent letters and exhibits are scanned and uploaded as they are delivered or revised. Any revised files must contain the letters “REV” prior to the new date (date of revision).

Example: Farmer Farms Potatoes GFP Determination Letter REV 02-18-16.pdf

- (5) ROs may use the following tools and forms, or similar forms to document field notes, telephone calls, or interviews. Any form used should be uploaded in the Documents tab in the appropriate named folder.

GFP Determination Requests - RO Evaluation Tool

Evaluate and each GFP case based on independent circumstances. Always refer to the procedures in this Handbook. The request, whether from the AIP or the Policyholder, should be routed to the RO through the AIP. Review the AIP decision and the request before making a determination.

File Organization and Storage (Continued)

B Organization and Contents (continued)

| Request for GFP Determination Checklist | Yes | No |
|--------------------------------------------------------------------------------------------------------|------------|-----------|
| SECTION 1 QUALIFICATION (All answers should be NO) | | |
| Does the producer request a determination on any of the following disqualifying situations? | | |
| 1) The amount of production or value assessed for uninsured causes of loss | | |
| 2) Expansion of coverage, where coverage is not available | | |
| 3) Establishing insurability | | |
| 4) Denial of written agreements | | |
| 5) Whether an insured cause of loss was present | | |
| 6) Any decisions related to a claim determination, including interpretations of policy and procedure | | |
| SECTION 2 REQUESTS (All answers should be YES) | | |
| Did the producer make the request within 30 calendar days from the date the GFP decision was received? | | |
| Does the AIP decision letter: | | |
| 1) State the issues and facts relating to the production method(s) used? | | |
| 2) Contain or reference: | | |
| • RMA procedures or other Published Material <i>and</i> | | |
| • Any written opinions or recommendations <i>or</i> | | |
| • State the opinion of at least one Agricultural expert? | | |
| 3) State why the production method does not meet the bases for GFP decision? | | |
| 4) Include the producer's rights to: | | |
| • Mediate or arbitrate with the AIP for assigned production or other claim determinations; | | |
| • Request a GFP determination from RMA? | | |
| SECTION 3 DOCUMENTATION (All answers should be YES) | | |
| Did the AIP submit the complete decision file to include: | | |
| 1) Complete underwriting file? | | |
| 2) Complete claim file? | | |
| 3) All referenced materials in the decision letter? | | |
| 4) A copy of the decision letter and all attachments? | | |
| 5) Recommendations and research conducted by the AIP? | | |
| 6) AIP Analysis of the Policyholders actions compared to recommended practices? | | |
| 7) Policyholder's written request and any attachments? | | |

File Organization and Storage (Continued)

B Organization and Contents (continued)

If the AIP decision letter does not meet the requirements in Paragraph 31 B, the RO must notify the AIP that the decision letter is unacceptable and require the letter be corrected and reissued to the Policyholder within 20 calendar days.

If there is no response from the AIP or the GFP decision letter still fails to meet the criteria, the RO must make a GFP determination on the farming practice(s) in question, and, if necessary, seek additional information from other sources if available. ***

Interview/Telephone Record

The following is the form for recording interview/telephone communications. If more than one form is required, number forms consecutively, such as 1 of 3, 2 of 3, etc.

| | | |
|---------------------------------------------------------------------------------------------------|--------------------------------|---------------|
| Policyholder's Name | Claim Number | Policy Number |
| Crop(s) – Unit(s) | | Crop Year |
| Date | Time | |
| Interview/Call (Circle one) | Incoming/outgoing (Circle one) | |
| Person contacted: Name: Address: Phone Number: Fax Number: E-mail address: | | |
| Purpose: | | |
| Narrative: | | |
| Name/Signature | Page _____ of _____ | |

File Organization and Storage (Continued)

Guidelines for Supporting File Records

A. Additional Supporting File Guidelines

In addition to GFP file guidelines contained in Exhibit 3, the RO must:

- (1) Develop a record of phone conversations with the Policyholder, AIP, or loss adjustor and any interviews for the file as they occur.
 - (a) Use the Interview / Telephone Record, Exhibit 1A **or the LC/GFP Database** to aid in this documentation.
 - (b) Include the time of day and date; the name, address and contact information for the person you are talking to; the purpose of the call or conversation; and a written overview of the conversation.

In some cases, you may want to document what the person is saying word for word. Do not hesitate to ask them to repeat something to ensure that you clearly understand what they are saying.
 - (c) If the RO representative is asked to keep the person's name and contact information confidential, do so. It is very important to comply with the person's wishes. If the information provided is pertinent to the issue or supports an adverse finding, then, if possible, verify the validity of the information through other sources.
- (2) Ensure that copies of all documents are clear, easy to read, and understandable. Include an objective narrative when appropriate to ensure a person unfamiliar with the issue can understand its purpose and how it pertains to the proper GFP determination.
- (3) Upload copies of all documents in the LC/GFP Database.

B. Requesting Information from the AIP

- (1) Any requests for AIP action, such as measuring insured acres and determining uninsured acres, obtaining documentation, researching a GFP issue, etc., must be in writing and submitted to the AIP as soon as possible.
 - (a) E-mail may be used so long as it is treated in the same way as any other official form of communication; i.e., use the same level of thought and decorum as a Manager's Bulletin or Informational Memorandum; do not use off-handed or inappropriate comments.
 - (b) Follow up telephone requests in writing.

RO GFP Letter Templates (Continued)

B. RO Policyholder Acknowledgement Letter Template



The following templates are suggested formats for RO GFP Determinations. ROs may adjust language as appropriate for each particular case.

United States
Department of
Agriculture

Farm Production
and Conservation

Risk
Management
Agency

XXXX
XXXXXX

(DATE)

(Policyholder or Legal Representative Name/Title)

(Address)

(Address)

Re: Good Farming Practice Determination for (Name of Insured)
(Crop Year), (Crop), (Policy #XXXX), (County, State)

Dear Sir (or Madam):

The XXX Regional Office (RO) received your (Date of Request) request for a Good Farming Practice (GFP) Determination. According to your letter, you disagree with the GFP decision made by (Name of AIP) on (Date of AIP decision letter).

The (XXX RO) will begin the review on (Date 10 days from date of this letter). The 10 day delay allows you to provide additional documentation that you want to be considered in the review. If the (XXX RO) does not receive additional documentation from you by this date, it will use the information provided by (Name of AIP) and information you provided in your request.

You may send additional documentation to the following address:

(Name)
RO Director
USDA, Risk Management Agency
(Name of Regional Office)
(Address)

If you prefer to send electronic documents, please make sure they are legible and email them to (RO email address). We will provide a status of the review every forty-five (45) calendar days from (date the review begins). Once our review is complete, you will receive the RMA GFP determination letter via overnight mail or certified mail.

If you have any questions, please contact me at (Phone number).

USDA is an Equal Opportunity Provider and Employer

RO GFP Letter Templates (Continued)

B. RO Policyholder Acknowledgement Letter Template (continued)

Sincerely,

(Name)
Director
(Regional Office Name)

RO GFP Letter Templates (Continued)

C. **RO GFP Determination Letter Template**



United States
Department of
Agriculture

(Date)

Farm Production
And Conservation

VIA CERTIFIED MAIL – XXXX XXXX XXXX XXXX XXXX

Risk
Management
Agency

(Policyholder or Legal Representative Name/Title)

(Address)

(Address)

XXXX
XXXXXX

(Address)

RE: Good Farming Practices Determination for (Name of Policyholder)
(Crop Year) (Crop) (Policy #XXXXXXXX)
(County Name), (State Name)

Dear Sir (or Madam):

This Good Farming Practice (GFP) Determination originates from your Approved Insurance Provider, ABC Insurance's [DATE], GFP decision concerning the production methods you used for your 20XX Corn and Soybean Crops.

Based on our review of reference materials submitted by you and ABC Insurance, the Risk Management Agency (RMA), has determined that your weed control and fertilization practices were not GFPs.

(Add a very brief summary of your determination. Placing the determination at the top of the letter provides an immediate answer to the reader.) Example:

Issues to be Determined

(State the issues that you must determine in the format below.) Example:

In accordance with the 2017 Good Farming Practice Determination Standards Handbook and the Common Crop Insurance Policy (Basic Provisions), RMA, on behalf of the Federal Crop Insurance Corporation (FCIC), is required to make a GFP Determination. The issues that must be resolved in this case are:

1. Whether you applied adequate herbicide on your corn and soybean crops in a timely manner to control weeds which would allow your crops to make normal progress toward maturity and produce at least the yield used to determine the production guarantee.

RO GFP Letter Templates (Continued)

C. RO GFP Determination Letter Template (continued)

2. Whether you applied adequate fertilizer on your corn which would allow your crop to make a normal progress toward maturity and produce at least the yield used to determine the production guarantee.

Background

(These paragraphs summarize the events that led to the GFP Determination. If any pertinent documents relate to the event or were created due to the event, cite the document as an exhibit using footnotes. List events in chronological order. Use the Analysis section to reference Expert Opinions and discussion about them. Summarize the opinions without quoting large chunks of the opinion.) Example:

On [DATE], Mr. Looker, the Loss Adjuster for ABC Insurance, issued an Adjuster Special Report which documents the conditions of the fields in [Name] County, [State].¹

On [DATE], you had a conversation with Mr. Looker at your farm and he requested fertilizer, seed, and herbicide receipts. He documented this request on an Adjuster's Special Report.²

On [DATE] you prepaid for your purchase of fertilizer and herbicides from the Feed and Seed Store in [location]. ABC Insurance provided copies of these receipts, which showed [DATE] as the date of invoice.³

Analysis

(In this section, break out the issues separately and begin your analysis of each issue in this order: Basis for AIP's decision; Appellant's position; RMA reasoning and finding; Conclusion. Do not place these headings in the Analysis. Repeat the analysis for each issue.) Example:

To complete this GFP Determination, RMA carefully reviewed the ABC Insurance Decision file and documentation provided by you. RMA also reviewed published documents as outlined below to determine if the practices you used would generally allow you to reach the production guarantee.

Issue 1: Whether you applied adequate herbicide on your corn and soybean crops in a timely manner to control weeds which would allow your crops to make a normal progress toward maturity and produce at least the yield used to determine the production guarantee.

¹ See Exhibit A

² See Exhibit A

³ See Exhibit B

RO GFP Letter Templates (Continued)

C. RO GFP Determination Letter Template (continued)

To complete this GFP Determination, RMA carefully reviewed the ABC Insurance GFP Decision file and documentation provided by you. RMA also reviewed published documents as outlined below to determine if the practices you used would generally allow you to reach the production guarantee.

In your request for a GFP Determination, you assert that ABC Insurance's Decision that you failed to carry out GFPs is erroneous. Contrary to ABC Insurance's contentions, you argue that the actual cause for your low yields was weather conditions (rain and wind), prior to and during the growing season, that delayed the effectiveness of your weed control and fertilizer practices.⁴ In support of your position, you cited expert Dr. Pro's opinion, that the crops' poor results were caused by circumstances beyond your control, namely, adverse weather conditions.⁵ However, RMA does not find any merit in your argument.

(Continue RMA Analysis for this issue...then conclude.) Example:

Because of the above-mentioned reasons, RMA has determined that your herbicide application practice failed to follow generally recognized GFP for the corn and soybean crops and is not an insurable cause of loss.

(Continue Analysis with Issue 2.)

Conclusion

(Summarize your findings and include the last two sentences below in your conclusion.)

Example:

RMA finds that you failed to follow generally recognized good farming practices for your corn and soybean crops, which is not an insurable cause of loss. This GFP determination does not determine whether an insured cause of loss was or was not present, or reconsider any other decision made for your policy. In addition, this determination applies to all insured shareholders, landlords, and tenants with an interest in the 20XX corn and soybean crops on all acreage for which this determination is made.

If you have any questions about this GFP Determination, you may contact (name of contact) at (contact's telephone number).

Sincerely,

⁴ See Exhibit D

⁵ See Exhibit H

RO GFP Letter Templates (Continued)

C. RO GFP Determination Letter Template (continued)

Name

[RO] Regional Office Director

Risk Management Agency

cc: (Name of AIP Point of Contact)
(AIP Address)

cc: (Policyholder's Legal Representative)
(Address)

cc: Director, (Name of Compliance Office)

The Exhibit Index and exhibits are attachments to the RO Determination Letter and must be included at the end of the letter. *(List exhibits in numeric order using the Exhibit Index. Make sure your exhibit list follows the exhibit order as they appear in footnotes. Send each referenced exhibit to the Policyholder with the Determination Letter if not already provided.)*

Example:

Exhibits:

- A. Mr. Looker's Adjuster's Special Report, [DATE]
- B. Feed and Seed Store Receipts, [DATE]
- C. Photographs of neighboring fields, [DATE]
- D. Producer's Statement, [DATE]
- E. Feed and Seed Store Work Statement, [DATE]
- F. ABC Insurance GFP Decision, [DATE]
- G. Producer's Request for GFP Determination, [DATE]
- H. Dr. Pro's Expert Opinion, [DATE]
- I. NOAA Data, [DATE]
- J. Extension Reference Bulletin, [DATE]
- K. AD-2007 FSA/RMA Compliance Referral, [DATE]
- L. Ms. Expert's Expert Opinion, [DATE]
- M. [NAME] Coop Statement of Work, [DATE]

RO GFP Letter Templates (Continued)

C. RO GFP Determination Letter Template (continued)

(Include Appeal Rights at the end of the letter on a separate page.) Example:

Appeal Rights

If you do not agree with FCIC's GFP determination, you may:

- (1) Request Reconsideration of the RO GFP Determination within 30 calendar days of receipt of written notice of the adverse decision by providing the required information to the RMA Deputy Administrator for Insurance Services at:

Deputy Administrator for Insurance Services
USDA/RMA/Insurance Services/STOP 0801
ATTN: GFP RECONSIDERATION
1400 Independence Avenue SW
Washington, DC 20250-0801

The written request must state the basis upon which you rely to show that the determination was not proper and not made in accordance with the program regulations and procedure, or that all material facts were not properly considered in such determination.

First class mail to Washington, DC is often delayed for security measures. Participants are encouraged to send information by a delivery service (e.g. overnight or 2-day certified mail) that records pickup or postmark, and records and guarantees delivery.

OR

- (2) File suit in United States District Court for the district in which your farm is located in accordance with Section 20 of the Basic Provisions within one year of the date of this letter, or the date of your Reconsideration Determination if you request Reconsideration. You are not required to request reconsideration from FCIC before filing suit.

Arbitration or Mediation Rights:

If you do not agree with the amount your insurance company assessed for your failure to follow good farming practices, you may choose to arbitrate or mediate the dispute in accordance with section 20(d) of the Basic Provisions. You may not appeal such amount to FCIC.

RMSD Reconsideration Letter Template

United States
Department of
Agriculture

Farm Production and
Conservation

Risk
Management
Agency

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

(VIA OVERNIGHT MAIL)

(Policyholder or Legal Representative Name/Title)

(Address)

(Address)

(Address)

RE: Good Farming Practices Reconsideration
for (Name of Policyholder)
(Crop Year) (Crop) (Policy #XXXXXXXX)
(County Name), (State Name)

Dear Sir (or Madam):

(Use the same basic format as the RO GFP Determination letter but write the letter in first person. Follow all general rules for writing the letter in Exhibits 4 and 5.)

On behalf of the Federal Crop Insurance Corporation (FCIC), I have completed my reconsideration review of the [RO Name]'s good farming practice (GFP) determination for your [Crop Year] [Crop Name]. This reconsideration decision only applies to determinations of GFP and does not determine that an insured cause of loss was or was not present, nor does it reconsider any other decision made for your policy.

To complete this GFP Reconsideration, I have carefully reviewed the [RO Name] RO Determination file, related information you submitted, and documentation provided by your Approved Insurance Provider (AIP), [AIP Name]. After careful review, I (concur with the [RO name])(concur in part with the [RO name])(disagree with the [RO name]) that GFP were not followed and the determination (**IS UPHHELD**)(**IS NOT UPHHELD**).

(For a full sample GFP Reconsideration Template letter, see the LC/GFP SharePoint Site.)