

**United States  
Department of  
Agriculture**

**USDA**

**Risk  
Management  
Agency**

**Product  
Development  
Division**

**FCIC 18010  
(6-01)**

**FCIC 18010-01  
(6-02)**

**FCIC 18010-02  
(11-02)**

# **2003 CROP INSURANCE HANDBOOK (CIH)**

Underwriting and Actual Production History (APH)  
Standards for Catastrophic (CAT), and Additional  
Coverage Multiple Peril Crop Insurance (MPCI)  
Contracts



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U.S. DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250

<b>FEDERAL CROP INSURANCE CORPORATION DIRECTIVE</b>	<b>NUMBER:</b> 18010-02 (11-02) 18010-01 (6-02) 18010 (6-01)
SUBJECT:  <b>AMENDMENTS TO THE 2002 FCIC 18010 CROP INSURANCE HANDBOOK (CIH) FOR THE 2003 AND SUCCEEDING CROP YEARS</b>	DATE: <p style="text-align: center;"><b>11/5/02</b></p>
	OPI: Product Development Division
	APPROVED: <p style="text-align: center;"><b><i>Tim B. Witt /s/</i></b></p> <p style="text-align: center; font-size: small;">Deputy Administrator, Research and Development</p>

**1 (SECTION 1) PURPOSE**

To update and transmit clarifications to the 2002 FCIC 18010 Crop Insurance Handbook (CIH) for the 2003 crop year. The CIH provides the underwriting instructions for Multiple Peril Crop Insurance (MPCI) Policies insured at the CATASTROPHIC, AND ADDITIONAL COVERAGE levels.

**2 CHANGES AND INSTRUCTIONS**

**2A Overview of Changes:**

Listed below is a brief overview of the changes that have the most significant impact. Not all changes, including typographical errors and minor corrections, are listed.

Page(s):

- |           |  |
|-----------|--|
| vii, viii | Table of Contents updated.   |
| 17        | Section 4. Clarified for Hybrid Seed Corn and Hybrid Sorghum Seed there will no more than one basic unit for all production contracted under each processor contract.  |
| 25 - 28   | Section 4. Clarified application procedures.<br><br>Section 4. Added CAT coverage will be provided for an added county if the designated plan of insurance, level of coverage or price is not available in the added county.<br><br>Section 4. Added if only one county for the crop(s) is listed on the application or contract change form, that county will be considered to be the designated county if the insured does not designate that county on the applicable form. |
| 83        | Section 4. Added for forage seeding minimum supporting documentation for written agreements, use acceptable records of forage production to meet the three consecutive crop year requirement.  |
| 165       | Section 7. Clarified Processing records <b>may not</b> be used for the fresh market crops [Peaches (fresh market) and Apricots (fresh market)].  |

- 201 Section 13. Clarified the APH Yield Adjustment (YA) does not apply to assigned or temporary yields.
- 203 Section 13. Clarified YA applies to feed Barley APH databases when the Malting Barley Option A or B is elected. YA does not apply to Malting Barley databases under Option A. (A separate database is not established for malting barley under Option B.)
- 274 – 284.4 Exhibit 15. Modified Combining and Dividing Basic and Optional Units procedure for combining and dividing databases effective beginning with 2003 spring crops with a sales closing date of January 31, 2003 and thereafter.
- 372 Exhibit 22. Added “T” Yields are applicable to Feed Barley databases. Yield limitations (cups), yield substitution and yield floors do apply.
- 399 Exhibit 32. Clarified if the marital status of an insured changes after the sales closing date, the spousal SSN/EIN reporting requirement becomes applicable the following crop year.
- 402 Exhibit 32. Clarified SSN/EIN reporting requirements for spouses in some circumstances, a certification by the insured indicating a spouse’s share (or lack of) may be determined to be sufficient evidence by the Insurance Provider.
- 413 Exhibit 35. Changed paragraph references for dividing APH databases.
- 423 Exhibit 36. Corrected added land yield indicators.
- 437 Exhibit 37. Corrected inadvertent removal of the word not.

**2B FILING INSTRUCTIONS**

<u>Remove Pages</u>		<u>Insert Pages</u>	
vii, viii	dated June 2002	vii, viii	dated November 2002
I - VIII	dated June 2002	1 - 4	dated November 2002
17, 18	dated June 2002	17, 18	dated November 2002
25 - 28	dated June 2002	25 - 28	dated November 2002
83, 84	dated June 2002	83, 84	dated November 2002
165, 166	dated June 2001	165, 166	dated November 2002
201 - 206	dated June 2002	201 - 206	dated November 2002
273 - 284	dated June 2001	273 - 284.4	dated November 2002
371, 372	dated June 2002	371, 372	dated November 2002
399 - 402	dated June 2002	399 - 402	dated November 2002
413, 414	dated June 2001	413, 414	dated November 2002
423, 424	dated June 2002	423, 424	dated November 2002
431, 432	dated June 2002	431, 432	dated November 2002
437, 438	dated June 2002	437, 438	dated November 2002

- 1 Effective Date. Upon approval.
- 2 Series Replaced. None.
- 3 Issuance Rescinded. None.

DISTRIBUTION Risk Management Agency Directors, Branch Chiefs, Washington, D.C., and Kansas City; Regional, and Risk Compliance Offices; Reinsured Companies, National Appeals Division, National Crop Insurance Services and Crop Insurance Research Bureau.

**2C Operating Standards**

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 by Federal Crop Insurance Corporation (FCIC). Except for Blueberries, the handbook does not include instructions for Pilot programs or private insurance products submitted to FCIC and approved for Reinsurance. Private Insurance Companies are hereafter referred to as "Insurance Providers." Approval authorities within RMA and for Insurance Providers are indicated in this handbook. Insurance Providers are delegated the same underwriting authorities as RMA, ONLY when indicated in this handbook (i.e., RMA RO/Insurance Providers.)

Insurance Providers that have a Standard Reinsurance Agreement (SRA) with FCIC must use this handbook or comparable procedures approved by RMA to deliver MPCI coverage. This handbook and the sample forms contained within it are the RMA STANDARDS FOR APPROVAL when RMA's approval of comparable procedures and/or forms are requested.

Each Insurance Provider is responsible for using RMA approved procedure. If an Insurance Provider is audited by a government agency or is selected for an RMA compliance review, the applicable procedure in this handbook or comparable RMA approved procedures will be the basis for all determinations. If there is a conflict between this handbook and comparable RMA approved procedures issued by an association or Insurance Provider, the procedures in this handbook will prevail unless they are determined by RMA to be in error.

Insurance Providers may develop forms based on their internal needs. The structure of these forms may vary from the standard RMA forms, but they require RMA's written approval and must contain the same information as the RMA forms. All certification statements on forms submitted to RMA for approval **MUST BE IDENTICAL** to the ones approved for use by RMA and the Privacy Act Statement must be included on any form used to collect information from the insured.

This handbook is generic in format where practical. Some exhibits and examples used in this handbook are not exact reproductions of actual forms they represent. They are formatted in Word for ease in handbook preparation. See the RMA approved forms for the actual form format.

This handbook is written and maintained by:

Office of the Deputy Administrator for Research and Development,  
Product Development Division, Underwriting Standards Branch  
Kansas City, Missouri  
6501 Beacon Drive, Room 403  
Telephone (816)-926-7743                      FAX (816)-926-1841

If an error is found, notify us in writing at the above address. Outline the error and indicate the proposed correction. Errors may be corrected for the current crop year. Proposed changes should be submitted in writing through your proper organizational channels to the Product Development Division for consideration.

**2D Special Instructions.**

Items or provisions are applicable to all levels of coverage unless specifically identified as either: 1) applicable to specified levels of coverage or 2) not applicable to specified levels of coverage. When the following symbols are used, the text between the arrows:

**(ADD → ..... ← ADD)** Applies ONLY to additional coverage policies.

**(CAT → ..... ← CAT)** Applies ONLY to CAT policies.

**(NACAT → ..... ← NACAT)** DOES NOT apply to CAT policies.

Procedures and instructions contained in this handbook must be administered on a crop, county and insured entity basis.

### 3 DEFINITIONS

**Acreage Report** - A report required by the basic policy provisions which contains, in addition to other required information, the insured's share of all acreage of an insured crop in the county whether insurable or not insurable.

**Acreage Reporting Date** - The date by which insureds are required to submit acreage reports. Acreage reports must be filed not later than the acreage reporting date contained in the Special Provisions for the county for the insured crop or as provided in the basic policy provisions.

**Actual Yield** - The yield 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). [See Sec. 10 B (2).]

**Added Land** - is cropland acreage (irrespective of crops) added for the current crop year to the insured person's farming operation within the county [See Exhibit 32 for insured person (entity) information and Exhibit 36 for Added Land Procedures].

**Added Practice, Type, or Variety (P/T/V)** - A P/T/V of the insured crop as identified on the actuarial document that requires a separate APH yield, administered on a county/crop basis, for which the insured has NOT been actively engaged in farming for a share of the P/T/V's production on the unit. [See Exhibit 36.]

**Additional Coverage** - A level of coverage greater than catastrophic risk protection.

**Administrative Fee** - The annual fee that the producer must pay in addition to the premium (if any) for additional, or catastrophic coverage [See Sec. 4 B(3)].

**Appraised Production** - Production determined by the Insurance Provider for unharvested acreage, reflecting the potential production for the crop at the time of the appraisal. Appraisals made for production LOST due to insured or uninsured cause(s) of loss are not considered production for APH purposes. Only potential production remaining in the field at the time of the appraisal is used for APH purposes. (Applies to both APH appraisals or appraisals made to determine a loss.)

**Approved APH Yield/Approved Yield** - The amount of production per acre computed and approved by the verifier in accordance with RMA's Actual Production History Program (7 CFR part 400, subpart G) or, for crops not included under 7 CFR part 400, subpart G, the yield used to determine the guarantee in accordance with the crop provisions or the Special Provisions. The approved APH yield may contain up to ten consecutive APH crop years of actual and/or assigned yields.

**Assigned Yield** - A yield assigned (by the verifier) for the most recent APH crop year in the base period (by database) if carryover insureds do not file acceptable production reports by the production reporting date, as required by the crop insurance contract. The assigned yield is 75 percent of the previous year's approved APH yield. Assigned yields are used in the same manner as actual yields when calculating APH yields.

**Average APH Yield** - The sum of the actual, assigned and/or applicable "T" Yields divided by the number of yearly yields in the database (prior to **yield substitutions** application of yield limitations or yield floors, if applicable).

**Base Period** - Ten consecutive APH crop years ( five consecutive APH crop years for Apples and Peaches) immediately preceding the current policy crop year (defined in the applicable insurance policy) for which the approved APH yield is being established. Exceptions: the base period for AZ-CA Citrus, Macadamia Nuts, Sugarcane, and Texas Citrus Fruit begins two calendar years preceding the current policy crop year (a lag year). The base period for each APH database is determined by the consecutive APH CROP YEARS it contains, not by calendar years.

**Carryover Insured** - A person or entity who was insured the previous year without respect to the carrier or agent, determined on a crop policy (by county) basis. If the insured had an MPCl, Income Protection, Crop Revenue Coverage, or Revenue Assurance crop insurance and switches from one of the plans of insurance to another plan, that person or entity is considered a carryover insured.

**Catastrophic Risk Protection (CAT)** - The minimum level of coverage offered by RMA which meets the requirements for a person to qualify for certain other USDA program benefits. Catastrophic Risk Protection is referred to as "CAT" or "CAT coverage" in this handbook. [See Sec. 4, C(5)(c) and Sec. 4, E(1) for additional explanations.]

**Continuous Production Reports** - Production reports submitted by a producer for each consecutive APH crop year (within the base period), including the most recent APH crop year in the base period. Continuity is not interrupted if for any calendar year the crop was not planted, prevented from being planted by an insurable cause, or NOT produced for an insurable purpose. **Rules for reporting continuity of records apply to applicants/insureds certifying percentages of grade or other applicable grade factors when applicable.** [See Sec. 10, Par. A(2), B(1) and (2).]

**Contract** - The contractual agreement between the insured and the Insurance Provider consisting of the accepted application, the Basic Provisions, the Crop Provisions, the Special Provisions, other applicable endorsements or options, the Actuarial Table for the insured crop, the Catastrophic Risk Protection Endorsement (if applicable), and the applicable regulations published in 7 CFR Chapter IV.

**County** - The 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 the adjoining county or state if the county or state boundary is not readily discernable). (For quota tobacco, "county" includes any land identified by an FSA farm serial number for the county but physically located in another county.)

**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 (\$100 per crop per county).

**Crop Year** -

**APH Crop Year.** For APH purposes, the term does not include any year the crop was not planted, prevented from being planted by an insurable cause, or NOT produced for an insurable purpose as provided in the crop's policy. [See Sec. 10, Par. B(2).]

Example 1: When an insured plants insurable acreage in a county to wheat for harvest as grain, that year is a crop year for APH data purposes. If the land is summerfallowed the next calendar year, that year is not a crop year for APH data purposes.

Example 2: A year that oats were planted as a cover crop, pastured, or put up for hay is not considered an APH crop year unless such acreage was reported and insured as "intended for harvest as grain" under the MPCl contract.

**Policy Crop Year.** The period defined by the applicable crop insurance policy.

**Database** - The data used to calculate the average/approved APH yield. A minimum of four up to a maximum of ten continuous APH CROP YEARS of production data are used. The data provided must begin with the most recent APH CROP YEAR. Years containing assigned yields do not break continuity of production data and are considered APH CROP YEARS.

**Days** - Calendar days.

**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 (for premium computation purposes, the enterprise unit discount, if shown on the FCI-35, is in addition to the basic unit discount). An enterprise unit must consist of:

- (1) Two or more basic units of the same insured crop that are located in two or more separate sections, section equivalents, or FSA FSN's; or
- (2) Two or more optional units of the same insured crop established by separate sections, section equivalents, or FSA FSN's.

**Established Price** - The price per unit of production issued by RMA by each crop's filing date.

**Expected Market Price** - 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 and announced by RMA not less than 15 days prior to the sales closing date for the crop. Applicable for the following crops: Barley, Corn, Grain Sorghum, Hybrid Corn Seed, Hybrid Sorghum Seed, Malting Barley, Oats, Rye, Soybeans, and Wheat.

**FCIC** - The Federal Crop Insurance Corporation, a wholly owned Government Corporation administered by the Risk Management Agency within USDA.

**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.

**FSA** - The Farm Service Agency, an agency of the United States Department of Agriculture, or a successor agency.

**FSA Farm Serial Number (FSN)** - The number assigned to the farm by the FSA county committee.

**Good Farming Practices** - The cultural practices generally in use in the county for the crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance, and are those recognized by the Cooperative State Research, Education, and Extension Service as compatible with agronomic and weather conditions in the county.

**Gross Production** - Net delivered production of the commodity (by removing truck weight and other weights which are considered tare from the gross scale weight) prior to deductions made for dockage, test weight, moisture content, poor quality, foreign material, etc. For APH purposes, harvested or appraised gross production, documented in the unit of measure indicated by the crop's policy, is acceptable. However, when acceptable records that indicate dockage, low test weight, high moisture content, poor quality, foreign material, etc., are available at the time production reports are filed, gross production MUST be adjusted for APH purposes to reflect the same quality of production as provided in the crop's policy for loss payment purposes. [See Sec. 6, Par. J and Sec. 7, Par. L for additional instructions for each crop.]

**Insurance Provider** - A company reinsured by FCIC providing crop insurance coverage to producers participating in any Federal crop insurance program administered under the Federal Crop Insurance Reform Act of 1994.

**Insured** - The named person/entity 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 [See Exhibit 32].

**Insured Crop** - The crop defined under the Basic Provisions and the applicable Crop Provisions as shown on the application accepted by the Insurance Provider.

**Intended Crop** - A crop stated on the application submitted on or before the crop's sales closing date which the insured intended to plant the crop year for which application is made. ("Intended crop" is used in conjunction with substitute crop determinations.)

**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.

**Late Planted** - Acreage initially planted to the insured crop during the late planting period.

**Late Planting Period** - The period that begins the day after the final planting date for the insured crop and ends 25 days after the final planting date, unless otherwise specified in the Special Provisions. For acreage planted during the late planting period, coverage is reduced in accordance with the crop's policy provisions.

**Limited Resource Farmer** - A producer or operator of a farm with an annual gross income of \$20,000 or less derived from all sources of revenue, including income from a spouse or other members of the household, for each of the prior two years. Notwithstanding the previous sentence, a producer on a farm or farms of less than 25 acres (aggregated for all crops), where a majority of the producer's gross income is derived from such farm or farms but the producer's gross income from farming operations does not exceed \$20,000, will be considered a limited resource farmer. (For example, a producer farming 20 acres with a total gross income of \$39,000, of which \$20,000 is farm income and \$19,000 is off-farm income, is a limited resource farmer.)

**Linkage Requirement** - The legal requirement that a producer must obtain at least CAT coverage for any crop of economic significance as a condition of receiving benefits for such crop from certain other USDA programs, unless the producer executes a waiver of any eligibility for emergency crop loss assistance in connection with the crop.

**New Insured** - A person/entity who was not insured the previous crop year without respect to the carrier (FSA or Insurance Company) or agent. If the insured had an MPCI, Income Protection, Crop Revenue Coverage, or Revenue Assurance crop insurance policy the previous crop year on the same crop/county, that person is not a new insured.

**New Producer** - (CATEGORY B CROPS ONLY) A person who has not been actively engaged in farming for a share of the production of the insured crop (producing the crop) in the county for more than two APH crop years. Formation or dissolution of an entity which includes individuals with more than two APH crop years of production history during the base period does not qualify the new entity as a new producer for APH yield determination purposes.

**Non-Contiguous** - 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.

**Person/Entity** - 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.

**Planted Acreage** - Land in which seed, plants, or trees have been placed as appropriate for the insured crop and planting method, at the correct depth, into a seedbed that has been properly prepared for planting method and production practice.

**Policy** - (also see "Contract") The provisions for insuring a specific crop.

**Practical to Replant** - The Insurance Provider's determination, after loss or damage to the insured crop, based on all factors, including, but not limited to, moisture availability, condition of the field, time to crop maturity, and marketing window, that replanting the insured crop will allow the crop to attain maturity prior to the calendar date for the end of the insurance period. It will not be considered practical to replant after the end of the late planting period, or the final planting date if no late planting period is applicable, unless replanting is generally occurring in the area. In general, unavailability of seed or plants will not be considered a valid reason for failure to replant.

**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 and are calculated using the same procedure as approved APH yields.

**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.

**Prior APH Yield** - The approved APH yield [item 21 of the FCI-19-A] from the previous year's APH form.

**Production Guarantee (Per Acre)** - The number of pounds, bushels, tons, cartons, or other applicable units of measure determined by multiplying the approved yield/approved APH yield per acre by the coverage level percentage elected.

**Production Report** - A written record showing the insured crop's planted acreage and annual production used to determine the insured's actual yields for insurance purposes. Production reports may be APH forms or documents containing the same information required to complete APH forms. The insured must certify acreage and production for each unit of the crop for at least the most recent APH crop year in the base period. To be acceptable, production reports must meet the requirements as outlined in this handbook and be signed, dated, and submitted by the insured on or before the PRD.

**Production Reporting Date (PRD)** - The latest date production reports will be accepted for inclusion in the database used to calculate approved APH yields for the current crop year. The PRD is the earlier of the acreage reporting date or 45 calendar days after the earliest cancellation date for the crop for the current crop year unless otherwise stated in the Special Provisions (e.g., the Sugar Beet Special Provisions in certain CA counties with a Spring, Summer, and/or Fall harvest practice defines the PRD as the acreage reporting date).

NOTE: For new insureds, if a crop has both a spring and fall sales closing date, and application for insurance is made after the earlier sales closing date, the PRD is the earlier of the acreage reporting date or 45 calendar days after the spring sales closing date. Insurance does not attach to the acreage planted to the type with the earlier sales closing date if application is made after the earlier sales closing date.

**Rate Yield.** The (average APH yield) used to determine the premium rate if the approved APH yield is based on a yield substitution or a yield floor.

**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 with the expectation of producing at least the yield used to determine the production guarantee.

**RMA Regional Office (RMA RO)** - The RMA Field Underwriting and Program Services Office for a designated area (states). [See Exhibit 12 for list of offices and states served.]

**RMA RO Determined Yields** - The approved APH yield determined by the RMA RO for insureds who do not provide at least four years of acceptable production reports when a "T" Yield Table is not published; or for other cases referred to the RO for yield determinations.

**Secretary** - The Secretary of the United States Department of Agriculture.

**Share** - The insured's percentage of interest in the insured crop as an owner, operator, sharecropper, or tenant at the time insurance attaches. However, only for the purposes of determining the amount of indemnity, your share will not exceed your share at the earlier of the time of loss or the beginning of harvest. Unless the accepted application clearly indicates that 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 completing the application. The share will not extend to any other person having an interest in the crop except as may otherwise be specifically allowed in the Basic Policy provisions.

Cash Lease (100 Percent Share). Acreage rented for cash is considered a cash lease. A lease containing provisions for either a minimum payment or a crop share will be considered a cash lease.

Crop Share. Acreage rented for a percentage of the crop will be considered a crop share lease. A lease containing provisions for both a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) and a crop share will be considered a crop share lease.

**Similar Crop** - Another crop produced by the grower and classified under a broad grouping of crops such as: row crops, tree crops, vine crops, bush crops, etc. Example: Annual crops such as wheat, corn, soybeans, etc., are considered to be similar crops, apples, peaches, pears, etc., would also be considered similar crops.

**Substituted Yield** - A yield established by multiplying the applicable county crop "T" Yield by 60 percent. [See Section 13 for APH Yield Adjustment procedures.]

**Temporary Yield** - A yield used (by unit) when an insured is unable to finish harvest (due to an insurable cause), or records are unavailable from the processor, marketing outlets, etc., by the production reporting date.

**Timely Planted** - Planted on or before the final planting date designated in the Special Provisions for the insured crop in the county.

**Transitional Yield ("T" Yield)** - An estimated yield provided in the Actuarial Table which is used in calculating average/approved APH yields when less than four years of actual, temporary, and/or assigned yields are available on a crop by county basis.

Note: Any actuarial document references to Determined Yields ("D" Yields) are considered "T" Yields for APH purposes.

**Transitional Yield Locator Document ("T" Yield Map)** - A county map indicating area classifications and corresponding "T" Yields. "T" Area classifications are used in conjunction with the "T" Yield table to determine "T" Yields.

**Unit** - The insurable acreage of the insured CROP in the COUNTY taken into consideration when determining the approved APH yield, production guarantee/amount of insurance, and the amount of any indemnity (loss payment). Each insured crop's unit structure is defined in the policy and/or respective endorsement.

**USDA** - The United States Department of Agriculture.

### **Variable "T" Yields**

For Category B Crops - Sixty-five, 80, 90, or 100 percent of the applicable "T" Yield based on the number of years of actual, assigned, or temporary yields provided on a crop (policy) and county by the insured.

For Category C Crops - Sixty-five, 80, 90, or 100 percent of the applicable "T" Yield based on the number of years of actual, assigned, or temporary yields provided for each database by the insured.

**Verifier** - An Insurance Provider authorized by RMA to calculate approved APH yields.

**Waiver (Linkage)** - An FSA document that, when signed by a producer, relinquishes that producer's eligibility for emergency crop loss assistance and satisfies linkage requirements.

**Waiver (Administrative Fees)** - A document that, when signed by limited resource farmers, exempts them from paying the administrative fee.

**Whole Farm Unit** - All insurable acreage of the insured crops in the county in which the insured has a share on the date coverage begins for each crop for the crop year.

**Written Agreement** - A document that alters designated terms of a additional coverage policy and that is authorized under the basic provisions, the crop provisions, or the Special Provisions for the insured crop.

**Yield Limitations/Yield Floor** - Adjustments made to average APH yields, when applicable, which result in the approved APH yield. [See Sec. 6, Par. I and Sec. 7, Par. J(5).]

**Zero Acreage Report** - An acreage report filed by an insured that certifies that the insured does not have a share in the crop for that crop year.

## 4 GENERAL RULES

4A Insurance Offer.

Insurance is available when crop information is contained in the county actuarial documents for a particular crop. In addition to listing eligible crop programs for the county, the county actuarial tables include sales closing and other program dates, CAT and other available price elections, coverage levels, dollar amounts of protection, risk classifications and the corresponding rates. The applicable county actuarial documents are a part of the insurance contract.

A(1) **Eligible crops** are crops with an applicable MPCIC crop policy. Eligible crops must be grown on insurable acreage in a county for which a method of establishing insurance yields/guarantees and premium rates has been established for the crop in order for insurance to attach. See [Exhibit 1] for a listing of:

(1)(a) Eligible Crops;

(1)(b) Applicable FCIC/NCIS Crop Insurance Policies;

(1)(c) Coverage Plans, APH Tolerances;

(1)(d) Availability of Late and Prevented Planting Coverage;

(1)(e) **(NACAT → Availability of Replant Coverage ← NACAT)**;

(1)(f) Units of Measure;

(1)(g) Type of Units Which Apply; and

(1)(h) **(NACAT → Availability of High-Risk Land Exclusion. ← NACAT)**

A(2) **Insurable Farming Practices.** The **Basic Provisions, crop provisions and Special Provisions from the county actuarial documents** may provide for or exclude from insurability certain farming practices. Refer to those documents for specific information. **(NACAT →** When permitted by the policy, coverage by written agreement for unrated farming practices may be requested from the RMA RO [See Par. 4G] **← NACAT)**. For example:

(2)(a) Summerfallow (SF) is an insurable practice in some areas of the country. **The SF practice is carried out by using mechanical tillage or chemicals on uncropped land during the summer to control weeds and store moisture for the growth of a later crop. To qualify as SF, the land must not have been planted to a crop in the preceding crop year except as provided in [Par. A(2)(b)].**

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, South Dakota and Montana, and June 1 in all other states) followed by a continuous chemical and/or mechanical weed control program.

2 Summerfallow practices carried out must be consistent with National Resources Conservation Service (NRCS) soil erosion control measures and a good summerfallow practice for the area with regard to method(s), frequency, and adequacy of tillage and/or chemical control.

(2)(b) The following exceptions to the SF rule in [A(2)(a)] above will apply unless the first crop is harvested [see 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 2001, or spring of 2002 that qualified for the SF practice, the crop failed and/or was destroyed before the date specified [in Par. (2)(a)1]. If all other summerfallow requirements were carried out, a crop planted on such acreage for the 2003 crop year (fall of 2002 or spring of 2003) qualifies for the SF practice for the 2003 crop year.

2 In the fall of 2001, or spring of 2002 that did not qualify for the SF practice, the crop failed and/or was destroyed before the date specified [in Par. (2)(a)1]. A crop planted on such acreage in the spring of 2003 qualifies for the SF practice. A crop planted in the fall of the 2002 for the 2003 crop year will not qualify for the SF practice.

3 That qualified for the summerfallow practice it 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 Par. (2)(a)1] and the insured plants to a different (second) crop, the second crop also qualifies for the SF practice.

A(3) **Crop Policy and/or County Actuarial Document Revisions.** Such revisions must be on file with the Insurance Provider by the contract change date specified in the crop policies preceding the crop year for which the changes are to become effective.

A(4) **Crop Provisions with More Than One Insurable Crop.** The AZ&CA Citrus, Coarse Grains, Florida Citrus, Grapes (CA only), Small Grains, Stonefruit, Texas Citrus Fruit, Texas Citrus Trees, and Guaranteed Tobacco crop provisions include more than one crop; however, these crop provisions allow insureds to designate which of the crop(s) are to be insured. The crop provisions may indicate that type(s) or variety(ies) (e.g., Fresh Apricots and Processing Apricots insured under the Stonefruit Crop Provisions) are separate insured crops. Refer to the applicable crop provisions [Insured Crop section] or the Special Provisions to determine the separate insurable crops. Each crop under the same crop provisions that may be insured separately must be charged a separate administrative fee.

**Example:** A producer selects additional coverage on two AZ&CA Citrus crops (types) that may be insured separately. CAT coverage is selected on the remaining insurable crops (types) grown. Two \$30 additional coverage administrative fees will be charged for the additional coverage and a CAT administrative fee of \$100 per crop.

A(5) **Term.** MPCl policies are continuous contracts and remain in force until: 1) canceled in writing by either the insured or the Insurance Provider on or before the cancellation date for the effective crop year, 2) the policy is terminated by the Insurance Provider because the applicable administrative fee or any other unpaid amount (e.g., overpaid indemnity, premium) was not paid. The cancellation and termination dates are found in the applicable crop provisions.

(5)(a) **Cancellation.** The insured or Insurance Provider may cancel a continuous policy for any crop year following the initial crop year insured by giving a signed notice to the other party on or before the cancellation date that precedes the crop year. A request made by the insured to cancel a crop/policy after the cancellation date will be effective the following crop year.

Insurance on a crop may not be canceled the first effective policy year by the insured, except when:

- 1 **(NACAT →** A change is made in the policy or actuarial documents (Special Provisions or rates) which adversely affects the coverage or rate and was not filed at the time of application. If an application is taken before revised rates and rules filing, the applicant will be advised by the Insurance Provider of any change which would adversely affect the insured crop. The applicant will then have the option to cancel such crop(s) on or before the cancellation date. **←NACAT)**
- 2 **(NACAT →** The approved APH yield has been lowered by more than five percent compared to the preliminary yield quoted [see Sec. 11, Par. F], or the Insurance Provider was not authorized to calculate the preliminary yield and the approved yield is not acceptable to the insured. **←NACAT)**
- 3 Insurance providers agree. A policy written with one Insurance Provider may not be canceled for the purpose of insuring with another agent/Insurance Provider the first effective crop year without the consent of the Insurance Providers involved. However, a change in **insurance plans** is allowed and must be made before the earlier of the applicable cancellation or sales closing date (e.g., an insured purchased Crop Revenue Coverage (CRC) on Wheat, Corn and Soybeans in the fall, and prior to the applicable cancellation or spring sales closing date the insured requests Multiple Peril Coverage Insurance (MPCI) instead of CRC on Corn and Soybeans).

(5)(b) **(CAT → Termination.** The Insurance Provider will terminate the CAT Endorsement:

- 1 And the crop policy for which the insured fails to pay the CAT administrative fee by the date due. In the case of partial payment of fees involving multiple crops, there may be a question concerning which policy(ies) should be terminated and which should remain insured. If so, contact the producer to make this determination.

Note: CAT coverage is not available to persons whose MPCl policies have been previously terminated for non-payment of premium or indebtedness to RMA or the Insurance Provider and the unpaid premium/debt has not been satisfied.

- 2 If the insured purchases additional coverage from a different Insurance Provider, transfer procedure must be followed.
- 3 At the end of the crop year if the crop policy to which the CAT Endorsement attaches automatically terminates (i.e., the policy must be renewed each crop year). ←CAT)

(5)(c) **(NACAT → Termination for Non-payment of Premium.** The policy provides for termination of the contract for the next crop year if any of the premium remains unpaid as of the termination date for non-payment of premium (which precedes that crop year). A policy issued by a new Insurance Provider will be terminated for existing indebtedness [see C(9)(e)1c this Sec.]. RMA will not provide reinsurance on policies that should have been terminated for non-payment of premium but were not. ←NACAT)

A(6) **Other MPCl Insurance.** 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:

(6)(a) Acreage designated by RMA as high-risk land which is excluded from an additional coverage policy and insured under a separate CAT policy. High-risk land that 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:

- 1 Executes a High-Risk Land Exclusion Option Form.
- 2 Obtains a CAT policy from the same Insurance Provider.

Note: 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 must be written with the same Insurance Provider.

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

Different coverage levels may be selected on each separate policy. There will be no more than one **basic** unit for all production contracted **under each processor contract**. Payment of losses must be made accordingly and coordinated between policies/Insurance Providers.

- (6)(c) Crops insured under Adjusted Gross Revenue (AGR) policies. MPCl insureds may also obtain AGR insurance [See A(8)(c)].

- A(7) **Duplicate Policies Are Not Permitted**. Insurance Companies must use the Policyholder Tracking System (PHTS) to determine if more than one MPCl policy is in force on the same crop and county for the same person. Except for high-risk land excluded from an additional coverage policy with a CAT policy, Hybrid Seed Corn or Hybrid Sorghum Seed policies grown under contract with more than one seed company, and crops also insured under the AGR policy [See A(6)], if more than one policy is in force on the same crop/county for the same person/entity, duplicate policies exist.

- (7)(a) If it is discovered that duplicate policies exist and:

- 1 Both are additional or both are CAT policies, the policy with the earliest date of application will remain in force or;
- 2 If one is an additional policy and the other is a CAT policy:
  - a The additional coverage policy will apply if both are insured with the same Insurance Provider, or if insured with different Insurance Providers both Insurance Providers agree.
  - b If both Insurance Providers DO NOT agree the policy with the earliest date of application will be in force and all other policies for the crop will be voided

- (7)(b) If the Insurance Provider determines that duplicate coverage exists and was intentional, the insured may be subject to fraud provisions stated in the applicable crop policy. RMA will edit Insurance Provider data submitted to RMA to identify and report potential duplicate policies to Insurance Providers to assist them in duplicate policy resolution.

- A(8) **Other Insurance/Excess Coverage**. When other:

- (8)(a) Fire insurance is carried on insured crops, the MPCl policy provides for only excess coverage.
- (8)(b) Insurance is provided by an AGR policy, the individual crop policy(ies) provide primary coverage and indemnity payments from those policies are considered income to count under the AGR policy.

- A(9) **Insured Cause(s) of Loss.** Insured causes of loss (and any limitations) are stated in each crop's policy provisions. Examples are: adverse weather conditions, fire, wildlife, earthquake and volcanic eruption occurring within the insurance period. (CAT → Other insured cause(s) of loss due to natural disasters may be determined by the Secretary of Agriculture. ← CAT)
- A(10) **Notice of Damage or Loss.** It is the duty of the insured to provide notice of loss to the Insurance Provider without delay. Sufficient information must be provided to determine whether or not an inspection is necessary. See the policy for each crop's notice and representative strip/sample requirements.
- (10)(a) **Severe Wind Erosion.** Insureds must notify their Insurance Provider immediately of their intention to till acreage to control soil erosion. When a notice concerning severe wind erosion is given, the Insurance Provider should contact an adjuster immediately and an inspection should be made as soon as possible. When the local Natural Resources Conservation Service/Cooperative Extension Service recommends emergency tillage to conserve the soil and minimize further damage to the insured crop, the policyholder may take immediate action if the acreage to be tilled represents 25 percent or less of the field or subfield. In all other cases, the crop must be inspected before starting any emergency tillage. If, after tilling is started, more than 25 percent of a field or subfield needs to be tilled, the insured must notify the Insurance Provider so that such acreage can be inspected prior to tilling.
- (10)(b) **General Notice Instructions.** The insured must give timely notice of damage:
- 1 During the period before harvest, the insured crop on any unit is damaged to the extent that the insured does not expect to further care for or harvest any part of the acreage. Such acreage must be left intact until inspected.
  - 2 The insured wishes to put insured acreage to another use. The insured must NOT put acreage to another use before the crop's potential production is appraised and written consent is given for such other use.
  - 3 An indemnity or replanting payment is to be claimed on any unit.
- (10)(c) **Delayed Notices.** Notices of loss are considered "delayed" if not reported within the period of time specified in the individual crop policy(ies). [See the Loss Adjustment Manual (FCIC-25010).]
- 4B Linkage Requirements.** To be eligible for benefits under the Agricultural Market Transition Act (AMTA); loans or any other USDA-provided farm credit, including guaranteed and direct farm ownership loans, operating loans, and emergency loans under the Consolidated Farm and Rural Development Act provided after October 13, 1994; and benefits under the Conservation Reserve Program provided by any new or amended application or contracts executed after October 13, 1994; a producer must obtain at least CAT coverage for each crop of economic significance **OR** sign a "waiver"

of any eligibility for emergency crop loss assistance. Execution of a “waiver” does not affect the producer's ability to participate in any Federal crop insurance program administered under the Federal Crop Insurance Reform Act of 1994.

B(1) **Breach of Contract.** If a waiver is not executed, failure to comply with all provisions of the policy constitutes a breach of contract and may result in ineligibility for the farm program benefits listed above for that crop year. If ineligible, any benefit already received must be refunded.

B(2) **Crop of Economic Significance Determinations.** [See Sec. 3 Definitions.] Each crop year, the producer is responsible for determining which crop(s) in the county will be of economic significance. If a producer decides to plant an uninsured crop that is a crop of economic significance, insurance cannot be obtained after the crop's sales closing date unless the crop is a substitute crop [See Par. C(7)(c)3]. To determine the percentage/value for each crop:

(2)(a) Multiply each crop's planted acres times the producer's share, times the approved yield (when applicable) times the price. A type of price such as the current local market price, futures price, established price, highest amount of insurance, etc., may be used provided the same type of price is used for all crops in the county;

(2)(b) Add the values of all crops grown in the county as determined above; and

(2)(c) Divide each crop's value by the value of all crops grown in the county.

B(3) **Administrative Fees.** Each insured is required to pay an administrative fee each year insurable acreage of the crop is planted or a prevented planting acreage report is filed.

(3)(a) **Administrative fees are paid to the Insurance Provider as follows:**

Coverage	Per Crop/County	Type of Contract	Fee Established When	Due By The
Additional	\$30 (plus premium)	New & Carryover	Insurance Attaches	Premium Billing Date
CAT	\$100			

(3)(b) Third parties are prohibited from paying administrative fees on producers'/insureds' behalf. Insurance Providers, insurance agents, producer associations, grower groups, farm cooperatives, etc., may not pay administrative fees for producers/insureds. Only those persons acting in place of the producer/insured under a power of attorney, landlord/tenant agreement, or a legal guardianship, may pay the administrative fee.

(3)(c) New insureds with CAT coverage who want to increase their coverage (on the insured crop the initial crop year of insurance) may do so by the applicable sales closing date for the crop; however, the increased coverage must be obtained from the same Insurance Provider.

B(4) **Waiver of Administrative Fees.** The administrative fee for CAT and Additional coverage may be waived for a limited resource farmer [see Sec. 3 Definitions].

(4)(a) New insureds who wish to be exempt from paying administrative fees must request a waiver at the time of application (on or before the sales closing date). For carryover insureds, waiver requests must be made annually by the crop's final acreage reporting date. [See Exhibit 8 for the Request to Waive Administrative Fees.] The insured must provide proof of qualifying income OR CERTIFY on the request for waiver that he or she qualifies as a limited resource farmer.

(4)(b) Insurance Providers approve or reject the Request To Waive Administrative Fees. If the producer certifies eligibility and the Insurance Provider has reason to question the producer's eligibility, the Insurance Provider may require proof of income (i.e., income tax returns) for the previous two years prior to allowing the producer to qualify for a limited resource farmer status.

1 If the producer does not qualify as a limited resource farmer, the Insurance Provider shall provide written notice to the producer that the administrative fee must be paid in accordance with policy terms or the policy will be terminated and the person will become ineligible for insurance coverage.

2 If adequate proof is not provided and it is found that the producer intentionally misrepresented their status, the policy will be voided. The voidance will be effective at the beginning of the crop year in which the misrepresentation took place.

(4)(c) If selected for any MPCCI program review, eligibility for waiver of administrative fees must be verified and the insured will be required to provide proof of gross income.

B(5) **Copies of Documents.** If original insurance documents are required by RMA but are unavailable, a photocopy, fax copy or carbon copy of an original insurance document may be used if CERTIFIED by the Insurance Provider. The copy MUST be marked or stamped "Certified True Copy," signed and dated by the Insurance Provider's authorized representative.

EXAMPLE:

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> Certified True Copy >  
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\_\_\_\_\_  
(Signature)      \_\_\_\_\_  
(Date)

A certified true copy may be accompanied by a memorandum explaining why a copy is being submitted instead of the original document.

B(6) Rounding Rules pertaining to MPCl program administration.

ITEM	FORM	GUIDELINES		
Acres	APH, Acreage Report Notice, Loss Pmt.	Tobacco Round to (0.01) Other Crops Round to (0.10)		
		<u>Unit of Measure</u>		
		Bushels, Boxes, Cartons, Lugs, Hundredweight	Barrels, Tons	Dollars, Pounds
APH Yields (Per Acre)	APH Form Acreage Report Notice, Loss Pmt.	Round To: (1.00)	(0.10)	(1.00)
Guarantee (Per Acre)	Acreage Report Notice, Loss Pmt.	Round To: (0.10)	(0.10)	(1.00)
* Adjusted Guarantee Per Acre	Acreage Report Notice, Loss Pmt.	Round To: (0.10)	(0.10)	(1.00)
Unit Guarantee**	Acreage Report Notice, Loss Pmt.	Round To: (1.00)	(0.10)	(1.00)
Unit Premium & Losses**	Acreage Report Notice, Loss Pmt.	Round To: (1.00) for all crops.		
Interest (Share)	Acreage Report Notice, Loss Pmt.	Round To: (0.001) for all crops.		
Production to Count (Farm Unit Deficiency)	All Loss Forms	Round To: (0.10)	(0.10)	(1.00)

\*Adjusted Guarantee Per Acre (GPA) applicable to Late and Prevented Planting and is the result of multiplying the GPA times the applicable factor.

\*\* [See FCIC - M13 Data Acceptance System Handbook for line/record rounding rules.]

NOTE: "Round to (1.00)" Indicates rounding to whole numbers in a 2-position decimal field.  
 "Round to (0.10)" Indicates rounding to tenths in a 2-position decimal field.  
 "Round to (0.01)" Indicates rounding to hundredths in a 2-position decimal field.  
 "Round to (0.001)" Indicates rounding to thousandths in a 3-position decimal field.

[See the Raisin Crop Handbook for Raisin rounding rules. Rounding rules for appraisal worksheets may be found in the Loss Adjustment Manual FCIC-25010 or individual crop loss adjustment handbooks]

#### 4C Applications For Insurance.

- C(1) **Eligible Persons/Entities.** Application for insurance covering an insurable (eligible) crop may be made by a person/entity to cover a *bona fide* interest in a crop at the time coverage begins. *Bona fide* interest is a share of the crop as an owner-operator, landlord, tenant, or sharecropper. [See Exhibit 32 for details on various entity types.]
- (1)(a) **Minors.** A minor may insure a crop by having a court-appointed guardian or parent co-sign the application. (CAT → A minor who is competent or capable of entering into a binding contract may insure a crop at the CAT level without a co-signer; however, if not competent or capable of entering into a binding contract, a court-appointed guardian or parent must sign the application. ← CAT)
- (1)(b) **Separate applications/contracts are required for each person/entity insured unless the application clearly states the landlord will insure the tenant's share, or the tenant will insure the landlord's share.** If the landlord or tenant has requested to insure the other person's share of the crop on the application by the applicable sales closing date, the percentage shares of both persons must be shown in the remarks section of the acreage report or documented and attached to the acreage report (if insuring another person's share and it is 10 percent or greater, the other person's SSN/EIN is required and must be reported on the SSN/EIN Reporting Form as an SBI interest). Each separate share arrangement qualifies as a basic unit. Evidence of the other party's approval (lease, power of attorney, etc.) must be provided to the Insurance Provider, and retained: If a person or entity is sharing with multiple landlords/tenants, only one application/contract is allowed per person/entity.
- (1)(c) **Native American land held in trust by the Bureau of Indian Affairs is handled similar to other trusts.** [See Exhibit 32, Par. 1 N(3).] All other Native American entities will be insured as applicable (i.e., individuals, partnerships, joint operators, etc.).
- (1)(d) (CAT → A tobacco producer may insure 100 percent of the tobacco acreage for which a marketing card is issued by FSA under one policy if all shareholders agree to such an arrangement in writing. [See Exhibit 32, Par. 1E for additional instructions.] ← CAT)
- (1)(e) (CAT → Landowners with an undivided interest in land may insure crops on such land under one policy. [See Exhibit 32, Par. 1F.] ← CAT)
- C(2) **Ineligible Persons.** Any person with a delinquent debt to RMA or an Insurance Provider, or who is disqualified through administrative proceedings, is ineligible for crop insurance until the debt is resolved or for the period of disqualification. 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 crop insurance for five years from the date of conviction.
- C(3) **Sales Closing Dates.** To participate, a person must apply for insurance on or before the applicable sales closing date. Sales closing dates, usually preceding the beginning of the insurance period, are established for each insurable crop and are published in the county actuarial table. After the sales closing date, new applications for insurance for that crop year may not be accepted [see C(7)(e) for exceptions]. Sales closing dates falling on Saturdays, Sundays, or legal holidays are extended to the next business day.

C(4) **Selecting Coverage.** The insured's MPCl coverage is determined by the level of coverage and price elected or, for some crops, the amount of insurance elected. The level of coverage and price is chosen at the time the application is completed. The level of coverage and price elected may be changed if requested in writing on or before the applicable sales closing date for the crop.

(4)(a) **Levels of Coverage.** A crop may be insured at 50%, 55%, 60%, 65%, 70%, and 75% (80% and 85% coverage levels are available for some crops if indicated on the actuarial documents) of the approved APH yield, amount of insurance, or farm quota (Quota Tobacco). Except for high-risk land excluded from an additional coverage policy and insured separately under a CAT policy, and for Hybrid Seed Corn or Hybrid Sorghum Seed grown under contract with more than one seed company that is insured on separate policies, all acreage of the insured crop within a county must be insured at the same level.

(4)(b) **Price Elections.** The insured may select a percentage (see the table in C(5) below) of the established price or the additional price (when available on the crop). Only one price election percentage may be elected per crop, per county, per policy unless the crop provisions (i.e., Dry Beans) allow for different price election percentages, by practice, type, or variety (P/T/V).

C(5) **Coverage Categories.** For administrative fee purposes, MPCl coverage falls into two categories, Additional and CAT Coverage. Price election ranges and subsidy percentages are shown below. Note: The subsidy percentages apply to all plans of insurance except for Adjusted Gross Revenue (AGR), Group Risk Protection (GRP), and Group Risk Income Protection (GRIP):

	CAT	ADDITIONAL COVERAGE							
Coverage Level Percentage	50	50	55	60	65	70	75	80	85
Price Election Percentage	55 1/	100	91-100	84-100	77-100	72-100	67-100	63-100	59-100
Subsidy Percentage	100	67	64	64	59	59	55	48	38

1/ **CAT → ADDITIONAL INFORMATION FOR SOME CROPS:**

Florida Citrus Trees	55% of the reference maximum price.
Nursery Stock	55% of the Plant Inventory Value Report for the rate classification.
Other Dollar Plan crops	55% of the dollar amount of insurance (Florida Citrus, Forage Seeding, Hybrid Seed Corn, Hybrid Sorghum Seed, Macadamia Trees, Peppers, Raisins, Sweet Corn [Fresh Market] Texas Citrus Trees, Tomatoes [Fresh Market]).
GRP Crops	45% of the maximum protection per acre at 65% coverage level. ← CAT)

- C(6) **Premium Rates and Risk Classifications.** The risk classifications and associated premium rates established for each county and crop are presented in the county actuarial tables. Risk classifications may be presented through yield spans/continuous rating, maps, "T" Yield Maps, General "T" Yield Tables and listings of land locations, producers or FSA Farm Serial Numbers (FSN's).
- C(7) **Applications.** Use the FCI-12, Crop Insurance Application, or an application approved by RMA, to request insurance on eligible crops. Applications are also used to add a crop(s) to an existing policy, to insure crops in additional counties, and for successor-in-interest policies. A new application is required when changing from one plan of insurance coverage to another plan of insurance, e.g., Crop Revenue Coverage (CRC) to Actual Production History (APH).
- (7)(a) Coverage applies to the crop(s) in the state for the county(ies) shown on the accepted application except as provided in [(7)(b)]below. If [(7)(b)] does not apply, any additions must also be made on or before the sales closing date for the crop(s) in the specified county(ies).
- (7)(b) If the Insurance Provider's application or contract change form provides an election to insure the listed crop(s) on the application in **ALL ADDED COUNTIES OR IN ALL ADDED COUNTIES WITHIN THE STATE, and if a crop is added in another county** with a crop program (Category C [perennial] crops excluded), the following guidelines apply:
- 1 The **Insurance Provider must use one of the** following statements (or other RMA approved statements) **and it** must appear on the application or contract change form:  YES  NO I REQUEST INSURANCE COVERAGE FOR MY SHARE OF ALL CROPS SPECIFIED BELOW: **IN ALL COUNTIES WHERE THE CROPS ARE INSURABLE OR IN ALL COUNTIES WHERE THE CROPS ARE INSURABLE WITHIN THE STATE, EXCLUDING CATEGORY C (PERENNIAL) CROPS.**
  - 2 The election may be declared on the application for new insureds, or Contract Change form for carryover insureds (also used to designate the applicable insurance county (or counties) when such designation was not previously made), by the applicable sales closing date for the crop(s) shown on the accepted application or Contract Change form. Production reports must be filed in accordance with this procedure. Any endorsement, option, exclusion, or election not elected for the designated county (see below) must be completed by the applicable **deadline** date. **If completed after this date,** the endorsement, option, exclusion, or election will not apply until the following crop year.
- NOTE: Only one "all counties" election is permitted for a crop (if the ALL COUNTIES election is made) or one election per crop state (if the ALL COUNTIES WITHIN THE STATE election is made). If more than one election is made, the election with the earliest application date will apply.
- If more than one county **for the crop(s) is** listed on the application or contract change form, the insured must designate on the applicable form the county from which insurance coverage (i.e., plan of insurance, coverage level, price election, coverage options/exclusions, etc.) will be determined for the crop(s) for all counties added **for the crop year** (if reported to the Insurance Provider before the SCD, the insured may elect **another** level, price, etc., **by completing a new application**).

Insureds may not designate more than one county per crop or crop state, as applicable (see Note above). Insurance coverage will not be provided for an added county if the insured does not designate a county for added county purposes, or designates more than one county per crop or crop state, as applicable, on the application or contract change form. CAT coverage will be provided for an added county if the designated plan of insurance, level of coverage or price is not available in the added county.

**NOTE:** If only one county for the crop(s) is listed on the application or contract change form, that county will be considered to be the designated county if the insured does not designate that county on the applicable form.

- 3 The insured must notify (report the acreage of the crop) the Insurance Provider no later than the acreage reporting date the initial year any insured crop(s) is subsequently grown in a county(ies) not listed on the application or contract change form. A crop inspection is not necessary for any applicable crop(s) reported the initial crop year in an added county. The coverage applicable the initial crop year will apply in subsequent years (a separate application, option forms, etc., are not required), unless a contract change is made by the sales closing date. All relevant documentation affecting the “all counties” election will be maintained in the insured’s file.
- 4 If the insured fails to notify the Insurance Provider the initial year the applicable crop(s) is grown in a county not listed on the application and the Insurance Provider discovers this fact (i.e., second or subsequent crop year) after the sales closing date, the Insurance Provider may determine the acreage, and make a crop inspection and accept liability if the crop grown meets the established crop inspection criteria for adding acreage, or declare the acreage zero. If any of the crop acreage in the added county does not meet the crop inspection criteria for coverage, all acreage of the crop in the added county will be declared zero. Coverage will be effective the following crop year (a separate application is not required [see 3 above]).
- 5 Insurance Providers are responsible for explaining to the insured:

  - a Rates and coverages may not be the same, or may not be available, for the counties not listed on the application.
  - b The plan of insurance, price election (percentage), level of coverage, endorsements, options/exclusions, etc., in effect for the crop in the designated county shown on the initial application/contract change form will apply to the added county acreage. After the initial year, the insured may change the price election, level of coverage, plan of insurance, or make other coverage changes by the applicable deadline. CAT coverage will be provided for an added county if the plan of insurance, level of coverage or price is not available in the added county.
  - c No coverage will be provided if a designated county is not selected or more than one county is designated per crop or crop state, as applicable, on the application or contract change form.

- d Separate administrative fees are due at premium billing for each **added** county per crop [see Sec. 4, B(3) and (4)].
  - e A CROP not listed on the “all counties” application or contract change form cannot be added after the applicable sales closing date.
  - f Coverage in an **added** county **will not apply** [except as provided in (7)(b) **3 and 4**].
  - g The insured must:
    - i Provide an acceptable production report on or before the production reporting date or appropriate Variable “T” Yield procedures will apply [see Sec. 6, Par. C, and Exhibit 37, 1A].
    - ii Request use of New Producer procedures by the acreage reporting date, if applicable [see Exhibit 37].
- (7)(c) Applications are subject to acceptance by the Insurance Provider. Prior to acceptance, the Insurance Provider will determine that the application:
- 1 Is for a producer who has a *bona fide* interest (owner, operator, sharecropper, or tenant) in the crop.
  - 2 Shows the correct person/entity (individual, partnership, co-owner, joint operator, estate, trust, etc.).
  - 3 Has been signed by a person(s) having authority to enter into a binding contract.
  - 4 Contains all the material information required to insure the crop, including: all applicable SSNs and/or EINs (including spouse’s SSN) and/or employer identification numbers, coverage level, price election, crop, type, variety, class, and plan of insurance. Applications that do not contain the material information to insure the crop may not be accepted by the Insurance Provider.
- (7)(d) The policy will be voided if the insured has falsely and/or fraudulently concealed either the fact that the insured is restricted from receiving benefits under the Federal Crop Insurance Act or that action is pending which may restrict eligibility to receive such benefits.
- (7)(e) Late-filed Requests for Insurance. After the sales closing date, an application may ONLY be taken and approved by the Insurance Provider under the following conditions:
- 1 There is documented evidence that the applicant intended to make timely application, but was prevented from doing so by circumstances beyond his or her control (i.e., personal illness or family tragedy) ; or
  - 2 The primary reason for the application being late-filed is the fault of Insurance Provider.

For situations 1 and 2 :

- a     **(CAT →** Applications may be accepted up to thirty days after the CAT sales closing date and a crop inspection is not required. **← CAT)**
- b     **(NACAT →** For additional coverage, the Insurance Provider must document, in writing, justification for taking the request and have an authorized representative perform a crop inspection. If the crop appraises at 90 percent or more of the yield upon which the guarantee is based, the Insurance Provider may accept the application. **← NACAT)**

3     **(CAT →** The crop is a substitute crop whose sales closing date has passed and is planted on acreage that was: 1) prevented from being planted to an intended crop, or 2) planted to an intended crop that failed and it was not practical to replant the failed crop. An insured may submit an application for **CAT** coverage to insure an annual crop that is substituted for an intended crop. A crop inspection is not necessary and the application **MAY** be accepted by the Insurance Provider if **ALL** of the following conditions are met:

- a     The substitute crop is a crop of economic significance;
- b     The producer must **NOT** have signed or **INTEND** to sign a waiver for emergency crop loss assistance for the crop for the crop year;
- c     The producer must submit the application and pay any applicable administrative fee for the substitute crop on or before the premium billing date for the substitute crop;
- d     The substitute crop must **NOT** have been planted in the preceding crop year; and
- e     Weather/growing conditions must be favorable to produce the substitute crop.

Note: The substitute crop must be planted on or before the final planting date or within the late planting period (if applicable) in order for insurance to attach. The insured will not be eligible for prevented planting coverage on the substitute crop if it is not planted. **← CAT)**

(7)(f) Rejected Applications. If rejected, the original application along with a letter of explanation must be sent to the applicant. Insurance Providers should provide a copy to the agent/representative.

- C(8) **Successor-In-Interest Applications.** A successor-in-interest policy continues the insurance protection, favorable insurance experience/premium discounts (if the successor qualifies) that was accumulated by the former insured, and APH yield history. [See Par. C(11) for insurance experience/premium discount requirements and applicable crops.] A successor-in-interest application may be approved by the Insurance Provider when there is one successor to the insured entity or for each former member of a partnership when a partnership is dissolved. A successor-in-interest requires the preparation of a new application and cancellation of the previous policy.
- (8)(a) **Participation.** The successor must have participated in an active farming capacity to assist with the earning of the premium reduction. The successor-in-interest request must document the extent of the insured's participation in the prior production of the crop. The Insurance Provider either approves or denies the request to transfer the experience.
- (8)(b) **Limitations.** A successor-in-interest policy covers only the land previously insured. If additional land is to be covered under the same policy, a successor-in-interest application is not applicable.
- (8)(c) **Applicants.** A successor-in-interest application may be taken from:
- 1 An immediate family member (spouse, son, daughter, legally adopted child, brother, sister, or grandchild).
  - 2 An authorized representative (executor or administrator of an estate; trustee of a trust; guardian of a judicially declared incompetent, minor, or incapacitated individual; or individual having power of attorney).
  - 3 A person whose status has changed (dissolution or a declaration of incompetency or incapacity; change of name due to marriage, divorce, etc., or a minor attains majority).
  - 4 A change of insurable entity. Changes of insurable entity include dissolution of a partnership, corporation, trust, or settlement of an estate. The successor/applicant must have been an active member of the insured entity that changed and operates all or part of the same land previously insured by the entity.
- (8)(d) **APH Yield History.** If the previous insured had an approved APH yield and turned the operation over to another person who qualifies for a successor-in-interest policy, the Insurance Provider must transfer the APH Yield History to the successor-in-interest policy; however, if only part of the acreage is insured under the successor-in-interest, only the applicable APH data is used.

- C(9) **Transfer of Policies.** Use FCI-480, Cancellation/ Transfer of Experience or RMA approved Cancellation/Transfer of Experience forms to cancel policies and to transfer insurance experience data from one Insurance Provider to another. To be effective, transfer requests must be signed by the cancellation date and received by the ceding Insurance Provider no later than 45 days after the cancellation date. Requests received later than 45 days after the cancellation date may be rejected by the ceding Insurance Provider for that crop year.
- (9)(a) The policy may not be canceled the first effective crop year with any Insurance Provider for the purpose of insuring with another Insurance Provider without the consent of the insurers involved.
- (9)(b) Requirements. The assuming Insurance Provider must complete and have the insured sign a Cancellation/Transfer of Experience Data Form for each policy (crop) being transferred (a legible carbon copy, photocopy, or faxed copy of the request containing the insured's signature is acceptable for canceling and transferring insurance coverage). A policyholder may transfer a crop only once per crop year.
- (9)(c) Documentation. The assuming Insurance Provider must complete an application, indicate it is a renewal, obtain the insured's signature, and enter the ceding Insurance Provider's policy number(s) on the Policy Cancellation and Transfer of Experience Data Form.
- (9)(d) APH. When the insured transfers the policy to a different agent and/or Insurance Provider, if applicable, the APH yield history MUST also be transferred.
- (9)(e) Responsibilities.
- 1 The assuming Insurance Provider must advise the policyholder that:
    - a Premium and loss experience (if any) will be transferred.
    - b APH yield history will also be transferred.
    - c The policy will be terminated if the insured is indebted to the ceding Insurance Provider.
  - 2 All Insurance Providers are required to transmit experience (premium and loss data) and APH data to RMA. RMA will enter this information into Experience and Yield History Databases. The PHTS may be used to access this information.

- (9)(f) Verification of Underwriting Information. Insurance Providers may complete/issue policies using the PHTS without requesting insurance experience and APH history from the ceding Insurance Provider. However, if the PHTS information appears incomplete or inaccurate, the assuming Insurance Provider MUST request the data from the ceding Insurance Provider. When requested timely the ceding Insurance Provider will provide the experience and complete APH data for the applicable crop/county to the assuming Insurance Provider no later than 15 calendar days after receiving the request. If due to a lag in processing the immediate past year's business, the cumulative experience factor may be used by the assuming Insurance Provider to provide an estimated premium. The actual premium for the current crop year will be billed after the immediate past year's experience is completed.
- (9)(g) The assuming Insurance Provider must notify the ceding Insurance Provider when it has accepted the transfer. The ceding Insurance Provider will then terminate its policy. In any transfer, the assuming Insurance Provider must issue the policy and the ceding Insurance Provider must terminate its policy.
- (9)(h) Policy service functions will be performed by the assuming Insurance Provider upon completion of the transfer process.

C(10) Deceased Insureds. If the insured dies:

- (10)(a) BEFORE the beginning of planting of any insured annual crop, or BEFORE insurance attaches for any insured perennial crop, coverage for all crops under the policy terminates. If applicable, a successor-in-interest application maintains continuity of insurance and preserves any favorable experience discounts.
- (10)(b) AFTER the beginning of planting of any insured annual crop, or AFTER insurance attaches for any insured perennial crop, coverage for all crops under the policy will continue until the end of the insurance period. A crop inspection is not required if the acreage report is filed by the acreage reporting date.
- 1 If an indemnity is due, the beneficiary entitled to the indemnity must be determined and documented in the contract file folder. The documentation must indicate the contract number, crop, crop year, unit, and circumstances requiring the naming of the beneficiary. A copy of the death certificate may be used to positively document the date of death.
  - 2 Insurance terminates for the succeeding crop year. A successor-in-interest (if applicable) or new application must be obtained to continue insurance.

## C(11) Previous Insurance Experience/Premium Adjustment

Insureds may have had favorable insurance experience (base premiums and loss experience) and earned premium discounts on some crops [See Par. C(11)(a)] provided by previous policy provisions. Previous insurance experience must be retained by the Insurance Provider if insureds have been continuously insured on the same crop and county in order for the insured to remain eligible for any earned favorable insurance discount (factor). For insureds who switch coverage plans (i.e., APH to GRP; MPCl to Crop Revenue Coverage, Revenue Assurance, or Income Protection) or APH coverage levels (i.e., additional coverage to CAT coverage), Insurance Providers must retain previous insurance experience. The premium adjustment factor is not used for GRP, other coverage plans, or when calculating imputed CAT premium. When an insured switches back from GRP back to APH or other coverage plans to MPCl at the additional coverage level, the previous insurance experience and applicable premium discounts apply. When an insured switches from CAT back to additional coverage, the Insurance Provider must update the insurance experience. If the insured is still eligible for a premium reduction in excess of five percent based on his/her loss ratio and the number of years of continuous experience through the applicable crop year, the insured will continue to receive the premium reduction subject to the conditions listed [see Par. C(11)(b)]. Insurance experience may be available from the PHTS.

(11)(a) Crop Groups for Premium Adjustment Purposes. Premium reductions [subject to the conditions in Par. C(11)(b)] were removed from the following crop policies for the:

- 1 1985 crop year: Corn, Grain Sorghum, Soybeans, Tobacco, Raisins, Peanuts, Tomatoes (Processing), Processing Sweet Corn, Potatoes. Premium reductions are based on insuring experience through the 1983 crop year.
- 2 1986 crop year: Wheat, Barley, Flax, Oats, Rye, Sunflowers, Almonds, Apples, Forage Production, Grapes, Peas, Dry Beans, Peaches; and Sugar Beets in all states except Arizona and California. Premium reductions are based on insuring experience through the 1984 crop year.
- 3 1987 crop year: Sugarcane, AZ-CA Citrus and AZ-CA Sugar Beets. Premium reductions are based on insuring experience through the 1985 crop year.
- 4 1990 crop year: AUP Cotton and Rice. Premium reductions are based on insuring experience through the 1989 crop year.
- 5 1990 crop year: Florida Citrus. Premium reductions are based on insuring experience through the 1988 crop year.
- 6 1998 crop year: Forage Seeding. Premium reductions are based on insuring experience through the 1997 crop year and premium adjustments for unfavorable experience have been discontinued.

Note: No other crops have premium adjustments based on favorable experience.

(11)(b) **(NACAT → Premium Adjustments for Favorable Experience.** The insured's premium is subject to a maximum credit of 50 percent for favorable experience based on the Premium Adjustment Table. Premium reductions are subject to the following conditions:

- 1 Premium reductions will not increase because of additional favorable experience in later crop years.
- 2 Premium reductions will decrease in accordance with the Premium Adjustment Table because of unfavorable experience in later crop years.
- 3 Once **the** insured's loss ratio exceeds 0.80, no premium reduction is applicable. **←NACAT)**
- 4 Participation must be continuous. A break in insurance due to active duty in the armed services is not considered a break in participation for premium adjustment purposes.

**(NACAT → Premium Adjustment Table.←NACAT)**

% Adjustments for Favorable Continuous Insurance Experience																	
	Number of Years of Continuous Experience Through Previous Year <u>2/</u>																
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15+	
Loss Ratio Through Previous Crop Year <u>1/</u>	Percentage Adjustment Factor For Current Crop Year																
.00- .20	100	95	95	90	90	85	80	75	70	70	65	65	60	60	55	50	
.21- .40	100	100	95	95	90	90	90	85	80	80	75	75	70	70	65	60	
.41- .60	100	100	95	95	95	95	95	90	90	90	85	85	80	80	75	70	
.61- .80	100	100	95	95	95	95	95	95	90	90	90	90	85	85	85	80	
.81 +	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	

1/ Loss Ratio means the ratio of indemnity(ies) paid to base premium(s) earned.

2/ For premium adjustment purposes, only the years during which premiums were earned will be considered.

(11)(e) Transfer of Insurance Experience. When applicable, experience and favorable premium adjustments for a crop may be transferred to other eligible persons/entities. A successor-in-interest application/transfer of insurance experience to an eligible person/entity may be made if insurance coverage on the crop is continuous and **at least one of the following occur:**

- 1 The insured stops farming in one county, is not a debtor, and then starts farming in another county. APH data may not be transferred to another county. [See Exhibit 37, Par. 2 A(1), Note.]
- 2 The applicant was an heir in an estate (which was settled ) who participated in the farming operation. Applicable APH data must also be transferred. If only one heir to an estate, a successor-in-interest is used.
- 3 A Partnership was Formed. The partnership will be credited with the fewest number of years without losses accumulated by any one of its insured members. The loss ratio will be determined by dividing the total indemnities of all insured members by the total premiums of all insured members. Applicable APH data must be transferred to the partnership. [See Exhibit 37, Par 1C.]
- 4 An Insured Partnership was Dissolved. Each former member who has a policy in force the crop year immediately following the dissolution may be credited with the experience (years and loss ratio) accumulated by the partnership. Applicable APH must be transferred to the individual. [See Exhibit 37, Par 1D.]

C(12) **Transfer of APH Data.** If an insured has an approved APH yield and turns the operation **or some of the operation**, over to another person/entity who has participated (managed, performed the physical activities necessary to produce the crop, or received a share of the crop) in the operation and the establishment of the approved APH yield the Insurance Provider may approve transferring **all the years of APH yield history (not including non-actual yields) for the acreage being transferred** to the person/entity taking over the operation. The new operator must provide the Insurance Provider with verifiable evidence that indicates a transfer of the APH yield history is appropriate. [See Sec. 10, E(1) and (2).]

C(13) **Transfer of Coverage, elections, endorsements, etc.** Coverage options, elections, endorsements, written agreements, etc., do not automatically transfer when a cancellation/transfer is executed by the insured. Such elections must be specified on the assuming company's application or applicable forms if they are to be in effect for the current crop year.

**4D Coverage.**

The amount of insurance to be written on each eligible crop in the county for the unit is determined as follows:

**D(1) Guarantee.**

- (1)(a) Production Guarantee. The production guarantee is the amount of production (bushels, pounds, dollars, etc.) guaranteed for the unit. It is calculated by multiplying the total acres in the unit by the guarantee per acre times the insured share.
- (1)(b) Variable Production Guarantees. For some crops, the guarantee per acre is higher for harvested acreage than unharvested acreage, or the guarantee may vary with the maturity (stage) of the crop. Refer to the crop provisions for specifics by crop.
- (1)(c) Dollar amounts of insurance are calculated differently. Refer to applicable crop provisions.

**D(2) Benefit Limitations Under Crop Insurance and Other USDA Programs.**

- (2)(a) **(NACAT →** An insured who is eligible to receive an indemnity and benefits under any other USDA program for the same loss may receive benefits under both programs, unless specifically limited by the crop insurance contract or by law. However, the total amount received from all such sources may not exceed the amount of the actual loss sustained by the insured. The total amount of the actual crop loss is the difference between the fair market value of the insured crop before and after the loss, based upon the producer's production records and the highest price election or amount of insurance available for the crop. FSA will determine and pay the additional amount due to the insured for any applicable USDA program, after first considering the amount of any crop insurance indemnity. AMTA payments, farm ownership, and operating loans, and emergency loans under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.) may be obtained from the USDA in addition to insurance indemnities. **←NACAT)**
- (2)(b) **(CAT →CAT Coverage.** An insured eligible to receive an indemnity and compensation for the same crop loss under another USDA program, must elect the program from which to receive benefits. Only one payment or program benefit is allowed. If other USDA benefits for the same crop loss are not available until after the producer filed a claim for indemnity, the insured may refund the total amount of the indemnity to the Insurance Provider and receive another USDA program benefit. Insurance Providers must correct and resubmit indemnity records through the Data Acceptance System. For reinsured contracts, this will correct the Reinsurance Accounting System. Reinsured companies will also be required to submit necessary changes to escrow requests. AMTA payments, farm ownership, and operating loans and emergency loans under subtitle C of the Consolidated Farm and Rural Development Act(7 U.S.C. 1961 et seq.) may be obtained in addition to crop insurance indemnities. **←CAT)**

D(3) **Basic Unit Determination and Numbering.**

(3)(a) **(NACAT →** For Guaranteed and Quota Tobacco policies, the unit consists of all insurable acreage of the crop covered by a single FSA FSN without regard to state or county lines. **Refer to Special Provisions for other unit definitions.** **←NACAT)**

(3)(b) **(CAT →** 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 [see D(3)(c)]. EXCEPTIONS:

1 A policy covering 100 percent of the tobacco acreage included under a single FSA marketing card is limited to one basic unit. [See Exhibit 32, Par. 1 F for policy requirements.]

2 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. [See Exhibit 32, Par. 1G.]

3 GRP CAT policies are limited to one unit per crop per county.

Note: Optional units or further basic units (e.g., type, non-contiguous land, FSA FSN, etc.) defined in the applicable crop provisions or Special Provisions are not allowed for CAT coverage. [See the CAT Endorsement for the unit definition.] **←CAT)**

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

1 A 100 percent share in the crop. 100 percent share includes 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.

2 Less than 100 percent share in the crop (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. (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.

NOTE: 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.

- 3 A basic unit premium discount is applicable for certain crops when basic units are not divided into optional units. Refer to the County Actuarial Table for eligible crops.
- a For each basic unit of an eligible crop that is not divided into optional units, the unit's premium (including CAT imputed premium) will be decreased by the basic unit discount factor (BUD, 10 percent). The discount also applies if only one optional unit within a basic unit is planted and earning premium. The appearance of optional unit numbers on the acreage report does not automatically indicate that the discount will not apply.
- b **(NACAT →** Once optional units are elected by the insured and processed by the Insurance Provider on the acreage report, the full premium (without discount) is earned. However, if the acreage report is revised and the revision changes the unit arrangement, the 10 percent discount (if applicable) will be based on the revised acreage report. **← NACAT)**

(3)(d) Assign basic unit numbers according to the following system:

- 1 A five-position unit number will be used. The first three positions designate the basic unit and the last two positions designate the optional unit, if applicable i.e., two basic units are written: 00100 and 00200.
- 2 If no optional units, the last two positions will be "00". For **CAT coverage** the last two positions will always be "00".
- 3 To the extent possible, the unit number designation for a particular unit should remain the same from year to year. Unit numbers should correspond for each crop as much as possible (i.e., Wheat unit 00100 should match with the location of the Barley unit 00100, etc.).

**(NACAT →**

D(4) **Optional Unit Determination.** 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 for acreage located in separate, legally identifiable sections, section equivalents, or FSA FSN's (whichever applies). Some perennial crops allow optional units for acreage of the crop grown on non-contiguous land and/or for different types/varieties. Most crops allow optional units for irrigated and non-irrigated practices.

(4)(a) To qualify for optional units, all of the following must be met:

- 1 For APH crops, the insured must file by the PRD acceptable production reports for **all** planted insurable acreage for 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**. [See a and b below for exceptions.] The insured must have supporting records, which can be independently verified, of planted acreage and production used to determine the production guarantee for each optional unit.

NOTE: 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**. 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.

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, is not providing records from another person sharing in the crop, and intends to keep separate acreage and production records by P/T/V according to the optional unit division requirements [see Exhibit 37]. Or,
- b New land or a new P(IRR or NI)/T/V is added to the operation for the current crop year which meets all optional unit requirements; and the insured has not produced the crop, is not providing records from another person sharing in the crop on that acreage, and intends to keep separate acreage and production records according to optional unit provisions.

NOTE: RMA RO/Insurance Provider Verifiers have the option to consider a *bona fide* zero acreage report for a unit as a production report for that unit.

- 2 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 [see Par. G(4)]. Planted means the original planting, including any reseeding, or replanting. (Cultivating, discing, mowing, etc., between sections, section equivalents, FSA FSN's, irrigated and non-irrigated practices, etc., after planting or harvesting does not qualify the acreage for optional units.) 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)(b) Separate optional units are determined by:

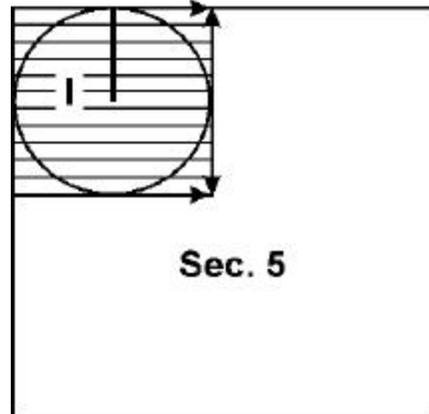
- 1 Section, for most crops, when the Rectangular Survey System is applicable. For the purpose of the unit structure, a section is defined as a unit of measure under the rectangular survey system describing a tract of land usually one mile square and containing approximately 640 acres.
- 2 Section equivalents 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 FSN's:
  - a In the absence of sections, section equivalents, or other unit division arrangements approved by RMA;
  - 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. (Legal descriptions are not required for DAS reporting purposes.)

NOTE: [See Exhibits 2, 3, 4 and 5 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 Par. D(4)(a)] 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. Additional center pivot instructions:

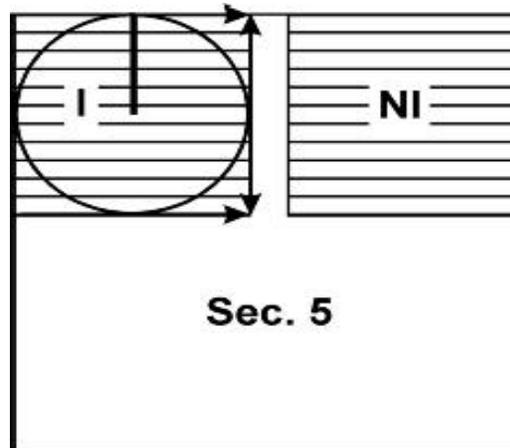
- a If the crop's planting pattern/rows continue **into one or more** non-irrigated corners of the field and the portion of the field irrigated by a center pivot irrigation system (circle), the acreage within intersecting lines drawn at right angles to the radius of the center pivot is not eligible for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

(One unit)

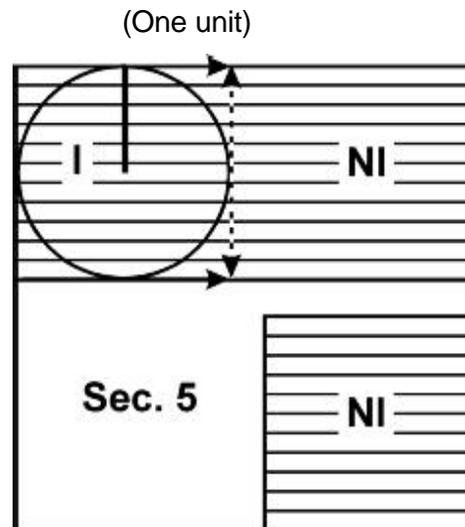


- b If the crop's planting pattern/rows continue between the non-irrigated corners of the field and the portion of the field irrigated by a center pivot irrigation system (circle), but do NOT extend into other non-irrigated acreage in the same section, section equivalent, or FSN; other non-irrigated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

(May qualify for two units)



- c 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.



5 Written Unit Agreement approved by the RMA RO. If basic and optional unit requirements are not consistent with good farming practices for the acreage involved, special optional unit written agreements may be considered on a limited basis. [See Par. G(4) this Section.]

(4)(c) Assign optional unit numbers according to the following system:

1 The first three positions designate the basic unit and the last two positions designate the optional unit, if applicable i.e., two optional units are written: 00101 and 00102. If optional units do exist, the last two positions must NOT be "00" for the divided unit.

2 Example:

a One basic unit separated into three optional units are written: 00101, 00102, 00103.

b One basic unit not separated into optional units, plus a second basic unit separated into two optional units is written: 00100, 00201, 00202.

3 In situations when optional unit production is commingled and optional units are being combined, unit numbering should be handled as follows:

a The first three positions of the combined unit designate the basic unit 00100.

b The last two positions designate the optional units. If, after the combination, two or more optional units remain, the combined unit number should be the lowest unit number of the units which were combined.

Example: Original units are 00101, 00102 and 00103. If 00101 and 00102 are combined due to commingled production, the revised acreage report and unit numbers would be 00101 and 00103.

- D(5) **General Information for Enterprise or Whole-Farm Unit.** 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 insured crop(s) and county insured) if shown as available in the Special Provisions.

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. When switching from basic or optional units to an EU or WFU, yield limitations (cup) do not apply if the production history (databases) are combined or divided.

(5)(a) 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.

- 1 An EU, as defined in the MPCI 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:
  - a 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
  - b Two or more optional units of the same insured crop established by separate sections, section equivalents, or FSA farm serial numbers.
- 2 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.
- 3 The insured may select the EU structure for one crop/county and basic/optional units for other crops/counties.
- 4 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.

5 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.

6 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).

7 A five-position unit number and abbreviation (EU) will be used. The unit designation is shown as 00100EU on the acreage report.

(5)(b) Whole-Farm Unit (WFU) Determination. A WFU structure is available under MPCI 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:

1 If the insured selects a WFU coverage:

a No other unit structure can be selected for the county. (Different unit structures may be selected for other counties insured.)

b The insured will be required to pay a separate administrative fee for each crop included in the WFU.

2 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.

3 A five-position unit number and WFU abbreviation (WU) will be used. The unit designation is shown as 00100WU on the acreage report. ←NACAT)

D(6) **Replanting.** Any acreage of the insured crop that was damaged prior to the final planting date, to the extent that a majority of growers in the area would not normally further care for the crop, must be replanted (unless the Insurance Provider agrees that replanting is not practical) for coverage to continue. When it is practical to replant and the crop is not replanted, insurance does not attach (no premium or indemnity is due on such acreage). [For additional information, see FCIC-25010 (Loss Adjustment Manual).]

(6)(a) (NACAT → **Replant payments.** Earliest planting dates, if applicable for a crop, are published in the Special Provisions of Insurance in the county actuarial documents, and are specific to replant payment determinations.

1 If any acreage of the crop is planted before the earliest planting date, that acreage is ineligible for a replant payment. If acreage initially planted before the earliest planting date is **replanted** after the earliest planting date, and such acreage is **replanted** a second time, the acreage **replanted** the second time may be eligible for a replant payment.

2 If an earliest planting date for the crop is not listed in the Special Provisions of Insurance, the initial planting date provision is not applicable.

(6)(b) Crop Replanting Requirements. Some crop policies provide replanting or reseeding allowances applicable to insured acreage replanted or reseeded with written consent. Replanting payment guidelines:

IF THE INSURED CROP IS:	THE ACREAGE REPLANTED MUST BE AT LEAST:	AND THE	OTHER REQUIREMENTS
<p>Canola/Rapeseed, Coarse Grains (Corn, Grain Sorghum, Soybeans), Dry Beans, Peanuts, Rice, Safflower, Sugar Beets, Sunflower Seed, and Wheat in counties with:                      1) a spring final planting date (FPD) if initially planted to spring wheat, or                      2) both fall and spring FPDs, and damage occurs after the fall FPD.                      (Does not apply to initially planted winter wheat in a county with only a fall FPD.)</p>	<p>20 acres or 20% of the insured planted acreage for the unit</p>	<p>appraisal for such acreage must be less than 90% of the guarantee</p>	<p>When the crop is replanted using an uninsurable practice following an original planting, the liability for the unit (but not the premium) will be reduced by the amount of the replanting payment.</p> <p><u>Wheat</u>: Replanting must take place no later than 25 days after the spring FPD.</p>
<p>Peppers, Fresh Market Tomatoes (Dollar &amp; Prod.) and Processing Tomatoes</p>	<p>20 acres or 20% of the insured planted acreage for the unit</p>	<p>stand reduction for such acreage must be in excess of 50%</p>	
<p>Fresh Market Sweet Corn</p>	<p>20 acres or 20% of the insured planted acreage for the unit</p>	<p>stand reduction for such acreage must be in excess of 25%</p>	
<p>Forage Seeding</p>	<p>not applicable</p>	<p>not applicable</p>	<p>Fall-seeded acreage with less than a 75% stand must be reseeded in the succeeding spring by the final spring seeding date.</p>

←NACAT)

- D(7) **Late Planting (LP)**. Late planting provisions provide reduced coverage for insurable acreage planted during any applicable late planting period, and for insurable acreage that was prevented from being planted but was planted to the insured crop after the late planting period (after the final planting date for crops that do not have a late planting period) for crops that have prevented planting coverage. The premium for late planted coverage is the same as for acreage that was planted timely. If the insured's premium (gross premium minus the subsidy) for acreage that is late planted exceeds the liability, coverage for that acreage will not be provided, no premium is due and no indemnity will be paid. Insureds must report the dates acreage is late planted.

LP coverage is provided by the Basic Provisions and may be altered by the Crop Provisions or Special Provisions. Coverage for late planted acreage for the crops listed in the first column of the following chart is provided for by the Crop Insurance Policy Basic Provisions. The second column indicates the percent the production guarantee (the final stage production guarantee for Onions and Sugar Beets) for timely planted acreage is reduced for acreage planted during the late planting period. The third column indicates the percentage of the production guarantees that apply if the acreage was prevented from being planted due to an insured cause of loss and was planted to the insured crop after the late planting period (after the final planting date for crops that do not have a late planting period). Acreage planted after the late planting period (final planting date for crops that do not have a late planting period) that was not prevented from being planted by an insured cause of loss that occurred within the insurance period for prevented planting coverage is not insurable.

IF THE INSURED CROP IS:	1-25 DAYS:	MORE THAN 25 DAYS:
	AFTER THE FINAL PLANTING DATE THE PRODUCTION GUARANTEE IS:	
Canola/Rapeseed <u>1/</u> , Coarse Grains (Corn, Grain Sorghum, and Soybeans), Dry Beans, Dry Peas, Hybrid Sorghum Seed, Safflower, Small Grains (Barley, Flax Oats, Rye, Spring Wheat ), Sunflower Seed <b>and acreage is planted:</b>	Reduced <b>1% per day</b> for each day planted after the final planting date (up to a maximum of 25 days).	(ADD→ 60, *65, or *70% ←ADD)
		(CAT→ 60% ←CAT)
Wheat in counties with a fall final planting date only and acreage is planted after the final planting date, refer to the third column (column heading not applicable)		(ADD→ 60, *65, or *70% ←ADD)
		(CAT→ 60% ←CAT)
Onions, Rice, or Sugar Beets <u>2/</u> <b>and acreage is planted:</b>	reduced <b>1% per day</b> for each day planted after the final planting date (up to a maximum of 25 days).	(ADD→ 45, *50, or *55% ←ADD)
		(CAT→ 45% ←CAT)
Potatoes <b>and acreage is planted:</b>	reduced <b>1% per day</b> for each day planted after the final planting date (up to a maximum of 25 days).	(ADD→ 25, *30, or *35%←ADD)
		(CAT→ 25%←CAT)
Cotton <u>1/</u> or Hybrid Corn Seed <b>and acreage is planted:</b>	reduced <b>1% per day</b> for each day planted after the final planting date (up to a maximum of 25 days).	(ADD→ 50, *55, or *60% ←ADD)
		(CAT→ 50% ←CAT)
ELS Cotton <b>and acreage is planted after the final planting date</b> , refer to the third column (column heading not applicable)		(ADD→ 50, *55, or *60% ←ADD)
		(CAT→ 45% ←CAT)
Green Peas, Processing Beans, and Processing Sweet Corn <b>and acreage is planted after the final planting date</b> , refer to the second column (column heading may not apply).	If a late planting period is allowed by the Special Provisions, the production guarantee is reduced as indicated by them <u>3/</u> . If planted after the late planting period or if a late planting period is NOT indicated by the Special Provisions refer to the third Column (heading may not apply).	(ADD→ 40, *45, or *50% ←ADD) <u>3/</u>
		(CAT→ 40% ←CAT) <u>3/</u>
Peanuts <b>and acreage is planted:</b>	Reduced 1% per day for each day planted after the final planting date (up to a maximum of 25 days).	(ADD→ 50, *55, or *60% ←ADD)
		(CAT→ 50%←CAT)

IF THE INSURED CROP IS:	DURING THE LATE PLANTING PERIOD:	AFTER THE LATE PLANTING PERIOD, THE PRODUCTION GUARANTEE IS:
Popcorn <b>and acreage is planted:</b>	The production guarantee is reduced 1% per day for each day planted after the final planting date <u>3/</u> . If planted more than 25 days after the final planting date, refer to the third Column.	(ADD → 60, *65, or *70% ← ADD) <u>3/</u> (CAT → 60% ← CAT) <u>3/</u>
Guaranteed Tobacco <b>and acreage is planted:</b>	The production guarantee is reduced 1% per day for the first ten days after the final planting date; and reduced 2% per day for the 11th through the 15th day after the final planting date. If planted more than 15 days after the final planting date refer to the third Column.	No prevented planting coverage.
Quota Tobacco <b>and acreage is planted after the final planting date:</b>	The farm yield is reduced 1% per day for the first ten days after the final planting date <u>4/</u> ; and farm yield is reduced 2% per day for the 11th through the 15th day after the final planting date <u>4/</u> . If planted more than 15 days after the final planting date refer to the third Column.	No prevented planting coverage.

\* If additional levels of PP coverage are available and elected. Refer to the county actuarial documents to determine if additional PP coverage is available.

- 1/ The Special Provisions may indicate a different percentage coverage reduction and/or the days contained in the late planting period.
- 2/ LP is not available in California Counties with an April 30 contract change date and a July 15 cancellation date.
- 3/ Requires written approval from the processor by the acreage reporting date that they will accept the production from the late planted acres.
- 4/ If enough acreage is planted to fulfil the effective poundage marketing quota, there will be no reduction in the insured poundage quota as a result of any late planted acreage.

D(8) **Prevented Planting (PP)/Basic Provisions.** Coverage for eligible PP acreage for most crops is provided for by the Crop Insurance Policy Basic Provisions (Basic Provisions). Crops for which prevented planting provisions are contained in the Basic Provisions are listed in the first column of the following chart. The third column indicates the percentage of the production guarantees for timely planted acreage that is available for PP at the additional and CAT coverage levels.

THE INSURED CROP IS:	AND THE COVERAGE ELECTED IS:	THE AVAILABLE PREVENTED PLANTING COVERAGE IS:
Canola/Rapeseed, Coarse Grains (Corn, Grain Sorghum, and Soybeans), Dry Beans, Dry Peas, Hybrid Sorghum Seed, Popcorn, Safflower, Small Grains (Barley, Flax, Oats, Rye, Wheat), or Sunflower Seed	Additional	60, *65, or *70%
	CAT	60%
Green Peas, Processing Sweet Corn, or Processing Beans	Additional	40, *45, or *50%
	CAT	40%
Onions, Rice, or Sugar Beets <u>1/</u>	Additional	45, *50, or *55% of <u>2/</u>
	CAT	45% of <u>2/</u>
Cotton, ELS Cotton, or Hybrid Corn Seed	Additional	50, *55, or *60% <u>3/</u>
	CAT	50%
Potatoes	Additional	25, *30, or *35%
	CAT	25%
Peanuts	Additional, or CAT	50, *55, or *60%

\* If additional levels of coverage are available and elected. Refer to the county actuarial documents to determine if additional PP coverage is available.

1/ PP is not available in California Counties with an April 30 contract change date and a July 15 cancellation date.

2/ For Onions and Sugar Beets, the percentage listed is multiplied times the final stage production guarantee.

3/ For Cotton and ELS Cotton, the PP production guarantee is based on the solid-planted approved APH yield.

- (8)(a) PP Coverage Elections. **(NACAT →** The County Actuarial Table for the crop may provide optional PP coverage elections that are available to insureds with additional coverage. Optional PP coverage elections are indicated as PF(+ 5%) and PT (+ 10%) on the County Actuarial Table and require additional premiums. Insureds who have additional coverage and wish to increase the PP coverage to an additional level (provided by the applicable County Actuarial Table) must elect increased PP coverage on or before the sales closing date for the crop. The election must be made on the application or, for carryover insureds, on a contract change form. If optional PP coverage is not elected, the percentage stated in the applicable crop provisions will apply (lowest percentage indicated in the third column of the previous chart). **←NACAT)**
- (8)(b) PP Premiums. The premium for eligible PP acreage that was prevented from being planted is the same as for timely planted acreage. If the insured's premium (gross premium minus the subsidy) for acreage that is prevented from being planted exceeds the liability, coverage for that acreage will not be provided, no premium is due and no indemnity will be paid. [See Par. (8)(g) for other situations for which PP coverage is not provided.]
- (8)(c) Definitions. For PP purposes, the following definitions apply.
- 1 Double-Cropped Acreage. Acreage is considered to be double-cropped for a crop year if a spring-planted crop follows a different fall-planted crop on the same acreage during the same crop year (e.g., soybeans or grain sorghum follows a fall-planted wheat crop).
  - 2 FAC Crop. A double-cropped spring-planted crop. **(NACAT →** In order for a FAC Crop to qualify for PP coverage, the crop must be insured at the additional coverage level and the insured must provide proof that the acreage was double-cropped in **each of the last four years** the insured crop was grown. If an APH crop is involved, acceptable production reports (used to determine the approved APH yields for the crop involved) must be provided. If an APH database was duplicated to additional units/databases, use only the acres planted to the crop (not the total duplicated acres). If the insured crop's production guarantee is not based on APH, records must be provided on or before the crop's acreage reporting date that show the **acreage** was double-cropped in each of the last four years the insured crop was grown. **←NACAT)**
  - 3 Crop Year Grown. When determining the number of years that insured crops were double-cropped in previous crop years, the following situations will be considered the same as if the "crop was grown" on the affected acreage for that crop year. Excluding acreage which was considered to be a substitute crop, the insured crop will be considered to have been grown on acreage which:
    - a The insured or another person received a prevented planting payment;

- b A crop was planted and failed and a benefit was derived under any program administered by the USDA; or
- c A crop, other than a cover crop (which may be hayed or grazed after the final planting date for the insured crop) was harvested, hayed, or grazed.

4 Prevented Planting is the failure to plant the insured crop with proper equipment by the final planting date designated in the Special Provisions for the insured crop for the county. Insureds may also be eligible for a prevented planting payment if they fail to plant the insured crop with the proper equipment within the late planting period. To be eligible, the insured must have been prevented from planting the insured crop due to an insured cause of loss that was general in the surrounding area which prevented other producers from planting acreage with similar characteristics.

Note: Insureds are not required to plant the insured crop during the late planting period in order to qualify for a prevented planting payment.

(8)(d) Eligible PP Acreage. Eligible acreage for PP purposes is the maximum acres eligible for PP coverage for **each crop**. Refer to the following table in Par. 4 for instructions on how to determine eligible acreage by crop.

- 1 The total number of eligible acres for all crops cannot exceed the number of acres of cropland in the insured's farming operation for the crop year, unless the insured has provided proof that acreage was double-cropped and at least one crop qualifies for PP coverage [See Par. (8)(c)].
- 2 Insureds who, in any of the four most recent (policy) crop years, **have not planted ANY crop** in the county for which PP insurance was available or have not received a prevented planting insurance guarantee may request that eligible PP acreage be established by listing such acreage on an intended acreage report. The Insurance Provider may accept the intended acreage report subject to the following conditions:
  - a The intended acreage report must be submitted/signed by the insured on or before the sales closing date.
  - b The total number of acres listed on the intended acreage report for ALL crops cannot exceed the number of cropland acres in the insured's farming operation at the time the report is submitted.
- 3 Eligible acres will be reduced by the number of acres of the crop that is timely planted and planted after the final planting date (including insured and uninsured acreage).
- 4 Eligible PP Acres by Crop. See the following table.

IF THE INSURED CROP IS:	ELIGIBLE ACRES ARE:	ELIGIBLE ACRES ARE:
<p>A crop <b>not required to be contracted</b> with a processor to be insured.</p> <p>Canola/Rapeseed, Coarse Grains (Corn, Grain Sorghum, and Soybeans), Cotton, Dry Beans (excluding contract seed), Dry Peas (excluding contract seed), ELS Cotton, Onions, Peanuts, Potatoes, Rice, Safflower, Small Grains (Barley, Flax, Oats, Rye, Wheat), or Sunflower Seed</p>	<p>For insureds <b>who</b>, in any one of the four most recent crop (policy) years, <b>HAVE planted any crop</b> in the county for which PP insurance was available or have received a PP insurance guarantee, the maximum number of acres certified for APH or reported for insurance for <b>THE CROP</b>, excluding any PP acreage planted to a substitute crop other than an approved cover crop. If the total number of cropland acres has increased when compared to the total cropland acres for the previous crop year [See Par. (8)(e)].</p>	<p>For insureds <b>who</b>, in any one of the four most recent crop (policy) years, <b>HAVE NOT planted any crop</b> in the county for which PP insurance was available or have not received a PP insurance guarantee, the number of acres listed on the intended acreage report approved by the Insurance Provider, not to exceed, for all crops requested, the number of cropland acres in the farming operation. [See Par. 8(d)2 for additional instructions.] If the total number of cropland acres has increased when compared to the total of number or acres listed on the intended acreage report [See Par. (8)(e)].</p>
<p>A crop <b>required to be contracted</b> with a processor to be insured.</p> <p>Dry Beans (Contract Seed), Dry Peas (Contract Seed), Green Peas, Hybrid Corn Seed, Hybrid Sorghum Seed, Popcorn, Processing Beans, Processing Sweet Corn, or Sugar Beets</p>	<p>For <b>contracts specifying the number of acres contracted</b>, the number of acres of the crop specified in the contract.</p>	<p>For <b>contracts specifying a quantity of production</b> that will be accepted, the result of dividing the quantity of production stated in the contract by the approved yield. If an APH crop and variable "T" Yields (less than 100% of the "T" Yield) are used to calculate the approved APH yield, for the purpose of establishing the base eligible PP acreage <b>ONLY</b>, such "T" Yields must be replaced with the applicable "T" Yield and another yield calculated.</p>

**EXAMPLE 1: ELIGIBLE PP ACRES**

The insured has produced hybrid corn seed, grain sorghum, and soybeans during the four most recent policy crop years and will produce sunflowers for the first time during the current policy crop year.

CROPS PRODUCED (The 4 most recent crop years)	MAXIMUM NUMBER OF ACRES REPORTED		BASE ELIGIBLE ACRES
	APH FORM	ACREAGE REPORT	
Hybrid Corn Seed	NA	100.0 (2001 Processor Contracts)	100.0 (Acres contracted)
Grain Sorghum	150.0 (2000)	150.0 (2000)	150.0
Soybeans	150.0 (2000)	150.0 Planted (2000) 50.0 PP	200.0 (50.0 + 150.0)
Sunflower Seed	0.0	0.0 (New Grower 2001)	0.0

(8)(e) Increased eligible PP acres. Eligible PP acres, for crops that do not require a contract with a processor to be insured, determined in accordance with Par. 8(d) may be increased. Eligible PP acres may be increased for insureds who **have** planted any crop in the county for which PP insurance was available or have received a PP guarantee in any of the four most recent policy crop years if the total number of cropland acres to be farmed for the current crop year is greater than the total cropland acres that were farmed the previous crop year. Eligible PP acres may be increased for insureds who **have not** planted any crop in the county for which PP insurance was available or have not received a PP guarantee in any of the four most recent policy crop years, if the total number of cropland acres is greater than the total acres listed on the intended acreage report.

1 Such acreage must be included on the acreage report submitted on or before the acreage reporting date; however, if submitted after the sales closing date, acreage will not be increased if a cause of loss that will or could prevent planting is evident at the time the acreage is purchased, leased, or released from a USDA program. The circumstances that increased the cropland acres must be documented on the request, verifiable proof of the circumstances must be attached, and the total cropland acres for the previous and current crop years must be provided. Insureds who **have not** planted any crop in the county for which PP insurance was available or have not received a PP guarantee in any of the four most recent policy crop years are not required to provide total cropland acres for the previous crop year, but must file an intended acreage report by the sales closing date which establishes eligible prevented planting acres.

2 Insurance providers may approve the additional acreage if the acreage can be planted (or brought into production if Par. ii applies) following good farming practices for the current crop year by the final planting date and adequate documentation indicates that the additional PP acreage requested was:

a Purchased or leased; or

b Released or will be released from a USDA program which prohibits the harvest of a crop.

3 When approved, the eligible PP acres are increased by a factor determined by: 1) for insureds who **have** planted any crop in the county for which PP insurance was available or have received a PP guarantee in any of the four most recent crop (policy) years, dividing the total cropland for the current crop year by the total cropland for the previous crop year, or 2) for insureds who **have not** planted any crop in the county for which PP insurance was available or have not received a PP guarantee in any of the four most recent policy crop years, dividing the total number of acres of cropland for the current crop year by the total number of acres listed on the intended acreage report. Round the result to three decimal places and multiply this factor times the eligible PP acres (determined in accordance with Par. (8)(d)) for each applicable crop. [Refer to the following example.]

EXAMPLE 1 CONTINUED (ELIGIBLE PP ACRES INCREASED):

The insured cash leased an additional 212 acres of cropland, supplied a copy of the lease, provided total cropland acres for the previous and current policy crop year by the sales closing date.

CROPLAND ACRES	CROP	ACRES	FACTOR	ELIGIBLE PP ACRES
2001 2000 Crop Yr. 742 ÷ 530 = 1.400	Hybrid Corn Seed	NA	NA	100.0 (Contracted Acres)
	Grain Sorghum	150.0	1.400	210.0
	Soybeans	200.0	1.400	280.0
	Sunflower Seed	0.0	1.400	0.0

(8)(f) PP Payments. To be eligible for a PP payment, the following requirements must be met.

- 1 The insured was prevented from planting the insured crop by an insured cause of loss that occurred:
  - a On or after the sales closing date for the crop the crop year the application is accepted (new insured).
  - b On or after the sales closing date for the crop for the previous crop year if a carryover insured.
  
- 2 Drought or failure of the irrigation water supply will be an insurable cause of loss for PP purposes only if, on the final planting date or within the late planting period, the insured elects to try and plant the crop:
  - a For non-irrigated acreage, the area that is prevented from being planted has insufficient soil moisture for germination of seed and progress toward crop maturity due to a prolonged period of dry weather. Prolonged precipitation deficiencies must be verifiable using information collected by sources whose business it is to record and study the weather, including but not limited to, local weather reporting stations of the National Weather Service; or
  - b For irrigated acreage, there is not a reasonable probability of having adequate water to carry out an irrigated practice.

(8)(g) Prevented planting coverage is not provided for any prevented planted acreage of the insured crop:

- 1 That does not constitute at least 20 acres or 20 percent of the insurable acreage in the unit, whichever is less (after the minimum acreage requirement on the unit is met, PP payments are on a per acre basis).
  
- 2 That is unclassified (**NACAT** → unless a premium rate is assigned by an RMA RO approved written agreement ← **NACAT**);

- 3 That is used for conservation purposes or intended to be left unplanted under any USDA program;
- 4 For the same acreage and crop year, unless the insured has provided proof that acreage was double-cropped in each of the last 4 years in which the insured crop was grown on the acreage and the insured has additional coverage, if:
  - a The insured or another person received a prevented planting payment on any crop (excluding share arrangements);
  - b A crop was planted and failed and a benefit is derived under any program administered by the USDA;
  - c A crop other than a cover crop (which may be hayed or grazed after the final planting date for the insured crop) was harvested, hayed, or grazed.
- 5 That a cash lease payment is received for the use of the same acreage for the same crop year unless the acreage was leased for haying and grazing only;
- 6 For which planting history or conservation plans indicate that the acreage would have remained fallow for crop rotation purposes;
- 7 That exceeds the eligible PP acres or number of acres physically available for planting;
- 8 For which the insured cannot provide proof that he or she had the inputs available to plant and produce a crop with the expectation of at least producing the yield used to determine the production guarantee/amount of insurance;
- 9 For an irrigated practice if adequate irrigation facilities were not in place to carry out an irrigated practice on the acreage prior to the insured cause of loss [See Par. (8)(f)1] that prevented the insured from planting the insured crop;
- 10 For a crop type/variety for which separate price elections, amounts of insurance, or production guarantees are available and the insured did not plant or has not received a PP insurance guarantee in at least one of the four most recent crop (policy) years. Planted acreage for the type/variety (if an APH crop) must be included in the APH database in at least one of the most recent four crop (policy) years. The type/variety for a crop that is not an APH crop must be reported on the insured's acreage report in at least one of the four most recent crop (policy) years. Insureds who have not produced any crop in the county for which PP insurance was available or have not received a PP insurance guarantee in any of the four most recent crop (policy) years, must include the intended acreage for applicable types/varieties on an intended acreage report.

**4E Endorsements And Options.**

Some crop policies have endorsements and/or options that add supplemental coverage, exclude coverage, or otherwise modify the coverage. Generally, an endorsement or option must be applied for by the crop's sales closing date.

Note: **CAT →** NO options or endorsements (excluding Yield Adjustment Election) may be attached to a CAT policy except for the CAT Endorsement. Written unit agreements and statements contained on the written agreement are voided by the Catastrophic Risk Protection Endorsement and may NOT be continued when switching from an additional coverage policy to CAT coverage. **←CAT)**

E(1) **(CAT → Catastrophic Risk Protection Endorsement.** A mandatory endorsement that attaches to each crop policy and modifies its terms and conditions for Catastrophic Risk Protection purposes. For CAT policies, the endorsement:

- (1)(a) Limits the coverage level and price election.
- (1)(b) Restricts or changes the unit structure to basic units ONLY by share.
- (1)(c) Removes replant payment provisions.
- (1)(d) Does not allow the exclusion of hail and fire coverage, or other coverage options.
- (1)(e) Removes the availability of written agreements. **←CAT)**

**(NACAT →**

E(2) **High-Risk Land Exclusion Option**, FCI-549 or RMA approved High-Risk Land Exclusion Form. [See Exhibit 24]. This option is designed to exclude from crop insurance coverage ALL high-risk land by crop and county. For exclusion purposes, high-risk land is defined as land to which high-risk classification applies as classified by the actuarial document or on a written agreement. The option must be signed, dated and submitted on or before the applicable sales closing date (by crop and policy) for the initial crop year for which the insured wants the option to be effective. It is continuous and may be canceled in accordance with the cancellation provisions of the policy. **However, if the policy is transferred to a different insurance provider, a new option must be signed by the insured by the applicable sales closing date.**

Note: If the insured has not filed a waiver and is relying on crop insurance to meet the "linkage" requirements, excluded high-risk land must be insured on a separate CAT policy to maintain eligibility for "linked" USDA Benefits. [See Par. B of this Sec].

- (2)(a) Background. The basic crop insurance policy provides insurance coverage on all insurable acres planted to a crop in the county. When coverage and rates are provided on high-risk land, producers are required to insure the high-risk land at an increased cost (reflecting the risk). Insureds who do not wish to insure high-risk land may amend the basic insurance policy by signing and submitting the High-Risk Land Exclusion Option (by crop(s) and policy) to the Insurance Provider.

- (2)(b) Locations Available. The option is available for land located in high-risk map areas for the following crops: Barley, Corn, Cotton, ELS Cotton, Dry Beans (not available in Idaho, Oregon, Utah and Washington), Flaxseed, Grain Sorghum, Oats, Popcorn, Rice, Rye, Safflower (not available in Idaho and Utah), Soybeans, Sunflowers, Sugar Beets (not available in Colorado), Processing Sweet Corn, and Wheat. Check the county actuarial table for applicable high-risk classifications, high-risk map area adjustment factors, and corresponding high-risk map areas.
- (2)(c) Reporting Excluded Acreage. Acreage planted to the crop on high-risk land, if not insured under a CAT policy, must be reported as uninsurable acreage on the acreage report each year the High-Risk Land Exclusion Option is in effect. Separate production records showing planted acreage and harvested production from this excluded land also must be maintained. If the crop on the excluded land is insured under a CAT policy, such acreage and production must be reported for APH purposes under the CAT policy.
- (2)(d) Cancellation. Once the cancellation date has passed, a High-Risk Land Exclusion Option executed by an insured cannot be canceled or otherwise rendered ineffective by either party for that crop year.
- (2)(e) Requests for Reclassification may only be made if a additional coverage policy is in force. If the insured signed the option, has not obtained a CAT Policy, requested reclassification of high-risk land and the written agreement is pending, the following procedures apply:
- 1 If RMA issues a written agreement that does not provide standard rates, the High-Risk Land Exclusion Option prevails and the insured must report acreage as uninsurable.
  - 2 If RMA RO issues a written agreement that reclassifies the acreage to standard R-span/continuous rating, and the insured accepts the agreement before its expiration date, the agreement is valid. The insured must report the acreage as insurable. **←NACAT)**

- E(3) **(NACAT → Request to Exclude Hail and Fire.** Use the FCI-78 or Hail and Fire Exclusion Form approved by RMA, to exclude hail and fire as an insured cause of loss from MPCI policies. Hail and fire may be excluded ONLY from policies with coverage of at least a minimum of 65 percent coverage indemnified at 100 percent price election, or an equivalent coverage. Insureds executing a Continuous Hail and Fire Exclusion Option must provide a copy of the annual hail and fire declaration sheet showing the required amount of hail and fire coverage each year. The Exclusion applies to any applicable option.
- (3)(a) Deadlines. The request to exclude hail and fire coverage must be submitted to the Insurance Provider within:
- 1 72 hours after the effective date of an annual hail and fire policy or the first year a multi-season hail and fire policy is in force. This request must be made on or before the date MPCI coverage attaches for the crop year when a multi-season hail and fire policy (except the first year) is in effect.
  - 2 72 hours of the date a private hail policy is first in effect for insureds who have signed the Continuous Hail and Fire Exclusion Option Form, or before the date MPCI coverage attaches for a crop year after the first crop year a multi-season hail and fire policy is in effect.
- (3)(b) Eligible acreage. 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. Note: 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 with 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 the minimum coverage.
- (3)(c) Hail and Fire Liability Requirements. For each crop year the hail and fire exclusion is in effect, the total liability for the hail and fire coverage on the crop must be equal to or greater than the total MPCI liability for the crop. Liability for acreage which is eligible for prevented planting but was not planted is NOT considered and the premium is not reduced on such acreage.
- (3)(d) Hail and Fire Providers. Hail and fire policies must be obtained from a company licensed in the state where the MPCI coverage is provided in order to exclude hail and fire from the MPCI policy. If hail and fire coverage is provided by unlicensed entities/companies, the hail and fire exclusion from the MPCI policy must be approved by the Reinsurance Services Liaison Division. The policy must include BOTH hail and fire coverage for the policyholder to be eligible for the premium credit for hail and fire exclusion from the MPCI policy.

(3)(e) **Liability Revisions.** The insured may revise the liability on the hail and fire exclusion form to reflect the liability for the reported acreage on the insured crop provided:

- 1 The difference between the total acreage report liability and the total liability shown on the original hail and fire exclusion form is more than one percent. (An insured will be considered to have a like amount of private hail and fire liability if the difference in liability described above is less than one percent.)
- 2 The hail and fire exclusion form showing the revised liability must be submitted no later than 15 days after the liability (based on the reported acreage) is established.

(3)(f) **If the crop has been damaged** to the extent that a loss has occurred and an indemnity is to be, or may be claimed on any unit of the crop, a request for hail and fire exclusion will not be accepted for that year (on a continuous hail and fire exclusion, the exclusion will not be effective until the following year). Issuance of a prevented planting or replant payment for any insured unit will not affect an insured's ability to exclude hail and fire coverage.

(3)(g) **Hail or Fire Damage.** If hail and fire coverage is deleted from the MPCl policy and the crop is subsequently damaged by hail or fire, an appraisal for the production lost due to hail and/or fire will be made. [See FCI-78 or RMA approved Exclusion Form for specifics on calculating the appraisal for uninsured causes.]

(3)(h) **The MPCl premium reduction** for the hail and fire exclusion option is shown on the county actuarial table as an Option Factor. The base premium rate for acreage with additional coverage shall be reduced by the hail/fire exclusion factor shown on the actuarial table. Liability times the base premium rate times the hail and fire exclusion factor multiplied by the applicable producer premium factor equals the producer premium without hail and fire as shown:

$$\begin{array}{ccccccc}
 \text{_____} & \times & \text{_____} & \times & \text{_____} & = & \text{_____} \\
 \text{Base} & & \text{Hail} & & \text{Producer} & & \text{Subsidized} \\
 \text{Premium} & & \text{\& Fire} & & \text{Premium} & & \text{Premium} \\
 & & \text{Exclusion} & & \text{Factor} & & \\
 & & \text{Factor} & & & & 
 \end{array}$$

←NACAT)

E(4) **(NACAT → Apple Options For Quality Adjustment.** An insured with an MPCl apple policy in effect may elect to obtain additional coverage on Apples through the use of available options (where premium rates for the endorsements are established). These options apply for all acreage of the crop covered by the policy unless designated differently on the form. The options are continuous and must be elected on the application (new insureds) or contract change form (carryover insureds) and submitted on or before the sales closing date for the initial crop year for which the insured wants the endorsements to be effective. The continuous option may be canceled in accordance with the cancellation provisions of the policy.

(4)(a) Fresh Fruit Option. The Option is designed for apple insureds who desire specific coverage for quality of production.

1 The insured may choose Option A or Option B.

a If the insured selects Option A, the quality standards and rates for Option A will apply to all Apples intended for processing and fresh market distribution.

b If the insured chooses Option B, the quality standards and rates for Option B will apply to all Apples intended for fresh market distribution, and the standards and rates for Option A will apply to all Apples intended for processing.

c Different price elections may be available for Apples intended for either fresh market or processing [refer to the actuarial documents].

2 All insurable acres of Apples in which the insured has a share in the county must be insured regardless of intended use.

NOTE: Since terms of the Fresh Fruit Option provide for coverage against damage caused by hail, an apple insured cannot elect both the Fresh Fruit Option and the Hail and Fire Exclusion Option.

(4)(b) Sunburn Option. The Sunburn Option is designed for apple insureds who have chosen Fresh Fruit Option B and who desire specific coverage against excess sun.

NOTE: The Sunburn Option is available only in Washington, Oregon and Idaho. **←NACAT)**

- E(5) **(NACAT → Malting Barley Price and Quality Endorsement**, the 96-91B or RMA approved Malting Barley Price and Quality Endorsement provides supplemental coverage for Malting Barley in addition to the coverage provided by the Barley Crop provisions. Two Malting Barley coverage options are available, Option A and Option B. Option A or B must be elected by the insured by indicating the option selected on the application (new insureds) or contract change form (carryover insureds) on or before the sales closing date.
- (5)(a) Option A provides supplemental coverage for insureds who contract production after the sales closing date, grow approved Malting Barley varieties but not under Malting Barley contract(s), or grow ONLY a portion of approved Malting Barley varieties under Malting Barley contract(s).
- (5)(b) Option B provides supplemental coverage for insureds who grow approved Malting Barley varieties under Malting Barley contract(s).
- (5)(c) Coverage under Option A or Option B is separate from Feed Barley coverage. Feed Barley coverage for the purposes of the Malting Barley Price and Quality Endorsement means: The basic Barley coverage provided under the Small Grains Barley Crop Provisions without respect to the Malting Barley Price and Quality Endorsement. All insurable acreage of Barley (non-malting varieties, approved malting varieties, and malting varieties that are not approved for coverage under the Endorsement) is eligible for Feed Barley coverage.
- (5)(d) Approved Malting Barley Varieties. Under Option A or Option B, only those varieties specified in the Special Provisions, recommended by the American Malting Barley Association, and/or approved by the RMA RO shall be insurable. Other varieties meeting the conditions specified in the Malting Barley Price and Quality Endorsement which are not contracted may be insured via a written agreement.
- (5)(e) Unit Division. Under Option A or Option B, all insurable acreage in the county of approved Malting Barley varieties is ONE BASIC UNIT. Production from non-malting varieties or non-approved malting varieties MUST NOT be commingled with production from approved Malting Barley varieties prior to making any determinations necessary for claims or APH purposes under Option A or Option B.
- 1 Basic and optional units are provided for FEED BARLEY coverage. [Refer to normal unit determination procedure as outlined in Sec. 4, D(3) and (4).]
- 2 Units for Option A or Option B Malting Barley and Feed Barley units must be numbered consecutively. Do not start with 00100 for each type (Feed Barley and Malting Barley). If there are two basic units of Feed Barley, the Malting Barley unit is numbered as 00300.
- (5)(f) For APH instructions when Option A or Option B is in force [see Exhibit 22]. ←NACAT)

E(6) **(NACAT → Northern Potato Policy.** An insured with a MPC I Northern Crop policy in effect may elect to obtain additional coverage on potatoes through the use of endorsements (available where premium rates for the endorsements are established). The endorsements are continuous and must be elected on the application (new insureds) or contract change form (carryover insureds) and submitted on or before the sales closing date for the initial crop year for which the insured wants the endorsements to be effective. The continuous endorsement(s) may be canceled in accordance with the cancellation provisions of the policy. Beginning with the 1998 crop year, quality adjustment for production damaged by freeze and causes that result in tuber rot have been incorporated into the Northern Potato Crop Provisions.

(6)(a) Northern Potato Quality Endorsement; the Northern Potato Quality Endorsement is designed for potato insureds who desire protection against loss of quality.

1 Protection for quality is based on the insured's marketing records on potatoes graded in accordance with the U.S. standards for grades of potatoes.

2 If less than four years of records indicating grade are available, the grade from actual records will be averaged with the default percentage shown in the Actuarial Documents. If no actual records of grade are available, the default percentage shown on the actuarial table will be used. [See Sec. 6, J(10)(b)4.]

3 The actuarial table may provide separate rates and coverage for U.S. No. 1 and for U.S. No. 2 Potatoes. Insureds may elect U.S. No. 1 or 2 by potato type or group, if separate types or groups are specified on the Special Provisions.

4 The endorsement provides additional quality adjustment for production with internal defects in excess of grade tolerance and cannot be sorted from undamaged production.

5 Acreage grown for the production of seed is not covered under this endorsement.

(6)(b) Northern Processing Potato Quality Endorsement; 98-84B or RMA approved Northern Potato Processing Quality Endorsement. This endorsement attaches to and amends the Quality Endorsement. The Processing Potato Quality Endorsement provides coverage for low specific gravity and dark fry color and provides quality protection for all the insured's acreage that is grown under a processor's contract.

(6)(c) Northern Certified Seed Potato Endorsement. 98-84C or RMA approved Northern Certified Seed Potato Endorsement. This endorsement is designed for Northern potato insureds who desire coverage for their certified seed production.

1 The determination of certified seed must be made by a certified seed inspector.

- 2 Liability under the endorsement is determined by multiplying the production guarantee of the Potato policy by the price for certified Seed Potatoes shown in the actuarial documents.
- 3 Availability of this endorsement is limited to counties with certified seed potato rates published in the actuarial documents, and to insureds who furnish acceptable records of certified seed Potato acreage and production for at least the previous three years.
- 4 Insured acreage is the acreage entered into the state seed Potato certification program. This acreage cannot be greater than 125% of the average number of acres entered into and passing the state certification program in the three previous years. If the acreage is greater than 125%, the production guarantee will be reduced in accordance with the endorsement. A written agreement may allow more acreage to be insured without the reduction in the production guarantee.

(6)(d) Northern Potato Storage Coverage Endorsement. 98-84D or RMA approved Northern Potato Coverage Endorsement. This endorsement is designed for Northern potato insureds who desire coverage for damage that occurs within the insurance period, but that does not become evident until a later time. The extended coverage is applicable only if damage results in:

- 1 Tuber rot;
- 2 Certain internal defects (applicable only if the producer elected coverage under the Northern Potato Crop Insurance Quality Endorsement); or
- 3 Low specific gravity or dark fry color (applicable only if the producer elected coverage under the Northern Potato Crop Insurance Processing Quality Endorsement).
- 4 All production must be insured under this endorsement except that grown under a contract that requires delivery to a buyer within three days of harvest. For example, if 20 acres of a certain variety are to be delivered at harvest, those acres would not be charged a premium for the endorsement. An additional premium is charged for all other acreage insured under the endorsement. (←NACAT)

- E(7) **(NACAT → Wheat Winter Coverage Options**. Under the Endorsement, Option A or B attaches to the Small Grains Wheat Crop Provisions and provides coverage for fall seeded Wheat between the fall final planting date and the spring final planting date. They are available only in counties where BOTH a fall final planting date and a spring final planting date are provided. [See Sec. 6, J(13)(d) for APH instructions relating to Options A and B.]

Note: For fall planted Wheat in counties for which there is only a spring final planting date, a replanting payment is not applicable. For insurance to attach on fall planted Wheat in these counties, insureds must request coverage prior to the sales closing date. Insurance attaches to fall seeded acreage that had an adequate stand to produce a normal crop on the earlier of the spring final planting date or the date the Insurance Provider agreed to accept coverage for the crop.

If coverage under Option A or B is desired, the election must be made by the fall sales closing date. Failure to elect either Option A or Option B indicates both Options are rejected. The provisions of Option A or B are as follows:

- (7)(a) Coverage begins the later of the date the application is accepted or the fall final planting date. Coverage ends on the spring final planting date shown on the Special Provisions.
- (7)(b) If Winter Wheat is damaged and at least 20 acres or 20 percent of the acreage in the unit does not have an adequate stand to produce at least 90 percent of the average production guarantee, the insured may:
- 1 Destroy the remaining crop on such acreage and be eligible for an indemnity if:
    - a Option A is in force, the production to count for claims for indemnities is equal to the greater of 70 percent of the production guarantee or the actual appraisal for the damaged acreage. An appraisal of the crop's potential production is required prior to the Winter Wheat's destruction. Only the actual appraisal will be used for APH purposes. The insured may utilize the acreage for any purpose including planting and separately insuring Spring Wheat or any other crop.
    - b Option B is in force, an appraisal must be made on the damaged acreage to determine the production to count for APH and for indemnity purposes under the policy provisions. The insured may utilize the acreage for any purpose including planting and separately insuring Spring Wheat or any other crop.
  - 2 Continue to care for the damaged crop. Under Option A or B, Winter Wheat coverage continues and the acres and production (harvested or appraised) will be used for the Winter Wheat APH.

- 3      Replant the damaged acreage to an appropriate variety of Wheat if practical and receive the replant payment specified in the Small Grains Crop Provisions. Under Option A or B, coverage on such acreage will continue under the policy provisions.
- (7)(c) Insureds must provide written notice of damage in accordance with the policy, but not later than the spring final planting date shown on the Special Provisions.
- (7)(d) Winter Wheat acreage for which a replant payment was made for planting to Spring Wheat shall retain the Winter Wheat approved APH yield and premium rate. The acres and production are used for the Winter Wheat APH. (←NACAT)
- E(8)    **Reserved.**
- E(9)    **Reserved.**

E(10) **(NACAT → Pear Quality Adjustment Endorsement.**

- (10)(a) The endorsement provides quality adjustment provisions for pears in any State (except California) for which the actuarial table designates a premium rate for this option:
- (10)(b) If the Quality Adjustment Endorsement is elected, the Endorsement must be selected on the application if a new insured. If a carryover insured, the endorsement may be elected on a new application or RMA approved policy change form submitted on or before the sales closing date for the crop year in which the insured wishes the Quality Adjustment Endorsement to be effective.
- (10)(c) A RMA approved Pear Crop Provisions must be in force and all the terms and conditions of the policy adhered to.
- (10)(d) If pear production is damaged by hail and if 11 percent or more of the harvested and appraised production does not grade at least U.S. No. 2 in accordance with applicable United States standards due solely to hail, the amount of production to count will be reduced as follows:
- 1 By 2 percent for each full 1 percent in excess of 10 percent when 11 percent through 60 percent of the pears fail the grade standard;
  - 2 by 100 percent when more than 60 percent of the pears fail the grade standard.

The difference between the reduced production and the total production in 1 and 2 above will be considered as cull production. Pears that are knocked to the ground by wind or that are frozen and cannot be packed or marketed as fresh pears will be considered 100 percent cull production. Fifteen percent of all production considered as cull production will be considered as production to count.

- (10)(e) The endorsement may be canceled for any succeeding crop year by giving written notice on or before the cancellation date provided by the "Pear Crop Provision" preceding such crop year. ← NACAT)

E(11) **(NACAT → Fresh Market Sweet Corn Minimum Value Option.**

- (11)(a) If the option is elected, the option must be selected on the application if a new insured. If a carryover insured, the option may be elected on a new application or RMA approved policy change form submitted on or before the sales closing date for the crop year in which the insured wishes the option to be effective.
- (11)(b) The option allows the value of each harvested container to be as low as zero.
- 1 For sold production, the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the price received for each container of sweet corn (this result may not be less than zero for any container of sweet corn), and multiplying this result by the number of containers of sweet corn sold; and

2 For marketable production that is not sold, the dollar amount obtained by multiplying the number of containers of sweet corn on the unit by the minimum value shown in the Special Provisions for the planting period (harvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production).

(11)(c) The option may be canceled for any succeeding crop year by giving written notice on or before the cancellation date provided by the crop provisions preceding such crop year. **←NACAT**

E(12) **(NACAT → Fresh Market Tomato (Dollar Plan) Minimum Value Option.**

(12)(a) Permits the insured to select the Minimum Value Option by electing Option I or Option II for Fresh Market Tomatoes for which the actuarial table designates and rates for this option.

(12)(b) If the option is elected, the option must be selected on the application if a new insured. If a carryover insured, the option may be elected on a new application or RMA approved policy change form submitted on or before the sales closing date for the crop year in which the insured wishes the option to be effective.

(12)(c) Option I of the Minimum Value Option allows the total value of the harvested production to be determined as follows:

1 For sold production, the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the price received for each carton of tomatoes (this result may not be less than the minimum value option price contained in the Special Provisions for any carton of tomatoes), and multiplying this result by the number of cartons of tomatoes sold; and

2 For marketable production that is not sold, the dollar amount obtained by multiplying the number of cartons of tomatoes on the unit by the minimum value shown on the Special Provisions for the planting period (harvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production).

(12)(d) Option II of the Minimum Value Option, the total value of harvested production will be as provided [in E(12)(c) above], except that the dollar amount [in E(12)(c)1 above], may not be less than zero.

(12)(e) The option may be canceled for any succeeding crop year by giving written notice on or before the cancellation date provided by the Crop Provisions preceding such crop year. **←NACAT**

E(13) **(NACAT → Fresh Market Pepper Minimum Value Options.**

- (13)(a) Permits the insured to select either Option I or Option II of the Minimum Value Option for Fresh Market Peppers for which the actuarial table designates and rates for this option.
- (13)(b) If the option is selected, the option must be selected on the application if a new insured. If a carryover insured, the option may be elected on a new application or RMA approved policy change form submitted on or before the sales closing date for the crop year in which the insured wishes the option to be effective.
- (13)(c) Option I of the Minimum Value Option allows the total value of the harvested production to be determined as follows:
- 1 For sold production, the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the price received for each box of peppers (this result may not be less than the minimum value option price contained in the Special Provisions for any box of peppers), and multiplying this result by the number of boxes of peppers sold; and
  - 2 For marketable production that is not sold, the dollar amount obtained by multiplying the number of boxes of peppers on the unit by the minimum value shown on the Special Provisions for the planting period (harvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production).
- (13)(d) Option II of the Minimum Value Option, the total value of harvested production will be as provided [in E(13)(c) above], except that the dollar amount in [E(13)(c)1 above], may not be less than zero.
- (13)(e) The option may be canceled for any succeeding crop year by giving written notice on or before the cancellation date provided by the crop provisions preceding such crop year. **←NACAT**

**4F Service Forms And Administrative Requirements**

- F(1) **Policy Changes.** Use FCI-12A, Contract Change or a Contract Change Form approved by RMA to request the following contract changes.
- (1)(a) A CHANGE of price election or coverage level. The change must be requested on or before the sales closing date and requires the insured's signature. In counties with both Winter and Spring Wheat sales closing dates the change must be requested on or before the fall sales closing date; however, if Winter Wheat is NOT planted, the insured may change the level and/or price election by the spring sales closing date.
  - (1)(b) Cancellation of a county or a crop in a specific county. The request must be made on or before the cancellation date and requires the insured's signature.
  - (1)(c) A transmittal for a successor-in-interest application. The insured's signature is required; however, the request is not required to be made on or before the sales closing date.
  - (1)(d) Corrections of the insured's name, address, executor, identification number, administrator, etc. Such corrections may be made after the sales closing date and do not require the insured's signature.
  - (1)(e) Addition or removal of the "All Counties" election.
- F(2) **Acreage Report FCI-19.** Use the FCI-19, Crop Insurance Acreage Report or Acreage Report Form approved by RMA for meeting acreage reporting requirements. The insured establishes his/her insurable share at the time insurance attaches via the acreage report. However, for determining the amount of an indemnity, if the insured's share is different than at the time insurance attached, the insured share will be the lesser of: (1) the share at the time insurance attached, or (2) the share determined by the Insurance Provider at the earlier of the time of loss or the beginning of harvest of the unit, unless excepted by the specific crop policy.
- (2)(a) Filing Deadlines. The insured or authorized representative must sign and submit an annual acreage report on or before the acreage reporting date contained in the crop's Special Provisions except as provided in [Par. 1, 2 or 3]. **(CAT →** The operator may sign the acreage report for another person sharing in the crop. **← CAT)** If the insured fails to submit a signed acreage report, the Insurance Provider may: (1) declare the acreage report to be zero as provided under RMA-approved procedure, or (2) determine the insurable acreage, share, practice, type, etc. If an unsigned acreage report is submitted, the Insurance Provider may send a letter to the insured advising that the reported information will be binding if the insured does not provide revised information within a specified amount of time.

- 1 The latest acreage reporting date may be used for multiple crops that are insured with the same Insurance Provider and have:
    - a Fall final planting dates (August 15-December 30), insureds are allowed, for all such crops, until the latest applicable fall acreage reporting date for the insured crops to submit the acreage report.
    - b Spring final planting dates (December 31-August 14), insureds are allowed, for all such crops, until the latest applicable spring acreage reporting date for the insured crops to submit the acreage report.
  - 2 If the Special Provisions designate separate planting periods for a crop, the insured must submit an acreage report for each planting period on or before the acreage reporting date contained in the Special Provisions for the planting period.
  - 3 If planting continues after the final planting date or the insured 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;
    - b The date determined in accordance with [Par. (2)(a) 1, 2]; or
    - c Five days after the end of the late planting period for the insured crop.
- (2)(b) Required Annually. The acreage report is the basis for determining the amount of insurance provided and the premium (charged or imputed). These reports are by crop and include, but are not limited to, P/T/V (when applicable), location, date of planting or seeding, number of acres and share in the crop. **(CAT →** Unless a person with an insurable interest in the crop objects in writing on or before the acreage reporting date and provides a signed acreage report on his or her own behalf, the operator may file/sign the acreage report for all other persons with an insurable interest in the crop. A power of attorney is not required and all other persons with an insurable interest in the crop, and for whom the operator purports to sign and represent, are bound by the information contained in that acreage report. **← CAT)**
- (2)(c) Intended Acreage Reports. Insurance Providers may request planting intentions from the insured at the time of application or when servicing the policy for subsequent crop years (i.e., updating the APH).

- 1 Information generated from the intended acreage report must be issued to each insured no earlier than 30 days prior to the final acreage reporting date.
  - 2 Insurance Providers must provide the insured with instructions to verify the accuracy of the intended acreage report and submit any corrections or additions to the Insurance Provider by the final acreage reporting date.
  - 3 If the insured submits nothing further by the final acreage reporting date, coverage will be based on the intended acreage report and understood to be complete and accurate.
- (2)(d) Reporting Irrigated Practices. Insurance Providers are to provide a copy of the Irrigated Practice 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. [See Exhibit 33 for Irrigated Practice Guidelines.]
- (2)(e) Late Reporting. The policy provides that if the insured does not submit an acreage report within the specified time, the Insurance Provider may determine by unit the insured acreage, share and practice, or may deny liability on any unit. If the final acreage reporting date falls on Saturday, Sunday, or a legal holiday, the next business day will be considered as the final acreage reporting date.

If the Insurance Provider declares the crop "insured", the applicable premium and administrative fee are considered earned and payable.

- 1 **(NACAT →** The Insurance Provider is entitled to any premium due. **←NACAT)**
  - 2 **(CAT →** RMA is entitled to the imputed premium credit **←CAT).**
- (2)(f) Revised Acreage Reports. Prior to the final acreage reporting date, insureds may revise acreage reports to reflect a change in their intentions. However, AFTER the final acreage reporting date, acreage cannot be changed without the Insurance Provider's consent except:
- 1 Short rated, as allowed by the applicable crop provisions and the actuarial table provides a reduced premium rate for acreage destroyed by the date designated by the crop's Special Provisions. If the insured requests that such acreage be designated separately on his/her acreage report, the Insurance Provider may revise the acreage report if the conditions stated in the policy are met. Separate line entries are required on the acreage report for the acreage on which insurance will continue and the acreage eligible for the reduced premium rate. Acreage on which the reduced premium rate applies is not eligible for any subsequent claim for indemnity or considered for APH purposes.
  - 2 **(CAT →** If the planted acreage was reported timely and the insured requested a measurement service from the FSA no later than the acreage reporting date and the measured acreage was different than the reported acreage, the acreage may be increased or decreased **based on the FSA measured acres.** **←CAT)**

For other situations, premium adjustments will not be made for insured acreage put to another use after the acreage reporting date. If the insured destroys or puts acreage to another use without consent, an appraisal of not less than the guarantee will be assessed on such acreage; however, such appraisals are not used for APH purposes.

(2)(g) **Measurement Service Requested (Idaho, Oregon and Washington ONLY).** (NACAT → An insured may certify in writing (ON OR BEFORE THE SALES CLOSING DATE) that an acreage measurement service for a crop will be requested to determine the actual planted acres. A copy of the FSA (or other qualified third party) form that verifies acreage measurement was requested, must be furnished to the Insurance Provider. In such case:

- 1 An acreage report must be filed by the final ARD.
- 2 The acreage report (revised due to request of measurement) must be completed within 30 calendar days of ARD. If the final acreage report is not provided within 30 calendar days of the ARD, the preliminary report is used.
  - i The acreage report cannot be increased or decreased more than 20 percent from the reported acreage without insurance provider approval. ← NACAT
  - ii If the insured does not file a revised acreage report based on requested acreage measurements, the acreage report submitted by the ARD will apply.

(2)(h) **Verifying the Acreage Reported.** The representative/agent shall CAREFULLY REVIEW with the insured the original acreage report BEFORE it is submitted to the Insurance Provider. It is absolutely imperative that the information required to be reported on the acreage report is ENTIRELY accurate. Policy provisions do not allow for increasing liability except in rare situations [as specified in the FCIC-25010 (LAM)]. Under-reported acreage or unreported units may adversely affect the outcome of a loss.

When the Schedule of Insurance/Summary of Protection is received, it **MUST** also be reviewed for accuracy. If an error is found when compared to the acreage report, the agent/representative **MUST** contact the Insurance Provider and have the error corrected.

F(3) **Assignment of Indemnity.** FCI-20 or RMA approved Assignment of Indemnity Form. An insured may assign the right to an indemnity payment for a crop(s) under an MPC I insurance contract to another party(ies) (creditor) by using this form. Only one assignment per crop per county is allowed. The assignment applies for all acreage of the crop covered by the policy. The assignment:

- (3)(a) Is effective upon approval by an authorized representative of the Insurance Provider.
- (3)(b) Is in effect only for the crop year specified on the assignment form.

- (3)(c) May be made after acceptance of the application but must be completed before a loss claim is processed (submitted to the insurance provider for payment of the indemnity). (NACAT → Issuance of a replant payment for any insured unit will not affect the insured's ability to assign the right to an indemnity to another party. ← NACAT)
- (3)(d) May be canceled during the crop year. The Insurance Provider will cancel the assignment only if the assignee (creditor) submits a written statement releasing the assignment. The release must indicate the insured's name, mailing address, policy number and crop(s) released. The agent/representative will prepare a memo, attach the statement of release, and file it in the insured's file.
- (3)(e) Provides for an indemnity payment (subject to any administrative fee deduction or any other unpaid balance) payable either to the creditor only, or to the creditor and insured jointly.
- F(4) **Transfer of Right to an Indemnity.** Use the FCI-21 or RMA approved Transfer of Right to an Indemnity Form to transfer coverage and the right to any subsequent indemnity from one insured entity to another entity. This form is used when the transfer of **part or all of** the ownership/share of the insured crop occurs during the insurance period.
- (4)(a) A separate form may be required for each different unit or portion of a unit on which coverage is being transferred.
- (4)(b) A transfer of right to an indemnity is subject to any outstanding assignment of indemnity made prior to the date of transfer.
- (4)(c) The transferee and the transferor (insured) shall be jointly and severally liable for any unpaid premium and/or administrative fee on the acreage and share transferred.
- (4)(d) 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).
- (4)(e) Transfer of right to an indemnity forms expire at the end of the insurance period for the crop year specified. For succeeding crop years, an application must be made to insure the proper entity if insurance is to continue in effect.
- F(5) **Power of Attorney.** Insureds may grant signing authority for MPCI forms to a third party, provided a **legally executed** Power of Attorney is used.

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 signatures 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.

(NACAT →  
4G WRITTEN AGREEMENTS

Use the FCI-5 or FCI-5B, Request for Actuarial Change [see Exhibit 11], or Request for Written Agreement Form approved by RMA, whichever is applicable, to request written agreements. Agents should consult their Insurance Provider regarding issuance of written agreements. The written agreement must be signed and dated by the insured on or before the applicable date and must be approved by the RMA RO and/or Insurance Provider to be effective. [See Par. G(7) for a chart indicating: Written Agreement Deadlines, Issuance Authorities, Written Agreements requiring Pre-Acceptance Crop Inspections, and the Minimum Supporting Documentation required for each type of request. [See Exhibit 12 for a list of the RO's and states served.]

Insurance Providers must send a courtesy copy of each written agreement they approved to the applicable RMA RO [See G(7) for Minimum Supporting Documentation]. If the insured signed the written agreement after the expiration date stated on the written agreement, the RMA RO will provide notification to the Insurance Provider that the agreement was not signed timely and is not valid. Insurance Providers also must provide a list of such agreements to Reinsurance Services Division by the RMA RO.

G(1) Written Agreement Request Requirements.

- (1)(a) Insured's Responsibilities. The insured must complete and sign a request for a written agreement (with the agent's assistance) that contains the information necessary to execute the written agreement. The agent forwards the completed request to the Insurance Provider.
- (1)(b) A request submitted less than 60 days prior to the sales closing date for the purpose of establishing a rate or coverage different from that available from the County Actuarial Table, or initially establishing rates must contain the following statement in its entirety [see Exhibit 11, FCI-5B]:

"I have read and understand the following:

- 1 If this request is for the purpose of establishing a rate or coverage different from that available from the Actuarial Documents, or initially establishing rates and coverage not available on the Actuarial Documents, I agree to accept the rates and coverage assigned on the written agreement as of the date of this request, if they are within 5 percent of the rates and coverage I requested and as contained on this form.
- 2 If the rate and coverage provided on the written agreement are different from those contained in this request (by more than 5 percent), or if I did not specify the terms to which I would agree, I will have the option of accepting the rate and coverage provided by the written agreement or those provided by the Actuarial Documents, if available.
- 3 If this request is denied, the written agreement is not approved, or I do not accept the written agreement [under 2 above] by the expiration date specified in the written agreement, I agree that I must accept the rate and coverage from the Actuarial Documents, if

available. If this request is to initially establish a rate and coverage not otherwise available from the Actuarial Table, I agree that such insurance coverage will not be provided should this request be denied or the written agreement is not approved or accepted by the expiration date.

4 I agree that any option to cancel or change my crop insurance policy for the current crop year based on RMA determinations described in 2 and 3 above may be exercised in accordance with the policy by the cancellation date.

5 I agree that the preceding statements will apply to any determinations made by RMA as the result of a request for reconsideration or an appeal related to this request for a written agreement."

- (1)(c) Insurance Provider Responsibilities. The Insurance Provider records the date the request is received (log, date stamp, etc.), reviews the request to ensure that it contains the information necessary to execute the written agreement, and forwards the request (if it must be authorized by the RMA RO) to the applicable RMA RO. The request and any required supporting documentation must be received by the RMA RO by the applicable deadline. [See Par. G(7) for request deadlines, approval authorities, and required documentation.]
- (1)(d) RMA RO Responsibilities. The RMA RO reviews the request and either denies it or provides the authorized offer to the Insurance Provider within 15 calendar days. If more time is needed to process the request, the RMA RO will advise the Insurance Provider of the reason for the delay and when the approved offer may be expected. For multi-year written agreements, the RMA RO will notify the Insurance Provider prior to the expiration date of the requirements for reissuance. If a multi-year written agreement will be canceled by the RMA RO prior to the expiration date, the RMA RO will provide a written cancellation notice to the Insurance Provider (copy to the agent) by the contract change date. [See FCIC 24020, Written Agreement Handbook for reissuance documentation and processing requirements.]
- (1)(e) Initial written agreements requested after the sales closing date to establish insurability require an inspection at the time the offer is made to the insured by the Insurance Provider if the crop has been planted.
- (1)(f) Additional Requests. An additional request is required for land that was not included in the legal description(s) of the original request.
- (1)(g) For requests submitted 60 or more days prior to the sales closing date, (initial and renewal requests for a subsequent crop year) the insured maintains all rights in accordance with the policy, including the right to cancel the policy, sign a High-Risk Land Exclusion Option, make changes to level and/or price election, or other administrative changes allowed by the sales closing date. The date a written agreement is provided to the insured or the request is rejected by the RMA RO does not affect the date by which such changes must be made.

- G(2) **Written Agreement Terms.** The term for written agreements may be for one crop year only or multi-year as indicated on the actual written agreement. The conditions of the agreement remain in effect unless:
- (2)(a) Insurance plan changes and written agreements are not allowed by the new plan;
  - (2)(b) Canceled in writing by any party on or before the Cancellation Date for the Crop Year;
  - (2)(c) Crop policy is terminated for any reason;
- NOTE: [See G(1)(d) for additional RMA RO responsibilities regarding multi-year written agreements.]
- G(3) **Reissuance in Subsequent Years.** Agents will need to check to see if a request for reissuance of a written agreement is necessary in subsequent crop years. When reissuance is required, attach a photocopy of the previous written agreement (and if applicable the previous APH form) to the request (that includes the 60-day statement) which is signed and dated by the insured and Insurance Provider. The deadline for requesting reissuance of a written agreement is the applicable crop's sales closing date (including transfers) for most written agreements. The request (including required documentation) must be signed and dated by the insured on or before the sales closing date for the crop. Requests requiring RMA RO approval must be postmarked by the Insurance Provider within 20 calendar days after Sales Closing and received by the RMA RO within 10 calendar days thereafter. If the request is received after the deadline the request will be denied. If the previous agreement needs updating because of a new FSN, legal description, etc., note this information on the photocopy. The RMA RO/Insurance Provider will evaluate the request and reissue the agreement if it remains appropriate on the previous terms. If deemed necessary, the agreement may be modified and the Insurance Provider/agent notified of the change. If more information is needed, the RMA RO will contact the Insurance Provider/agent. Reissuance is not necessary if:
- (3)(a) The land or individual classification provided by the written agreement was incorporated into the actuarial documents book.
  - (3)(b) The rates for a previously unrated crop or P/T/V provided by the written agreement are subsequently published in the actuarial documents book.
- G(4) **Written Unit Agreements.** Land located in a high-risk area are not eligible for written unit agreements. If the land is not classified as high-risk area, an insured may qualify for a written unit agreement if ALL of the following criteria are met:
- (4)(a) The insured must clearly document that geographic features or good farming practices make it impossible to follow optional unit division resulting in an inequity.
  - (4)(b) At least the most recent year's APH records, separated according to the proposed units, must be provided with the request.

- (4)(c) Physical features, such as canyons, lakes, rivers, mountains, or irrigation systems which clearly distinguish different farming operations must be the basis for unit boundaries. These features must present a significant obstacle to farming and are not under the insured's control.
- 1 Acreage planted to an insured crop where the planting pattern continues across section lines may be a separate unit provided all other specific criteria exist.
  - 2 An insured may not receive more units than would be allowed had these special circumstances not existed.
- (4)(d) A request meeting the following underwriting guidelines is submitted. [See G(6)]
- 1 The Insurance Provider must prepare the written unit agreement, together with supporting materials, and submit the proposed agreement to the applicable RMA RO for approval.
  - 2 The RMA RO will:
    - a Require evidence to justify items [(4)(a)-(c) above].
    - b Require a clear, legible, and legally specific map diagram if necessary to accurately identify units.
      - i The map must be specifically referenced in the agreement to be legally valid.
      - ii The map must be of a reproducible size and quality (or 4 copies provided) for attachment to each copy of the agreement.
    - c Approve or deny the agreement. The following statement will be included in the language of all new approved written unit agreements:

“This written unit agreement shall be in effect for the \_\_\_\_\_ and succeeding crop years provided no significant changes occur to the farming operation which invalidate the approved unit structure. If significant changes occur, this written agreement is null and void.”
    - d Provide a statement authorizing the Insurance Provider to continue the units for previously approved agreements [which do not contain the statement in c above] where:
      - i The written unit agreement was initially authorized and approved by the RMA RO, and

- ii No significant changes have occurred to the farming operation which invalidates the approved unit structure. If changes are requested, the unit structure must be resubmitted to the RMA RO for evaluation.

The Insurance Provider must attach this statement to the original written agreement.

- e If the agreement is not approved, notify the Insurance Provider stating the reason why the written agreement is not acceptable.

- 3 Written unit agreements authorized for unit division purposes may be continued in subsequent crop years without reapproval or reissuance by an Insurance Provider. The units initially approved may be combined, or have land added, to the extent that the units remain viable without further approval from RMA RO. RMA RO approval is required if significant changes occur to the farming operation which invalidate the viability of the units designated in the written agreement.

G(5) **Written Unit Agreements.** These guidelines are restricted to annual crops whose basic and crop provisions allow for OPTIONAL units located in separate sections, section equivalents (in the absence of sections), or FSN's (in the absence of sections or section equivalents or where section boundaries are not readily discernable).

(5)(a) Section equivalent (states of Maine, New York, & Pennsylvania only). For guidelines used to establish optional units on a section equivalent basis [See Exhibit 5, Par. 1 and 2].

(5)(b) Topographical/Physical features (states of Idaho, Oregon & Washington only). For guidelines used to establish optional units in which the topographical/physical features are not conducive to farming in a manner that conforms to U.S. Rectangular Survey System, resulting in inequitable unit division based on sections or section equivalents [See Exhibit 5-B].

(5)(c) Creating optional units from oversized sections or Farm Serial Numbers.

- 1 Each oversized section or FSN must be divided into two or more blocks, each containing at least 640 acres.
- 2 All optional unit guidelines contained in the policy (Basic, Crop and Special Provisions).

G(6) Written Unit Agreement Request Form.

**WRITTEN UNIT AGREEMENT REQUEST**

Insured's Name:

Policy Number:

Address:

County land location:

Telephone Number:

Crop

Crop Year:

Percent Share:

Practice:

Type:

Variety:

State:

Legal Description:

FSA FSN:

RMA Yield:

FSA Aerial Photocopy (field(s) identified):

APH Form(s) (if applicable for all units):

Other Person(s) Sharing In The Crop:

Insurance Experience by Year (when applicable).

Premium:

Indemnity:

Liability:

Cause of loss:

Reason for Request:

Certification Statement: I certify that the information I have furnished on this request is complete and accurate. I understand that failure to furnish complete and accurate information may result in voidance of my crop insurance contract and may result in criminal or civil false claims actions.

Insured's Signature:

Date:

Agent's Name and Code:

Company Name and Address:

Date:

NOTE: The following statement is required on the Written Unit Agreement. This written agreement shall be in effect for the \_\_\_ and succeeding crop years provided no significant changes occur to the farming operation which invalidate the approved unit structure. If significant changes occur, this written agreement is null and void. **←NACAT**)

G(7) **(NACAT → Deadlines, Approval Authorities, and Documentation.** The following chart indicates the types of written agreements (WA) and for each type the deadline for the request, approval authorities and required documentation.

\*Insured must sign and date the written agreement request by the deadline specified for the crop as indicated below. The request and all required supporting documentation must be postmarked by the Insurance Provider within 20 calendar days after the deadline and received by the RMA RO within 10 calendar days after the 20<sup>th</sup> day.

WRITTEN AGREEMENT DEADLINES AND DOCUMENTATION			
TYPE OF AGREEMENT	DEADLINE*	AUTHORIZED BY	MINIMUM SUPPORTING DOCUMENTATION <sup>3</sup>
Counties with no actuarial documents for the crop	Cancellation date (for the crop in the area) specified in the crop endorsement for which coverage is requested. <sup>1</sup>	RMA RO	Completed Request for Actuarial Change Form/Written Agreement, aerial photos. Evidence of adaptability and producer's production history. <sup>4</sup>
Unrated Nursery Plant Materials	New Insureds: With Application  Carryovers/subsequent years: Cancellation date	RMA RO	Completed FCI-5 Request for Actuarial Change, which contains a typed list of exact names of genus, species, subspecies, cultivars, common name (if applicable), plant and container size, number of plants to be insured, practices, container or field grown, and nursery grower's published wholesale price catalog or price list that includes the name of the nursery and price information for the requested plants.
Class (type) of Dry Beans not on actuarial documents (including Chickpeas/Garbanzo Beans)	Sales Closing	RMA RO	Report prices received for the specific class (type) and either (1) two years of university test plot data and its recommendations, or (2) two years of seed company data supplemented by university data. If items (1) or (2) are not available, then two years of production data for the requested class and prices received. The variety of the specific class (type) that will be planted. Current year's APH form certifying all dry bean records (including Chickpea/Garbanzo Bean records for those classes/types). Completed request for Actuarial Change Form/Written Agreement.
Special Purpose Corn if coverage not provided by the Special Provisions	Sales Closing	RMA RO	Completed Request for Actuarial Change Form/Written Agreement. Evidence of adaptability and/or producer's production history. Normal planting and harvesting dates and marketing outlets.

TYPE OF AGREEMENT	DEADLINE*	AUTHORIZED BY	MINIMUM SUPPORTING DOCUMENTATION <sup>3</sup>
Seed Potato acreage greater than 125% of past average acres	Sales Closing	RMA RO	Completed Request for Actuarial Change Form/Written Agreement. Reason for increase and certification that all requested acreage will be managed in accordance with state standards.
Non-Irrigated Corn Grain where Irrigated Corn (Grain and Silage) listed on actuarial documents only	Sales Closing	Initial: RMA RO, or Insurance Provider, if specific underwriting guidelines have been issued by RMA RO  Subsequent crop years: Insurance Provider provided no changes occur	Completed Request for Actuarial Change/Written Agreement and current Year's APH Form with at least three years of actual corn grain production records. Insurance Provider/RO may require additional documentation. Refer to the Special Provisions for minimum requirements. 4
Rotation Exceptions where provided for by the Special Provisions	Sales Closing	RMA RO	Completed request for actuarial change form. Evidence of adaptability of rotation practice deviation, detailed information regarding steps taken to mitigate disease concerns, producer's APH, soils map, and field location.
Strip-Mined Land (food or fiber crop produced less than five consecutive crop years)	Sales Closing	Initial: RMA RO  Subsequent crop years; Insurance Provider if no changes occur	Completed request for Actuarial Change Form/Written Agreement, aerial photos, description of reclamation process report, date reclamation completed, NRCS soils map and APH.
Organic Farming Practices Recognized as "Good Farming Practices"	Sales Closing	RMA RO	Completed request for Written Agreement for Organic Crops, copy of the written certification (previous year's certification or other acceptable documentation). [See FCIC-24140, Organic Crop Insurance Underwriting Guide for specific reporting requirements and instructions; Sec. 6, for required documentation.]
Written Unit Agreements (Oversized Sections or FSN's, and Section Equivalent – Designated States)	Initial: Sales Closing  Subsequent Years: Acreage Reporting date for amended WA if acreage is added to the farming operation not included in any identified oversized section or FSN or section equivalent.	Insurance Provider	Completed Request for Actuarial Change Form/Written Agreement, aerial photos or legible maps delineating permanent boundaries of oversized section, FSN or section equivalent. [See Exhibit 5 for section equivalent required documentation.]

TYPE OF AGREEMENT	DEADLINE*	AUTHORIZED BY	MINIMUM SUPPORTING DOCUMENTATION <sup>3</sup>
Written Unit Agreement Division (Topographical/Physical Features – Designated States)	Initial: Acreage Reporting  Written Unit Agreements are continuous in subsequent years provided no significant changes occur. If changes occur, handle as an initial request.	Insurance Provider	Completed Request for Actuarial Change Form/Written Agreement, aerial photos or legible maps documenting topographic/physical features that present a significant obstacle to the farming operation. [See Exhibit 5, Par. C for required documentation.]
Written Unit Agreement (Geographic features)	Initial: Acreage Reporting  Written Unit Agreements are continuous in subsequent years provided no significant changes occur. If changes occur, handle as an initial request.	RMA RO (Initial Request)	[See Sec. 4, Par G(4) and (5) for the required documentation.] RMA RO may have additional guidelines.
Small Grains or Crops where provided for in the Crop Provisions: (i) interplanted with another crop; (ii) planted into an established grass or legume; or (iii) planted as a nurse crop	Initial: 15 calendar days after the Acreage Reporting date <sup>2</sup>  Subsequent Years: Acreage Reporting	RMA RO	Completed request for Actuarial Change Form/Written Agreement; soils map, field location, detailed recommendation from state extension/research specialist and completed crop inspection report <sup>2</sup> .
Listing Reconsiderations for Peanuts and Tobacco	Initial: Acreage Reporting  Subsequent Years: Sales Closing	RMA RO	Insured's classification for other practices or types in other counties. Production information for the insured and other entities in which the insured has participated. Legal description of land or FSN, aerial photos or legible maps delineating field boundaries of planted or intended planted acreage of the crop.
Unrated Practice/Type/Variety or Rate Class Option	Initial: Acreage Reporting (for Spring small grain types ONLY- Sales closing date (SCD) [for a similar Spring planted crop in the area]).  Subsequent Years: Sales Closing (for Spring small grain types ONLY- Sales closing date [for a similar Spring planted crop in the area]).	RMA RO	Completed Request for Actuarial Change Form/Written Agreement, Aerial Photos and Completed Crop Inspection Report <sup>2</sup> . Evidence of adaptability of the practice or type for the area, & APH for P/T/V.

TYPE OF AGREEMENT	DEADLINE*	AUTHORIZED BY	MINIMUM SUPPORTING DOCUMENTATION <sup>3</sup>
Acreage (If greater than five percent of the planted acres in the unit) not planted and harvested in one of the three previous crop years	Initial: Acreage Reporting  Reissuance of this agreement is not required, unless the acreage is not planted to any crop and harvested the previous year. In that case, handle as an initial request.	RMA RO  Insurance Provider, if specific underwriting guidelines have been issued by the RMA RO	Completed Request for Actuarial Change Form/Written Agreement and aerial photos. Evidence of adaptability; date land was broken out of sod, pasture or perennial legume; producer's production history for the crop; and intended planted acreage of the crop. <u>2</u>
High Rate Areas	Initial: Acreage Reporting  Subsequent Years: Sales Closing	RMA RO	Completed Request for Actuarial Change form/Written Agreement. Aerial Photos, and APH
Unrated Land	Initial: Acreage Reporting  Subsequent Years: Sales Closing	RMA RO	Completed Request for Actuarial Change Form/Written Agreement and aerial photos. Completed crop inspection report. <u>2</u> Evidence of adaptability of the practice or type for the area. APH for the P/T/V.

- 1 Exception: If there is no cancellation date for the county for the crop, the request deadline for a fall planted crop will be the fall cancellation date for similar fall planted crops. The request deadline for a spring planted crop will be the spring cancellation date for a similar spring planted crops.
- 2 Initial written agreements requested to establish insurability after the Sales Closing Date require an inspection the same day the written agreement would be offered to the insured, if the crop has been planted.
- 3 Additional documentation may be required on individual requests. Additional time may be granted if additional documentation is not listed under "MINIMUM SUPPORTING DOCUMENTATION."
- 4 a Completed APH form and acceptable records (inspection as required by Category B or C crop procedures) of actual yields for the crop for at least the most recent three consecutive crop years (for forage seeding, use acceptable records of forage production to meet the three-year requirement) during the base period (If the producer expands the farming operation across a county or state line into a local producing area, RMA may consider existing production reports from the current crop production sufficient);
- b The dates the applicant and other growers in the area normally plant and harvest the crop;
- c The name and location of, and approximate distance to, the location at which the crop will be sold or used by the applicant;
- d The legal description of the land and FSA aerial photographs, or legible maps delineating field boundaries where the applicant intends to plant the crop for which insurance is requested.

Written agreements may be available for other situations not listed here, as authorized in the policy provisions. However, written agreement requests will not be accepted for crops for which there is no crop policy, endorsement, and crop provision; or alter policy provisions, price elections, etc.; unless specifically permitted. (Contact the RMA RO for details.) ←NACAT



**5 UNDERWRITING AND APH RESPONSIBILITIES (CATEGORY B & C APH CROPS)****5A Agents/Representatives Are Responsible For:**

- A(1) **Explaining production reporting and supporting record requirements** to producers.
- A(2) **Assisting producers in the completion of APH related forms.** When necessary, agents/representatives will assist producers in the completion of:
- (2)(a) APH Forms. An APH form is required for each unit (by P/T/V when applicable) and crop year for which acceptable supporting records are available.
  - (2)(b) Producer's Pre-Acceptance Worksheets, when required for perennial crops. [See Sec. 7, Par E]
  - (2)(c) Block Production and Unit Summary Worksheets, when required for perennial crops. [See Sec. 7, Par. I (1), (2) and (3)]
- A(3) **Calculating Preliminary Yields.** For **NEW** insureds, for all APH crops agents/representatives **MUST** compute, quote, and enter preliminary yields on the APH form. Explain to insureds that:
- (3)(a) For reinsured contracts, an insured may submit a written request to the Insurance Provider for reconsideration if the approved APH yield calculated by the verifier is less than 95 percent of the preliminary yield on ANY unit [See Sec. 11, Par. F for instructions]; or for mutual consent cancellation of the entire crop policy (by county).
  - (3)(b) For approved APH yields issued by the RMA RO, if the approved APH yield is lower than the preliminary yield, the insured may request review of the approved APH yield through reconsideration, agency appeal, mediation, and/or appeal to the National Appeals Division (NAD). [See Sec. 11, Par. A-D for additional information and Exhibit 12 for NAD Area Offices.]
- A(4) **Informing insureds that mutual consent cancellations are not allowed** for a crop year subsequent to the crop year the application was accepted (carryover insureds) if approved APH yields are not acceptable.
- A(5) **Explaining Reconsideration or Mutual Consent Cancellation Requirements.** Agents/representatives must inform insureds that requests for reconsideration or mutual consent cancellation of crop policies (**requested under A(3) above**) must be made within 30 calendar days of the date the approved APH yield was mailed or otherwise made available to the insured. If an adverse decision is made by the RMA RO, reconsideration, mutual consent cancellation, mediation, agency appeal and/or NAD appeal rights are provided. If such a request is not made timely, it will be rejected and the approved APH yield(s) will be considered accepted by the insured [See Sec. 11]. Requests for reconsideration or mutual consent cancellations must be forwarded to the verifier no later than three calendar days after their receipt by the agent/representative as indicated below:

- (5)(a) APH yields approved by the RMA RO. Reconsideration requests must be referred to the RMA RO if the RMA RO approved the APH yield. Utilization of the agency's informal reconsideration process will not prejudice the insured's right to subsequently request agency appeal, mediation, and/or NAD appeal. If during a reconsideration an adverse decision is rendered (by the RMA RO), mutual consent cancellation (if applicable), mediation, agency, and/or NAD Appeal Rights must be provided.
- (5)(b) Reconsideration of APH yields approved by Insurance Providers are made to the Insurance Provider. Insurance Providers may correct errors in yield computation or in the application of RMA approved procedures. Corrections will not be subject to additional reconsideration.
- A(6) **Reviewing the APH form** for completeness and accuracy and obtaining the insured's signature and date.
- A(7) **Obtaining Supporting Production Records.** For insureds establishing an APH yield history (database) who elect to provide records for verification rather than be subjected to an APH field review, agents/representatives must forward copies of supporting records to the verifier unless a discretionary review is required.
- A(8) **Forwarding the signed APH forms and any applicable worksheets** to the Insurance Provider within 10 calendar days of completion, but not later than 10 calendar days after the production reporting date. APH forms signed after the production reporting date are not timely filed and are not acceptable.
- A(9) **Forwarding requests for inspections** for ALL Category C APH (perennial crops) to the applicable Insurance Provider's representative, no later than 10 calendar days after the PRD. [See Sec. 7 Par. G for the perennial crop pre-acceptance inspection form and instructions.]
- A(10) **Explaining Approved APH Yields.** Upon receipt of the approved APH yield the agent/representative must be able to:
- (10)(a) Explain the approved APH yield(s) and determine production guarantees(s).
- (10)(b) Explain premium provisions and, if applicable, premium discount and compute the premium.
- (10)(c) Verify insurance units and explain appropriate provisions.
- (10)(d) Administer and explain to the insured yield limitations, yield floors, yield adjustments, record requirements, and that assigned yield provisions will apply for subsequent APH crop years if production reports are not provided.
- (10)(e) File and maintain copies of the APH form.

- A(11) **Updating APH databases** when insureds do not supply acceptable production reports for APH purposes.
- (11)(a) When necessary, determine the correct "T" Yield(s) from the applicable County Actuarial Table to be used for APH yield calculation purposes.
- (11)(b) Determine preliminary APH yields according to RMA approved procedures. [See Sec. 6 for annual crops and Sec. 7 for perennial crops.]
- (11)(c) Assign basic units according to those allowed in the policy. [See Sec. 4, D(3).]
- (11)(d) Administer assigned yield provisions for carryover insureds (Category B and C crops).
- (11)(e) Follow applicable New Producer procedures for insureds qualifying as "new producers."
- A(12) **Determining the correct unit structure for added land.** If additional cropland is purchased or rented after the production reporting date, it may be added as a separate unit (provided it meets basic/optional unit requirements and production reporting requirements) or added as part of an existing unit, if applicable. [See Exhibit 36 for added land provisions for Category B crops.]
- A(13) **Entering the prior crop year's approved APH yield** in the prior yield block on the APH form and identifying each yield in the database with the correct yield type descriptor [See Sec. 6 Par. D for annual crops and Sec. 7, Par. H(10) for perennial crops].
- A(14) **Comparing current crop years' yield history on the APH form** received from the verifier to the yield history on the previous crop year's APH form. If the yield history does not agree, attach a copy of the previous crop year's APH form to the current crop year APH form and return it to the verifier for a corrected current crop year APH form.
- A(15) **Retaining prior years' APH forms** for the insured in the insured's file folder.
- A(16) **Referring requests for field visits for APH acreage and yield determinations** (appraisals, bin measurements, etc.) to the appropriate Insurance Provider's representative. [See Sec. 10, D.]

**5B Producers/Insureds are Responsible for:**

- B(1) **Requesting field visits** for APH acreage and yield determinations from the Insurance Provider by notifying the agent/representative if necessary. [See Sec. 10, D.]
- B(2) **Filing Annual Production Reports.** For all APH crops, insureds must report on an annual basis all production, acres and actual yields on an APH form by the production reporting date. Other documents which contain the same information as required by the APH form may be used. If an insured provides a production report by a means other than an RMA approved APH form, it MUST CONTAIN THE FOLLOWING CERTIFICATION STATEMENT to be acceptable:
- "I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH yield. I also understand that failure to report completely and accurately may result in voidance of my crop insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730)."
- B(3) **Filing Acceptable Production Reports.** Production reports (including production reports for zero planted units) are required by crop, unit, P/T/V, and "T" Yield Map area, and must be filed no later than the PRD.
- (3)(a) Insureds must sign and date the APH form to certify that the information contained on the APH form is true and accurate. APH forms are not acceptable without the insured's signature and date.
- (3)(b) Insureds must maintain acceptable supporting production evidence (records). When required by the Insurance Provider, a copy of the records must be furnished to the Insurance Provider.
- B(4) **Completing Producer's Pre-Acceptance Worksheets (Underwriting Information).** Except for Texas Citrus and Blueberries, All NEW insureds must complete, sign, date, and submit Producer's Pre-Acceptance Worksheet(s) for Category C Perennial APH crops. For all Category C APH crops, ALL carryover insureds must certify required underwriting information by completing the Producer's Pre-Acceptance Worksheet. Acceptable Producer's Pre-Acceptance Worksheets must be filed no later than the PRD.
- B(5) **Requesting "T" Yields.** When "T" Yields **have not been published or** are required to calculate approved APH yields, insureds must provide the agent/representative with the information necessary to determine applicable "T" Yields (i.e., legal descriptions, land locations, new producer status, etc.) by the PRD.

- B(6) **Reviewing Approved APH Yields.** If the approved APH yield is less than 95 percent of the preliminary yield, the insured may request the appropriate review of the yield calculated. A request for reconsideration, (**NACAT** → mutual consent cancellation ← **NACAT**), mediation, agency appeal or NAD appeal must be filed (requested in writing) within 30 calendar days of the date of notification of the approved yield. If the review request is not filed timely, the approved APH yield will be considered accepted. If reconsideration, mutual consent cancellation, mediation, and/or appeal rights were provided as part of an adverse decision by the RMA RO, the appeal must be requested within the time specified (30 calendar days).
- B(7) **Maintaining Supporting APH Documentation.** Insureds must retain hard copy production evidence to support the information reported (certified) on APH forms. Insureds must provide supporting records to the field reviewer when selected for APH review at the time of the field review. (Reviewers are not authorized to track down supporting records for insureds at other sources, i.e., FSA, packers, elevators, etc.)

**5C Verifier Responsibilities (Insurance Providers and RMA RO).** The following responsibilities pertain when APH forms and APH yield calculations are received for verification. Verifiers must:

- C(1) **Review the acreage and yield history data** and any supporting documentation **for reasonableness.**
- C(2) **Access the Policyholder Tracking History System (PHTS)** and review for each insured, previously reported APH history that is available in the PHTS (if an Insurance Provider verifier). All APH history within the base period attributed to the insured must be used provided continuity of insurance and APH records for the crop has been maintained. Assigned yield provisions apply if insurance experience is continuous but the insured failed to provide production reports as required by the insurance contract. It may also be necessary to correct current crop year APH forms or perform an APH review in order to reconcile any differences between the current APH history certified and prior APH history available through the transfer process or PHTS.
- C(3) **Review entries on the APH form.** Verify that entries are according to procedure and that all required entries have been made.
- C(4) **Update the insured's yield history** (database).
- C(5) **Calculate the average APH yield** and apply yield limitations/(**NACAT** → yield floors ← **NACAT**) **and yield adjustments** when applicable.
- C(6) **Calculate Approved APH Yields.** When authorized, calculate the approved APH yield for each unit by crop year, and when applicable, by area classification ("T" Yield Map Area), P/T/V.
- C(7) **Complete and Distribute the APH Form.**

- C(8) **Verify that acreage and production** reported agree with the supporting records when insureds have elected to provide records rather than be subjected to the field review process. Corrections will be made according to tolerances established for the field review process when necessary.
- C(9) **Forward all required supporting documentation for RMA RO determined yields** to be received in the RMA RO no later than 30 calendar days after the PRD for ALL Category C APH Crops (Texas Citrus Fruit beginning with the 2001 policy crop year). [See Sec. 7 Par. F(1) and (2) for situations requiring RO Determined Yields. See Sec. 7 Par. F(5)(b) for additional deadline information and F(6) for required documentation.]
- C(10) **Provide Approved APH Yields Timely.**
- (10)(a) **RMA RO Determined Yields.** The RMA RO will notify Insurance Providers of the approved APH yield(s) by certified mail (return receipt requested) or positively document the crop policy (insured's name if policy number not available) and the date the approved yield was mailed/postmarked to the Insurance Provider. This documentation will be used to verify timeliness of issuance of approved APH yields and presentation of those yields to insureds.
- 1 If the approved APH yield issued by the RMA RO is lower than the preliminary yield, or if during the APH process information is discovered that may require an adverse decision (such as denial of coverage, rejection of the insured's records, etc.), the RMA RO must provide the insured **via certified mail, (with a copy mailed to the insurance provider)** with applicable reconsideration, **(NACAT → mutual consent cancellation ← NACAT)**, agency appeal, mediation, and/or appeal rights.
- 2 Insurance Providers must notify each affected insured of the approved APH yield(s) no later than 25 calendar days after issuance of the approved APH yield by the RMA RO. The Insurance Provider will notify the insured of the approved APH yield(s) by certified mail (return receipt requested) or positively document the date the insured was notified and the method used. Documentation of the date the insured was notified of the approved APH yield must be available to verify timeliness of presentation of approved APH yields.
- (10)(b) **Insurance Provider approved APH yields.** If the approved APH yield is less than 95 percent of the preliminary yield, the verifier will notify the insured of the change and of the approved APH yield(s) by certified mail (return receipt requested), or positively document the date the insured was notified of the approved APH yield and the method used. Insureds must be notified of all approved APH yields (in this category) no later than 25 calendar days from the issuance date of the approved APH yields by the verifier. Documentation of the date the insured was notified of the approved APH yield must be available to verify timeliness of presentation of approved APH yields to insureds, requests for reconsideration, or **(NACAT → mutual consent cancellations ← NACAT)**.

**5D Additional RMA RO Responsibilities:**

- D(1) **Mail approved APH yield forms** no later than 15 calendar days after receipt of the form and required documentation to the RMA RO. A binding offer may be made upon receipt of the approved APH yield from the RMA RO.
- D(2) **Review all questionable cases** received and determine the approved APH yield(s).
- D(3) **Notify the verifier if records are needed** to substantiate yields reported on the APH form, and make every effort to expedite the issuance of the approved APH yield.
- D(4) **Document the date** requests for approved APH yields were received and the date the approved APH yield was mailed to the Insurance Provider or insured.
- D(5) **Provide additional underwriting services** related to APH which is approved by the RMA Product Development Division or the Assistant Manager for Insurance Services upon request from the verifier.
- D(6) **File actuarial documents** (FCI-32 Supplement, and FCI-33 Supplement) to incorporate contract changes into the Actuarial Document Books.

**5E** **APH Verification at Time of Loss.** Insurance Providers will use the following guidelines prior to or during FARM INSPECTIONS:

E(1) **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 performed.

E(2) **Review Approved APH Forms.** For insureds not affiliated with Crop Insurance, a current approved APH form must be in the file in order to complete a claim.

(2)(a) Review the actual yields certified by the insured for reasonableness.

(2)(b) Perform a cursory review to determine if the APH yield was calculated accurately.

(2)(c) Compare the approved APH yields to the acreage report. Verify that the correct APH yields have been entered on the acreage report (by unit, P/T/V, map area etc.).

(2)(d) Conduct additional reviews or/and make corrections, if:

1 A current approved APH yield is not in the file;

2 Yields certified do not appear to be reasonable; or

3 The approved APH yield appears to have been calculated incorrectly.

E(3) 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).

**6 CATEGORY B APH CROP PROCEDURES**

OVERVIEW OF THE APH PROGRAM. APH yield determination methods provide flexibility the initial year of insurance for insureds who do not furnish acceptable records, and at the same time, improve actuarial efficiency. Approved APH yields for producers who elect not to supply records are limited to 65 percent of the applicable "T" Yield the first year the producer is insured. Insureds must provide production reports for subsequent crop years according to the terms of the MPCl policy. For producers who provide less than four years of actual yields, variable "T" Yields are used to complete four-year databases [See Par. C(1) and (2).] When four or more years of actual yields are available in a database, "T" Yields are not used in the database. As more years of actual production history are reported, insurance yields more accurately reflect the individual insured's capability of producing the crop.

**6A Related Handbooks**

- A(1) **FCIC- M13 Data Acceptance System Handbook**
- A(2) **FCIC- 25010 Loss Adjustment Manual**
- A(3) **Other RMA - Approved Reinsurance Handbooks**

**6B Eligible Category B Crops and Procedures**

Barley, Canola, Processing Beans, Corn, Cotton, Dry Beans (including contract seed beans), ELS Cotton, Flax, Forage Production, Grain Sorghum, Millet, Oats, Onions, Peanuts, Peas (Dry and Green), Potatoes, Popcorn, Rice, Rye, Safflower, Soybeans, Sugar Beets, Sugarcane, Sunflower, Processing Sweet Corn, Tobacco (Production Guarantee - types 41 and 32 PA; 51 and 61 CT; 51, 52 and 61 MA; and 32 MD), Tomatoes (Processing and Fresh Market Guaranteed Production) and Wheat.

- B(1) **General Instructions.** Agents/representatives are REQUIRED to calculate preliminary yields for new insureds and Insurance Providers are authorized to calculate approved APH yields for all Category B APH crops.
  - (1)(a) **Responsibilities.** If more than one person/entity is insured on the same unit, each person/entity is responsible for submitting an acceptable production report(s). [When acceptable production records are submitted by the PRD for all units/P/T/V, see Par. H(1)]. Different yield calculation methods may apply based on the production reports provided by each person/entity.
  - (1)(b) **All years' actual yields** reported for use on the APH form must be continuous. A production report indicating the crop was not planted (zero acreage) maintains continuity of records. No actual yields prior to a break in continuity will be used unless approved by the verifier [See Sec. 10, Par. A]. **For carryover insureds, if actual yields are not reported for a subsequent crop year, assigned yields are used to maintain continuity of production reports for such crop years.**
  - (1)(c) **(NACAT → Optional Units.** Separate acceptable production reports for the most recent year that the crop was planted must be filed on an optional unit basis by the PRD to qualify for optional units. [See Sec. 4, D(4)(a)1 a and b for exceptions.] **← NACAT)**

- B(2) **General Instructions for Carryover Insureds.** Carryover insureds must provide acceptable annual production reports. Assigned yield provisions apply to carryover policies on an APH crop year basis to databases (units, P/T/V/"T" Yield map areas) that had planted acres (except for units with claims for indemnities) if the required production reports are not provided by the PRD. Claims for indemnities are considered production reports and must be used; however, some claims may have to be reviewed to ensure that the correct production is used for APH purposes. [See Sec. 9, Par. C(4)(b). See Exhibit 2, Par. 1D(3)(b) and Par. 2 for further assigned yield instructions.]
- (2)(a) Yield limitations [cups (**NACAT** → and yield floors ← **NACAT**)] are administered on a unit basis (by P/T/V/ and database when separate databases are required within a unit). When applicable, the approved APH yield will not decrease more than the amount established by RMA compared to the prior approved APH yield for the same unit (by P/T/V and database when separate databases are required within a unit). [See Par. I for instructions.]
- (2)(b) If insured on a continuous basis, ALL actual and assigned yields from the past APH production history within the (10 APH crop years) base period MUST be used; however, assigned yields may be replaced with actual yields. This includes policies that have been canceled and rewritten (transfers) to change agents/Insurance Providers.

## 6C APH Yield Calculation Methods

A minimum of four yields is required in each database used to calculate approved APH yields. Except for new producers [See Par. C(3) following] and added land (by P/T/V if applicable [See Exhibit 36]), if less than four years of actual and/or assigned yields are available in a database (unit/P/T/V), the database is completed with a variable "T" Yield based on the number of years of actual and/or assigned yields available for the crop in the county. Variable "T" Yields are determined as follows:

- C(1) **No Actual or Assigned Yields.** For new insureds who have produced the insured crop and do not provide acceptable production reports for the land in the insured's current operation by the PRD or provide production reports containing only zero-planted acres, approved APH yields are calculated by multiplying the applicable "T" Yield(s) by 65 percent. The sixty-five percent variable "T" Yield applies only ONE year, unless zero planted. [For subsequent years, see B(2) above].
- (1)(a) New insureds must request approved APH yields by completing and signing APH forms. Separate four-year APH databases are required for each unit (by P/T/V and for each "T" Yield map area). Each database must contain four 65 percent "T" Yields. Agents/ representatives MUST quote the applicable 65 percent "T" Yield as the preliminary yield. The verifier must approve all APH yields.
- (1)(b) CUPS do NOT apply the initial year insured; however, in subsequent crop years databases with at least one actual or assigned yield may be eligible for cups [See Par. I for instructions].
- (1)(c) 65 percent "T" Yields are not set in the database. Databases must be updated each year and the approved APH yield recalculated.
- (1)(d) Optional units are NOT authorized.

C(2) **Actual and/or Assigned Yields Provided.**

(2)(a) Databases containing less than four years of actual and/or assigned yields, require the use of a variable "T" Yield to meet the four-year minimum requirement (by crop and county) as follows [if added land/P/T/V, see Exhibit 36]:

- 1 One year, 80 percent of the applicable "T" Yield.
- 2 Two years, 90 percent of the applicable "T" Yield.
- 3 Three years, the applicable "T" Yield (100 percent).

(2)(b) Four or More Years Actual and/or Assigned Yields. When four or more years of actual or assigned yields are available for a database (unit by P/T/V/"T" Yield map area), the average APH yield is determined by a simple average of the insured's actual and/or assigned yields divided by the number of years of actual and/or assigned yields contained in the database.

C(3) **New Producer.** [See Exhibit 37 for additional instructions.] If the insured qualifies as a new producer, the approved APH yield must be determined using the method below for which the insured qualifies.

(3)(a) If no production records (has not produced the crop one or two crop years), the applicable "T" Yield (100 percent) is the approved APH yield. Databases must be established that contain four 100 percent "T" Yields preceded by the yield descriptor code "I" [See Exhibit 37, Par. 4 for an Example]. Agents/representatives quote the applicable "T" Yield as the preliminary yield. The verifier must approve all APH yields. Once three years of actual, assigned, and/or temporary yields have been provided for the crop/county, the "I" yield descriptor code is discontinued. "I" yield descriptor codes must then be removed and replaced with "T" yield descriptor codes.

- 1 Optional units are allowed, provided they are requested by the acreage reporting date and the new producer keeps separate records of acreage and production for each proposed optional unit for the current crop year.
- 2 For subsequent crop year(s), if acceptable production reports are not provided by the PRD, assigned yield provisions apply. "T" Yields are then determined using variable "T" Yields based on the number of actual/assigned yield(s) for the crop/county, and optional units are not allowed. Yield limitation provisions (CUPS) and Yield Floors apply as appropriate.

(3)(b) Production reports ARE REQUIRED if the insured has produced the insured crop for one or two crop years. [See Ex. 37, Par 1B and Par. 5.]

- 1 Production reports must be provided for such crop years to qualify for use of the applicable "T" Yield(s) (100 percent). If provided, the approved APH yield is calculated by dividing the sum of the actual yield(s) and the 100 percent "T" Yields by four. [If such production report(s) are not provided, see Exhibit 37 Par. 1B(2).]
- 2 Basic or optional units are determined according to the way production reports are filed for the previous APH crop year.
- (3)(c) For subsequent crop years, refer to instructions for carryover insureds. If required production reports are not filed, the applicable variable "T" Yield is used (loses New Producer "T" Yield percentage)[see Exhibit 37 Par. 1B(2)].
- C(4) **Pilot County "T" Yields for New Producers.** Beginning with the 1999 crop year, Pilot County new producer "T" Yield procedures were discontinued. Producers who qualified in the past, if insured continuously on the same crop, may retain 110% "T" Yields for locations/databases previously established. Standard New Producer and added land/P/T/V procedures must be used for new locations/databases established for the 1999 and succeeding crop year(s).
- C(5) **Feed or Forage Grown for On-farm Use.** Special procedures for producers who grew feed or forage for on-farm use were discontinued beginning with the 1998 crop year. Producers who had previously qualified and have been continuously insured may retain 80 percent "T" Yields (identified by the yield descriptor "X") until at least one actual or assigned yield is available for the crop. [See Par. C(2) for instructions when actual/assigned yields are available.]
- C(6) **Added Land/P/T/V.** Variable "T" Yields will be used for added land or added P/T/V based on the years of actual and/or assigned yields for the insured crop and county unless the added land qualifies for use of the Simple Average "T" Yield (SA "T" Yield) (by P/T/V if applicable) to establish the added land's database. [For the Summerfallow Practice for Wheat, Barley, Malting Barley, and Oats when a Continuous Cropping (CC) Practice has been carried out on the same unit, refer to Summerfallow APH yield instructions in Par. J(13)(h)3.] [See Exhibit 36 for SA "T" Yield instructions for added P/T/V's.]
- C(7) **High-Risk Land.** Variable "T" Yields do not apply to acreage with less than four years of actual and/or assigned yields that is located on high-risk (with a high-risk "T" Yield) or unrated land (on which the RMA RO has assigned high-risk "T" Yields). One hundred percent of the high-risk "T" Yield assigned applies. Use yield descriptor "F."
- C(8) **Master Yields.** A Master Yield is an optional yield calculation method in addition to standard APH. Insureds that qualify for Master Yields must request initial Master Yields and provide the required documentation no later than the PRD. Master Yields are available for Canola/Rapeseed, Processing Beans, Dry Beans (Dry Beans and Contract Seed Beans), Onions, Peas (Dry and Green), Potatoes, Sugar Beets, Processing Sweet Corn, Tomatoes (Processing and Fresh Market Guaranteed Production Plan), for some practices and locations. [See Exhibit 7 for procedures, practices and locations.]
- C(9) **Conservation Reserve Program Acreage (CRP).** [See Exhibit 10 for procedure on acreage emerging from CRP.]
- C(10) **Entities.** If the insured person/entity changes [see Exhibit 32 Par. 2B].

**6D Yield Descriptors**

When completing APH databases, each yield entered in the yield column must be identified with the applicable yield type descriptor (examples related to "T" Yields are based on a 100-bu. "T" Yield):

- A = Actual Yield (Example: A120).
- P = Assigned yield (Example: P60).
- J = Temporary Yield (Example: J105).
- S = 65% "T" Yield (Example: No actual/assigned yields = S65).
- E = 80% "T" Yield (Example: One actual/assigned yield = E80).
- N = 90% "T" Yield (Example: Two actual/assigned yields = N90).
- T = 100% "T" Yield (Example: Three actual/assigned yields = T100).
- C = A special yield entered in the database: if; the crop was grown prior to enrollment in CRP and acceptable production records are not provided, new databases were established for P/T/V's using SA "T" Yield's, for Determined Irrigated Yields (Example: The SA "T" Yield's approved APH Yield is 105 = C105).
- F = RMA RO Determined Yields (Example: F85). Used when less than four years of actual and/or assigned yields are available for a database and the "T" Yield is specifically assigned and designated by the RMA RO, or high-risk "T" Yields (also applicable to unrated land when high-risk "T" Yields are assigned by written agreement) are used in the approved APH Yield calculation.
- H = 110% "T" Yield, Pilot County New Producer "T" Yields remaining in databases of producers who qualified in a previous crop year (Example: H110).
- I = Initial yield for new producers of the crop in the county (Example: I100).
- L = SA "T" Yields for added land. (Example: L103).
- R = Actual or Summarized Actual Yield taken from the previous year's Master Yield Summary that was replicated to a new county's database [R&D-097-16.1].
- X = 80% "T" Yield, remaining in databases of feed or forage producers who qualified in a previous crop year (Example: No actual assigned yields = X80).
- Y = Yield identifier used in addition to A, J, P, or R to identify yields less than 60% of the "T" Yield that do not qualify for yield substitutions (Example: AY20).
- Z = Zero planted.
- IL = 100% "T" Yield, used to identify initial databases for added land for new producers. See Exhibit 36 for additional instructions. (Example: IL100).

**6E "T" Yields**

E(1) "T" Yield Methods. "T" Yields are published on the County Actuarial Table. The published "T" Yields will be used to calculate variable "T" Yields by crop and county, when necessary to calculate approved APH yields.

- (1)(a) "T" Yields contained in carryover insureds' databases MUST be replaced with the current crop year's "T" Yields.

(1)(b) “T” Yields are published for:

- 1 Insurable P/T/V's. If irrigated and non-irrigated practices are indicated on the county actuarial documents, separate APH yields are required for irrigated and non-irrigated practices. If separate (different) “T” Yields are provided for other P/T/Vs separate APH yields must be established for each P/T/V. [For additional instructions regarding summerfallow practices, refer to J(13)(h)3]

For example, the county actuarial table for CC wheat indicates:

Type	Practice	Map Area/“T” Yield
011 (winter)	004 (CC)	001 = 15.0
012 (spring)	004 (CC)	001 = 14.0

In this example, separate APH yields are required for winter and spring types of CC wheat located in Map Area 001 (even if the insured does not choose optional units for winter and spring wheat).

- 2 Map Areas. In addition to P/T/V's, “T” Yields may be assigned for certain areas within a county (“T” Map Areas). Acreage located in “T” Yield Map Areas with different “T” Yields **or having a different “T” Yield** requires separate APH yields (databases) except in counties where the “T” Yield was previously derived from FSA program yields and “T” Yields are currently assigned by “T” Yield Maps. For this situation, when a unit (database) contains more than one “T” Yield Map Area and a “T” Yield is necessary, determine the “T” Yield by using a simple average of the current “T” Yields. [Exception: See Ex. 36, 2C(1).] Separate APH databases are not required. For added land, simple average “T” Yields may be used when added as a separate unit.

For units located in more than one "T" Yield Map Area (except for land assigned a high-risk "T" Yield), the variable "T" Yield is determined by the number of years of actual and/or assigned yields provided for the crop and county. Separate APH yields are not required for maps used only to assign rates (including areas with high-risk rate adjustment factors that have NOT been assigned separate (different) “T” Yields).

For example: The county actuarial table for CC wheat indicates:

Type	Practice	Map Area/“T” Yield
011 (winter)	004 (CC)	001 = 15.0
011 (winter)	004 (CC)	002 = 23.0
011 (winter)	004 (CC)	AAA = 15.0

In this example, a separate APH yield is required for the land designated as AAA. The database for a unit containing Map Areas 001 and 002 may use a simple average of the “T” Yield for Map Areas 001 and 002  $[(15 + 23) \div 2 = 19]$ .

- 3 High-risk land. The actuarial table may indicate high-risk rate adjustment factors and assign high-risk "T" Yields to high-risk land (generally identified as AAA, BBB, or CCC on the FCI-35) via a "T" Yield Map. RMA may also assign high-risk "T" Yields to unrated land by written agreement. When high-risk "T" Yields are used to complete the four-year database, they are not reduced if less than three years of actual and/or assigned yields are available. Separate APH databases are required for land with high-risk "T" Yields when less than four years of actual and/or assigned yields are available. High-risk "T" Yields are preceded by the yield descriptor "F" when used to calculate the approved APH yield.

E(2) **Reporting Production for P/T/V or "T" Map Areas (Includes High-Risk Land).**

- (2)(a) **Separate Production.** When production is reported separately by P/T/V/"T" Yield Map Area requiring separate APH yields, a yield will be determined for each P/T/V/"T" Yield Map Area using the separated production.
- (2)(b) **Separating Commingled Production.** When production has been commingled, separate production may be determined by practice, "T" Yield Map Area, **or Forage Production types if:**
- 1 The producer provides a yield estimate by practice, "T" Yield Map Area, **or forage types** from past production records, accounts for total disposition, and the verifier considers resulting yields reasonable; or
  - 2 The production is apportioned using the commingled production worksheet instructions for the Multipurpose Production and Yield Report Worksheet [See Par. F].
- (2)(c) **Commingled Acres and Production.** When production has been commingled between practice, "T" Yield Map Areas, or **Forage Production types** and the insured cannot provide a yield estimate by practice, "T" Yield Map Area, **or forage type** or the production **cannot be (or is not)** apportioned using the commingled production worksheet, the total acreage and production will be charged to the practice, "T" Yield Map Area **or Forage Production type** that would normally result in the highest yield (i.e., production commingled between Irrigated and Non-Irrigated practices is charged to the Irrigated practice). The APH yield for the lower yielding practice, "T" Yield Map Area **or Forage Production type** will be based on variable "T" Yields determined by the number of years of actual and/or assigned yields provided (including commingled years) for the crop by county.

**6F Multipurpose Production and Yield Worksheet.**

This worksheet may be used to arrive at the factored production to be entered on the APH form in the total production column.

Crop Year	1	2	3	4	5	6
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						

**Instructions and Suggested Column Headings**

F(1) **Separating Commingled Production** between "T" Yield Map Areas, Practices, **or different forage types** [see Exhibit 17 for Cotton Example]:

- Col. 1 - "T" Yield Map Area, Practice, **or forage production types**
- Col. 2 - Planted Acres (for skip-row cotton, acres considered planted to cotton).
- Col. 3 - Transitional Yield ("T" Yield)
- Col. 4 - Yield Extension (Col. 2 X Col. 3)
- Col. 5 - Factor (total commingled production ÷ total yield extensions from Col. 4)\*.
- Col. 6 - Yield (Col. 3 X Col.5)

\*Values rounded to nearest hundredth.

F(2) **Converting Skip-row Cotton Production to Solid Plant:**

- Col. 1 - Total Production
- Col. 2 - Yield Factor [See Exhibit 17 Par. 5, Tables 1-3]
- Col. 3 - Total Production (factored, Col. 1 ÷ Col. 2) enter in Col. 16 of the APH form.
- Col. 4 - Gross Acres X percent planted factor [See Exhibit 17, Acres Considered Planted by FSA Table 4]
- Col. 5 - Acres: enter Col. 17 of the APH form.
- Col. 6 - Yield (solid planted): enter Col. 18 of the APH form.

F(3) **Determining Skip-Row Cotton Yield Factors** [See Exhibit 17 Par. 6E, Example 5]. Used when production is commingled between more than one non-irrigated skip-row planting pattern:

- Col. 1 - Non-Irrigated Skip-Row Pattern
- Col. 2 - Planted Acres (acres considered planted to Cotton for each pattern)
- Col. 3 - Yield Factor (for each different pattern)
- Col. 4 - Yield Extension
- Col. 5 - Yield Factor (divide total yield extensions (Col. 4) by total acres (Col. 2))
- Col. 6 - Solid Planted Yield (skip-row yield ÷ yield factor)

(F)(4) **Green Peas** [See Exhibit 9, Par. 1F, Example 6]:

- Col. 1 - Dollars Received for Crop
- Col. 2 - Contract price for the TR Sieve number shown on the actuarial table.
- Col. 3 - Adjusted Production (Col. 1 ÷ Col. 2)
- Col. 4 - Lbs. Dry Peas ÷ .60 (converts to green pea equivalent)
- Col. 5 - Total Production (Col. 3 + Col. 4)

(F)(5) **Contract Seed Beans** (Bush Varieties for Garden Seed) and Wrinkled Seed Peas [See Exhibit 27 Par. 2A, Example 1]:

- Col. 1 - Reference Year Adjustment Factor (RYAF)
- Col. 2 - Total Dollars (\$) Received (or value of)
- Col. 3 - RYAF total \$ (rounded to whole \$). Transfer factored \$ to column 16 of the APH form.

F(6) **Sugar Beets** (Used to adjust production to % sugar on the county actuarial table):

- Col. 1 - % Sugar (records)\*
- Col. 2 - % Sugar (actuarial table)\*
- Col. 3 - Sugar Factor\* (Col 1 ÷ Col 2)
- Col. 4 - Actual Production
- Col. 5 - Adjusted Production (Col. 3 x Col. 4)

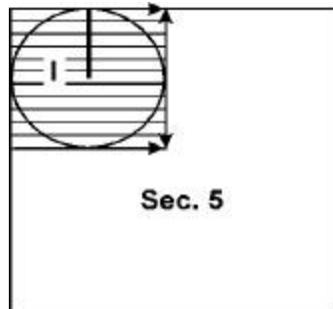
\*Values rounded to **nearest thousands**.

F(7) **Potatoes** [See Exhibit 9 Par. 1G, Example 7]. Used when the Northern Potato Quality Endorsement or Northern Potato Processing Quality Endorsement is applicable.

- Col. 1 - Fresh % No. 1
- Col. 2 - Fresh % No. 2 or better
- Col. 3 - Processing % No. 1
- Col. 4 - Processing % No. 2 or better

**6G** **Additional Instructions for Center Pivot Irrigation Systems.** The following instructions pertain to all annual crops except Rice. [See Sec. 4, Par. D(4)(b)4 for unit division instructions.]

- G(1) **Separate Production Reports Not Provided.** The acres and production from the Non-Irrigated corners of a field planted to the same insured crop must be included with the portion of the field irrigated by a center pivot irrigation system when separate production records for the corners of the field and center pivot irrigation systems are not provided. Separate approved APH yields are not calculated; however, acreage considered to be irrigated will not extend beyond intersecting lines drawn at right angles to the radius of the center pivot. 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. However, a separate APH yield is required for Non-Irrigated acreage (e.g., Non-irrigated acreage extending beyond the intersecting lines drawn at right angles of the radius of the center pivot system or other Non-Irrigated field(s)).



- (1)(a) In a subsequent crop year, if the insured requests separate optional units for the Irrigated and Non-irrigated practices, acceptable production reports for the previous APH crop year must be provided for each practice by the PRD. The commingled production worksheet may be used to prorate the production for APH crop years prior to the previous crop year for the Irrigated and Non-Irrigated practices. If the production is not separated, the acres and production for such crop years are charged to the Irrigated practice and the Non-Irrigated practice will be completed by using variable "T" Yields.
- (1)(b) When the Non-Irrigated corners are considered Irrigated and qualify for prevented planting, the approved Irrigated APH yield is used to calculate the prevented planting production guarantee for the Non-Irrigated corners.
- (G)(2) **Separate Production Reports Provided.** If separate records of acreage and production are provided for the Non-Irrigated corner(s) of a field planted to the insured crop and the portion of the field irrigated by a center pivot irrigation system, two practices will be considered as carried out. Separate APH's are required, separate line entries are required on the acreage report, and irrigated acreage is limited to the acreage contained in the center pivot irrigation system.

**6H Types of Yields.**

- H(1) **Acceptable Production Reports Filed.** When acceptable production reports for the crop, county, and insured person have been submitted by the PRD, the yield history will be updated with the following types of yields as applicable:
- (1)(a) Actual Yields from production reports or claims forms [See Sec. 10].
  - (1)(b) Applicable variable "T" Yields if less than four years of actual and/or assigned yields are available for the database. [See C(2)(a) of this Sec.]
  - (1)(c) Temporary Yield. The prior APH yield may be used ONLY as a temporary yield (by unit) for the most recent year in the base period if an insured is unable to finish harvest (due to an insurable cause), or records are unavailable from the processor, marketing outlets, etc., by the PRD. The temporary yield is considered an actual yield when determining the number of actual and assigned yields for APH calculation purposes. The temporary yield is valid for one year only. A production report indicating the actual yield for that year must be filed by the following year's production reporting date or assigned yield provisions will apply.

NOTE: **(NACAT →** Insureds using a temporary yield may retain optional units for the current crop year. **←NACAT)**

- (1)(d) Zero Planted Acres. For annual crops with zero planted acres (by unit, P/T/V), enter zero (0.0) in the Acres Column (Col. 17 FCI-19-A) and enter a Z in the Yield Column (Col. 18 FCI-19-A). Do not count a year of zero planted acres (by unit and by P/T/V if applicable) when determining the number of years of actual and assigned yields. The yield descriptor Z is entered in the database primarily to indicate continuity of production reports. If the (10 APH crop year) database requires removal of a zero planted year to provide space to retain an actual/assigned yield, remove the OLDEST zero planted year.
- H(2) **Acceptable Production Reports Not Submitted.** For carryover insureds when acceptable production reports are required but not submitted for all units, the database will be updated with the following types of yields, as applicable:

- (2)(a) Actual Yields and appraised potential production from loss claims, if any. [See Sec.10, C(1)(d).]
- (2)(b) Assigned Yields - 75% of the prior APH yield for the same unit (by area classification, P/T/V).
- (2)(c) Applicable variable "T" Yields if less than four years of actual and/or assigned yields are available for the database. [See C(2)(a) of this Sec.]

NOTE: **(NACAT →** The insured will not qualify for optional units unless loss records account for all units, or other exceptions apply [See Sec. 4, D(4)(a)1 and Exhibit 2]. **←NACAT)**

- H(3) **Submission of Prior Production Reports.** Insureds may submit (certify) production reports for crop years not previously certified provided continuity of production reports is maintained. Acceptable production reports must be submitted by the applicable PRD for the current crop year to be used for the current crop year. Such production reports are subject to APH field reviews and acceptable supporting records must be available.

**6I Yield Limitations.** Cups and yield floors are yield limitations that are designed to mitigate the effect of catastrophic years on APH yields. Cups are applicable for carryover insureds (**NACAT →**) and yield floors are applicable for new or carryover insureds insuring Category B APH crops with published "T" Yields (**←NACAT**). Cups and yield floors are administered by database (unit/P/T/V). To be eligible for a cup or a yield floor, the database must contain at least one actual yield or assigned yield. However, cups do NOT apply if yield substitution(s) under the Yield Adjustment Election are used to calculate the current or prior year's approved APH yield, if the prior year's approved APH yield was a yield floor, or if more than one year's production history (including zero planted) is added to the database.

I(1) **10 Percent Cup.** Databases meeting the requirements in the preceding paragraph (6I) and to which none of the exceptions listed in Par. I(6) apply, are eligible for cups. The approved APH yields, for such databases may not decrease by more than 10 percent compared to the previous year's approved APH.

I(2) **20 Percent Cap.** Caps for Category B APH Crops were discontinued beginning with the 2000 crop year.

**(NACAT →**

I(3) **Yield Floors.** When applicable, the approved APH yield will not fall below the yield floor. The yield floor is a percentage of the applicable "T" Yield based on the number of years of records the insured has provided for the crop and county:

MAXIMUM YIELD FLOOR % "T" Yield	YEARS OF RECORDS		
	1 year	2 - 4 years	5 or more
80%	70% of "T" Yield	75% of "T" Yield	80% of "T" Yield
90% Option*	80% of "T" Yield	85% of "T" Yield	90% of "T" Yield
100% Option*	90% of "T" Yield	95% of "T" Yield	100% of "T" Yield

\* Pilot available for some crops only in Minnesota, North Dakota, and South Dakota (must be elected on a crop/county basis by the applicable sales closing date and is continuous until canceled). Applicable option surcharge applies only to those databases where the yield floor is the approved APH yield (**←NACAT**).

I(4) **Yield Limitation Calculations.** For qualifying databases, approved APH yields are calculated using cups and/or (**NACAT →**) yield floors (**←NACAT**) as follows [see Exhibit 19 for Examples]:

(4)(a) Calculate the average APH yield using current APH procedures.

(4)(b) Apply the cup, if applicable, to the prior approved APH yield [see 6I]. If zero planted and the prior year's approved APH yield was cupped, calculate the cupped yield, if applicable, by multiplying the prior approved APH yield by .90.

- (4)(c) (NACAT → Calculate the yield floor.
- (4)(d) Determine the preliminary yield (and subsequent approved APH yield):
- 1 If a cup is NOT applicable, use the higher of the average APH yield or the yield floor.
  - 2 If cup applies, use the higher of the cupped yield or the yield floor. (←NACAT)
- I(5) **Determining Premium Rates.** Premium rates are determined differently when the approved APH yields are based on cupped yields (NACAT → or yield floors. (←NACAT) Rates are determined as follows when the approved APH yield is subject to:
- (5)(a) 10 Percent Cup (Category B and C). The rate is determined from the CUPPED YIELD and a five (5) percent surcharge is applied. For data processing purposes, a 10 percent yield limitation flag is used and the surcharge administered on a line entry basis. [See FCIC-M13, Data Acceptance System (DAS) Handbook.]
  - (5)(b) (NACAT → Yield Floor (Category B only). For yield-span/continuous rated crops, the rate is determined from the average yield; however, guarantees are based on THE YIELD FLOOR. For data processing purposes, an additional yield flag is required. For non-yield-span rated crops (rate maps, etc.), a five (5) percent surcharge is applied; however, guarantees are based on the yield floor. [See Manual 13, DAS Handbook.] (←NACAT)
- I(6) Cups do not apply to units (by P/T/V) if:
- (6)(a) A special case is referred to the RMA RO for yield determination (approved APH Yield) if:
    - 1 The Insurance Provider is NOT authorized to calculate the approved APH yield.
    - 2 The approved APH yield cannot be determined by the Insurance Provider.
    - 3 Required RMA RO yield determinations are waived by the RMA RO and the Insurance Provider is authorized to calculate the approved APH yield.
  - (6)(b) Nonactual yields are replaced with adjusted "T" Yields for high-risk or unratated land the first effective crop year.

(6)(c) Previously approved APH yields are corrected/changed. These include:

- 1 Revision of a previously reported actual yield based on acceptable, more accurate production records submitted by the insured, i.e., grade adjustments for onions.
- 2 Revision of APPROVED APH yields are required for the current crop year according to APH review procedure when discrepancies in production and/or acreage information are found during APH field reviews that cause APH yields to exceed established tolerances. [See Sec. 14.] If the approved APH yield does NOT require correction for the current crop year, cup procedures apply (for current and subsequent crop year when the yield is corrected).
- 3 Additional actual yields are submitted and accepted for year(s) other than the most recent APH crop year in the database. (Any assigned yields or "T" Yields are replaced with actual yields).
- 4 The initial year added land/P/T/V (by unit/P/T/V database) or new producer procedures are applicable.
- 5 When units/P/T/V's with established APH databases containing actual and/or assigned yields are combined or further divided. This does not include change in unit numbering only (the actual production history is not combined or divided.)
- 6 The initial year the Continuous Cropping (CC) approved APH yield is used in place of the Summerfallow (SF) approved APH yield for the SF practice.
- 7 The published "T" Yield decreases 10 percent or more and the published "T" Yield is required to calculate the approved APH yield ("T" Yield(s) are used to complete the 4-year database.)
- 8 Insurance Provider Errors. Incorrect application of procedure by Insurance Provider.

**6J** APH Provisions by Crop. The following procedures provide additional information for calculating APH yields for each crop listed.

J(1) Beans - Processing.

- (1)(a) Acceptable Supporting Records. A copy of the contract is required. Processor records must be settlement sheets showing tons delivered for payment (gross tons if there was no quality adjustment), grade, where specified on the actuarial table, and harvested acres. If farm management records are used to support production reports they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc.

(1)(b) Bypassed/Unharvested Acreage. If an indemnity is to be claimed, Insurance Providers **MUST** inspect the acreage and determine whether or not timely harvest was prevented directly due to adverse weather and make appraisals that accurately reflect the crop's potential production remaining in the field. If a notice of damage or loss is not filed and insured acreage will not be harvested, the insured should notify the Insurance Provider and request an inspection for APH purposes. Planted insurable acreage is used for APH purposes when acreage is bypassed/not harvested. Production for APH purposes is determined as follows:

- 1 If bypassed by the processor, records may indicate amounts of bypass payments, acres bypassed, reason for bypass and the basis for the bypass payment(s). **DO NOT** convert compensation received from the processor (bypass payment) to production for APH purposes.
- 2 Appraisals made for potential production (if any) remaining in the field on bypassed/unharvested acreage are used for APH. If the acreage was bypassed due to an insured cause, generally there will be no potential production remaining in the field (same production as would be used on a claim for indemnity). If unharvested (not bypassed due to an insured cause), the potential production should be appraised; however, it should not be identified as due to an uninsured cause of loss.
- 3 A separate appraisal must be made and identified as due to an uninsured cause of loss if the crop's potential production was reduced by an uninsured cause of loss. Appraisals identified as due to an uninsured cause of loss (failure to follow recognized good farming practices for the crop, neglect, mismanagement, etc.), are not used for APH.
- 4 If a claim for indemnity was completed and no potential production was determined (zero appraisal), then no production from the bypassed/unharvested acreage will be used for APH purposes (i.e., the acreage was bypassed due to an insured cause of loss and an uninsured cause of loss appraisal was **NOT** made).

J(2) **Coarse Grains: Corn, Soybeans, and Grain Sorghum.**

(2)(a) Acceptable Supporting Records. Settlement sheets, ledger sheets and assembly sheets must show gross production in pounds or bushels except for silage which must be in pounds or tons to tenths. [Refer to the FCIC- 25010 Loss Adjustment Manual and the FCIC-30080 Corn Handbook for additional silage record instructions.] Individual scale tickets may be used to support determinations for moisture, dockage, kernel damage, test weight, quality adjustment and unit division.

(2)(b) Quality Adjustment. To be eligible for quality adjustment, the following determinations must be made by a grain grader licensed by the Federal Grain Inspection Service or licensed under the United States Warehouse Act.

- 1 Corn: grades U.S. No 5 or worse because of test weight, damaged kernels (excluding heat damage) or having a musty, sour, or a commercially objectionable foreign odor.
- 2 Grain sorghum: grades U.S. Sample grade because of test weight, kernel damage (excluding heat damage) or having a musty, sour or commercially objectionable foreign odor (except a smut odor) or meets the special grade requirements for smutty Grain Sorghum.
- 3 Soybeans: grades U.S. Sample grade because of test weight, kernel damage (excluding heat damage) or having a musty, sour or commercially objectionable foreign odor (except a garlic odor) or meets the special grade requirements for garlicky Soybeans.

Note: To be eligible for quality adjustment due to the presence of substances or conditions that have been identified by the Food and Drug Administration or other public health organizations of the United States as injurious to human or animal health, the determination must have been made by a laboratory acceptable to RMA RO/Insurance Provider.

(2)(c) Insurable Corn Varieties. White, yellow, or mixed yellow/white corn, including waxy and high-lysine corn, predominate mixtures of high yielding yellow dent female plants with high-oil pollinators (at least 90 percent female and 10 percent male pollinators), and commercial varieties of high-protein hybrids, are insurable under the Corn Policy using published rates. Separate APH yields are not required.

(2)(d) **(NACAT →** Corn Varieties Requiring Written Agreements. All OTHER special purpose corn including high-amylose, high-oil or high-protein varieties not meeting the above requirements, flint, flour, Indian, blue, varieties genetically adapted for wildlife purposes, and other open pollinated corn may be insured at the additional coverage level by written agreement if coverage is not provided by the crop provisions. **←NACAT)**

(2)(e) Corn, Harvested and Appraised Production. For APH purposes, harvested production will be determined in bushels for acreage harvested as grain and in tons (to the nearest tenth) for acreage harvested as silage; however, the harvested production may require conversion to the type that is insured.

1 Grain/silage conversions, the bushel/tonnage conversion factor is .15 for harvested production. To convert bushels to tons, multiply bushels times the bushel/tonnage conversion factor (.15) and round to the nearest one-tenth ton. Example: 5,000 bushels X .15 = 750.0 tons. To convert tons to bushels, divide tons by the bushel/tonnage conversion factor (.15) and round to the nearest whole bushel. Example: 750 ton's ÷ .15 = 5,000 bu.

2 Appraised potential production (bushels or tons) for APH purposes must correspond to the insurable type(s) indicated on the acreage report for the same crop year.

(2)(f) Corn, grain-only counties are counties for which ONLY grain premium rates are provided by the actuarial table. All insurable corn acreage must be insured and reported as grain on the acreage report (**NACAT** → unless a valid written agreement authorized by the RMA RO provides silage coverage. ← **NACAT**) A variety of corn adapted for silage use only is NOT insurable as grain. The acres and production from such acreage will not be used for APH purposes unless such silage production is commingled with production from insurable acreage harvested as silage.

1 Approved APH Yields and APH appraisals are on a bushel (grain) basis. Acceptable production reports that have been provided on a grain or silage basis must be used for APH yield calculation purposes. Silage production (tons) must be converted to bushels of grain.

2 Appraisals which indicate potential production in bushels are required for APH purposes when less than 50 percent of the acreage on the unit will be harvested as grain and acceptable records will not be maintained/provided for the acreage harvested as silage; or, if at least 50 percent of the acreage will be harvested as grain and acceptable records will not be maintained/provided for the acreage harvested as grain. If such appraisals are not made, acceptable production records are not available and assigned yield provisions apply.

3 If an indemnity is claimed, the production from the claim (in bushels) must also be used for APH.

4 When at least 50 percent of the acreage is harvested as grain and acceptable production reports are provided for the acreage harvested as grain, if acceptable records were not maintained/provided for the acreage harvested as silage, the harvested grain actual yield is used to calculate the unit's APH yield.

5 **(NACAT →** [If a written agreement provides silage coverage and all acreage is insured as silage, see (2)(g)1 and 2. If some of the acreage is insured as grain and some is insured as silage, see (2)(h)3 below.] **←NACAT**)

(2)(g) Corn, silage-only counties are counties for which silage premium rates ONLY are provided by the actuarial table. All insurable Corn acreage must be insured as silage (reported as silage on the acreage report) **(NACAT →** unless a valid written agreement authorized by the RMA RO provides grain coverage. **←NACAT**)

1 APH Yields and APH potential production appraisals are on a tonnage basis. Acceptable production reports that have been provided on a grain or silage basis must be used for APH yield calculation purposes. Grain production must be converted to tons.

2 Appraisals which indicate potential production in tons are required for APH purposes when less than 50 percent of acreage on the unit will be harvested as silage and acceptable records will not be maintained/ provided for the acreage harvested as grain; or, at least 50 percent of the acreage will be harvested as silage and acceptable records will not be maintained/ provided for the acreage harvested as silage.

Note: If such appraisals are not made, acceptable production records are not available and assigned yield provisions apply.

a If an indemnity is to be claimed and the acreage will be harvested as grain, the actuarial table (Special Provisions) requires tonnage appraisals. The production from the claim must also be used for APH.

b When at least 50 percent of the acreage is harvested as silage and acceptable production reports are provided for the acreage harvested as silage and if acceptable records were not maintained/ provided, for the acreage harvested as grain, the harvested silage actual yield is used to calculate the unit's APH Yield.

c **(NACAT →** [If a written agreement provides grain coverage and all acreage is insured as grain, refer to (2)(f)1 and 2 above. If some of the acreage is to be insured as grain and some as silage, refer to (2)(h)3 below.] **←NACAT**)

(2)(h) Corn, grain and silage counties are counties for which the actuarial table provides both grain and silage premium rates. Both types are insurable. Insureds must report insurable acreage by unit and by type (grain or silage) according to the intended method of harvest; however, a variety of Corn adapted for use as silage only is not insurable as grain and must be insured as silage.

- 1 [If all insurable acreage is insured as grain, see Par. (2)(f)1 and 2 above for approved APH yield and APH appraisal instructions.]
- 2 [If all insurable acreage is insured as silage, see Par. (2)(g)1 and (2)(g)2 above for approved APH yield and APH appraisal instructions. See Par. (2)(g)2 a which is applicable in counties for which the Special Provisions of Insurance requires tonnage appraisals for claim purposes if non-irrigated acreage insured as silage is to be harvested as grain.]
- 3 A separate APH yield (database) must be established for grain and for silage when some of the acreage on the unit will be insured as grain and some will be insured as silage.

For each crop year that separate acceptable production records are available for grain and/or for silage, use the grain actual yields to calculate the APH yield for grain and the silage actual yields to calculate the APH yield for silage (by unit and IRR and NI practices).

For a crop year with only one type of production (silage or grain), complete the other type's database using zero planted acreage procedures. (The production for the type harvested is not converted and entered in the other type's database.)

- a An appraisal is required if acceptable production records of either type will not be maintained.
- b In counties for which the actuarial table contains premium rates for Non-Irrigated silage but does not provide premium rates for Non-Irrigated grain (**NACAT** → unless a written agreement has been approved to insure such acreage as grain ← **NACAT**), all insurable Non-irrigated acreage will be insured as Non-irrigated silage. If a loss is to be claimed on acreage insured as Non-Irrigated silage which will be harvested as grain, such acreage must be appraised in tons (as silage).
- c For carryover insureds with established databases:
- i If the type for which the databases were established, on a unit basis, is the same type as insured for the current crop year, update the database with the most recent APH crop year's production history using applicable procedures. It is not necessary to make adjustments/conversions to prior production history.
- ii If a different or additional type (applicable in grain and silage counties), on a unit basis, is insured for the current crop year than the type for which the database was established:



- 1 When completing the APH form, the acres entered in the acres column (Col. 17, FCI-19A) must be the acres considered planted (to cotton) by FSA. If the insured reported gross skip-row acres, multiply the acres reported by the appropriate percent planted factor (for the skip-row pattern carried out), round to the nearest tenth acre and enter the result in the acres column.
- 2 Acreage planted in different skip-row patterns requires use of the correct skip-row factor(s) for the year(s) in which the different patterns were carried out.
- 3 Acreage planted in more than one skip-row pattern requires use of an additional step to arrive at a solid planted yield. [See Exhibit 17, for Example.]
- 4 When a Non-Irrigated skip-row planting pattern is reported, the solid planted yield in the approved APH Yield block (Item 21) of the FCI-19A APH form must be multiplied by the appropriate skip-row yield conversion factor (for the skip-row pattern carried out) to determine the APH yield for skip-row acreage. The APH yield is then applied to the rate table to determine the rate.
  - a Agents are to transfer the factored skip-row yield calculation to the approved yield column (item 10 FCI-19) of the acreage report.
  - b The production guarantee for Non-Irrigated skip-row Cotton is calculated by multiplying the approved yield (item 10 FCI-19) of the acreage report by the percentage for the level elected (50, 55, 60, 65, 70, or 75%).
  - c When an APH yield has been established for a farm which includes other operators' production history, insureds may request that only their own production history be used. The RMA RO/Insurance Provider may approve such requests.

J(4) **Dry Beans.** [For additional information and procedures, see Exhibit 21.]

(4)(a) **Contract Seed Beans** ( includes Bush varieties for garden seed). The unit of measure is whole pounds of clean seed equivalent as derived from dollars per acre [see Exhibit 27 Par. 1M]. A copy of the seed company contract must be on file to show the contract price for each variety grown for the current crop year.

- 1 Acceptable supporting records are final settlement sheets specifying pounds of merchantable clean seed, any cull or mill tare poundage and the price paid or value of the respective production.
- 2 [For special APH procedures, see Exhibit 27. It addresses the production computation statement located on the Dry Beans Special Provisions of Insurance and includes examples of how to calculate the approved APH yield and entries required on the acreage report.]

(4)(b) Dry Edible Beans.

- 1 Acceptable supporting records are settlement sheets, ledger sheets and assembly sheets that show gross production of dry beans in pounds.
- 2 To be eligible for quality adjustment, **conversion factor** determinations in excess of 4 percent for dry edible (commercial) beans of the classes of pea and medium white, or any other classes of dry edible beans which do not grade No. 2 or better, must be made by a grain grader licensed by the Federal Grain Inspection Service.

J(5) **Dry Peas.** If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packers, first handlers, etc. Acceptable supporting records:

- (5)(a) **Smooth Green and Yellow.** Settlement sheets must show gross production, dockage and net production which grades #1 or better (or adjusted to #1 in accordance with policy provisions). Dockage is determined by loss adjustment methods currently in effect.
- (5)(b) **Lentils.** Settlement sheets must show gross production, dockage and net production which grades #1 or better (or adjusted to #1 in accordance with policy provisions). Dockage is determined by loss adjustment methods currently in effect.
- (5)(c) **Contract Seed Peas.** The unit of measure is whole pounds of clean seed equivalent as derived from dollars per acre. A copy of the seed company contract must be on file to show the contract price for each variety grown for the current crop year.

Production to count for yield determination will be final settlement sheets specifying pounds of merchantable clean seed, any cull or mill tare poundage and the price paid or value of the respective production.

NOTE: [See Exhibit 27] for additional procedures that:

- 1 Address the Production Computation Statement located on the Dry Pea Special Provisions of Insurance.
- 2 Include examples of how to calculate the approved APH yield and entries required on the acreage report.

J(6) **Forage Production.** [See Exhibit 25.] When forage is harvested as other than air dry hay, production to count must be adjusted to the equivalent of air dry hay. Documentation must show total production (harvested and unharvested) from planted and established acres. **Forage production records must be contemporaneous (i.e. generated during the same time period) with the harvesting, storing or feeding of the insured crop for each crop year reported.** Acceptable supporting records:

- (6)(a) **Sold Production.** Production reports must be substantiated by marketing records from a marketing outlet, processor, or buyer, such as, settlement sheets, certified weight tags, broker sales summaries or load receipts. These records must indicate buyer's name, net tons of forage produced, type, producer's name, and delivery date.
- (6)(b) **Farm-stored.** The following requirements must be met in addition to the requirements listed in Section 10 C (1) regarding APH record requirements:
- 1** Determinations of harvested production to be counted must be based on weights or measurements and conversion factors consistent with procedures used for loss adjustment.
  - 2** Records must be maintained on a unit/type basis.  
  
Dates of cutting/harvesting of forage, number of bales harvested, contemporaneous weight of bales from each cutting/harvest (weight must be based on average of at least 2 bales per/cutting/type/unit weighed, dated and signed by a disinterested third party. If weight unavailable, may use Alternate Method described in FCIC-25250 Forage Loss Adjustment Standards.)
  - 3** If contemporaneous records will not be maintained or the production is not measured after being placed in a storage structure, the insured may request an appraisal or inspection/measurement service from the insurance provider or other disinterested third party (at the insured's cost), such as FSA, prior to harvest or if all production for each cutting/harvest is still available for verification.
- (6)(c) **Fed (without being sold).** Fed records must specify the number of head, type of livestock (cattle, hogs, horses, sheep, etc., with weight estimated to the nearest 100 pounds for each type) and number of days fed. The following requirements must be met in addition to the requirements listed in [Section 10 C(2)] regarding APH record requirements:
- 1** Fed records are only acceptable for current year's production (e.g. insured cannot provide fed records from 1999 in crop year 2003) for establishing an APH unless those records can be verified through some means, i.e., commercial feeder with billing receipts verifying amount of fed production etc.
  - 2** Feeding records must be documented through a formal record system (e.g., RMA's Guidelines for a Production Record Management System) and generated during the time period production was fed to be considered acceptable and contain the following elements:
    - a** Date forage is fed
    - b** Amount fed on that date
    - c** Number of livestock fed on that date
    - d** Type and weight of livestock fed on that date
    - e** Type and/or unit should be notated.

Note: Separate APH yields are not required for spring and winter planted acreage of the same forage production types.

- J(7) **Onions.** If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc.
- (7)(a) Adjustments to Prior Years' Production. Prior years' total production reported as field-run must be adjusted to reflect applicable grade standards. Multiply the total field-run production for each crop year by a grade factor of .85 (generally not used for non-storage onions), or if the Special Provisions indicate other grade factor(s), use the applicable grade factor(s). After applying the applicable grade factor, recalculate the actual/assigned yields. Insureds that have reported field-run production and have acceptable supporting records indicating applicable grades may recertify such crop year(s). Grade adjustments to prior production history for carryover insureds will be considered corrections to APH yields; therefore, CUPS do not apply when calculating the approved APH yield for the crop year.
- (7)(b) Acceptable Supporting Records.
- 1 For production that is sold or delivered at time of harvest, settlement sheets must indicate gross weight (onion production minus dirt and foreign material) AND net sorted weight or graded weight with percent of pack based on applicable grade standards.
  - 2 Farm stored production, should be graded or production adjusted for APH purposes (using applicable grade factor) according to applicable grade standards prior to being placed in the storage structure, gross weight (onion production minus dirt and foreign material) or structure measurements indicating deductions for obstructions are acceptable.
  - 3 Measurements must be verifiable and definitive for sold, delivered, and farm stored records. For example:
    - a Unacceptable: 16 bins or 34 loads.
    - b Acceptable: bin = 1,500 Lbs. 16 bins @ 1,500 Lbs. = 24,000 Lbs. and 34 loads @ 24,000 Lbs. = 816,000 Lbs.
  - 4 If records certified by the PRD do not include the required grade information, applicable grade factors (.85 or as specified on the Special Provisions) must be used to convert field-run production to policy grade standards. If grade is certified after the PRD, it will be used when updating the next year's APH yield.
- J(8) **Green Peas.** If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc.
- (8)(a) Acceptable Supporting Records. A copy of the contract and/or settlement sheet must show planted acres, the contract price for the tenderometer reading, sieve size, or grade factor shown on the Special Provisions of Insurance for that type of pea, dollars received for peas delivered (exclusive of bonuses for acres, high production, split payment, late planting payment, etc., or deductions for seed, pesticides and their application, planting or harvesting), variety (specific name from the seed company) and acres harvested.

- (8)(b) Bypassed/Unharvested Acreage. Follow the instructions provided under Processing Beans [Par. J(1)(b) of this Sec.].
- (8)(c) For harvested delivered production, determine the production for APH by dividing the dollar amount received from the processor by the contract price per pound for the tenderometer or sieve size designated by the actuarial table.
- (8)(d) All dry pea production harvested from green pea acreage, provided the insured retains ownership of the dry peas, will be multiplied by 1.667 for shell types, 3.000 for pod types, and added to the total green pea production on the APH form. The total production is divided by the acreage originally planted to green peas.

J(9) **Popcorn.**

- (9)(a) Acceptable Supporting Records. A copy of the contract must show planted acres and the contract price. Processor records must be settlement sheets showing pounds of shelled popcorn. Any ear popcorn production must be converted to shelled popcorn. Production from yellow or white dent corn will be counted as popcorn on a weight basis. Individual scale tickets may be used to support determinations for moisture and quality adjustment.
- (9)(b) For quality adjustment, the processor records must indicate that the production has been rejected by the processor because it was not of merchantable popcorn quality.
- (9)(c) Separate production reports (yields) are required to establish or update an APH yield for the Irrigated (I) and Non-Irrigated (NI) practices.

Reserved

J(10) **Potatoes.** If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc.

(10)(a) Central and Southern Potato Crop Provisions. For the "Central" and "Southern" Potato states and counties: Alabama; Arizona; all California counties except Humboldt, Modoc, and Siskiyou; Delaware; Florida; Georgia; Maryland; Missouri; New Jersey; New Mexico; North Carolina; Oklahoma; Texas; and Virginia; marketable mature potatoes (except for production with external defects) will be considered production for APH.

- 1 Production that is sold or delivered at the time of harvest must include potatoes sold as seed, fresh market or processing potatoes, and account for culled potatoes.
- 2 Acceptable Supporting Records.
  - a Processed potatoes are settlement sheets that show first net weight (gross weight of potatoes minus dirt and foreign material).
  - b Fresh market and table stock potatoes are settlement sheets that show total pack-out weight (including overweight, over-pack, etc., if applicable), including culls. Potatoes harvested prior to full maturity may be increased by two percent per day for each day harvested prior to full maturity. The date the potatoes would have reached full maturity will be considered to be 45 days prior to the calendar date for the end of the insurance period, unless otherwise stated in the Special Provisions. Delivery records for early harvested potatoes must be retained by the insured.
  - c Seed potato record must show total weight sold.
  - d Farm stored production record must show the gross weight of stored potatoes if an inspection is not made prior to potatoes being placed in storage. A copy of the weight slips and production measurements must be provided.
  - e Claims for indemnities are used for APH. In the settlement of a claim, production to count will be increased by two percent of the amount of harvested production for each day the potatoes were harvested prior to full maturity. This adjustment will not be made if :
    - i Potatoes are damaged by an insurable cause of loss; and
    - ii Leaving them in the field would reduce production or decrease quality.

(10)(b) Northern Potato Crop Provisions. For the following states and counties: Alaska; Humboldt, Modoc, and Siskiyou Counties, California; Colorado; Connecticut; Idaho; Indiana; Iowa; Maine; Massachusetts; Michigan; Minnesota; Montana; Nebraska; Nevada; New York; North Dakota; Ohio; Oregon; Pennsylvania; Rhode Island; South Dakota; Utah; Washington; Wisconsin; and Wyoming.

- 1 Acceptable Supporting Records. Production that is sold or delivered at the time of harvest must include potatoes sold as seed, fresh market or processing potatoes, and account for culled potatoes. Refer to note below for further clarifications on adjustments of production that may also be applicable. Acceptable supporting records for:
- a Processed potatoes are settlement sheets that show first net weight.
  - b Fresh market and table stock potatoes are settlement sheets that show total pack-out weight (including overweight, over-pack, etc., if applicable), including culls.
  - c Farm stored production must show the gross weight of stored potatoes if an inspection is not made prior to potatoes being placed in storage. A copy of the weight slips and production measurements must be provided.

Note: Only production to count as determined under the basic Potato Crop Provisions is used for APH (i.e., adjustments for tuber freeze, soft rot, or loss of bulking due to harvest prior to full maturity); further reduction in production to count documented on the claim for indemnity via one or more of the quality or storage endorsements is not included in determination of APH production. Potatoes harvested prior to full maturity may be increased by two percent per day for each day harvested prior to full maturity. The date the potatoes would have reached full maturity will be considered to be 45 days prior to the calendar date for the end of the insurance period, unless otherwise stated in the Special Provisions. This adjustment will not be made if potatoes are damaged by an insurable cause of loss, and leaving them in the field would reduce production or decrease quality. Delivery records for early harvested potatoes must be retained by the insured.

- 2 Northern Certified Seed Potato Endorsement. To qualify for this endorsement, the three most recent years of certified seed potato acreage and production must be furnished to the Insurance Provider.

The production guarantee for acreage covered under the endorsement is the same production guarantee applicable to the acreage insured under the basic Northern Potato policy. However, the amount of acreage insured the current crop year cannot be greater than 125% of the average number of acres entered into and passing certification in the potato certified seed program in the three previous calendar years unless authorized by a written agreement. If more than the number of acres are entered into the certification program, the certified seed production guarantee for the current crop year will be reduced as follows:

- a Multiply the average number of acres entered into and passing certification in the potato certified seed program the three previous calendar years by 1.25 and divide this result by the number of acres grown for certified seed the current crop year;
- b Multiply the result above (not to exceed 1.0) by the production guarantee for certified seed for the current crop year.

Note: If insured under the Northern Certified Seed Endorsement, the most recent three years of certified seed potato acreage and production must be furnished to the Insurance Provider. These records must indicate the number of acres entered into and acres accepted by the potato seed certification program administered by the state in which the seed is grown.

3 Quality Adjustments:

- a If a claim is filed under the Northern Potato Crop Provisions, and the production is eligible for a price comparison method of quality adjustment for tuber rot or tuber rot and freeze, use the production determined on the claim for indemnity for APH.
- b If production does not qualify for a price comparison, field run production is multiplied by the tuber rot factor and/or freeze factor and used for APH purposes.
- c If a claim is filed under the Northern Storage Coverage, Quality, or Processing Quality Endorsement and the production qualifies for a price compare method of adjustment under the terms of the endorsement, use field run production for APH purposes.

Note: If tuber rot in excess of 5.0 percent becomes apparent during storage and is covered by the storage endorsement, then only the freeze factor (if applicable) is used.

If a claim is filed in which production adjustment is indemnified according to the basic provisions AND one or more of the endorsements, use ONLY the adjusted production as determined according to the basic potato crop provisions for APH.

- 4 Northern Potato Quality Endorsement and Northern Potato Processing Quality Endorsement. If insured under either endorsement, marketing records or records determined at the time of harvest prior to potatoes being placed in storage MUST indicate the percentage of potatoes grading U.S. No. 2 or better (or as otherwise specified in the actuarial documents). The percentage factor (PF), as stated on the Northern Potato Quality Endorsement, will be based on the actual average percentage (AAP) of Potatoes grading U.S. No. 2 or better (as specified on the actuarial documents) as determined from the insured's records if four or more years of acceptable records are available. If less than four years of acceptable records are available, the percentage factor will be calculated as follows:

*YEARS ACTUAL PERCENTAGE RECORDS	ACTUAL AVG. PERCENTAGE (AAP)	+ - + +	**DEFAULT PERCENTAGE (DP)	÷ ÷ ÷ ÷	PERCENTAGE FACTOR (PF)
0	(0 AAP)	+	(4 DP)	÷	4 = PF
1	(1 AAP)	+	(3 DP)	÷	4 = PF
2	(2 AAP)	+	(2 DP)	÷	4 = PF
3	(3 AAP)	+	(1 DP)	÷	4 = PF

\*Use of loss records showing the percentage of Potatoes meeting the grade designations stated above must be used as an actual year of records for any year in which we determine the percentage of Potatoes meeting the stated grades.

\*\*The default percentage is:

THE GRADE PERCENTAGE(S) BY GROUP, FRESH MARKET OR PROCESSING, TYPE, AND GRADE NO.(S), AS APPLICABLE, FROM THE COUNTY ACTUARIAL DOCUMENT.

J(11) **Rice.**

(11)(a) Acceptable supporting records are settlement, ledger, and assembly sheets that show gross production in tons, hundredweight or pounds. Individual scale tickets may be used to support determinations for moisture, test weight, dockage, quality adjustment and unit division.

(11)(b) Quality Adjustment. To be eligible for quality adjustment, the following determinations must be made by a grain grader licensed by the Federal Grain Inspection Service Inspection Service.

1 Milling yield.

2 Chalky kernels.

3 **Red Rice.**

(11)(c) Rice is insured only under a flood irrigated practice.

(11)(d) Harvested production from regrowth is counted as production for APH yield purposes.

J(12) **Safflower, Sunflower Seed, and Canola/Rapeseed.**

(12)(a) Acceptable supporting records are settlement sheets, ledger sheets, and assembly sheets that show gross production of the commodity in pounds.

(12)(b) Safflower Quality Adjustment. To be eligible for quality adjustment, seed damage for Safflower must be made by a grain grader licensed by the Federal Grain Inspection Service or by a laboratory approved by RMA with regard to substances or conditions injurious to human or animal health.

(12)(c) Special Production Reporting/APH Yield Requirements. Separate production reports (yields) are required to establish or update APH yields for Oil (OIL includes birdseed) and Non-Oil types of Sunflower Seed, IF separate (different) "T" Yields are shown on the actuarial table for Oil and Non-Oil types. When different "T" Yields are applicable, Oil and Non-Oil databases (production records) may be used to establish the initial approved APH yield. In subsequent crop years, Oil and Non-Oil acres and production must be reported separately.

Note: If different "T" Yields are not shown on the actuarial table, separate Oil and Non-Oil databases are not required. However, if separate price elections for Oil and Non-Oil types have been established, separate line entries are required on the acreage report.

J(13) **Small Grains: Wheat, Barley, Oats, Rye, and Flax.**

(13)(a) Acceptable Supporting Records. Settlement sheets, ledger sheets and assembly sheets must show gross production in pounds or bushels. Individual scale tickets may be used to support determinations for moisture, dockage, kernel damage, test weight, quality adjustment and unit division.

**Note: Production from hay-type barley is not insurable and is not acceptable for APH purposes.**

(13)(b) Quality Adjustment. To be eligible for quality adjustment:

- 1 The following determinations indicated by an X, must be made by a **grain grader** licensed by the Federal Grain Inspection Service or **by a licensed grain grader** licensed under the United States Warehouse Act.

	<b>Wheat</b>	<b>Barley</b>	<b>Oats</b>	<b>Rye</b>	<b>Flax</b>
Sound kernels		X	X		
Damaged kernels	X	X		X	X
Shrunken & broken kernels	X				
Thin kernels		X		X	
Black kernels		X			
Smutty, garlicky or ergoty grain	X	X	X	X	X
<b>Musty, sour or commercially objectionable foreign odor. Refer to Special Provisions.</b>					<b>X</b>

- 2 Due to the presence of substances or conditions, including mycotoxins, identified by the Food and Drug Administration or other public health organizations of the United States as injurious to human or animal health, the determination must have been made by a laboratory acceptable to the RMA RO/Insurance Provider.

(13)(c) For fall-planted Wheat or Barley in counties for which there is only a spring final planting date, insurance attaches to the fall-planted crop **ONLY** if an adequate stand exists on the final spring planting date and the Insurance Provider agrees to insure the acreage. Insureds must report all planted acreage on which insurance attached for APH purposes.

(13)(d) The Wheat Winter Coverage Endorsement (Option A or B) is available in all counties that have both a fall and spring planting date. If the Wheat Winter Coverage Endorsement is **NOT** selected and Winter Wheat (WW) is damaged after the final planting date to the extent that producers in the area would not normally further care for it, the acreage must be seeded to an appropriate type of the crop in order for insurance to continue. The production from such acreage will count for the WW crop.

- 1 If Option A or B is elected, an appraisal reflecting the crop's potential production is required for APH purposes prior to destroying WW or putting it to another use. The acres and appraised potential production then must be used to calculate the WW APH yield. [See Exhibit 29 for a flow chart outlining acres and production used for APH when Option A or B has been selected.]
  - a For Option A, if the appraised potential production is less than 70 percent of the production guarantee, additional production is accessed that, when considered with the appraised potential production, equals 70 percent of the production guarantee. Only the appraised potential production is used for the WW APH. Additional production accessed for the policy provision is not used. For example: The production guarantee is 50 bu. per acre; therefore, the minimum production to count under Option A is 35 bu. per acre. The appraised potential is 10 bu. per acre and 25 bu. per acre is attributed to the policy provision. The 10 bu. appraised potential production is used for the WW APH if the acreage is destroyed or put to another use.
  - b For Option B, the appraised potential production is used for WW that is destroyed or put to another use.
- 2 Under Option A or B, once an appraisal is made and the WW acreage is released, the insured may:
  - a Destroy the WW and plant the acreage to another crop.
  - b Destroy the WW and plant the acreage to Spring Wheat (SW) and:
    - i Insure the SW as a separate optional unit. In this case, the appraised potential production is used for the WW APH. The acres and production from the SW are used for the SW APH unless the production is commingled with WW production. [If the production is commingled, see iii below.]
    - ii Not insure the SW. In this case, the appraised potential production is used for the WW APH. The SW is uninsured and the acres and production are NOT used for the APH unless the production is commingled with production from an insured unit (either WW or SW).
    - iii If the SW production is commingled with WW production, the SW acreage will be considered to be a part of the original WW unit. The acreage originally planted to Winter Wheat and the acreage planted to Spring Wheat and the appraised production (WW) and Spring Wheat production will be used for the Winter Wheat APH.

- (13)(e) Short Rate. Acreage initially insured that qualifies for the short rate (applies to Additional Coverage and CAT policies) and was removed from insurance coverage (acreage report revised to indicate the short rate) is not used for APH purposes unless the acreage is harvested and the harvested production is commingled with production from insured acreage.
- (13)(f) Barley or Oat small grain mixtures planted for harvest as grain are insurable as the crop which is predominant on a weight basis in the mixture, if the predominant crop is insured. The applicable crop designation (Barley or Oats) must be indicated on the acreage report.
- (13)(g) Malting Barley approved APH yields are determined differently depending on whether Option A or Option B under the 96-91B Malting Barley Price and Quality Endorsement has been selected. [See Exhibit 22 for additional APH instructions for Malting Barley Price and Quality Endorsement procedures.]
- (13)(h) Special production reporting/APH requirements:
- 1 Malting Barley [see Exhibit 22].
  - 2 Durum and Spring Wheat. If the Durum Wheat price election is shown on the actuarial table:
    - a If a producer has not grown Durum Wheat or the production has been commingled between other Spring Wheat and Durum Wheat, the Spring Wheat records (databases/production records) may be used to establish initial databases and approved APH yields for Durum Wheat.
      - i For subsequent crop years, Durum and Spring Wheat must be reported separately for APH.
      - ii If Durum and Spring Wheat are planted, separate line entries by P/T/V are required on the acreage report.
    - b If separate production records have been kept for Durum and Spring Wheat, keep the records separate for each type's database.
  - 3 Summer fallow (SF) APH yield instructions. This procedure is applicable in counties with separate published "T" yields for SF and CC practices. If the SF database contains less than three years of actual and/or assigned yields, the approved APH yield for the SF practice will be the higher of the APH yield calculated for the summer fallow practice using variable "T" yields or the approved APH yield calculated for the continuous cropping (CC) practice if a CC practice has been carried out on the same unit. Note: If the SF practice will be carried out on added land or it qualifies as an added practice on an existing unit, it may qualify for use of an

approved APH SF yield derived from SA "T" Yield to establish the database [See Exhibit 36 for details]. If eligible and the insured elects this option, the database must be updated in subsequent crop years with SF actual/assigned yields (Policyholders cannot switch to the higher of the variable SF "T" Yield or CC Yield in subsequent years).

- a Determine the yield for the SF practice. If a CC practice has been carried out on the same unit, determine the CC practice's yield using the current APH procedure. Compare the two yields. The approved APH yield for the SF practice is the higher of the approved APH yield for the CC practice or the yield calculated for the SF practice. If the CC yield is higher, the information in the CC database is duplicated and reported to RMA as the SF practice. However, production history for the SF practice must be retained and used to update the SF database according to the applicable APH procedure for subsequent crop years. This method applies until the SF practice contains at least three years of actual or assigned yields. [See Exhibit 20 for examples.]
- b Once the SF database contains three years of actual and/or assigned yields, it will be used to calculate the approved APH yield for the SF practice according to applicable subsequent crop year APH procedure.

J(14) **Sugar Beets.** If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc.

(14)(a) **Acceptable Supporting Records.** Sugar company delivery records or settlement sheets must show net paid tons of beets delivered and percent of sugar.

(14)(b) **Adjustments to Production.** Sugar beet production for APH is adjusted by taking net paid tons times percent sugar divided by county percent sugar factor found in the Special Provisions. The APH certification process is also used for Sugar Beets (verifiers are not authorized to use additional years' history which may be available from the processor).

(14)(c) **Pre-acceptance inspections are required for California Sugar Beets (except Imperial County)** when the application was signed after insurable acreage was planted.

J(15) **Sugarcane.** If farm management records are used to support production reports, they must be substantiated by records from the boiling house (mill). Unit of measure is whole pounds of raw sugar.

(15)(a) **Acceptable Supporting Records.** Boiling house (mill) records must show net tons, net tons per acre, or net pounds of raw sugar.

- 1 Raw sugar production indicated in net tons must be multiplied by 2000 to determine pounds of raw sugar. Pounds of raw sugar are then entered in column 16 of the APH form.

- 2 Appraised potential production used for APH purposes must also be determined in net pounds of raw sugar. Formula: Appraised tons per acre X percent-of-sugar factor X 2000 = potential production in pounds of raw sugar. The percent-of-sugar (sucrose) must be determined from: 1) field samples from the same field made by the mill, 2) acreage harvested from the same field, or 3) the percent-of-sugar as indicated by a factor on the County Actuarial Table, if the percent-of-sugar from 1) or 2) is not available. Enter the percent-of-sugar in item 19 of the APH form which was used to adjust the production for the most recent crop year in the base period.

Note: Appraised potential production indicated on claims for indemnities will be in pounds of raw sugar.

- (15)(b) Sugarcane cut for seed. The insured must notify the Insurance Provider at least 15 days before cutting any sugarcane for seed. The notice must include the unit number and the number of acres the insured intends to cut for seed.

- 1 If proper notice is given, the applicable approved APH yield for the current crop year, will be used as appraised potential production for the acreage cut for seed unless a field appraisal was made. Insureds may request a field appraisal if they feel the approved APH yield does not accurately reflect the acreage's potential production. If a field appraisal is made, the appraised potential production (either for APH or claim purposes) will be used for acreage cut for seed.

- 2 If the proper 15-day notice is not given, insurable acreage cut for seed will be considered put to another use WITHOUT consent. The applicable **production guarantee per acre** for the current crop year will be applied as an UNINSURED cause of loss and used for claims purposes only. The insurable acreage cut for seed will be used for APH purposes; however, the uninsured cause of loss appraisal is not.

- (15)(c) Lag Year Instructions. Sugarcane records are generally not available by the cancellation date for the most recent crop year. Therefore, there is a one-year lag in the database; for example, for the 2002 crop year, the base period will begin with the 2000 crop year and may contain up to 10 APH consecutive crop years (begin with 2000 and work backwards). Because of the lag year, adjustments are necessary to advance the percentage of the variable "T" Yields when sugarcane was produced in 2001 to assure equitable APH yields compared to other Category B APH Crops.

- 1 Added land provisions apply to units on which the insured have not actively engaged in farming for a share of the crop's production for more than two crop years prior to the 2001 crop year. [See Exhibit 36.]

- 2 "New Producer" procedures apply if a person was not actively engaged in farming for a share of the sugarcane production for more than **TWO CROP YEARS** prior to the 2001 calendar year. [See Exhibit 37.]
- 3 For units (by practice) on which sugarcane was produced for the 2001 crop year, 2001 is recognized as a crop year with actual yields available, even though they cannot be reported until the 2003 crop year. For new insureds who elected to provide production reports and for carryover insureds who do not qualify as a "New Producer" or the acreage does not qualify as added land, determine the applicable percentage of the "T" Yield as follows:
- a If no production history prior to the 2001 crop year can be provided and assigned yield provisions do not apply, the APH Yield is 80 percent of the applicable "T" Yield. The APH database is completed using four 80 percent "T" Yields.
- b If one actual/assigned yield (example: 2000) is applicable, the APH database is completed using one actual/assigned yield and three 90 percent "T" Yields.
- c If two actual/assigned yields (example: 2000 and 1990) are applicable, the APH yield is calculated using two actual/assigned yields and two 100 percent "T" Yields. Two actual/assigned and two 100 percent "T" Yields are entered in the database.
- d If three actual/assigned yields (example: 2000, 1999 and 1999) are applicable, the APH yield is calculated using three actual/assigned yields and one 100 percent "T" Yield. The three actual/assigned yields and one 100 percent "T" Yield are entered in the database.
- e For carryover insureds, yield limitations apply on a unit basis (by practice) when using the special lag year procedures.
- f Use the yield descriptors as indicated [Par. D of this Sec.] to identify each yield entered in the APH databases.
- J(16) **Sweet Corn (Processing)**. If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc.
- (16)(a) Acceptable Supporting Records. A copy of the contract must show planted acres and the contract price. Processor records must be settlement sheets showing tons delivered for payment (gross tons if there was no quality adjustment), grades (where specified on the actuarial table) and harvested acres.
- (16)(b) Bypassed/Unharvested Acreage. [Follow the instructions provided under Processing Beans, Par. J(1)(b) of this Sec.]

J(17) **Tobacco (Guaranteed Production Policy)** (Types 41 and 32 PA; 51 and 61 CT; 51, 52 and 61 MA; and 32 MD). If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc. Acceptable supporting records:

(17)(a) Sold Production. Tobacco warehouse records must show total pounds sold. For APH purposes, when harvested production for the unit is damaged due to insurable cause(s) and:

- 1 Has a value less than the market price, the APH production is adjusted by dividing the average value per pound for the unit by the market price per pound for the type and multiplying that result by the number of pounds of the damaged production.
- 2 Has no market price available for the grade harvested, the APH production will be reduced 20 percent for each grade the production falls below the lowest marketable grade with a market price.

(17)(b) Carryover Tobacco. Harvested production which was not sold in the crop year produced is also used for APH purposes; however, carryover Tobacco production must be substantiated by records from a third party such as FSA or the Insurance Provider/RMA RO.

J(18) **Tomatoes (Fresh Market Guaranteed Production)**. If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc. The unit of measure is 25-pound carton equivalent to the nearest whole carton unless otherwise specified in the Special Provisions. Certified records may include a printout or receipt from each first handler of the crop for that crop year. A printout or receipt from a packing shed, processor, auction, marketing cooperative, jobber, commission merchant, sales broker, pick records [see Sec.10, C(4) for acceptable pick records] or a warehouse receipt which shows total production and date of transaction is acceptable. Bin count, cartons, crates, bushels or pounds must be converted to the equivalent of 25-pound cartons unless otherwise specified in the Special Provisions.

J(19) **Tomatoes (Processing)**. If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc. Statements or contract summaries from processors must indicate the quantity of paid No. 1 fruit.

NOTE: Only one approved APH yield is required for Hand-Harvest and Machine-Harvest practices.

**J(20) Millet.**

- (20)(a) Acceptable supporting records. Settlement sheets, ledger sheets and assembly sheets must show gross production in pounds or bushels. Individual scale tickets may be used to support determinations for moisture and quality deficiencies, quality adjustment and unit division.
- (20)(b) Quality Adjustment. To be eligible for quality adjustment, the following determinations must be made by a grader or by a laboratory approved by RMA RSO/Insurance Provider.
- 1 Deficiencies in quality, result in the millet weighing less than 50 pounds per bushel; or
  - 2 Substances or conditions are present that are identified by the Food and Drug Administration or other public health organizations of the United States as being injurious to human or animal health.

J(21) Reserved.

**7 CATEGORY C APH CROPS ( PERENNIAL CROPS)**

Almonds, Apples, Arizona-California Citrus, Blueberries, Cranberries, Figs, Grapes, Macadamia Nuts, Peaches, Pears, Plums, Prunes, Stonefruit (Apricots, Nectarines and Peaches), Table Grapes, Texas Citrus Fruit and Walnuts are Category C APH crops.

**7A Related Handbooks**

A(1) **FCIC-M13 DATA ACCEPTANCE SYSTEM HANDBOOK**

A(2) **FCIC-25010 LOSS ADJUSTMENT MANUAL**

A(3) **OTHER RMA APPROVED HANDBOOKS**

A(4) **PERENNIAL CROP TRANSITIONAL YIELD MANUAL AND ACREAGE TOLERANCES**

**7B Definitions.** [See Sec. 3]

**7C Responsibilities** [See Sec. 5]

**7D General Instructions.** To be eligible for coverage, minimum requirements for insurability stated in the crop policy must be met (i.e., age, production, or a combination of age and production). Insurability requirements will be verified through the use of a certification process requiring Producer's Pre-Acceptance Worksheet(s) or pre-acceptance field inspections performed by the Insurance Provider or by RMA RO. "T" Yields are available for all Category "C" crops.

D(1) **Approved Yields.** Insurance Providers are required to calculate and approve APH yields for all Category C APH crops (including Blueberries in Maine, Mississippi, New Jersey, and North Carolina and Texas Citrus Fruit) unless the Pre-Acceptance Field Selection Criteria is met or exceeded [See Par. F(2) of this Section]. If the Pre-Acceptance Field Selection Criteria are met or exceeded, Insurance Providers may calculate the approved APH yield only if the RMA RO has issued guidelines authorizing them to calculate the approved APH yield [see par. F(3)]. The RMA RO will determine the approved APH yields for cases requiring Pre-Acceptance Field Inspections [See Par. F(1)] and cases meeting Pre-Acceptance Field Selection Criteria [See Par. F(2)] unless the RMA RO has issued guidelines that authorize the Insurance Provider to calculate the approved APH yield.

D(2) **Preliminary Yields.** For **new** insureds, agents/representatives ARE REQUIRED to calculate preliminary APH yields for all Category C APH crops (Texas Citrus Fruit beginning with the 2001 policy crop year). [See Sec. 5, Par. A for detailed responsibilities of the agent/representative.]

- D(3) **Acreage Determination.** All acreage measurements for perennial crops will be based on land acres (i.e., planimetered, wheeled/taped) 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 determinations, 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:
- (3)(a) Determination of the acreage of different types, varieties, interplanted crops within a particular tract of measured acreage. The sum of the parts must be equal to the measured acreage.
  - (3)(b) Determination of the acreage 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)(c) 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.
- D(4) **Base Periods.** The base period for each APH database is determined by consecutive APH CROP YEARS, not calendar years, and consists of:
- (4)(a) Ten consecutive APH crop years immediately preceding the current crop year defined in the applicable insurance policy for Almonds, Blueberries, Cranberries, Figs, Grapes, Pears, Plums, Prunes, Stonefruit (Apricots, Nectarines and Peaches), Table Grapes, and Walnuts.
  - (4)(b) Ten consecutive APH crop years preceding the crop year immediately preceding the current crop year (a lag year) defined in the policy for Arizona-California Citrus, Texas Citrus Fruit, and Macadamia Nuts.
  - (4)(c) Five consecutive APH crop years immediately preceding the current crop year defined in the applicable insurance policy for Apples and Peaches.

**7E** **Producer's Pre-Acceptance Worksheet.** Each applicant/carryover insured, except for new insureds (policies) for Texas Citrus Fruit and Blueberries, must certify underwriting information by the PRD by completing, signing, and dating Producer's Pre-Acceptance Worksheet(s) for each Category C APH crop insured. For Texas Citrus Fruit and Blueberries, carryover insureds must provide Producer's Pre-Acceptance Worksheets. The Producer's Pre-Acceptance Worksheet is a self-certification form that must be completed in an acceptable manner and submitted each crop year by the producer. It may be necessary for the agent/representative to assist the producer in the form's completion in order to obtain the required information. The information provided on the worksheet is used to annually determine the insurable acreage on the unit for the current crop year, indicate whether a complete field inspection is needed, or provide other important data that may affect the APH yield or insurability of the crop.

- E(1) **Completion Requirements.** If the applicant/insured either does not complete or does not complete in an acceptable manner the Producer's Pre-Acceptance Worksheet, Insurance Providers must obtain the required information, make pre-acceptance field inspections to determine the required information, or deny coverage for the crop year. Based on the actual yields submitted or the information certified, a pre-acceptance field inspection may be required [See Par. F(2) for Pre-Acceptance Field Inspection Selection Criteria].
- E(2) **Insurance Providers must monitor** Producer's Pre-Acceptance Worksheets to assure they are completed in an acceptable manner. In order to verify accurate completion, the Insurance Provider must perform field reviews on at least five percent of the worksheets. Reviews of Producer's Pre-Acceptance Worksheets completed when pre-acceptance field inspections are performed (e.g., acreage tolerance, high actual yield variability, etc.) may be used to meet this requirement when accurately documented.
- E(3) **Completion Instructions.** The following items must be completed on the self-certified inspection forms.

Item No.

- (1) Enter the applicant/insured's full name.
- (2) Enter the applicant/insured's policy number.
- (3) Enter the unit number.
- (4) Enter the name of the insured crop.
- (5) Enter the name of the state in which the acreage is located.
- (6) Enter the legal description of the land, if applicable.
- (7) Enter the policy crop year for which the Pre-acceptance Worksheet is being completed.
- (8) Enter the name of the county in which the acreage is located.

- (9) Enter the FSA Farm Serial Number, if applicable.
- (10) Divide the orchard, vineyard, bog etc. into as many blocks as needed to facilitate collection and reporting information. [See individual Crop Block Requirements for block worksheet instructions]. Separate blocks by type/practice, variety, age, and density if practical. Prepare a sketch map showing the location of each block designated by a unique number. Enter these numbers in column #10. Complete the items applicable to the crop (10-21) for each block. Calculate an APH yield for each block. [See Block Production Worksheet, Par. 71.]
- (11) Enter the year trees, vines, bushes, etc., were set out or the year the block was grafted to the current variety. For Texas Citrus Fruit, if trees were dehorned within the last 8 policy crop years, enter "dehorned" and the month and year of dehorning.
- (12) Enter the number of acres to tenths (0.10) determined using only planimetered, wheeled/taped measurement methods. For cranberries, use acres from bog maps recorded with the marketing organization (e.g., Ocean Spray, Cliff Star, etc.).
- (13) Enter the name(s) of the variety(ies)/type contained in this block.
- (14) Enter the number of bearing plants (trees, vines, bushes, etc.) which make up this block (NA cranberries).
- (15) Enter the average tree spacing/pattern observed within this block (example 18.5 X 20) (NA cranberries).
- (16) Enter the average pruning height (peaches only).
- (17) Calculate the percent stand by dividing the number of bearing trees/vines/bushes in item 14 by the product of density in item 18 multiplied by Acres in item 12. (Item 14 ÷ [Item 18 X Item 12]) (NA cranberries).
- (18) Calculate the plant density (number of trees/vines, etc., per acre) as follows: number of square feet per acre ÷ number of square feet per tree (based on the current planting pattern). For example, based on a tree spacing of 20 X 20 = 400 square ft., the number of trees per acre is calculated as 43,560 square ft. per acre ÷ 400 square ft. per tree = 109 trees per acre. Or, if trees are being interplanted as a part of a tree replacement program and the spacing changes to 10 X 20 = 200 sq. ft., per tree, the correct density becomes 43,560 sq. ft. per acre ÷ 200 sq. ft. = 218 trees per acre (NA cranberries).
- (19) Designate if the block is irrigated by entering IRR or NI by entering NI.

- (20) Designate if this block has met policy minimums for insurability if applicable, (e.g., 150 bushels/250 boxes for Apples, fourth leaf on Peaches, etc.).
- (21) Designate by block whether the varieties are spur type or nonspur type (Apples only).
- (22) **IMPORTANT:** Prior to answering this question, the average yield from the preliminary APH based on certified data must be calculated. If the applicant/insured answers "YES" to this question, a field inspection and hard copy records of acreage and production are required.

For Texas Citrus Fruit, if trees have been dehorned within the last 8 policy crop years, insureds should answer "YES." If the acreage was dehorned prior to the **current** crop year and the dehorned acreage **has been inspected** and accepted it will not be necessary to **re-inspect the acreage** and require hard copy records of acreage and production (unless productivity is reduced compared to the **year it was inspected**).

**For Grapes insured in California under the Grape Crop Provisions (053), when Pierce's disease is evident or vines are removed in scattered pattern, the APH yields must be reduced to reflect the expected reduction in yield potential. For new insureds, if the producer indicates the previous occurrence of such disease or other damage, the Insurance Provider must determine if Pierce's disease was evident on ANY of the acreage during the year preceding the sales closing date. If so, insurance must be denied for any grape variety grown on such acreage or acreage that is contiguous to acreage where the disease is evident.**

- (23) If the producer is using organic farming practices or another non-conventional practice and answers "YES" to this question, a field inspection and hard copy records of acreage and production are required.
- (24) If the producer does not have an adequate water supply and answers NO to this question, a field inspection and hard copy records of acreage and production are required.
- (25) The applicant/insured must review certified data and accompanying certification statement and sign and date the form.



**7F Pre-Acceptance Field Inspections.** Pre-acceptance field inspections are underwriting tools primarily designed to establish insurability of the crop, evaluate the risk to be assumed by the Insurance Provider, and verify underwriting information provided by the producer. When Producer's Pre-Acceptance Worksheets are required, pre-acceptance field inspections may be made if applicants/insureds either do not complete or do not complete Producer's Pre-Acceptance Worksheets in an acceptable manner [See Par. E(1)].

F(1) **Required Pre-Acceptance Field Inspections.** Insurance Providers must perform pre-acceptance field inspections:

(1)(a) For a specified county crop program, if notified in writing by RMA in Kansas City that pre-acceptance field inspections are required.

(1)(b) When requested by the RMA RO in conjunction with RMA RO determined yields. The RMA RO is authorized to request a pre-acceptance field inspection if one has not been performed, or if one has been submitted as required according to the following chart and a new field inspection is necessary for the RMA RO to determine an accurate approved RMA RO determined yield.

(1)(c) As required by the following chart.

CROP	INSURED/STATUS		
	NEW INSURED	NEW OR CARRYOVER INSURED & SELECTED BY PRE- ACCEPTANCE FIELD SELECTION CRITERIA <sup>1/</sup>	NEW OR CARRYOVER INSURED & DAMAGE HAS OCCURRED TO TREES/ VINES /BUSHES / BOG OR CULTURAL PRACTICES HAVE BEEN PERFORMED THAT WILL REDUCE THE INSURED CROP'S PRODUCTION FROM PREVIOUS LEVELS
Blueberries and Texas Citrus Fruit	An inspection is required.	An inspection is required if the most recent pre-acceptance field inspection is <u>more than FIVE years old.</u>	An inspection is required.
Apples, Cranberries, Grapes, Peaches, Pears, Plums, Stonefruit.	An inspection is NOT required, unless selected by the pre-acceptance field selection criteria.	An inspection is required if no pre-acceptance field inspection or the most recent pre-acceptance field inspection is <u>more than FIVE years old.</u>	An inspection is required.
Almonds, AZ-CA Citrus, Figs, Macadamia Nuts, Prunes, Table Grapes, or Walnuts	An inspection is NOT required, unless selected by the pre-acceptance field selection criteria.	An inspection is required if no pre-acceptance field inspection or the most recent pre-acceptance field inspection is <u>more than TEN years old.</u>	An inspection is required.

<sup>1/</sup> Unless waived by the RMA RO, the applicable Pre-Acceptance Perennial Crop Inspection Report and supporting documentation must be sent to the RMA RO for determination of the approved APH yield. [See Par. F(2) Pre-Acceptance Field Selection Criteria and Par F(6) for required documentation.]

F(2) **Pre-Acceptance Field Inspection Selection Criteria.** The following pre-acceptance field inspection criteria apply to all Category C APH crops. If a pre-acceptance field inspection has not been performed, or the most recent pre-acceptance field inspection is older than specified for the crop, unless waived in writing by the RMA RO, pre-acceptance field inspections are mandatory for any unit for which:

- (2)(a) A greater yield than the average yield is requested by the insured with reasonable cause. The request must be in writing and signed by the insured.
- (2)(b) High variability of actual yields (used to calculate the approved APH yield) is indicated by the following yield variance calculations:

1 Frequency of actual yields that are less than 75 percent of the AVERAGE APH YIELD [See Section 3 Definitions] is equal to or greater than that shown on the following Yield Variance Table and at least one such actual yield occurred during the most recent three APH crop years, a pre-acceptance field inspection is required.

<u>Number of Times the Annual Actual Yield is Less Than 75 Percent of the Average APH Yield</u>	<u>Number of Years of Verifiable Records</u>
2	4 or 5
3	6 or 7
4	8 - 10

2 The average of the most recent three years' actual yields is at least 25 percent less than the average yield.

- (2)(c) Productivity is reduced. An inspection is required when KNOWN tree/vine/bush/bog damage has occurred or cultural practices have been performed that will reduce the insured crop from previous production levels, or if the insured answers YES to question 22 contained on the Producer's Pre-Acceptance Worksheet. [Question # 22, "Has damage (i.e., disease, hail, freeze) occurred to trees/vines/bushes/bog or have cultural practices been performed that will reduce the insured crop's production from previous levels?"]
- (2)(d) An organic or a non-conventional farming practice is carried out. An inspection is required if it is KNOWN that an organic or non-conventional farming practice will be carried out or if the insured answers YES to question # 23 on the Producer's Pre-Acceptance Worksheet. [Question # 23, "Is the producer using organic farming practices, or other non-conventional practices?"]

- (2)(e) The irrigation water supply is not adequate: If irrigated, and the insured answers NO to question #24 on the Producer's Pre-Acceptance Worksheet a pre-acceptance inspection is required. [Question # 24, "Is the current water supply (surface allotment/well) adequate to produce a normal crop for the crop year being certified above?"]
- (2)(f) Unusual cases are submitted to the RMA RO. Unusual cases include requests submitted to the RMA RO for a review of questionable records for a determination of acceptability, requests to use records prior to a break in continuity of records, and requests for the RMA RO to determine and approve an APH yield for perennial crop acreage that has not met the minimum production/age requirement in the policy (if the Insurance Provider agrees in writing [not a written agreement] to insure this) for certain crop policies (e.g., Almonds, Grapes, etc.). In these cases, the yield history is not completed on the APH form for the crop year(s) in question. For cases requiring an agreement in writing for which no APH instructions are provided, the RMA RO will determine and approve the APH yield. To be considered by the RMA RO, a pre-acceptance field inspection must be completed by the Insurance Provider and sent with all supporting documentation [See Par. F (6) of this section] must be sent to the RMA RO.

F(3) **RMA RO Waiver of Field Inspections and/or RMA RO Determined Yields.**

- (3)(a) Pre-acceptance Field Inspections. When the application of the Pre-acceptance Field Inspection Criteria identifies an excessive number of contracts for pre-acceptance field inspections that cannot be feasibly accomplished, the RMA RO is authorized to issue guidelines which waive pre-acceptance field inspections for certain situations (e.g., abnormally low yields from insurable cause(s) of loss for a given area may cause the yield variance table to require field reviews of an excessive number of contracts).
- 1 Insurance Providers are not required to perform field inspections, based on Yield Variances (as amended by RMA RO guidelines), on more than 10 percent of their Category C APH contracts (per crop, per region). The RMA RO is authorized to issue additional guidelines/criteria identifying which contracts (by crop, by region) are to be selected under the 10 percent limitation.
  - 2 Insurance Providers should contact the applicable RMA RO, specify the reason which may cause excessive pre-acceptance field inspections, and provide examples which clearly indicate that excessive pre-acceptance field inspections would be required.
- (3)(b) RO Determined Yields. The RMA RO is authorized to issue guidelines which waive forwarding of the applicable Pre-Acceptance Perennial Crop Inspection Report, supporting documentation [See Par. F(6)], and RO determination of the approved APH yield. If RMA RO approval of APH yields is WAIVED:

- 1 For units which meet or exceed minimum insurance requirements, the Insurance Provider determines the approved APH Yield(s). Units not meeting minimum insurance requirements may be eligible for the Non-Insured Assistance Program (NAP).
- 2 Approved APH yields are based on the correct information determined during the pre-acceptance field review (when required) and calculated using the applicable of standard Category C APH procedures or guidelines issued by RMA RO for a certain situation (e.g., RMA may issue additional APH procedures that allow Insurance Providers to calculate approved APH yields when an alternate bearing crop year is identified).
- 3 A list of such policies will be forwarded each year to the applicable RMA RO. RMA RO may spot check such policies.

F(4) **Assignment of field inspections.** The Insurance Provider insuring the crop will perform all field inspections. Insurance Providers must assign a field inspection to an inspector:

- (4)(a) Within five working days of receipt of the request,
- (4)(b) But no later than 10 calendar days after the PRD.

Inspectors must notify the Insurance Provider if they cannot complete the field inspection within 10 working days of receiving the inspection request. Inspectors must make arrangements to prevent delaying the yield verification process and to complete the inspection timely. The insured should be present during the inspection to answer any questions and provide authorized access to the unit(s) to be inspected.

F(5) **Time Frames for Inspections.** Inspectors will forward all documents to the Insurance Provider through the inspector's supervisor after completing the inspection.

- (5)(a) **Deadlines.** The inspector must complete the pre-acceptance field inspection and return all required documentation to the Insurance Provider (i.e., must be received by the Insurance Provider, or RMA RO office) no later than 30 calendar days after the PRD for ALL Category C crops.
- (5)(b) **Extensions of Deadlines.** Insurance providers may contact the RMA RO to arrange a schedule if this deadline cannot be met due to the volume of production reports received, additional information must be obtained, etc. The RMA RO will establish a final date based on the volume of contracts, weather conditions affecting pre-acceptance inspections, etc. The final date for receiving the remaining production and inspection reports in the RO will be NO LATER THAN 60 calendar days after the PRD for ALL Category C crops.

NOTE: Supporting records/documentation initially received after the applicable date specified above will be considered unacceptable. An RMA RO approved APH yield will NOT be issued unless assigned yield provisions are applicable.

(5)(c) If additional supporting records/documentation/clarification for timely submitted requests is required by the RMA RO, the verifier will have 20 calendar days from the date of notification from the RMA RO to secure and provide the records to the RMA RO. If supporting records are not received in the RMA RO by this date, the RMA will consider the records unacceptable and use assigned yield provisions for carryover insureds. For new insureds, the RMA RO will determine that the production records are unacceptable and determine the yields accordingly.

F(6) **Inspection Forms and Worksheets.** When a field inspection is required by procedure, a Pre-Acceptance Perennial Crop Inspection Report form and applicable Crop Addendum Worksheet(s) must be completed [See Par. G below]. In addition, acceptable supporting acreage and production evidence (hard copy) MUST be furnished to the Insurance Provider by the grower. The Insurance Provider will perform the field inspection and for situations requiring RMA RO determined yields, forward the original inspection report and supporting documentation to the RMA RO unless guidelines have been issued by the RMA RO waiving this requirement. Required supporting documentation includes:

(6)(a) Applicable Crop Addendum Worksheet(s);

(6)(b) Producer's Pre-Acceptance Worksheet;

(6)(c) APH form(s);

(6)(d) Worksheets. Block Production Worksheet(s) and/or Unit Summary Worksheet(s), when applicable.

Any additional information should be documented by the inspector and attached to the inspection report forms.

F(7) **Pre-acceptance field inspections involving applications.** If the entire crop is damaged prior to application or the date insurance should have attached, the application is not accepted and insurance does not attach. If part of the crop is damaged, the application may be accepted; however, units with damaged acreage must be rejected and insurance does NOT attach.

Once the acreage is inspected and the application accepted, subsequent damage from insured cause(s) is covered. When preliminary yields are calculated, insureds may not request mutual consent cancellation unless the approved APH yield is lower than 95 percent of the preliminary yield.

F(8) **For carryover insureds.** If insurance is requested on added acreage that is damaged prior to the pre-acceptance field inspection, the request is rejected on a unit basis and insurance does not attach.

**7G** **The Pre-Acceptance Perennial Crop Inspection Report and Crop Addendum Worksheets.** All items must be completed on the Pre-Acceptance Perennial Crop Inspection Report and the applicable Crop Addendum Worksheet(s) [see Exhibit 16]. The item numbers and instructions below correspond with the item numbers on the approved sample FCI 12-P, the Pre-Acceptance Perennial Crop Inspection Report form. For Florida Citrus, Macadamia Grove and **Texas Citrus Tree** Inspection Reports [See Exhibit 18].

- G(1) **The agent/representative must complete** items 1-10 on the Pre-Acceptance Perennial Crop Inspection Report prior to forwarding the insured's file to the Insurance Provider representative responsible for assigning inspections.

Item No.

- (1) Enter the crop, policy crop year for which the field inspection is being completed, unit number, insurable and uninsurable acreage for the unit being inspected.
- (2) Enter the applicant/insured's name and address as shown on the application for insurance.
- (3) Enter the location state/code and county/code.
- (4) Enter the applicant/insured's complete telephone number.
- (5) Obtain and enter the name of the landowner. If the same as the applicant/insured, enter "same."
- (6) Obtain and enter the name of the person making the majority of the management decisions (operator/producer) for the unit. If the same as the applicant/insured, enter "same."
- (7) Enter both the name of the agency and agent/representative who will service the policy. Include agent/representative's code and county code.
- (8) Enter the complete telephone number for the agency/FSA office.
- (9) Enter the legal description to the nearest quarter section and applicable Farm Serial Number(s). If section, township, and range are not used for legal description, use locally accepted description.
- (10) Provide a location description using names and numbers of cross streets, roads, etc. Include mileage from identifiable landmarks (e.g., nearest intersection).

- G(2) **Inspectors will complete** items 11 through 37 of the report and sign and date the form as the certified inspector [See Exhibit 16]. If additional space is needed to answer any item, a separate sheet (e.g., a Special Report) may be attached. Identify each explanation with the corresponding item number from the inspection report. Make the following entries:

Item No.

- (11) Obtain this information from the applicant/insured. It will assist the verifier in reviewing the APH forms for complete records.
- (12) Self-explanatory.
- (13) Review with the operator and explain in detail the cultivation and/or spray program used to control weeds. Include a description of the current orchard/vineyard/plantation/bog floor management (e.g., sterile/sod/cover crop, etc.).

- (14) Describe in detail the fertilization program being used for the unit. Include the producer's method of monitoring soil fertility (e.g., soil analysis, foliar analysis, or both).
- (15) Describe in detail the insect and disease control measures used by the producer (e.g., integrated pest management, a calendar spray program, organic, etc.). Based on the field inspection, identify current evidence of disease/insects as rare, moderate or severe.
- (16) Determine if the operator replaces dead or diseased plants. If the operator has a replacement program, identify to what extent, if any, the operator is using a fumigation or crop rotation program.
- (17) Note the primary use of the crop, and/or if different varieties have different uses.
- (18) Determine the usual harvest completion date from the producer.
- (19) Describe in detail the use of bees as pollinators. Include type/quantity and location. (Not applicable for Grapes.)
- (20) Describe in detail the irrigation source(s). Obtain from the grower, water source(s) and irrigation district(s) from which water is allocated, allocation percentage, and irrigation well information. Include any information regarding water obtained through water transfers and any potential curtailment of current and future water supplies.
- (21) Determine and note any abnormal flood hazards.
- (22) Discuss with the operator and assess any potential soil limitations (e.g., slope, depth, drainage, ph., saline, or alkaline toxicity, etc.). Areas of frequent replanting or stunted growth may indicate these conditions exist.
- (23) Describe in detail the pruning practices used, date normally completed, and whether pruning is annual, biennial, etc. Indicate if there is excessive pruning or top working which affect production of the crop to be insured.
- (24) Describe in detail the varieties used as a pollination source. Include variety, location, quantity, density, and configuration. For example: Golden Delicious pollinizers every 4th row = 25%; or Van pollinizers, staggered to offset, every 3rd tree in every 3rd row = 11%. See addendums for additional crop requirements (not applicable for grapes).
- (25) Enter the total unit acreage (insurable and uninsurable) and method of measurement. Planimetered, wheeled/taped, or acreage from bog maps (Cranberries) recorded with the marketing organization (e.g., Ocean Spray, Cliff Star, etc.) are the only acceptable acreage measurement methods.
- (26) Review the APH form for prior production and acreage (by variety) as compared to the current acreage and varieties shown on the inspection form. Note any inconsistencies and reconcile tree removals, replacements, grafting. This review will assist the verifier in determining acceptability of prior production records.

- (27) Complete these items by checking appropriate boxes. This requires walking through the unit. For "Bearing trees/vines/bogs/bushes (percent stand)," include only the acreage harvested by the grower.
- (28) Evaluate and describe your evaluation of the unit's current potential as: stable, declining or increasing.
- (29) These are subjective questions requiring evaluation of the unit's vigor relative to the calculated average yield. Note: amount of tree/vine/bush growth, limb/cane/bush size, and color, and other factors which indicate the unit's ability to produce the indicated yield. Note overall plant vigor as: good, average or poor.
- (30) If bins are used for harvesting purposes, and complete verifiable first handler or third party records are not provided to substantiate bin size, provide inside bin measurements.
- (31) Insurable acreage. Complete an appropriate crop addendum worksheet(s) for the crop being inspected [see instructions below]. Contact applicable RMA RO for specific questions on completion.
- (32) Uninsurable acreage. Complete an appropriate crop addendum worksheet(s) for the crop being inspected [see instructions below]. Contact applicable RMA RO for specific questions on completion.
- (33) Obtain FSA aerial photo(s) with units, FSN's and legal description clearly identified.
- (34) Prepare a sketch map showing the unit location with identifying roads, the nearest intersection, and landmarks. The diagram map of the orchard serves two purposes: 1) Identify the location of separate units for the same insured, and 2) Identify the location of blocks within one unit. Sketch out the blocks, showing the exact location of each block in relation to other blocks in the unit. Label each block with a Block Number or I.D. A general map with the location of all units on one page may also be appropriate. In addition, clearly show State and county roads (including the nearest highway intersection) along with cardinal directions (a north arrow) and any permanent land features. Identify the owner/operator's residence if applicable, and/or the operator's name and address on the sketch map.
- (35) Enter additional notes and observations which will assist the verifier in relating unit information to historic yields. Include additional sheets, as necessary, referencing appropriate items.
- (36) Item 36 A and B are subjective questions requiring evaluation of management and unit conditions. The verifier considers this information in the overall evaluation of the unit.
- (37) Provide your recommended action and sign, date and return the report to the supervisor. Forward the inspection report with the APH forms and applicable records to the RMA RO/Insurance Provider.

FCI-12-P  
(Rev. 6-97)

U. S. DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
**PRE-ACCEPTANCE PERENNIAL CROP  
INSPECTION REPORT**

1. Crop	Crop Year	Unit	Insurable Acres
			Uninsurable Acres

2. Name of Applicant/Insured	Address
------------------------------	---------

3. State and County	4. Applicant/Insured's Telephone Number
	Area Code ( )

5. Name of Owner	6. Name of Operator
------------------	---------------------

7. Name of Agent/Agency/FSA	8. Agent/Agency/FSA Telephone Number
	Area Code ( )

9. Legal Description: Section(s)	Township	Range	Farm Serial Number
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10. Location Description

GROWER INFORMATION

11. Number of years grower has operated this unit. _____ Years
If less than 3 years, Previous owner (If known) Name Address(s)

12. Has this unit been insured in prior years?  
If yes, years insured and prior contract number(s)?

13. Describe weed control measures used for the unit. Include a description of the orchard/vineyard/plantation/bog floor management; e.g., sterile/sod/cover crop:

14. Describe fertilization program used for the unit. Include method of monitoring fertility; e.g., soil analysis/foliar analysis/both.

15. Describe in detail insect control measures used (e.g., integrated pest management/calendar spray program).

Evidence of disease/insects  Rare  Moderate  Severe

16. Is a tree/vine/bog replacement program being carried out? (Explain in detail)  
If applicable is fumigation used in the replacement program?

17. Crops grown primarily for: Fresh Market <input type="checkbox"/> Processor <input type="checkbox"/> Juice Market <input type="checkbox"/>	18. What date is harvest completed for the unit under normal conditions?
--	--

19. Describe in detail the use of bees as pollinators. Include type/quality and location.

20. Describe in detail the irrigation water source.

(A) Surface; _____ % of total supply?	(B) Irrigation Well(s); _____ % of total supply?
(1) Irrigation district name: _____	(1) How many wells? _____
(2) Allocation last year: _____ % of normal	(2) Total gallons per minute? _____ GPM
(3) Expected allocation this year: _____ % of normal	(C) Water obtained through water transfer: _____ acre feet per acre

21. Is the unit subject to above normal flood hazard? If yes, explain in detail.

22. Are their soil limitations (e.g. slope, depth, drainage, ph, saline/alkali, toxicity)? Explain in detail.

23. Describe in detail the pruning practices used; date normally completed, and indicate whether pruning is annual or biennial.

24. Describe in detail the varieties being used as a pollination source. Include variety/location, quantity, density and configuration.

(FCI-12-P Reverse)

**ACREAGE/INSPECTION INFORMATION**

25. Measured Acres of Unit: A. Planimetered FSA Photo | B. Wheel/Tape | C. Bog Maps (Cranberries)

26. Have prior acres been verified? If no, explain.

27. Percent of Unit Acreage -

A. Based on Original Planting Pattern	Less Than 50%	50 - 60%	61 - 70%	71 - 80%	81 - 90%	91 - 100%
(1) Spaces Occupied By Live Trees/Vines/Bogs/Bushes						
(2) Bearing Trees/Vines/Bogs/Bushes (percent stand)						
(3) Insurable Stand						

28. Unit potential is currently:

Stable  Declining  Increasing

29. If calculation of a preliminary yield is authorized, do trees/vines/bushes/bog have sufficient vigor to produce the average yield computed for this unit?

Yes  No Plant Vigor:  Good  Average  Poor

30. If applicable provide inside bin measurements:

31. Insurable acreage and tree/vine/bush/bog information -

Complete and attach appropriate crop addendum worksheet(s).

32. Uninsurable acreage and tree/vine/bush/bog information -

Complete and attach appropriate crop addendum worksheet(s).

33. Obtain and attach FSA aerial photo(s).

34. Complete and attach hand sketch map.

35. Additional information and comments (attach additional sheets as necessary):

36. A. Your evaluation of the management of this operation:

Above Average  Average  Below Average

B. Your evaluation of the orchard/vineyard/bog/plantation condition:

Above Average  Average  Below Average

37. Action Recommended:

Acceptance  RSO Coverage Review  Rejection  RSO Rate Review

Certified Inspector

Date

Phone Number and Contact Point

Supervisor

Date

Phone Number and Contact Point

- G(3) **Crop Addendum Worksheets.** Inspectors must also complete the applicable crop addendum worksheet. Perennial crop addendum worksheets are used to collect field inspection data specific to the crop by providing guidelines and underwriting questions pertinent to the crop being inspected [see Exhibit 16].
- (3)(a) **Separate** perennial crop addendum worksheets are provided for the following crops: Apples, Blueberries, Cranberries, Grapes, Peaches, Pears, and a combined form for Almonds, Citrus, Figs, Fresh Plums, Prunes, Stone Fruit and Walnuts. [For each of these crops, sample perennial crop addendum worksheets are provided in Exhibit 16.]
- (3)(b) **Insurable and Uninsurable Acreage.** Complete a separate addendum worksheet for insurable and uninsurable acreage. Check items 31 and 32 as applicable on the Pre-Acceptance Perennial Crop Inspection Report form to identify when a crop addendum worksheet is completed for insurable or uninsurable acreage. Use uninsurable acreage addendums to identify any acreage not yet insurable due to policy minimums or limitations (e.g., age, less than the number of growing seasons designated by the Special Provisions for Grapes, required minimum production of Apples has not been met, Cranberry bog is being renovated, etc.).

7H **APH Yield Calculation.** Yield calculation methods used to determine approved APH yields are based on the number of years of actual and/or assigned yields that are available: 65 percent of the "T" Yield (no actual or assigned yields), variable "T" Yields (1-3 years of actual and/or assigned yields), or the simple average of the actual and/or assigned yields or a weighted average yield (if at least four years are available).

- H(1) **"T" Yield Instructions.** Variable "T" Yields are determined by the number of years actual and/or assigned yields in the UNIT (by applicable P/T/V indicated in the actuarial document). If a different percentage of the "T" Yield is used for the "T" Yield than indicated by the number of actual and/or assigned yields in the database, use yield descriptor "C."
- (1)(a) **Transitional ("T") Yields.** (Perennial Crop "T" Yields are published in the Perennial Crop "T" Yield and Acreage Tolerance Listing Manual). "T" Yields may be established by tree age and densities, by county, by "T" Yield map areas within a county, or by other appropriate factors. [See Exhibit 16 for examples.]
- (1)(b) **Weighted Average "T" Yields [See Par. I below].** Weighted average "T" Yields are required when less than four years of actual and/or assigned yields are provided on the unit and:
- 1 Different "T" Yields are applicable on the unit (e.g., different tree age and densities or "T" Yield map areas); and
  - 2 The insured has certified production and acreage (or other information required on the Producer's Pre-Acceptance Worksheet) for more than one block (e.g., tree age and densities or "T" Yield map areas) within a unit. [See Exhibit 16 for examples.]

(1)(c) Crops with minimum age and/or production requirements. Perennial crop policies require that certain age and/or production conditions must have been met prior to insurance attaching (e.g., minimum production of 200 bu. per acre for apples in Colorado, peaches must be in 4th leaf year, grapes must have reached the number of growing seasons designated on the actuarial table and produced at least an average of 2 tons of grapes per acre, etc.). Refer to the crop policy for the specific applicable requirements.

1 To meet minimum production requirements, acceptable production reports must be filed that indicate at least one crop year has produced the minimum average amount of production. Once qualifying actual yields have been submitted, continuous production reports must be submitted for each subsequent crop year. All such actual yields will be used. The actual yields will be used to determine the variable "T" Yield percentage and incorporated into the APH database. For crops requiring minimum production, acreage which has not met the minimum production requirements does not qualify for insurance.

2 For crops with minimum age requirements only (e.g., almonds) or minimum age or production requirements (e.g., peaches), the insured has the option of using the previous year's acceptable production report from under age acreage or 65% of the applicable "T" Yield. Once accepted, this acreage and production must remain in the database until excluded by the base period.

H(2) **Assigned Yield Instructions.** Assigned yield provisions apply on a crop year basis to databases (units by P/T/V indicated in the actuarial document) that had insurable acres (except for units with claims for indemnities or if the producer qualifies for a temporary yield) if acceptable production reports for the most recent crop year in the base period are not provided by the PRD. Production histories from claims for indemnities are considered production reports and MUST be used (if in the base period and are continuous).

H(3) **No Actual or Assigned Yields.** If the crop provisions do not require minimum production and a new insured does not provide acceptable production reports containing actual yields by the PRD, approved APH yields are calculated by multiplying the applicable 100 percent "T" Yield by 65 percent. Sixty-five percent of the "T" Yield applies to the entire crop policy by unit (by P/T/V indicated in the actuarial document). This provision is applicable for only ONE year, for subsequent crop years [See Par. (3)(c) below].

(3)(a) New insureds must request approved APH yields by completing and signing APH forms. Separate 4-year databases are required for each unit (by P/T/V indicated in the actuarial document). Each database must contain four 65 percent "T" Yields. Agents/representatives MUST quote the applicable percentage of the "T" Yield as the preliminary yield.

- (3)(b) Yield limitation provisions are NOT applicable the initial year insured; however, they apply for some Category C APH crops [see Par J(5) of this section] in subsequent years to databases containing actual and/or assigned yields. [For exceptions, see Par. J(6) of this section.]
- (3)(c) For subsequent crop years:
- 1 Production reports are required and assigned yield provisions apply if acceptable production reports are not filed by the PRD.
  - 2 The "T" Yield is not set in the database. The database must be updated each year and the approved APH yield recalculated.
- (3)(d) Optional units are not authorized. (NACAT → Insureds must file acceptable production reports for the most recent APH crop year on an optional unit basis to obtain optional units. ←NACAT)
- H(4) **1- 3 Actual and/or Assigned Yields.** For insureds who have provided production reports, databases containing 1-3 years of actual and/or assigned yields require the use of variable "T" Yields to complete the 4-year minimum data requirement on a unit basis (by P/T/V indicated in the actuarial document) as follows:
- (4)(a) If one actual or assigned yield, three 80 percent "T" Yields;
  - (4)(b) If two years of actual and/or assigned yields, two 90 percent "T" Yields;
  - (4)(c) If three years of actual and/or assigned yields, one 100 percent "T" Yield;
  - (4)(d) For crops which have no minimum production requirements, units (by P/T/V indicated in the actuarial document) with no actual or assigned yields receive 65 percent of the "T" Yield, unless added land/P/T/V is involved. [For added land/P/T/V, see Par. 7K(2) of this section.]
  - (4)(e) For subsequent crop years, production reports are required and assigned yield provisions apply if acceptable production reports are not filed by the PRD.
- H(5) **Four or More Years of Actual and/or Assigned Yields.** When four or more years of actual or assigned yields are available on a unit (by P/T/V indicated in the actuarial document), the approved APH yield is determined by either:
- (5)(a) A simple average of the insured's actual and/or assigned yields divided by the number of years of actual and/or assigned yields contained in the database, or
  - (5)(b) A weighted average yield WHEN producers provide separate records by block in the same unit (by P/T/V).
- H(6) **Annual production reports are required.** Assigned yield provisions apply if reports are not provided by the PRD for the most recent crop year in the base period.

- H(7) **(NACAT → Optional units** are allowed if:
- (7)(a) Optional units are provided by the crop provisions or Special Provisions, and
- (7)(b) Acceptable production reports for the most recent APH crop year were provided by the PRD, on an optional unit basis. ←NACAT)
- H(8) **Separate APH yields are required** for each unit (by P/T/V indicated in the actuarial document). Different map areas do not require separate APH yields for Category C crops. (Block production worksheets are used to determine a weighted average yield).
- H(9) **Approved Yield.** The approved APH yield may be different from the simple average for:
- (9)(a) Texas Citrus Fruit for the 2000 Policy crop year;
- (9)(b) RMA RO determined yields [cases outlined in Par. F (1) and F (2) of this Section];
- (9)(c) An alternate bearing crop year; and
- (9)(d) Weighted average yields when required by procedure.
- H(10) **When completing APH databases,** each yield entered in the yield column must be identified with the applicable yield descriptor, as follows (examples use a "T" Yield of 100):
- A = Actual Yield (Example: A120).
- P = Assigned yield (Example: P60).
- J = Temporary Yield (Example: J100).
- S = 65% "T" Yield (Example: S65).
- E = 80% "T" Yield (Example: E80).
- N = 90% "T" Yield (Example: N90).
- T = 100% "T" Yield (Example: T100).
- C = Special "T" Yield determined for added insurable acreage (insurability based on age) added as a separate unit (Example: C90).
- F = RMA RO Determined Yields (Example: F85). Used when less than four years of actual yields are available and the "T" Yield is assigned by the RMA RO, or a high-risk "T" Yield (or unrated land when high-risk "T" Yields are assigned by written agreement) is used in the approved APH Yield calculation. For Texas Citrus Fruit, RMA RO appraised yields (when entered into the databases and used to calculate the approved APH yield) will be considered RMA RO Determined Yields.
- Y= Yield identifier used in addition to A, J or P to identify yields less than 60% of the "T" Yield that do not qualify for yield substitutions (Example: AY 20).
- Z= A break in continuity of records when the use of the records prior to the break in continuity is approved by the RMA RO.

**71** **Weighted Average Yields.** The approved APH yield is normally calculated based on a simple average of total production and total acreage (**insurable and uninsurable**) within the unit for the years certified. However, if less than four years of actual yields are certified for the unit, different "T" Yields are applicable on the unit, and data from more than one block, based on age and density, is certified on the Producer's Pre-Acceptance Worksheet, a weighted average "T" Yield must be calculated. The "T" Yield will be factored using standard APH procedures (e.g., 80%, 90%, or 100% "T" Yields).

(1) **Block Production Worksheet.** This worksheet is used to allow the producer to report separate production and acreage by block as defined below. Reporting production by block reduces the impact of younger age blocks on the final approved APH yield.

This worksheet may be used for Almonds, Apples, Blueberries, Arizona - California Citrus, Cranberries, Figs, Grapes, Macadamia Nuts, Peaches, Pears, Plums, Prunes, Stonefruit, Table Grapes, Texas Citrus Fruit, and Walnuts. The blocks on the Block Production Worksheet must correspond to the blocks on the Producer's Pre-Acceptance Worksheet.

(1)(a) If the unit contains trees/bogs/vines/bushes less than:

- 1 15 years of age (Apples, and Pears);
- 2 8 years of age (Cranberries, Grapes, Table Grapes, Texas Citrus Fruit, Peaches, Plums, and Stonefruit);
- 3 5 years of age (Blueberries);
- 4 9 years of age (Arizona and California Citrus);
- 5 10 years of age (Almonds, Macadamia Nuts, Prunes and Figs);
- 6 12 years of age (Walnuts);

and the producer certifies separate production and acreage by block **for all years certified** (block is defined as trees/bogs/vines/bushes of a single age and density), the producer will receive an approved APH yield based upon a combination of actual yields and "T" Yields based on the current age and density of each block. Each block contributing to the unit will be weighted based on acreage and used to calculate the final approved APH yield for the unit. [See the Block Production Worksheet and Unit Summary Worksheet examples in Exhibit 16 and respective worksheet instructions for each crop.]

(1)(b) If the unit contains trees/bogs/vines/bushes less than:

- 1 15 years of age (Apples, and Pears);
- 2 8 years of age (Cranberries, Grapes, Table Grapes, Texas Citrus Fruit, Peaches, Plums, and Stonefruit);
- 3 5 years of age (Blueberries);

- 4 9 years of age (Arizona and California Citrus);
- 5 10 years of age (Almonds, Macadamia Nuts, Prunes and Figs);
- 6 12 years of age (Walnuts);

and the producer certifies separate production and acreage by block **for at least the most recent year** (block is defined as plants of a single age and density), the producer will receive an approved APH yield based upon a combination of actual yields and "T" Yields based on the current age and density of each block as described above; however, total commingled production and acreage (insurable and uninsurable) from previous crop years will be attributed only to blocks that are of the age specified [in 1 - 6 above] and older for the applicable crop. Each block contributing to the unit will be weighted based on acreage and used to calculate the final approved APH yield for the unit. [See Exhibit 16 for the Block Production Worksheet, Unit Summary Worksheet, and the respective worksheet instructions for each crop.]

If less than four years are certified for the unit and block data is NOT certified on the Producer's Pre-Acceptance Worksheet by age and density, "T" Yields will be calculated based on average age and density. Using the Block Production Worksheet or Unit Summary Worksheet for such units will not be necessary as the information can be transferred directly to the APH form.

The applicable "T" Yield will be factored using standard APH rules (e.g., 80%, 90%, or 100%).

- I(2) **Block Production Worksheet Completion Instructions.** This worksheet is used by producers to report separate production and acreage by block as described above. The blocks on the production worksheet must correspond to the blocks on the producer's Pre-Acceptance Worksheet.

Item No.

- (1) Enter the applicant/insured's full name.
- (2) Enter the applicant/insured's policy number.
- (3) Enter the unit number.
- (4) Enter the name of the insured crop.
- (5) Enter the name of the state in which the acreage is located.
- (6) Enter the legal description of the land if applicable.
- (7) Enter the policy crop year for which the APH is being calculated.
- (8) Enter the name of the county in which the acreage is located.
- (9) Enter the Farm Serial Number.
- (10) Enter the appropriate crop year(s) for the base period.
- (11) Enter the appropriate block number from the Producer's Pre-acceptance Worksheet.
- (12) Enter the leaf age of the block for the leaf year (policy crop year) which is calculated as follows:

Spring-Planted Coming leaf year - 1st full leaf year following setting or grafting and add one year. For example, if 2001 is the coming leaf year and the trees were set in February of 1994 (2/94), the correct leaf age is  $2001 - 93 = 8$ th leaf year.

Fall-Planted Coming leaf year - 1st full year following setting or grafting. For example, if 2001 is the coming leaf year and the trees were set in November of 1994 (11/94), the correct leaf age is  $2001 - 94 = 7$ th leaf year (age).

For Arizona and California Citrus: Consider the year of bloom that insurance attached. Subtract 5 from the year of the year of bloom. Example: Insurance will attach for the 2003 crop year. Citrus bloomed in the spring of 2002 for the 2003 crop year. Therefore,  $2002 - 5 = 1997$ . In order to insure citrus in 2001, the trees would have to be planted in the spring of 1997 or earlier.

For Texas Citrus Fruit: The policy crop year is designated by the calendar year following the year in which bloom is normally set. The age of a block is determined by the crop year following set out. Age examples: The spring of 1997 (1998 policy crop year) is considered year 1 for trees that were set out in the spring of 1996 (in the 1997 policy crop year). The spring of 1999 is considered the 2nd year, 2000 is considered the 3rd year, etc.

- (13) Enter the density from the Producer's Pre-acceptance Worksheet.
- (14) Enter total production for the block as adjusted for production reporting purposes when actual yields are reported.
- (15) Enter planted acreage for the block in acres to tenths for each year an actual yield is reported.
- (16) Enter the appropriate yield and yield type descriptor for each crop year.
- (17) "T" Yields are adjusted for the following situations:
- Less than three years of actual production records.
  - Published "T" Yield Factors.
  - Percent stand (Apples, Blueberries, and Peaches).
- Apply applicable "T" Yield factor(s) to the "T" Yield obtained from the appropriate "T" Yield table for the crop (e.g., Apples and Peaches): "T" Yield of 270 boxes per acre multiplied by a "T" Yield Factor of .80 = final "T" Yield of 216 boxes per acre).
- (18) Determine the average yield for the block by totaling the yields in column 16 and dividing by the number of years of actual, assigned and/or "T" Yields used.
- (19) Producer reviews certified data and accompanying certification statement and signs and dates the form.

FCI-19-A (APH-BPW) (6-97)

BLOCK PRODUCTION WORKSHEET

USDA/FCIC

NOTE: REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM. INCLUDE PRODUCTION THAT IS LESS THAN MINIMUMS AND ZERO PRODUCTION.

1 NAME 2 POLICY NUMBER 3 UNIT NUMBER 4 CROP 5 STATE 6 LEGAL DESCRIPTION 7 CROP YEAR 8 COUNTY 9 FARM NUMBER

OMB NO. 0563-

11 BLOCK NO.: 12 AGE: 13 DENSITY: 14 PROD. 15 ACRES 16 YIELD 17 T-YIELD ADJ. 18 AVERAGE YIELD

I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH Yield. I also understand that failure to report completely and accurately may result in voidance of my crop insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

19 INSURED'S SIGNATURE DATE

(1)(c) RESERVED

l(3) **Unit Summary Worksheet.** This worksheet is used to calculate weighted average "T" Yields or weighted average unit APH yields when required.

- (a) Weighted average "T" Yields are calculated when the producer provides separate records by block but less than four years of records are certified. Complete items 1-16. [See Exhibit 16, Par. 3 for examples.]
- (b) A weighted average unit APH yield is calculated when separate production and acreage records are certified to for more than one block within the unit and a Block Production Worksheet has been completed. Complete items 1-9 and 17-23. [See Exhibit 16, Par. 3 for examples.]

Item No.

- (1) Enter the applicant/insured's full name.
- (2) Enter the applicant/insured's policy number.
- (3) Enter the unit number.
- (4) Enter the name of the insured crop.
- (5) Enter the name of the state in which the acreage is located.
- (6) Enter the legal description of the land if applicable.
- (7) Enter the policy crop year for which the APH is being calculated.
- (8) Enter the name of the county in which the acreage is located.
- (9) Enter the FSA Farm Serial Number.
- (10) Enter the appropriate unit number.
- (11) Enter the appropriate block number from the Producer's Pre-acceptance Worksheet.
- (12) Enter the appropriate "T" Yield for each block as adjusted for the following situations:
  - Less than three years of actual production records.
  - Published "T" Yield Factors.
  - Percent stand (Apples, Blueberries, Peaches, Stonefruit and Plums).

Apply applicable "T" Yield Factor(s) to the "T" Yield obtained from the appropriate "T" Yield table for the crop (e.g., "T" Yield of 270 boxes per acre multiplied by a "T" Yield Factor of .80 = final "T" Yield of 216 boxes per acre).

- (13) Enter planted acreage for each block as certified in item 12 on the Producer's Pre-acceptance Worksheet.
- (14) Enter the result of multiplying column 12 by column 13 as Extensions.
- (15) Enter total acres (sum of column 13) and total extensions (sum of column 14).
- (16) Calculate the weighted average "T" Yield by dividing total extensions by total acres in 16. The weighted average "T" Yield is then transferred to the APH for missing years.
- (17) Enter the appropriate unit number.
- (18) Enter the appropriate block number from the Block Production Worksheet.
- (19) Enter the appropriate average yield from item 18 of the Block Production Worksheet.
- (20) Enter planted acreage for each block as certified in item 12 on the Producer's Pre-acceptance Worksheet.
- (21) Enter the result of multiplying column 19 by column 20 as Extensions.
- (22) Enter total acres (sum of column 20) and total extensions (sum of column 21).
- (23) Calculate the weighted average yield for the unit by dividing total extensions by total acres in 22. The weighted average yield is then transferred to the preliminary yield block of the APH form. The verifier approves the APH yield.



**7J Additional Instructions for Carryover Insureds.**

- J(1) **When a carryover insured** is unable to finish harvest (due to an insurable cause), or records are unavailable from the processor, marketing outlets, etc. (by unit by P/T/V indicated in the actuarial document) by the production reporting date, the prior APH yield is used as a temporary yield for the most recent crop year in the base period. The temporary yield is preceded by the yield descriptor "J" and is valid for one year only. The temporary yield must be replaced by an actual yield. If the actual production is not provided, assigned yield provisions apply.

NOTE: Insureds using this provision may retain optional units when applicable.

- J(2) **Yield and acreage data** within the base period indicated on a previous approved production report will be retained (except for truncating databases to conform with the crop's base period), provided continuity of production reports has not been broken. Actual yields within the base period previously certified by the insured may not be dropped from the database without RMA RO consent. The database is corrected for the current crop year if an error is determined that exceeds APH yield tolerances.

- J(3) **Submission of prior records.** The insured may submit production reports by the PRD for crop years within the base period for which production reports were not previously submitted (including yields previously assigned by the RMA RO), provided continuity of production reports is maintained.

- J(4) **Production Reports Not Filed.** If production reports are not filed by the production reporting date, 75 percent of the prior APH yield on a per acre basis will be assigned for the most recent crop year in the database. Complete the APH form by entering the assigned yield in the Yield Column (Col. 18 FCI-19-A) preceded by a "P." Enter reported acres in the Acres Column (Col. 17 FCI-19-A) [See item J(1) for exception].

NOTE: Production reports certified by the insured are subject to Insurance Provider APH field reviews if acceptable records to support such reports are not submitted and verified by the Insurance Provider.

- J(5) **Yield limitations.** Yield floors DO NOT apply. CUPS (10%) or CAPS (20%) are yield limitations that apply to the following Category C APH Crops: Almonds, Cranberries, Citrus (AZ-CA), Figs, Grapes, Macadamia Nuts, Pears, Plums, Prunes, Stonefruit, Table Grapes, Texas Citrus Fruit, and Walnuts. **Caps limit yield increases to 120 percent of the prior year's approved APH Yield and cups may not decrease more than 10 percent compared to the previous year's approved APH Yield if only the most recent year's production history is added to the database.**

- (5)(a) **Cups** or caps are applicable for carryover insureds and are administered by database (unit/P/T/V). To be eligible for a cup or cap, the database must contain at least one actual yield or assigned yield. **However, cups or caps do NOT apply if yield substitution(s) under the Yield Adjustment Election are used to calculate the current or prior year's approved APH yield or any other exception listed in [Par. J(6)] applies.**

(5)(b) Rate determination instructions.

- 1 If the approved APH yield is CUPPED, the rate is determined using the cupped yield and a 5 percent surcharge is applied. For data processing purposes, 10 percent yield limitation flags are used and the surcharge administered on a line entry basis. [See FCIC - M13 Data Acceptance System Handbook.]
- 2 If the approved APH yield is CAPPED, the rate is determined using the capped yield. For data processing purposes, 20 percent yield limitation flags are used. [See FCIC-M13, Data Acceptance System Handbook.]

J(6) **Yield limitations (cups or caps) do not apply:**(6)(a) To special cases. These include instances when:

- 1 The Insurance Provider is NOT authorized to calculate the approved APH yield and the case is referred to the RMA RO for an approved APH yield.
- 2 The approved APH yield cannot be determined by the Insurance Provider and the case is referred to the RMA RO.
- 3 The required RMA RO yield determinations are waived by the RMA RO and the Insurance Provider is authorized to calculate the approved APH yield.

(6)(b) Previously approved APH yields are corrected or changed. These include:

- 1 Revision of a previously reported actual yield based on acceptable, more accurate production records submitted by the insured.
- 2 Revision of the approved APH yield, acres and/or production according to the procedure outlined for APH reviews when production and acreage information found on a field review does not match.
- 3 Actual yields which have been submitted are accepted for other than the most recent crop year in the database. (Assigned yields, "T" Yields, or RO Determined Yields are replaced with actual yields).

## (6)(c) The initial year added land/P/T/V procedures are applicable; or units, P/T/V's (indicated in the actuarial documents) with established APH databases containing actual and/or assigned yields are combined or further divided.

**7K Provisions for Added Insurable Acreage, Added Land/New Producers.**

K(1) **Added Insurable Acreage.** Acreage of the crop which was not insurable for the previous crop year that meets or exceeds minimum policy requirements for the current policy crop year (e.g., production requirements, maturity, age, leaf year, etc.). APH yield calculation instructions by P/T/V indicated in the actuarial document:

(1)(a) **Added acreage to an existing unit.** When added to an existing unit, use the weighted average APH yield procedure to calculate the approved APH Yield for the unit [see Exhibit 16, Apples Example 2].

- 1 If the production from previously uninsurable acreage is commingled with production from insurable acreage, total production divided by total acreage is used for all crop years which were commingled. The commingled production and acreage meeting or exceeding policy requirements are entered on the APH form.
- 2 If the crop policy requires minimum production, and separate acreage and production records which meet policy requirements are submitted (block records), such acreage and production are included on the APH form.
- 3 If insurability of the crop is based on maturity and records of acres and production from the previous uninsurable crop year are provided as a separate block, such production is entered on the APH form.
- 4 A special "T" Yield based on the number of years of actual and/or assigned yields on the unit is weighted into the approved APH yield (by entering it in the yield column of the block production worksheet).

(1)(b) **If added as a separate unit.** When insurability of the crop is based on maturity, and the crop attained the required maturity, the approved APH yield is calculated using four Special "T" Yields. If acreage and production from the previous uninsurable crop year are provided, such production history is entered on the APH form.

If the crop requires production records that meet minimum production requirements, and acceptable records for such acreage are provided, the actual yields submitted for the crop year and three Special "T" Yields are used to calculate the approved APH yield. The qualifying acreage and production are entered on the APH form.

(1)(c) **Special "T" Yields** (weighted average if block records are submitted) are calculated using a percentage of the applicable "T" Yield based on the years of actual and/or assigned yields in the database for the unit/P/T/V of the insured crop (within the county) with the most APH crop years of actual and/or assigned yields, irrespective of P/T/V. Special "T" Yields entered in the database are preceded by the yield descriptor "C."

- K(2) **Added Land/New Producers.** New producers or carryover insureds who have recently added land (recently purchased or leased perennial crop acreage which meets policy requirements) may use the prior producer's records (by P/T/V indicated in the actuarial document), whether or not that producer continues to share in the crop, WHEN ACCEPTABLE HARD COPY RECORDS of acreage and production (prior loss MPC1 records are acceptable) are submitted to the Insurance Provider.
- (2)(a) **Production reports submitted.** When acceptable production reports/records are submitted, use the applicable procedures (simple or weighted average yields) based on whether or not separate block records are submitted. [See Par. I this Sec. for procedures and Exhibit 16 for examples.] See record requirements for producers sharing in the crop with another producer [Sec.10 Par. E].
- (2)(b) **Production reports NOT submitted.** If acceptable production reports/records are not provided, and insurability of the crop is based on maturity and the crop has attained the required age, 65 percent of the appropriate "T" Yield is applicable using standard Category C Crop APH yield procedure. If the insured can demonstrate that a greater yield than 65 percent of the "T" Yield is reasonable for that particular acreage, the insured may request an RMA RO determined yield [see Par. 7F(2)(a)].

**7L Additional APH Provisions by Crop.**

- L(1) **Almonds.** Delivery statements, pool closing statements or production recaps must show all harvested (whole, chipped and broken in-shell meats) meat pounds (including meat pounds damaged due to uninsured causes of loss) by variety. Pounds of in-shell Almonds must be shown separately, by variety and must be converted to meat pounds. [See Exhibit 31 for conversion factors by variety.]
- L(2) **Apples.** The base period is five continuous crop years beginning with the crop year previous to the current crop year (the base period for the 2002 crop year is 2001 - 1997). Certified records including printouts or receipts from each first handler of the fruit for that crop year must show total marketable (as defined in the policy) production (in bushels, bin count, or weight delivered) by variety. A printout or receipt from a packing shed, processor, auction, marketing cooperative, jobber, commission merchant, sales broker, pick records [see Sec. 10, C(4) for acceptable pick records] or a warehouse receipt which shows total production and date of transaction is acceptable. Bin count, cartons, crates or weight must be converted to the appropriate unit of measure.

If insured under the Fresh Fruit Option or Sunburn Option and a claim for indemnity has been completed, total marketable production from the claim prior to adjustment for quality is used for APH purposes.

- L(3) **Blueberries.** Printouts or receipts from a handler must indicate the date, producer's name, and total production in pounds. Printouts or receipts from a packing operation, processor, auction, marketing cooperative, jobber, commission merchant, sales broker, pick records [see Sec. 10, Par. C(4)], warehouse, certified scale receipt (with third party verification), inventory stock sheet, receiving report, grower pay report, grower summary reports must indicate the date of the transaction, producer's name, and total production. Total production must indicate unmarketable and marketable production separately. Marketable production must indicate grade and type of production: fresh, processing, or juice. Production indicated as trays, flats, cartons, containers, or quarts must be converted to pounds. The method of conversion must be explained and included with the records.
- L(4) **Citrus.**
- (4)(a) **(Arizona & California).** Acceptable marketing records are pool statements, pool summary statements, pack statements or year-end settlement sheets that indicate by crop/type, the number of standard size cartons packed or the net weight of the packed fruit.
- 1 Except for fresh citrus fruit "over packed" for export markets, CARTONS are used when fresh citrus fruit is packed into standard size containers (as indicated in the crop provisions) and the marketing records indicate the number of cartons (no adjustments required).
- Example: Packing records show that 8,120 boxes of the standard container size for the crop/type were packed. 8,120 boxes packed = 8,120 cartons of production for APH and loss adjustment purposes. Disregard the pounds per box (e.g., 40 lbs) that the processor packed if different than the average net pounds of packed fruit in a standard packed carton for the crop/type (i.e., 38 lbs.).
- 2 Citrus production without marketing records on a carton basis must be converted to cartons on the basis of average net pounds of packed fruit for the standard packed carton.
- Example: Packing records show 90,820 total pounds were packed. The number of boxes of the standard container size packed is not available from the packer. The number of cartons is determined by dividing the total pounds by the average net pounds for the standard container size for the crop/type as indicated in the crop provisions (i.e., 38 lbs.).  $90,820 \text{ lbs.} \div 38 \text{ lbs.} = 2,390 \text{ cartons.}$
- 3 Fresh citrus fruit packed in different size containers than indicated in the crop provisions (1/2 ctns, holiday packs, 20 lb. bags, etc.) must be converted to standard cartons on the basis of average net pounds of packed fruit for the standard packed carton.
- 4 Fresh citrus fruit "over packed" for export markets. Some foreign buyers require packers to pack additional fruit into standard size containers (e.g., as much as 50 lbs. of Navel Oranges may be

packed in a #58, 38 lb. container ) prior to shipment overseas. In these situations, the containers are "over packed" and the fruit is slightly compressed. "Over packed" production must be converted to equivalent standard packed cartons. If the marketing record clearly indicates that the fruit was packed for an export market and the cartons are "over packed," the total packed weight must be divided by the average net pounds of fruit specified for the standard packed carton for the crop/type.

- (4)(b) Arizona & California Lemons. The weight of packed fruit (marketable or marketed as fresh fruit) can be determined from sample-grade report or a pack-out report, whichever is available immediately after harvest (or delivery to a processor). To determine the amount of production in a standard shipping container, multiply the number of containers given on the report by the weight of the containers and divide by 40 pounds to determine the number of Standard Packed Cartons.
- (4)(c) Texas Citrus Fruit. Pack-out statements or settlement sheets must show pooled tons of citrus by types. Cartons, bins, mesh sacks, net weight receipts, or other units of measurements must be converted to ton equivalents by citrus type.
- L(5) Cranberries. Truckload weight receipts, berry slips, settlement weight sheets, sales receipts, final or year-end statements from a handler, processor or packing house must indicate net paid barrels of cranberries delivered or stored for each unit.
- L(6) Figs. Packer or California Advisory Board Summary Sheet must show net paid pounds of marketable Figs (including manufacturing grades). Marketed fresh-fruit production is converted to a dried-fruit basis by dividing the total pounds of fresh fruit by 3.0. For new insureds and policies which are being transferred, supporting records of acreage and production must be provided to the verifier.
- L(7) Grapes. Settlement sheets, sales receipts, final or year-end statements from a winery, cannery or processor must indicate net paid tons of Grapes delivered by variety. Remittance or final statement sheets from Raisin packers or the Raisin Administrative Committee must show the net paid tons of clean, dry Raisins; or, the number of insured tons of raisins established on a claim for indemnity. Each pound of Raisins converts to 4.5 pounds of green Grapes.
- Production for Grapes harvested before normal maturity or for special uses are used for APH purposes when adequate records are available. The production of such Grapes will be increased by the factor calculated by dividing the price per ton for such Grapes by the price per ton for fully mature Grapes of the same type (as stated in the crop provisions).
- L(8) Table Grapes. Packing house records must be settlement sheets, receiving statements, final sales statements from broker or Table Grape Commission records. Records must show the number of packed lugs by variety. If the fruit is packed in other than standard weight lugs (as stated in the crop provisions), the net weight of the lugs must be noted. Production of Table Grapes damaged by insured causes that could be marketed for any use other than Table Grapes is determined by multiplying the number of tons that could be marketed by the total value per ton of the damaged Table Grapes or \$50.00 per ton, whichever is greater, and dividing that result by the highest price election available on the actuarial table for the type.

- L(9) **Macadamia Nuts.** Delivery records, production recaps or sales receipts from processors must indicate weight of wet-in-shell nuts by variety excluding foreign material. Wet-in-shell is defined as the weight of the Macadamia nuts as they are removed from the orchard with the nut meats in the shells after removal of the husk and before being dried.
- L(10) **Peaches (Canning & Processing).** [See Stonefruit, Par. L(15).]
- L(11) **Peaches.** The base period is five continuous crop years beginning with the crop year previous to the current crop year (the base period for the 2002 crop year is 2001 - 1997). Certified records may include a printout or receipt from each first handler of the fruit for that crop year. A printout or receipt from a packing shed, processor, auction, marketing cooperative, jobber, commission merchant, sales broker, pick records [see Sec.10, Par. C.(4)] or a warehouse receipt which shows total production and date of transaction is acceptable. Bin count, cartons, crates or weight must be converted to the appropriate unit of measure.
- L(12) **Pears.** Certified records including printouts or receipts from each first handler of the fruit for that crop year must show total production in tons by variety. A printout or receipt from a packing shed, processor, auction, marketing cooperative, jobber, commission merchant, sales broker, pick records [see Sec. 10, C (4)] or a warehouse receipt which shows total production and date of transaction is acceptable. Bin count, cartons, crates or weight must be converted to the appropriate unit of measure.
- (12)(a) **California Only.** Production for APH purposes must be reported for the applicable grade: first grade canning, U.S. #1 (Summer, Fall, or Processing Pears), Extra #1 or U.S #1 (Winter Pears). If records certified by the production reporting date do not include production by grade, use the following grade factors to convert field-run production to production to count for APH purposes: Type I = 85%, and Type II = 80%. If the grade is certified after the production reporting date, it will be included in the next year's update.
- 1 **Actual grade and price record.** If an insured provides actual grade and price records by the production reporting date that result in a higher APH yield than using the above factors, the higher yield must be used.
  - 2 **A production level of at least 6.25 tons per acre of field-run production in at least one of the four previous crop years is sufficient to satisfy the requirement of 5.0 tons per acre at the applicable grade.**
- (12)(b) **For all states except California,** field-run marketable production is acceptable.

- L(13) **Plums.** Fresh Plums production to count will be U.S. No. 1 as modified by the California Tree Fruit Agreement. Production of fresh Plums damaged by insured causes that could be marketed for any use other than fresh packed Plums is determined by multiplying the number of tons that could be marketed by the total value per ton of the damaged plums or \$50.00 per ton, whichever is greater, and dividing that result by the highest price election available on the actuarial table for the type.
- L(14) **Prunes.** The unit of measure is tons (to the nearest tenth) of natural condition (dried) Prunes. Advance payment summary sheets must show, by variety, net paid weight which grades substandard or better. Marketed fresh-fruit production is converted to a dried-fruit basis by dividing the total tons of fresh fruit by 3.1.
- L(15) **Stonefruit.**
- (15)(a) For Cling Peaches, the Cling Peach Advisory Board's (CPAB) determined acreage is to be used for APH purposes. If the CPAB acreage is not available, wheeled acreage is acceptable. California, processor or CPAB summary must show net paid tons of No. 1 and No. 2 fruit, by variety and type. Minimum one year acceptable production records for the type that is elected. Fresh records may be used for the processing type elected.
- (15)(b) Apricots and freestones (processing) must meet California Department of Food and Agriculture minimum standards and include all production accepted (marketed by processor). Minimum one year acceptable production records for the crop that is elected. Fresh records may be used for the processing crop elected.
- (15)(c) Peaches (fresh market), Apricots (fresh market) and Nectarines. Certified records may include a printout or receipt from each first handler of the fruit for the crop year. A printout or receipt from a packing shed, processor, auction, marketing cooperative, jobber, commission merchant, sales broker, pick records [see Sec. 10, C(4)] or a warehouse receipts are acceptable. Bin count, cartons, crates, lugs or irregular sizes or weight must be converted to the appropriate unit of measure. Minimum one year acceptable production records for the crop that is elected. **Processing records may not be used for the fresh market crops.**
- (15)(d) Production from alternative uses is used for APH purposes when adequate records are available. Production of fresh Stonefruit damaged by insured causes that could be marketed for any use other than fresh packed Stonefruit is determined by multiplying the number of tons that could be marketed by the value per ton of fruit or \$50.00 per ton, whichever is greater, and dividing that result by the highest price election available on the actuarial table for the crop.
- L(16) **Walnuts.** Delivery records, production recaps or sales receipts from processors must indicate the net weight of inshell Walnuts by variety.

NOTE: Any production evidence which does not meet the requirements specified for the crop may be forwarded to the RMA RO to determine its acceptability.

7M Reserved

**8 OTHER COVERAGE PLANS****8A Category A Producer Listing APH Crops.**

The Producer Listing Plan for peanuts has been discontinued beginning with the 2003 crop year. Category B crops and procedures will be expanded to include peanuts at a later date.

A(1) **Reserved.**

**8B Category D, Dollar Plan Crops**

B(1) **Eligible Crops:** Citrus (Florida), Citrus Trees (Texas), Forage Seeding, Hybrid Seed Corn, Hybrid Sorghum Seed, Macadamia Trees, Peppers, Raisins, Sweet Corn (Fresh Market), Tomatoes (Fresh Market - Dollar Plan).

[See Exhibit 18 for Florida Citrus and Macadamia Grove Inspection Report requirements.]

B(2) **Plan Description.** This plan offers the producer the opportunity to select one of several dollar amounts of insurance per unit (per acre or per ton, depending on the crop). The available coverage elections and the rates are indicated on the actuarial table. Use any maps or supplemental listings included in the actuarial materials to determine the coverage options and premium rates.

**(NACAT → NOTE:** Production reports are not required to qualify for optional units. Exception: Raisins may be divided into more than one unit if, for each proposed (optional) unit:

- (2)(a) Records. The insured maintains written, verifiable (tray counts are acceptable) records of Raisin production for at least the previous crop year; and
- (2)(b) Non-contiguous Land. The acreage of insured Raisins is located on non-contiguous land. ←NACAT)

**B(3) Hybrid Corn Seed or Hybrid Sorghum Seed.**

- (3)(a) County Yields for Hybrid Seed are established by county and are used to calculate the amount of insurance. The Hybrid Seed Yield that applies at each coverage level will be published as part of the county actuarial documents. The insured may elect a coverage level (associated yield) as well as price election. Coverage is provided only for acreage grown under a contract executed with a seed company by the acreage reporting date.
- (3)(b) The amount of insurance is the County Yield times the price election. The amount of insurance for hybrid seed approximates the dollar value of insurance of Corn planted for grain. However, the basis of insurance for hybrid seed is female acres. Acreage planted to the male inbred line is not insurable.

The insured must accurately report the acreage occupied by the female inbred line. The Standard Planting Practice is to plant the male and female inbred lines in rows separated by normal spacing (e.g., two rows male and six rows of female-FFFMMFFF). This results in 75 to 80 percent of the total acreage being occupied by the female inbred line. This is the concept underlying the determination of the amount of insurance. In some cases the male inbred line may be interplanted between normally spaced rows planted to the inbred female line. In this situation, the Hybrid Seed Yield will be adjusted to reflect the level of coverage normally associated with field Corn so that the amount of insurance for the two planting practices (Standard Planting and Interplanting) is equivalent.

- (3)(c) Minimum Contract Payment. A statement by the insured is required either on the acreage report or on a document accompanying the acreage report. This statement will include the amount of any guaranteed minimum payment provided by the insured's contract with a seed company.

Required Statement:

"My contract with (Seed company) does not provide a guaranteed minimum payment to me."

"My contract with (Seed company) provides a guaranteed minimum payment of \_\_\_\_ (dollars or bushels) per acre."

The amount of insurance must be reduced if there is a guaranteed minimum payment. Deduct any minimum payment that is denominated in bushels from the yield that is used to establish the amount of insurance. If the minimum payment is stated in dollars, divide the amount by the price election. Round the result to the nearest whole bushel and subtract it from the Hybrid Seed Yield.

- (3)(d) Yield Base Factor for Seed Companies. RMA will require additional information about a seed company's operations, the inbred lines, and foundation seed projections from seed companies in some circumstances. These circumstances include very high expected yields for a particular hybrid, poor crop insurance experience, newly formed seed companies, previously limited production records submitted by a seed company, etc. The RMA RO will request additional information when needed. An annual update of actual and expected yields is required from each seed company as a prerequisite to calculating the Yield Base Factor by RMA Actuarial Division.
- (3)(e) Approved Yields. The RMA RO will provide approved yields for insured hybrid crosses upon request. Requests for approved yields must be received by the RMA RO no later than the calendar date for the end of the insurance period. **Requests for submitted to the RMA RO after the end of the insurance period may be authorized; however, the RMA RO will provide the number of late requests by each reinsured company to the Reinsurance Services Division and Risk Compliance in Washington D.C.** Agents initiate approved yield requests by preparing and sending a "Hybrid Seed Yield Request" to the Insurance Provider. The Insurance Provider forwards the request to the appropriate RMA RO. If the hybrid seed company has not already completed the "Hybrid Seed Corn/Hybrid Sorghum Seed Yield History Report" form for each insured hybrid, the Insurance Provider will assist the seed company by providing blank forms if necessary. The Seed Company will return the completed Yield History Report to the RMA RO.

See Exhibit 30 for further instructions and routing procedures.

- (3)(f) Value per Bushel. The dollar value per bushel is calculated by the Insurance Provider at loss time. It is multiplied by the seed production to count to obtain the value of seed production used to calculate the indemnity. The dollar value per bushel equals the amount of insurance (dollars) divided by the approved yield times the coverage level. A hybrid with one approved yield can have more than one dollar value per bushel because the amounts of insurance may vary.

$$\text{Dollar Value/Bu.} = \frac{\text{Amount of Insurance (Dollars/Acre)}}{\text{Approved Yield (Bushels/Acre)} \times \text{Coverage Level (\%)}}$$

B(4) **Citrus** (Florida):

- (4)(a) Tolerances. If the acreage on the policy meets or exceeds established tolerances for the region, an on-site inspection of the grove(s) is required by the Insurance Provider.
- (4)(b) Discretionary Review. A list of policies exceeding the established tolerances will be forwarded to the RMA RO for a discretionary review. [See Exhibit 18 for grove inspection instructions.]

**8C Category E, Tobacco Quota Plan**

- C(1) Eligible Crop: Tobacco insured under the Quota Plan of Tobacco (Type 31, all states).
- C(2) Plan Description. This plan bases the insurance guarantee on the FSA poundage quota assigned to the producer, with optional or mandatory adjustments as indicated in the policy.

**8D Category F, Tobacco-Guaranteed Production Plan (Types Not Requiring Individual APH Production Reports )**

- D(1) Eligible Crop: Tobacco on the guaranteed production policy except for types 41 and 32 PA; 51 and 61 CT; 51, 52 and 61 MA; 32 MD.
- D(2) Plan Description. Except for the types listed in (1) above, listings will continue to be used.
- (2)(a) Reporting Yield History. Insureds are not required to report yield history on an APH form. They will continue to report yield history to FSA as in the past. The RMA RO obtains the data from FSA, processes the data into producer classifications, and publishes the classifications in the actuarial classification listings (FCI-32).
- (2)(b) Actuarial Documents. The rates and coverages are quoted from the appropriate actuarial documents.
- (2)(c) Approved APH Yield and Classification. Upon written request from the insured, the RMA RO will provide documentation of the insured's yield history and approved APH yield classification.

**8E**    **Category G, Nursery Crop**

E(1)    **Eligible Crop**: Nursery Crops listed on the Eligible Plant Listing and Plant Price Schedule (EPL/PPS):

(1)(a)    Botanical name and common name;

(1)(b)    Type; (containerized or field grown)

(1)(c)    Hardiness zone, and winter storage requirements;

(1)(d)    Wholesale prices for insurable container and field grown by plant size;

**NACAT** → Coverage may be available for plants not listed by requesting a written agreement ← **NACAT** .

E(2)    **New Plant Types**. The RMA RO recommends the addition of new plant types to be added to the EPL/PPS.

E(3)    **Inspection**. An on-site inspection of the Nursery is required the initial year of application for various other situations [See FCIC 24090 Nursery Crop Insurance Underwriting Guide for inspection requirements]. The applicable Insurance Provider performs the inspection.

E(4)    **Coverage**. Coverage available for CAT, 55 percent of the reported Plant Inventory Value at the 50 percent coverage level. Maximum price limits by plant and size, are contained on the EPL/PPS. The reported inventory value is established using the lower of this price, or the lowest Wholesale Price contained in the Nursery's Catalog or Price Listing for the plant size. Any indemnity is always determined using the lower of the two prices.

**8F Group Risk Plan Insurance (GRP)**

THE GRP plan of insurance is a risk management tool offered by the FCIC as an alternative program to the APH plan of insurance.

- F(1) General Information: GRP coverage is based on the experience of the COUNTY rather than INDIVIDUAL FARMS. It indemnifies the insured in the event the county average per-acre yield (the "payment yield") falls below the insured's trigger yield. RMA will issue the payment yield in the calendar year following the crop year insured.

Note: See FCIC 18040, Group Risk Plan Insurance Standards Handbook for Procedural requirements.

- F(2) Insureds are NOT required to report yield history or maintain production records for GRP. However, they are encouraged to maintain individual crop yield and acreage history for possible future use in a plan of insurance that uses APH yields for the same crop.

(2)(a) GRP participation will NOT break continuity of APH plan for premium adjustment purposes. Any MPCCI experience adjustment will be reinstated when the individual GRP contract is canceled and an application for a plan of insurance, that uses APH yields for the same crop, is signed.

(2)(b) If GRP insureds return to a plan of insurance that uses APH yields for the same crop, their APH yield history database will be updated ONLY if continuous crop production reports (including the period insured under GRP) are filed when returning to such a plan. **However, the MPCCI database will not be updated with loss figures from the GRP years but will resume from the point when left for coverage under the GRP.** If such production reports are not provided the insured qualifies for 65 percent of the "T" Yield.

(2)(c) If the insured provides production reports that maintain the continuity of APH prior to switching to GRP, then the APH prior to switching to GRP must also be used.

(2)(d) If the Insurance Provider did not maintain the APH reported prior to switching to GRP, then only the years for which production reports are provided will be used.

(2)(e) Failure to file the most recent year's crop production report, on an optional unit basis, may limit the insured's choices regarding optional units under the selected plan of insurance.

**9 USE OF THE APH FORM****9A The APH Form**

- A(1) **Purpose.** The APH form meets all production reporting requirements and is to be used as the insured's production report(s). It may be used to establish or update the yield history for a farming operation by crop, unit, practice, etc. Supporting evidence (records), when required, must meet acreage and production requirements [outlined in Sec. 10 of this handbook].
- A(2) **Approval of APH forms is required** if a form other than the FCI-19-A(APH) is used. Any Insurance Provider desiring to use an alternate form must submit a request with justification, to:

Risk Management Agency,  
Director, Product Development Division,  
P.O. Box 419293,  
Kansas City, Missouri 64141.

**9B General Provisions**

- B(1) **Approved APH Form.** An approved APH form must be used by Insurance Providers for all APH crops requiring production reports to establish the approved APH yield: Almonds, Apples, Processing Beans, Canola, AZ-CA Citrus, Blueberries, Coarse Grains (Corn, Grain Sorghum and Soybeans), Cotton, ELS Cotton, Cranberries, Dry Beans, Figs, Forage Production, Grapes, Table Grapes, Macadamia Nuts, **Millet**, Onions, Peaches, Pears, Peas (Dry & Green), Plums, Popcorn, Potatoes, Prunes, Rice, Safflower, Small Grains (Wheat, Barley, Oats, Rye and Flax), Stonefruit (Apricots, Nectarines, Peaches), Sugar Beets, Sugarcane, Sunflower Seed, Sweet Corn (Processing), Texas Citrus Fruit, Tobacco (Guarantee Types 41 and 32 PA; 51 and 61 CT; 51, 52 and 61 MA; 32 MD; Tomatoes (Processing), Tomatoes (Fresh Market Guaranteed Production) and Walnuts.
- B(2) **Required Entries.** Entries must be completed on the APH form for each APH crop year by unit and by P/T/V (within the unit that requires separate APH yields). Verifiers must establish a database for each P/T/V listed on the County Coverage and Rate Table (FCI-35) that has different "T" Yields for each P/T/V that has been carried out and/or will be carried out for the current crop year.

Separate databases must also be established within a unit for each area classification ("T" Yield Map Area). For high-risk land (when high-risk "T" Yields are established), a separate database must be established within a unit if less than four years of actual/assigned yields are available for the high-risk land (by P/T/V). When four or more years of records are available, it is not necessary to continue to maintain separate databases for high-risk land. It is not required to establish separate databases (APH yields) for area classifications that are for a rate only.

- B(3) **Verification and Review.** The APH form is subject to verification and Insurance Provider field review. Policies without records (65 percent "T" Yields ONLY) are subject to office review. The insured must maintain acceptable production evidence for each crop year by unit for each P/T/V and crop year. Insureds may submit production evidence for all units and years for which yields are being certified and request verification of the information. If they do so, they will not be subject to the APH field review process for the crop year. When the crop is selected for review, supporting evidence (records) of acreage and production will be required by unit for all crop years' acreage and production as certified on the form.

When established tolerances have been exceeded as determined on the field review, the APH form will be corrected. [See Sec. 14, A, B, and C]. Such reviews will be performed by authorized RMA RO/Insurance Provider personnel. Actual yield history determinations which may be used to correct approved APH yield include:

- (3)(a) Indemnity Forms. Production evidence for loss adjustment purposes which is recorded on FCI-74, FCI-63, FCI-74 T-P-C, MPC1 production worksheet, etc., which is accepted by RMA RO or an Insurance Provider.
- (3)(b) FSA forms or records completed for production measurement service purposes.
- (3)(c) Reviews. Production determined for other FSA program purposes or in the course of an FSA spot check or RMA RO/Insurance Provider review.
- B(4) **Amended APH Forms.** The insured may amend the APH form after submission on the basis of more recent information. Amended APH forms submitted after the production reporting date will be used when computing the following year's yield.
- B(5) **APH Review.** When selected for an APH review, the INSURED is responsible for furnishing production evidence to support the production as reported on the APH form. Any FSA information or supporting documentation for the production report must be furnished by the INSURED at the time of the review.
- B(6) **Correcting APH Yields.** The verifier must correct the yields reported on the APH form for the current crop year if yield tolerances are exceeded based on the results of an APH review. The verifier must correct the APH yield the following year if discrepancies exist but are within the tolerances. **The RMA RO/Insurance Provider may also request an APH review on any unit that has a yield which appears to be excessive, based on:**
- (6)(a) Established tolerances.
- (6)(b) Personnel knowledge of the producer's farming operation.
- (6)(c) Actual yields on neighboring farms that have similar productive characteristics.
- (6)(d) Unique circumstances that may have affected the crop on the unit but did not affect the majority of the other farms in the county.

**9C Preparation of The APH Form - General Instructions**

- C(1) **The APH form is designed to** accommodate both the insured with established yield history (database) and the new insured. The form contains space for ten APH years of yield history (limited to five years for Peaches and Apples) necessary for the verifier to calculate an approved APH yield.
- (1)(a) Continuous years of yield history. The producer completes the APH form by furnishing all continuous years of yield history data.
  - (1)(b) Production Not Reported. The agent/representative completes the production history by entering assigned and/or variable "T" Yields for years for which actual production was not reported.
  - (1)(c) Each year, carryover insureds are required to certify the most recent APH crop year in the base period.
  - (1)(d) Supporting records may be required by the verifier to allow for verification of actual yields in the database if not previously verified.
  - (1)(e) Signature and Date Required. The insured must sign and date the form when certifying the most recent APH crop year and/or using the form to report production for prior APH crop years.
  - (1)(f) Preliminary yields must be computed by the agent/representative for new insureds when authorized to do so by RMA RO.
- C(2) **Each APH form accommodates two databases.** Separate databases are established as indicated [in C(3) below].
- C(3) **Separate yield determinations** (databases) are required for each APH crop year certified for each:
- (3)(a) Unit. Acres and production prorated between basic units are not acceptable records for basic units unless prorated on a claim for indemnity.
  - (3)(b) Insured (landlord or tenant).
  - (3)(c) Practice. Irrigated and Non-Irrigated practices if Irrigated and Non-Irrigated practices are indicated on the county actuarial documents and other practices (except for Soybeans Intertilled Between Rows [IBR] and Not Intertilled Between Rows [NIBR]), types, or varieties identified in the actuarial documents as having separate (different) "T" Yields.
  - (3)(d) Area Classification ("T" Yield Map Area and high-risk land if "T" Yields are established) except for Category C Crops when weighted average yields are required.

- C(4) **Production.** The production adjusted for APH is entered in the total production column when actual yields are reported. Some crops require an adjustment or conversion to total production before being entered. If a worksheet is used to adjust APH production, it must be sent to the verifier along with the APH form. [See Sec. 6, F for worksheets and instructions used to determine APH production, separate commingled production, and Exhibit 17 to determine skip-row yield factors for Cotton.]
- (4)(a) For adjustments or conversions required to determine production for individual crops. [See Sec. 6, J for Category B Crops or Sec. 7L for Category C Crops.]
- (4)(b) Claim for Indemnity. Production determined on a Claim for Indemnity for the 1986 and subsequent crop years (Proof of Loss, FCI-74, FCI-74 T-P-C, etc.,) will be used, except for appraisals made for excluded causes of loss (NACAT → (hail and/or fire when the FCI-78 Hail and Fire Exclusion is elected). ←NACAT) Beginning with the 1992 crop year, appraisals made for uninsured causes of loss (e.g., failure to follow recognized good farming practices and acreage destroyed without consent) are not used for APH purposes.
- 1 Appraisals for potential production remaining in the field (for unharvested acreage) are considered production for APH yield purposes.
- 2 Use production from the Claim for Indemnity if production reported by the insured does not correspond to the production on the claim for indemnity. Exceptions: (NACAT → 1) apple claims where the production was adjusted for quality and an Apple Option was in force; 2) potato claims when the production was adjusted for quality and the Northern Potato Quality Endorsement was in force ←NACAT); 3) allocated production from an unreported unit(s); 4) Sugar beet appraisals that were reduced because Sugar beets were in the first stage (use appraisals prior to reduction); 5) Onion and Peach actual production prior to any adjustment to the production for a high market value. [Also see Loss Adjustment Manual regarding allocated production from unreported unit(s).]
- (4)(c) Production Adjustments. Production reported on the APH form will be adjusted for moisture, test weight, quality, grade, etc., on the same basis as claims for indemnities [see exceptions in (b) above], provided supporting records indicate requirements stated in the policy have been met. Note: This also includes farm stored production.
- (4)(d) Moisture. Production having less moisture than the percentage stated in the policy will not be increased to account for the difference.
- (4)(e) Production Not Adjusted. Production reported by the insured will not be reduced for moisture, foreign material, cracked kernels, etc., UNLESS INDICATED on supporting records.

- (4)(f) Seed. Grain used as seed for the producer's own use should be included in the APH yield history. The insured must furnish scale tickets or weight slips showing date of weighing, name of producer and commodity. The insured must also certify the amount of seed which was used for planting by:
- 1 Certifying to amount of the seed planted per acre.
  - 2 Certifying to and identifying the acreage on an aerial photo.
- (4)(g) Irrigated and Non-Irrigated Acreages. Separate APH yields must be determined for Irrigated and Non-Irrigated practices when irrigated and non-irrigated practices are indicated on the county actuarial table. Exception: when the planting pattern for the Non-Irrigated corners of a field continues into the Irrigated acreage of a center pivot or acres and production from the center pivot is not separated from the Non-Irrigated corners [See Sec. 4, Par. D(4)(b)4 b]. If production is commingled between an Irrigated and a Non-Irrigated practice, separate yields may be established for the two practices by using the commingled production worksheet or by using the insured's certification of estimated production for the Irrigated and Non-Irrigated production. [See Sec. 6, Par. E, (2).]

**9D** Preparation of APH Form - ITEM BY ITEM INSTRUCTIONS for Category B and Category C APH Crops.

See additional yield history provisions by crop [Sec. 6, Par. J and Sec. 7 Par. L]. [See Exhibit 8 for completed samples for individual crops and for directions outlining adjustments to total production entries.] Directions for sample production worksheets for Sugar Beets, Dry Beans, (**NACAT** → Northern Potato Quality Endorsement ← **NACAT**) and for commingled production worksheets are provided. [See Sec. 6, Par. F(1).]

D(1) **Separate yields** are required each crop year for each unit, insured (landlord or tenant), different practice, area Classification ("T" Yield Map Area). [See Par. C(3)(a)-(d) for additional instructions.]

D(2) **Agents/Representatives** must complete the following items on the APH form [FCIC-19-A furnished for illustration purposes on the last page of this Exhibit] in the following manner:

- |           |  |
|-----------|--|
| Item 1    | Insured's name or insurable entity, address, phone number, Social Security or tax identification number.   |
| Item 2    | Required Field Review. If a field review is required, the "Field Review" box must be checked.<br><br>Required Inspection. The "Inspection" box must be checked when the agent has specifically identified acreage on which a crop inspection is required. These inspections will be performed only by individuals delegated the authority by RMA RO/Insurance Provider.  |
| Item 3    | State, county and policy number to which the form pertains.  |
| Items 4&5 | Agent's name, address, phone number and code. Insurance Provider's name and address.   |
| Item 6    | Crop name, farming P/T/V (if applicable) and unit number for the unit. Enter the abbreviation for the farming practice requiring a separate APH yield.   |
| Item 7    | Enter the section, township and range descriptions for land under the Rectangular Survey System. Use other descriptions (i.e., <b>FSN</b> ) to identify the geographical location of the unit if legal descriptions cannot be determined or legal descriptions are not applicable <b>for unit determinations</b> . If additional space is needed, attach a supplemental sheet. Check the appropriate box to indicate if any unit or portion of the unit is physically located in another county but insured by Written Agreement in this county. |
| Item 8    | Name(s) of others sharing in the crop. If none, enter "NONE".  |

- Item 9 Check appropriate "Record Type(s)" box(es) to indicate the form of verifiable acceptable records maintained for the last year in the base period. NOTE: Farm-stored production records may include bin, silo, crib, wagon measurements, etc.
- Item 10 Processor contract number(s), processor name, when applicable, and/or total number of trees or vines for perennial crops (not applicable if Producer's Pre-Acceptance Worksheet has been completed).
- Item 11 For perennial crops, the year(s) in which the majority of the insurable trees or vines in the unit, by block, were planted/set out in the orchard, vineyard, grove or bog (not applicable if Producer's Pre-Acceptance Worksheet has been completed). Contract price for Green Peas, percent of sugar for Sugarcane and Sugar Beets and (NACAT → Northern Potato option percentages for Potatoes insured under the Northern Potato Quality Endorsement ← NACAT) (for the most recent year in the base period). For new producers of the crop enter the crop years they have produced the crop (e.g., 2000 and 2001). See individual crop examples [Exhibits 8 and 16] for completed samples. If not applicable, leave blank.
- Item 12 Enter **the current FSA FSN**.
- Item 13 Formerly referred to as the ASCS Yld block. Required when "T" Map Areas and High-risk Map Areas are applicable, enter the area classification from the county actuarial table. If not applicable or not used, leave blank.
- Item 14 The applicable 100 percent "T" Yield, needed when less than four years of actual and/or assigned yields are available (NACAT → and to calculate the yield floor for Category B crops. ← NACAT) New producers (Category B Crops) qualify for 100 percent of "T" Yields
- Item 15 Enter the appropriate years for the base period.
- Item 16 Enter total production as adjusted for production reporting purposes when actual yields are reported.
- NOTE: Sample production worksheets have been provided for Sugar Beets, Dry Beans, (NACAT → Northern Potato Quality Endorsements ← NACAT) and skip-row Cotton. [See Sec. 6 F and Exhibit 8]
- Item 17 Enter planted insurable acreage in acres to tenths for each year an actual yield is available in column 16. For annual crops, enter "0.0" if the crop was not planted for any year.

- Item 18 Enter the appropriate yield and yield type descriptor for each yield entered in the database. [See Sec. 6 for instructions.]
- Item 19 Enter the total of all entries in column 18.
- Item 20-A When authorized [for crops listed in Sec. 6, Par. J and Sec. 7L, (if weighted average APH yield not required)], divide the total from item 19 by the number of years. Apply any applicable yield limitations (cup, or **[NACAT → yield floor ← NACAT]**) and enter the limited yield as the preliminary yield.
- NOTE: If a Special "T" Yield was determined, enter the Special "T" Yield, i.e., "C100."
- Item 20-B Enter the prior approved APH yield, if applicable. If it is not applicable, enter N/A.
- Item 21 (Completed by verifier.) Enter the approved APH yield after all entries are verified.

**NACAT →**For potatoes insured under the Northern Potato Quality Endorsement or the Northern Potato Processing Quality Endorsement, enter the appropriate percent for #1 Potatoes and #2 or better Potatoes for both fresh and processing Potatoes when applicable. **←NACAT** )

Insured's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

- D(3) Agents/representatives must obtain the insured's signature and the date of the signature. Point out the certification statement and explain the statement to make sure the insured understands what is being certified and the consequences of an inaccurate production report.

NOTE: RMA APH forms for Category "C" crops may be computer generated. The items may be arranged too more precisely fit the production reporting requirements of specific crops. All RMA or other approved APH computer generated forms MUST also have a space to indicate the preliminary yield, a space for the insured's signature, and Certification Statement if they are to be used as production reports. If arranged differently, follow the instructions provided with the form or contact the RMA RO for assistance. A remark's section may be added to indicate the basis for establishing the approved APH yield.

### 9E Combining and Splitting of Units

When production report(s) are on file and continuity of insurance participation is not broken, the prior yield history must be considered if optional units are changed (combined or split) when completing the current crop year APH form. [See Exhibit 15 for directions and examples.] Refer unit calculations to the RMA RO for crops requiring RMA RO determined yields.

FCI-19-A(APH)  
(Rev. 3-00)

U. S. DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
**PRODUCTION AND YIELD REPORT**

YIELD COMPUTATION FOR  
CROP YEAR \_\_\_\_\_

See reverse side of form for statement required by the Privacy Act of 1974  
We reserve the right to correct errors made in computations

1 Producer's Name and Address  Phone No.: _____ SSN/Tax No.: _____		2 Required Field Review <input type="checkbox"/>  Required Inspection <input type="checkbox"/> 3 State: _____ County: _____ Policy No.: _____	4 Agent Name/Address  Phone No.: _____ Agent Code: _____ 5 Company Name/Address			
6 Crop  Practice Type Unit No.	7 Section  Township  Range  Land Other County <input type="checkbox"/> Yes <input type="checkbox"/> No	12 FSA Farm No.  Cropland Acres	15 Crop Year	16 Total Production	17 Acres	18 Yield
8 Other Entity(ies)		13 FSA Yld.				
9 Record Type: <input type="checkbox"/> Production Sold/Commercial Storage <input type="checkbox"/> On Farm Storage, Recorded Bin Measurement <input type="checkbox"/> Livestock Feeding Records <input type="checkbox"/> Appraisal <input type="checkbox"/> FSA Loan Record <input type="checkbox"/> Other Number of Trees or Vines _____		14 Transitional Yld.				
10 Processor Number/Name		11 Other		19 Total		21 Approved APH Yield (For Verifier Use Only)
20(A) Preliminary Yield		20(B) Prior Yield				

6 Crop  Practice Type Unit No.	7 Section  Township  Range  Land Other County <input type="checkbox"/> Yes <input type="checkbox"/> No	12 FSA Farm No.  Cropland Acres	15 Crop Year	16 Total Production	17 Acres	18 Yield
8 Other Entity(ies)		13 FSA Yld.				
9 Record Type: <input type="checkbox"/> Production Sold/Commercial Storage <input type="checkbox"/> On Farm Storage, Recorded Bin Measurement <input type="checkbox"/> Livestock Feeding Records <input type="checkbox"/> Appraisal <input type="checkbox"/> FSA Loan Record <input type="checkbox"/> Other Number of Trees or Vines _____		14 Transitional Yld.				
10 Processor Number/Name		11 Other		19 Total		21 Approved APH Yield (For Verifier Use Only)
20(A) Preliminary Yield		20(B) Prior Yield				

I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH yield. I also understand that failure to report completely and accurately may result in voidance of my crop insurance contract and may result in criminal or civil false claims penalties (18 U.S.C., 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

FCI-19-A (APH) (Reverse Side)

**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 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.

**PAPERWORK REDUCTION ACT**

In accordance with the Paperwork Reduction Act, public reporting burden for the collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, or any other aspect of this collection information, including suggestions for reducing this burden to the Department of Agriculture, Clearance Officer, OIRM (OMB No. 0563-0053), Stop 7630, Washington, D.C. 20250-7630.

**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.

**10 ACREAGE AND PRODUCTION EVIDENCE REQUIREMENTS (APH)**

Acceptable records are required to substantiate the acreage and production reported on production reports used to calculate approved APH yields. For crops or portions of a crop not sold or substantiated by records from an independent source (e.g., bartered, used on farm as seed, fed to livestock, a vertically integrated grower-packer, etc.), records MUST BE CONTEMPORANEOUS with the harvesting, storing or feeding of the insured crop for each crop year reported. For example, feeding records must be maintained on a daily basis, accounting for production fed to livestock and have been generated during the time period production was fed. If selected for field review, supporting evidence must be provided by the insured for all the crop years for which acreage and production was certified on the current crop year APH form (by crop). Acreage and production evidence must be retained until the calendar date for the end of the insurance year of the third crop year after the end of the crop year for which it was initially certified (e.g., if six crop years are initially certified all six crop years of acreage and production evidence must be retained for three crop years after the initial certification). The following acreage and production evidence requirements pertain to all crops using the APH form as production reports.

**10A Acceptable Production Reports**

All acceptable production reports that are continuous, signed, and submitted by the production reporting date (PRD) by the insured for the applicable base period, will be used. Once acreage and production are certified, they will remain in the insured's database. Additional acreage and production may be certified and included in the database as long as the continuity and all other requirements are met. Acreage and production cannot be dropped or removed from the database without RMA RO approval.

A(1) **Base Period.** For most Category B and Category C crops, the base period consists of the 10 most recent APH crop years. [See Sec. 3 for definition of Base Period].

Exceptions:

(1)(a) Crops with a lag year: AZ-CA Citrus, Macadamia Nuts, Sugarcane, and Texas Citrus Fruit. The policy crop year 2002 base period begins with the 2000 APH crop year.

(1)(b) Apples and Peaches, has a base period of the five most recent APH crop years.

A(2) **Continuity.** There may be NO break in the continuity of years for which production reports for all units (for the entire farming operation) are provided.

(2)(a) A production report indicating the insured crop was not planted (zero acreage or not planted for an insurable purpose, e.g., soybeans for hay) is considered a year of records for purposes of determining production report continuity.

(2)(b) For carryover insureds, assigned yields maintain continuity of records and previously reported APH will continue to be used.

A(3) **Break in Continuity.** If a break in continuity (of production reports) occurs for a crop year due to no interest in the crop (did not farm, cash-leased to another party, sold, etc.) and the insured requests to use acreage and production history prior to the break in continuity, the records may be used with verifier approval.

- (3)(a) For Category B crops, if the verifier approves use of the records prior to the break in continuity, enter a "Z" in the crop year that broke continuity and calculate the APH yield according to the current procedure.
- (3)(b) For Category C crops, situations that require an RMA RO Determined Yield [see Sec. 7, F(2)], the request and the records for crop years prior to the break in continuity must be submitted to the RMA RO for approval. The RMA RO will determine if the records may be used.

## 10B Submission of Production Reports

In order to be used for a crop year, acceptable production reports must be signed and submitted to the agent by the PRD and include:

- B(1) **All units** arranged according to the unit structure (enterprise, basic and/or optional) that applies for the current insurance year in which the insured (entity) had an interest in the crop for each APH crop year production reports are certified. (Acreage and Production history from enterprise units cannot be duplicated across basic/optional units when switching from enterprise units to basic/optional units.) Include all insurable acreage that was "PLANTED" FOR HARVEST AS DEFINED IN THE CROP PROVISIONS. (Include units planted the previous crop year even if such units are not contained in the insured's operation for the current crop year.) PLANTED acres for APH purposes means "insurable acreage planted to the crop for harvest as defined in the crop provisions." For annual crops, the verifier may consider zero planted acreage reports (by unit) as production reports.

The report must contain yield history from harvested acreage and appraised potential production for the previous APH crop year(s) by an RMA RO, FSA or MPCl company representative. If PLANTED acreage of the crop was destroyed/put to another use and an appraisal of potential production was not made (not insured, or no claim), the production report will indicate planted acres and a yield of zero. The production report must include planted insurable acreage for annual crops and insurable acreage for perennial crops. [For additional production and acreage requirements/exceptions for perennial crops, see Sec.7, Par. H(1)(c).]

### B(2) For APH Purposes, Do NOT Include:

- (2)(a) Acreage and production of the crop that was seeded as a cover crop, for experimental purposes, for pasture, or that was NOT produced for an insurable purpose or any other uninsurable acreage as provided in the crop's policy (and reported as such if an MPCl policy is in force).
- (2)(b) Acreage planted for the development or production of Hybrid Seed or for experimental purposes.
- (2)(c) Farming practices carried out that are not in accordance with the farming practices for which the premium rates, production guarantees or amounts of insurance have been established.
- (2)(d) Eligible prevented planting acreage that was not planted to the insured crop.
- (2)(e) Acreage initially planted after the final planting date unless late planting coverage is provided by the crop provisions or RMA RO/Insurance Provider allows and the insured agree in writing (on an RMA approved form) to a coverage reduction. [See Exhibit 1].

- (2)(f) A crop planted to a type, class or variety established as not adapted to the area or excluded by the Special Provisions.
- (2)(g) A second crop following the same crop (insured or not insured) harvested in the same crop year unless specifically permitted by the Crop Provisions or the Special Provisions.
- (2)(h) Production produced on unrated acreage used for wildlife protection or management.
- (2)(i) **(NACAT → Practical to Replant.** For annual crops, acreage which was destroyed and which was practical to replant but was not replanted according to the policy provisions for the crop (insurance did not attach).  
**←NACAT)**
- (2)(j) Acreage and Production from any initially insured Small Grain Crops (Wheat, Barley, and Oats as indicated in the Special Provisions) will not be used to calculate the approved APH Yield if the agent was notified, prior to the published date in the Special Provisions, that the insured intended to:
- 1 Destroy acreage prior to harvest, or
  - 2 Graze the acreage on or after the published date in the Special Provisions.
- (2)(k) Appraisals made for production LOST due to insurable or uninsurable causes of loss (i.e., appraised production lost due to fire or chemical carryover).

Note: If separate determinations of acreage and production (insurable and not insurable) can be made SUCH ACREAGE AND PRODUCTION ARE NOT used for APH purposes. If production was not kept separate, total acreage and total production (insurable and not insurable) must be included when calculating the actual yield.

- B(3) **Previously uninsurable acreage, crops, practices, or types** made insurable by RMA may have databases established that contain production history if ALL record requirements are met. Otherwise, use the **variable** "T" Yield for such databases.

## 10C Supporting Evidence

- C(1) **Records.** When supporting evidence is required, insureds may submit the following types of records **to substantiate production reports:**
- (1)(a) Farm management records which indicate total acres and production by crop and crop year are acceptable for Barley, Canola, Corn, Cotton, ELS Cotton, Dry Beans, Flax, Forage Production (if sold, see Par. (1)(b) below), Grain Sorghum, Millet, Oats, Popcorn, Rice, Rye, Safflower, Soybeans, Sunflower, and Wheat [see Sec. 6, Par. J]. In addition, precision farming and yield monitoring systems may be used if the farm, field ID, crop, acres, total yield, date of harvest, grower, and crop year are identified on a yield map or summary report.

- (1)(b) **Verifiable production** reports must be substantiated by records from a marketing outlet, processor, packer, first handler, etc., for Almonds, Apples, Blueberries, Processing Beans, Citrus (Arizona-California and Texas), Cranberries, Dry Beans, Forage Production (sold), Figs, Grapes, Macadamia Nuts, Onions, Peaches, Pears, Peas (Dry and Green), Plums, Potatoes, Prunes, Stonefruit (Apricots, Nectarines, and Peaches), Sugar Beets, Sugarcane, Sweet Corn (Processing), Table Grapes, Texas Citrus Fruit, Tobacco (Production Guarantee -Types 41 and 32 PA; 51 and 61 CT; 51, 52, and 61 MA; 32 MD; 31 NC; VA, WV), Tomatoes (Processing and Fresh Market Guaranteed Production Plan), Walnuts [see Sec. 6, J and Sec. 7 Par. L].
- (1)(c) **FSA Recorded Evidence.** Acreage and production evidence previously recorded at FSA on FSA documents such as FSA 658-1, FSA 503A, FSA 578, FSA 658, FSA 156, or other FSA generated forms provided the FSA documents meet RMA record requirements for the crop i.e., accurate and verifiable, etc.
- (1)(d) **RMA RO or Insurance Provider Recorded Evidence.** Acreage and production evidence accepted by either RMA RO or Insurance Provider on their respective Field Inspection and Claim for Indemnity forms (FCI-74, FCI-74 T-P-C, FCI-63, etc.) or MPCCI Production Worksheet forms. For Category B and C Crops, claims from 1986 and succeeding crop years will be used even if the insured does not file production reports for those years.

NOTE: If a Claim for Indemnity has reduced the production to count to account for transportation to a market, reconditioning, etc., facility, that adjustment may be added back into the production to count for APH purposes. If an add-back is made, it must be documented and provided to the verifier with the applicable production report. A copy of the documentation must also be attached to the applicable production report and retained in the insured's file at the service point.

- (1)(e) **Substantiated Evidence.** Production substantiated by evidence such as copies of elevator or warehouse receipts, ledger sheets, load summaries, settlement sheets, CCC loan documents, etc., **must show the:**
- 1 commodity,
  - 2 name of the insured,
  - 3 name of the buyer, storer, or marketing outlet,
  - 4 crop year produced and date of the transaction,
  - 5 P/T/V when applicable, and
  - 6 quantity of production which can be converted to the proper unit of measure, if necessary.
- (1)(f) **Measurements.** Farm-stored production measurements performed by an authorized person from RMA RO, FSA or an Insurance Provider.

C(2) **Production Fed to Livestock**

Production fed and substantiated by livestock feeding records, field harvest records, etc., **must be** documented through a formal **contemporaneous** record system (e.g., RMA's Guidelines for a Production Record Management System).

**Records must be maintained on a daily basis, accounting for production fed to livestock and have been generated during the time period production was fed.**

When feeding from a previous year's inventory, to which current year's production will be added, the amount of previous years' production must be measured at least 15 days prior to the beginning of harvest. If feeding continuously, the producer should record the following:

- (2)(a) Amount of grain/insured crop or commodity fed each day.
- (2)(b) Bin/storage facility ID from which the production was taken.
- (2)(c) Number and kind of livestock.
- (2)(d) Estimated average weight (to the nearest 100 pounds) and number of livestock per head and location or pen number.
- (2)(e) The unit number from which the fed production was taken (indicate in the remarks on the Livestock Feeding Record).
- (2)(f) Fed Production whether from previous years or fed directly from the field or truck (indicate in remarks on the Livestock Feeding Record).

C(3) **(NACAT → Supporting Evidence/Production Reports for Optional Units**

- (3)(a) Most Recent APH Crop Year. To qualify for optional units, acceptable production reports must be filed for each optional unit (by P/T/V) for the most recent APH crop year used to calculate the approved APH yield. Acceptable supporting records such as; farm management records (Category B APH crops), elevator ledger sheets, bin measurements, livestock feeding records, field harvest records, etc., that indicate planted acres and production for each optional unit and must be available for that year and account for all planted acreage and total production.
- (3)(b) Prior APH Crop Year(s). For APH crop years prior to the most recent APH crop year, if a NEW insured is UNABLE to provide separate acceptable production reports on an optional unit basis but provides acceptable records of acreage by unit and production for each basic unit by P/T/V, production for optional units within a basic unit may be determined on a *prorata* basis (except for optional units determined by P/T/V), and applied to optional units with planted acres. For example: 100 acres, 150 acres, and 50 acres were planted on units 00101, 00103 and 00105 respectively. The insured has records of 37,500 bu. total production,  $37,500 \div 300 = 125$  bushels per acre. For unit 00101: 12,500 (100 acres x 125 bu.), 100.0 acres and "A"125 bu. are entered on the APH form in the Total Production, Acres, and Yield column. For unplanted units 00102 and 00104, 0.0 is entered in the acre's column and "Z" in the yield column. The insured is eligible for five optional units.

- (3)(c) For Subsequent Crop Years. If optional units are desired, acceptable production reports must be filed for each optional unit. Acceptable supporting records such as; farm management records (Category B APH crops), elevator ledger sheets, bin measurements, livestock feeding records, field harvest records, etc., that indicate planted acres and production for each optional unit and which account for all planted acreage and total production must be available for each subsequent APH crop year. Acres and production submitted to qualify for optional units for the previous crop year may not be combined into a basic unit and then prorated if the insured wishes to continue to qualify for optional units. ←NACAT)

C(4) **Acceptable Pick Records**

When pick records are allowed as production evidence, they must meet basic requirements [stated in C(1) and C(3) of this Sec.] plus the requirements outlined below.

- (4)(a) Name. Pick records must indicate names of the individuals paid by the grower (crew leader or picker).
- (4)(b) Photocopy of Actual Records. A photocopy of complete pick records for the crop year must be submitted to the Insurance Provider. These records must be the actual running tallies of production harvested by the pickers; a summary of the pick records is not acceptable unless it is not feasible to photocopy all the material. In this instance, a summary which itemizes each invoice or transaction may be submitted with an example of the pick records used to calculate the total production. The pick records must also be legible, understandable and reasonable when explained by the insured. Such records must accompany the APH form.
- (4)(c) Verifiable Receipts. Pick records must be accompanied by verifiable receipts such as a photocopy of the canceled check(s) showing the banking institution's stamp of payment. If this is unavailable, a copy of payments made to the Social Security Administration for tax payments made on behalf of the picker(s) is acceptable. The insured must also identify the price paid per volume of picked, converted to the insurable unit of measure (bushels, lugs, or boxes), and weight per bushel, lug, or box.
- (4)(d) Calculations Used. Pick records must include the calculations used to determine total production or be accompanied by a cover page, which shows the calculations used to determine the production shown on the APH form. All calculations must be verified by the RMA RO/Insurance Provider. All bin, volume, and weight figures must be converted to the insurable unit of measure (bushels, lugs, or boxes), and weight per bushel, lug, or box.

- (4)(e) Other Acceptable Records. If production is marketed direct to the consumer, a pre-harvest appraisal (performed by RMA RO/Insurance Provider) is required by the policy, unless the actuarial document for the crop has provisions that allow the RMA RO to waive this requirement, based upon evidence that acceptable supporting documentation is being maintained. A daily accounting of sales is acceptable unless the actuarial document for the crop requires a pre-harvest appraisal for APH purposes. The daily account must be a photocopy of the insured's actual ledger. Tax forms or other receipts of verification must be submitted showing the income and production derived from the sale. Pick records alone, if production is marketed directly to the consumer, are not acceptable if the actuarial table indicates an appraisal must be made for APH purposes.
- (4)(f) Records Not Acceptable. Production summaries or estimates will not be accepted. This includes summaries and estimates made by inspectors, agents, growers, RMA RO, or Insurance Provider.
- (4)(g) Unacceptable or No Records. When unacceptable records or no records are received on carryover contracts with insurable acreage, yields shall be assigned as per assigned yield procedures. Contracts requiring RMA RO approved yields, and contracts with added land or removed acreage shall be forwarded to the RMA RO to review the preliminary yield and issue the approved APH yield.

#### 10D Field Visits

- D(1) Requesting Field Visit. Insureds may request that Insurance Providers perform field visits (by unit) for APH record purposes if **INSURED** acreage will be:
- (1)(a) Destroyed or NOT harvested as defined in the crop provisions (put to another use),
- (1)(b) Harvested as defined in the crop provisions and the insured will not be able to maintain/provide acceptable records of the harvested production (examples: high moisture grain chopped for silage or forage production stored in an airtight structure).
- (1)(c) Harvested as defined in the crop provisions for Corn and the insured will not be able to maintain/provide acceptable records for 50 percent or more of the Corn acreage. [See Sec. 6, Par. J(2)(f)2 and (g)2.]

Harvested Corn production with acceptable records may be converted from tons to bushels and vice versa using the bushels/tonnage conversion factor when necessary to provide records that are consistent with the type insured. [See Sec. 6, Par. J(2)(e)]. If less than 50 percent of the acreage is harvested and the remainder of the acreage was not appraised, then such records are unacceptable for APH purposes.

- D(2) **Acreege and APH Determinations.** When requested by an insured, field visits for APH acreage and production determinations are performed by the Insurance Provider servicing the policy. Insureds may request acreage and production determinations from the FSA for APH purposes; however, they will be charged for the cost of the inspection by the county FSA office according to FSA procedure. The insured must provide such determinations to the Insurance Provider.
- D(3) **Requesting Acreage and APH Determinations.** Requests for acreage and production determinations made by an Insurance Provider will be made through the agent/representative to the Insurance Provider. When an appraisal is required, it will be completed by a loss adjustment contractor/company employee trained in loss adjustment procedures to determine acreage and production. If a Claim for Indemnity is NOT or WILL NOT be filed, Insurance Providers may use a production worksheet and applicable instructions.
- D(4) **Assigned Yields.** Failure to provide required acreage and production evidence, when required by the Insurance Provider or during a field review, will require use of assigned yields in calculating the approved APH yield.
- 10E **Use of Another Producer's Acreage and Production History.** When an insured has not maintained acceptable records, acreage and production evidence from another person (**either insured or not insured**) who shares in the same acreage of the crop for the current crop year may be used to support production reports certified by the insured.
- E(1) **To use another person's acreage and production history,** insureds must: 1) obtain copies of the other producer's acreage and production **records** or 2) obtain permission to use the other insured's APH Production reports/databases for the current crop year [See authorization requirements in Par. F]. Insureds must then certify the acreage and production history from only the appropriate locations (same acreage, legal description, FSN, etc.) on their production reports. Another producer's acreage and production history may be used if:
- (1)(a) The evidence is acceptable and accounts for all of the other producer's acreage and production of the crop in the county.
- (1)(b) Continuity and all other APH requirements are met [See Exhibit 23].
- (1)(c) **All years for the appropriate locations** are reported (cannot exclude years) when production reports/databases are used, unless fewer years of acceptable production reports have been provided for the balance of the farming operation (e.g., Insured previously had one basic unit in the operation (unit 00100), reported only five consecutive years of APH and added unit 00200 for the current crop year. The insured obtained ten years of APH (00200) from the other person sharing in the crop. However, the insured is eligible to use only the five most recent crop years for unit 00200 due to reporting only the five most recent crop years for unit 00100 [see Par. 10A(2)].) All other APH requirements must be met when using production reports/databases of another person sharing in the crop.

E(2) **Supporting Records for APH Reviews.** If selected for an APH review the initial year the other producers' records are used, acceptable supporting records for **all years** certified must be provided. Use of another insured's production reports/databases does not relieve the person using them of the responsibility to provide acceptable supporting records.

**10F Landlord and Tenant APH Yields.** When determining APH yields for landlords and tenants (when share-renting the same land), each party must file production reports unless one party authorizes the other party to file production reports on his or her behalf. Parties sharing in the crop may use production reports submitted by other insureds sharing in the crop, provided their use has been authorized by power of attorney or other form of written authorization by the production reporting date and all APH requirements are met. If a written authorization statement is used, it must include the certification statement required on the APH form.

NOTE: Each database is updated with the production reports filed by the designated party each crop year. However, this does not relieve the party on whose behalf the production report is being filed of any responsibility to file accurate production reports or maintain acceptable supporting records.

10G Reserved.

**11 RECONSIDERATIONS, MEDIATION, AND APPEALS**

Any participant (individual or entity) who has applied for, or whose rights to participate in or receive a payment or benefit in accordance with any program administered by RMA, may obtain a review of the adverse decision. An "adverse decision" is an administrative decision made by an officer, or employee, that is adverse to a participant. The term includes a denial of equitable relief by RMA or the failure of RMA to issue a decision or otherwise act on a request or right of the participant within a reasonable time if time frames are not specified in such statutes or regulations. However, adverse decisions based on: a general program provision or program policy, any statutory or regulatory requirement that is applicable to all similarly situated participants, mathematical formulas established under a statute or program regulations and decisions based solely on the application of those formulas, is not appealable.

A participant may request reconsideration, mediation, and/or appeal to the National Appeals Division (NAD) by timely requesting such consideration with the appropriate authority.

**11A Time Limitations**

A request for reconsideration, mediation, and/or NAD appeal must be requested not later than 30 calendar days after the date the participant first received notice of the adverse decision. A request for reconsideration, mediation, and/or NAD appeal will be considered filed when personally delivered to the appropriate reviewing authority or when a properly addressed request, postage paid, is postmarked.

**11B Reconsiderations and Appeals to RMA RO**

- B(1) **Reconsideration.** A subsequent consideration of a prior decision by the original decision maker. A participant cannot request reconsideration of a final decision that resulted from the reconsideration request.
- B(2) **Appeal.** A written request by a participant asking the next level reviewing authority to review an adverse decision.
- B(3) **Final Decision.** An initial program decision rendered by decision maker. A decision that is otherwise final will remain final unless a request is timely received for reconsideration, mediation or appeal to NAD.
- B(4) **Documentation.** The request must state the basis upon which the participant relies to show that: 1) the decision was not proper and not made in accordance with applicable program policies/regulations; or 2) all material facts were not properly considered.

**11C Mediation/Alternative Dispute Resolution (ADR) Of RMA RO Decisions**

Mediation is a process in which a trained, impartial, neutral third party, called a mediator, help parties find ways to settle their dispute. There is no formal hearing in mediation. Instead, using joint meetings and private caucuses, mediators (1) help the parties identify their real goals, (2) narrow the issues, and (3) look for alternatives and options as well as areas of common interest which are consistent with program policies, regulations, and statutes, and (4) prevent the parties from focusing on only one solution. Mediators have no formal power to make a decision: their role is that of facilitator.

C(1) **When Mediation May be Chosen.** Participants have the right to seek mediation involving any decision within 30 days after written notice of the decision which is the subject of the request is mailed or otherwise made available to the participant.

C(2) **Requests for Mediation.** In states covered by a Certified State Mediation Program which handle the crop insurance issues, participants request mediation by writing to the RMA RO, Director. In noncertified States participants request mediation by contacting the decision maker. The decision maker or his or her designee will:

(2)(a) Determine whether resources are available for mediation;

(2)(b) Locate and select a mediator;

(2)(c) Provide the participants notice of mediation.

If the participant objects to the selected mediator, the insured may request selection of another mediator.

C(3) **Time Limitation.** The participant may request reconsideration of an adverse decision before requesting mediation, but cannot request reconsideration of the decision after choosing mediation.

A participant who chooses mediation before filing an appeal with NAD:

(3)(a) Retains the rights of the 30-day period in which a participant may appeal to NAD;

(3)(b) Will have the balance of days remaining in the 30-day period to appeal to NAD when mediation has concluded without resolution.

C(4) **Frequency.** A participant may mediate an adverse decision only once.

**11D NAD Appeals**

A participant may appeal a final decision of the RMA RO, or FOSB directly to NAD. Additionally, if a participant receives a determination from an agency that an agency decision is not appealable the participant may submit a written request to the Director, NAD for a determination of appealability.

- D(1) **Appealability Determinations.** In order to be considered, a request for:
- (1)(a) Determination of appealability, must be filed in writing not later than 30 calendar days after the date on which a participant receives a determination from an agency that an adverse decision is not appealable. Such requests must be submitted to the Director, NAD.
  - (1)(b) An appeal of the adverse decision, must be filed in writing not later than 30 calendar days after the director's determination is received by the participant that an agency decision is appealable.
- D(2) **Documentation.** A request for a NAD hearing will be in writing and personally signed by the participant. It must include a copy of the adverse decision to be reviewed, if available, along with a brief statement of the participant's reasons for believing that the decision, or agency's failure to act was wrong.
- D(3) **Levels of NAD appeals.**
- (3)(a) Division Hearings. Requests must be made to the applicable NAD Regional Office [See Exhibit 12]. A hearing before a Hearing Officer will be in person unless the appellant agrees to a hearing by telephone **or a review of the records.**
  - (3)(b) Appellant Requests for Director Reviews. In order to be entitled to a Director Review, not later than 30 days after the date on which an appellant receives the determination of a Hearing Officer, the named appellant must submit to the director, a personally signed written request to review the determination. Such request shall include specific reasons why the appellant believes the determination is wrong.
  - (3)(c) Agency Requests for Director Reviews. Not later than 15 business days after the date on which an agency receives the determination of a Hearing Officer, the head of the agency may make a written request that the Director review the determination. Such request shall include specific reasons why the agency believes the determination is wrong, including citations of statutes or regulations that the agency believes the determination violates. Any such request may be made by the head of an agency only, or by a person acting in such capacity, but not by any subordinate officer of such agency.

- (3)(d) Reconsiderations of Director Decisions. May be requested by the appellant or agency within 10 calendar days of receipt of the determination. The request must contain a detailed statement of a material error of fact made in the determination, or a detailed explanation of how the determination is contrary to statute or regulation, which would justify reversal or modification of the determination. If the request for reconsideration meets the criteria, the Director shall include a copy of the request for reconsideration in a notice to the non-requesting parties to the appeal. The non-requesting parties shall have five days from receipt of such notice from the Director to file a response to the request for reconsideration to the Director.
- (3)(e) Director Address. Requests to Director, NAD, must be made to the National Appeals Division, 3101 Park Center Drive, **Room 1100**, Alexandria, Virginia 22302.
- D(4) **Pre-hearing Conference**. The Hearing Officer shall hold a pre-hearing conference in order to attempt to resolve the dispute or to narrow the issues involved.
- D(5) **Adverse Agency Decisions Not Under the Jurisdiction of NAD:**
- (5)(a) Program decisions governed by Federal contracting laws and regulations (appealable under other rules and to other forums, including to the Department's Board of Contract Appeals);
- (5)(b) Programs subject to various proceedings provided for in 7 CFR part 1;
- (5)(c) The Freedom of Information Act;
- (5)(d) Suspension and debarment disputes, including, but not limited to, those falling within the scope of 7 CFR parts 1407 and 3017;
- (5)(e) Disputes between reinsured companies and the Federal Crop Insurance Corporation (including adverse decisions made by a Insurance Provider);
- (5)(f) Personnel, equal employment opportunity, and other similar disputes with any agency or office of the Department which arise out of the employment relationship;
- (5)(g) The Federal Tort Claims Act, 28 U.S.C. 2671 *et seq.*;
- (5)(h) Discrimination complaints prosecutable under the nondiscrimination regulations at 7 CFR parts 15, 15a, 15b, and 15e.

**11E Judicial Reviews**

A final determination of NAD is reviewable and enforceable by any United States District Court of competent jurisdiction. A participant may not seek judicial review of any agency adverse decision appealable under this part without first receiving a final determination from NAD.

**11F Insurance Provider Reconsiderations for Changes or Corrections to APH Yields**

F(1) **Changes or Corrections to Preliminary APH Yields.** If the verifier calculates or determines yields resulting in approved APH yields which are less than 95 percent of the preliminary yield quoted by the agent/representative and documented on the APH form, NEW insureds have the following options:

- (1)(a) Accept the yields on all units (no action required by the insured); or
- (1)(b) Accept the yields on all units and request reconsideration of approved APH yields which differ from the preliminary yield. If a reconsideration is requested and the approved APH yield is not changed, the original approved APH yield is binding unless subject to dispute resolution through arbitration or mediation in accordance with the policy terms. If the original approved APH yield is changed during the reconsideration, the approved APH yield calculated as a result of the reconsideration is binding unless subject to dispute resolution through arbitration or mediation in accordance with the policy terms.

Note: The verifier may correct errors in yield computation or in the application of RMA approved procedures. Corrections are not subject to additional reconsiderations.

- (1)(c) **(NACAT → New insureds may request mutual consent cancellation** of additional coverage crop policies for the current crop year for unacceptable APH yields;
  - 1 If the approved APH yield computed for any unit of the crop is less than 95 percent of the preliminary yield computed for the unit; or,
  - 2 A preliminary yield was not calculated and the approved APH yield is not acceptable to the insured.

The forms necessary for cancellation must be completed timely [see (2) below]. Timeliness of the request must be verified prior to the approval of the request for mutual consent cancellation. If certified mail is used to notify the insured, the return receipt is acceptable documentation of date of notification of the approved APH yield(s). If certified mail was not used, the date of notice of the approved yield to the insured must be documented by the person (agent/representative) notifying the insured. A copy of the documentation must be provided to the Insurance Provider in order to process the request. Upon request the documentation will be made available to RMA RO for review. **←NACAT)**

- F(2) **Time limitations.** A request for reconsideration must be filed within 30 calendar days after written notice of the decision is mailed or otherwise made available to the insured. Such request shall be considered filed when personally delivered to the appropriate reviewing authority or when a properly addressed request, postage paid, is postmarked.
- F(3) **APH Reconsideration Documentation.** The insured must provide, through the agent/representative, all of the following:
- (3)(a) A copy of the acreage and production evidence initially provided.
  - (3)(b) A copy of the notification for which the reconsideration is requested.
  - (3)(c) A statement of why the insured thinks the determination is not correct and any additional evidence supporting such statement.
  - (3)(d) The date on which notification of the approved APH yield was mailed or otherwise made available. This date must be documented by the return receipt from certified mail, a postmarked envelope used to transmit the approved yield, or by written verification of the date the approved APH yield was presented to the insured (by the provider) and how it was presented.
  - (3)(e) Contract number, agent/representative's name and the Insurance Provider's address.

**12 ACTUARIAL DATA****12A Actuarial Document Information**

A(1) **County Actuarial Document Book (CADB)**. RMA publishes actuarial data by eligible crop by county.

A(2) The CADB contains:

(1)(a) County Coverage and Rate Table (FCI-35).

(1)(b) Special Provisions of Insurance.

(1)(c) Classification Documents for some crops.

**12B FCI-35, County Coverage and Rate Table**. This document (varies by crop) provides risk class, rates and coverage for crops.

FCI-35, County Coverage and Rate Table Supplement. This Supplement is used to quote rates for written agreements.

**12C Special Provisions of Insurance**

The Special Provisions are contained in the CADB and must be explained or provided to the insured. They contain information specific to individual crop policy. The Special Provisions include:

C(1) **Insurable P/T/V**.

C(2) **Program dates** by P/T/V if applicable: Sales Closing, Final Planting, Acreage Reporting, and Billing.

C(3) **Other information** specific to crop policies for the state and county.

**12D Classification Documents**

If the unit is located in more than one risk classification area, separate line entries must be recorded on the acreage report for each separate classification rate.

- D(1) FCI-32, Crop Insurance Actuarial Classification Listing. The document is used to assign classifications (based on land or management) by individual listings. The accompanying rules page will clarify whether the FCI-32 is the primary classification mechanism or supplements and takes precedence over another document (example FCI-35, FCI-33).

FCI-32, Supplement . Used primarily to convey minor changes to the FCI-32. The FCI-32 Supplement takes precedence over the FCI-32.

- D(2) **FCI-33, Crop Insurance Actuarial Map**. A detailed map indicating the classifications for the actuarial structure of a county. It may consist of one or multiple pages and a rules page. It also identifies high-risk or unrated land, when applicable. Maps are also used as "T" Yield locator documents or may authorize deviations from the basic actuarial structure. Classifications assigned by the FCI-33 are used with the FCI-35 to determine rates.

FCI-33, Supplement. Supplements are limited listings of classification exceptions to those shown on FCI-33. The FCI-33 Supplement takes precedence over the FCI-33.

**13 APH YIELD ADJUSTMENT**

For APH yield calculation purposes, the Agricultural Risk Protection Act (ARPA) of 2000 allows producers to substitute 60 percent of the applicable "T" Yield for actual yields (does not apply to assigned and temporary yields) that are less than 60 percent of the applicable "T" Yield to mitigate the effect of catastrophic year(s). Insureds may elect the APH Yield Adjustment (YA) and substitute 60 percent of the applicable "T" Yield for low actual yields caused by drought, flood, or other natural disasters.

**13A Electing APH Yield Adjustments by crop/county.**

- A(1) **No later** than the applicable sales closing date and
- A(2) **By the applicable production reporting date**, notify the insurance provider of the method to be used to determine the approved APH yield by unit/P/T/V.
- A(3) **Applicable to Category B (annual) and Category C (perennial)** APH crops.
- A(4) **Continuous** unless canceled by the cancellation date for the applicable crop year.

**13B Canceling APH Yield Adjustments.**

- B(1) **No later** than the applicable cancellation date.
- B(2) **In calculating the current year's approved APH yield**, yield limitation (cup) is applied to the prior year's approved APH yield, if applicable [see Sec. 6, Par. I and Sec. 7, Par. J(5)], and the yield floor is based upon the variable "T" Yield.

**13C Reporting Requirements.**

- C(1) **Insureds must** continue to provide to their Insurance Providers, production reports (APH forms) indicating actual acres and production (including production reports for zero planted units) by crop, unit, P/T/V, and "T" Yield Map area, and must be filed no later than the PRD.
- C(2) **Insurance Providers must** continue to establish APH yields and maintain APH databases and report the actual production history to RMA. Insurance providers will submit to RMA the Type 15 Yield Record through DAS containing:
  - (2)(a) Approved APH yield (prior to APH adjustments);
  - (2)(b) Rate yield;
  - (2)(c) Applicable "T" Yields other than those indicated by the Actuarial Data Master (Y-record) [see Par. D(1)(a-f) below].
  - (2)(d) Option code (YA) indicating that yield adjustments were elected;
  - (2)(e) Yield limitation flag (09) identifying each approved APH yield that has been adjusted under the election;
  - (2)(f) Yield identifiers (Y) identify actual yields which are less than 60 percent of the applicable "T" Yield that do not qualify for yield substitutions; and
  - (2)(g) Other Information and codes required by the DAS and indicated by the M-13 Data Acceptance System Handbook.

**13D Calculating Approved APH Yields Under the Election.**

D(1) **“T” Yields** used for yield substitution purposes are those contained on the actuarial documents, Perennial Crop Transitional Yield and Acreage Tolerance Listing or, if applicable, other “T” Yields calculated under APH procedures such as:

- (1)(a) Simple average “T” Yields for added land/P/T/V;
- (1)(b) Determined factored irrigated “T” Yields;
- (1)(c) Personal “T” Yields “Montana Pilot Program”;
- (1)(d) “T” Yields assigned by RMA RO’s, and
- (1)(e) Perennial Crop weighted average “T” Yields.

Insurance Providers must identify and maintain such “T” Yields as long as they are needed for yield adjustment purposes. When a policy is transferred to another Insurance Provider, this information must be provided as part of the APH record. Once these “T” Yields are no longer needed in the APH database (replaced by four actual/assigned yields) yield substitutions for any subsequent crop years in the database will be calculated from the applicable published “T” Yield.

D(2) **Applicable Crop Year “T” Yields for Category B and C APH Crops.** Yield substitutions for new and carryover insureds are based on the “T” Yield in place corresponding to the crop years contained in APH databases as follows:

- (2)(a) **2001 Crop Year “T” Yields.** Substitute yields for the 2001 and prior APH crop years will be based on the 2001 crop year “T” Yields (e.g., if actual yields are reported for the 1995-2001 APH crop years, 60 percent of the 2001 “T” Yield will be used to determine substitute yields for the 1995-2001 APH crop years).
- (2)(b) **2002 and Subsequent Crop Year “T” Yields.** Any substitute yields for the 2002 and subsequent APH crop years will be based on the 2002 and respective subsequent crop year “T” Yields (e.g., when calculating the approved APH yield for the 2005 crop year, yield substitutions for the 2002 APH crop year will be 60 percent of the 2002 “T” Yield, yield substitutions for the 2003 APH crop year will be 60 percent of the 2003 “T” Yield, and yield substitutions for the 2004 APH crop year will be 60 percent of the 2004 “T” Yield).
- (2)(c) **New P/T/V “T” Yields.** Beginning with the 2002 crop year, when coverage is initially established for a P/T/V on the actuarial document, 60 percent of the “T” Yield for the new P/T/V will be used to determine substitute yields for that APH crop year and for prior APH crop years (e.g., a new practice was established for 2002; therefore, 60 percent of the 2002 “T” Yield is used for 2002 and prior APH crop year yield substitutions). Substitute yields for subsequent APH crop years will then be 60 percent of respective subsequent crop year “T” Yield.
- (2)(d) **“T” Yield Not Available.** If a “T” Yield is not available for a crop year in which the producer seeks to substitute a yield, contact the RMA RO to obtain an assigned “T” Yield for that crop year.

- D(3) **For Category B APH Crops** [see Par. D(6) for Category C Crop instructions] for each APH database:
- (3)(a) Make the following calculations:
- 1 Calculate the average adjusted APH yield by substituting 60 percent of the applicable "T" Yield for eligible actual yields that are less than 60 percent of the applicable "T" Yield (yield substitutions);
  - 2 Calculate the cupped yield, if applicable [See Sec. 6 Par. I for additional instructions];
  - 3 **(NACAT →** Calculate the yield floor (not applicable for CAT coverage), if applicable [See Sec. 6 Par. I for additional instructions]. **← NACAT)**
- (3)(b) Each insured may choose by the production reporting date, the method, by unit/P/T/V, used to determine the approved APH yield:
- 1 For CAT coverage, the average adjusted APH yield or the cupped yield, if applicable, as calculated under APH procedure.
  - 2 For additional coverage, the average adjusted APH yield or the higher of the yield floor or cupped yield, if applicable, calculated under APH procedure.
- (3)(c) Approved APH yields calculated utilizing yield substitutions are NOT eligible for cups or yield floors.
- D(4) **Malting Barley.** YA applies to feed Barley APH databases when the Malting Barley Option A or B is elected. It does not apply to Malting Barley databases under Option A.
- D(5) **If Master Yields are applicable**, make yield substitutions after the individual unit data have been summarized on the Master Yield Summary. Separate Master Yields are required for "T" Yield map areas, designated homogeneous Master Yield areas, and by P/T/V. [See Exhibit 7 for Master Yield instructions and Par. 3D specifically for APH Master Yield Summary Form requirements].
- (5)(a) Insurance Providers must submit ONE Type 15 Yield Record (Master Yield Summary Record) for EACH Master Yield to RMA. The Master Yield Summary Record must contain the SUMMARIZED data prior to APH adjustments. RMA will validate Master Yield Summary Records for which yield substitutions are applicable. It is NOT necessary to submit individual unit Type 15 records. For data reporting/processing purposes:
- 1 Each Master Yield will be assigned a Master Yield summary record number.
  - 2 The Master Yield summary record number will be entered on the Type 11 acreage record (by line) to identify the applicable approved Master Yield.
- (5)(b) Yield substitutions, approved yields, and rates will be determined at the Master Yield level.

- D(6) **For a Summerfallow (SF) practice** [using the special instructions in Sec. 6, Par. J(13)(h)3], make yield substitutions (if applicable) to both the SF practice and the continuous cropping practices (CC) prior to determining the “higher” yield to be used for the SF practice. Continue to duplicate the CC data if higher, identify it as SF, and submit the duplicated data (Type 15 record) to RMA.
- D(7) **Additional instructions for Category C APH (perennial) crops.** APH adjustments will be made as follows:
- (7)(a) **For Avocado Revenue**, the APH adjustment will adjust the average farm revenue. Refer to [Par. 13C(3)] and make actual yield substitutions prior to calculating the average farm revenue. Follow the reporting requirements in [Par. 13C(2)] by substituting average farm revenue for the actual production history in [Par. 13C(2)(a)] and the approved average revenue for the approved APH yield in [Par. 13C(2)(c)].
- (7)(b) **The RMA RO will calculate approved APH yields if the Pre-acceptance Field Inspection [Sec. 7, Par. F(1)] or the Pre-acceptance Selection Criteria [Sec. 7, Par. F(2)] is met or exceeded unless, the RMA RO issues guidelines indicating how the approved APH yields will be calculated and gives insurance providers the authority to calculate the approved APH yields.**
- 1 Insurance Providers must determine variability of actual yields [Sec. 7, Par. F(2)(b)] prior to any APH yield adjustments.
  - 2 The RMA RO or Insurance Provider as authorized will make appropriate APH yield adjustments.
    - a When alternate bearing cycles are identified for crops that are subject to alternate bearing cycles (e.g., apples), yield substitutions will not be made for low yields occurring during the alternate bearing years.
    - b If yields are declining (e.g., past peak production, orchard/grove/vineyard/bog is diseased, in poor condition, being renovated, etc.) the RMA RO will determine whether yield substitutions should be made.
- (7)(c) **Yield substitutions will be made** for actual yields reported on APH Forms/Type 15 records. Yield substitutions are not made on Block Production Worksheets when Block Production Worksheets are applicable.
- 1 Some perennial crop “T” Yields are established for specified ages and/or densities. As the crop’s age and/or density changes, different “T” Yields apply; however, substitute yields will be based on 60 percent of the variable “T” Yield for the age and density for individual crop years as indicated in [Par. 13D(2)].
  - 2 Weighted average “T” Yields are applicable “T” Yields for yield substitution purposes. They are not “set” and may change from year to year. A weighted average “T” Yield [See Unit Summary Worksheet, Exhibit 16, Par. 3B, Example 4] for the current crop year must be calculated for each APH yield/Type 15 record, if more than one “T” Yield is applicable (e.g., different ages, density, types that have different “T” Yields are applicable).

Substitute yields based on weighted average "T" Yields will be based on 60 percent of the weighted average "T" Yield calculated for individual crop years as indicated in [Par. 13D(2)].

- 3 If significant changes have occurred to Trees/Vines/Bushes/Bogs as identified on the FCI-12-PAW Producer's Pre-Acceptance Worksheet; FCI-12-P Pre-acceptance Inspection Report; and the applicable Crop Addendum Worksheet, then questions concerning appropriate "T" Yields on which to base the applicable "T" Yield for yield substitution purposes, may be referred to the RMA RO.
- 4 Sixty percent of the applicable "T" Yield will be substituted for actual yields that are less than 60 percent of the applicable "T" Yield due to drought, flood, or other natural disasters. For each APH database:
  - a Calculate the average adjusted APH yield (after yield substitutions are made);
  - b Calculate the cupped yield (applicable for almonds, cranberries, citrus (AZ-CA), figs, grapes, Macadamia nuts, pears, plums, prunes, stonefruit, table grapes, Texas citrus fruit, and walnuts), if applicable (cups or caps will not apply to prior year's approved APH yields calculated using yield substitutions);
  - c Calculate the weighted average APH yield using Unit Summary Worksheets, if applicable.
  - d Each insured may choose by the production reporting date the method used to determine the approved APH yield, either the average adjusted APH yield or, if applicable, the higher of the cupped yield or the weighted average APH yield calculated under APH procedure.
- 5 APH yields (databases) that do not contain yield substitutions remain eligible for cups, caps, or the weighted average APH yield determined using Unit Summary Worksheets consistent with current procedure.

**D(8)** DAS will process the data and verify that approved APH yields for which yield substitutions were made are calculated correctly.

**13E** Determining premium rates. If the approved APH yield calculation chosen by the insured (by unit/P/T/V/"T" Map area, etc.) includes at least one 60 percent "T" Yield that was substituted for an actual yield:

- E(1) For continuous rated crops and counties, the rate yield (average APH yield prior to any yield substitutions) is used to determine the premium rate. The average yield for continuous rated crops is divided by the current year's reference yield to determine current year's yield ratio and the result (rounded to nearest hundredth) is then used in the continuous rating formula.
- E(2) For crops and counties not utilizing continuous rating methodology, a 5 percent (1.05 factor) surcharge will be applied to the premium calculation unless the actuarial document indicates an APH adjustment surcharge. If an APH adjustment surcharge is indicated, the APH adjustment surcharge will apply to the premium calculation.

**13F Yield Adjustment Examples:**

**Example of Elected APH Adjustments**

In this example, the 2001 RMA "T" Yield was 97 bushels, the 2002 RMA "T" Yield is 105 bushels and the prior year's APH yield was 117 bushels which was calculated using yield adjustments. Insured has elected APH Adjustments.

APH Calculation Without APH Adjustment

Crop	Practice	Type	Unit
Corn	NI	GR	00101
Year	Prod	Acres	Yield
1993	0	110.0	A0
1994	10850	70.0	A155
1995	16000	100.0	A160
1996	0	90.0	A0
1997	7700	55.0	A140
1998	11375	65.0	A175
1999	13178	125.5	A105
2000	0	100.0	A0
2001	6000	100.0	A60
2002	3600	90.0	A20
		Total	815

APH Calculation With APH Adjustment

Crop	Practice	Type	Unit
Corn	NI	GR	00101
Year	Prod	Acres	Yield
1993	6380	110.0	A0/58*
1994	10850	70.0	A155
1995	160000	100.0	A160
1996	5220	90.0	A0/58*
1997	7700	55.0	A140
1998	11375	65.0	A175
1999	13178	125.5	A105
2000	5800	100.0	A0/58*
2001	6000	100.0	A60
2002	3600	90.0	A20/63*
		Total	1032

Method:	Avg Yld	Yld Floor	Cup	Adj APH
Yield:	$815 \div 10 = 82$	$105 \times .8 = 84$	NA	NA
Premium:	\$8.45	\$8.66		

Method	Avg Yld	Yld Floor	Cup	Adj APH
Yield:	82	84	NA	$1032 \div 10 = 103$
Premium:				\$10.62

In the example above, the average yield prior to yield adjustment is 82 bushels. After yield adjustment, the approved APH is 103 bushels.

\* 60 percent of the 2001 "T" Yield

\*\*60 percent of the 2002 "T" Yield

Note: Premium amounts are for demonstration purposes only and are based on 2002 rates and prices. Premium calculations are based on the following assumptions: 100 percent price election, 75 percent coverage level, no optional units and no options.

**14 APH REVIEW REQUIREMENTS**

**14A APH Field Reviews.** Insurance providers are required to conduct annual APH tolerance reviews [See Guidelines and Expectations for Delivery of the Federal Crop Insurance Program (Manual 14) for APH tolerance review requirements.] Tolerances are established for each crop Category. They are stated in terms of percent difference. The percent difference for an actual yield for a crop year is calculated by dividing the difference of the two yields by the actual yield determined to be correct by the reviewer. Each actual yield(s) that was certified to calculate the current year's APH is reviewed (this does not include actual yield(s) for crop year(s) used to calculate the previous year's APH). A discrepancy in excess of the **percent tolerance for the crop category** requires a revised FCI-19-A(APH) and a completed review report. Calculate a separate percent difference for each yield certified by unit by P/T/V, group, FSA FSN, etc., requiring separate APH yields.

The percent difference for an approved APH yield is calculated by dividing the approved APH yield (Item 21) for the current crop year by the APH yield determined to be correct by the reviewer. A correction to the approved APH yield must be made for the current crop year if the correction changes the APH Yield (prior to rounding) by more than the **tolerance established for the crop category**. The cap procedures do not apply to the corrected approved APH yield.

If the change to the approved yield (item 21) for the current crop year would be less than the **tolerance for the crop category**, the correction is made for the following crop year and the cap procedures will apply.

NOTE: Any production report listing an incorrect "T" Yield as the approved APH yield (block 21 of the FCI-19-A(APH)) must be corrected for the current crop year.

Tolerances for the crop categories are:

- A(1) **Categories "D", "E", "F", "G" have** a tolerance of zero. Any discrepancy discovered will be corrected for the current crop year. [See Sec. 8 for eligible crops in Categories "D", "E", "F", and "G".]
- A(2) **Category "B" crops** not listed in [A(3)] have a five (5) percent tolerance. [See Sec. 6B for a list of eligible Category "B" crops.]
- A(3) **The following Category "B" and "C" crops** have a two (2) percent tolerance. Almonds, Apples, Blueberries, Processing Beans, Citrus (Arizona-California), Cranberries, Dry Beans (bush varieties for garden seed), Figs, Forage Production, Grapes, Macadamia Nuts, Millet, Onions, Peaches, Pears, Peas (except for Contract Seed Peas), Plums, Potatoes (Northern and Southern), Prunes, Sugar Beets, Sugarcane, Stonefruit, Processing Sweet Corn, Table Grapes, Texas Citrus Fruit, Guaranteed Production Tobacco, Tomatoes (Processing and Fresh Market Guaranteed Production Plan) and Walnuts.

**14B** **Maximum Yield Reviews.** Insurance Providers shall review and verify any approved or annual yield record identified by RMA as exceeding specified levels to determine reasonableness and accuracy.

**B(1)** **A measure of reasonableness and accuracy** would be the comparability of the yield to the county average yield for that year. If the yield is not considered reasonable and accurate based upon this comparison, an examination of production and acreage reports, and other supporting documents, would be appropriate to determine if the yield certified by the producer is acceptable (See FCIC 14010 Guidelines and Expectations for Delivery of the Federal Crop Insurance Program, [Section C (4)(b)] for additional guidance).

**B(2)** **For annual crops, forage production, sugarcane, avocados and pecans:**

**(2)(a)** Yield records will be rejected and an error message will be generated if the approved or annual yields contained within the yield record exceed the lower level yield validation threshold.

- 1** For yield records with approved or annual yields that exceed the lower level validation threshold but do not exceed the maximum acceptable level for the crop/county/state:
  - a** The Insurance Provider must conduct an underwriting review to determine if the yield is reasonable and accurate.
  - b** After determining the yield is reasonable and accurate, the yield record may be resubmitted to Data Acceptance System (DAS) with the review flag indicator set.
  - c** Resubmission of yield records with the review flag indicator set is considered confirmation by RMA that an appropriate underwriting review has occurred and confirmed that the yields are reasonable and accurate.
- 2** RMA will monitor DAS to assure compliance with these requirements.

**(2)(b)** Yield records with approved or annual yields exceeding the maximum acceptable level will not be accepted by DAS, except as authorized by RMA. Insurance Providers must provide justification to RMA or RMA designee for RMA to override the maximum yield edit level, on a county/crop/practice/type basis. This justification may include documentation of an insured's production records indicating the yield is reasonable and accurate or other documentation that the maximum yield edit level is too low. For production records to be considered as justification for an override of the maximum yield edit level, the following must be included:

- 1** Request for override of the maximum yield edit level.
- 2** Certification of the accuracy of the insured's yield by the Insurance Provider.

- 3 Copy of the Insurance Provider's underwriting review.
  - 4 Supporting production records which meet the APH supporting production record requirement including:
    - a Hard copy records of the yield in question.
    - b Hard copy production reports for all other units/databases within the same basic unit.
  - 5 Any other documentation supporting the override request.
  - 6 Request should include applicable RMA state, county, crop, practice and type codes.
- B(3)** **For perennial crops**, RMA has established only a maximum acceptable yield level on a state/crop basis.
- (3)(a) Yield records with approved or annual yields exceeding the maximum acceptable level for the crop will not be accepted unless it is determined by RMA or RMA designee that the maximum acceptable level is not representative for the state.
- (3)(b) For RMA to override the maximum yield edit level, Insurance Providers must provide justification to RMA or RMA designee for the override. This justification may include documentation of an insured's production records indicating the yield is reasonable and accurate or other documentation that the maximum yield edit level is too low. For production records to be considered as justification for an override of the maximum yield edit level, the following must be included:
- 1 Request for override of the maximum yield edit level.
  - 2 Certification of the accuracy of the insured's production records and yield.
  - 3 Copy of the Insurance Provider underwriting review.
  - 4 Supporting production records which meet the APH supporting production record requirement.
    - a Hard copy records of the yield in question.
    - b Hard copy production reports for all other units/databases within the same basic unit.
  - 5 Any other documentation supporting the override request.
  - 6 Applicable RMA state, county, crop, practice and type codes.

- B(4)** **For maximum yield edit purposes**, APH procedures apply to any underwriting review (i.e., if actual/supporting production records are not available/provided and it is within the record retention period, assigned yield procedures will apply).
- B(5)** **The Basic Provisions**, [Section 20] provides terms and conditions regarding the resolution of any disagreement **between** the insured **and Insurance Provider** with any corrected annual or approved **APH** yield.
- B(6)** **Refer to the Data Acceptance Manual [Manual 13]** for additional information concerning yield edits and record submission requirements.

**14C** **Additional Reviews.** [See Section 9 B(6)] for additional APH reviews that may be required.

EXHIBIT 1  
2003 CROP POLICY INFORMATION

Crops	FCIC		NCIS		***Crop Category, APH Yield Tolerance	Late Planting (L) Prev. Planting (P)	*Replant	Unit of Measure	**Enterprise (E) *Optional(O) **Basic (B) Unit	*High- Risk Land Ex.Opt.
	Policy	Crop Provisions	Basic Provisions	Crop						
Almonds	01-BR	99-028	2001 700-B	719	C 2%			lb	B/O	
Apples	01-BR	01-54	2001 700-B	721	C 2%			box/bu	B/O	
Avocados (Pilot - California Only)	01-BR	2002-019	2001 700-B	711	Rev.			\$	B/O	
Avocados (Pilot - Florida Only)	01-BR	99-019A	2001 700-B	808	C 2%			bu	B/O by Type	
Avocados/MangoTree (Pilot Florida Only)	01-BR	01-0212	2001 700-B	804	D 0%			\$	B/O	
Beans, Dry	01-BR	98-047	2001 700-B	712	B 2% (BV) 5% (other)	L/P	Yes	lb	B/O/O by Type	Yes <u>1,2</u>
Beans, Fresh Market (Pilot)	01-BR	03-105	2001 700-B	826	D 0%			\$	B/O	
Beans, Processing	01-BR	98-046	2001 700-B	704	B 2%	L/P		ton	B/O/O by Type	
Blueberries (Pilot)	01-BR	00-012	2001 700-B	794	C 2%			lb	B/O by Type <u>3</u>	
Cabbage (Pilot)	01-BR	00-072	2001 700-B	810	B 2%		Yes	cwt	B/O	
Canola/Rapeseed	01-BR	98-015	2001 700-B	795	B 5%	L/P	Yes	lb	B/O	
Cherries (Pilot)	01-BR	01-057	2001 700-B	812	D 0%			\$	B/O	
Chile Peppers, Processing (Pilot)	01-BR	00-045	2001 700-B	832	D 0%			lb	B/O by Type	
Citrus (AZ & CA)	01-BR	00-126	2001 700-B	731	C 2%			carton	B by Crop/O	
Citrus Dollar, California (Pilot)	01-BR	02-215	2001 700-B	836	D 0%			\$	B/O	
Citrus Fruit, Florida	01-BR	99-026	2001 700-B	724	D 0%			box	B by Type/O	
Citrus Fruit, Texas	01-BR	00-226	2001 700-B	733	C 2%			ton	B/O	

1 Requires insured's signature

2 Not available in Idaho, Oregon, Utah, and Washington

3 Optional units allowed by type if on special provisions

\* Applies to additional coverage only

\*\* Basic Unit Discount and/or Enterprise Units if provided for in the Special Provisions

\*\*\* Yield tolerance for APH field reviews

EXHIBIT 1  
2003 CROP POLICY INFORMATION

Crop	FCIC		NCIS		***Crop Category, APH Yield Tolerance	Late Planting (L) Prev. Planting (P)	*Replant	Unit of Measure	**Enterprise (E) *Optional(O) **Basic (B) Unit	*High- Risk Land Ex. Opt.
	Policy	Crop Provisions	Basic Provisions	Crop Provisions						
Citrus Tree, Texas	01-BR	99-025	2001 700-B	737	D 0%			\$	B/O	
Clams, Cultivated (Pilot)	01-BR	2000-0116a43	2001 700-B	882(12-99)	D 0%			per clam	B/O	
Coarse Grains (Corn, Soybeans, Gr.Sorg.)	01-BR	98-041	2001 700-B	702	B 5%	L/P	Yes	bu/ton	B/O/E	Yes <u>1</u>
Cotton	01-BR	99-021	2001 700-B	703	B 5%	L/P		lb	B/O/E	Yes <u>1</u>
Cotton, ELS	01-BR	99-022	2001 700-B	745	B 5%	P		lb	B/O	Yes <u>1</u>
Crambe (Pilot)	01-BR	99-068	2001 700-B	814	B 2%	L/P	Yes	lb	B/O	Yes <u>1</u>
Cranberries	01-BR	99-058	2001 700-B	742	C 2%			barrel	B/O	
Cucumbers, Processing (Pilot)	01-BR	00-106	2001 700-B	834	D 0%			\$/bu	B <sub>2</sub>	
Figs	01-BR	01-060	2001 700-B	792	C 2%			lb	B by Type/O	
Florida Fruit Tree (Pilot)	01-BR	00-014	2001 700-B	748 (12-99)	D 0%			\$	<b>B/O</b>	
Forage Production	01-BR	01-033 (Rev 3-00)	2001 700-B	729	B 2%			ton	B/O	
<b>Forage Seed (Pilot)</b>	<b>01-BR</b>	<b>02-107</b>	<b>2001 700-B</b>	<b>886</b>	<b>B 5%</b>			<b>lb.</b>	<b>B/O</b>	<b>Yes</b>
Forage Seeding	01-BR	<b>03-032</b>	2001 700-B	730	D 0%		Yes	\$	B/O	
Grapes	01-BR	00-053	2001 700-B	717	C 2%			ton	B/O/Variety <sub>3</sub>	
Grapes, Table	01-BR	01-052	2001 700-B	741	C 2%			lug	B/O/Variety <sub>3</sub>	
Hybrid Seed Corn	01-BR	98-062	2001 700-B	738	D 0%	L/P		bu	B/O	
Hybrid Sorghum Seed	01-BR	98-050	2001 700-B	797	D 0%	L/P		bu	B/O	
Macadamia Nuts	01-BR	00-023 (Rev 6-98)	2001 700-B	790	C 2%			lb	B/O	
Macadamia Trees	01-BR	99-024 (Rev 6-98)	2001 700-B	791	D 0%			\$	B/O	
Millet	01-BR	<b>03-017</b>	2001 700-B	789	B 2%	L		<b>lb</b>	B/O	

1 Requires insured's signature

2 Basic unit by planting period

3 Basic unit by variety in CA/Optional units by non-contiguous land only - All other states B/O units\*

Applies to additional coverage only

\*\* Basic Unit Discount and/or Enterprise Units if provided for on the FCI-35 County Coverage and Rate Table.

\*\*\* Yield tolerance for APH field reviews

2003 CROP POLICY INFORMATION

Crop	FCIC		NCIS		***Crop Category, APH Yield Tolerance	Late Planting (L) Prev. Planting (P)	*Replant	Unit of Measure	***Enterprise(E) *Optional(O) **Basic (B) Unit	*High- Risk Land Ex. Opt.
	Policy	Crop Provisions	Basic Provisions	Crop Provisions						
Mint (Pilot)	01-BR	00-074	2001 700-B	828	B 2%			lb	B/O	Yes <sub>1</sub>
Mustard (Pilot)	01-BR	99-069	2001 700-B	816	B 2%	L/P	Yes	lb	B/O	Yes <sub>1</sub>
Nursery (Container/ Field Grown)	01-BR	99-073 (Rev 10-98)	2001 700-B	782	G 0%			PlantValue	B/O	
Onions	01-BR	00-013 (Rev 6-99)	2001 700-B	709	B 2%	L/P	Yes	cwt	B/O/O by Type	
Peaches	01-BR	01-034	2001 700-B	720	C 2%			bu	B/O	
Peanuts	01-BR	99-075 (Rev 7/99)	2001 700-B	718(Rev 7/99)	B 5%	L/P	Yes	lb	B/O by FSN	
Pears	01-BR	01-089	2001 700-B	715	C 2%			ton	B/O	
Peas, Dry	01-BR	99-067 (Rev 7-98)	2001 700-B	713D	B 5%	L/P		lb	B/O/O by Type	
Peas, Green	01-BR	98-064	2001 700-B	713G	B 2%	L/P		lb	B/O/O by Type	
Pecan (Pilot)	01-BR	99-020	2001 700-B	802	Rev.			\$	B/By/County	
Peppers, Fresh Market	01-BR	99-083	2001 700-B	740	D 0%		Yes	box (1 1/9 bu)	B/O	
Plums	01-BR	01-092	2001 700-B	706	C 2%			lug	B/O	
Popcorn	01-BR	99-043	2001 700-B	744	B 5%	L/P	Yes	lb	B/O	Yes <sub>1</sub>
Potatoes, Central/Southern	01-BR	99-284	2001 700-B	734CS	B 2%	L/P		cwt	B/O	
Potatoes, Northern	01-BR	98-184	2001 700-B	734N	B 2%	L/P		cwt	B/O	
Prunes	01-BR	01-036	2001 700-B	747	C 2%			ton	B/O <sub>2</sub>	
Raisins	01-BR	98-037	2001 700-B	723	D 0%			ton	B by Variety/O <sub>3</sub>	
Raspberry/Blackberry(Pilot)	01-BR	02-108	2001 700-B	884	D 0%			Crate - CA lbs.-OR, WA	B/O <sub>3</sub>	
Rice	01-BR	01-018	2001 700-B	716	B 5%	L/P	Yes	lb	B/O	Yes <sub>1</sub>

1 Requires insured's signature

2 Unless limited by Crop Provisions or Special Provisions

3 Optional units only by non-contiguous land.

\* Applies to additional coverage only

\*\* Basic Unit Discount and/or Enterprise Units if provided for in the Special Provisions

\*\*\* Yield tolerance for APH field reviews

2003 CROP POLICY INFORMATION

Crops	FCIC		NCIS		***Crop Category, APH Yield Tolerance	Late Planting (L) Prev. Planting (P)	*Replant	Unit of Measure	**Enterprise(E) *Optional(O) **Basic (B) Unit	*High-Risk Land Ex. Opt.
	Policy	Crop Provisions	Basic Provisions	Crop Provisions						
Safflower	01-BR	98-049 (Rev 12-97)	2001 700-B	749(1-98)	B 5%	L/P	Yes	lb	B/O	Yes <u>1, 2</u>
Small Grains: (Wheat, Barley, Oats, Rye, Flax)	01-BR	98-011	2001 700-B	714	B 5%	L/P	Yes <u>3</u> (Wheat Only)	bu	B/O/E	Yes <u>1</u>
Stonefruit: Peaches, Apricots (Fresh/Process) Nectarines (Fresh)	01-BR	01-077	2001 700-B	796	C 2%			lug/ton	B/O by Type	
Strawberries (Pilot)	01-BR	01-110	2001 700-B	830	D 0%			\$/lb	B by type/O	
Sugar Beets	01-BR	98-039	2001 700-B	707	B 2%	L/P	Yes	ton	B/O	Yes <u>1,4</u>
Sugarcane	01-BR	99-038	2001 700-B	732	B 2%			lb	B/O	
Sunflower Seed	01-BR	98-078	2001 700-B	708	B 5%	L/P	Yes	lb	B/O	Yes <u>1</u>
Sweet Corn, Fresh Market	01-BR	99-044	2001 700-B	746	D 0%		Yes	container	B/O	
Sweet Corn, Processing	01-BR	98-042	2001 700-B	728	B 2%	L/P		ton	B/O	Yes <u>1</u>
Sweetpotatoes (Pilot)	01-BR	98-085	2001 700-B	806	B 2%			cwt	B/O <u>5</u>	Yes <u>1</u>
Tobacco, Guaranteed	01-BR	99-071	2001 700-B	736	B 2% F 0%	L		lb	B by/Share/Type O by FSN 6	
Tobacco, Quota	01-BR	99-070	2001 700-B	710	E 0%	L		lb	B by FSN	
Tomatoes, Fresh Market \$	01-BR	99-086	2001 700-B	739	D 0%		Yes	carton	B/O	
Tomatoes, Fresh Mkt. Guar. Prod	01-BR	99-186	2001 700-B	722	B 2%		Yes	carton	B/O	
Tomatoes, Processing	01-BR	98-087	2001 700-B	727	B 2%			ton	B/O	
Walnuts	01-BR	01-029	2001 700-B	743	C 2%			lb	B/O	
Wild Rice, Cultivated (Pilot)	01-BR	99-055	2001 700-B	820	B 2%			lb	B/O <u>8</u>	
Winter Squash (Pilot)	01-BR	00-0065	2001 700-B	822	D 0%			cwt	B/O	
CAT Endorsement	<u>7</u>	01-CAT	<u>7</u>	<u>777</u>						

1 Requires insured's signature  
 2 Not available in Idaho and Utah  
 3 Not available for fall planted Wheat  
 \* Applies to additional coverage only

4 Not available in Colorado  
5 Optional units by type (only in California)  
6 Basic unit by FSN (only in Wisconsin)  
 \*\* Basic Unit Discount and/or Enterprise Units if provided for in the Special Provisions

7 Endorsement attaches to specific crop policies or endorsements when CAT coverage is selected by the insured.  
8 Basic only in MN - Basic Optional in CA  
 \*\*\*Yield tolerance for APH field reviews

2003 CROP POLICY INFORMATION

Group Risk Protection (GRP)  Crops	FCIC		NCIS		Expected County Yield	Late Planting (L) Prev. Planting (P)	Replant	Unit of Measure	Unit by County(C)/ Basic (B)/ Optional (O) Enterprise (E) Whole Farm(WF)	High- Risk Land Ex.Opt.
	Policy	Crop Provisions	Basic Provisions	Crop Provisions						
Barley	01-102	00-191	2001-950	952	Yes			bu	C	
Corn	01-102	00-141	2001-950	954	Yes			bu	C	
Cotton	01-102	00-121	2001-950	956	Yes			lb	C	
Forage Production	01-102	00-133	2001-950	942	Yes			ton	C	
Peanuts	01-102	00-175	2001-950	960	Yes			lb	C	
Rangeland (Pilot)	01-102	99-048	2001-950	943	Yes			lb	C	
Sorghum	01-102	00-151	2001-950	962	Yes			bu	C	
Soybeans	01-102	00-181	2001-950	964	Yes			bu	C	
Wheat	01-102	00-111	2001-950	941	Yes			bu	C	
<b>PILOT INSURANCE PLANS (Selected States/Counties)</b>										
<b>Group Risk Income Protection (GRIP)</b>										
Corn	01-Grip Basic	01- Grip Corn	2001 950-GRIP	954-GRIP	Yes			bu/\$	C	
Soybeans	01-Grip Basic	01-Grip Soybeans	2001 950-GRIP	964-GRIP	Yes			bu/\$	C	
<b>Income Protection (IP)</b>										
Barley	01-BR	02-391	2001 700-B	714B-IP	APH/\$	L/P		bu/\$	E	
Corn	01-BR	02-341	2001 700-B	702C-IP	APH/\$	L/P	1	bu/\$	E	
Cotton	01-BR	02-321	2001 700-B	703-IP	APH/\$	L/P	1	lb/\$	E	
Grain Sorghum	01-BR	02-351	2001 700-B	702G-IP	APH/\$	L/P	1	bu/\$	E	
Soybeans	01-BR	02-381	2001 700-B	702S-IP	APH/\$	L/P	1	bu/\$	E	
Wheat	01-BR	02-311	2001 700-B	714W-IP	APH/\$	L/P	1	bu/\$	E	

1 Available as Additional Coverage Only

GRP, GRIP, and IP insurance plans, if elected, meet the FSA linkage requirements.

**EXHIBIT 1  
2003 CROP POLICY INFORMATION**

Crop Revenue Coverage (CRC)  Crops	FCIC		NCIS		Expected County Yield	Late Planting (L) Prev. Planting (P)	Replant	Unit of Measure	Unit by County(C)/ Basic (B)/ Optional (O) Enterprise (E) Whole Farm(WF)	High- Risk Land Ex.Opt.
	Policy	Crop Provisions	Basic Provisions	Crop Provisions						
Coarse Grains (Corn, Gr. Sorg., Soybeans) <u>1</u>	02-CRC-Basic	02-CRC-CG	2001 700B-CRC	702-CRC	APH	L/P	Yes	bu	B/O/E	Yes <u>2</u>
Cotton <u>1</u>	02-CRC-Basic	02-CRC-021	2001 700B-CRC	703-CRC	APH	L/P	No	lb	B/O/E	Yes <u>2</u>
Rice <u>1</u>	02-CRC-Basic	02-CRC-Rice	2001 700B-CRC	716-CRC	APH	L/P	Yes	lb	B/O/E	Yes <u>2</u>
Wheat <u>1</u>	02-CRC-Basic	02-CRC-Wheat	2001 700B-CRC	714W-CRC	APH	L/P	Yes	bu	B/O/E	Yes <u>2</u>
<b>Revenue Assurance Cov. (RA) Crops</b>										
Feed Barley <u>1</u>	02-RA	02-RA-CP- Barley	2001 700B-RA	714B-RA	APH	L/P	Yes	bu	B/O/E/WF	Yes <u>2</u>
Canola/Rapeseed <u>1</u>	02-RA	02-RA-CP- Canola	2001 700B-RA	795-RA	APH	L/P	Yes	lb	B/O/E/WF	Yes <u>2</u>
Corn and Soybeans <u>1</u>	02-RA	02-RA-CP- Corn/Soybeans	2001 700B-RA	702-RA	APH	L/P	Yes	bu	B/O/E/WF	Yes <u>2</u>
Sunflowers <u>1</u>	02-RA	02-RA-CP- Sunflowers	2001 700B-RA	708-RA	APH	L/P	Yes	lb	B/O/E/WF	Yes <u>2</u>
Wheat <u>1</u>	02-RA	02-RA-CP- Wheat	2001 700B-RA	714W-RA	APH	L/P	Yes	bu	B/O/E/WF	Yes <u>2</u>
<b>Adjusted Gross Revenue (AGR)</b>										
Agricultural Commodities	01-AGR		980	N/A				\$	WF	
<b>Livestock</b>										
Livestock Risk Protection	03-LRP		902	903 (SCE)						
Livestock Gross Margin	03-LGM		912	N/A						

1 Available as Additional Coverage Only

2 Requires insured's signature

CRC, RA and AGR insurance plans, if elected, meet the FSA linkage requirements.

1 (NACAT →  
QUALIFYING FOR OPTIONAL UNITS

1A Retention and Forfeiture

This exhibit addresses retention of optional units when production has been commingled on some optional units or when acceptable production reports were not filed for all units. The following information will clarify RMA's position on units.

1B Basic and Optional Units

Basic units are MUST units for which the insured automatically qualifies without exception; optional units are MAY units. The insured may choose coverage on the basis of optional units IF the units qualify as outlined in the crop provisions or Special Provisions and IF the following reporting requirements are met:

B(1) Acceptable Production Reports. Production reports from the most recent APH crop year for all units (basic and optional) of the crop must be timely filed. [See Sec. 4, D(4) and Sec. 10, C(3).]

B(2) Claim for Indemnity. If the insured has a loss for the current crop year, the insured is required to maintain production evidence to support the current crop year's unit arrangement as shown on the acreage report. If, at loss time, production is discovered to be commingled between:

(2)(a) Basic units, the production MUST be apportioned or prorated as applicable to the appropriate basic unit. The apportioned production is used to process both the current year's claim and the following crop year's production reports.

(2)(b) Optional units, the units with commingled production MUST be combined on the current crop year's claim and the next crop year's production report.

These do not require that other optional units of the crop be combined on the claim for the current crop year. However, the insured will not qualify for optional units the following crop year if claim records or production reports are not on file for all planted units. The claim will be used as a production report for APH.

1C Production Reports for APH

Production Reports for APH are defined in Sec. 3, in Sec. 10, A and B:

C(1) APH forms (if completed, acceptable, signed and submitted timely).

C(2) High-risk land. A separate acceptable production report must be filed for High-risk land that is excluded from additional coverage and insured under the CAT endorsement.

C(3) Loss claim records (in all cases).

C(4) Zero acreage reports (when acceptable production reports are filed for all planted units).

- 1D **Steps for Reviewing Production Reports** to determine if optional units may be retained.
- D(1) **Identify all units with claim records.** Actual yield information from claims will be used. [For exception see Sec. 9, C(4)(b).]
- D(2) **Claim Records.** Determine whether claim records account for all units of the crop with planted, insurable acres.
- (2)(a) If so, zero acreage reports for an annual crop may be considered a production report for the crop for the purposes of maintaining continuity of production reports. The APH yield column is updated with "Z" when sufficient space remains in the database. If acceptable production reports are on file for all units (basic and optional) of the crop, optional units may be retained as documented on the loss claims.
- (2)(b) If not, proceed to step 3.
- D(3) **Acceptable Production Reports.** Determine whether acceptable production reports are on file for all units of the crop with planted, insurable acreage that did not have loss claim records.
- (3)(a) Zero-Planted Acreage. If acceptable production reports are on file for all units of the crop, for any zero-planted units (practices, etc.) the APH yield column is updated with "Z" when sufficient space remains in the database. Optional units may be retained for the next crop year as certified on the production reports and loss claims.
- (3)(b) Assigned Yields. If acceptable production reports are not on file, for all planted units (**basic and optional**) of the crop **for the previous crop year**, for APH purposes for the next crop year assigned yields are used for all planted units **of the crop** that do not have loss claim records. For zero-planted units (practices, etc.) when sufficient space remains in the database, the APH yield column is updated with "Z." Assigned yields are not used for zero-planted units since they are not considered a "crop year" for APH purposes. Optional units **are not allowed for the crop/county** the next crop year.

There MUST be acceptable production reports on file by the PRD for ALL planted units (basic and optional) for the crop before the insured is allowed to have ANY optional units [EXCEPT as outlined in Sec. 4, D(4)(a)].

**2**     **EXAMPLES**

The following examples show how this procedure is applied for Category B crops when the insured has provided acceptable reports containing actual and/or assigned yields for a previous crop year.

**Example 1:**

UNIT	HOW	WHAT
00100	APH form	A (Actual)
00201	Claim	A (Actual)
00202	Claim	A (Actual)
00300	Zero Plant	Z

Production reports are filed for all units of the crop with planted acres. For the zero planted unit a Z is entered in the database if sufficient space remains.

**Example 2:**

UNIT	HOW	WHAT
00100	NO APH form	P (Assigned - Planted Acres)
00201	Claim	A (Actual)
00202	Claim	A (Actual)
00300	Zero Plant	Z

Production reports are not filed for all planted units of the crop. Claim records are always used. Assigned yields apply to all other planted units. Optional units 00201 and 00202 revert to basic unit 00200.

**Example 3:**

UNIT	HOW	WHAT
00100	NO APH Form	P (Assigned - Planted Acres)
00201	NO APH Form	P (Assigned - Planted Acres)
00202	Claim	A (Actual)
00300	Zero Plant	Z

Production reports are not filed for all planted units of the crop. Use the claim record and use assigned yields for all other planted units. Optional units 00201 and 00202 revert to basic unit 00200.

**Example 4:**

UNIT	HOW	WHAT
00100	NO APH Form	P (Assigned - Planted Acres)
00201	APH Form	P (Assigned - Planted Acres)
00202	APH Form	P (Assigned - Planted Acres)
00300	Zero Plant	Z

Production reports not filed for all planted units of the crop, therefore, none of the production reports can be accepted. [Exceptions are listed in Sec. 4, Par. D (4)(a).] Optional units 00201 and 00202 revert back to basic unit 00200.

**Example 5:**

UNIT	HOW	WHAT
00101	NO APH Form	P (Assigned - Planted Acres)
00102	NO APH Form	P (Assigned - Planted Acres)
00201	Claim	A (Actual)
00202	Claim	A (Actual)
00301	Claim	A (Actual)
00302	Zero Plant	Z

Production reports were not filed for all planted units. Claim records were used. All units revert to basic units 00100, 00200, and 00300. A "Z" yield type descriptor is entered for unit 00302 since zero planting does not count as a "crop year" for APH purposes.

**Example 6:**

UNIT	HOW	WHAT
00101	Claim	A (Actual)
00102	Claim	A (Actual)
00103	Claim	A (Actual)
00104	Claim	A (Actual)

The acreage report was processed with the following unit arrangement: 00101, 00102, 00103, and 00104. When working the claim, it was discovered that production was commingled between units 00101 and 00102, and also between 00103 and 00104. The claim is therefore processed on the basis of two optional units: 00101 and 00103. If these are the only units of the crop, or if production reports and/or claim records are on file for all other units with planted acres, the next crop year's APH would be processed with two optional units. However, if other units exist for the crop and production reports and/or claims records are not on file, the claim records will be used to update the yields but optional units revert to basic unit 00100 [as shown in Examples 2 and 5.] ←NACAT)

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CLARIFICATION OF SECTION DEFINITION

**SECTION DEFINITION.** The definition of a section for unit division purposes: 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. In some areas (e.g., Louisiana, New Mexico, Texas), other methods of measure (i.e., Spanish grants, railroad surveys, leagues, labors, Virginia Military Lands etc.) are employed. If these units of measure are legally recorded and consist of at least 640 acres, they will be considered a "section equivalent."

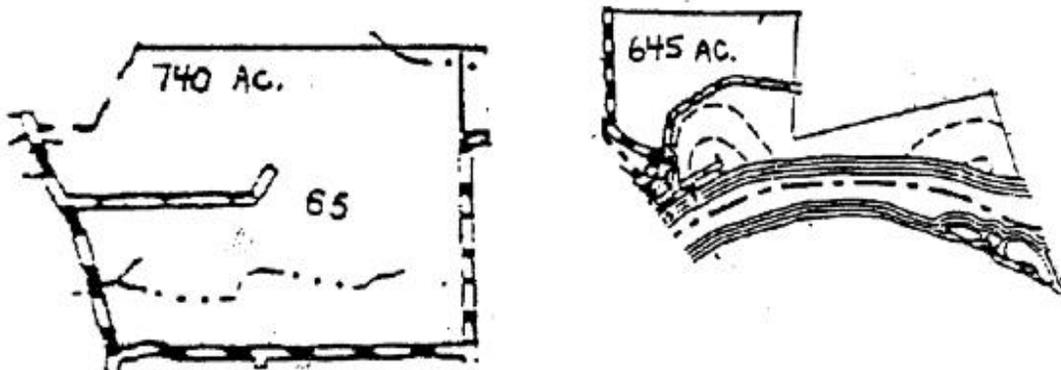
1A **Optional Units by Section**

This definition applies to all crops which are allowed optional units by section. It also applies to all states where sections, as defined above, exist.

1B **Section Equivalents**

"Section equivalents" using other methods of measure under a Rectangular Survey System refers to: A unit of measure consisting of at least 640 acres.

Examples:



1C **Order of Precedence**

The order of precedence to determine whether sections, "section equivalents," or FSA Farm Serial Numbers are used to determine optional units is:

- C(1) Section, usually one mile square, containing approximately 640 acres.
- C(2) "Section equivalent," containing at least 640 acres.
- C(3) FSA Farm Serial Numbers in the absence of section descriptions and "section equivalents."

## 2 EXAMPLES

Assume that for each survey identified, the insured has kept separate records of acreage and production, the survey boundaries are clearly visible, and that the planting pattern does not cross the survey boundaries.

### RECTANGULAR SURVEY SYSTEM

**EXAMPLE 1:** The county is primarily surveyed in one-mile squares containing approximately 640 acres.



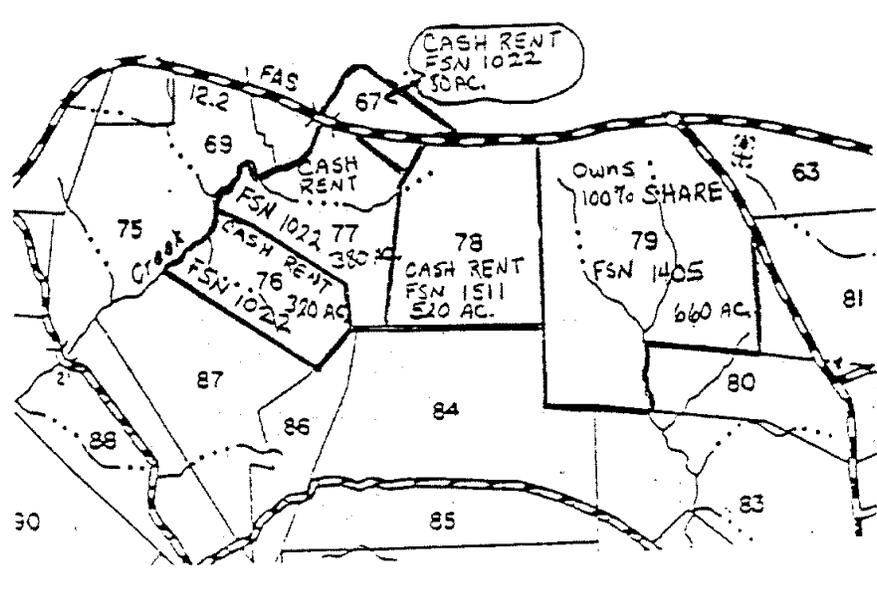
Units are determined by precedence as follows:

Survey #1 is a separate optional unit (section) - 00101

Survey #3 is a separate optional unit ("section equivalent" survey containing 640 acres or more) - 00102

Survey #2, #4 and #5 are each FSN optional units (FSN units in the absence of section and "section equivalent" descriptions) - 00103, 00104 and 00105.

EXAMPLE 2: Rectangular Survey System (Spanish Land Grant)



Units are determined by precedence as follows:

Survey #79 is a separate optional unit ("section equivalent") - 00101

Survey #78 is an optional unit (FSN unit in absence of "section equivalent" description) - 00102

Surveys #76, and #77 is one optional unit (FSN unit in absence of "section equivalent" descriptions because each survey contains less than 640 acres and is a single FSN.) - 00103 (NACAT)

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UNIT DIVISION OPTION - ILLINOIS, INDIANA, OHIO, AND TEXAS

1A **Determination Instructions.** In areas surveyed under the U.S. Rectangular Survey System, sections are the basis for optional units. U.S. Rectangular Survey references mean: Sections, parcels of land with legally identified boundaries (generally one mile square, containing approximately 640 acres), township, and range.

1B **U.S. Rectangular System.** The U.S. Rectangular System was not made in some areas of Illinois, Indiana, Ohio, and Texas. In some areas, parcels of land are legally identified by other methods such as donations, locations, surveys, Spanish grants, railroad surveys, leagues, labors, and Virginia Military Lands.

B(1) **Surveys.** Legally identifiable railroad surveys similar to the U.S. Rectangular Survey System (square and consisting of approximately 640 acres) may be considered "Sections" under the U.S. Rectangular Survey System for optional unit purposes in the referenced states.

B(2) **Identifiable parcels.** Legally identifiable parcels (using the most recent subdivision) containing at least 640 or more acres may be considered "section equivalents" for optional unit purposes.

1C **Areas Not Surveyed Using the U.S. Rectangular Survey.** In areas not surveyed using the U.S. Rectangular Survey System, optional units are determined by:

C(1) **"Section equivalents"** (single parcels containing at least 640 acres), or

C(2) **FSA Farm Serial numbers** in the absence of "section equivalents" as described in B and C unless the insured signs the Unit Division Option aggregating (two or more legally identifiable parcels of land that are grouped together to equal or exceed 640 acres) parcels of land into "section equivalents."

The Unit Division Option applies when legally identifiable parcels smaller than 640 acres exist. The insured may not establish optional units by FSN when the Option is applicable.

2 UNIT DIVISION OPTION INSTRUCTIONS

In areas of Illinois, Indiana, Ohio, and Texas not surveyed under the U.S. Rectangular Survey System or similar surveys allowing for sections or "section equivalents" [See 1 B above], insureds may request the Unit Division Option to aggregate two or more, (any shape) legally identifiable parcels of land into "section equivalents" for optional unit division purposes.

NOTE: For the purpose of this option, if a survey is required to identify the parcels of land the parcels are not legally identified. A unit cannot be divided by a physical boundary (i.e., road, creek, drainage ditch, fence, etc.) which is NOT identified by a legal survey.

2A **Optional Units for the Proposed Aggregation**

To qualify for optional units for the proposed aggregation, the insured MUST comply with the production reporting, record, and planting pattern guidelines specified in the applicable crop policy or actuarial documents.

**2B Establish the Same Aggregated Optional Units**

The insured MUST establish the same aggregated optional units for all crops insured by all insurance providers. The purpose of the option is to provide aggregated optional units on the same basis as those determined by section under the Rectangular Survey System.

- B(1) **More than one Unit Division Option.** If it is discovered that the insured has more than one Unit Division Option, the one with the earliest signature date will apply.
- B(2) **Limited to Basic Units.** If the insured does not have acreage and production records or does not file required production to support the aggregated optional units, the insured will be limited to basic units for the crop(s). [See Sec. 4, Par. D(4)(a) 1 a and b for exceptions.]
- B(3) **Bona fide landlord - tenant arrangements** (companion policies) are not required to have the same aggregated optional units. If a landlord and a tenant have different aggregated optional units, each entity or policy will have its own approved APH yield and unit arrangement.

**2C Policies with More than One Agent**

If the insured has policies with more than one agent, the insured must decide which agent to work with to develop the Unit Division Option aggregate and then provide the other agent(s) copies of the Unit Division Option on or before the acreage reporting date.

**2D Continuous Option**

The option is a continuous option and applies (until canceled) to any crop for which optional units are chosen. Written documentation must be completed and filed in the insured's crop insurance file folder by the applicable acreage reporting date.

- D(1) **Optional Units.** If the insured chooses optional units for any crop(s), the aggregated optional units established on the option apply to all insured crop(s) permitted optional units by section.
- D(2) **Optional Units not elected.** If the insured does not want optional units for a crop(s), the option is not effective for that crop(s).
- D(3) **Identifiable.** All parcels of the aggregated optional unit MUST be legally identified by number or name of each parcel (donation, section, labor, block, tract, etc.), and identified on the option.
- D(4) **Contiguous.** All parcels of land in an aggregated optional unit MUST be contiguous (lie adjacent to each other). It is not required that the aggregated optional unit be of a rectangular shape. Aggregated acreage may or may not be classified as cropland.
- D(5) **Ownership or control** of all land in the aggregate by the insured is not required.

D(6) **Additional land.** If the insured starts farming additional land that was not included in any of the aggregated optional units, the added land may be:

(6)(a) Added to an existing aggregated optional unit, or

(6)(b) Combined with other non-aggregated land to form its own aggregated optional unit.

Note: The additional or added land must be contiguous as stated in (6)(a) and (6)(b) above.

## **2E Optional Units**

Optional units determined by sections or "Section equivalents" (single parcels containing at least 640 acres) are not required to be entered on the option.

## **2F Agents Will Prepare the Option**

Agents will prepare the FCIC-553 Unit Division Option or option approved by RMA and forward it to the Insurance Provider for verification. If the agent needs assistance in preparing the option, the Insurance Provider/RO will provide the assistance.

## **3 UNIT DIVISION OPTION GUIDE**

### **3A Guidelines for Completing the Unit Division Option**

(1) Does the insured farm the land as separate parcels, keep and maintain separate production records, and have separate verifiable records of planted insurable acreage and harvested production for at least one crop from the most recent APH crop year for each proposed optional unit?

Yes, continue to number 2.  
No, Stop!

(2) Enter legal descriptions for all the parcels to be aggregated on the option.

(3) Attach a sketch map, commercial map, or plat map that displays the parcels as they are aggregated. FSA aerial photos may be used. Delineate each proposed optional unit. Do not split any parcel that does not have a separate legal description identifying the parcel. Legal descriptions must be shown on the attached map.

(4) Identify the optional units with the applicable unit number ( 00101, 00102, etc.).

(5) Inform the insured that **ALL** the acreage of the crop planted in the aggregated acreage divided from the basic unit will be one optional unit.

(6) Forward the Unit Division Option and maps to the Insurance Provider as soon after completion as possible, but not later than 15 calendar days after the applicable acreage reporting date.

**FCI-553**  
(Rev. 11-99)

**U. S. DEPARTMENT OF AGRICULTURE**  
Federal Crop Insurance Corporation

**UNIT DIVISION OPTION**

**This is a continuous Option.**  
**Refer to item 7 of this Option.**

INSURED'S NAME:	CONTRACT NUMBER:
ADDRESS:	CROP YEAR:
	COUNTY:

Upon our verification of this option, we agree to amend the definition of OPTIONAL UNITS when your Federal Crop Insurance Policy(ies) permit optional units by section subject to the following terms and conditions:

1. You are allowed one Option per county that covers all applicable insured crops. The Option must be submitted to us on or before the applicable acreage reporting date for the crop before it is effective for that crop. If it is determined you have two or more Options, the Option with the earliest date will be applicable to all crops and the other Option(s) will be void.
2. You must aggregate legally identifiable parcels of land into parcels that contain a minimum of 640 acres. The aggregation of parcels for optional units will be established at the time you complete and sign this Option. Optional units are established on the attached sketch map(s).
3. For each optional unit you MUST have available written verifiable records of acreage and production for the previous crop year and maintain records for the current crop year.
4. Upon our request, if you fail to provide to us such records, optional units created under this Option will revert to the basic unit(s).
5. Determination of your optional units will be made at the time you report your acreage of the insured crop.
6. For crop(s) requiring production reports, to retain such optional units, acceptable production reports must be filed annually for each optional unit.
7. This Option may be canceled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date for the crop year.
8. All other provisions of the policy not in conflict with this Option are applicable.

INSURED'S SIGNATURE	DATE
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REPRESENTATIVE'S SIGNATURE AND CODE NUMBER	DATE
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VERIFIED BY: <i>(RMA RSO Authorized Signature)</i>	DATE
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RO

The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§ 1006 and 1014, 7 U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes.



(NACAT →

**1 OPTIONAL UNITS IN THE STATES OF MAINE, NEW YORK, AND PENNSYLVANIA**

1A **Section Equivalent Basis.** Beginning with the 1999 crop year and consistent with the Basic Provisions, the following guidelines may be used to establish optional units on a section equivalent basis. These guidelines are restricted to annual crops whose basic and crop provisions allow for OPTIONAL units located in separate sections, section equivalents (in the absence of sections), or FSN's (in the absence of sections or section equivalents or where boundaries are not readily discernable), and are applicable ONLY in areas 1) that **HAVE NOT** been surveyed using sections or section equivalents such as Spanish grants, or 2) in areas surveyed using sections or section equivalents and the boundaries are not readily discernable (e.g., Alabama). The guidelines are as follows:

- A(1) Insureds may request an Optional Unit Agreement (Agreement) that identifies parcels of land that simulate sections for unit determination purposes. Each section equivalent must:
- (1)(a) Contain a block of land **at least one mile square** (block). Blocks are not limited by ownership (may have multiple owners within a block). A block is determined by drawing a one-mile square grid to scale and then overlaying the same scale map with the grid, to determine the minimum amount of land that must be included within the section equivalent. Maps should not depict an area larger than the county and must accurately indicate the scale of the map. The grid must be oriented (north/south) in the same direction as the map. The grid may cross permanent boundaries; however, it may not extend into another county.
  - (1)(b) Be clearly indicated on a map using identifiable boundaries.
    - 1 The map may be a county road map, tax map, aerial photo or other map, and must be signed and dated by the insured.
    - 2 The boundaries used may be either man-made (excludes field roads, fence or tree lines, creeks, etc.) or natural; however, they must be permanent and easily identified (both on the map and in the field). Boundaries may touch the one-mile square block; however, they may not overlap the block.
  - (1)(c) Be referenced on the map in a manner that can be easily coordinated with the producer's acreage report.
  - (1)(d) Be referenced to an optional unit, as applicable, on the acreage report for the crop year.

**1B Responsibilities.**

- B(1) Agents will assist producers in the completion of an Agreement and then submit them to their company for approval.
- B(2) The insured must request, complete the Agreement, and provide the supporting documentation (see C below) to the agent by the earliest sales closing date that is applicable to any insured crop that will be covered by the Agreement.

- B(3) The agent will submit the requested Agreement and supporting documentation to the company for approval. The request, proposed Agreement, and documentation must be received by the company no later than 20 days after the applicable sales closing date. The company must maintain a copy of the agreement and supporting documents (maps, grids/scale, etc.) in their office.
- 1C **Maps.** Include a county road map, tax map, aerial photo, or other map that identifies each proposed sectional equivalent and optional unit with the submitted documentation and the proposed Agreement.
- 1D **Section Equivalent Designation In Subsequent Years.** Companies have the authority to continue the section equivalent designation in subsequent years provided no significant changes occur. Land added to or removed from the farming operation within any identified section equivalent will not change the section equivalent or require an amended Agreement.
- D(1) An amended Agreement may be requested no later than the applicable acreage reporting date for the affected crop if acreage is added to the farming operation that was not included in any identified section equivalent. The amended Agreement must retain any section equivalents established under a prior agreement.
- D(2) In the absence of an amended Agreement, the added land will be considered part of the nearest optional unit of the same basic unit. If the added land is a new basic unit, no further unit division is permitted for the current crop year. An amended Agreement is required for the following crop year.
- D(3) The agent must advise the insured that once the Agreement is approved it applies to all eligible crops insured. The insured **does not** have the option of establishing units on any eligible crop by FSN after the Agreement is approved.
- 1E **Qualifying For Optional Units.** All other policy requirements applicable to qualifying for optional units still apply (e.g., separate records of planted acreage and production for each proposed optional unit for at least the last crop year used to determine the production guarantee, a clear and discernable break in the planting pattern at the boundaries of each optional unit, etc.). The insured will be limited to basic units if such requirements are not met.
- 1D **Transfers.** If the insured transfers to another company, the Agreement will continue in effect without regard to the transfer. The ceding company will provide the assuming company a copy of the Agreement in accordance with standard transfer procedure.

## 2 STANDARDS FOR WRITTEN AGREEMENTS :

**INSURANCE PROVIDER AGREEMENT**  
**(OPTIONAL UNIT AGREEMENT FOR ANNUAL CROPS IN THE STATES OF**  
**MAINE, NEW YORK AND PENNSYLVANIA)**

STATE: (1) \_\_\_\_\_ ( ) COUNTY: (2) \_\_\_\_\_ ( )

CROP(S): (3) \_\_\_\_\_ ( ) INSURED: (4) \_\_\_\_\_

POLICY NO: (5) \_\_\_\_\_ ADDRESS: (6) \_\_\_\_\_

SSN/EMPLOYER ID NO.: (7) \_\_\_\_\_ CROP YEAR: (8) \_\_\_\_\_

Under the above insurance policy for the respective insured crop(s), the undersigned parties expressly agree that the following is an endorsement to (9) \_\_\_\_\_. The policy covering the stated crop(s) is revised as follows:

- (10) You are allowed one agreement per county that covers all of your insured annual crops that are allowed optional units by section equivalents. If it is determined you have two or more agreements for the same county, the agreement with the earliest date will be applicable to all crops and the other agreement(s) will be void.
- (11) You must delineate blocks of land that are at least one mile square to establish section equivalents and must be contained within permanent boundaries of the section equivalent. Section equivalents for optional unit purposes are established on the attached sketch map(s).
- (12) For each optional unit you MUST have available written verifiable records of acreage and production for the previous APH crop year and maintain records for the current crop year. In addition, acceptable production reports must be filed annually for each optional unit.
- (13) Upon our request, if you fail to provide to us such records, optional units created under section equivalents will revert to a basic unit(s).
- (14) Documentation of the section equivalents and this written agreement must be completed by the earliest sales closing date that is applicable to any eligible insured crop that is covered by this Agreement. We must approve the agreement before it is effective.
- (15) This agreement will remain in effect unless the policies for all eligible crops are canceled or terminated or the agreement is canceled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date for the crop year. Land added to or removed from the farming operation within any identified section equivalent will not change the section equivalent or require an amended agreement.

- (16) An amended agreement may be requested by the applicable acreage reporting date for any subsequent crop year if acreage is added to the farming operation after the applicable sales closing date that was not included in any identified section equivalent. If such acreage is added and an amended request is not requested, the added land will be considered part of the nearest optional unit of the same basic unit.
- (17) All other provisions of the policy not in conflict with this agreement are applicable.
- (18) This agreement does not apply to any acreage insured under the Catastrophic Risk Protection Endorsement.
- (19) Once the agreement is approved it applies to all eligible insured crops. The insured does not have the option of establishing units by Farm Serial Number (FSN) on any insured crop after the agreement is approved.

**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.

(20) \_\_\_\_\_ (21) \_\_\_\_\_  
 (INSURED'S SIGNATURE AND DATE) (AGENT'S SIGNATURE AND DATE)

**Authorized and Approved by:**

(22) \_\_\_\_\_  
 (INSURANCE COMPANY VERIFIER SIGNATURE AND DATE)

(23) DISTRIBUTION: Original to Insurance Provider. Copy to the insured, agent, and RMA RO. Attach a copy of the actuarial request to each copy of the written agreement. **← NACAT**

**1 Pacific Northwest PNW – Written Unit Agreement Division – IDAHO, OREGON, WASHINGTON (Annual Crops only).**

In areas of Idaho, Oregon and Washington, topographic/physical features (physical features include irrigation systems) are not conducive to farming in a manner that conforms to the existing U.S. Rectangular Survey System resulting in inequitable unit division based on sections or section equivalents. Although surveyed using the U.S. Rectangular Survey System delineating sections, the section boundary lines are not readily discernable due to topographic/physical features that determine the manner in which the land must be farmed. Accordingly, written unit agreements may be authorized to provide optional units for insured annual crops where these situations exist in these states.

**2 Written Agreement - Unit Division Instructions**

Insureds may request a written unit agreement to establish approved optional units.

**2A Optional Units under the Written Unit Agreement**

To qualify for the written unit agreement, the insured MUST comply with the production reporting, record-keeping, planting pattern, and identifiable boundary provisions specified in the applicable crop policy or actuarial documents and procedures.

For each succeeding crop year the written unit agreement is in effect, the insured must file acceptable production reports by the production reporting date to support the designated optional units for each crop. If the insured does not file such reports for a crop, units will be determined in accordance with the policy provisions applicable to that crop.

**2B Establish the Same Optional Unit Arrangement**

Only one written unit agreement, by county, will be effective for the insured. The agreement will establish the same optional units for all insured annual crops with optional units [as described in Par. 1 above] that are insured under any applicable policy by any insurance provider (including any qualifying crop subsequently added to the policy).

**B(1) More than one written unit agreement**

If it is discovered that the insured has more than one written unit agreement, the agreement with the earliest signature date will apply. Any other written unit agreement will be void.

**B(2) Bona fide landlord - tenant arrangements**

Companion policies will have separate written unit agreements and are not required to have the same optional units designated under each agreement. If a landlord and a tenant have different optional units, each entity or policy will have its own approved APH yield and unit arrangement and keep acreage and production records and file acceptable production reports accordingly.

**2C Policies with More than One Agent**

If the insured has policies with more than one agent (i.e., individual crops in the same county are insured with different agents), the insured must decide which agent to work with to develop the written unit agreement. The insured must advise all other agents a written unit agreement has been requested and provide copies of any approved written unit agreement to each agent. [See Par. 2E].

**2D Written Unit Agreement Guidelines and Requirements**

- D(1) **Continuous Agreement.** The written unit agreement is a continuous agreement and applies until canceled by the insured, insurance provider or RO or invalidated as a result of a significant change to the farming operation [refer to Par. 2D(6)(e) and (i) or contact the RO for additional guidelines].

The following statement will be included in the language of all new approved written unit agreements:

"This written unit agreement shall be in effect for the \_\_\_\_\_ and succeeding crop years provided no significant changes occurs to the farming operation which invalidate the approved unit structure. If significant changes occur, this written agreement is null and void. This agreement may be cancelled in writing by the insured or Insurance Provider by the earliest crop cancellation date applicable under the agreement (or by the earliest contract change date if cancelled by the RMA RO)."

- D(2) **Optional Units.** The designated optional units established by the written unit agreement will apply to any insured annual crop permitted optional units by the policy.

Note: Optional units that are established in accordance with section or section equivalent guidelines contained in the policy are not affected by these written unit agreement procedures.

- D(3) **High-Risk Land.** Land located in a high-risk area is not eligible for written unit agreements.

- D(4) **Optional Units not elected.** If the insured does not elect optional units for an insured crop for the crop year, basic unit provisions will apply.

- D(5) **Written Agreement Request.** An FCI-5 or FCI-5B, Request for Actuarial Change [see Exhibit 11], or Written Agreement Request Form [see Section 4G(6)], or a comparable form approved by RMA, must be submitted to the agent by the earliest acreage reporting date for any insured annual crop to request a written unit agreement. Agents should consult their Insurance Provider for any additional instructions.

Note: If the request is submitted after the earliest acreage reporting date, the request will be denied for the crop year.

The following statement must be entered on the request form:

"You are allowed one written unit agreement per county that covers all applicable insured annual crops in the county. The written unit agreement request must be submitted to the agent on or before the earliest acreage reporting date for the applicable crops. If it is determined you have two or more written unit agreements, the written unit agreement with the earliest date will be effective for all applicable crops and the other written unit agreement(s) will be void."

D(6) **Approval Criteria.** An insured may qualify for a written unit agreement if, based on the information contained in the request and other applicable documentation, ALL of the following requirements are met:

(6)(a) The insured must clearly document topographic/physical features present a significant obstacle to the farming operation and such features are not under the insured's control. Under these conditions, following good farming practices make it impractical to comply with the optional unit division by section or section equivalent provisions (i.e., the planting pattern continues across the section lines).

(6)(b) An insured will not receive more optional units than would be allowed had these special circumstances not existed.

(6)(c) Minimum acreage requirements:

a The insured's farming operation must contain at least 640 cropland acres, and

b Each optional unit established under the written unit agreement must contain a minimum of 160 cropland acres.

For example: An insured farms a total of 800 cropland acres in two sections with a field(s) crossing a section line due to special circumstances. This acreage, which would otherwise be one unit, may be divided into separate optional units provided each resulting optional unit consists of at least 160 cropland acres. The maximum number of optional units allowable in this example is two.

(6)(d) At least the most recent year of acceptable APH records, separated according to the proposed units, must be provided with the request.

(6)(e) Each optional unit must be separated by permanent boundaries such as permanent field boundaries, fences, permanent waterways, woodlands, physical features (canyons, lakes, rivers, mountains, irrigation systems), roadways or similar features that are not readily movable.

- (6)(f) A clear and discernable break in the planting pattern at the boundaries of each optional unit must be maintained.
- (6)(g) Each proposed optional unit must be delineated on a map or photo and show the section locations. The FSN, tract or multi-track number, and field number for each parcel contained in the optional unit must also be noted on a map or photo. (FSA aerial photos/tax maps/county road maps/GIS maps may be used.) Any parcel that cannot be identified as described may not be divided.

Note: This map/photo must also delineate all optional units established by section or section equivalent according to policy guidelines.

- a The map/photo must be specifically referenced in the written unit agreement and attached to the agreement (the map/photo is considered part of the agreement).
  - b The map/photo must be of a reproducible size and quality (or 3 copies provided) for attachment to each copy of the written unit agreement.
- (6)(h) The written unit agreement must be signed and dated by the insured and agent and submitted to the Insurance Provider. The agreement must be approved by the Insurance Provider to be effective.
- (6)(i) Cropland changes:
  - a If the insured loses land included in any of the designated optional units resulting in a significant change (the minimum acreage qualifications are no longer met), a new written unit agreement request must be submitted to reflect these changes. If a request for a new written unit agreement is not submitted timely (i.e., by the earliest acreage reporting date), the current written agreement will be invalid (as determined by the Insurance Provider). In such instance, optional units will be established according to the policy.
  - b If land is added to the operation before the earliest acreage reporting date for any insured annual crop, a new written unit agreement may be requested by the applicable deadline.
  - c If land is added to the operation after the earliest acreage reporting date for any insured annual crop, optional units for such land will be established according to the policy provided the maximum number of optional units permitted under special circumstances is not exceeded (the written unit agreement is not affected). If the maximum number is exceeded, the added land must be combined with an existing unit under added land procedure [see Exhibit 36].

A new written unit agreement to include such land may be approved for the following crop year, if requested timely.

- (6)(j) Crop changes. The written unit agreement is not crop specific, i.e., any insured crop qualifies for optional units under the written unit agreement provided all other optional unit requirements are met and optional units for the crop are not otherwise limited by the specific crop provisions.

- D(7) **Written unit agreements authorized by an Insurance Provider** may continue for subsequent crop years without re-approval or re-issuance. Insurance provider approval is required to issue a new written unit agreement if significant changes occur to the farming operation (including, for example, removing unit boundaries) which invalidate the viability of the optional units designated in the written unit agreement [see (6) (e) and (i) above].

## 2E **Insured Responsibilities**

The insured must:

- E(1) **Submit a request** for the written unit agreement and provide supporting documentation to the agent by the earliest acreage reporting date that is applicable to any insured annual crop. Any request submitted after this date will be denied.
- E(2) **Provide all required supporting documentation.**
- E(3) **Provide notification** of a request for a written unit agreement to any other agent providing insurance for a crop that will be covered by the agreement. Such notification must be provided by the earliest acreage reporting date for any insured crop.
- E(4) **Provide a copy** of the approved written unit agreement to all affected agents within 7 days of receipt of the agreement.
- E(5) **Notify all affected agents** if the written unit agreement is not approved.

## 2F **Agent and Insurance Provider Responsibilities**

- F(1) **The agent will:**
- (a) With assistance from the insured, prepare the written unit agreement and assemble the supporting materials [according to Par. 2D].
- (b) Submit the request, written unit agreement, and supporting documentation to the Insurance Provider for approval. The Insurance Provider must receive the request and documentation within 30 calendar days of the earliest acreage reporting date for insured annual crops covered by the written agreement. Requests and written agreements received after this deadline will be denied.

F(2) **The Insurance Provider will:**

- (a) Require documentation [per Par. 2D].
- (b) Approve or deny the written unit agreement.
- (c) Provide copies of the approved written unit agreement, request, and applicable supporting documentation to the agent, insured, and RMA RO.
- (d) If the written unit agreement is not approved, notify the agent and insured stating the reason why the written unit agreement is not acceptable.
- (e) Maintain a copy of the written unit agreement and supporting documents (written unit agreement request, aerial photos, maps, etc.).

**2G Transfers**

If the insured transfers to another Insurance Provider (by cancellation/transfer or cancellation and new application for the immediately following crop year), a new written unit agreement request must be submitted by the applicable deadline for requesting written unit agreements. Supporting documentation used to justify the previous written agreement can be used to satisfy the documentation requirements for the current request provided no significant changes have occurred. If a new written unit agreement is not requested timely, optional units will be determined according to the policy.

– **NACAT**

**INSURANCE PROVIDER AGREEMENT  
(WRITTEN UNIT AGREEMENT FOR ANNUAL CROPS, IDAHO, OREGON, WASHINGTON)  
(Topographical/Physical Features)**

STATE: \_\_\_\_\_ [    ] COUNTY: \_\_\_\_\_ [    ]

CROP(S): All Insured Annual Crops [    ] INSURED: \_\_\_\_\_

POLICY NO: \_\_\_\_\_ ADDRESS: \_\_\_\_\_

SSN/EMPLOYER ID NO.: \_\_\_\_\_ CROP YEAR: \_\_\_\_\_

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 (c) of the Common Crop Insurance Policy. The policy is revised as follows:

You are allowed one agreement per county that covers all of your insured annual crops that are allowed optional units. If it is determined you have two or more agreements for the same county, the agreement with the earliest date will be applicable to all crops and the other agreement(s) will be void.

Your farming operation must contain at least 640 cropland acres and you must delineate optional units that contain at least 160 cropland acres. Each optional unit must be contained within permanent boundaries. You may not have more units than would be allowed by standard optional unit division guidelines. Optional units are identified using permanent field identifications on the attached map(s) or photo (s).

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

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

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

This written unit agreement shall be in effect for the \_\_\_\_\_ and succeeding crop years provided no significant changes occur to the farming operation, which invalidate the approved unit structure. If significant changes occur, this written agreement is null and void. This agreement may be cancelled in writing by the insured or Insurance Provider by the earliest crop cancellation date applicable under the agreement (by the earliest contract change date if cancelled by the RMA RO).

**INSURANCE PROVIDER AGREEMENT  
(WRITTEN UNIT AGREEMENT FOR ANNUAL CROPS IN IDAHO, OREGON, WASHINGTON)  
(Topographical/Physical Features)**

(CONTINUED)

This agreement is not effective until approved by the Insurance Company.

Any information certified by you that is incomplete, incorrect, or otherwise deficient and which 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 any succeeding crop years. If an insurable share in any insurable acreage/crop is acquired after the earliest acreage reporting date for any insured annual crop, optional unit determinations under the policy and RMA approved procedures will apply to the acquired acreage/crop for the current crop year.

**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.

\_\_\_\_\_  
(INSURED'S SIGNATURE AND DATE)

\_\_\_\_\_  
(AGENT'S SIGNATURE AND DATE)

**Approved by:**

\_\_\_\_\_  
(INSURANCE COMPANY VERIFIER SIGNATURE AND DATE)

**DISTRIBUTION:** Original to Insurance Provider. Copy to the insured, agent, and RMA RO. Attach a copy of the actuarial request and applicable supporting documentation to each copy of the written unit agreement.

**WORKSHEET FOR MULTIPLE PERIL CROP INSURANCE**

LOCATION \_\_\_\_\_ STATE \_\_\_\_\_ COUNTY \_\_\_\_\_

NAME OF APPLICANT \_\_\_\_\_ TELEPHONE NUMBER \_\_\_\_\_ APPLICANT'S SSN OR EIN \_\_\_\_\_

APPLICANT'S MAILING ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

ON THE REVERSE SIDE OF THIS FORM, LIST ADDITIONAL NAMES AND APPROPRIATE SOCIAL SECURITY NUMBER(S) AND/OR EMPLOYER IDENTIFICATION NUMBER(S) FOR ALL INDIVIDUALS WITH AT LEAST A 10 PERCENT INTEREST IN THE CROP INSURANCE POLICY.

ACTUAL HISTORY OF ACREAGE AND PRODUCTION UP TO TEN CROP YEARS								
OTHER PERSON(S) SHARING			OTHER PERSON(S) SHARING			OTHER PERSON(S) SHARING		
CROP	FSA FSN		CROP	FSA FSN		CROP	FSA FSN	
RMA YIELD			RMA YIELD			RMA YIELD		
CROP YEAR	TOTAL PRODUCTION	ACRES PLANTED	CROP YEAR	TOTAL PRODUCTION	ACRES PLANTED	CROP YEAR	TOTAL PRODUCTION	ACRES PLANTED
PRACTICE _____ TYPE/VARIETY _____			PRACTICE _____ TYPE/VARIET _____			PRACTICE _____ TYPE/VARIETY _____		
ESTIMATED ACRES TO BE PLANTED			ESTIMATED ACRES TO BE PLANTED			ESTIMATED ACRES TO BE PLANTED		

PLEASE REQUEST THAT YOUR CROP INSURANCE REPRESENTATIVE EXPLAIN ALL YOUR OPTIONS FOR ADDITIONAL COVERAGE

**WORKSHEET FOR MULTIPLE PERIL CROP INSURANCE  
INDIVIDUALS WITH A 10 PERCENT OR MORE INTEREST IN THE FARMING OPERATION**

NAME

SSN OR EIN

NAME	SSN OR EIN

HELPFUL HINTS FOR YOU:

- 1 "CROP YEAR" MEANS CONSECUTIVE YEARS THAT THE CROP WAS PLANTED WHICH YOU ARE REPORTING TO OBTAIN AN INSURANCE YIELD.
- 2 WHEN THE WORKSHEET FOR MULTIPLE PERIL CROP INSURANCE IS COMPLETED, YOU MUST HAVE RECORDS THAT SUPPORT THE AMOUNT OF PRODUCTION YOU ENTER. ENTER ONLY CONTINUOUS CROP YEARS FOR WHICH YOU HAVE PRODUCTION RECORDS.
- 3 INSURANCE COVERAGE IS PROVIDED ON A UNIT BASIS. YOU QUALIFY FOR SEPARATE UNITS BY 100% SHARE AND IF OTHER PERSONS SHARE IN THE CROP. BE SURE TO TELL YOUR REPRESENTATIVE IF SOMEONE ELSE SHARES IN THE CROP, TO ASSURE PROPER UNIT DETERMINATION.
- 4 INSURANCE MAY BE PROVIDED FOR SPECIFIC PRACTICES, VARIETIES OR TYPES. BE SURE THAT YOU INFORM YOUR REPRESENTATIVE OF THE PRACTICE YOU HAVE CARRIED OUT OR THE TYPE OR VARIETY THAT YOU HAVE GROWN.  
  
**FOR EXAMPLE:** IRRIGATION IS CONSIDERED A "PRACTICE" AND MAY IMPACT YOUR COVERAGE. YOUR REPRESENTATIVE WILL NEED TO KNOW THE CROP(S) AND ACREAGE THAT YOU IRRIGATE.
- 5 YOU MUST REPORT THE SOCIAL SECURITY NUMBERS (SSN'S) AND/OR EMPLOYER IDENTIFICATION NUMBERS (EIN'S) OF INDIVIDUALS WITH A 10% OR MORE INTEREST IN YOUR CROP POLICY.
- 6 ASK YOUR REPRESENTATIVE TO EXPLAIN YOUR ACREAGE REPORTING RESPONSIBILITIES.
- 7 ASK YOUR REPRESENTATIVE TO EXPLAIN YOUR RESPONSIBILITIES IN THE EVENT OF CROP DAMAGE OR CROP LOSS.
- 8 REQUEST THAT YOUR REPRESENTATIVE QUOTE YOUR COVERAGE IN DOLLARS PER ACRE. REMEMBER, THOUGH, THAT ANY INDEMNITY IS ON LOSS OF YIELD.

**CERTIFICATE OF INSURANCE**

This Certification of Insurance form may be used by companies and their representatives to provide evidence that multiple peril crop insurance has been purchased. When verification of insurance coverage is required (requested by the insured or FSA) ALL PERSONS listed as an SBI or as an insured covered by the policy(ies) and their applicable EIN/SSN MUST also be provided. Note: Both the representative and policyholder are required to sign the Certificate.

\_\_\_\_\_  
NAME OF COMPANY

"I CERTIFY THAT \_\_\_\_\_, PRODUCER, HAS PURCHASED  
CROP INSURANCE POLICY NUMBER(S) \_\_\_\_\_,  
FOR CROP YEAR \_\_\_\_\_ COVERING THE FOLLOWING CROPS."

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,

\_\_\_\_\_  
AGENT

\_\_\_\_\_  
DATE

**PRODUCER CERTIFICATION**

I CERTIFY THAT I HAVE PURCHASED CROP INSURANCE AND WILL NOT CANCEL THE ABOVE POLICY(IES)  
FOR THE \_\_\_\_\_ CROP YEAR.

\_\_\_\_\_  
POLICYHOLDER

\_\_\_\_\_  
DATE

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## MASTER YIELD

(NACAT →

## 1 MASTER YIELD PROCEDURE.

Master Yields are available for some crops and locations [See Master Yield List Par. 2] where crop rotation and land leasing practices limit the APH crop years of yield history available on individual units. Data from all acreage of the crop the OPERATOR has in the county (identified by unit and by practice, type, variety (P/T/V), and "T" Yield map area as shown on the FCI-35) are used to establish the approved APH Master Yield for all acreage of the crop planted in the designated Master Yield area(s). A combination of Master Yield(s) and APH approved yields (calculated by using standard APH procedures) may not be established on the same policy (by crop and county).

1A Initial Master Yield Approval Authorities

A(1) **Approved Training.** Insurance Providers may approve initial Master Yields for the crops and locations listed below following successful completion of approved training. Initial training is mandatory and in some instances additional update training may also be required by RMA. RMA may withdraw an Insurance Provider's authority to calculate initial Master Yields if RMA reviews indicate an inordinate number of Master Yields have been calculated incorrectly. However, if the acreage and production history submitted is attributed to an entity(ies) dissimilar to the entity named on the MPCI contract, the request must be referred to the RMA RO for approval. Insurance Providers electing NOT to be responsible for approval of initial Master Yields will refer all requests to the RMA RO.

- (1)(a) Canola/Rapeseed, all locations approved for Master Yields.
- (1)(b) Onions, all locations (except Colorado) approved for Master Yields.
- (1)(c) Sugar Beets, all locations approved for Master Yields.
- (1)(d) Sweet Corn, all locations approved for Master Yields.
- (1)(e) Tomatoes - Fresh Market, limited to California.
- (1)(f) Tomatoes - Processing, limited to California.
- (1)(g) Green Peas, all locations approved for Master Yields.
- (1)(h) Dry Peas, all locations approved for Master Yields.
- (1)(i) Dry Beans, all locations approved for Master Yields.
- (1)(j) Processing Beans, all locations approved for Master Yields.
- (1)(k) Potatoes, all locations approved for Master Yields, except Texas.

A(2) **Initial Master Yields.** The RMA RO must approve ALL initial Master Yields for all other crops and locations approved for Master Yields.

**1B Requirements for Establishing Initial Master Yield(s)**

- B(1) **Operator/Tenant.** Master Yields are established on an operator/tenant entity basis. Operator/tenant entity is described as the person/entity with the largest insurable interest in the crop. **If the operator shares in other entities, the same Master Yield must be used for all entities in which he or she is the operator and insures under separate policies. For example: An operator who has a majority share in multiple crop insurance policies cannot choose to insure some policies under Master Yield and some under regular APH.** If two or more equal interests are involved, the operator/tenant entity is the person who makes the daily farm management decisions regarding the crop. Farm management decisions begin with land selection and continue through harvest. If the policy covers land farmed by more than one operator/tenant entity, a separate Master Yield must be established for each operator/tenant entity (i.e., the insured is a landlord on some land and an operator/tenant entity on other land or, is a landowner with multiple operators). The operator for each Master Yield must be denoted (in the block indicating the producer's name and address) on the APH form to indicate the Master Yield has been established on an operator/tenant entity basis. The Master Yield determined for the operator/tenant entity also applies to insured landlord(s) involved in that farming operation except for a landlord that has CAT coverage or other acreage on which a Master Yield is not applicable. A copy of the operator's Master Yield or a Master Yield with the operator's history must be placed in the landlord's file. All initial Master Yields for insureds sharing in the crop (companion contracts) must be reconciled using the following guidelines prior to issuing approved Master Yields.
- (1)(a) If the operator/tenant is insured and has an approved Master Yield (or requests an initial Master Yield that is subsequently approved) and a person who shares in the crop (landlord) with the operator/tenant also timely requests a Master Yield, the operator/tenant's Master Yield is applicable.
- (1)(b) An insured sharing in the crop with an operator/tenant who has an approved Master Yield will have his or her production guarantee(s) based on standard APH procedures unless a timely request for a Master Yield was made.
- (1)(c) A person sharing in the crop with an operator/tenant who does not have an approved Master Yield may request an initial Master Yield from the verifier by the PRD; however, Insurance Providers must forward the request and individual unit APH forms to the RMA RO for approval.
- (1)(d) If the operator/tenant's (whose records were used to calculate the approved APH yield) status as an operator/tenant changes after the PRD, the approved Master Yield may be used for that crop year; however, it must be recalculated for the following crop year. An operator/tenant's status changes if the operator/tenant rents/leases land to another person who qualifies as the operator/tenant. Persons who may continue to use the Master Yield include:
- 1 A landlord with an approved Master Yield based on an operator/tenant's records whose status changed.
  - 2 An operator/tenant whose status changed but continues to have an insurable interest in the crop.

- B(2) **Previous Crop Years.** Master Yields approved for previous crop year(s) which were not established on an operator/tenant entity basis may, if requested timely by the insured, be converted to an operator/tenant entity basis.
- B(3) **Approved by Verifier.** Master Yields must be established and approved by the verifier for each:
- (3)(a) "T" yield map area.
  - (3)(b) P/T/V as indicated in the Actuarial Documents.
  - (3)(c) Designated Homogeneous Master Yield areas. The RMA RO may designate homogenous Master Yield area(s) for initial Master Yields or if homogenous Master Yield Areas are requested for a subsequent crop year. If the RMA RO designates homogeneous Master Yield areas, they must be clearly indicated on the initial Master Yield form (e.g., county, map area, legal descriptions). Any limitations (if applicable) as to entity must also be indicated.

### 1C **Production Reporting Requirements**

Persons requesting initial Master Yields must furnish at least the four most recent APH crop years of continuous production reports (that contain actual and/or assigned yields for each crop year) for the crop, by county, within the base period. Insureds under standard APH the previous year who request initial Master Yields must use all previously certified yield history that is still within the base period. [See Sec. 6, B(2)(b)]. Insureds with an approved Master Yield for a crop who begin farming the crop in an adjoining county may request a Master Yield for the crop in that county from the RMA RO. Records from other entities sharing in the crop on the same land with the operator/tenant may be used to meet the four-year record requirement with RMA RO approval.

- C(1) **For the most recent APH crop year in the database,** an APH form must be completed and signed by the insured for each unit (by basic or optional units) and by "T" Yield Map Area (when applicable) on which the crop was grown. For such locations (legal descriptions) acreage and production must also be reported separately by P/T/V when indicated on the actuarial table. Production reported for the most recent APH crop year determines whether the insured qualifies for basic or optional units.
- C(2) **Different parcels of land** are often leased from year to year; therefore, units may not correspond for all reported years in the database. However, the insured must report ALL planted acres and production for each APH crop year.
- (2)(a) **Reporting Production.** For APH crop year(s) previous to the most recent APH crop year, acreage and production must be reported separately by P/T/V (when indicated on the actuarial table) and by location (legal description) when "T" Yield Map areas are involved. If production is commingled between multiple "T" Yield map areas, but the acreage within map areas can be identified, the production must be apportioned to the respective acreage (by P/T/V) using the Commingled Production Worksheet [See Sec. 6 F] and the applicable "T" Yields.

- (2)(b) Commingled Production. If for APH crop year(s) previous to the most recent APH crop year, production is commingled between multiple "T" Yield map areas and the acreage for the respective "T" Yield Map areas (by P/T/V) cannot be identified, all production and acreage shall be attributed to the highest yielding map area (by P/T/V).
- (2)(c) Master Yield summary(ies) are compiled using the above acreage and production history [See Par. 3D this Exhibit].
- C(3) **Certification**. Master Yields are established by using production history certified by APH crop year, by the insured (normal Category B procedure). Additional years of yield history that is available from processors, marketing outlets, etc., are not used unless certified by the insured.

#### 1D **Agent Responsibilities**

- D(1) **Master Yield Summaries**. Agents must complete an APH form(s) that summarizes for each APH crop year; planted acres and production for each P/T/V (when indicated on the actuarial table) and by location when "T" Yield Map areas are involved. If an initial Master Yield request, agents must quote Preliminary Master Yields from the Master Yield summary form(s). Agents must also quote a preliminary APH yield using standard APH procedures for comparison purposes.
- (1)(a) Initial Master Yield requests. Agents must review the preliminary APH yield calculated using standard APH procedures and the preliminary Master Yield with the insured. The insured must select the method (either APH or the Master Yield) to be used to calculate the approved yield.
- (1)(b) Signature. The agent must obtain the insured's signature on the Master Yield Summary in the Insured's Signature Block. The summary must indicate either acceptance of the preliminary Master Yield or voidance of the request. If the insured wishes to void the request a statement must be added that indicates "The Master Yield is declined and the APH yield will be based on Standard APH."
- D(2) **The agent forwards** Master Yield Summary APH form(s), all individual unit APH forms and supporting documentation to the Insurance Provider.

- 1E Verifier Responsibilities.** The verifier, for all Master Yields, reviews the data submitted and completes or corrects the APH forms if necessary, using the following guidelines. For crops which Insurance Providers are not authorized to approve initial Master Yields and for crops the Insurance Providers elect not to approve initial Master Yields [for crops listed in 1 A(1) of this Sec.], all individual unit APH forms, Master Yield Summary(ies) (requests for Master Yield[s]), and supporting documentation must be forwarded to the RMA RO for approval of the initial Master Yield(s).
- E(1) **Individual Determined Yields (IDY).** At least four APH crop years of records are required to qualify for a Master Yield on the crop; however, four years of records are not required to establish a Master Yield for each unit, P/T/V, or "T" Yield map area. If a Master Yield (P/T/V or "T" Yield map area requiring separate APH yields) has less than four years of actual/assigned yields available, an IDY will be used to complete the database. IDY's are calculated the same as variable "T" Yields; therefore, IDY's will be 100 percent of the applicable "T" Yield.
- E(2) **Previous crop year IDY's** (e.g., previous Master Yields, or individual determined yields) used to create the minimum four-year database are not "set" in the Master Yield database. They must be recalculated for the 2000 policy crop year and removed in subsequent crop years as actual yields are reported or assigned yields are applicable. Once four years of actual or assigned yields are applicable for the Master Yield nonactual yields MUST NOT remain in that database.
- E(3) **Verification of actual yields.** All actual yields certified must be examined on a unit basis by P/T/V to determine if they are reasonable. Actual yields exceeding the applicable "T" Yield published in the actuarial document multiplied by the factor indicated below (unless different actual yield verification factors are published by the RMA RO) are considered questionable. Yield flags will be used to identify high yields on which desk audits and/or APH record reviews are required.
- (3)(a) Irrigated practice: 150 percent of the applicable "T" Yields
- (3)(b) Non-Irrigated practice: 160 percent of the applicable "T" Yields
- (3)(c) Irrigated and Non-Irrigated "T" Yields not identified separately on the Actuarial document: 160 percent of the applicable "T" Yield.
- (3)(d) Actual yield verification factors published by the RMA RO. For example, the RMA RO may publish different factors if "T" Yields are based on less than 100 percent of the county average yield or exceptionally high actual yields have been produced for a given crop year(s).
- E(4) **Review of questionable actual yields.** All questionable crop year actual yields must be reviewed by the Insurance Provider.
- (4)(a) Identified Errors. If an error can be identified and resolved, the actual yield is corrected by the verifier (i.e., transposed numbers, data entry errors, incorrect decimal placement, etc., may often be identified without a review of supporting records.)

- (4)(b) Unidentified Errors. If an error is not identified or the actual yield after correction still exceeds the guidelines, verification of the actual yield as compared to supporting records is required (APH Record Review).
  - (4)(c) Review of supporting records to verify their acceptability and the accuracy of actual yields. If the supporting records are acceptable:
    - 1 And the actual yield(s) in question is correct, no further action is needed.
    - 2 And errors are found, they are corrected by the Insurance Provider verifier to agree with the supporting records.
  - (4)(d) The Insurance Provider reviews the questionable actual yields submitted and approves, adjusts, or rejects them.
  - (4)(e) Once a questionable actual yield has been audited and approved by the RMA RSO or Insurance Provider it is not subject to further desk audits (APH record reviews) unless the data is revised in subsequent crop years.
- E(5) **Verification of preliminary Master Yields**. All preliminary Master Yields (required when initial Master Yields have been requested) must also be examined to determine if they are reasonable as compared to the applicable "T" Yield. Master yields exceeding the applicable "T" Yield published in the actuarial document multiplied by the factor indicated below are considered questionable. Yield flags will be used to identify high Preliminary Master yields on which desk audits are required.
- (5)(a) Irrigated practice: 130 percent of the "T" Yield.
  - (5)(b) Non-Irrigated practice: 140 percent of the "T" Yield.
  - (5)(c) Irrigated and Non-Irrigated practices not identified separately on the actuarial document: 140 percent of the "T" Yield.
  - (5)(d) If error(s) can be identified and resolved, the preliminary Master Yield is recalculated by the verifier (i.e., transposed numbers, data entry errors, incorrect decimal placement, incorrect calculations, etc., may often be identified without a review of supporting records.)
  - (5)(e) If an error is not identified or the preliminary Master Yield, after correction, still exceeds the applicable guideline, verification of all actual yields reported as compared to supporting records is required. (Carryover insureds previously under APH who are requesting an initial Master Yield are not required to retain production records beyond the APH record retention requirements.)

- (5)(f) Review of supporting records to verify reported actual yields. If the supporting records are acceptable:
- 1 And the actual yield(s) in question are correct, no further action is needed.
  - 2 If error(s) are found, they are corrected by the Insurance provider verifier to agree with the supporting records.
- (5)(g) Once a questionable preliminary Master Yield has been reviewed, actual yields verified correct and the Master Yield approved, it is not subject to further desk audits in subsequent crop years unless the data is revised.

**1F** **Master Yield Application.** The approved Master Yield (by P/T/V) applies to all individual units within the Master Yield area. Units with four or more years of records also use the Master Yield (by P/T/V) as the approved APH yield.

**1G** **Updating Established Master Yield(s)**

- G(1) **Approving.** Once initial Master Yields are approved by the RMA RO or Insurance Provider [for crops listed in 1 A(1)], the Insurance Provider verifier updates, calculates, and approves Master Yield(s) for subsequent crop years.
- G(2) **Updating.** Individual unit and Master Yield APH forms must be updated each succeeding crop year.
- G(3) **Updating with Zero acres.** If the crop was not grown the previous calendar year, update all Master Yield APH forms with zero acres (if sufficient space exists in the database).
- G(4) **Reviews.** The RMA RO/Insurance Provider underwriter reviews the data submitted, completes or corrects the updated Master Yield APH form(s) when applicable, and issues the approved updated Master Yield APH form by completing the Approved APH Yield block (item 21 FCI-19-A). Actual Yields reported for each subsequent APH crop year are reviewed for reasonableness [as previously indicated in Par. E(4) and (5) of this exhibit].
- (4)(a) For an added P/T/V or added land (outside of an initial Master Yield "T" Yield map area) for which an approved Master Yield has not been previously established, insureds must request another initial Master Yield. Such requests must be received in the applicable verifier's office no later than 20 calendar days after the production reporting date.
- 1 [Refer to Paragraph E] for yield calculation instructions.
  - 2 If the insured does not request another Master Yield or the request is not timely, the added land/P/T/V will receive 100 percent of the applicable "T" Yield. The added land/P/T/V must have a Master Yield established the subsequent crop year.

(4)(b) Landlord and tenant arrangements and how Master Yields are established.

- 1 For Master Yields established on an operator/tenant basis, the operator/tenant is responsible for providing annual production reports to update the Master Yield on all land he or she operates. The verifier must provide a copy of the approved Master Yield to each insured to whom it applies.
- 2 For carryover insureds whose previously established Master Yields were NOT established/converted to an operator/tenant entity basis, each insured is responsible for providing annual production reports to update the Master Yield.

**1H** Deadlines. Requests for Master Yields, production reports, and any supporting documentation must be received by the Insurance Provider verifier no later than 20 calendar days after the production reporting date. Any Master Yield request requiring RMA RO approval received in the RMA RO later than 30 calendar days after the PRD will be returned to the Insurance Provider without an RMA RO approved Master Yield. The Insurance Provider is then responsible for rejecting the request and determining the approved yield using standard APH procedures. The RMA RO will document such policies for possible compliance reviews to assure that appropriate approved yields were issued.

**1I** Yield Limitation Provisions (Cup Only). If the previous Approved APH yield for the P/T/V or "T" Yield map area was:

- I(1) Determined under the same conditions (Master Yield both the previous and current crop year), and yield substitutions were NOT used to calculate the previous approved Master Yield, the approved APH yield will not decrease by more than the applicable cup (yield floors do not apply to Master Yields).
- I(2) Not determined under the same conditions (standard APH last year, Master Yield the current crop year, or individual Master Yield which was converted to an operator/tenant entity), there is no limit to the percent change in the yield.

**1J Acceptance and Cancellation.**

J(1) For initial Master Yields:

- (1)(a) If the approved Master Yield is at least 95 percent of the preliminary Master Yield, the Master Yield is binding.
- (1)(b) If the approved Master Yield is less than 95 percent of the preliminary Master Yield, mutual consent cancellation or reconsideration provisions are applicable [See Sec. 11].
- (1)(c) If a preliminary Master Yield was not quoted by the agent or if the insured's intentions are not clearly documented [as indicated in 1D(1)(b)], the RMA RO/Insurance Provider will return the Master Yield request unapproved. APH Yields calculated under standard APH procedures will then apply.

J(2) Once Master Yields are approved, insureds may not switch to standard APH unless the insured cancels the Master Yield in writing on or before the cancellation date for the insured crop and requests an approved yield using standard APH procedures. When switching to regular APH, all years of the production history (contained in the Master Yield) that can be attributed to the insured entity's farming operation under standard APH procedures must be used (landlord may have to recertify actual yields for his or her own farming operation if the Master Yield was established on an Operator/tenant basis).

NOTE: Previously approved Master Yields are retained if the policy is transferred and a break in continuity of insurance does not occur, the operator/tenant entity remains the same, and the Master Yield is not canceled.

2

MASTER YIELD LIST BY STATE , PRACTICE, CROP

States	Practice (Pr.)	Crops
Alaska	Check FCI-35	Potatoes
Arizona	No Pr. Specified	Potatoes
California	Irrigated	Dry Beans, Potatoes, Sugar Beets, Tomatoes (C & P & FM)
Colorado	Check FCI-35	Potatoes, Onions, and Sugar Beets
Idaho	Check FCI-35	Dry Beans*, Processing Beans, Canola/Rapeseed, Onions, Dry Peas*, Green Peas*, Potatoes*, Sugar Beets*, Sweet Corn*
Indiana	No Pr. Specified	Tomatoes (C & P)
Missouri	Check FCI-35	Potatoes
Michigan	No Pr. Specified	Sugar Beets, Tomatoes (C & P)
Minnesota	No Pr. Specified	Potatoes and Sugar Beets
Montana	Irrigated	Sugar Beets
	No Pr. Specified	Dry Peas
Nebraska	Check FCI-35	Potatoes, Sugar Beets
Nevada	Irrigated	Potatoes
New Mexico	Irrigated	Potatoes
North Dakota	No Pr. Specified	Dry Peas*
	Irrigated & Non-Irrigated	Potatoes*, Sugar Beets
Ohio	No Pr. Specified	Tomatoes (C & P)
Oregon	Check FCI-35	Dry Beans*, Processing Beans, Canola/Rapeseed, Dry Peas, Green Peas*, Onions, Potatoes*, Sugar Beets*, and Sweet Corn
South Dakota	Check FCI-35	Potatoes
Texas	Irrigated	Potatoes: Bexar, Frio, Hidalgo, La Salle, and Medina Counties
Utah	Irrigated	Potatoes
Washington	Check FCI-35	Dry Beans, Processing Beans, Canola/Rapeseed, Dry Peas, Green Peas, Onions, Potatoes, Sugar Beets, and Sweet Corn*
Wyoming	Irrigated	Potatoes*, Sugar Beets

\* May also require the use of a map. ←NACAT)

**3 EXAMPLE OF MASTER YIELD CONCEPT .**

This example illustrates the Master Yield concept. The crop has been grown in two "T" Yield classification areas (Map Area). One P/T/V has been grown in each Map Area. Figures 1-3 are located in Map Area 1.

**3A** Figure 1, production reports for farm A indicate two actual yields (one basic unit located in section 11).

Figure 1: Unit 00100, Sec. 11, Map Area 1

15. YEAR.	16. TP.	17. ACRES	18. YIELD
19XX	42,200	100.0	A422
19XX		0.0	Z
20XX	43,000	100.0	A430
20XX		0.0	Z
			19.
20. Prior Y.		21. Approved APH	

**3B** Figures 2 and 3, production reports for farm B indicate two actual yields for unit 00201 (section 12 ) and no actual yields for unit 00202 (section 13).

Figure 2: Unit 00201, Sec. 12, Map Area 1

15. YEAR	16. TP.	17. ACRES	18. YIELD
19XX		0.0	Z
19XX	40,000	100.0	A400
20XX		0.0	Z
20XX	35,200	80.0	A440
			19.
20. Prior Y.		21. Approved APH	

Figure 3: Unit 00202, Sec. 13, Map Area 1

15. YEAR	16.TP.	17.ACRES	18.YIELD
19XX		0.0	Z
19XX		0.0	Z
20XX		0.0	Z
20XX		0.0	Z
			19.
20. Prior Y.		21. Approved APH	

3C Figures 4, 5 and 6 are production reports for farm C which indicate three optional units located in sections 27, 28, and 36 all within Map Area 2. Unit 00301 does not have any actual yields. Unit 00302 has two actual yields. Unit 00303 has one actual yield.

Figure 4: Unit 00301, Sec. 27, Map Area 2

15. YEAR	16. TP.	17. ACRES	18. YIELD
19XX		0.0	Z
19XX		0.0	Z
20XX		0.0	Z
20XX		0.0	Z
			19.
20. Prior Y.		21. Approved APH	

Figure 5: Unit 00302, Sec. 28, Map Area 2

15. YEAR	16.TP.	17.ACRES	18.YIELD
19XX	20,250	50.0	A405
19XX		0.0	Z
20XX		0.0	Z
20XX	40,000	100.0	A400
			19.
20. Prior Y.		21. Approved APH	

Figure 6: Unit 00303, Sec. 32, Map Area 2

15. YEAR	16.TP.	17.ACRES	18.YIELD
19XX		0.0	Z
19XX		0.0	Z
20XX		0.0	Z
20XX	8,200	20.0	A410
			19.
20. Prior Y.		21. Approved APH	

Each actual yield must be compared to the applicable "T" Yield for the Map Area multiplied by the actual yield verification factor for the applicable practice (Map Area 1 [400 x 1.40 = 560] Map Area 2 [350 x 1.40 = 490]). None of the actual yields exceed the factored "T" Yields; therefore, they are considered reasonable.

**3D** Figures 7 and 8 are Master Yield APH Summary Forms, one for each Map Area. These forms are completed the same as the instructions [outlined in Sec. 9], except they contain the total acreage and production of the crop for each Map Area for the operator/tenant entity requesting the Master Yield.

The insured has filed production reports for each optional unit for at least the most recent policy crop year (on planted units) in the base period and therefore qualifies for optional units.

Figure 7: Master Yield Summary, Area 1  
Applicable to Units 00100, 00201, and 00202

15. YEAR	16. TP.	17. ACRES	18. YIELD
19XX	42,200	100.0	A422
19XX	40,000	100.0	A400
20XX	43,000	100.0	A430
20XX	35,200	80.0	A440
			19. 1692
20(A) PLEM. Yield 423		21. Approved APH Yield	

Figure 8, Master Yield Summary, Area 2  
Applicable to Units 00301-00303

15. YEAR	16. TP.	17. ACRES	18. YIELD
19XX			C350
19XX			C350
19XX	20,250	50.0	A405
19XX		0.0	Z
20XX		0.0	Z
20XX	48,200	120.0	A402
			19. 1507
20(A) PLEM. Yield 377		21. Approved APH Yield	

The forms are forwarded to the verifier who approves the initial Master Yield. A separate Master Yield Summary is required for each "T" yield map area for each practice, type, or variety (requiring separate APH yields) requested.

IDY's are required for the Area 2 Master Yield. Since the approved yield for the reference Master Yield (Area 1) exceeds the area 1 "T" Yield (400), the 100 percent "T" Yield is the IDY for the area 2 Master Yield

Each preliminary Master Yield must be compared to the applicable "T" Yield for the Map Area multiplied by the applicable Master Yield verification factor (Map Area 1 [400 x 1.20 = 480] Map Area 2 [350 x 1.20 = 420]). Neither of the preliminary Master Yields exceed the factored "T" Yields; therefore, they are considered reasonable and approved.

←NACAT)

**LIMITED RESOURCE FARMER WAIVER  
REQUEST TO WAIVE ADMINISTRATIVE FEES**

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

COUNTY: \_\_\_\_\_

Social Security Or Tax I.D.: \_\_\_\_\_

I request that the administrative fee be waived for the \_\_\_\_\_ crop year.

I certify that I am a producer on, or operator of, a small or family farm and either:

\_\_\_\_\_ I have an annual gross income of \$20,000 or less derived from all sources of revenue, including income from a spouse or other members of the household, for each of the prior two years, or

\_\_\_\_\_ as a producer on a farm, or farms, consisting of less than 25 cropland acres aggregated for all crops, I derive a majority of my gross income from my farming operation; and that my gross farming income does not exceed \$20,000.

If requested, I agree to provide records of income and acreage needed to document my qualification as a limited resource farmer.

Producer Signature:

Request Approved by:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Approving Official

Date

1 COMPLETION OF THE APH FORM

1A Example 1

In this example a carryover insured who had planted acres failed to provide the prior year's production reports. An assigned yield (.75 x 103) is used for the previous crop year.

1 PRODUCERS NAME AND ADDRESS  I. M. INSURED R.R. 1 ANY ADDRESS  PHONE NO: XXX-XXX-XXXX SSN/TAX NO: XXX-XX-XXXX		2 REQUIRED FIELD REVIEW REQUIRED INSPECTION  3 STATE: YOUR STATE  COUNTY: YOUR COUNTY  POLICY NO: XX-XXX-XXXX		4 AGENT NAME/ADDRESS I.M. AGENT R.R. 1 ANY ADDRESS  PHONE NO: XXX- XXX-XXXX AGENT CODE:XXXXXX		5 COMPANY NAME/ADDRESS	
6 CROP 0041 (CORN)	7SECTION X			15 CROP YEAR	16 TOTAL PRODUCTION	17 ACRES	18 YIELD
PRACTICE 003 (NI)	TWNShp X			19XX			
TYPE 029 (GR)	RANGE X			19XX			
UNIT NO. XXXXX	LAND OTHER COUNTY YES NO			19XX			
8 OTHER ENTITY (IES)  NONE		12 FSA FARM NO. XXXX		19XX			
9 RECORD TYPE:		CROP YEAR: XXXX		19XX			
PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT		CROPLAND		19XX	11,500.0	100.0	A115
LIVESTOCK FEEDING RECORDED				19XX	13,200.0	120.0	A110
APPRAISAL				19XX		105.5	P82
FSA LOAN RECORD OTHER		13 RMA YIELD: 109		20XX		111.0	P82
NUMBER OF TREES OR VINES				20XX		100.0	P77
							19 TOTAL 466
10 PROCESSOR NUMBER/NAME	11 OTHER	14 TRANSITIONAL YIELD: 80		20 (A) PRELIMINARY YIELD 93		21 APPROVED APH YIELD 93	
				20 (B) PRIOR YIELD 103		(For Verifier use only)	

I CERTIFY THAT THE INFORMATION I HAVE FURNISHED AS REFLECTED ON THIS FORM IS COMPLETE AND ACCURATE FOR THE COMMODITY(IES), UNIT(S), AND YEAR(S) SHOWN. I UNDERSTAND THIS FORM MAY BE REVIEWED OR AUDITED AND THAT INFORMATION INACCURATELY REPORTED OR FAILURE TO RETAIN RECORDS TO SUPPORT INFORMATION ON THIS FORM, MAY RESULT IN A RECOMPUTATION OF THE APPROVED APH YIELD. I ALSO UNDERSTAND THAT FAILURE TO REPORT COMPLETELY AND ACCURATELY MAY RESULT IN VOIDANCE OF MY CROP INSURANCE CONTRACT AND MAY RESULT IN CRIMINAL OR CIVIL FALSE CLAIMS PENALTIES (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

**1B Example 2**

In this example, the producer, a carryover insured, has previously established a yield history. A production report showing no acreage was planted the prior crop year is provided.

1 PRODUCERS NAME AND ADDRESS  I. M. INSURED R.R. 1 ANY ADDRESS  PHONE NO: XXX-XXX-XXXX SSN/TAX NO: XXX-XX-XXXX		2 REQUIRED FIELD REVIEW REQUIRED INSPECTION  3 STATE: YOUR STATE  COUNTY: YOUR COUNTY  POLICY NO: XX-XXX-XXXX		4 AGENT NAME/ADDRESS I.M. AGENT R.R. 1 ANY ADDRESS PHONE NO: XXX-XXX-XXXX AGENT CODE:XXXXXX			
6 CROP 0041 (CORN)  PRACTICE 003 (NI)  TYPE 029 (GR)  UNIT NO. XXXXX		7 SECTION X  TWNSHP X  RANGE X  LAND OTHER COUNTY YES NOX		15 CROP YEAR	16 TOTAL PRODUCTION	17 ACRES	18 YIELD
8 OTHER ENTITY (IES)  NONE		12 FSA FARM NO. XXXX		19XX			
9 RECORD TYPE:  CROP YEAR: XXXX  PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER NUMBER OF TREES OR VINES		CROPLAND		19XX	14,400.0	120.0	A120
				19XX	24,300.0	180.0	A135
				19XX	22,500.0	150.0	A150
		13 RMA YIELD:  109		19XX		0.0	Z
				20XX	18,850.0	130.0	A145
				20XX		0.0	Z
							19 TOTAL 550
10 PROCESSOR NUMBER/NAME	11 OTHER	14 TRANSITIONAL YLD: 80	20 (A) PRELIMINARY YIELD 138  20 (B) PRIOR YIELD 138		21 APPROVED APH YIELD 138  (For Verifier use only)		

I CERTIFY THAT THE INFORMATION I HAVE FURNISHED AS REFLECTED ON THIS FORM IS COMPLETE AND ACCURATE FOR THE COMMODITY(IES), UNIT(S), AND YEAR(S) SHOWN. I UNDERSTAND THIS FORM MAY BE REVIEWED OR AUDITED AND THAT INFORMATION INACCURATELY REPORTED OR FAILURE TO RETAIN RECORDS TO SUPPORT INFORMATION ON THIS FORM, MAY RESULT IN A RECOMPUTATION OF THE APPROVED APH YIELD. I ALSO UNDERSTAND THAT FAILURE TO REPORT COMPLETELY AND ACCURATELY MAY RESULT IN VOIDANCE OF MY CROP INSURANCE CONTRACT AND MAY RESULT IN CRIMINAL OR CIVIL FALSE CLAIMS PENALTIES (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

1C Example 3

- C(1) **Established Database.** In this example, the producer, a carryover insured, had a previously established database. The information on file was printed by the verifier onto the APH form and was provided (through the agent/representative) to the insured.
- C(2) **Prior Year's Production.** The insured then filled in the prior year's production and record type (item 9.).
- C(3) **Preliminary Yield.** The agent/representative then calculated a preliminary yield and forwarded the APH form to the verifier.
- C(4) **Approved Yield.** The verifier reviews the information certified by the insured and approves the APH yield.

1 PRODUCERS NAME AND ADDRESS  I. M. INSURED R.R. 1 ANY ADDRESS  PHONE NO: XXX-XXX-XXXX      SSN/TAX NO: XXX-XX-XXXX		2 REQUIRED FIELD REVIEW REQUIRED INSPECTION  3. STATE: YOUR STATE  COUNTY: YOUR COUNTY  POLICY NO: XX-XXX-XXXX		4 AGENT NAME/ADDRESS I.M. AGENT R.R. 1 ANY ADDRESS  PHONE NO:XXX-XXX-XXXX      AGENT CODE:XXXXXX  5.COMPANY NAME/ADDRESS			
6 CROP 0011 (WHEAT)  PRACTICE 003 (NI)  TYPE  UNIT NO. XXXXX	7 SECTION X  TOWNSHP X  RANGE X  LAND OTHER COUNTY YES NOX		15 CROP YEAR  19XX  19XX  19XX	16 TOTAL PRODUCTION     19XX  19XX  19XX	17 ACRES     19XX  19XX  19XX	18 YIELD     19XX  19XX  19XX	
8 OTHER ENTITY (IES)  NONE		12 FSN XXXX  CROPLAND		19XX  19XX  19XX	2,800.0  5,850.0  5,160.0	100.0  150.0  120.0	A28  A39  A43
9 RECORD TYPE:  CROP YEAR: XXXX  PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER NUMBER OF TREES OR VINES		13 RMA YIELD:  43		19XX  20XX  20XX	8,800.0  2,970.0  2,940.0	220.5  110.0  105.0	A40  A27  A28  19 TOTAL 205
10 PROCESSOR NUMBER/NAME	11 OTHER	14 TRANSITIONAL YIELD: 35	20 (A) PRELIMINARY YIELD 34  20 (B) PRIOR YIELD 33		21APPROVED APH YIELD 34  (For Verifier use only)		

I CERTIFY THAT THE INFORMATION I HAVE FURNISHED AS REFLECTED ON THIS FORM IS COMPLETE AND ACCURATE FOR THE COMMODITY(IES), UNIT(S), AND YEAR(S) SHOWN. I UNDERSTAND THIS FORM MAY BE REVIEWED OR AUDITED AND THAT INFORMATION INACCURATELY REPORTED OR FAILURE TO RETAIN RECORDS TO SUPPORT INFORMATION ON THIS FORM, MAY RESULT IN A RECOMPUTATION OF THE APPROVED APH YIELD. I ALSO UNDERSTAND THAT FAILURE TO REPORT COMPLETELY AND ACCURATELY MAY RESULT IN VOIDANCE OF MY CROP INSURANCE CONTRACT AND MAY RESULT IN CRIMINAL OR CIVIL FALSE CLAIMS PENALTIES (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

**1D Example 4**

In this example, the producer is a new insured and has acreage and production evidence only for the prior crop year. The insured and the agent/representative complete the APH form as follows:

- D(1) **Initial Database.** The insured completes the production report [as outlined in Sec. 9]. The agent/representative assists as necessary.
- D(2) **Preliminary yield.** The agent/representative computes the preliminary yield and forwards the APH form to the verifier.
- D(3) **Approved Yield.** The verifier, after approving the APH yield, returns the yield report to the insured (through the agent/representative). The yield report will probably be computer generated and it must contain the approved APH yield (item 21).

1 PRODUCERS NAME AND ADDRESS  I. M. INSURED R.R. 1 ANY ADDRESS  PHONE NO: XXX-XXX-XXXX SSN/TAX NO: XXX-XX-XXXX		2 REQUIRED FIELD REVIEW REQUIRED INSPECTION  3. STATE: YOUR STATE  COUNTY: YOUR COUNTY  POLICY NO: XXX-XXX-XXXX		4 AGENT NAME/ADDRESS I.M. AGENT R.R. 1 ANY ADDRESS  PHONE NO:XXX-XXX-XXXX      AGENT CODE:XXXXXX  5. COMPANY NAME/ADDRESS ANY COMPANY ANY ADDRESS			
6 CROP 0081 (SOYBEANS)  PRACTICE 003 (NI)  TYPE  UNIT NO. XXXXX	7 SECTION X  TWNSHP X  RANGE X  LAND OTHER COUNTY YES NOX	15 CROP YEAR 19XX  19XX  19XX	16TOTAL PRODUCTION	17 ACRES	18 YIELD		
8 OTHER ENTITY (IES)  NONE		12 FSA FARM NO. XXXX  CROPLAND		19XX  19XX  19XX	19XX  19XX  19XX		
9 RECORD TYPE: CROP YEAR: XXXX  PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER NUMBER OF TREES OR VINES		13 RMA YIELD:  109		19XX  20XX  20XX	19XX  2,976.0  95.0		
10 PROCESSOR NUMBER/NAME		11 OTHER		14 TRANSITIONAL YIELD: 21  20 (A) PRELIMINARY YIELD 21  20 (B) PRIOR YIELD N/A			
				21 APPROVED APH YIELD 21  (For Verifier use only)			
					19 TOTAL 82		

I CERTIFY THAT THE INFORMATION I HAVE FURNISHED AS REFLECTED ON THIS FORM IS COMPLETE AND ACCURATE FOR THE COMMODITY(IES), UNIT(S), AND YEAR(S) SHOWN. I UNDERSTAND THIS FORM MAY BE REVIEWED OR AUDITED AND THAT INFORMATION INACCURATELY REPORTED OR FAILURE TO RETAIN RECORDS TO SUPPORT INFORMATION ON THIS FORM, MAY RESULT IN A RECOMPUTATION OF THE APPROVED APH YIELD. I ALSO UNDERSTAND THAT FAILURE TO REPORT COMPLETELY AND ACCURATELY MAY RESULT IN VOIDANCE OF MY CROP INSURANCE CONTRACT AND MAY RESULT IN CRIMINAL OR CIVIL FALSE CLAIMS PENALTIES (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE \_\_\_\_\_

DATE \_\_\_\_\_

1E **Example 5**

FCI-19A(APH) GC  
(PERENNIAL CROPS)

XXXX ALMONDS (0028)  
PRODUCTION AND YIELD REPORT

NAME : I AM INSURED		ANY TOWN 99	
ADDRESS: R.R. 1		ANY STATE 999	
TOWN, STATE ZIP		CONTRACT NO:	
PHONE: (XXX) XXX-XXXX		XX-XXX-XXXX	
		SSN/TAX NO.:	
		XXXXXXXXXXXX	
SERVICE OFFICE: C. I. AGENT		AGENT CODE: XXXXXXX	
ADDRESS: 101 N. MAIN ST.			
TOWN, STATE ZIP			
COMPANY: YOUR AGENCY, INC		COMPANY CODE: XXXXX	
UNIT NO. 00100		FSA FSN: XXXXX	
LEGAL DESCRIPTION: 10 T4N R6E			
OTHER ENTITY: NONE			
PROCESSOR NUMBER/NAME: ALMONDS		BEARING TREES/VINES: 0	
PRACTICE: IRRIGATED			
TYPE: YEAR PLANTED: 1980			
VARIETY:			
CROP YR.	TOTAL PROD.	PLANTED ACRES	AVERAGE YIELD PER ACRE
19XX	92,500	50.5	A1832
19XX	95,000	50.5	A1881
19XX	97,500	50.5	A1931
19XX	100,000	50.5	A1980
20XX	103,125	60.0	A1719
20XX	97,900	60.0	A1632
SUB TOT.			10975
20XX	86,250	60.0	A1438
AREA:	TOTAL OF AVE. YIELD	12413	
TRANSITIONAL YIELD:	PRIOR YIELD. 1830		
AVE. YIELD = TOTAL OF AVG.YLDS ÷ # OF YRS		APPROVED APH YIELD	
PRELIMINARY YIELD: 1773		1773	
		(For Verifier use only)	

In this example, I Am Insured had a previous almond database and has certified the prior crop year's production. The verifier updated I Am Insured's database and the average yield of 1773 for the current crop year.

1F Example 6

FCI-19A(APH) HC  
 (GREEN PEA)  
 XXXX GREEN PEAS (0064)  
 PRODUCTION AND YIELD REPORT

NAME: I AM INSURED		ANY AGENT 99				
ADDRESS: RR # 1		ANY COMPANY 999				
TOWN, ST. ZIP		CONTRACT: XX-XXX-XXXXX				
PHONE: (XXX)-XXX-XXXX		SSN/TAX NO.: XXX-XX-XXXX				
SERVICE OFFICE: C. I. AGENT		AGENT CODE :XXXXXXX				
ADDRESS: 101 N. MAIN ST.						
TOWN, ST. ZIP						
COMPANY: YOUR AGENCY INC.		COMPANY CODE: XXXXX				
UNIT NO.: 00100				FSA FSN :		
LEGAL DESCRIPTION:		01 T105N R2W				
OTHER ENTITY:		NONE				
PROCESSOR NUMBER/NAME:		GREEN PEA				
PRACTICE:		002				
TYPE:						
CROP YEAR	DOLLARS RCD. FOR CROP	CONTRACT PRICE	ADJUSTED PROD.	DRY PEAS ÷ .6	PLANTED ACRES	AVG. LBS PER ACRE
19XX	4,783.80	.05950	80,400		30.0	A2680
19XX	2,565.00	.06000	42,750		15.0	A2850
19XX	4,559.75	.06100	74,750		25.0	A2990
19XX	4,875.00	.06250	78,000		30.0	A2600
19XX	2,929.50	.06300	46,500		15.0	A3100
19XX	7,010.29	.07105	98,667	17,133	40.5	A2859
19XX	5,859.97	.07145	82,001		25.2	A3254
19XX	7,686.00	.07000	109,800		30.0	A3660
20XX	4,623.00	.06900	67,000		20.0	A3350
20XX	2,930.00	.05860	50,000		20.0	A2500
SUBTOT						29,843
AREA:		TOTAL OF AVERAGE YIELDS				29,843
TRANSITIONAL YIELD: 0		PRIOR YIELD:				
AVERAGE YIELD = TOTAL OF AVERAGE YIELDS ÷ NO. OF YEARS						
PRELIMINARY YIELD: 2984						2984

In this example, I Am Insured certified 10 years of records which included the contract price. The total production was determined by dividing the dollars received by the contract price for the TR or Sieve number shown on the actuarial table for the type of green peas on the unit. For the Dry Peas column, Dry pea production harvested from green pea acreage was added to the green pea production.

**1G Example 7**

FCI-19A(APH) (POTATO)

XXXX POTATOES (0084)  
PRODUCTION AND YIELD REPORT

NAME: I AM INSURED		ANY AGENT 99					
ADDRESS: RR # 1		ANY COMPANY 999					
TOWN, ST. ZIP		CONTRACT: XX-XXX-XXXXX					
PHONE: (XXX)-XXX-XXXX		SSN/TAX NO.: XXX-XX-XXXX					
SERVICE OFFICE: C. I. AGENT		AGENT CODE :XXXXXXX					
ADDRESS: 101 N. MAIN ST.							
TOWN, ST. ZIP							
COMPANY: YOUR COMPANY INC.		COMPANY CODE: XXXXX					
UNIT NO.: 00100		FSA FSN :					
LEGAL DESCRIPTION: 08 T3N R35E							
OTHER ENTITY: NONE							
PROCESSOR NUMBER/NAME: PEELS							
PRACTICE: IRRIGATED (002)							
TYPE: GROUP A (161)							
CROP YEAR	TOTAL PROD	PLANTED ACRE	AVERAGE CWT	FRESH 1'S	FRESH 1&2'S	PROCESS 1'S	PROCESS 1&2'S
19XX	3890	10.0	A389				
19XX	8120	20.0	A406				
19XX	8340	20.0	A417				
19XX	7260	20.0	A363				
19XX	7360	20.0	A368				
19XX	5187	18.0	A288	DP-50	DP-60	DP-50	DP-85
20XX	5390	18.0	A299	DP-50	DP-60	DP-50	DP-85
20XX	6306	20.0	A315	DP-50	DP-60	DP-50	DP-85
SUBTOT			2845	0	0	0	0
20XX	4761	20	A238	DP-50	DP-60	DP-50	AP-92
TOTAL AVG. YLDS		3083	TOT%				
AVG. YLD.			AVG%				
PR. YLD.		356	PR.%	50	60	50	AP-87

PRELIMINARY YIELD 343, APPROVED YIELD 343, TRANSITIONAL YIELD 320, AREA: 1

In this example, I Am Insured certified the prior year's production. He had 20.0 acres of potatoes that made 4761 CWT 238 CWT per acre. The verifier updated I Am Insured's database. I Am Insured has an approved yield of 342 CWT at the applicable percentage factor for the current crop year.

DP = Default Percentage from Actuarial Document. Not applicable to CAT.

1H **Example 8**

FCI-19A(APH) FC  
ANNUAL CROPS)

XXXX SWEET CORN (0042)  
PRODUCTION AND YIELD REPORT

NAME: I AM INSURED		ANY AGENT	99
ADDRESS: RR # 1		ANY COMPANY	999
PHONE: TOWN, ST. ZIP (XXX)-XXX-XXXX		CONTRACT:	XX-XXX-XXXXX
		SSN/TAX NO.:	XXX-XX-XXXX
SERVICE OFFICE: C. I. AGENT		AGENT CODE :XXXXXXX	
ADDRESS: 101 N. MAIN ST.			
TOWN, ST. ZIP			
COMPANY: YOUR AGENCY INC.		COMPANY CODE: XXXXX	
UNIT NO. - 00100		FSA FSN :	
LEGAL DESCRIPTION: 08 T4N R7W			
OTHER ENTITY: NONE			
PROCESSOR NUMBER/NAME: GIANT			
PRACTICE: NON-IRRIGATED (003)			
TYPE: OTHER, GOLDEN (082)			
CROP YEAR	TOTAL PRODUCTION	PLANTED ACRES	AVERAGE YIELD PER ACRE
19XX	336.0	50.5	A6.7
19XX	122.5	60.5	A2.0
19XX	219.0	35.1	A6.2
19XX	232.6	40.1	A5.8
19XX	172.5	26.7	A6.5
19XX	255.0	36.0	A7.1
19XX	179.6	40.6	A4.4
20XX	200.7	51.5	A3.9
20XX	250.6	48.6	A5.2
SUB TOTAL			47.8
20XX	200.0	25.0	A8.0
AREA:	TOTAL OF AVERAGE YIELDS:		55.8
TRANSITIONAL YIELD: 0	APPROVED YIELD:		5.6

PRELIMINARY YIELD: 5.6

PRIOR YIELD: 5.3

AVERAGE YIELD = TOTAL OF AVERAGE YIELDS ÷ NO. OF YEARS

In this example, I Am Insured had a prior average yield of 5.6 tons per acre. I Am Insured certified the prior year's production and the verifier updated the database showing an approved yield of 5.6 tons per acre for the current crop year.

11 **Example 9**

FCI-19A(APH) FC  
(ANNUAL CROPS)

XXXX SUGAR BEETS (0039)  
PRODUCTION AND YIELD REPORT

NAME: I AM INSURED		ANY AGENT	99
ADDRESS: RR # 1		ANY COMPANY	999
PHONE: TOWN, ST. ZIP (XXX)-XXX-XXXX		CONTRACT:	XX-XXX-XXXXX
		SSN/TAX NO.:	XXX-XX-XXXX
SERVICE OFFICE: C. I. AGENT		AGENT CODE :XXXXXXX	
ADDRESS: 101 N. MAIN ST.			
TOWN, ST. ZIP			
COMPANY: YOUR COMPANY		COMPANY CODE: XXXXX	
UNIT NO.: 00100		FSA FSN:	
LEGAL DESCRIPTION:			
OTHER ENTITY: NONE			
PROCESSOR NUMBER/NAME: WHITE SUGAR			
PRACTICE: IRRIGATED (002)			
TYPE:			
CROP YEAR	*TOTAL PRODUCTION	PLANTED ACRES	AVERAGE YIELD PER ACRE
19XX	13,409.5	432.5	A31.0
19XX	15,022.8	508.9	A29.5
19XX	5,808.5	219.6	A26.5
19XX	8,840.9	409.9	A21.6
20XX	17,500.1	645.2	A27.1
20XX	19,974.7	816.2	A24.5
SUB TOTAL			160.2
20XX	17,654.0	630.5	A28.0
AREA:	TOTAL OF AVERAGE YIELDS		188.2
TRANSITIONAL YIELD: 0	APPROVED YIELD:		26.9

PRELIMINARY YIELD 26.9  
 PRIOR YIELD 26.7  
 AVERAGE YIELD=TOTAL OF AVERAGE YIELDS ÷ NO. OF YEARS

In this example I Am Insured had a prior average yield of 26.7 ton per acre. I Am Insured certified the most recent crop year's production and the verifier updated the database showing an approved yield of 26.9 tons per acre.

**\*Net paid tons x (percent sugar/county percent sugar) = total production.**

**1 APH YIELDS FOR ACREAGE EMERGING FROM THE CONSERVATION RESERVE PROGRAM (CRP)**

Use the following procedure for acreage emerging from CRP that was contained in the insured's farming operation PRIOR to enrollment in CRP: 1) if the acreage is a separate unit or, 2) the entire farm (all cropland acreage) was previously enrolled in CRP.

**1A Providing Acceptable Production History Prior to Enrollment in CRP.** The insured may provide acceptable production history for the year(s) the crop was grown prior to the acreage's enrollment in CRP. When production history prior to the acreage's enrollment in CRP is provided, standard APH procedures (including added land or added practice/type/variety (P/T/V) if applicable) are used.

**1B Acceptable Production History Not Provided.** If the crop was grown prior to enrollment in CRP and acceptable production history is not provided for such years:

B(1) **For acreage emerging from CRP that is a separate unit,** calculate a variable "T" Yield for each applicable P/T/V based on the number of years of records (actual and/or assigned yields) for the crop/county provided. [See Sec. 6, Par. C(1) for Category B crops and Sec. 7, Par. H(3) for Category C crops.]

B(2) **For an entire farm operation** (all cropland acres) enrolled in CRP, the variable "T" Yield is 100 percent of the applicable "T" Yield.

**1C For acreage that emerged from CRP in 2001** that is a separate unit, or the entire farm was enrolled in CRP and the 2001 approved APH yield was calculated at 65 percent of the "T" yield, variable "T" Yields (see paragraph 1B) may also be used by insurance providers when updating those APH databases for the 2002 crop year. All carryover insureds must provide production reports for the 2001 crop year.

**1D Approved APH yields previously calculated for the 2002** crop year, that qualify for variable "T" Yields as indicated in this Exhibit, may be recalculated by insurance providers using this procedure.

**1E Yield limitations will not apply** when implementing factored "T" Yields.

**1F Yield Descriptor.** The yield descriptor "C" must be used to identify if the crop was grown prior to enrollment in CRP and acceptable production records are not provided.

2 EXAMPLES

CONDITION	APH CALCULATION
<p>CRP acreage which was previously a part of the insured's farming operation and is now a part of an existing unit:</p> <p>Note: This covers the majority of producers with CAT coverage whose unit structure is limited to basic units. For producers with buy-up policies, dividing basic units into separate units is optional.</p>	<p>The approved APH yield for the existing unit will also apply to the CRP acreage.</p> <p>Note: If acceptable yield history (for the same crop and county) has been provided for the existing unit, it will also be used for the CRP acreage.</p>
<p>CRP acreage was previously a part of the insured's farming operation but is a separate unit:</p>	<p>a If the crop was NOT grown on the unit prior to enrollment in CRP, variable "T" Yield(s) may be used based on the number of years of records provided for the crop in the county:</p> <p>Zero years, 65%            One year, 80%            Two years, 90%            Three or more years, 100%; or,</p> <p>Added land/practice/type/variety procedures, may be used to establish the database. [See Exhibit 36; however, the policy requirements that the acreage must have been farmed three out of the last five years is waived.]</p> <p>b The insured may provide acceptable production history for the years the crop was grown prior to enrollment in CRP and use standard APH yield calculation procedures. (Lack of production history for the years the land was in CRP is irrelevant.)</p> <p>c If the crop was grown prior to enrollment in CRP and acceptable prior production history is not provided, variable "T" Yields are used [refer to paragraph a above].</p> <p>d If the crop was grown for ONLY one or two crop years prior to enrollment in CRP and acceptable production reports are provided, the production history and variable "T" Yield(s) are used.</p>

<p>The entire farm was enrolled in CRP (all cropland acreage):</p>	<p>a If the crop was NOT grown prior to CRP, 100% of the "T" Yield is used (New Producer).</p> <p>b If the crop was grown for ONLY one or two crop years prior to enrollment in CRP, and acceptable production reports are provided, the production history and 100% "T" Yields are used (New Producer).</p> <p>c If the crop was grown for more than two crop years prior to enrollment in CRP and acceptable production reports are provided, standard APH yield calculation methods apply. (Lack of production history for the years the land was in CRP is irrelevant.)</p> <p>d If the crop was grown prior to enrollment in CRP and acceptable production reports are not provided, 100% of the applicable "T" Yield is used.</p>
<p>Insured (not a new producer) purchases, cash leases, or share rents additional CRP land:</p>	<p>a If added to an existing unit, the existing unit's APH yield may be used [refer to added land/P/T/V procedures, Exhibit 36];</p> <p>b If part of an existing unit, but a separate database is required by added land procedures, a variable "T" Yield is used. If added as a separate unit, added land/P/T/V procedures are used.</p> <p>c If share rented acreage, the production history for years the crop was grown prior to enrollment in CRP may be used if acceptable production reports are provided.</p> <p>Note: The added land/P/T/V requirement that the acreage must have been farmed three out of the last five years is waived.</p>
<p>A "new producer" who has not produced the crop in the county will have an approved APH yield based on 100 percent of the "T" Yield</p>	

(NACAT → AT LEAST 60 OR MORE DAYS PRIOR TO SALES CLOSING DATE)

OMB NO. 0563-0053

FCI-5  
(Rev. 6-96)

U. S. DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
**REQUEST FOR ACTUARIAL CHANGE**  
(Please Type or Print Legibly)

Agency or Service Office Name and Address	Company Name and Address (if applicable)
Agent Code:	Company Code:
Phone:	Phone:
1. Producer name and address as shown on the application (where two or more entities insure the same land a request must be completed for each contract)	2. State _____ County _____
	3. Contract number: _____
	4. Social Security No./Tax Id. No.: _____
	5. Producer is: _____
(Town) _____ (State) _____ (Zip Code) _____	Landlord <input type="checkbox"/> Operator <input type="checkbox"/> Owner/Operator <input type="checkbox"/>

6. Provide the following information for the land on which the actuarial change is requested

DESCRIPTION OF FARM				NAME OF CROP	WHOLE ACRES	PRAC-TICE	TYPE, CLASS VARI-ETY	CUR-RENT AREA NO.	INSURED SHARE	NAME OF OTHER PERSON(S) SHARING IN CROP (Print)
SECTION (To the nearest 1/4 Section)	TWP	RANGE	FSA FARM NUMBER							

7. Actuarial change which is requested (Be specific - identify classification area and provide reasons which support this actuarial change)

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8. Land identified in item 6:

- a) Has been in crop production for \_\_\_\_\_ years
  - b) Has been operated \_\_\_\_\_ years by the present operator
  - c) Comprises an entire unit?    yes     no
- If no, what other land is included in the unit (section, township, range and/or farm location).

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9. Any other pertinent information

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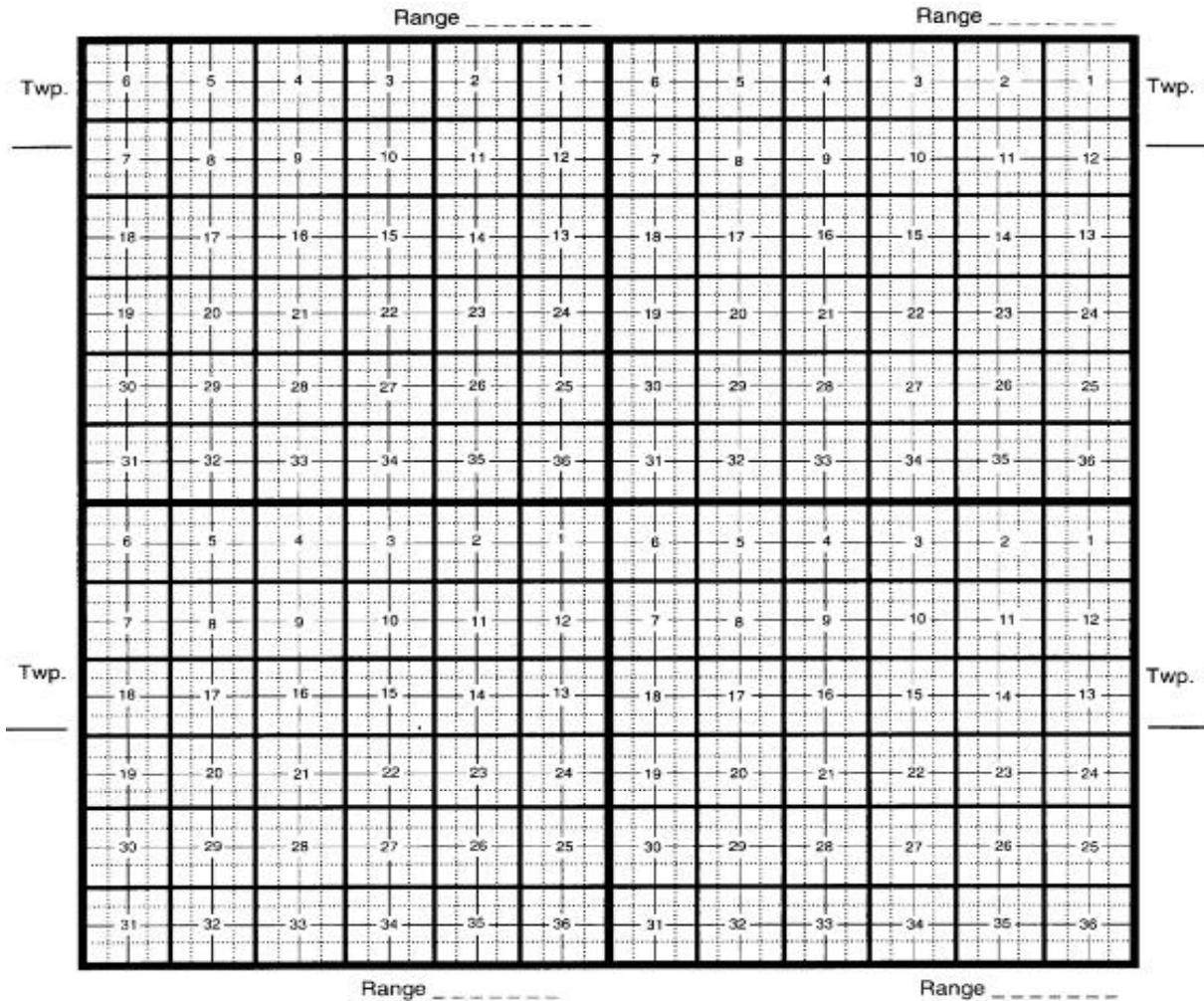
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Note: Initial Written Agreements to establish insurability requested after the sales closing date require a Crop Inspection at the time the offer is made to the insured if the crop is planted.

CONTINUED ON REVERSE SIDE

FCI-5 (Reverse Side)(Rev. 6-98)

10. Use the grid map below to plot the location of all land in the county farmed by the producer (specify to the nearest quarter section).  
 FSA or comparable aerial photos should be submitted if field boundaries can not be drawn on grid map with reasonable accuracy.



I hereby certify that to the best of my knowledge and belief the information contained herein for the designated crop(s) on the above identified farm(s) is accurate and correct.		I have reviewed the above information and to the best of my knowledge and belief it represents accurate information.		I recommend that the requested actuarial change be approved.	
Signature of Producer	Date	Signature of Agent	Date	Signature of Company Representative	

**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 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. ← NACAT

(NACAT→)

OMB NO. 0563-0053

**FCI-5-B**  
(6-96)

**U. S. DEPARTMENT OF AGRICULTURE**  
Federal Crop Insurance Corporation  
**REQUEST FOR ACTUARIAL CHANGE**  
LESS THAN 60 DAYS PRIOR TO SALES CLOSING DATE

(Please Type or Print Legibly)

Agency or Service Office Name and Address	Company Name and Address (if applicable)
Agent Code:	Company Code:
Phone:	Phone:
1. Producer name and address as shown on the application (where two or more entities insure the same land a request must be completed for each contract)	
2. State	County
3. Contract number:	
4. Social Security No./Tax Id. No.:	
5. Producer is:	
(Town)	(State) (Zip Code)
Landlord <input type="checkbox"/>	Operator <input type="checkbox"/> Owner/Operator <input type="checkbox"/>

**6. Provide the following information for the land on which the actuarial change is requested**

DESCRIPTION OF FARM				NAME OF CROP	WHOLE ACRES	PRAC-TICE	TYPE, CLASS VARI-ETY	CUR-RENT AREA NO.	INSURED SHARE	NAME OF OTHER PERSON(S) SHARING IN CROP (Print)
SECTION (To the nearest 1/4 Section)	TWP	RANGE	FSA FARM NUMBER							

**7. Actuarial change which is requested (Be specific - identify classification area and provide reasons which support this actuarial change)**

I have read and understand the following:

- a) If this request is for the purpose of establishing a rate or coverage different from that available from the Actuarial Table, or initially establishing rates and coverage not available from the Actuarial Table, I agree to accept the rates and coverage assigned on the written agreement as of the date of this request, if they are within 5 percent of the rates and coverage I requested and as contained on this form.
- b) If the rate and coverage provided on the written agreement are different from those contained in this request (by more than 5 percent), or if I did not specify the terms to which I would agree, I will have the option of accepting the rate and coverage provided by the written agreement or those provided by the Actuarial Table, if available.
- c) If this request is denied, the written agreement is not approved, or I do not accept the written agreement under (b above) by the expiration date specified in the written agreement, I agree that I must accept the rate and coverage from the Actuarial Table, if available. If this request is to initially establish a rate and coverage not otherwise available from the Actuarial Table, I agree that such insurance coverage will not be provided should this request be denied or the written agreement is not approved or accepted by the expiration date.
- d) I agree that any option to cancel or change my crop insurance policy for the current crop year based on FCIC determinations described in (b) or c) above) may be exercised in accordance with the policy by the cancellation date.
- e) I agree that the preceding statements will apply to any determinations made by FCIC as the result of a request for reconsideration, mediation or an appeal relate to this request for a written agreement.

**8. Land identified in item 6:**

- a) Has been in crop production for \_\_\_\_\_ years
- b) Has been operated \_\_\_\_\_ years by the present operator
- c) Comprises an entire unit? yes  no   
If no, what other land is included in the unit (section, township, range and/or farm location).

d) Has the crop been planted? yes  no

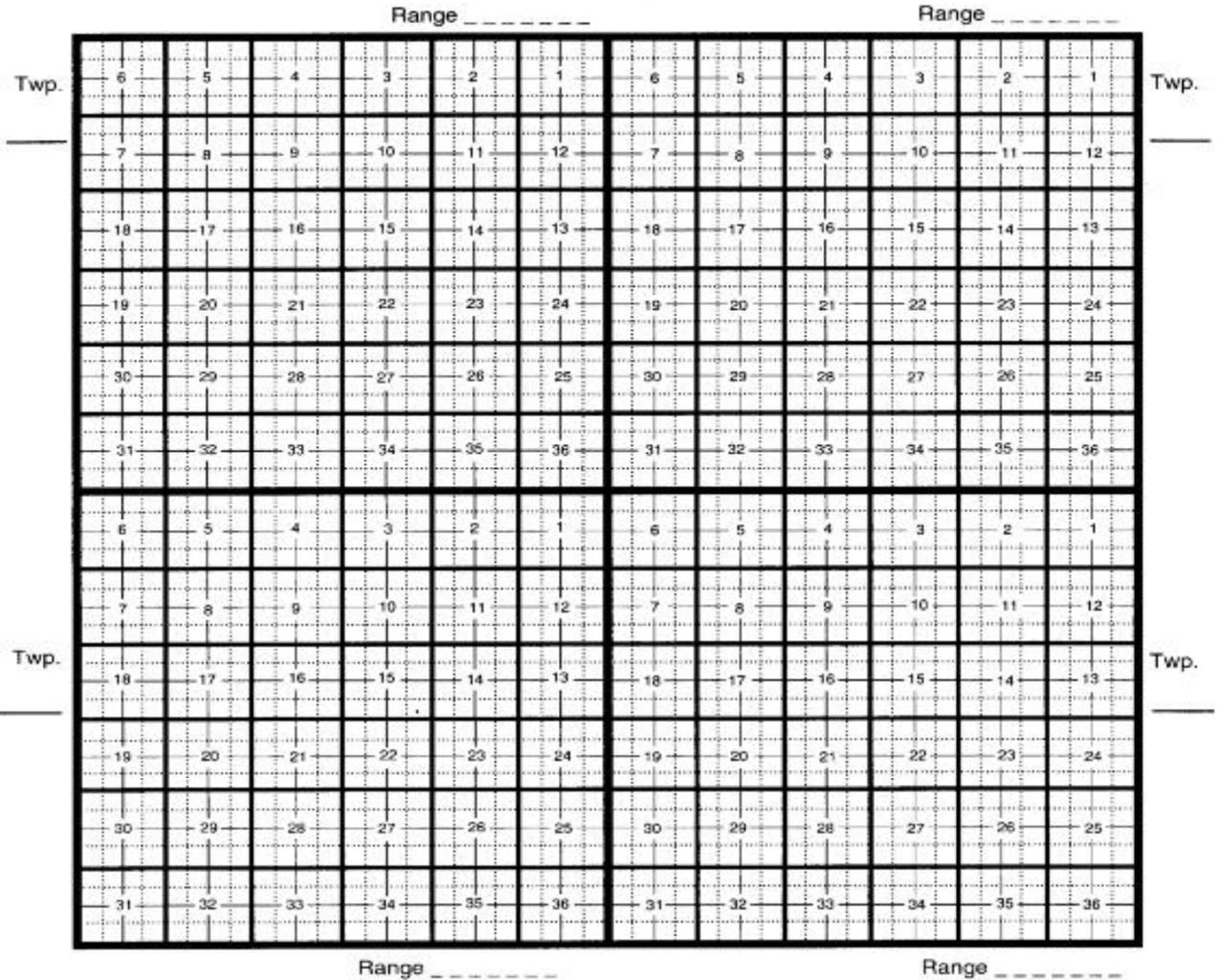
**9. Any other pertinent information?**

Note: Initial Written Agreements to establish insurability requested after the sales closing date require a Crop Inspection at the time the offer is made to the insured if the crop is planted.

CONTINUED ON REVERSE SIDE

FCI-5 (Reverse Side)(Rev. 6-98)

10. Use the grid map below to plot the location of all land in the county farmed by the producer (specify to the nearest quarter section).  
 FSA or comparable aerial photos should be submitted if field boundaries can not be drawn on grid map with reasonable accuracy.



I hereby certify that to the best of my knowledge and belief the information contained herein for the designated crop(s) on the above identified farm(s) is accurate and correct.		I have reviewed the above information and to the best of my knowledge and belief it represents accurate information.		I recommend that the requested actuarial change be approved.	
Signature of Producer	Date	Signature of Agent	Date	Signature of Company Representative	

**COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)**

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## RMA REGIONAL OFFICES

MAILING ADDRESS OF RO	STATES SERVED														
<p><b>Billings Regional Office</b>            Doug Hagel, Director            2110 Overland Avenue, Suite 106            Billings, Montana 59102-6440            (406) 657-6447 (8:00am - 5:30pm MST)            FAX: (406) 657-6573  <b>E-mail: <a href="mailto:rsomt@rm.fcic.usda.gov">rsomt@rm.fcic.usda.gov</a></b></p>	<p>Montana            North Dakota            South Dakota            Wyoming</p>														
<p><b>Davis Regional Office</b>            William Murphy, Director            430 "G" Street, Suite 4168            Davis, California 95616-4168            (530) 792-5870 (8:00am - 5:00pm PT)            FAX: (530) 792-5893  <b>E-mail: <a href="mailto:rsoca@rm.fcic.usda.gov">rsoca@rm.fcic.usda.gov</a></b></p>	<p>Arizona            California            Hawaii            Nevada            Utah</p>														
<p><b>Raleigh Regional Office</b>            Larry Atkinson, Director            4407 Bland Road, Suite 160            Raleigh, North Carolina 27609            (919) 875-4880 (8:00am – 5:00pm ET)            FAX: (919) 875-4915  <b>E-mail: <a href="mailto:rsonc@rm.fcic.usda.gov">rsonc@rm.fcic.usda.gov</a></b></p>	<table border="0"> <tr> <td>Connecticut</td> <td>Delaware</td> </tr> <tr> <td>Maine</td> <td>Maryland</td> </tr> <tr> <td>Massachusetts</td> <td>New Hampshire</td> </tr> <tr> <td>New Jersey</td> <td>New York</td> </tr> <tr> <td>North Carolina</td> <td>Pennsylvania</td> </tr> <tr> <td>Rhode Island</td> <td>Vermont</td> </tr> <tr> <td>Virginia</td> <td>West Virginia</td> </tr> </table>	Connecticut	Delaware	Maine	Maryland	Massachusetts	New Hampshire	New Jersey	New York	North Carolina	Pennsylvania	Rhode Island	Vermont	Virginia	West Virginia
Connecticut	Delaware														
Maine	Maryland														
Massachusetts	New Hampshire														
New Jersey	New York														
North Carolina	Pennsylvania														
Rhode Island	Vermont														
Virginia	West Virginia														
<p><b>Jackson Regional Office</b>  <b>Robert Ibarra, Acting Director</b>            8 River Bend Place            Jackson, Mississippi 39232            (601) 965-4771 (8:00am – 5:00pm CT)            FAX: (601) 965-4517  <b>E-mail: <a href="mailto:rsoms@rm.fcic.usda.gov">rsoms@rm.fcic.usda.gov</a></b></p>	<p>Arkansas            Kentucky            Louisiana            Mississippi            Tennessee</p>														
<p><b>Oklahoma City Regional Office</b>            Ronald Berryhill, Director            205 NW 63rd Street, Suite 170            Oklahoma City, Oklahoma 73116-8209            (405) 879-2700 7:30am – 4:00pm CT)            FAX: (405) 879-2741  <b>E-mail: <a href="mailto:rsook@rm.fcic.usda.gov">rsook@rm.fcic.usda.gov</a></b></p>	<p>New Mexico            Oklahoma            Texas</p>														
<p><b>St. Paul Regional Office</b>            Craig Rice, Director  <b>30 7th St. E</b>, Suite 910            Minn. World Trade Center            St. Paul, Minnesota 55101-4943            (651) 290-3304 (8:00am – 5:00pm CT)            FAX: (651) 290-4139  <b>E-mail: <a href="mailto:rsomn@rm.fcic.usda.gov">rsomn@rm.fcic.usda.gov</a></b></p>	<p>Iowa            Minnesota            Wisconsin</p>														

**RMA REGIONAL OFFICES**

MAILING ADDRESS OF RO	STATES SERVED
<p><b>Springfield Regional Office</b>                      Michael Alston, Director                      3500 West Wabash Avenue                      Springfield, Illinois 62707                      (217) 241-6600 ext. 101 (6:00am – 5:00pm CT)                      FAX: (217) 241-6618                      E-mail: <a href="mailto:rsoil@rm.fcic.usda.gov">rsoil@rm.fcic.usda.gov</a></p>	<p>Illinois                      Indiana                      Michigan                      Ohio</p>
<p><b>Spokane Regional Office</b>                      Dave Paul, Director                      112 North University Road, Suite 205                      Spokane, Washington 99206-5295                      (509) 353-2147 (7:30am – 4:30pm PT)                      FAX: (509) 353-3149                      E-mail: <a href="mailto:rsowa@rm.fcic.usda.gov">rsowa@rm.fcic.usda.gov</a></p>	<p>Alaska                      Idaho                      Oregon                      Washington</p>
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# 1 MODIFICATIONS TO PERENNIAL CROP APH PROCEDURES IN THE STATES SERVICED BY THE DAVIS REGIONAL OFFICE

## 1A APH Modifications

Use the following APH modifications relating to crop/age categories, cups/caps, added land, and "added insurable acreage" for the following perennial crops: almonds, AZ-CA citrus, figs, plums, grapes, macadamia nuts, prunes, stonefruit, table grapes and walnuts. These modifications apply ONLY in Arizona, California, Hawaii, Nevada, and Utah. Insurance Providers must continue to use the other perennial crop APH procedures such as record requirements, variable "T" Yield instructions, and other situations not covered in this exhibit.

- A(1) **Crop/age Categories.** Because separate "T" Yields were not issued for the different insurable age categories, as indicated in [Section 7, Par I (1)], RMA will waive (for the listed crops and states) separate Block Production and Unit Summary Worksheet requirements if blocks of different insurable ages are contained within the same unit.
- A(2) **Cups/caps.** If the previous year's approved APH yield was calculated using block production worksheets and a unit summary (a weighted average yield) and use of the block production/unit summary worksheets is discontinued for the current crop year, procedures for calculating cups or caps do not apply for the current crop year. Also, cups do not apply if the current or prior year's approved APH Yield was calculated using yield substitutions under the Yield Adjustment Election. Caps do not apply if the current year's approved APH yield is calculated using yield substitutions under the APH Yield Adjustment Election.
- A(3) **Added Land.** Added land for perennial crops is a block of insurable acreage of the insured crop that is purchased or leased for the first time for the current crop year. When adding land with insurable acreage to an existing unit and acceptable production reports/supporting records for the added land's insurable acreage are:
- (3)(a) Provided for 1-3 crop years, calculate a weighted average yield. Block Production Worksheets and a Unit Summary Worksheet are required. [Refer to Section 7] for reporting and APH yield calculation instructions. If "added insurable acreage" is also applicable, refer to [Par. B]. It may be necessary to use Block Production Worksheets and a Unit Summary Worksheet.
- Note: In a subsequent crop year when the added land block contains 4 years of actual/assigned yields, acres and production are combined with the other block (Block Production/Unit Summary Worksheets are discontinued).
- (3)(b) Provided for 4 or more crop years, a simple average yield is calculated. The acreage and production from the added land are combined with the existing unit. Block Production Worksheets and a Unit Summary Worksheet are NOT required.
- Note: If "added insurable acreage" is also applicable, follow the instructions in [Paragraph B]. It may be necessary to use Block Production Worksheets and a Unit Summary Worksheet.

1B **Added Insurable Acreage.**

"Added insurable acreage" is acreage within a unit that meets minimum insurability requirements for the first time for the current crop year. When "added insurable acreage" is added to previously insured acreage (an existing unit that had an approved APH yield the previous crop year), use the following instructions.

B(1) When separate acceptable supporting production records are provided for "added insurable acreage" and the percentage (added insurable acreage - divided by previously insurable acreage in the same unit) of the added insurable acreage is:

(1)(a) Less than 70 percent of the existing unit's acreage, a simple average yield is calculated on the APH Form (Block Production and Unit Summary Worksheets are not required).

1 Acres and production from the previously uninsurable acreage must be documented on a block production worksheet; however, a unit summary is not used to calculate the APH yield.

2 The total acreage to which the approved yield is applicable must be indicated along with the approved APH yield (e.g., 11.2 tons for 55.2 acres).

Note: A qualifying actual yield (and acres) from a previous crop year must be used if minimum production ONLY is required by the policy. For crops with minimum age requirements ONLY or crops with BOTH minimum age and production requirements (except for grapes whose qualifying production and acres must be used), the previous year's qualifying production and acres MAY be used if reported separately. When a year with actual yields are used, both the acreage and production must be entered on the APH form. Refer to Sec. 7, Par. H(1)(c) and K(1)(a) 2 & 3 for reporting requirements.

(1)(b) Seventy percent or greater than the existing unit's acreage, a weighted average yield is calculated.

1 Block Production Worksheets and a Unit Summary Worksheet are required.

2 In a subsequent crop year when the "added insurable acreage" block contains 4 years of actual/assigned yields, acres and production are combined with the other block (Block Production Worksheets/Unit Summary Worksheets are discontinued).

B(2) If separate acceptable supporting production records are NOT provided for the "added insurable acreage", the approved APH yield is calculated using a simple average of the total acreage and production (insurable and uninsurable) for all years that production was not separated.

**DETERMINING VARIABLE "T" YIELDS BY CROP**

**EXAMPLE 1**

The following example illustrates determining the variable "T" Yield for databases 00201 NI NFAC and 00202 NI NFAC.

**Previous (Policy) Year's Databases  
RMA NI NFAC "T" YIELD = 100**

<b>2001 UNIT 00201 (NI NFAC)</b>			
YEAR	PROD.	ACRES	YIELD
96			
97			
98			
99	4800	40.0	A120
00		0.0	Z
2001	3750	30.0	A125

<b>2001 UNIT 00202 (NI NFAC)</b>			
YEAR	PROD.	ACRES	YIELD
96			
97			
98			
99			
00	6600	60.0	A110
2001		0.0	Z

Since 3 years of actual records are provided for the crop, 100 percent of the variable "T" Yield (100) is used for the entire crop policy.

<b>2002 UNIT 00201 (NI NFAC)</b>			
YEAR	PROD.	ACRES	YIELD
96			
97			T100
98			T100
99	4800	40.0	A120
00		0.0	Z
2001	3750	30.0	A125

<b>2002 UNIT 00202 (NI NFAC)</b>			
YEAR	PROD.	ACRES	YIELD
96			
97			T100
98			T100
99			T100
00	6600	60.0	A110
2001		0.0	Z

**EXAMPLE 2**

The following example illustrates determining the variable "T" Yield for a **NEW PRACTICE (IRR)**. The reference databases 00201 NI NFAC and 00202 NI NFAC are used in determining the variable "T" Yield for the added IRR practice.

**Current (Policy) Year's Databases  
RMA NI NFAC "T" YIELD = 100**

2003 UNIT 00201 (NI NFAC)			
YEAR	PROD.	ACRES	YIELD
97			
98			T100
99			T100
00	4800	40.0	A120
01		0.0	Z
2002	3750	30.0	A125

2003 UNIT 00202 (NI NFAC)			
YEAR	PROD.	ACRES	YIELD
97			
98			T100
99			T100
00			T100
01	6600	60.0	A110
2002		0.0	Z

Since 3 years of actual records are provided for the crop, 100 percent of the variable "T" Yield (150) is used for the new practice.

**RMA IRR NFAC "T" YIELD = 150**

2003 UNIT 00203 IRR NFAC			
YEAR	PROD.	ACRES	YIELD
99			T150
00			T150
01			T150
2002			T150
Total 600/4 =			T150

## COMBINING AND DIVIDING BASIC AND OPTIONAL UNITS

This exhibit addresses establishment of the APH databases for carryover insureds with valid APH yield history (APH databases containing actual and/or assigned yields) on file when: 1) the basic unit definition for a crop changes, 2) optional units are combined, 3) optional units are combined into basic units, 4) basic units are divided into optional units or 5) optional units are further divided into additional optional units. Valid yield history on file includes ANY MPC I Insurance Provider's APH databases as reported to RMA.

This procedure is applicable for carryover insureds for Category B and C APH crops. It applies by unit and by P/T/V requiring separate APH yields within a unit. Separate databases are also required for each "T" Yield Map Area except for Category C APH crops when weighted average APH yields are calculated for a unit that contains more than one "T" Yield Map Area. Yield limitation provisions do not apply when the actual production history from more than one unit is combined or the actual production history from a unit is divided into additional units. Agents/representatives may combine or divide the previous APH yield history according to this procedure, but the verifier must issue the approved APH yield.

### 1 COMBINING APH YIELD HISTORY (CATEGORY B AND C CROPS)

#### 1A Situations Requiring APH Yield History (APH Databases) to Be Combined

- A (1) **Change in basic unit definition or arrangement.** Two or more basic units are combined into one basic unit due to a change in the basic unit definition or change in the basic unit arrangement (e.g., the insured bought or cash leased acreage that was previously share rented).
- A(2) **Production is commingled.** If the production from optional units is commingled at the time of loss, separate databases are maintained for the current crop year; however, the crop year's production history from such APH databases must be combined the (policy) crop year following the loss.
- A(3) **Two or more FSNs combined.** The basic unit is by FSA FSN and two or more FSA FSNs are combined (reconstituted) into a FSN by the production reporting date.
- A(4) **Previously insured on optional unit basis and the insured documents that he/she will no longer request optional units (i.e., will insure as a basic unit).** The producer must request that the optional units be combined (in writing) on or before the production reporting date. Databases will be combined at the Insurance Provider's discretion for farming operations that will be operated on a basic unit basis (not combined for the purpose of subsequently splitting the units back out to duplicate the production history in order to obtain higher approved APH yields). However, If split out in a subsequent crop year the databases must be reestablished as if the combination had not occurred. Any planted optional units while combined must be recertified or if production is commingled it must be prorated according to Par. 1D Step 2.

**1B Procedure For Combining APH Databases**

Yield history from all units (separated by P/T/V) being combined which contain actual and/or assigned yields, will be entered in the current (policy) crop year database according to the following procedure [See Example 1 and Example 2]. If the producer requests combining units after the production reporting date [1A(4)] do not combine the production history (databases) and continue to maintain multiple line entries on the acreage report.

- Step 1** Complete the most recent year in the database by using the current production report(s) filed for the previous (policy) crop year. If acceptable production report(s) are not filed for the previous (policy) crop year, and insurable acreage was planted, use the assigned yield for units (by P/T/V) that were planted. If insurable acreage was planted on more than one unit/P/T/V, use a simple average of the prior approved APH yields for the applicable units (by P/T/V), times .75. For units (by P/T/V) that were not planted, use zero-planted procedures.
- Step 2** Combine the total production (Col. 16 of the APH Form) and actual acres (Col. 17 of the APH Form) for each APH crop year. For APH crop years with assigned yields, multiply the insurable planted acres times the assigned yield to establish the amount of production, and calculate in the same manner as a year with actual yields. Divide the combined production by the combined acres for each APH crop year. Next, enter the combined total production, acres and average yields in the current (policy) crop year's database.
- Step 3** For (policy) crop years in which no acres have been planted on ANY of the units (by P/T/V) being combined, a "Z" is entered if the database contains sufficient space. A production report containing zero acres maintains continuity for production reporting purposes.
- Step 4** Calculate the approved APH yield using the applicable Category B or C procedure.

**1C The Following Situations Require Basic Units But Not Combining Optional Unit Yield History:**

- C(1) Production reported on optional unit basis but insured on a basic unit.** The insured provides production reports on an optional unit basis but insures on a basic unit basis (e.g., CAT coverage or wants the basic unit discount).

Note: If an insured selects CAT coverage and the previous APH yield history is on an optional unit basis, the verifier **must** continue to maintain separate databases within the basic CAT unit if the insured continues to file production reports on an optional unit basis. For new CAT insureds, verifiers may establish separate databases (corresponding to optional units available to the crop at the additional coverage level) within a basic unit provided the insured files acceptable production reports in that manner. However, it is the Insurance Provider's responsibility to clearly inform the insured of the correct CAT unit structure.

- C(2) No production reports.** Failure to provide acceptable production reports for the most recent APH crop year in the base period.

- C (3) **Temporary Combination of Optional Units.** If a producer requests combining optional units for a crop year, separate databases must be maintained according to the existing units (optional units can't be temporarily combined to obtain higher yields, subsequently split back out and the production history duplicated to the resulting units).

The above situations require multiple APH yields within a basic unit. Separate line entries are required on the acreage report for each APH yield record with planted acreage. [See Sec. 6E(1)(b)2 for exception.] Refer to Par. 1D following for procedures for maintaining separate databases when optional units are combined.

- 1D **Procedures for Maintaining Separate Databases.** Databases for land that could be further divided into separate optional units, must be maintained separately until four years of actual or assigned yields are contained in all the databases being combined. The yield history from all units (separated by P/T/V) that contain actual and/or assigned yields will be entered in the appropriate current (policy) crop year yield record (database). Once four years of actual yields are available in all databases, the yield history may be combined if the insured indicates they will be farmed as a combined unit. For APH purposes, if the production is commingled for subsequent crop years, it will be prorated to databases with planted acreage. However, insureds will still be required to file separate production reports of acreage and production to qualify for optional units.

When the acreage and production history must be maintained separately (established databases are for land that could be a separate optional unit) use the following procedure [See Examples 3 and 4]:

- Step 1** Change the unit numbers to reflect the combined unit(s) and for data tracking purposes assign a yield record number (record) to each previously established optional unit database.
- Step 2** Complete the most recent year in the database by using the current production report(s) filed for the previous (policy) crop year. If the production was commingled, prorate the production to databases with planted acres (divide the total production by the total acres and then prorate it to each database with planted acres by multiplying the average yield times the planted acreage [see Example 3]). Identify the prorated actual production with the yield descriptor "PA" prior to the actual yield. For databases for which no acres were planted enter a "Z" yield descriptor if there is sufficient space in the database.
- Step 3** If "T" Yields are required to complete four-year databases, the "T" Yield that applies for each individual database will be used. Calculate the approved APH yield using the applicable Category B or C procedures for each database.

**2 DIVIDING APH YIELD HISTORY (CATEGORY B CROPS)****2A Situations Requiring APH Yield History (Databases) Be Divided****A(1) A change in the basic unit definition that causes basic units to be divided.**

Insureds may submit production report(s) according to the unit definition for the current (policy) crop year or as units were defined the previous (policy) crop year. However, production report(s) may only be submitted according to the unit definition for the previous (policy) crop year for the initial (policy) crop year that the basic unit definition changed. For subsequent crop years, the production history must be submitted according to the applicable unit definition to be acceptable.

**(1)(a) If prior history is recertified** and the most recent APH crop year is reported according to the current basic unit definition, follow the instructions in Par. 2B, Steps 1-4; however, assigned yield provisions will not apply if actual acreage and production is submitted for years with assigned yields. Note: recertified production reports must be for continuous APH crop years.

**(1)(b) If production reports for the most recent APH crop year** are submitted according to the PREVIOUS unit definition, use the following procedure [See Example 5]:

- 1** Duplicate the yield history (total production, acres, actual/assigned yields) from the prior (policy) crops years' database to all units that are derived from the prior (policy) crop year's basic unit. [See Par. 2B, Step 3 for crop years requiring "T" Yields.]
- 2** Calculate the approved APH yields according to applicable Category B procedure.

**(1)(c) Acceptable production reports not filed.** If acceptable production report(s) are not filed for the current crop year, enter the assigned yield in all applicable (planted acreage) databases. [Follow the procedure in Par. 2 A (1)(b) 1 and 2 for the remaining crop years in the databases.]

**A(2) The basic unit is by FSA FSN** and the FSA FSN is divided (reconstituted) into two or more FSA FSNs by the production reporting date.

**A(3) (NACAT → The APH yield history is on a basic unit basis and the insured files acceptable production reports for the most recent APH crop year on an optional unit basis. ← NACAT)**

**A(4) Additional basic units.** The APH yield history is on a basic unit basis, the operation changes and additional basic units are required (i.e., a portion of the land which was previously cash-rented is rented for a share of the crop for the current crop year).

**2B Dividing a Basic Unit into Additional Basic Units**

- B(1) **Separate Production Reports.** For the current (policy) crop year, the insured **MUST** submit acceptable production reports for the most recent APH crop year according to the current year's unit arrangement. [See Example 5.]
- B(2) **Recertifying prior history.** The insured may submit (recertify) production reports for prior APH crop years that were previously reported as one unit. When recertifying, production reports must begin with the most recent APH crop year in the base period and work backward [Example 6.]

**Step 1** Complete the most recent APH crop year in each unit's database using the current production reports filed for the previous (policy) crop year.

For carryover insureds, if acceptable production report(s) are not filed for the previous (policy) crop year, and insurable acreage was planted, use the assigned yields for the **divided** units (by P/T/V) that were planted. **If unable to recertify other years with assigned yield(s), duplicate the assigned yields to the appropriate databases.** For units (by P/T/V) that were not planted, use zero planted procedures.

If additional APH crop years are recertified, update prior APH crop years using the actual production history from each unit (by P/T/V).

**Step 2** For APH crop years not recertified, enter the actual and/or assigned yield from the previous APH crop year's database in the appropriate APH crop years for each unit. Also, enter the insurable planted acres for each APH crop year. Acres may be apportioned by the insured for each unit (by P/T/V). If acres are not apportioned by unit, enter the total acres in each unit.

**Step 3** If less than 4 years of actual and/or assigned yields are available, enter the applicable variable "T" Yield(s) to complete each 4-year database.

**Step 4** Calculate the approved APH yield.

**2C (NACAT → Dividing Basic Unit into Optional Units and Further Dividing Optional Units.** Beginning with the 2003 crop year, this procedure is not applicable if optional units were combined in one (policy) crop year and are split back out in a subsequent crop year [see Par. 1C and 1D].

- C(1) **Separate production reports.** For the current (policy) crop year, the insured **MUST** submit acceptable production reports by optional units for the most recent APH crop year in the base period to be eligible for optional units. [See Example 5.]
- C(2) **Recertifying prior history.** The insured may submit (recertify) production reports for optional units for prior APH crop years that were previously reported as one unit. When recertifying, production reports must begin with the most recent APH crop year in the base period and work backward (2002, 2001, etc.) to maintain continuity. Only continuous recertified production reports will be used to complete the new database and compute the APH yields. [See Example 6.]

- Step 1** Complete the most recent year in each unit's database using the current production reports filed for the previous (policy) crop year. If additional APH crop years are recertified, update prior APH crop years using the actual production history from each unit (by P/T/V).
- Step 2** For APH crop years not recertified, enter the total production, acres, actual and/or assigned yields from the previous APH crop year's database in the appropriate APH crop years for each unit. Also, enter the insurable planted acres for each APH crop year. Acres may be apportioned by the insured for each unit (by P/T/V). If acres are not apportioned by unit, enter the total acres in each unit.
- Step 3** If less than 4 years of actual and/or assigned yields are available, enter the applicable variable "T" yield(s) to complete each 4-year database.
- Step 4** Calculate the approved APH yield. ← NACAT)

### 3 DIVIDING A BASIC UNIT INTO OPTIONAL UNITS (FOR CATEGORY C, PERENNIAL CROPS)

The insured MUST submit acceptable production reports by optional units for at least the most recent APH crop year in the base period to be eligible for optional units for the current (policy) crop year.

- 3A **Recertify Production Reports.** The insured must **recertify** production reports for prior APH crop years by optional unit unless block production worksheets have been maintained corresponding to the proposed unit structure. If corresponding block production worksheets have been completed, the actual yields must be used to calculate the APH yield for each optional unit. If not recertified or block production worksheets are not available use the lower of the actual yields (from the basic unit) or variable "T" Yields (based on the number of years actual records certified for the basic unit) to replace prior years' data. When recertifying, production reports must begin with the most recent APH crop year in the base period and work backward (2002, 2001, etc.) to maintain continuity. Only continuous recertified production reports will be used to complete the new database and calculate the approved APH yields.
- 3B **Commingled Production.** If the insured is unable to separate all prior years' production history (other than the most recent crop year) for each requested optional unit (by P/T/V) the initial year optional units are requested, the insured may request a RMA RO Yield. The RMA RO yield must be requested by the applicable PRD for the current crop year. The RO will establish databases, which may be updated by the insured/Insurance Provider in subsequent years. In order to qualify for optional units the subsequent crop year, the insured MUST submit to the Insurance Provider an acceptable production report (by P/T/V) for each optional unit by the PRD.

**4 ADDING LAND TO AN EXISTING UNIT (CATEGORY B CROPS)**

When land has been added to a unit. [See Exhibit 36].

**5 COMBINING AND DIVIDING APH YIELD HISTORY WITHIN A UNIT (CATEGORY B & C Crops)**

For a unit composed of cropland from part of a parent farm (unit) and land added from a different farm (unit[s]), use the following procedure.

**5A Determine the Production History to Be Retained**

[When part of a unit's production history is retained, follow the instructions in 2B above and determine the production history to be retained for the land involved.]

**5B Land with Yield History Added to the Unit**

The yield history from the divided unit [determined in 5A above] and the yield history from the land added to the unit are combined [using the procedure in 1, B above].

See Examples 1 and 2 (combining) and Examples 5 and 6 (dividing) when combining and dividing databases within the same unit.

**6 RETAINING YIELD HISTORY FOR THE SAME LAND**

To retain yield history when the basic unit or optional unit is from a valid APH form and the same entity and land is involved:

**6A Unit Renumbered Or FSA FSN Reconstituted**

Verify that the same entity and land is involved. If the same entity and land, the actual/assigned yield history is retained. Yield limitation provisions, if applicable, will apply.

**6B Complete the APH Form for The Current Policy Crop Year**

Enter the yield history for all (policy) crop years in the database using current APH rules.

**EXAMPLE 1 COMBINING UNITS & YIELD HISTORY**

The following example illustrates combining the yield history due to a change in basic unit structure (share rented land was purchased and is being added to unit 00202 which is owned by the insured) from two optional unit databases into a single optional unit database when both databases contain actual or assigned yields.

**Previous (Policy) Year's Databases (2002)**

<b>2002</b>	<b>UNIT 00202</b>	<b>(NI NFAC)</b>	<b>SEC. 17</b>
YEAR	PROD.	ACRES	YIELD
1996			
1997			N15
1998			N15
1999	1200	60.0	A20
2000		0.0	Z
2001	880	40.0	A22

<b>2002</b>	<b>UNIT 00101</b>	<b>(NI NFAC)</b>	<b>SEC. 17</b>
YEAR	PROD.	ACRES	YIELD
1996			
1997			
1998			T17
1999	2880	90.0	A32
2000	1680	60.0	A28
2001	1920	80.0	A24

Step 1: The 2003 production report indicates for the 2002 APH crop year: NI NFAC practice with 3000 bu. production, 100.0 actual acres and a 30 bu. average yield.

Step 2: Actual acres and production are combined.

$$\begin{array}{l}
 \text{Year} \quad \quad \quad \mathbf{4080} \quad \quad \quad \mathbf{150.0} \\
 \mathbf{1999} \quad (1200[\text{Bu}] + 2880[\text{Bu}]) \div (60.0[\text{acres}] + 90.0[\text{acres}]) = \mathbf{27} \\
 \quad \quad \quad \mathbf{1680} \quad \quad \quad \mathbf{60.0} \\
 \mathbf{2000} \quad ( \quad 0[\text{Bu}] + 1680[\text{Bu}]) \div ( 0.0[\text{acres}] + 60.0[\text{acres}]) = \mathbf{28} \\
 \quad \quad \quad \mathbf{2800} \quad \quad \quad \mathbf{120.0} \\
 \mathbf{2001} \quad ( 880[\text{Bu}] + 1920[\text{Bu}]) \div (40.0[\text{acres}] + 80.0[\text{acres}]) = \mathbf{23}
 \end{array}$$

Step 3: Since 4 years of actual records are available, "T" Yields are not used in the database.

	<b>2003</b>	<b>UNIT 00202</b>	<b>NI NFAC</b>	<b>SEC. 17</b>
Step	YEAR	PROD.	ACRES	YIELD
Step 3				
Step 2	1999	4080	150.0	A27
Step 2	2000	1680	60.0	A28
Step 2	2001	2800	120.0	A23
Step 1	2002	3000	100.0	A30
Step 4	Total 108/4=			27

Most Recent  
Crop Year

**EXAMPLE 2 ! COMBINING UNITS**

The following example illustrates establishing the current (policy) crop year database (2003) when two basic units are combined into a single basic unit due to a change in the basic unit structure. For the prior APH crop year, unit 00101 contained actual and assigned yields. Unit 00102 was added land the prior year and contained ONLY "T" Yields of 17 bu.

Previous (Policy) Year's Databases (2002)

<b>2002</b>			
<b>UNIT 00100</b>		<b>(NI NFAC)</b>	<b>SEC. 2</b>
YEAR	PROD.	ACRES	YIELD
1996			
1997	2200	55.0	A40
1998		0.0	Z
1999		40.5	P15
2000	2520	60.0	A42
2001	1210	50.0	A20

<b>2002</b>			
<b>UNIT 00200</b>		<b>(NI NFAC)</b>	<b>SEC. 2</b>
YEAR	PROD.	ACRES	YIELD
1996			
1997			
1998			T17
1999			T17
2000			T17
2001			T17
Total			68
APH			68/4=17

For the current (policy) crop year (2003), the insured reported 120 acres and 5760 bushels of production (from both locations) on a combined production report for the most recent APH crop year (2002). Acreage and productivity requirements [stated in Exhibit 36 for added land] were met in 2002, which allows the databases to be combined.

Current (Policy) Year's Combined Database

	<b>2003</b>	<b>UNIT 00100</b>	<b>NI NFAC</b>	<b>Sec. 2</b>
Step	YEAR	PROD.	ACRES	YIELD
Step 2	1997	2200	55.0	A40
Step 2	1998		0.0	Z
Step 2	1999		40.5	P15
Step 2	2000	2520	60.0	A42
Step 2	2001	1210	50.0	A20
<b>Step 1</b>	<b>2002</b>	<b>5760</b>	<b>120.0</b>	<b>A48</b>
Step 4			Total	165
			APH	165/5=33

**EXAMPLE 3 COMBINING UNITS BUT NOT DATABASES**

The basic unit for the previous (policy) crop year contained three optional units (00101, 00102 and 00103). Two optional units contained actual yields and one contained "T" Yields [See Previous (Policy) Year's Databases below]. This example illustrates maintaining previously established databases for the current (policy) crop year (2003) when three optional units are temporarily combined into a single basic unit (for the basic unit discount or switches to CAT).

Previous (Policy) Year's Databases (2002)

Unit 00101				Unit 00102				Unit 00103			
Year	Prod.	Acres	Yield	Year	Prod.	Acres	Yield	Year	Yield	Acres	Yield
1998	17,170	85.0	A202	1998			L174	1998			T150
1999	10,450	110.0	A195	1999			L174	1999			T150
2000	16,200	90.0	A180	2000	15,000	100.0	A150	2000			T150
2001	18,500	100.0	A185	2001	41,000	200.0	A205	2001			T150
Average: 191				Average: 176				Average: 150			

Current (Policy) Year's Databases (2003)

Step 1 Unit 00100 Record .1				Step 1 Unit 00100 Record .2				Step 1 Unit 00100 Record .3			
Year	Prod.	Acres	Yield	Year	Prod.	Acres	Yield	Year	Yield	Acres	Yield
1998	17,170	85.0	A202	1998				1998			T150
1999	10,450	110.0	A195	1999			L174	1999			T150
2000	16,200	90.0	A180	2000	15,000	100.0	A150	2000			T150
2001	18,500	100.0	A185	2001	41,000	200.0	A205	2001			T150
<b>Step 2</b>				<b>Step 2</b>				Step 2			
2002	21,450	110.0	A195	2002	24,000	150.0	A160	2002			Z
Step 3 Average: 191				Step 3 Average: 172				Step 3 Average: 150			

Subsequent (Policy) Crop Year (2004)

For 2004 the previous APH crop year's production (2003) was not reported separately. Record .2 and record .3 were planted and the production was commingled (50,000 bushels) 500 acres = 100 bu per. acre. 200 acres were planted on Record .2 (200.0 X 100 = 20,000 bu.) and 300 acres planted on record .3 (300.0 X 100 = 30,000 bu.). The databases are completed using the prorated production. No acres were planted on record .1 and its database is updated using zero planted rules.

Unit 00100 Record .1				Unit 00100 Record .2				Unit 00100 Record .3			
Year	Prod.	Acres	Yield	Year	Prod.	Acres	Yield	Year	Yield	Acres	Yield
1998	17,170	85.0	A202	1998				1998			
1999	21,450	110.0	A195	1999				1999			T150
2000	16,200	90.0	A180	2000	15,000	100.0	A150	2000			T150
2001	18,500	100.0	A185	2001	41,000	200.0	A205	2001			T150
2002	21,450	110.0	A195	2002	24,000	150.0	A160	2002			Z
2003		0.0	Z	2003	20,000	200.0	PA100	2003	30,000	300.0	PA100
Average: 191				Average: 154				Average: 138			

**EXAMPLE 4 ! COMBINING UNITS BUT NOT DATABASES**

This example, using the same information as Example 3 illustrates maintaining previously established databases for the current (policy) crop year (2003) when optional units 00101 and 00103 are temporarily combined into an optional unit (00101) and optional unit 00102 will be retained.

**Previous (Policy) Year's Databases (2002)**

Unit 00101				Unit 00102				Unit 00103			
Year	Prod.	Acres	Yield	Year	Prod.	Acres	Yield	Year	Yield	Acres	Yield
1998	17,170	85.0	A202	1998			L174	1998			T150
1999	10,450	110.0	A195	1999			L174	1999			T150
2000	16,200	90.0	A180	2000	15,000	100.0	A150	2000			T150
2001	18,500	100.0	A185	2001	41,000	200.0	A205	2001			T150
Average: 191				Average: 176				Average: 150			

**Current (Policy) Year's Databases (2003)**

Step 1 Unit 00101 Record .1				Step 1 Unit 00102 Record .1				Step 1 Unit 00101 Record .2			
Year	Prod.	Acres	Yield	Year	Prod.	Acres	Yield	Year	Yield	Acres	Yield
1998	17170	85.0	A202	1998				1998			T150
1999	10,450	110.0	A195	1999			L174	1999			T150
2000	16,200	90.0	A190	2000	15,000	100.0	A150	2000			T150
2001	18,500	100.0	A185	2001	41,000	200.0	A205	2001			T150
<b>Step 2</b> 2002	21,450	110.0	A195	<b>Step 2</b> 2002	24,000	150.0	A160	<b>Step 2</b> 2002		0.0	Z
<b>Step 3</b> Average: 193				<b>Step 3</b> Average: 172				<b>Step 3</b> Average: 150			

**Dividing the Optional Units in a Subsequent Crop Year (2005)**

(NACAT →) The following databases illustrate dividing the combined optional unit (00101) into two optional units in a subsequent crop year (2005). The appropriate records were updated with the actual separated production (prorated production calculations are not acceptable records to qualify for optional units). ←NACAT)

Unit 00101 Record .1				Unit 00102 Record .2				Unit 00103 Record .3			
Year	Prod.	Acres	Yield	Year	Prod.	Acres	Yield	Year	Yield	Acres	Yield
1998	17,170	85.0	A202	1998				1998			
1999	21,450	110.0	A195	1999				1999			
2000	16,200	90.0	A180	2000	15,000	100.0	A150	2000			T150
2001	18,500	100.0	A185	2001	41,000	200.0	A205	2001			T150
2002	21,450	110.0	A195	2002	24,000	150.0	A160	2002		0.0	Z
2003		0.0	Z	2003	20,000	200.0	PA100	2003	30,000	300.0	PA100
2004	21,120	110.0	A192	2004	25,500	150.0	A170	2004	8,000	50.0	A160
Average: 191				Average: 157				Average: 140			

**EXAMPLE 5 ! DIVIDING UNITS**

**(NACAT →**

In this example, a basic unit is divided into two optional units. The insured filed acceptable production reports for the current (policy) crop year (2003 APH crop year) for units 00101 and 00102.

Previous (Policy) Year  
Basic Unit (Sec 1 & 2)

Current (Policy) Year  
Optional Unit - (Sec. 1)

<b>2002</b>	<b>UNIT 00100</b>	<b>(SF)</b>	<b>SEC. 1 &amp; 2</b>
YEAR	PROD.	ACRES	YIELD
1996	8800	200.0	A44
1997		0.0	Z
1998		100.0	P37
1999	10080	210.0	A48
2000	8000	200.0	A40
2001	4800	240.0	A20

<b>2003</b>	<b>UNIT 00101</b>	<b>(SF)</b>	<b>Sec. 1</b>	
YEAR	PROD.	ACRES	YIELD	Step
1996	8800	200.0	A44	Step 2
1997		0.0	Z	Step 2
1998		100.0	P37	Step 2
1999	10080	210.0	A48	Step 2
2000	8000	200.0	A40	Step 2
2001	4800	240.0	A20	Step 2
<b>2002</b>	<b>4400</b>	<b>80.0</b>	<b>A55</b>	<b>Step 1</b>
			Total	244/6=41
			APH	41

Current (Policy) Year's  
Optional Unit (Sec. 2)

	<b>2003</b>	<b>UNIT 00102</b>	<b>(SF)</b>	<b>Sec. 2</b>
Step	YEAR	PROD.	ACRES	YIELD
Step 3	1996	8800	200.0	A44
Step 2	1997		00	Z
Step 2	1998		100.0	P37
Step 2	1999	10080	210.0	A48
Step 2	2000	8000	200.0	A40
Step 2	2001	4800	240.0	A20
<b>Step 1</b>	<b>2002</b>		<b>0.0</b>	<b>Z</b>
Step 4			Total	183/5=37
			APH	37

←NACAT)

**EXAMPLE 6 ! DIVIDING UNITS**

(NACAT → In this example, 2003 APH crop year production reports were submitted for two optional units. The acreage was previously reported as one unit. Acreage previously reported was recertified for two optional units.

Previous (Policy) Year  
Basic Unit (Sec. 10 and 11)

<b>2002</b> UNIT 00100 (SF)			
YEAR	PROD.	ACRES	YIELD
1996	10400	200.0	A52
1997		0.0	Z
1998		100.0	P36
1999	11340	210.0	A54
2000	8000	200.0	A40
2001	4800	240.0	A20
		Total	202/5=40
		APH	40

Current (Policy) Year  
Optional Unit - (Sec. 10)

<b>2003</b> UNIT 00101 (SF)				
YEAR	PROD.	ACRES	YIELD	Steps
1996	4480	80.0	A56	Step 2
1997		0.0	Z	Step 2
1998	1200	40.0	A30	Step 2
1999	5500	100.0	A55	Step 2
2000	2880	60.0	A48	Step 2
2001	4200	140.0	A30	Step 2
2002	<b>4400</b>	<b>80.0</b>	<b>A55</b>	<b>Step 1</b>
		Total	274/6=46	Step 4
		APH	46	

Current (Policy) Year's  
Optional Unit (Sec. 11)

<b>2003</b> UNIT 00102 SF				
Step	YEAR	PROD.	ACRES	YIELD
Step 3	1995			
Step 2	1996	5920	120.0	A49
Step 2	1997		0.0	Z
Step 2	1998	2280	60.0	A38
Step 2	1999	5840	110.0	A53
Step 2	2000	5120	140.0	A37
Step 2	2001	600	100.0	A6
<b>Step 1</b>	<b>2002</b>		<b>0.0</b>	<b>Z</b>
Step 4			Total	183/5=37
		APH	37	

←NACAT)

EXHIBIT 15  
**EXAMPLE 7 ! DIVIDING UNITS**  
**BASIC UNITS CHANGE**

Previous (Policy) Year  
 Basic Unit

<b>2002</b> UNIT 00100 (NISP)			
YEAR	PROD.	ACRES	YIELD
1997			
1998		0.0	N270
1999		0.0	N270
2000	20000	50.0	A400
2001	31875	75.0	A425
		Total	1365/4=341
		APH	341

Current (Policy) Year  
 Production Report

<b>2003</b> UNIT 00100 (NISP)			
YEAR	PROD.	ACRES	YIELD
1998			
1999			T300
2000	20000	50.0	A400
2001	31875	75.0	A425
2002	45400	100.0	A454
		Total	1579/4=395
		APH	395

In this example, the basic unit definition changed and the basic units increased from one unit to two units. The insured filed one policy unit production report. For this example, the yield history is simply duplicated for the additional unit. **However, separate production reports must be filed the subsequent crop year.**

Current (Policy) Year  
 Basic Unit

<b>2003</b> UNIT 00100 (NISP)			
YEAR	PROD.	ACRES	YIELD
1998			
1999		0.0	T300
2000	20000	50.0	A400
2001	31875	75.0	A425
2002	22700	50.0	A454
		Total	1579/4=395
		APH	395

Current (Policy) Year  
 Production Report

<b>2003</b> UNIT 00200 (NISP)			
YEAR	PROD.	ACRES	YIELD
1998			
1999			T300
2000	10000	25.0	A400
2001	31875	75.0	A425
2002	45400	100.0	A454
		Total	1579/4=395
		APH	395

7      RESERVED

**1 PERENNIAL CROP ADDENDUM WORKSHEETS**

Perennial crop addendum worksheets are used to collect field inspection data specific to the crop by providing guidelines and underwriting questions pertinent to the crop being inspected. Separate perennial crop addendum worksheets are provided for the following crops: Apples, Peaches, Pears, Grapes, Cranberries, Blueberries; and a combined form for Almonds, Citrus, Figs, Fresh Plums, Macadamia Nuts, Prunes, Stonefruit, Texas Citrus Fruit, and Walnuts.

A sample perennial crop addendum worksheet is provided for each of the above crops. Complete a separate addendum worksheet for insurable and uninsurable acreage. Check item 31 to identify when the worksheet is completed for insurable acreage. Check item 32 when completed for uninsurable acreage. Use uninsurable acreage addendums to identify acreage uninsurable due to policy minimums or limitations (e.g., age, less than the number of growing seasons designated by the Special Provisions for Grapes, required minimum production of Apples has not been met, cranberry bog is being renovated, etc.).

The item numbers and instructions below correspond with the item numbers on the Perennial Crop Addendum Worksheets. The instructions apply to both the insurable acreage and uninsurable acreage addendums. If additional space is needed to answer any item, attach a separate sheet (e.g., a Special Report) and identify each item with the item number of the inspection report. Make the following entries on a block basis.

**General Instructions (insured and uninsured addendum worksheets)**

Enter the applicant/insured's name, applicable policy crop year, unit number and page number(s) as required.

1A APPLES

- (1) Divide the orchard into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by type/practice, variety, age, and density, if practical. Contact the RMA RO for additional block instructions. Include block numbers on the sketch map prepared in item 34 of the 12-P. Enter these unique block numbers in column #1.
- (2) Enter the year trees were set out or the year the block was grafted to the current variety.
- (3) Enter the number of acres to tenths (0.10). The total acres should match the entries in item #1 of the 12-P. Review the APH form to determine if the reported acreage in the acreage column ( Col. 17 on the FCI-19-A) on the APH form reflects the insured acreage determined in the inspection. Correct the APH form if necessary. Review the APH form for possible prior acreage changes.
- (4) Enter the name(s) of the variety(ies) which constitute(s) this block.
- (5) Enter the number of trees which make up this block.
- (6) Enter the average tree spacing/pattern observed within the block (example: 18X20).
- (7) Enter the appropriate rootstock designation for each block.
- (8) Enter the appropriate type for each block (e.g., spur vs. non spur).
- (9) Enter the trellis type for each block (e.g., tatura, slender spindle etc).
- (10) Enter the type of frost protection used for each block and the average number of times used. If no frost protection system is in place, enter "None."
- (11) Rate each block for air drainage based on slope, presence of air pockets, presence of barriers to the free flow of air, etc. Rate as good, fair or poor based on your inspection.
- (12) Enter the average percent slope for each block.
- (13) Enter NI for non-irrigated blocks. Enter IRR for irrigated blocks and indicate the type of irrigation system. Elaborate in item 15 "remarks" as needed.
- (14) Describe in detail the budwood/bough vitality and condition. Note differences in individual blocks, if appropriate.
- (15) Note blocks where winter damage has occurred in the past which may affect yields for the current crop year. If damage is noted, explain in detail, noting the month/year and type of freeze damage.
- (16) Attach additional sheets as necessary for remarks.



**1B** PEACHES

- (1) Divide the orchard into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by practice/type, variety, age, and density, if practical. Contact the RMA RO for additional block considerations. Include block numbers on the sketch map prepared in item 34 of the 12-P. Enter these unique block numbers in column #1.
- (2) Enter the name(s) of the variety(ies) which constitute(s) this block.
- (3) Enter the number of acres to tenths (0.10) determined using RMA approved acreage measurement methods. The total acres should match the entries in item #1 of the 12-P. Review the APH form to determine if the reported acreage in the acreage column (Col. 17 on the FCI-19-A) on the APH form reflects the insured acreage determined in the inspection. Correct the APH form if necessary. Review the APH form for possible prior acreage changes.
- (4) Enter the month/year trees were set out.
- (5) Enter the number of living trees which make up this block.
- (6) Enter the average tree spacing/pattern observed within the block (Example 18X20).
- (7) Enter the average pruning height in feet.
- (8) Enter NI for non-irrigated blocks. Enter IRR for irrigated blocks and indicate the type of irrigation system. Elaborate in item 28 "remarks" as needed.
- (9) Enter the total number of dead, missing and # 4-year-old trees as the number of skips.
- (10) Enter the average length of the fruiting wood. (<6", 6-12" or 12+").
- (11) Enter the percent of damaged limbs. (<16%, 16-50%, 50%+).
- (12) Describe evidence of disease noted in your review by block and rate as rare, moderate or severe, as appropriate.
- (13) Enter the average tree trunk diameter in inches.
- (14) Describe the application of pruning practices as annual, biennial or other.
- (15) Describe the type of pruning practices conducted by block as hand vs. mechanical.
- (16) Rate each block for air drainage based on slope, presence of air pockets, presence of barriers to the free flow of air, etc. Rate as good, fair or poor based on your inspection.
- (17) Enter the average percent slope for each block.
- (18) Rate the evidence of insect and wildlife pests by block as light, moderate or severe.
- (19) Rate by block the overall weed control management as good, fair, poor.
- (20) Enter "yes" or "no" for interplanted with another crop. If interplanted with another crop, enter the crop other than Peaches.
- (21) Rate by block the evidence of nematode infestations as: light, moderate or severe.
- (22) List blocks where major (> 10%) interplanting of new peach trees has occurred within existing blocks.
- (23) If frost protection equipment is available, describe the type and amount.
- (24) Note blocks where winter damage has occurred in the past which may affect yields for the current crop year. If damage is noted, explain in detail, noting the month/year of freeze damage.
- (25) Enter soil pH, if known.
- (26) Self explanatory.
- (27) Attach additional sheets as necessary for remarks.

(Item 31) Insurable Acreage

(Item 32) Uninsurable Acreage

OMB No. 0563-0053

<p><b>FCI-12-PAW (Peach)</b> (Rev. 6-98)</p> <p><b>PRE-ACCEPTANCE INSPECTION REPORT</b> <b>PEACH ADDENDUM WORKSHEET</b> Insured Acreage</p>	<p><b>USDA/FCIC</b></p>	<p>1. APPLICANT/INSURED'S NAME:</p>	<p>2. CROP YEAR:</p>	<p>3. UNIT NO.:</p>
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							TOTALS
1 Block Number							
2 Variety							
3 Acres							
4 Mo./Yr. Set Out							
5 No. Of Trees							
6 Plant Spacing/Pattern							
7 Average Pruning Height							
8 Irrigated/Nonirrigated Irrigation Type							
9 Percent Stand/No. of Skips							
10 Fruiting Wood 6", 6-12", or 12+"							
11 % Damage Limbs: 16%, 16-50%, 50%+							
12 Disease: Rare/Moderate/Severe							
13 Average Trunk Diameter							
14 Pruning: Annual/Biennial/Other							
15 Pruning by Block: Hand/Mechanical							
16 Air Drainage: Good/Fair/Poor							
17 Percent Slope							
18 Insect, Wildlife Pests: Light/Moderate/Severe							
19 Weed Control: Good/Fair/Poor							
20 Interplanted With Another Crop (Crop)							
21 Nematode Prevalence: Light/Moderate/Severe							

22 List blocks interplanted for renovation purposes

23 Frost Protection - System/Type/No. Times

24 Explain any tree damage that has occurred in the past five years

25 Was the soil ph above 6.0 on ALL blocks?	Yes	No	
---	-----	----	--

26 List blocks which are terraced

27 REMARKS:

1C PEARS

- (1) Divide the orchard into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by practice/type, variety, age, and density, if practical. Contact the RMA RO for additional block instructions. Include block numbers on the sketch map prepared in item 34 of the 12-P. Enter these unique block numbers in column #1.
- (2) Enter the year trees were set out or the year the block was grafted to the current variety.
- (3) Enter the number of acres to tenths (0.10) determined using RMA approved acreage methods. The total acres should match the entries in item #1 of the 12-P. Review the APH form to determine if the reported acreage in the acreage column (Col. 17 on the FCI-19-A) APH form reflects the insured acreage determined in the inspection. Correct the APH form if necessary. Review the APH form for possible prior acreage changes.
- (4) Enter the name(s) of the variety(ies) which constitute(s) this block.
- (5) Enter the number of trees which make up this block.
- (6) Enter the average tree spacing/pattern observed within the block (example: 10X20).
- (7) Enter the appropriate rootstock designation for each block.
- (8) Enter the trellis type for each block (e.g., tatura, slender spindle, lincoln canopy, etc.).
- (9) Enter the type of frost protection utilized for each block and the average number of times used. If no frost protection system is in place, enter "None".
- (10) Rate each block for air drainage based on slope, presence of air pockets, presence of barriers to the free flow of air, etc. Rate as good, fair or poor based on your inspection.
- (11) Enter the average percent slope for each block.
- (12) Enter NI for non-irrigated blocks. Enter IRR for irrigated blocks and indicate the type of irrigation system. Elaborate in item 15 "remarks" as needed.
- (13) Note blocks where winter damage has occurred in the past which may affect yields for the current crop year. If damage is noted, explain in detail, noting the month/year of freeze damage.
- (14) Describe fireblight protection methods used for the unit.
- (15) Attach additional sheets as necessary for remarks.



**1D**    GRAPES/TABLE GRAPES

- (1) Divide the vineyard into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by practice/type, variety, age, and density, if practical. Contact the RMA RO for additional block instructions. Include block numbers on the sketch map prepared in item 34 of the 12-P. Enter these unique block numbers in column #1.
- (2) Enter the year vines were set out or the year the vineyard was grafted to the current variety. Include season (e.g., spring/fall). Complete in accordance with item \*2 at the bottom of the addendum sheet.
- (3) Enter the number of acres to tenths (0.10) determined using RMA approved acreage methods. The totaled acres should match the entries in item #1 of the 12-P. Review the APH form to determine if the reported acreage in the acreage column (Col. 17 on the FCI-19-A) on the APH form reflects the insured acreage determined during the inspection. Correct the APH form, if necessary. Review the APH form for possible prior acreage changes.
- (4) Enter the name(s) of the variety(ies) which constitute(s) this block.
- (5) Enter the number of vines planted and the number of bearing vines which make up this block.
- (6) Enter the average vine spacing observed within the block.
- (7) Enter the appropriate rootstock designation in column 7 and indicate the type of Phylloxera resistant rootstock (e.g., susceptible, Axr-1, etc.) in item \*\*7.
- (8) Enter the type and condition of the trellis system. Elaborate in item 15 "remarks" as needed.
- (9) Enter the type of frost protection utilized for each block and the average number of times used. If no frost protection system is in place, enter "None".
- (10) Rate each block for air drainage based on slope, presence of air pockets, presence of barriers to the free flow of air, etc. Rate as good, fair or poor based on your inspection.
- (11) Enter the average percent slope for each block.
- (12) Enter NI for non-irrigated blocks. Enter IRR for irrigated blocks and indicate the type of irrigation system. Elaborate in item 15 "remarks" as needed.
- (13) For each block, note any past winter damage which may affect yields for the current crop year. If damage is noted elaborate in \*\*\*13 below, indicating the month/year of freeze damage, and crop year when production resumed.
- (14) Describe the method of pruning used and note any blocks which have not been pruned in accordance with the method reported for the vineyard.
- (15) Attach additional sheets as necessary for remarks.



**1E**    CRANBERRIES

- (1) Divide the bog into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by bog at a minimum. List as a separate block, uninsurable or recently renovated acreage within a bog. Contact the RMA RO for additional block instructions. Include block numbers on the sketch map prepared in item 34 of the 12-P. Enter these unique block numbers in column #1.
- (2) Enter the year the each bog block was established. Include season (e.g., spring/fall).
- (3) Enter the number of acres to tenths (0.10) determined using RMA approved acreage methods. Acres indicated on bog maps recorded with the marketing organization (e.g., Ocean Spray, Cliff Star, etc.). The total acres should match the entries in item #1 of the 12-P. Review the APH form to determine if the reported acreage in the acreage column (Col. 17 on FCI-19-A) of the APH form reflects the insured acreage determined in the inspection. Correct the APH form, if necessary. Review the APH form for possible prior acreage changes.
- (4) Enter the name(s) of the variety(ies) which constitute(s) this block.
- (5) Percent stand  $\geq$  90% - enter yes or no.
- (6) Complete the specific management questions in item 6 for all cranberry bogs with less than four (4) years of records. Describe in detail any improvements for newly purchased bogs and the prior manager's experience.
- (7) Explain the previous loss history for the last four (4) years. If hail has occurred the last two (2) years or was a secondary cause of loss, describe the severity of the damage in item 19, attaching additional sheets as necessary.
- (8) Describe the use of a frost protection warning system for the bog. If frost protection equipment is available, describe the type and amount. If equipment is present but does not appear to be useable, note in item 19 remarks.
- (9-11) Self-explanatory.
- (12) If no frost protection system, enter "None".
- (13-14) Self-explanatory.
- (15) Describe the general condition of bog dikes and banks.
- (16) Evaluate and note pruning and sanding of the Cranberry bog. Determine if the bog is being pruned relative to its management condition.
- (17) Describe last year's and next year's harvesting method, wet and/or dry and the percentage for each method.
- (18) Attach a bog map showing each bog as a separate block. If a bog contains uninsurable acreage or is undergoing partial renovation, list these acres as separate blocks.
- (19) Attach additional sheets as necessary for remarks.

(Item 31) Insurable Acreage

(Item 32) Uninsurable Acreage

OMB No. 0563-0053

**FCI-12-PAW (Cranberry)**

**PRE-ACCEPTANCE INSPECTION REPORT  
CRANBERRY ADDENDUM WORKSHEET**

USDA/FCIC

(Rev. 6-98)

APPLICANT/INSURED'S NAME					CROP YEAR		UNIT NUMBER		
BLOCK NUMBER 1	YEAR SET OUT 2	ACRES 3	VARIETY/TYPE 4	PERCENT STAND 5	6 Complete the following information for Cranberry bogs with less than 4 years of production records: A. Improvements implemented since purchasing the bog. B. Specific management practices utilized each year of operation on this bog.				
					MANAGEMENT PRACTICE	YEAR	YEAR	YEAR	YEAR
					FERTILIZATION PROGRAM				
					PRUNING PROGRAM				
					SANDING PROGRAM				
					INSECT PROGRAM				
					WEED PROGRAM				
					BOG OXYGEN PROGRAM				
					WATER SUPPLY				
					METHOD OF HARVEST				
TOTALS					C. Bog manager's prediction of expected yield of this bog for next 4 years. Explain basis for expectations.				
7 Previous loss history for the last 4 years.					D. Explain previous bog managers experience.				
Year: Cause: Extent of Damage:					14 Describe the insect detection methods used for the bog.				
Year: Cause: Extent of Damage:					15 Describe the general condition of bog dikes and banks.				
Year: Cause: Extent of Damage:					16 Describe the pruning/sanding practices used:				
Year: Cause: Extent of Damage:					A. Percent of bog pruned last year _____ %; Percent of bog pruned in last 5 years _____ %.				
Year: Cause: Extent of Damage:					B. Percent of bog Sanded last year? _____ %; Percent of bog sanded in last 5 years _____ %.				
8 Describe the use of a frost warning system for the bog.					17 Harvesting method:				
9 Describe presence or absence of backup power source for irrigation system and type of system.					A. Method of harvest last year? Wet _____ % or Dry _____ %				
10 Describe backup security systems utilized for irrigation equipment.					A. Method of harvest next year? Wet _____ % or Dry _____ %				
11 Average number of times the frost protection system is used each year.					18 Attach a bog map showing each bog as a separate block. If a bog contains uninsurable acreage or acreage undergoing partial renovation, list such acreage as a separate block.				
12 If no frost protection system is in place, enter none.					19 REMARKS:				
13 By block: Time needed to flood the bog. _____ Time needed to remove the water from the bog. _____									

**1F** BLUEBERRIES (High Bush and Rabbit Eye)

- (1) Divide the field into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by practice/type, variety, and age, if practical. Contact the RMA RO for additional block instructions. Include block numbers on the sketch map prepared in item 34 of the 12-P. Enter these unique block numbers in column #1.
- (2) Enter the year bushes were originally set out. If bushes have frozen out or have been mowed or cut off for regrowth, explain in detail in item 18 "remarks," using additional sheets as necessary.
- (3) Enter the name(s) of the variety(ies) which constitute(s) this block.
- (4) Enter the number of acres to tenths (0.10) determined using RMA approved acreage methods. Total acres should match the entries in item #1 of the 12-P. Review the APH form to determine if the reported acreage in the acreage column (Col. 17 on the FCI-19-A) on the APH form reflects the insured acreage determined in the inspection. Correct the APH form if necessary. Review the APH form for possible prior acreage changes.
- (5) Enter the average bush spacing observed within each block. Measure the distance between bushes (center to center) in the row and the distance between rows.
- (6) Enter the number of bushes which make up this block.
- (7) Percent stand - based upon a random row count of missing bushes. [See current loss adjustment procedures for minimum sampling methods.]
- (8) Enter the type of frost protection utilized for each block and the average number of times used. If no frost protection system is in place, enter "None".
- (9) Enter NI for non-irrigated blocks. Enter IRR for irrigated blocks and indicate the type of irrigation system. Elaborate in item 18 "remarks" as needed.
- (10) Have the operator provide pH values for each block listed.
- (11) Self-explanatory.
- (12) Describe wildlife control measures used.
- (13) Note blocks where past winter damage has occurred in the past three (3) years which may affect yields for the current crop year. If damage is noted, explain in detail, noting the month/year of freeze damage.
- (14) Report the percent harvested by each method listed.
- (15) Describe the record keeping system utilized: (roadside, U-Pick, fresh market, processing, etc.).
- (16) Identify how the blueberries are marketed, such as through associations, cooperatives, wholesale, roadside, U-Pick, fresh market, processing, etc.
- (17) Does the applicant own a blueberry harvester?
- (18) Attach additional sheets as necessary for remarks.

FCI-12-PAW (Blueberry) Rev. 6-98

PRE-ACCEPTANCE INSPECTION BLUEBERRY ADDENDUM WORKSHEET (High Bush and Rabbit Eye)

REPORTUSDA/FCIC

Table with columns: APPLICANT/INSURED'S NAME, CROP YEAR, UNIT NO., BLOCK NUMBER, MO./YR/ SET OUT/GRAFTED, VARIETY, ACRES, PLANT SPACING, NUMBER BUSHES, PERCENT STAND, FROST PROTECTION SYSTEM TYPE/AVERAGE TIMES USED, IRR/NI TYPE, pH VALUE.

COMPLETE THE FOLLOWING INFORMATION FOR BLUEBERRY PLANTATION

- 1. Frost protection backup system: Describe the type of backup system. If no backup system in place, enter "none".
2. Describe wildlife control measures.
3. Has winter damage or damage the previous three (3) years occurred which may affect potential production on any block?
4. Percent harvested by method: % Hand Harvest, % U-Pick, % Mechanical Harvest
5. Describe record keeping system (e.g., roadside, u-pick, fresh market, process, etc.)
6. Describe how the blueberries are marketed (e.g., associations, cooperatives, wholesale, roadside, u-pick, fresh market, process, etc.)
7. Does applicant own a blueberry harvester?
8. Remarks:

**1G** BLUEBERRIES (Low Bush)

- (1) Divide the blueberry farm into as many fields as needed to facilitate collection and reporting of information. Separate fields by uninsured (vegetative) and insured (fruit-bearing) acres. Include field numbers and acres on the sketch map and/or aerial photo prepared in item 34 of the 12-P. Enter these field identification numbers in column #1.
- (2) Enter the year of fruit-bearing for the insured crop (insurable every other year, the second growing season following pruning).
- (3) Enter acres insured (fruiting acres).
- (4) Enter the year of vegetative growth for the uninsured crop (uninsurable the growing season immediately following pruning).
- (5) Enter acres uninsured (vegetative acres).
- (6) Percent stand - based on visual observations while walking through the field; observe area covered by blueberry plants, weeds, bare areas, rocks, or ledges.
- (7) Have the grower provide pH values for each field. (The optimum pH value for blueberry soils is between 4.3 and 5.0.)
- (8) Enter IRR for irrigated fields and NI for non-irrigated fields. Elaborate in item 16 "remarks" as needed.
- (9) Enter the type of irrigation utilized in each field and the average number of times used. If no irrigation is in place, enter "None".
- (10) Enter the type of mulch used to cover bare areas (for example: hard or softwood bark, sawdust, peat, cedar hair bark, planer shavings, wood chips, paper mill sludge). If mulch is not used, enter "None".
- (11) Describe wildlife control measures used.
- (12) Note fields where past winter damage has occurred in the past (3) years which may affect yields for the current year. If damage is noted, explain in detail, noting the month/year of freeze damage.
- (13) Report the percent harvested by each method listed.
- (14) Describe the record keeping system utilized (processing, fresh market, roadside, U-pick, etc.).
- (15) Identify how the blueberries are marketed, such as through cooperatives, associations, processor, fresh market wholesale, roadside, U-pick, etc.
- (16) Attach additional sheets as necessary for remarks.



**1H** ALMONDS/CITRUS/FIGS/FRESH PLUMS/MACADAMIA  
NUTS/PRUNES/STONEFRUIT/WALNUTS

- (1) Divide the orchard into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by practice/type, variety, age, and density, if practical. Contact the RMA RO for additional block instructions. Include block numbers on the sketch map prepared in item 34 of the 12-P. Enter these unique block numbers in column #1.
- (2) Enter the year trees were set out, the year the block was grafted to the current variety, or the year trees were dehorned.
- (3) Enter the number of acres to tenths (0.10) determined using RMA approved acreage methods. When totaled, acres should match the entries in item #1 of the 12-P. Review the APH form to determine if the reported acreage in the acreage column (Col 17 on the FCI-19-A) on the APH form reflect the insured acreage determined in the inspection. Correct the APH form, if necessary. Review the APH form for possible prior acreage changes.
- (4) Enter the name(s) of the variety(ies) which constitute(s) this block.
- (5) Enter the number of trees which make up this block.
- (6) Enter the average tree spacing/pattern observed within the block (Example 18X20).
- (7) Enter the appropriate rootstock designation for each block.
- (8) Enter the appropriate trellis type for each block (e.g., tatura, slender spindle etc.).
- (9) Enter the type of frost protection utilized for each block and the average number of times used. If no frost protection system is in place, enter "None".
- (10) Rate each block for air drainage based on slope, presence of air pockets, presence of barriers to the free flow of air, etc. Rate as good, fair or poor based on your inspection.
- (11) Enter the average percent slope for each block.
- (12) Enter NI for non-irrigated blocks. Enter IRR for irrigated blocks and indicate the type of irrigation system. Elaborate in item 16 "remarks" as needed.
- (13) For Almonds, determine and enter row-by-row planting pattern by variety within the orchard (first repetition). For example: Carmel/Non-pareil, Non-pareil/Mission, Non-pareil/Non-pareil, etc. If there is a mixture of pattern because of multiple blocks, enter additional information on another sheet and attach to the inspection.
- (14) For Citrus, determine if the frost protection system is adequate for the Citrus (WPF) with frost protection rate.
- (15) Note blocks where past winter damage has occurred which may affect yields for the current crop year. If damage is noted, explain in detail, noting the month/year of freeze damage.
- (16) Attach additional sheets as necessary for remarks.

(Item 31) Insurable Acreage  (Item 32) Uninsurable Acreage

OMB No. 0563-0053

FCI-12-PAW (Alm/Cit/Fig/FrP/MacNuts/Pru/StF/Wal)

USDA/FCIC

(Rev. 6-98)

PRE-ACCEPTANCE INSPECTION REPORT

ALMOND/CITRUS/FIG/FRESH PLUM/MACADAMIA NUTS/PRUNE/STONEFRUIT/WALNUT ADDENDUM WORKSHEET

APPLICANT/INSURED'S NAME:	CROP YEAR:	UNIT NO.:
---------------------------	------------	-----------

Block Number 1	Yr. Set Out/Grafted 2	Acres 3	Variety/Type 4	Number of Trees 5	Plant Spacing/Pattern 6	Rootstock 7	Trellis Type Specify 8	Frost Protection System/Type/No. Times 9	Air Drainage Good/Fair/Poor 10	Percent Slope 11	IRR/NI Type 12
TOTALS:											

13 Describe the varietal planting pattern (Almonds ONLY).	14 Is frost protection adequate for citrus (WPF) with frost protection rate?
---	--

15 Has winter damage or damage the previous year occurred which may affect this year's potential production on any block? If yes, list block(s) and explain in detail.	16 REMARKS:
--	-------------

**2 EXAMPLES**

The following examples and procedure are applicable for perennial crops and are not limited to Apples or Peaches.

**2A Apples**

Use the following forms for the following Apple examples:

- (1) Producer's Pre-acceptance Worksheet
- (2) "T" Yield Table
- (3) "T" Factor Table

The producer has certified information for 7 blocks based on age, variety, and density. ("T" Yield Table and "T" Factor Table to derive "T" Yields.)

<b>FCI-12-PAW (Perennial)</b> <small>(Rev. 6-98)</small>  <b>PRODUCER'S PRE-ACCEPTANCE WORKSHEET</b>	1. Applicant's Name: <b>I. M. INSURED</b>	2. Policy No.: <b>MPCI #</b>	3. Unit No.: <b>00100</b>	4. Crop: <b>APPLES</b>	5. State: <b>WA</b>
	6. Legal Description: <b>Sec. 4 TY RZZ</b>	7. Crop Year: <b>2002</b>	8. County: <b>Grant</b>		9. Farm No.: <b>8912</b>

Block No. 10	Mo/Yr Set Out/Grafted 11	Acres 12	Variety/Type 13	Number of Plants 14	Plant Spacing 15	Pruning Height 16	Percent Stand 17	Density 18	Practice IRR/NI 19	Insurable or Uninsurable 20	Spur or Nonspur 21
1	4/1974	2.2	GOLDENS	475	10X20	N/A	99	218	IRR	INS	N/A
2	4/1974	3.2	RED DEL	690	10X20	N/A	99	218	IRR	INS	N/A
3	4/1984	1.7	GOLDENS	371	10X20	N/A	100	218	IRR	INS	N/A
4	4/1984	0.7	RED DEL	153	10X20	N/A	100	218	IRR	INS	N/A
5	4/1987	1.4	GOLDENS	305	10X20	N/A	100	218	IRR	INS	N/A
6	4/1987	3.8	RED DEL	692	12X20	N/A	100	182	IRR	INS	N/A
7	4/1997	5.3	GALA	1802	8X16	N/A	100	340	IRR	INS	N/A

22. Has damage (ie., disease, hail, freeze) occurred to Trees/Vines/Bushes/Bog or have cultural practices been performed that will reduce the insured crop's production from previous levels?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
23. Is the producer using organic farming practices, or other non-conventional practices?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
24. Is the current water supply (surface allotment/well) adequate to produce a normal crop for the crop year being certified above?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No

I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH yield. I also understand that failure to report completely and accurately may result in avoidance of my Crop Insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

25 Insured's Signature:  <b>I. M. INSURED</b>	Date:  <b>XX/XX/XX</b>
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FCI-12-PAW (Perennial Crops) (See Reverse for Collection of Information and Data [Privacy Act])

**COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)**

To the extent that the information requested herein relates to the information supplier's individual capacity as opposed to the supplier's entrepreneurial (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, as amended, (7 U.S.C. 1501 et seq.) and the Federal Crop Insurance Regulations contained in 7 CFR 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 your operation of 10 percent or more, as a policyholder within the systems maintained by the Risk Management Agency (RMA). Furnishing the SSN/EIN is voluntary; however, failure to furnish that number will result in you being denied program participation and benefits.

The balance of the information requested is necessary for the insurance company and 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 (or fees), 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 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. Furnishing the information required by this form is voluntary; however, failure to report the correct, 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.

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326W, 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.

2A(2) Apple

EXAMPLE ONLY

"T" YIELD TABLE

WASHINGTON [53]  
APPLES (0054)

TYPE            PRACTICE\*  
111F            002

\*Except:

063 Spokane County: Practice 002 and 003.  
065 Stevens County: Practice 002 and 003.

COUNTY CODE	NAME	LEGAL DESCRIPTION	"T" YIELD FACTOR #
001	Adams	ALL	1.05
005	Benton	ALL	1.10
007	Chelan	T22N R21E	0.90
		T25N R20E-R21E	0.90
		T26N R20E-R22E	0.90
		T27N R21E-R23E	0.90
		T28N R21E-R23E	0.90
		ALL OTHER TOWNSHIPS	0.80
017	Douglas	T20N R22E	1.00
		T21N R22E	1.00
		T22N R21E-R22E	1.00
		T23N R20E	0.80
		T30N R24E-R26E	0.70
		ALL OTHER TOWNSHIPS	0.90
021	Franklin	ALL	1.05
025	Grant	ALL	1.05

# Apply the transitional yield factor to the appropriate yield on the following table to determine the transitional yield.

2A(3) Apple

EXAMPLE ONLY

**"T" YIELD TABLE****WASHINGTON (53)  
APPLES (0054)**

YEAR PLANTED	LEAF YEAR	DENSITY-TREES PER ACRE		
		0-299	300-599	600+
		"T" YIELD (boxes)		
2002	1	0	0	0
2001	2	0	0	0
2000	3	85	135	185
1999	4	165	285	350
1998	5	290	435	505
1997	6	395	600	660
1996	7	510	760	810
1995	8	630	905	960
1994	9	740	1000	1055
1993	10	850	1055	1100
1992	11	950	1085	1100
1991	12	1005	1100	1100
1990	13	1050	1100	1100
1989	14	1075	1100	1100
1988	15	1090	1100	1100
1987	16	1100	1100	1100
1986	17	1100	1100	1100
1985	18	1100	1100	1100
1984	19	1100	1100	1100
1983	20	1100	1100	1100
1982	21	1100	1100	1100
1981	22	1100	1100	1100
1980	23	1100	1100	1100
1979 & earlier	24+	1100	1100	1100

3A Apples

EXAMPLE 1

The producer certified total production and total acreage as shown on the APH form. Approved APH yield is based on a simple 5-year average.

6 CROP APPLES (054)  PRACTICE IRR. (002)  TYPE 89F  UNIT NO. 0100	7 SECTION 36	15 CROP YEAR  16 TOTAL PRODUCTION  17 ACRES  18 YIELD	1997  1998  1999  2000  2001	11,346  12,050  11,975  9,100  19,250	18.3  18.3  18.3  18.3  18.3	A620  A658  A654  A497  A1052		
	TWNShp 10S							
	RANGE 10W							
	LAND OTHER COUNTY YES NO							
8 OTHER ENTITY (IES)  NONE		12 FSA FARM NO. 8912						
9 RECORD TYPE: CROP YEAR:		CROPLAND						
PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER  NUMBER OF TREES OR VINES 4,495		13 FSA YIELD:						
						19 TOTAL		
						3481		
		10 PROCESSOR NUMBER/NAME Any Processor		11 OTHER (AVERAGE)  696	14 TRANSITIONAL YIELD:	20 (A) PRELIMINARY YIELD  696		21 APPROVED APH YIELD 696 bx./Acre for 18.3 Acres  (For Verifier use only)
					20 (B) PRIOR YIELD			

**3B Apples**

**EXAMPLE 2**

The producer has certified production for blocks 1-6 (mature over 15 years of age) and separate production for block 7 (less than 15 years of age) on the block production worksheet. The "T" Yield shown is adjusted by the "T" Factor (if applicable) and is factored using the number of years records for the unit. The weighted average APH yield is used to determine the approved APH yield.

6 CROP APPLES (054)	7 SECTION 36	15 CROP YEAR	16 TOTAL PRODUCTION	17 ACRES	18 YIELD
PRACTICE IRR. (002)	TWNSHP 10S				
TYPE 89F	RANGE 10W				
UNIT NO. 0100	LAND OTHER COUNTY YES NO				
8 OTHER ENTITY (IES)  NONE		12 FSA FARM NO. 8912			
9 RECORD TYPE: CROP YEAR:		CROPLAND	1997	11,346	18.3 A620
PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER		13 FSA YIELD:	1998	12,050	18.3 A658
NUMBER OF TREES OR VINES 4,495			1999	11,975	18.3 A654
			2000	9,100	18.3 A497
			2001	19,250	18.3 A1052
					19 TOTAL 3481
10 PROCESSOR NUMBER/NAME Any Processor	11 OTHER (Average)  696	14 TRANSITIONAL YIELD:	20 (A) PRELIMINARY YIELD  829	21 APPROVED APH YIELD 829 bx./Acre for 18.3 Acres (For Verifier use only)	
			20 (B) PRIOR YIELD		





**3B Apples**

**EXAMPLE 3**

The producer has certified separate production blocks 1-6 (mature over 15 years of age) and separate production for block 7 (less than 15 years of age) for only the most recent crop year on the block production worksheet. The "T" Yield shown is adjusted by the "T" factor (if applicable) and is factored using the number of years records for the unit. The weighted average APH yield is used to determine the approved APH yield.

6 CROP APPLES (054)	7 SECTION 36		15 CROP YEAR	16 TOTAL PRODUCTION	17 ACRES	18 YIELD
PRACTICE IRR. (002)	TWNSHP 10S					
TYPE 89F	RANGE 10W					
UNIT NO. 0100	LAND OTHER COUNTY YES NO					
8 OTHER ENTITY (IES) NONE		12 FSA FARM NO. 8912				
9 RECORD TYPE: CROP YEAR:		CROPLAND	1997	11,346	18.3	A620
PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER NUMBER OF TREES OR VINES 4,495			1998	12,050	18.3	A658
		13 FSA YIELD:	1999	11,975	18.3	A654
			2000	9,100	18.3	A497
			2001	19,250	18.3	A1052
10 PROCESSOR NUMBER/NAME Any Processor	11 OTHER (Average) 696	14 TRANSITIONAL YIELD:	20 (A) PRELIMINARY YIELD 701 20 (B) PRIOR YIELD		21 APPROVED APH YIELD 701 bx./Acre for 18.3 Acres (For Verifier use only)	





**3B Apples**

**EXAMPLE 4**

The producer has certified 3 years of production and acreage as shown on the APH form. A weighted average "T" Yield based on age and density is calculated as shown on the unit summary worksheet. The "T" Yield is adjusted for the number of years of records and shown on the APH.

6 CROP APPLES (054)	7 SECTION 36	15 CROP YEAR	16 TOTAL PRODUCTION	17 ACRES	18 YIELD	
PRACTICE IRR. (002)	TWNSHP 10S					
TYPE 89F	RANGE 10W					
UNIT NO. 0100	LAND OTHER COUNTY YES NO					
8 OTHER ENTITY (IES) NONE		12 FSA FARM NO. 123				
9 RECORD TYPE: CROP YEAR:		CROPLAND				
PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER NUMBER OF <u>TREES</u> OR VINES 4,495			13 FSA YIELD:	1999	11,975	18.3
			2000	9,100	18.3	A497
			2001	19,250	18.3	A1052
						19 TOTAL 3206
10 PROCESSOR NUMBER/NAME Any Processor	11 OTHER (Average) 802	14 TRANSITIONAL YIELD:	20 (A) PRELIMINARY YIELD 802	21 APPROVED APH YIELD 802 bx./Acre for 18.3 Acres (For Verifier use only)		
			20 (B) PRIOR YIELD			



**3B Apples**

**EXAMPLE 5**

The producer has certified 3 years of production and acreage as shown on the APH form. Separate production records were provided for block 7 (less than 15 years of age). The weighted average APH yield is used to determine the approved APH yield.

6 CROP APPLES (054)	7 SECTION	36	15 CROP YEAR	16 TOTAL PRODUCTION	17 ACRES	18 YIELD	
	PRACTICE IRR. (002)	TWNSHP					10S
	TYPE 89F	RANGE					10W
	UNIT NO. 0100	LAND OTHER COUNTY					YES NO
8 OTHER ENTITY (IES)		12 FSA FARM NO. 123	CROPLAND				
NONE							
9 RECORD TYPE: CROP YEAR:		13 FSA YIELD:	1999	11,975	18.3	A654	
PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER			2000	9,100	18.3	A497	
NUMBER OF TREES OR VINES 4,495			2001	19,250	18.3	A1052	
						19 TOTAL	3206
10 PROCESSOR NUMBER/NAME Any Processor	11 OTHER (Average)  802	14 TRANSITIONAL YIELD:	20 (A) PRELIMINARY YIELD  877	21 APPROVED APH YIELD 877 bx./Acre for 18.3 Acres (For Verifier use only)			
			20 (B) PRIOR YIELD				





**3B Apples**

**EXAMPLE 6**

The producer has certified 3 years of production and acreage as shown on the APH form. Separate production records were provided for block 7 (less than 15 years of age). The weighted average APH yield is used to determine the approved APH yield.

6 CROP APPLES (054)  PRACTICE IRR. (002)  TYPE 89F  UNIT NO. 0100	7 SECTION	36	15 CROP YEAR	16 TOTAL PRODUCTION	17 ACRES	18 YIELD
	TWNSHP	10S				
	RANGE	10W				
	LAND OTHER COUNTY	YES NO				
8 OTHER ENTITY (IES)  NONE		12 FSA FARM NO. 123  CROPLAND				
9 RECORD TYPE:  CROP YEAR: PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER  NUMBER OF <u>TREES</u> OR VINES 4,495			13 FSA YIELD:	1998		
		1999		11,975	18.3	A654
		2000		9,100	18.3	A497
		2001		17,550	18.3	A959
					19 TOTAL	3113
10 PROCESSOR NUMBER/NAME Any Processor	11 OTHER (Average)  778	14 TRANSITIONAL YIELD:	20 (A) PRELIMINARY YIELD  984  20 (B) PRIOR YIELD	21 APPROVED APH YIELD  984./Acre for 13.0 Acres 5.3 Acres Non-Insured  (For Verifier use only)		





**4A Peaches**

Use the following forms for the following Peach examples:

4A(1) Producer's Preacceptance Worksheet

4A(2) "T" Yield Table

4A(3) Varietal Maturation Classification Listing

OMB No. 0563-0053

<b>FCI-12-PAW (Perennial Crops) USDA/FCIC</b> (Rev. 6-98)  <b>PRODUCER'S PRE-ACCEPTANCE WORKSHEET</b>	1. Applicant's Name:	2. Policy No.:	3. Unit No.:	4. Crop:	5. State:
	I. M. INSURED	MPCI #	00100	PEACHES	MO
	6. Legal Description:	7. Crop Year:	8. County:	9. Farm No.:	
	Sec. 4 T10 R24	2002	DUNKLIN	8912	

Block No. 10	Mo/Yr Set Out/Grafted 11	Acres 12	Variety/Type 13	Number of Plants 14	Plant Spacing 15	Pruning Height 16	Percent Stand 17	Density 18	Practice IRR/NI 19	Insurable or Uninsurable 20	Spur or Nonspur 21
1	1/1997	10.0	RED GLOBE (LATE)	1090	20X20	8	100%	109	IRR	INS	N/A
2	1/1993	20.0	HARVESTOR (MID)	2299	18X20	7	95%	121	NI	INS	N/A
3	1/1994	15.0	EMPRESS (EARLY)	1308	20X20	7	80%	109	NI	INS	N/A

22. Has damage (ie., disease, hail, freeze) occurred to Trees/Vines/Bushes/Bog or have cultural practices been performed that will reduce the insured crop's production from previous levels?	Yes	<input checked="" type="checkbox"/>	No
23. Is the producer using organic farming practices, or other non-conventional practices?	Yes	<input checked="" type="checkbox"/>	No
24. Is the current water supply (surface allotment/well) adequate to produce a normal crop for the crop year being certified above?	<input checked="" type="checkbox"/>	Yes	No

I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH yield. I also understand that failure to report completely and accurately may result in avoidance of my Crop Insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

25 Insured's Signature:	Date:
I. M. INSURED	XX/XX/XX

FCI-12-PAW (Perennial Crops) (See Reverse for Collection of Information and Data [Privacy Act])

4A(2)

PEACH "T" YIELD TABLE (EXAMPLE ONLY)

PRACTICE- IRRIGATED (002) NONIRRIGATED (003) TYPE - FRESH (101) PROCESSING (102)

AGE	4YRS	5YRS	6YRS	7YRS	8YRS	9YRS	10YRS	11YRS	12YRS	13YRS
EARLY	55	70	100	105	135	135	125	115	105	85
MID	120	135	165	170	190	190	180	170	155	140
LATE	130	155	185	190	215	215	205	195	180	160

SEASON (MATURITY DATE) DESIGNATIONS

MATURATION DATE RANGE

VARIETAL EXAMPLES

E - EARLY SEASON VARIETIES

5/15 - 6/16

SPRINGGOLD-SUZIE Q

M - MID SEASON VARIETIES

6/17 - 7/05

CORONET - HARVESTER

L - LATE SEASON VARIETIES

7/06 - 9/15

REDGLOBE - PARADE

REFER TO COUNTY FCI-35 RATE TABLE FOR CHILLING HOUR REQUIREMENTS.

REFER TO "T" YIELD HANDBOOK FOR PROPER SEASON CLASSIFICATIONS.

ORCHARDS WHICH HAVE A TREE POPULATION EXCEEDING A DENSITY OF 150 TREES PER ACRE WILL BE REFERRED TO THE RMA FOR PRE-ACCEPTANCE AND YIELD DETERMINATION.

TREE POPULATIONS LESS THAN 90 TREES PER ACRE WILL BE FACTORED DOWN BY DIVIDING THE NUMBER OF TREES BY 109 (CHART STANDARD) AND THEN APPLY THE FACTOR TO THE APPLICABLE "T" YIELD.

EXAMPLE:  $90 \div 109 = .83 \times 150 \text{ BUSHELS} = 125 \text{ BUSHELS}$ .

ORCHARDS IN EXCESS OF 13 YEARS WILL TAKE 80% OF THE APPLICABLE 13 YEAR OLD "T" YIELD.

**4A Peaches**

**EXAMPLE 1**

A Peach producer has certified peach production and acreage (**insurable and uninsurable acreage separately**) by block on three blocks. Block number 1 has met policy minimums for two years, Block number 2 has four years of data certified, Block number 3 was recently acquired and only two years of data are available. Yield potential chart was used to reflect the yield of the younger blocks. (Note: "T" Yield for Block number 3 adjusted to reflect 80 percent stand).

6 CROP PEACHES (034)		7 SECTION 4		15 CROP YEAR	16 TOTAL PRODUCTION	17 ACRES	18 YIELD
PRACTICE NI. (003)		TWNHP 10					
TYPE		RANGE 24W					
UNIT NO. 00100		LAND OTHER COUNTY YES NO					
8 OTHER ENTITY (IES) NONE			12 FSA FARM NO. 8912				
9 RECORD TYPE: CROP YEAR:			CROPLAND				
PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER			13 FSA YIELD:		1998	3,380	30.0 A113
NUMBER OF <u>TREES</u> OR VINES 4,697					1999	3,560	30.0 A119
					2000	6,730	45.0 A150
					2001	7,335	45.0 A163
							19 TOTAL 545
10 PROCESSOR NUMBER/NAME Any Processor		11 OTHER (Average) 136		14 TRANSITIONAL YIELD:		20 (A) PRELIMINARY YIELD 155 20 (B) PRIOR YIELD	
						21 APPROVED APH YIELD 155 bu./Acre for 45.0 Acres (For Verifier use only)	

4A Peaches

EXAMPLE 1

OMB No. 0563-0053

**FCI-19-A (APH-BPW) BLOCK PRODUCTION WORKSHEET USDA/FCIC**  
 (Rev. 6-98) NOTE: REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM.

1 NAME <b>I. M. INSURED</b>	2 POLICY NUMBER <b>MPCI</b>	3 UNIT NUMBER <b>00100</b>
4 CROP <b>PEACHES</b>	5 STATE <b>MO</b>	6 LEGAL DESCRIPTION <b>Sec. 4 T10 R24</b>
7 CROP YEAR <b>2002</b>	8 COUNTY <b>DUNKLIN</b>	9 FARM NUMBER <b>8912</b>

11 BLOCK NO.: 1  
 12 AGE: 6 13 DENSITY: 109

10 YEAR	14 PROD.	15 ACRES	16 YIELD
1998	0	10.0	T185
1999	0	10.0	T185
2000	1,600	10.0	A160
2001	2,000	10.0	A200
TOTAL			730

17 T-YIELD ADJ. **\*185 NO STAND**  
 18 AVERAGE YIELD  $730 \div 4 = 183$

11 BLOCK NO.: 2  
 12 AGE: 10 13 DENSITY: 121

14 PROD.	15 ACRES	16 YIELD
3,380	20.0	A169
3,560	20.0	A178
3,600	20.0	A180
3,700	20.0	A185
TOTAL		712

17 T-YIELD ADJ. **N/A**  
 18 AVERAGE YIELD  $712 \div 4 = 178$

11 BLOCK NO.: 3  
 12 AGE: 9 13 DENSITY: 109

14 PROD.	15 ACRES	16 YIELD
		**C108
		**C108
1530	15.0	A102
1635	15.0	A109
TOTAL		427

17 T-YIELD ADJ. **\*\*135 x .80 = 108**  
 18 AVERAGE YIELD  $427 \div 4 = 107$

I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH Yield. I also understand that failure to report completely and accurately may result in voidance of my crop insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

19 INSURED'S SIGNATURE **I. M. INSURED** DATE **XX/XX/XX**

\*\* 100 percent "T" Yield used because four years of records are on the unit.

**COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)**

To the extent that the information requested herein relates to the information supplier's individual capacity as opposed to the supplier's entrepreneurial (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, as amended, (7 U.S.C. 1501 et seq.) and the Federal Crop Insurance Regulations contained in 7 CFR 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 your operation of 10 percent or more, as a policyholder within the systems maintained by the Risk Management Agency (RMA). Furnishing the SSN/EIN is voluntary; however, failure to furnish that number will result in you being denied program participation and benefits.

The balance of the information requested is necessary for the insurance company and 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 (or fees), 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 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. Furnishing the information required by this form is voluntary; however, failure to report the correct, 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**

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 3267W, 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.

4B Peaches

EXAMPLE 1

OMB No. 0563-0053

FCI-19-A (APH-USW)

U. S. DEPARTMENT OF AGRICULTURE

(Rev. 6-98)

Federal Crop Insurance Corporation

**UNIT SUMMARY WORKSHEET**

1 NAME: <b>I. M. INSURED</b>		2 POLICY NUMBER: <b>MPCI</b>	3 UNIT NUMBER: <b>00100</b>
4 CROP: <b>PEACHES</b>		5 STATE: <b>MO</b>	6 LEGAL DESCRIPTION: <b>Sec. 4 T10 R24</b>
7 CROP YEAR: <b>2002</b>	8 COUNTY: <b>DUNKLIN</b>		9 FARM NUMBER: <b>8912</b>

WEIGHTED AVERAGE TRANSITIONAL ("T") YIELD				WEIGHTED AVERAGE APH YIELD			
---	--	--	--	----------------------------	--	--	--

10 UNIT NUMBER:				17 UNIT NUMBER: <b>00100</b>			
-----------------	--	--	--	------------------------------	--	--	--

BLOCK 11	"T" YIELD 12	ACRES 13	EXTENSIONS 14	BLOCK 18	YIELD 19	ACRES 20	EXTENSIONS 21
				1	183	10.0	1,830
				2	178	20.0	3,560
				3	107	15.0	1,605
15 TOTALS:				22 TOTALS:		<b>45.0</b>	<b>6,995</b>

16 WEIGHTED AVERAGE TRANSITIONAL YIELD TOTAL EXTENSIONS/TOTAL ACRES =				23 WEIGHTED AVERAGE APH YIELD TOTAL EXTENSIONS/TOTAL ACRES = <b>155</b>			
--	--	--	--	--	--	--	--

**4B Peaches**

**EXAMPLE 2**

Peach producer has certified production and acreage (**insurable and uninsurable**) for two years on the APH. A weighted average "T" Yield was calculated based on age, density, percent stand for each block of acreage certified on the Producer's Pre-acceptance Worksheet (Block 3 was adjusted for 80 percent stand). 90 percent of the average "T" Yield was applied in calculating the APH because the insured provided two years of records.

6 CROP PEACHES (034)	7 SECTION 4		15 CROP YEAR	16 TOTAL PRODUCTION	17 ACRES	18 YIELD
PRACTICE NI. (003)	TWNSHP 10					
TYPE	RANGE 24					
UNIT NO. 00100	LAND OTHER COUNTY YES NO					
8 OTHER ENTITY (IES)  NONE		12 FSA FARM NO. 8912				
9 RECORD TYPE: CROP YEAR:		CROPLAND				
PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER  NUMBER OF <u>TREES</u> OR VINES 4,697		13 FSA YIELD:	1998			N141
			1999			N141
			2000	6,730	45.0	A150
			2001	7,335	45.0	A163
						19 TOTAL 595
10 PROCESSOR NUMBER/NAME Any Processor	11 OTHER (Average)  149	14 TRANSITIONAL YIELD:	20 (A) PRELIMINARY YIELD  149  20 (B) PRIOR YIELD	21 APPROVED APH YIELD  149 bu./Acre for 45.0 Acres  (For Verifier use only)		



**FSA RULES FOR SKIP-ROW PLANTING PATTERNS****1 GENERAL INFORMATION**

From the Definitions section of the Cotton Crop Provisions, "Skip-row" means a planting pattern that:

- 1A **Consists of alternating rows** of Cotton and fallow land or land planted to another crop the previous fall; and
- 1B **Qualifies as a skip-row planting pattern** as defined by the FSA or successor agency.

**2 FSA RULES---(RESERVED)**

The rules from FSA Acreage Compliance Determinations Handbook for determining the area devoted to the crop for skip-row planting are in the process of being modified by FSA for the 2003 crop year. RMA will issue applicable procedures once the FSA rules (this Exhibit pages 330-343) are finalized.

Pages 331 – 342 Reserved

6E Reserved.

1 **FLORIDA CITRUS, MACADAMIA GROVE and TEXAS CITRUS TREE INSPECTION REPORTS.**

1A **FLORIDA CITRUS**

- A(1) **Beginning with the 2001 crop year, the Florida Citrus Grove Pre-Acceptance Inspection Worksheet and Plat Map form** must be filed annually with the acreage report **ONLY** if the total insured citrus crop acreage in the county is 250 acres or more. An Insurance Provider grove inspector must complete this inspection worksheet for that crop/county. Note: Each type (Citrus I and Citrus II, etc.) is a different crop. For example, if Citrus I has 25 acres; Citrus II, 45 acres; Citrus III, 90 acres; and Citrus IV, 280 acres; a crop inspection is needed **ONLY** on the Citrus IV crop that exceeds the 250-acre tolerance.

Once the initial inspection is performed for acreage of 250 acres or more, insureds who continue insurance in subsequent crop years will be allowed to self-certify in the remarks section on the original inspection worksheet that no change has occurred. The insured will write "No change for \_\_\_\_ Crop Year," initial and date. If an insured certifies that no change has occurred, a new inspection is not required. If changes have occurred, a new inspection report is required.

- A(2) **The plat map** is part of the "Florida Citrus Grove Pre-Acceptance Inspection Worksheet and Plat Map." It must be completed for an inspection. Significant interplantings, uninsurable trees, trees of differing ages, and tree spacing must be recorded on the plat map so the proper guarantee and insurable acreage can be determined.

Changes in insurable/uninsurable acreage require a new inspection worksheet to be completed.

Note: If the only change is the insurable age class of trees, the insured will certify in the remarks section of the worksheet the "Plot Number" and the change in "Tree Age in Years." Example: The original certification or inspection worksheet plot number 1 showed "5" in the "Tree Age in Years" column. The following year, the trees will be in the "6 to 8 years" age class. The insured will note this change, initial and date in the remarks section of the worksheet. A new inspection is not required.

- A(3) **All acreage determinations/measurements** will be based on land acres.

- A(4) **The insured acreage cannot exceed** the physical amount of land acreage. If a producer interplants two citrus crops, the acreage will be prorated according to the percentage of the insurable land acres occupied by the crops interplanted. [See policy for definition of "interplanted."]

**EXAMPLE:** A producer has 10 acres of grapefruit planted at a spacing of 30 feet x 30 feet, and decides to interplant with early oranges. Orange trees are interplanted between the grapefruit trees within the row. The tree spacing has been changed to 30 feet x 15 feet, but there is no increase in the acreage. There is a 5-acre unit of early oranges and a 5-acre unit of grapefruit, NOT 10 acres of each.

**NOTE:** The same instructions apply if more than one citrus fruit is planted on the same acreage; e.g., 10 acres of early (011) and mid-season oranges (012) (50-50mix) does not represent 10 acres of early oranges and 10 acres of mid-season oranges.

- A(5) **Insurable acreage and the amount of insurance** within a unit will be determined on a plot basis. A plot (block) is a homogenous planting pattern of a citrus crop that may or may not consist of different tree age classes (0 to 4 years, 5 years, 6-8 years, or 9 years and above). For age classes within the plot that cannot be separately plotted (subplots), use the age class with the greatest percentage of trees in the plot to determine insurable acreage and the amount of insurance. If age classes within a plot can be separately plotted (drawn out), the insurable acreage and amount of insurance are determined for each age class and reported on that basis.

EXAMPLE: A producer has a grove of grapefruit trees. Through attrition, some of the trees older than nine years have been replaced with trees that are in the 1-4 and 6-8-year-old age classes. These trees are planted in a random pattern in a 30x30-foot tree spacing. Separate plots, by age class, cannot be determined. The 9-year or older trees represent the largest percentage in the plot; therefore, the grove will be insured as 9-year-old trees.

If a specific plot could be identified for any age group listed above, that age group **MUST BE** separately reported to determine the guarantee and insurable acreage.

NOTE: The unit may consist of several plots of the same citrus crop. Each unit and each plot (subplot) within a unit must be separately listed, and the amount of insurance and insurability determined accordingly.

- A(6) **Completion instructions** for preparation of Florida Citrus Grove Pre-Acceptance Inspection Worksheet and Plat Map.

(6)(a) Heading:

**NAME OF INSURED (OR APPLICANT):** Enter the insured's name as it appears on the most recent Policy Confirmation. In the case of a new applicant, enter the name of the applicant as it appears on the application for insurance.

**CONTRACT NUMBER:** Enter the contract number from the most recent Policy Confirmation. In the case of a new applicant, enter only the 2-digit state and 3-digit county code, e.g., xx-xxx.

**COUNTY:** Enter the county name and code number.

**NAME OF AGENT:** Enter the name, address, and phone number of the agent who services or will service this contract, as applicable.

**CROP YEAR:** Enter the crop year for which the grove inspection is being made.

**SEC., TWP., RNG:** Enter the legal description (section, township, and range) for the grove location. Complete a separate worksheet for each section. Note all section numbers in the "Remarks" section of page 1.

**PRODUCER'S PHONE NUMBER:** Enter the area code and phone number of the insured or prospective insured, as applicable.

(6)(b) Individual Citrus Grove Data:

Item #:

- (1) Unit Number: Each insured crop will begin unit numbering with 00100 or 00101. Basic and optional units are allowable as defined in the Florida Citrus Fruit Crop Provisions.
- (2) Plot Number: By line, enter the plot number as identified on the plat map. Separate plot numbers are required for each type within the insured crop and homogenous planting pattern of the citrus type. A homogenous planting pattern of a variety may or may not consist of different tree age classes (0 to 4 years, 5 years, 6-8 years, or 9 years and above). For age classes within the plot that cannot be separately plotted (subplots), use the age class with the greatest percentage of trees in the plot to determine insurable acreage and the amount of insurance. If the age classes within the plot can be separately plotted (drawn out), the insurable acreage and amount of insurance are determined for each age class and reported on that basis.
- (3) Crop and Variety: Enter the applicable insured citrus crop name, crop code and type (e.g., Type I, 0245, 011).
- (4) Acres in Plot: Enter the plot acres, rounded to the nearest tenth. Drainage ditches and/or canals within the planting pattern between rows and beds may or may not be considered insurable acres, at the insured's (or prospective insured's) discretion.
- (5) Tree Spacing: Enter the average tree spacing, in whole feet, for the plot. If there is a wide variation in spacing, enter "varying." We will consider it practical to separately report differing insurable age and uninsurable trees if they can be separately plotted on the plat map.
- (6) Tree Count: Enter total number of trees on the plot acreage. Enter an estimate (identify as "Est") if accurate determination is impractical.
- (7) Month & Year Set: Enter the month and year of set out for the age class (0 to 4 years, 5 years, 6-8 years, or 9 years and above) with the greatest percentage of trees in the plot.
- (8) Tree Condition: Determine tree condition and enter "excellent," "good," "average," "fair," "poor," or "other," as appropriate. If the trees are suffering from disease, insect damage, or a physiological disorder, explain in REMARKS.
- (9) Tree Age in Years: Enter the tree age class with the greatest percentage of trees in the plot (i.e., 0 to 4 years, 5 years, 6-8 years, or 9 years and above).

- (10) Insurable quality: Per line entry, evaluate and document the insurability of the trees. If the plot contains trees that are damaged, subdivide the plot and use separate lines for insurable and uninsurable acreage.
- (11) Est. Prod., Boxes: By line, enter an estimate of the expected production for the acreage. Acreage with a potential of less than 100 boxes can be insured or excluded from insurance by the insured. If the land is excluded, it is considered not insured; if it is insured, we will consider it to have produced 100 boxes per acre.

**EXCLUDED ACREAGE**: Identify acreage which is uninsurable due to tree age or production potential of less than 100 boxes per acre. Leave unit column (1) blank and enter "excluded" in column (11) for such acreage.

6(c) Plat Map:

- 1 Identify highways and other significant landmarks that can be used to help identify groves' locations.
- 2 Outline citrus plot locations and identify plots by plot number. Draw plots in actual shapes and as close to scale as possible. Indicate which acreage has been excluded from coverage by labeling as "excluded."
- 3 Outline land ownership boundaries in red within each section involved. Indicate land ownership across section lines with tie bars.

6(d) Remarks:

Enter notes pertinent to the grove inspection such as nature and degree of damage, nature of the tree stand, etc.

Once the initial inspection is performed for acreage of 250 acres or more, insureds who continue insurance in subsequent crop years will be allowed to self-certify in the remarks section of the original inspection worksheet that no change has occurred. The insured will write "No change for XXXX Crop Year," initial and date. If an insured certifies that no change has occurred, a new inspection is not required. If changes have occurred, a new inspection report is required.

Note: If the only change is the insurable age class of trees, the insured will certify in the Remarks section of the worksheet the "Plot Number" and the change in "Tree Age in Years." Example: The original inspection worksheet plot number 1 showed "5" in the "Tree Age in Years" column. The following year, the trees will be in the "6 to 8 years" age class. The insured will note this change, initial and date in the Remarks section of the worksheet. A new inspection is not required.

6(e) "For Office Use Only":

The block must be completed by the grove inspector or authorized representative when:

- 1 a self-certification is NOT authorized
- 2 an inspection is required,
- 3 data verification is requested by the Insurance Provider, and/or
- 4 the form is otherwise reviewed.
  - (i) Enter the appropriate "rate map area" from the Actuarial Table in the AREA NUMBER block, e.g., "AAA," "BBB," or "CCC."
  - (ii) Place a check in "blank 1" if no changes are found to be required. Place a check in "blank 2" if a new/revised acreage report must be prepared based on information contained in this report. (If a new/revised acreage report is otherwise necessary, explain in REMARKS.)
  - (iii) Check "yes" or "no" to indicate the grove inspector's or his or her authorized representative's recommendation to accept the current application /acreage report. If "no" is checked, indicate in REMARKS which factors made the application/acreage report unacceptable.
  - (iv) Enter the code number, date of signature, and the signature of the grove inspector or his or her authorized representative.
- 5 **PAGE \_\_\_ OF \_\_\_ PAGES:** Enter the total number of pages of this form for this contract in the second blank. Enter the order sequence of the particular page in the first blank, i.e., PAGE 2 OF 3 PAGES.



**COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)**

To the extent that the information requested herein relates to the information supplier's individual capacity as opposed to the supplier's entrepreneurial (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, as amended, (7 U.S.C. 1501 et seq.) and the Federal Crop Insurance Regulations contained in 7 CFR 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 your operation of 10 percent or more, as a policyholder within the systems maintained by the Risk Management Agency (RMA). Furnishing the SSN/EIN is voluntary; however, failure to furnish that number will result in you being denied program participation and benefits.

The balance of the information requested is necessary for the insurance company and 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 (or fees), 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 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. Furnishing the information required by this form is voluntary; however, failure to report the correct, 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 3267W, 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.

**1B MACADAMIA GROVE INSPECTION REPORT****B(1) Grove inspections are administratively required to be performed:**

- (1)(a) For all new applicants,
- (1)(b) For new (additional) units,
- (1)(c) Whenever any acreage that is added under an existing contract, and
- (1)(d) Whenever initiated by the insurance provider.

**NOTE:** The insurance provider may inspect any acreage the year following substantial damage.

**B(2) Timeliness:**

- (2)(a) Inspect all insured acreage, prepare a plat map, and complete a Macadamia Grove Inspection Report for all acreage listed on the acreage report.
- (2)(b) Grove inspections involving applications filed AFTER January 1 (of the INITIAL crop year) will be completed immediately so that the application, if accepted, can be processed before the tenth day following the applicant's signature.
- (2)(c) If the application is accepted after January 1:
  - 1 Insurance against excess wind will attach on the tenth day,
  - 2 If any insurable acreage is set out after January 1, insurance will attach on the date setout is completed for the unit if the acreage is reported within 72 hours after the date of completion, except for excess wind, which will attach on the tenth day,
  - 3 In all other instances, insurance attaches on the date the applications accepted.

**NOTE:** Reinstatements and successor-in-interest contracts accepted on or after January 1 will require a limited grove inspection to determine that no damage exists at the time of attachment.

**B(3) Unreported Acreage:**

If the insurance provider finds insurable acreage that has not been reported during the insurance period and has not been damaged by an insured peril, prepare a revised acreage report that includes all unreported insurable acreage not entered on the original acreage report.

**B(4) Acreage Determinations:**

Observe the following guidelines when making acreage determinations for grove inspections and loss adjustments.

- (4)(a) In situations where any boundary of an orchard is not established by a fence, property line, marked road, right-of-way, or other permanent landmark, the starting point for measuring the orchard area will be established from the tree spacing. The greater of the space measurements will determine the distance from the trees where measurements begin and end.

**EXAMPLE:** Measurements for an orchard with a 25' x 10' tree spacing would begin 25' out from the first tree row and extend 25' past the last tree row (as the 25' measurement is the greater of the two measurements in the 25' x 10' spacing).

- (4)(b) Where a county road with no right-of-way markers forms an orchard boundary, the measuring point will be the tree spacing or the center of the road, whichever is shorter.
- (4)(c) If no boundary line can be established between orchards, the boundary line will be one-half the distance between the orchards provided this distance does not exceed the established tree spacing.
- (4)(d) Deductions will be made for canals and picking lanes only when these widths exceed twice the established tree spacing. No deductions will be made for bench leveling.

B(5) **Excluded Acreage:**

- (5)(a) Macadamia tree acreage is subject to exclusion from coverage when:
- 1 Orchard practices listed on the actuarial documents are not carried out.
  - 2 Macadamia trees are maintained or set out for experimental purposes.
  - 3 Any insurance application is submitted for the current crop year followed by an unacceptable inspection report.
  - 4 Grafted onto existing rootstock or nursery stock within the one-year period prior to the date insurance attaches.
- (5)(b) Identify and explain any uninsured acreage in the "Remarks" section of the acreage report.
- (5)(c) Excluded acreage. The insurance provider may exclude from insurance or limit the amount of insurance on any acreage which was not insured the previous crop year.
- (5)(d) Any excluded acreage must not be shown on the plat map and the Macadamia Orchard Inspection Report.

**C MACADAMIA GROVE INSPECTION REPORT INFORMATION****PART I: HEADING****Item****No. Information Required**

1. **Name of Applicant or Insured:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2. **County or Island:** Name of county or island where the macadamia trees are physically located.
3. **Contract Number:** Insured's assigned contract number.

**PART II: ORCHARD INFORMATION**

4. **Verify Acreage Report:** (Self explanatory) MAKE NO ENTRY.
5. **Name, Address, and Phone Number of Applicant, Insured or Insured's Agent.**
6. **Note condition of other macadamia orchards owned or operated by the applicant or insured** (If applicable). If necessary, enter additional comments in item 21 "Remarks." Enter "N/A" if not applicable.
7. **Is Orchard Managed by Owner:** Check "Yes" or "No," as applicable. If "No" is checked, enter manager's name, address, and telephone number.
8. **Is Orchard Located In An Established Macadamia Area:** Answer "Yes" or "No." If "No" is entered, explain general growing conditions and where the orchard is physically located. If additional space is needed, enter additional comments in item 21 "Remarks."

**PART III: INDIVIDUAL ORCHARD DATA****Item****No. Information Required**

9. **Unit Number:** Five digit unit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).
10. **Variety:** Appropriate variety name.
11. **Acres in Plot:** Number of acres in plot, rounded to tenths.
12. **Tree Spacing:** Spacing in feet (e.g., 15 x 15). If spacing varies, enter "varying" and explain in item 21 "Remarks."
13. **Tree Count:** Total number of trees in each unit or plot.
14. **Year Set:** Enter the month and year of:
  - a. original planting, or
  - b. replacement, if more than 10 percent of the trees on any unit have been replanted in the previous 5 years.
15. **Tree Condition:** Enter "acceptable" or "unacceptable" as applicable. Explain any "unacceptable" tree conditions in item 21 "Remarks."

16. **Rate Area:** The correct rate class from the actuarial documents. Verify with the Summary of Coverage, and if the rate class is found to be incorrect, revise according to insurance provider instructions. See the LAM.
  17. **Weed Control Measures:** Enter one of the following:
    - a. **"CWC"** Chemical Weed Control;
    - b. **"W/O CWC"** Weed Control Without Chemicals,
    - c. **"None"** No Weed Control.
  18. **Excluded Acreage:** List acreage of trees excluded from coverage (see item 10 -18 instructions).
  - 19A. **Check "A"** if there is nothing indicating a change in the data reported.
  - 19B. **Check "B"** if there are changes needed and enter "A Revised Acreage Report," as applicable.
  20. **Remarks:** Note any of the following:
    - a. The number of trees in the original planting pattern.
    - b. If more than 10 percent of the trees on any unit have been replaced. Enter the total number of trees per acre in new pattern, and the total number of new trees set out with the appropriate dates.
    - c. If any insurable tree acreage is set out in a new pattern (intersets). Enter the number of trees per acre in a new pattern, and the total number of new trees set out with the appropriate dates.
    - d. Any unusual conditions in the orchard or local growing area.
    - e. Variations in tree spacing within an orchard.
    - f. Any reasons for not recommending insurance coverage.
- NOTE:** If more space is needed, enter additional information on a Statement of Facts form and attach it to the inspection report.
21. **Is Application/Acreage Report Recommended For Acceptance:** Check "Yes" or "No" box, as applicable.
  22. **Code Number:** Inspector's code number.
  23. **Orchard Inspector's Signature:** Inspector signs report.
  24. **Date:** Inspector enters date of report (MM/DD/YYYY).
  25. **Page:** Page numbers (Example: Page 1 of 1, Page 2 of 2, etc.).

(FOR ILLUSTRATION PURPOSES ONLY)  
**MACADAMIA ORCHARD INSPECTION REPORT**

<b>PART I - HEADING</b>		
1 NAME OF APPLICANT OR INSURED <p style="text-align:center">I . M . INSURED</p>	2 COUNTRY OR ISLAND <p style="text-align:center">HAWAII</p>	3 CONTRACT NUMBER <p style="text-align:center">XX-XXX-XXXXX</p>

<b>PART II – ORCHARD INFORMATION</b>	
4 CHECK AND VERIFY ALL ENTRIES ON THE ACREAGE REPORT. IF ANY ENTRIES ARE QUESTIONABLE, DETERMINE ACURACY AND CORRECT IF NECESSARY.	
5 NAME AND ADDRESS OF APPLICANT, INSURED OR INSURED'S AGENT  I . M . INSURED RR ONE HILO, HAWAII  PHONE NUMBER ( 808 ) XXX-XXXX	6 NOTE CONDITION OF OTHER MACADAMIA ORCHARDS OWNED OR MANAGED BY APPLICANT OR INSURED  N/A
7 IS ORCHARD MANAGED BY OWNER? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES  IF "NO" WHO MANAGES IT? _____ PHONE NUMBER: ( ) _____	8 IS ORCHARD LOCATED IN AN ESTABLISHED MACADAMIA AREA?  YES

<b>PART III – INDIVIDUAL ORCHARD DATA</b>								
UNIT NUMBER 9	VARIETY 10	ACRES IN PLOT 11	TREE SPACING 12	TREE COUNT 13	YEAR SET 14	TREE CONDITION 15	RATE AREA 16	WEED CONTROL MEASURES 17
00101	KAU	10.0	15 X 15	1920	MM/YYYY	ACCEPTABLE	D05	NONE
00102	MAKAI	10.3	15 X 15	1980	MM/YYYY	ACCEPTABLE	D05	NONE
00103	KAKEA	5.2	15 X 15	987	MM/YYYY	ACCEPTABLE	D05	NONE
18 EXCLUDED ACREAGE								
LOT 11	KAU	6.4	15 X 15	1235	MM/YYYY	UNACCEPTABLE		N/A

19 THE ACREAGE COVERED BY THE ABOVE CONTRACT WAS INSPECTED ON DATE SHOWN BELOW WITH THE FOLLOWING RESULTS  A. <u>  X  </u> NOTHING FOUND TO REQUIRE A CHANGE IN THE DATA REPORTED.  B. _____ DATA REPORTED WAS FOUND TO BE SUCH THAT _____ WAS PREPARED	20 REMARKS:  UNIT 00101: Trees on moderate slope, leeward exposure. UNIT 00102: Some trees on windward exposure. LOT 11: Trees uninsurable. Do not meet minimum age requirements of policy.
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21 IS APPLICATION/ACREAGE REPORT RECOMMENDED FOR ACCEPTANCE?  <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	22 CODE NUMBER <p style="text-align:center">XXXXX</p>	23 ORCHARD INSPECTOR'S SIGNATURE <p style="text-align:center">I . M . INSPECTOR</p>	24 DATE <p style="text-align:center">MM/DD/YYYY</p>
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**1C TEXAS CITRUS TREE PRE-ACCEPTANCE GROVE INSPECTION REPORT**

- C(1) **Grove inspections are administratively required to be performed when:**
- (a) an insurable share in any insurable acreage is acquired after coverage begins, but on or before the acreage reporting date for the crop year;
  - (b) initiated by the Insurance Provider; or
  - (c) trees have been damaged by uninsured causes the previous crop year.
- C(2) Prepare a grove inspection report and a grove location plat map for any acreage requiring a pre-acceptance inspection before insurance is to attach.
- (a) Determine insurable and uninsurable acreage and document any uninsurable, excluded acreage on the grove inspection report and grove location plat map.
  - (b) Based on the grove inspection report and grove location plat map, an acreage report is to be prepared according to insurance provider's instructions to show the correct insured number of acres, separately listing the excluded acreage in the "Remarks" section. A producer-signed acreage report is to be submitted with all new applications.

**GROVE LOCATION PLAT MAP EXAMPLE**

I.M. Insured  
 (Name of Insured or Applicant)

XXXXXXXX  
 (Policy Number)

County Map Number (Photograph or Ownership): \_\_\_\_\_

Legal Description: \_\_\_\_\_ Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_

Lot 10, 11, 12; blk. 20 Texas Gardens

	00200			00100			
						00300	
Excluded							

Unit Number	Plot Number	Type Variety	Acres in Plot or Unit	Estimated Production	Date of Entry
00100		Early Orange	13.0	7.6	MM-DD-YYYY
00200		Late Orange	15.2	9.4	MM-DD-YYYY
00300		Other Grapefruit	7.1	12.2	MM-DD-YYYY

MM-DD-YYYY  
 (Date)

I. M. Adjuster  
 (Signature of Crop Inspector or Adjuster)

**C. PREPARATION OF TEXAS CITRUS GROVE INSPECTION REPORT**

- (1) PART I - Complete heading.
- (2) PART II - Complete the following information for each unit.
- (3) Distribute as instructed by the insurance provider.

**Item No.**

**Information Required**

- 1. **Unit Number:** The five-digit Unit Number for the grove inspected.
- 2. **Type:** Record the Type as follows:
 

<b>CROP</b>	<b>TYPE</b>
Citrus Trees I	Early & Midseason Oranges
Citrus Trees II	Late Oranges
Citrus Trees III	All Other Grapefruit
Citrus Trees IV	Rio Red & Star Ruby Grapefruit
Citrus Trees V	Ruby Red Grapefruit
- 3. **Acres in Plot:** The measured acres in the plot or unit, to the nearest tenth.
- 4. **Tree Spacing:** The tree spacing in feet. If tree spacing varies, enter "varying" or the predominate pattern and record in the Remarks the other varying patterns.
- 5. **Tree Count:** The total insurable tree count for the unit.
- 6. **Month and Year:** The month and year of:
  - a. original set out; or
  - b. replacement and/or dehorning, if more than 10% of the trees on any unit have been replaced or dehorned in the previous 5 years.

If there is a variation in the years of set out, use separate lines for each. If actual year of set out is unavailable, enter "Est." after the estimated year (e.g., 1989 Est.).
- 7. **Tree Condition:** Determine the tree condition and enter "excellent," "good," "average," "fair," or "poor." If tree condition is "poor," explain in the "Remarks" section.
- 8. **Rate Area:** The rate class determined from the actuarial documents.
- 9. **Frost Protection Equipment (Weed Control):** Enter the type of weed control used. If no weed control is used, enter "None."

**Excluded Acreage:** Record any acreage that does not meet insurability requirements as described in items 2 through 9. Explain in the "Remarks" section the reason the acreage was excluded.

**Result of Inspection:** Check either item 1 or 2 and indicate if a revised acreage report was prepared.

**Remarks:** Use the "Remarks" section to explain:

- a. The number of trees per acre for the original pattern.
- b. If more than 10% of the trees on any unit have been replaced and/or dehorned, enter the total number of trees and the date (MM/YYYY) in which each occurred.
- c. If any insurable acreage of trees was set out in a new pattern (e.g., intersets), enter the number of trees per acre in the new pattern, the total number of new trees set out, and the date of set out (MM/YYYY).
- d. Any unusual conditions in the grove.

**Note:** If more space is needed, use a Special Report and attach to the inspection report.

**Recommendations:** Check "Yes" or "No" to indicate whether or not acceptance is recommended.

**Code No.:** Code number of inspector.

**Grove Inspector's Signature and Date:** Signature of inspector and date of inspection.

**TEXAS CITRUS GROVE INSPECTION REPORT**  
(For Illustration Purposes ONLY)

Name of Insured or Applicant I. M. Insured	County Any County	Contract Number XXXXXXXX
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- I. (a) Check and verify all entries on the acreage report. If any entries are questionable, determine accuracy and correct if necessary.
- (b) Name and address of insured or agent: I.M. Agent, P.O. Box XXX, Any Town, Any State Phone Number XXX-XXX-XXXX
- (c) Insicate previous RMA experience or other groves in area: Previous MPCl experience was good.
- (d) Is grove managed by owner? Yes  No  If "no," who manages it? \_\_\_\_\_ Phone Number \_\_\_\_\_
- (e) Is gorve located in an established citrus area? Yes

II.

Unit No. 1	Type 2	Acres in Plot 3	Tree Spacing 4	Tree Count 5	Year Set 6	Tree Condition 7	Rate Area 8	Frost Protection Equipment 9
00100	Early Orange	13.0	16 X 12.5	2808	MM/YYYY	Good	D06	None
00200	Late Orange	15.2	16 X 12.5	3283	MM/YYYY	Good	D06	None
00300	Other Grapefruit	7.1	16 X 25	582	MM/YYYY	Good	D01	None

<b>Excluded Acreage</b>								
	Late Orange	20.0	16 X 25	1200	MM/YYYY	Abandoned		

The citrus acreage covered by the above contract was inspected on date shown below with the following results:

1. \_\_\_ Nothing found to require a change in the data reported.

2.  Data reported was found to be such that a revised acreage report was prepared.

Remarks: 00100 - 108 trees per acre in original pattern, 910 dehorned 5/YYYY, 494 trees replaced 5/YYYY, 1404 trees interset 5/YYYY  
00200-108 trees per acre in original pattern, 988 trees dehorned 6/YYYY, 653 trees replaced 7/YYYY, 216 trees per acre with new pattern, 1,642 new trees set out 5/YYYY  
00300 - 108 trees per acre in original pattern, 582 trees dehorned 7/YYYY

Is Application/Acreage Report Recommended for Acceptance?  Yes <input checked="" type="checkbox"/> No	Code No.  xxxxx	Signature of Grove Inspector  <b>I. M. Inspector</b>	Date  MM-DD-YYYY
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## APH YIELD LIMITATIONS/YIELD FLOOR

## 1 EXAMPLE 1

1A **Carryover insured with actual yields.** The following **Corn** example assumes a 100-bu. "T" Yield through the 2003 crop year for a carryover insured with two years of low actual yields.

A(1) **For 2002**, the insured reported an actual yield of 53 bushels per acre for the 2001 crop year due to hail damage. The approved APH yield was calculated by using the actual yield (53 bu.) and three 80 percent "T" Yields ( $A53 + E80 + E80 + E80 = 293 \div 4 = 73$ ). Yield substitution under the APH Yield Adjustment was not elected.

A(2) **For 2003**, the insured reported an actual yield of zero bushels per acre for the previous (2002) crop year. (The corn was flooded out.) Yield substitution under the APH Yield Adjustment is elected.

(2)(a) Average APH Yield. The zero actual yield is added to the previous production data and two 90 percent "T" Yields (90 bu.) are used to complete the 4-year database ( $A0 + A53 + N90 + N90 = 233 \div 4 = 58$ ).

(2)(b) APH Yield Adjustment (YA). Sixty percent of the "T" Yield is substituted for the two low actual yields and two 90 percent "T" Yields are used to calculate the adjusted yield ( $YA60 + YA60 + N90 + N90 = 300 \div 4 = 75$ ).

(2)(c) The 10 Percent Yield Limitation (Cup) is calculated by multiplying the previous year's approved APH yield x .90 ( $73 \times .90 = 66$ ). (Normal rounding rules apply.)

(2)(d) Yield Floor. (NACAT → The insured has provided two years of records and is eligible for the 75 percent yield floor (100 bu. "T" Yield x .75 = 75bu). ← NACAT)

(2)(e) Approved APH Yield.

1 The cupped yield (66 bu.) and (NACAT → the yield floor (75), and the APH Yield Adjustment (75) are compared. The insured may elect to use the yield calculated using yield substitutions under the APH Yield adjustment or the yield floor (75). ← NACAT)

2 (CAT → The cupped yield (66 bu.), the average APH yield (58) and the APH Yield Adjustment (75), if elected, are compared. The approved APH yield selected by the insured is the cupped yield (66 bu.) unless yield substitutions under the APH Yield Adjustment are elected. ← CAT)

(2)(f) The premium rate is determined by:

1 (NACAT → Using the average APH yield (58 bu.) when the approved APH yield is the yield floor. ← NACAT)

2 (CAT → Using the cupped yield (66 bu.), and adding a five (5) percent surcharge when the approved APH yield is the cupped yield. ← CAT)

3 Using the average APH yield (58 bu.), if the approved APH yield is calculated using yield substitution(s) under the APH Yield Adjustment Election.

## 2 EXAMPLE 2

2A **Carryover insured with actual yields.** The following **Cotton example** (solid-planted or irrigated skip-row cotton) assumes a 400-lb. "T" Yield **through the 2003 crop year**, for a carryover insured with five years of actual records which reflect three low actual yields.

A(1) **For crop year 2002**, the insured reported actual yields of 600 Lbs. (1998 crop year), 245 lbs. (1999 crop year), 0 lbs. (2000 crop year), and 300 lbs. (2001 crop year) per acre. The **average APH yield** is 286 ( $A_{600} + A_{245} + A_0 + A_{300} = 1145 \div 4 = 286$ ). **Yield substitutions under the APH Yield Adjustment election resulted in an approved APH yield of 346** ( $A_{600} + A_{245} + 240/A_0 + 300 = 1385 \div 4 = 346$ ).

A(2) **For crop year 2003**, the insured reported an actual yield of 50 Lbs. per acre for the previous crop year (2002). (The cotton was damaged by drought.)

(2)(a) **Crop year 2003 average APH yield.** The 50-Lb. actual yield was added to the previous data and used to complete the APH database.  $A_{600} + A_{245} + A_0 + A_{300} + A_{50} = 1195 \div 5 = 239$  **average APH yield.**

(2)(b) **10 percent yield limitation (Cup), is not applicable since the previous year's approved APH yield was calculated using yield substitutions.**

(2)(c) **Yield Floor. (NACAT →** The insured has provided five years of records and is eligible for the 80 percent yield floor (400-lb. "T" Yield  $\times .80 = 320$  lb.). **←NACAT)**

(2)(d) **APH Yield Adjustment (YA).** Sixty percent of the "T" Yield is substituted for the two low actual yields ( $A_{600} + A_{245} + 240/A_0 + A_{300} + 240/A_{50} = 1625 \div 5 = 325$ ).

(2)(e) **Approved APH Yield.**

1 **(NACAT →** The yield floor (320 Lbs.) and the APH average yield (239) are compared. **The insured may elect to use the yield calculated using yield substitutions under the APH Yield adjustment (325) or the yield floor (320).** **←NACAT)**

2 **(CAT →** The average APH yield (239) and the yield calculated using APH Yield Adjustments (325) are compared. **The insured may elect to use the yield calculated using yield substitutions (325).** **←CAT)**

(2)(f) **The premium rate is determined by using the average APH yield (239) for the (NACAT → yield floor or ←NACAT) for the yield calculated using yield substitutions under the APH Yield Adjustment Election.**

2B **For Non-Irrigated Cotton** planted to a qualifying skip-row pattern, the approved APH yield is calculated on a solid-planted basis; however, the applicable yield conversion factor is applied when determining the approved APH yields for qualifying skip-row patterns.

### 3 EXAMPLE 3 - Category B Crop

**3A** No production records. A new insured who has produced the insured crop did not provide any production records. The insured is eligible for 65% of "T" Yield.

RMA "T" Yield is 100

1998	S65
1999	S65
2000	S65
2001	<u>S65</u>
	260/4 = 65

2002 Approved APH Yield is 65

Yield limitations (Cups) do not apply until the insured provides an actual record or the assigned yield provision is applied.

**3B** The carryover insured provided 2001 production history. The actual yield for the most recent crop year has been reported and is used to calculate the approved yield.

1999	E80
2000	E80
2001	E80
2002	<u>A95</u>
	335/4 = 84

The average yield is 84; the 2003 crop year Approved APH Yield is 84.

**3C** The carryover insured provided production records for the 2001 and 2002 crop year. Yield limitation provisions (CUPS) do not apply because the insured provided MORE than the most recent crop year production records.

1999	N90
2000	N90
2001	A40
2002	<u>A95</u>
	315/4 = 79

The 2003 crop year Approved APH Yield is 79.

**3D** Assigned Yield. If the carryover insured did not provide ANY production records for the 2002 crop year, assigned yield provisions apply.

1999	E80
2000	E80
2001	E80
2002	<u>P49</u> (65 x 75%)
	289/4 = 72

The 2003 crop year Approved APH yield is 72.

**3E** The carryover insured provided a production report for the **2003** crop year. The prior year's approved APH yield was 97 and was not a yield floor or calculated using yield substitutions.

1998	A105
1999	A80
2000	A98
2001	A103
2002	A0
386/5 = 77	

The average yield is 77; however, the 2003 crop year Yield is CUPPED AT 87 (97 x 90%).

**4 CHART**

The following chart illustrates when "cupped" yields ("cups") apply and do NOT apply:

SITUATION	ELIGIBLE FOR CUP?	[REFERENCE]
New insured	No	Sec. 6C(1)(b)
Carryover insured updates with most recent year's history	Yes 1/	Sec. 6I
Most recent year was zero planted: Database contains actual history Database does not contain actual history	Maybe...	Sec. 6I(4)(b)
	1/ Yes	Sec. 6C(1)(b)
	No	Sec. 6C(1)(b)
Carryover insured provides additional years of history besides most recent	No	Sec. 6I(6)(c)3
Yield floor is higher than cup	No (use yield floor)	Sec. 6I(4)(d)2
Yield substitution and cup applicable	1/ Insured's choice	Sec. 13D(b)
Published "T" Yield changes: Change is less than 10% (up or down) Change is 10% or more (up or down): & 0-3 years of history (A & J) in database ("T" Yield needed) & 4+ years of history (A & J) in database ("T" Yield not needed)	Maybe...	Sec. 6E(1)(a)
	1/ Yes	Sec. 6I(6)(c)7
	Maybe...	Sec. 6I(6)(c)7
	No	Sec. 6I(6)(c)7
	1/ Yes	Sec. 6I(6)(c)7
Other revisions to previously approved yields	No	Sec. 6I(6)(c)1-8
Other special cases	No	Sec. 6I(6)(a),(b)
Prior yield used yield floor	No	Sec. 6I
Prior yield used yield substitution	No	Sec. 6I

1/ Prior year's approved APH Yield did not use yield floor or yield substitution under the APH Yield Adjustment Election.

**SUMMERFALLOW DATABASES**  
**EXAMPLE 1 , CC YIELD HIGHER THAN SF YIELD**

**Step 1** Calculate the SF yield for a new insured using standard variable "T" Yield procedure and compare to the CC approved APH yield. In this example, two years of records have been provided for the crop/county for the current crop year (qualifies for a 90% variable "T" Yield). The SF "T" Yield = 30; the CC "T" Yield = 33. The SF database is retained, but the higher CC database is duplicated and reported for the SF practice.

<b>SF APH CURRENT YEAR</b>			
YEAR	PROD.	ACRES	YIELD
97			N27
98			N27
99			N27
00	4200	100.0	A42
01		0.0	Z
		<b>Total</b>	<b>123/4=31</b>
2002 SF APH		31	

<b>CC APH CURRENT YEAR</b>			
YEAR	PROD.	ACRES	YIELD
97			
98			N25
99			N25
00	3800	100.0	A38
01	4500	100.0	A34
		<b>Total</b>	<b>128/4=32</b>
2002 CC APH		32	

**Step 2** Retained SF database updated in subsequent crop year (better than CC yield).

<b>SF APH - SUBSEQUENT YEAR</b>			
YEAR	PROD.	ACRES	YIELD
98			T30
99			T30
00	4200	100.0	A42
01		0.0	Z
02	4500	100.0	A45
		<b>Total</b>	<b>147/4=37</b>
2002 SF APH		37	

<b>CC APH - SUBSEQUENT YEAR</b>			
YEAR	PROD.	ACRES	YIELD
98			
99			T28
00	3800	100.0	A38
01	4000	100.0	A40
02	3700	100.0	A37
		<b>Total</b>	<b>143/4=36</b>
2003 CC APH		36	

**EXAMPLE 2, SF YIELD HIGHER THAN CC YIELD**

Three years of records have been provided for the crop/county for the current crop year. SF "T" Yield = 30; CC "T" Yield = 28

In this case, the SF APH would be reported for the SF practice since it is higher than the CC APH.

<b>SF APH - CURRENT YEAR</b>			
YEAR	PROD.	ACRES	YIELD
98			T30
99			T30
00	5200	100.0	A52
01		0.0	Z
02	4800	100.0	A48
		<b>Total</b>	<b>160/4=40</b>
2003 SF		APH	40

<b>CC APH - CURRENT YEAR</b>			
YEAR	PROD.	ACRES	YIELD
98			
99			T28
00			T28
01	3800	100.0	A38
02	3400	100.0	A34
		<b>Total</b>	<b>128/4=32</b>
2003 CC		APH	32

**ADDITIONAL BEAN PROCEDURE FOR UNITS AND YIELDS BY TYPE****1 DEFINITIONS**

**1A BEANS.** Dry beans and contract seed beans.

**1B DRY BEANS.** The crop defined by the United States Standards for Beans excluding contract seed beans. The insured may elect to insure dry bean acreage grown under contract with a seed company as commercial dry beans provided it is reported as the appropriate type (not contract seed) on the acreage report. The minimum quality standards stated in the seed contract will not apply.

**1C CONTRACT SEED BEANS.** Dry beans grown under the terms of a seed bean processor contract for the purpose of producing dry beans or vegetable beans in a future crop year.

**1D TYPE.** A category of beans identified as a type in the Special Provisions.

**2 (NACAT → UNIT DIVISION FOR DRY AND CONTRACT SEED BEANS)**

**2A 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 or contract seed beans in the county in which the insured has:

A(1) **100 percent share**; or

A(2) **Is owned by one entity and operated by another** specific entity on a share basis.

**2B Optional Units.** Basic units determined in A above may be further divided into optional units by:

B(1) **Bean Type** Shown on the Special Provisions (Dry Beans ONLY, See Par. 3A).

B(2) **Section, Section Equivalent, or FSA FSN** (Dry Beans or Contract Seed Beans IF the contract specifies the number of acres under contract).

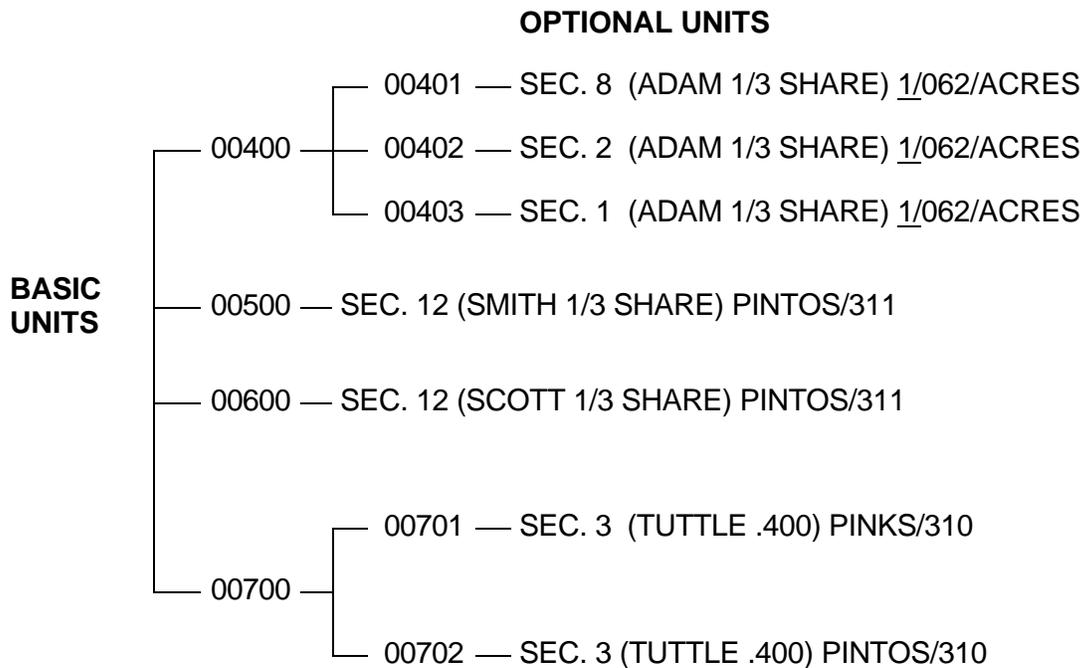
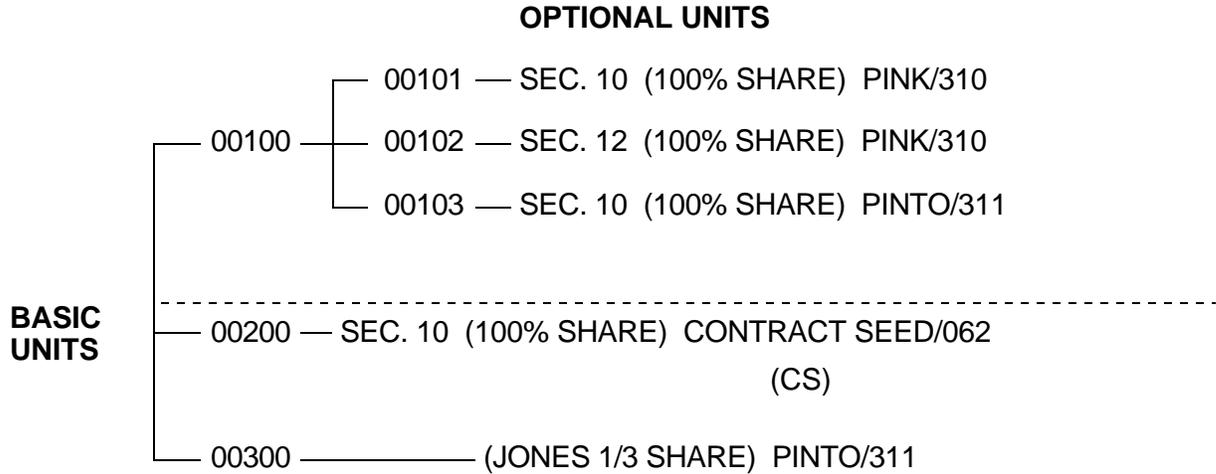
B(3) **Irrigated and Non-irrigated Practices** (Dry Beans or Contract Seed Beans IF the contract specifies the number of acres under contract).

B(4) **Written Unit Agreement** (Dry Beans or Contract Seed Beans IF the contract specifies the number of acres under contract).

Note: Optional units are not available for contract seed beans grown under a seed bean processor contract that specifies ONLY an amount of production.

2C Determining and Numbering Units

Refer to the following examples and Sec. 4, D(4) for additional unit determination instructions. Sec. 4, D(5) provides instructions for numbering basic and optional units.



1/ If contract specifies the number of acres. (If contract specified ONLY an amount of production one basic unit.) ← **NACAT**)

**3 BEAN TYPES****3A Special Provisions**

The following dry bean types are listed as insurable types on the Actuarial Table (Special Provisions). "Type" is synonymous with "class" as used in the U.S. Standards for Beans; however, there may be more than one variety within a class (type).

**NACAT** → separate optional unit may be established for each type as provided in the Dry Bean Crop Provisions **←NACAT**). A dry bean policyholder **MUST** insure ALL insurable dry bean types and contract seed beans in the county. Production reports must be filed timely (by unit) for all types of insurable dry and contract seed beans.

- A(1) \*Adzuki. Type Code 321.
- A(2) Baby Lima (characteristic of the Small White Lima of the Henderson Bush, Thoroughgreens, and similar types). Type Code 320.
- A(3) \*Black Turtle Soup. Type Code 303.
- A(4) Blackeye (Cowpeas of the Blackeye variety). Type Code 315.
- A(5) Cranberry (known as Speckled Cranberry and Horticultural Pole). Type Code 304.
- A(6) Dark Red Kidney. Type Code 305.
- A(7) Flat Small White (the type as grown in northern Idaho). Type Code 312.
- A(8) \*Garbanzo. Type Code 306.
- A(9) Great Northern. Type Code 307.
- A(10) Large Lima (characteristic of the Large White Pole and Burpee Bush Lima type). Type Code 319.
- A(11) Light Red Kidney. Type Code 308.
- A(12) Marrow (not including Red Marrow). Type Code 317.
- A(13) Tebo. Type Code 322.
- A(14) Pea (the type grown in the Great Lakes region known also as Navy beans or Medium White beans). Type Code 309.
- A(15) Pink (including California Pink). Type Code 310.
- A(16) Pinto (including the Mexican Pinto type but not the type known as Spotted Red Mexican). Type Code 311.
- A(17) Small Red (known as Red Mexican, California Red, and Idaho Red). Type Code 313.
- A(18) Small White (the type as grown on the Pacific coast, not including Tepary). Type Code 314.
- A(19) White Kidney. Type Code 318.
- A(20) Yelloweye. Type Code 316.

\* Types of dry beans recognized as insurable but not defined as a "class" of beans by the United States Standards for Beans..

**3B Other Insurable Bean Types:**

Contract Seed. Type code 062.

**4 LEVEL OF COVERAGE AND PRICE ELECTIONS****4A Levels of Coverage**

One level of coverage (50%, 60%, 65%, 70% or 75%) applies to all types of dry beans and contract seed beans on a policy/county.

**4B Price Elections**

Price elections for dry beans may vary by type when the Special Provisions provide different price elections by type. For contract seed beans, the insured may select ONE price election ranging from 60 percent through 100 percent of the contract price.

**4C APH Yield Calculation**

[For additional instructions for APH procedure not covered in this exhibit, see Sec. 6.]

C(1) **Separate yields are required** to establish or update an approved APH yield for the following:

(1)(a) Insurable dry bean types indicated on the applicable actuarial document for the current crop year.

(1)(b) Units (Basic and (NACAT → Optional ← NACAT)).

(1)(c) Irrigated and Non-Irrigated insurable practices.

C(2) **All insureds** are required to file production reports separately for each insurable type that was grown (by unit).

NOTE: It is not necessary to create an APH form and calculate an approved APH yield for ALL possible insurable types. However, if a new insurable type is grown on which an approved APH yield has not been calculated [See Exhibit 36.] then the applicable Special "T" yield(s) for an added type will apply.

C(3) **Different "T" Yield areas (T-map areas) within a unit.** [See Sec. 6 E(2).]

C(4) **Yield limitation provisions** [See Sec. 6, I].

## ADDITIONAL MALTING BARLEY PROCEDURE

(NACAT →

### 1 APH INSTRUCTIONS FOR FEED BARLEY DATABASES

#### 1A Option A or B Approved APH Yield(s)

Under Option A or B, approved APH yield(s) MUST be calculated for Feed Barley. Acreage and production records must meet acceptability requirements outlined in this handbook for APH purposes. All Feed Barley approved APH yields must be calculated in accordance with the Small Grains Crop Provisions and APH procedures. Feed Barley APH database(s) MUST be established and updated by attributing ALL Barley acres and production (non-Malting varieties, approved Malting varieties, and non-approved Malting varieties) from acceptable records to the applicable Feed Barley database. A separate database must be established for each applicable practice and spring and winter types indicated on the county actuarial table. For instructions concerning Malting Barley Databases when Option A is elected, refer to [Par. C] of this Exhibit.

#### 1B Applicable Grade Standards

The quality standards for approved Malting Barley varieties insured under Option A or Option B are defined in the Malting Barley Price and Quality Endorsement. These standards are used in determining Malting Barley production to count for APH and claims. Failure to meet any of these standards MUST result from INSURABLE CAUSES if such loss in quality is to be recognized in indemnity calculations.

#### 1C Option A

C(1) To Qualify for Option A, each NEW or CARRYOVER insured must provide, no later than the PRD, acceptable Malting Barley production reports, by practice for at least the four most recent APH crop years prior to the crop year immediately preceding the current crop year (e.g., at least 01, 00, 99 and 98, are required). Each Malting Barley APH crop year reported must be accompanied by acceptable records by practice of the SALES of Malting Barley production or proof that production met all quality standards contained in the Malting Barley Price and Quality Endorsement and the ACRES PLANTED TO MALTING VARIETIES. For the purposes of Option A, "sales of Malting Barley" means the production of Malting Barley sold as MALT, and if the local feed price was higher than the local malt price, production sold as feed that meets Malting Barley quality standards. In order to qualify for Option A, the insured must:

(1)(a) Provide Malting Barley production report by practice, and number of acres planted to Malting Barley varieties by the PRD.

(1)(b) Indicate on the production report the actual bushels of approved Malting Barley varieties sold as Malting Barley and as Feed Barley. To use the Malting Barley production sold as feed, the insured must provide production records proving:

1 The production met approved Malting Barley quality standards as outlined in the Malting Barley Price and Quality Endorsement, and quality must be determined based on an objective test as defined in the Malting Barley Price and Quality Endorsement;

2 The local feed Barley price was higher than the local Malting Barley price.

Example 1: The producer planted 100 acres of approved Malting Barley varieties, and fifty percent of the production was sold as Malting Barley and fifty percent of the production was sold as feed barley. The production records indicated the production sold as feed was higher than the Malting Barley price and met approved Malting Barley quality standards. Therefore, all of the production is considered as Malting Barley and recorded on the Malting Barley production report.

Example 2: The producer planted 100 acres of approved Malting Barley varieties and all of the production was sold as feed barley. The producer was unable to provide acceptable records indicating the production met the Malting Barley quality standards. In this example, 100 acres and zero production are recorded on the Malting Barley production report.

C(2) **Insurable Acreage.** All insurable Barley acreage in the county planted to an approved Malting Barley variety in which the insured has a share will be insured. However, the Malting Barley production guarantee per acre will be limited [See (5) below].

C(3) **Feed Barley APH Databases.** When Option A is elected separate databases must be established for both Feed Barley and Malting Barley. Calculate the approved APH yield for Feed Barley and structure Feed Barley databases [according to Par. 1A of this exhibit].

Note: "T" Yields are applicable to Feed Barley databases. Yield limitations (cups), yield substitution and yield floors do apply.

C(4) **Option A APH Databases.** An average **malting barley** APH yield is determined by calculating a simple average of the insured's total Malt Barley yields for each practice (determined from sales records), divided by the number of years of sales records provided.

(4)(a) A separate Malt Barley APH database must be established for each practice. Coverage under Option A will not attach to any practice with less than four years of acceptable Malting Barley records.

(4)(b) "T" Yields are not applicable to Option A Malting Barley databases. Yield limitations (Cups), **yield substitution** or yield floors do not apply.

(4)(c) For each subsequent crop year, the insured must provide acceptable production reports (accompanied by acceptable records of sales of Malting Barley and acres planted to malting varieties by practice) by the PRD for the APH crop year immediately preceding the current crop year. If the insured fails to do so, insurance will not attach under Option A (assigned yields are not used).

C(5) **Guarantee for Option A.** The approved APH yield used to determine the production guarantee for Option A will be the lesser of:

(5)(a) Feed Barley. The applicable approved APH yield calculated for Feed Barley by unit and practice; or

(5)(b) Malting Barley. The average APH yield calculated by practice [in Par. (4) above] using acceptable Malting Barley production reports/records.

**1D Option B.** Only contracted production is insured under this option.

D(1) **To qualify for Option B**, the insured must submit a copy of the Malting Barley contract for the current crop on or before the acreage reporting date. The Insurance Provider must retain the copy for verification purposes. Contract requirements:

(1)(a) **Agreement in writing.** The contract must be an agreement in writing between the producer and a brewery or business enterprise that produces or sells **MALT** or processed mash to a brewery, or business enterprise owned by such brewery or business; and

(1)(b) **Obligations.** The contract must contain the amount of contracted production, the purchase price, or method to determine the purchase price, and other such terms that establish the obligations of each party to the agreement.

If the insured fails to provide the contract timely, or any terms are omitted, the insurance provider may determine the information necessary to provide insurance under Option B or deny the liability provided by Option B.

D(2) **Insurable acreage.** All insurable Barley acreage in the county planted to an approved Malting Barley variety in which the insured has a share will be insured.

D(3) **Feed Barley APH/Databases.** When Option B is elected, calculate the approved APH yield and structure the Feed Barley databases [according to Par. 1A].

D(4) **Option B Yield.** For processing purposes, the yield used to calculate the production guarantee for Option B, will be the result of multiplying the Feed Barley approved APH yield (by unit/location/practice) by a contracted Malting Barley APH/bushel factor (.xxx), not to exceed 1.000.

(4)(a) **The factor is calculated by** dividing the number of Malting Barley bushels contracted by the **TOTAL** weighted bushels of Feed Barley. The weighted Feed Barley bushels are calculated by multiplying the Feed Barley approved APH yield (for the corresponding practice and location) times the acreage planted to an approved variety of Malting Barley (by practice and location corresponding to the Feed Barley approved APH yield). [See Par. 1F of this Exhibit for a sample worksheet (Col. 1-7) and completion instructions. See Example 1, following, for a completed example.]

(4)(b) **Documentation.** The calculations used to determine the factor must be documented on a worksheet, signed and dated by agent, and approved by the verifier. It becomes part of the APH file and is subject to verification during the APH review process.

(4)(c) **The approved Option B yield** is not required to be calculated and transmitted to RMA on an APH form (type 15 record).

(4)(d) **Acreage Report.** The Option B Yield must be entered in the approved APH yield column of the acreage report for processing purposes, and the contracted bushels and APH/bushel factor must be entered in the remarks section.

**EXAMPLE 1 : Option B APH/Bushel Factor.**

The insured's acreage report indicates 120 acres of an approved Malting Barley variety (MB) was planted on acreage corresponding to Feed Barley (FB) unit 00101 and an irrigated practice will be carried out [see worksheet row one]; 80 acres of an approved MB variety was planted on acreage corresponding to FB unit 00102 and that an irrigated practice will be carried out [See worksheet row two]; 60 acres of an approved MB variety was planted on acreage corresponding to FB unit 00200 and a summerfallow (SF) practice will be carried out [See worksheet row three]; and 100 acres of an approved MB variety was planted on acreage corresponding to FB unit 00200 and that a Continuous Cropping (CC) practice will be carried out [See worksheet row four]. The FB approved APH yields are listed for the corresponding acreage in Col. 3 of the worksheet. The insured has additional acreage of FB (not planted to an approved MB variety); however, it is not necessary to enter it on the worksheet. The insured has acceptable Malting Barley contracts with two breweries [See Col.6].

**COLUMNS 1-7, WORKSHEET FOR DETERMINING OPTION B APH/BUSHEL FACTOR**

(1) UNIT (FB)	(2) PRAC- TICE	(3) (FB) APH YIELD	(4) PLANTED ACRES(MB)	(5) COL(3) X (4)	(6) CONTRACTED BU(MB)	(7) COL(6) ÷ (5)
00101	IRR	70	120.0	8,400	<u>1/</u> 10,000	
00102	IRR	62	80.0	4,960	<u>2/</u> 5,000	
00200	SF	48	60.0	2,880		
00200	CC	35	100.0	3,500		
				<b>TOTAL:</b> 19,740	<b>TOTAL:</b> 15,000	<b>FACTOR:</b> .760

1/ Contract # A, guaranteed sale price of \$6.50 per cwt.

2/ Contract # B, guaranteed sale price of \$6.80 per cwt.

D(5) **Option B, Additional Value Price Election.** The additional value price election per bushel, NOT TO EXCEED \$2.00 PER BUSHEL, for approved Malting Barley varieties insured under Option B, is the lesser of, as applicable:

(5)(a) The guaranteed sale price per bushel established in the Malting Barley contract (without regard to discounts or incentives) minus the maximum price election for Feed Barley; or

(5)(b) The premium price per bushel (without regard to discounts or incentives) if the sale price is based on a future market price as specified in the Malting Barley contract.

If more than one contract price (sale prices or premium prices) apply to the policy, a weighted average Malting Barley contract price per bushel must be calculated in order to determine the additional value price election. Refer to Par. 1F of this Exhibit for a sample worksheet (Col. 6, 8-12) and completion instructions. See Example 2 following, for a completed example.

**EXAMPLE 2:** Weighted Average MB Contract Price.

Continuing the previous example, the weighted average Malting Barley contract price is calculated as follows:

**COLUMNS 6, 8-12 WEIGHTED AVERAGE MB CONTRACT PRICE WORKSHEET**

(6) CONTRACTED BU. (MB)	(8) PRICE (CWT)	(9) (CWT) FACTOR	(10) PRICE(BU) OR (8)X(9)	(11) DOLLARS (6)X(10)	(12) PRICE:TOTALS COL(11)÷(6)
1/ 10,000	\$6.50	.48	\$3.12	\$31,200	
2/ 5,000	\$6.80	.48	\$3.26	\$16,300	
<b>TOTAL:</b> 15,000				<b>TOTAL:</b> \$47,500	<b>AVE MB PRICE</b> \$3.17

The Additional Value Price Election, not to exceed \$2.00 per bu., is determined by subtracting the maximum price election for Feed Barley from the weighted average Malting Barley price (this example \$3.17 - \$2.15 [maximum Feed Barley price election] = \$1.02).

**1E Premium Calculation**

The base premium rate for Option A or Option B Malting Barley is the base premium rate for the Feed Barley approved APH yield for the SAME LOCATION and PRACTICE.  
 Formula: (Malt Barley Per-acre Production Guarantee) X (share) X (acres) X (additional value Malt Barley price election) X (base premium rate for Feed Barley) X (1.1 [rate class option factor]) X (.9 [basic unit discount]) X (producer premium percentage [for level elected]) = Malt Barley Premium.

**1F Option B Worksheet** [Refer to the following page for the Option B Worksheet and completion instructions.]

F(1) **APH/Bushel Factor.** Complete Columns 1-7 to determine the Option B APH/Bushel factor.

F(2) **Weighted Average Contract Price.** Use Column 6 and complete Columns 8-12 to determine the weighted average Malt Barley contract price when the policy covers more than one contract price and the contract prices are different.

COLUMNS 1-7, WORKSHEET FOR DETERMINING OPTION B APH/BUSHEL FACTOR  
 COLUMNS 6, 8-12, WEIGHTED AVERAGE MB CONTRACT PRICE WORKSHEET

(1) UNIT (FB)	(2) PRAC - TICE	(3) (FB) APH YIELD	(4) PLANTED ACRES (MB)	(5) COL (3) X (4)	(6) CONTRACTED BU. (MB)	(7) COL (6) ÷ (5)	(8) PRICE/ CWT (MB)	(9) (CWT) FACTOR	(10) PRICE/BU: OR COL (8) X (9)	(11) DOLLARS COL (6) X (10)	(12) PRICE:TOTALS COL (11) ÷ (6)
				TOTAL:	TOTAL:	FACTOR:				TOTAL:	AVE MB PRICE

COL

- 1 Enter the Feed Barley (FB) unit number. An entry must be made if for the Feed Barley location, acreage is planted to an approved MB variety. A separate line entry must be made for each practice.
- 2 Enter the applicable FB practice.
- 3 Enter the FB approved APH yield, for each unit and practice on which MB is planted.
- 4 Enter the acres planted to an approved MB variety for each practice. This acreage must correspond to the FB APH by unit and practice.
- 5 Multiply the FB APH yield (Col. 3) times the MB acreage (Col.4). Enter the result in Col. 5 and total the line entries.
- 6 Enter the contracted bushels of Malting Barley (MB). If more than one contract, enter the total contracted bushels for each contract on a separate line. If the contracted bushels represent the insured's share (less than 100%) of the contracted bushels to be grown, the number of contracted bushels may be increased to represent 100% of the bushels from the contracted acreage. For example, if 10,000 bushels were contracted and represented a 75% share, the number of bushels entered in column 6 would be 13,333 (10,000 ÷ .75).
- 7 Divide the total contracted bushels (Col.6) by total bushels (Col. 5) and enter the quotient to three decimal places, not to exceed 1.000. This factor is then multiplied times the FB APH yield (Col. 3) to determine the MB approved yield.

If MORE than one contract price and contract prices are different per bu:

- 8 If the contract price is per cwt. enter the contract price applicable to the contracted bu. (Col. 6). If the contract price is per bushel leave blank.
- 9 Enter .48 if the contract price is per cwt. If the contract price is per bushel leave blank.
- 10 If the contract price is per cwt., multiply the Price CWT. (Col. 8) by .48 (Col. 9) and enter the resulting price per bushel in Col. 10. Round to nearest cent (.XX). If the contract price is per bushel, enter the contract price applicable to the Contracted Bushels (Col.6).
- 11 Multiply the Contracted Bushels for each contract (Col. 6) times the applicable the Price Per Bu. (Col. 10) and enter the result in Col. 11. Total the Dollars for all contracts.
- 12 Divide the Total Dollars (Col. 11) by the Total Contracted Bushels (Col 6) and enter the quotient as the weighted average MB contracted price (Col.12). Round to the nearest cent (.XX). Deduct the maximum Feed Barley price election from the Average MB price (Col. 12). The remainder not to exceed \$2.00 is the additional value Malt Barley price election.



**PARTICIPATION - FLOW CHART**

1. Sam Good wishes to use Bo Jack's records. He may do so because Bo receives a share in the crop for the current crop year.

CURRENT CROP YEAR	FSA FSN 1000 Section 10 Sam Good 2/3 Bo Jack 1/3
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2. The farm was renumbered in the most recent crop year, but it is the same land. Bo Jack's records meet the acceptability requirements and may be used for the crop year.

MOST RECENT CROP YEAR TO THE CURRENT CROP YEAR	FSA FSN 1000 Section 10 Bo Jack 100%
--	--

3. Bo Jack's records are acceptable so they may be used.

NEXT MOST RECENT CROP YEAR	FSA FSN B-126 Section 10 Bo Jack 100%	(FSA FSN Renumbered)
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4. Bo Jack's records are acceptable so they may be used.

NEXT MOST RECENT CROP YEAR	FSA FSN B-126 Section 10 Bo Jack 100%
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5. Bo Jack's record are acceptable so they may be used.

NEXT MOST RECENT CROP YEAR	FSA FSN B-126 Section 10 Bo Jack 100%	(FSA FSN Reconstituted Change of ownership)
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6. FSA FSN C-20 consists of the same land and Bo Jack's records are acceptable for the crop year so they may be used.

NEXT MOST RECENT CROP YEAR	FSA FSN C-20 Section 10 Bo Jack 2/3 Don Matt 1/3
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7. Bo Jack did not have a share in the crop. A break in continuity occurs. Actual yields are therefore reported for items 1 through 6.

NEXT MOST RECENT CROP YEAR	FSA FSN C-20 Section 10 Don Matt 100
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(NACAT →)

**EXAMPLE  
HIGH-RISK LAND EXCLUSION OPTION**

OMB No. 0563-0053

**FCI-549**  
(Rev. 4-01)

U. S. DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation

**HIGH-RISK LAND EXCLUSION OPTION**

**This is a continuous Option.  
Refer to item 5 of this Option.**

INSURED'S NAME	CONTRACT NO.
ADDRESS	CROP YEAR
	IDENTIFICATION NUMBER <input type="checkbox"/> SSN <input type="checkbox"/> TAX
CROP(S)	COUNTY

Upon our approval of this Option, we agree to amend your Federal Crop Insurance Policy to exclude from crop insurance coverage all high-risk land for the identified crop(s) and county in which you have a share, subject to the following terms and conditions:

1. The Option must be submitted to us on or before the final date for accepting applications for the initial crop year in which you wish to exclude high-risk land.
2. In the event of a loss on any insured unit, you must provide separate production records showing planted acreage and harvested production for any acreage which is excluded from crop insurance coverage under this Option.
3. By signing this Option, you are declining crop insurance coverage under the general crop insurance policy and the crop endorsement on your high-risk land.
4. As used in this Option, "high-risk" land is any land to which a high risk classification and premium **rate** factor **are contained on** the actuarial **document**.
5. This Option may be canceled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date provided by the policy, preceding such crop year.
6. You must report, on the acreage report for each crop year, the acreage of the crop planted on high-risk land.
7. All other provisions of the policy not in conflict with this Option are applicable.

INSURED'S SIGNATURE	DATE
REPRESENTATIVE'S SIGNATURE AND CODE NUMBER	DATE

"The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§ 1006, 1014; 7 U.S.C. § 1506; 31 U.S.C. §§ 3729, 3730 and other federal statutes." ← NACAT)

**ADDITIONAL FORAGE PRODUCTION PROCEDURE****1 FORAGE PRODUCTION****1A "T" Yields**

Forage Production insureds with less than four years of actual records must use the current year's variable "T" Yield [see Sec. 6, C(1) and (2)].

Yield limitation provisions are applicable if in effect.

**1B Approved APH Yields When Types Change**

Separate approved APH yields are required for types, i.e., Alfalfa and Alfalfa Grass Mixture, when separate "T" Yields are indicated for the respective types on the actuarial table. For an added type, the approved APH Yield for the added type is calculated using the added P/T/V procedures [see Sec. 6, C(6)].

B(1) Example: Forage Production initially insured as Alfalfa qualifies as an Alfalfa Grass Mixture when:

- (1)(a) The percent stand falls below 60 percent Alfalfa [See the actuarial documents for percent and additional types]; or
- (1)(b) Does not meet the age of stand limitations and/or the alfalfa plant count required for alfalfa (see Adequate Stand/Minimum Required on the Special Provisions); but meets the age of stand limitations and alfalfa plant counts required for an Alfalfa Grass Mixture. Forage Production initially insured as Alfalfa or an Alfalfa Grass Mixture qualifies as:
  - 1 A Grass Alfalfa Mixture (if available) when the percent of stand falls below 25 percent alfalfa; or
  - 2 Does not meet the age of stand limitations, or alfalfa plant count required for an Alfalfa Grass Mixture Adequate Stand/Minimum Required; but meets the age of stand limitations and alfalfa plant counts required for a Grass Alfalfa Mixture.

B(2) If the insured has not produced the Alfalfa Grass Mixture or Grass Alfalfa Mixture for more than two APH crop years on the unit, added P/T/V provisions apply:

- (2)(a) Determine the number of years of actual/assigned yields for the crop/county for the previously insured type and identify the applicable "T" Yield percentage.
- (2)(b) Multiply the "T" Yield for the new type by the **applicable "T" Yield percentage.**
- (2)(c) Establish a four-year database for the new type with the resulting Variable "T" Yield preceded by the yield type descriptor code "C."
- (2)(d) Cups do not apply the first year this procedure is applicable.

**1C Forage Production Underwriting Report**

Policy provisions state that insurance will not attach on any acreage that does not have an adequate stand at the beginning of the insurance period. An adequate stand is a population of live forage plants that equals or exceeds the minimum required number of plants per square foot as shown in the Special Provisions.

All insureds must complete the Forage Production Underwriting Report [see Par. 2] for each field of forage production and submit a copy of the report to the Insurance Provider before insurance attaches. Crop inspections if needed, are made before the calendar date for the beginning of the insurance period. If a Claim for Indemnity was filed the preceding crop year and an adequate stand was determined, the Claim for Indemnity Report will be used to determine insurability.

The purpose of the Forage Production Underwriting Report is to identify each field and to certify basic information needed to determine type classification, unit structure, and insurability of the stand (age of stand and adequacy of plant count). This information will be used to update the APH form before requesting an Approved APH Yield for the upcoming crop year, and also to complete the acreage report.

**1D Completion instructions for the Forage Production Underwriting Reporting Form.**

<b><u>ITEM NO.</u></b>	<b><u>INFORMATION REQUIRED</u></b>
1. Insured's Name	The name of the insured applying for the coverage.
2. State	State name where insured forage production is located.
3. County	County name where insured forage production is located.
4. Crop Year	4-digit crop year, as defined in the policy.
5. Policy Number	Insured's policy number.
6. Unit Number	5-digit unit number.
7. FSN/Field ID	The FSA farm serial number (FSN)/Field ID.
8. Legal Description Sec/Twp/Rng	The legal description; Section, Township, and Range where forage production is located.
9. Acres	Total acres in field/subfield.
10. Share	Insured's share in the unit.
11. Shareholder/Farm Name	The name of the shareholder, if the insured's interest is less than 1.000 (100 percent.)
12. Date Seeded Mo/Yr	The month and year the forage was seeded (land completely broken up and reworked).

13. Forage Plants Per Sq. Ft. The number of forage plants per square foot. Calculate using the following steps:
- Step 1:** Select representative samples from each field or subfield. If the field/subfield consists of: 0.1-10.0 acres, select a minimum of three samples; 10.1-40.0 acres, select a minimum of 4 samples; add one additional sample for each additional 40.0 acres (or fraction thereof) in the field/subfield.
- Step 2:** Select a sample size (area in square feet, e.g., 1 square foot or 2 square feet, etc.) for all samples in the field/subfield. Identify samples in representative areas throughout the field (examples of measuring devices are contained in the FCIC –25150 Forage Loss Adjustment Standards Handbook).
- Step 3:** Count number of insurable live forage plants (alfalfa, clover or other insurable types shown on the county actuarial documents, but not including grass plants) within each sample area. Compute average number of plants/square foot (total number of plants divided by total number of square feet for all samples within a field/subfield).
- Step 4:** Enter separate plant counts for each type that applies.
14. Percent of ground cover, Alf/Clover/Other The percentage of the ground cover that is alfalfa, clover, or other insurable grass as determined by visual inspection. Note: This is to be completed if the Special Provisions define a type as specified in terms of percentage of ground cover.
15. Crop Practice Enter irrigated or non-irrigated.
16. Plants Other Than Forage List other significantly occurring plants, i.e., grasses, such as brome grass or orchard grass; or weeds, such as cheat grass or kochia.
17. Uninsurable Acres The number of acres based on the seeding date and stand information, rounded to tenths of an acre (overage or inadequate stand).
18. Acres Seeded With Another Crop List the acreage that has been seeded with another crop different than those listed on this form.
19. Remarks Any special information that clarifies items on this form.
20. Insured's Signature The insured must sign this form.
21. Date Date the insured signs this form.
22. Agent's Signature Signature of agent after the insured has signed.
23. Agent's Code Code number of Agent.
24. Date Date the agent signs this form.

**2 FORAGE PRODUCTION UNDERWRITING REPORT**

<b>1 INSURED'S NAME</b>	<b>2 STATE</b>	<b>3 COUNTY</b>	<b>4 CROP YEAR</b>	<b>5 POLICY NUMBER</b>
-------------------------	----------------	-----------------	--------------------	------------------------

Line No.	6 Unit Number	7 FSN/Field ID	8 Legal Description Sec/Twp/Rng			9 Acres	10 Share	11 Shareholder/ Farm Name	12 Date Seeded Mo/Yr	13 Forage Plants Per Sq.Ft. Alf/Clover/Other			14 % of Ground Cover Alf/Clover/Other			15 Crop Practice	16 Plants Other Than Alfalfa
1.																	
2.																	
3.																	
4.																	
5.																	
6.																	
7.																	
8.																	
9.																	
10.																	
11.																	

<b>17 Uninsurable Acres</b>	<b>18 Acres Seeded With Another Crop</b>
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<b>19 Remarks</b>
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I certify the information provided above, to the best of my knowledge, to be true and complete and that it will be used to determine my loss, if any, to my insured crops. I understand that this Production Worksheet and supporting papers are subject to audit and approval by the company. I understand that this crop insurance is subsidized and reinsured by the Federal Crop Insurance Corporation, an agency of the United States. The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§ 1006 and 1014 , U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes

<b>20 Insured's Signature</b>	<b>21 Date</b>	<b>22 Agent's Signature</b>	<b>23 Agent's Code</b>	<b>24 Date</b>
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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 Risk Management Agency (RMA). 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 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.

FALSE CLAIM STATEMENT - "The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§ 1006 and 1014, 7 U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes."

**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, audiotope, 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.

**1 RETAINING 10 CROP YEARS OF APH HISTORY**

**1A Example 1**

This example is for a carryover insured who has provided actual yields for crop years 1991, 1992, 1994, 1995, 1996, 1997, 1999, 2000 and 2001. 1993 and 1998 were zero-plant years. The base period for 2000 crop year is the 10 most recent APH crop years. The carryover insured has 9 actual yields in the 2001 APH database.

2001 APH DATABASE		RECORDS SUBMITTED 2002	2002 APH DATABASE	
91	A75		91	A75
92	A74		92	A74
93	Z		94	A65
94	A65		95	A81
95	A81		96	A69
96	A69		97	A73
97	A73		98	Z
98	Z		99	A25
99	A25		00	A95
2000	A95	2001 A90	2001	A90
APH 557/8 = 70			APH 647/9 = 72	

**1B Example 2**

This example is for a carryover insured who has provided actual yields for crop years 1991, 1992, 1994, 1995, 1996, 1997, 1999, and 2000. The base period for 2002 crop year is the 10 most recent APH crop years. Zero acres planted were reported for crop year 1993, 1998 and 2001. The 2001 APH database is duplicated for the 2002 APH database with the exception of the yield descriptor Z deleted for crop year 2002. The carryover insured has 8 actual yields in the 2002 database.

2001 APH DATABASE		RECORDS SUBMITTED 2002	2002 APH DATABASE	
91	A75		91	A75
92	A74		92	A74
93	Z		94	A65
94	A65		95	A81
95	A81		96	A69
96	A69		97	A73
97	A73		98	Z
98	Z		99	A25
99	A25		2000	A95
2000	A95	2001 Z	2001	Z
APH 557/8 = 70			APH 557/8 = 70	

1C **Example 3**

This example is for a carryover insured who has provided actual yields for crop years 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, and 2000. The base period for the 2002 crop year is the most recent 10 APH crop years. For crop year 2001, zero acres planted were reported. The 2001 APH database is duplicated for the 2002 APH database. The carryover insured has 10 actual yields in the 2002 database.

2001 APH DATABASE		RECORDS SUBMITTED 2002	2002 APH DATABASE	
91	A75		91	A75
92	A74		92	A74
93	A86		93	A86
94	A65		94	A65
95	A81		95	A81
96	A69		96	A69
97	A73		97	A73
98	A64		98	A64
99	A25		99	A25
2000	A95	2001 Z	2000	A95
APH 707/10= 71			APH 707/10= 71	

**Contract Seed Beans, Dry Bean  
and Contract Seed Peas, Dry Peas**

- 1 SPECIAL APH INSTRUCTIONS [Also see Sec. 6 for general APH procedures].**
- 1A Calculations.** The approved APH yield is calculated and expressed as the current crop year's dollar-per-acre (\$/A) equivalent.
- 1B Separate APH Yields.** Separate approved APH yields are required for Contract Seed types of Dry Beans and Dry Peas, units, different "T" Yield map areas, and different Reference Year Adjustment Factor (RYAF) areas. The RMA RO furnishes separate RYAF annually. These factors are specific for the Contract Seed types of Dry Beans and Dry Peas by area and crop year.
- 1C Enter each crop year's respective RYAF** in col. 1 of the Multi-purpose Production and Yield Report Worksheet [see Sec. 6, Par. F]. If fewer than four years of production have been certified, enter the appropriate RYAF for factoring "T" Yields to complete a four-year database.
- Note:** When using "T" Yields with the RYAF, the published "T" Yield is multiplied:
- C(1)** By the RYAF for the crop year designated by the asterisk in the published RYAF document for the applicable crop year [\$350 - see example];and
- C(2)** By the applicable variable "T" Yield percentage factor. Individual year RYAF's are not used to adjust the "T" Yields except as stated above.
- 1D Enter the total dollars** received (or value of) for each crop year in Col. 2 of the worksheet (round to the nearest whole dollar). If fewer than four-years of production have been certified, use the factored "T" Yield to complete a four year database. Do not consider a year with zero planted acres a year with actual production.
- 1E Multiply the RYAF** in col. 1 times total dollars, in Col. 2, and enter the resulting product in Col. 3 (round to nearest whole dollar). Transfer the factored dollar value(s) (Col. 3) to Total Production Column (Col. 16 FCI-19-A[APH]) on the APH form. [See separate instructions for using a standard RYAF when calculating "T" Yields.]
- 1F Enter the planted acres** in the Acres Column (Col. 17 FCI-19-A[APH]) on the APH form for each crop year certified.
- 1G Divide factored dollars** (Col. 16) by planted acres (Col. 17) and enter resulting quotient in the Yield Column (Col. 18 FCI-19-A[APH]). (Round to nearest whole dollar.) Substitute yields [calculated in accordance with Section 13 APH Yield Adjustment procedure are also entered in Col. 18; see also 1L].
- 1H Total the factored average dollar values** (Col. 18) and enter the total in the Total Block (Block 19 FCI-19-A[APH]) on the APH form.
- 1I Divide the total** (Block 19) by the number of years that have yields, including "T" Yields (Col. 18). Enter the result in the Preliminary Yield Block (Block 20 FCI-19-A[APH]) as the preliminary yield in whole dollars per acre.
- 1J To express the prior year's approved yield** in current dollars-per-acre equivalent, multiply the previous year's approved APH yield (in dollars per acre) by the most recent year's RYAF.

- 1K** Any yield limitation (cup) provisions, if applicable, apply to carryover policies. Multiply the previous year's approved APH yield (in dollars per acre) by the most recent year's RYAF and compare it to the current year's preliminary yield. If necessary, apply the yield limitation and enter the approved APH yield.
- 1L** APH Yield Adjustment [Section 13 provisions]. The substitute yield is derived by multiplying the published "T" Yield by the RYAF for the crop year designated by the asterisk in the published RYAF document (e.g. 1987 in 2C), by 60%. [See also 1G].
- 1M** For the computer printed Production and Yield Reports for carryover policies; steps three through seven are handled on one page per unit [see following examples]. Actual dollars are entered in the column labeled "total dollars." Final factored average dollar per acre is calculated by dividing "total dollars" by "planted acres" and multiplying times the RYAF. The resulting value is entered in the column labeled "average value." Note: Round to whole dollars per acre after each arithmetic step.
- 1N** It is necessary to convert the approved APH yield from dollars per acre (\$/A) to pounds per acre (#/A) for entry on the acreage report. Divide the approved APH yield by the contract price(s). A separate line entry is required for each different contract price.

[Examples **2A, 2B, & 2C** of this exhibit do not have the applicable CURRENT CROP YEAR RYAFs. The RMA RO issues them for each CURRENT CROP YEAR. CURRENT CROP YEAR RYAFs must be used when calculating approved APH yields.]

EXAMPLE

2A Multi-purpose Production and Yield Report Worksheet Example:

Use this worksheet to determine the factored production to be entered on the APH form.  
(Example: Magic Valley producer of Contract Seed Beans)

CROP YEAR	1	2	3	4	5	6
	RYAF	TOT \$	FAC \$			
1998	1.07	4307	4608			
1999	0.94	6013	5652			
2000	0.95	----	----			
2001	0.96	10667	10240			
Factored "T" Yield	*1.45	T-350	F508			

6 CROP Dry Beans (0047)	7 SECTION 36		15 CROP YEAR	16 TOTAL PRODUCTION	17 ACRES	18 YIELD
PRACTICE IRR. (002)	TWNSHP 10S					
TYPE C.S.B. (062)	RANGE 10W					
UNIT NO. 00200	LAND OTHER COUNTY YES NO					
8 OTHER ENTITY (IES) NONE		12 FSA FARM NO. 1001				
9 RECORD TYPE: CROP YEAR:			1997		*87 RYAF	F508
			1998	4608.0	15.0	A307
PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER NUMBER OF TREES OR VINES DY = 350 \$/Ac. 1987 equiv.		13 RMA YIELD:	1999	5652.0	14.0	A404
			2000			Z
			2001	10240.0	25.8	A397
						19 TOTAL 1616
10 PROCESSOR NUMBER/NAME *Factored \$ Production	11 OTHER Contract Prices .30, .40 (if available)	14 TRANSITIONAL YIELD: DY= 350 (1.45)= F508	20 (A) PRELIMINARY YIELD 404 20 (B) PRIOR YIELD 423	21 APPROVED APH YIELD (For Verifier use only)		

**2B FCI-19A(APH) CSA (Contract Seed Beans) Example:**

XXXX DRY BEANS (047)  
 PRODUCTION AND YIELD REPORT

NAME: GARDENSEED, GROWER ADDRESS: RR # 1 TOWN, ST. ZIP PHONE: (XXX)-XXX-XXXX (Magic Valley Example)				ANY AGENT 99 ANY INSURANCE PROVIDER 999	
				CONTRACT: XX-XXX-XXXXX SSN/TAX NO.: XXX-XX-XXXX	
SERVICE OFFICE: C. I. AGENT ADDRESS: 101 N. MAIN ST. TOWN, ST. ZIP COMPANY: INS. AGENCY INC.				AGENT CODE: XXXXXXXX COMPANY CODE: XXXXX	
UNIT NO. – 00200				FSA FSN: XXXX	
LEGAL DESCRIPTION: W½ 36 10S 16E OTHER ENTITY: NONE PROCESSOR NUMBER/NAME: PRACTICE: IRRIGATED (002) TYPE: CONTRACT SEED (062)					
CROP YEAR	REF YEARA DJ FACTOR	TOTAL DOLLARS	FACTORED DOLLARS	PLANTED ACRES	FACTORED AVERAGE VALUE
1992	1.08				
1993	0.97				
1994	1.14				
1995	1.20				
1996	1.15				
1997	1.13			0.0	F508
1998	1.07	4307	4953	15.0	A307
1999	0.94	6013	6735	14.0	A404
2000	0.95	0	0	0.0	Z
SUBTOT					
2001	0.96	10667	10240	25.8	A397
					1616
AREA: TOTAL OF AVERAGE YIELDS TRANSITIONAL YIELD: \$350/A PRIOR APPROVED APH YIELD X RYAF = (0.96): 406 PRELIMINARY YIELD: 416					APP. APH YIELD 404

NOTE: For this example, the “T” Yield is \$350 per acre. The factored “T” Yield is determined by multiplying the published “T” Yield by the RYAF designated by an asterisk on the RYAF document issued for the applicable crop year (since the published “T” Yields are expressed in dollar equivalents for the asterisk crop year). The factored “T” Yield shown in this example is determined as follows: “T” Yield (\$350/Acre x RYAF (1.45) = a factored “T” Yield of \$508. The factored “T” Yield is then multiplied by the applicable variable “T” Yield percentage factor.

**2C 2002 Reference (Base) Year Adjustment Factors Example:**

Contract Seed Dry Peas						
CROP YEAR	Columbia Basin	Palouse	Blue Mts. WA/OR	Treasure Valley	Magic Valley	S.E. Idaho
*1987	1.12	1.07	1.05	--	1.13	1.11
1988	1.12	1.05	1.05	--	1.15	1.11
1989	1.13	1.05	1.05	--	1.15	1.13
1990	1.16	1.10	1.10	--	1.20	1.19
1991	1.16	1.11	1.10	--	1.20	1.19
1992	0.94	0.95	0.93	--	0.95	0.94
1993	0.90	0.92	0.91	--	0.91	0.91
1994	0.97	0.94	0.95	--	0.99	1.00
1995	1.04	1.01	1.00	--	1.04	1.05
1996	0.99	0.95	0.97	--	1.01	1.01
1997	1.02	1.00	0.99	--	1.04	1.02
1998	0.97	0.93	0.95	--	0.99	0.99
1999	0.89	0.87	0.90	--	0.90	0.88
2000	0.91	0.86	0.90	--	0.93	0.91
2001	0.94	0.90	0.93	--	0.94	0.93

EXAMPLE: Contract Seed Dry Beans						
CROP YEAR	Columbia Basin	Palouse	Blue Mts. WA/OR	Treasure Valley	Magic Valley	S.E. Idaho
*1987	1.46	--	--	1.41	1.45	--
1988	1.55	--	--	1.47	1.50	--
1989	1.52	--	--	1.46	1.49	--
1990	1.54	--	--	1.52	1.56	--
1991	1.46	--	--	1.45	1.49	--
1992	1.10	--	--	1.05	1.08	--
1993	1.02	--	--	0.95	0.97	--
1994	1.11	--	--	1.10	1.14	--
1995	1.18	--	--	1.16	1.20	--
1996	1.12	--	--	1.12	1.15	--
1997	1.12	--	--	1.11	1.13	--
1998	1.08	--	--	1.06	1.07	--
1999	0.98	--	--	0.94	0.94	--
2000	0.97	--	--	0.96	0.95	--
2001	0.98	--	--	0.96	0.96	--

\* Use also for factoring Determined Yields.

----- Columbia Basin -----	
State - OREGON	Counties - Gilliam, Morrow
State - WASHINGTON	Counties - Adams, Franklin, Grant
----- Palouse -----	
State - IDAHO	Counties - Benewah, Clearwater, Idaho, Kootenai, Latah, Lewis, Nez Perce
State - WASHINGTON	Counties - Spokane, Stevens, Whitman
----- Blue Mts. OR/WA -----	
State - OREGON	Counties - Umatilla, Union
State - WASHINGTON	Counties - Asotin, Columbia, Garfield, Walla Walla
----- Treasure Valley -----	
State - IDAHO	Counties - Ada, Canyon, Owyhee, Payette, Washington
State - OREGON	Counties - Malheur
----- Magic Valley -----	
State - IDAHO	Counties - Blaine, Cassia, Elmore, Gooding, Jerome, Lincoln, Minidoka, Twin Falls
----- S.E. Idaho -----	
State - IDAHO	Counties - Bannock, Bingham, Bonneville, Butte, Clark, Franklin, Fremont, Jefferson, Madison, Power

**1 PRE-ACCEPTANCE ANNUAL CROP INSPECTION****1A Sugar Beets**

When a new application for sugar beets is signed after insurable acreage is planted, an inspection is required. The agent/representative will provide the applicant's/insured's name, address, telephone number, and unit location (including legal description) to the Insurance Provider responsible for assigning inspections. Insurance Provider inspectors will forward all documents to the Insurance Provider verifier after completing the inspection.

**1B Inspections**

Inspections must be assigned to an inspector within five working days of receipt of the request but no later than 10 calendar days after the sales closing date. Arrangements must be made to prevent delaying the yield verification process. Inspectors should make appointments with the insureds so they can be present to answer any questions and provide authorized access to the unit(s) to be inspected. All production reports, completed inspection reports and supporting documentation must be received by the Insurance Provider verifier no later than 20 calendar days after the PRD. The items shown below are required and must be documented on the inspection report [see Par. C], along with any other material circumstances observed by the inspector.

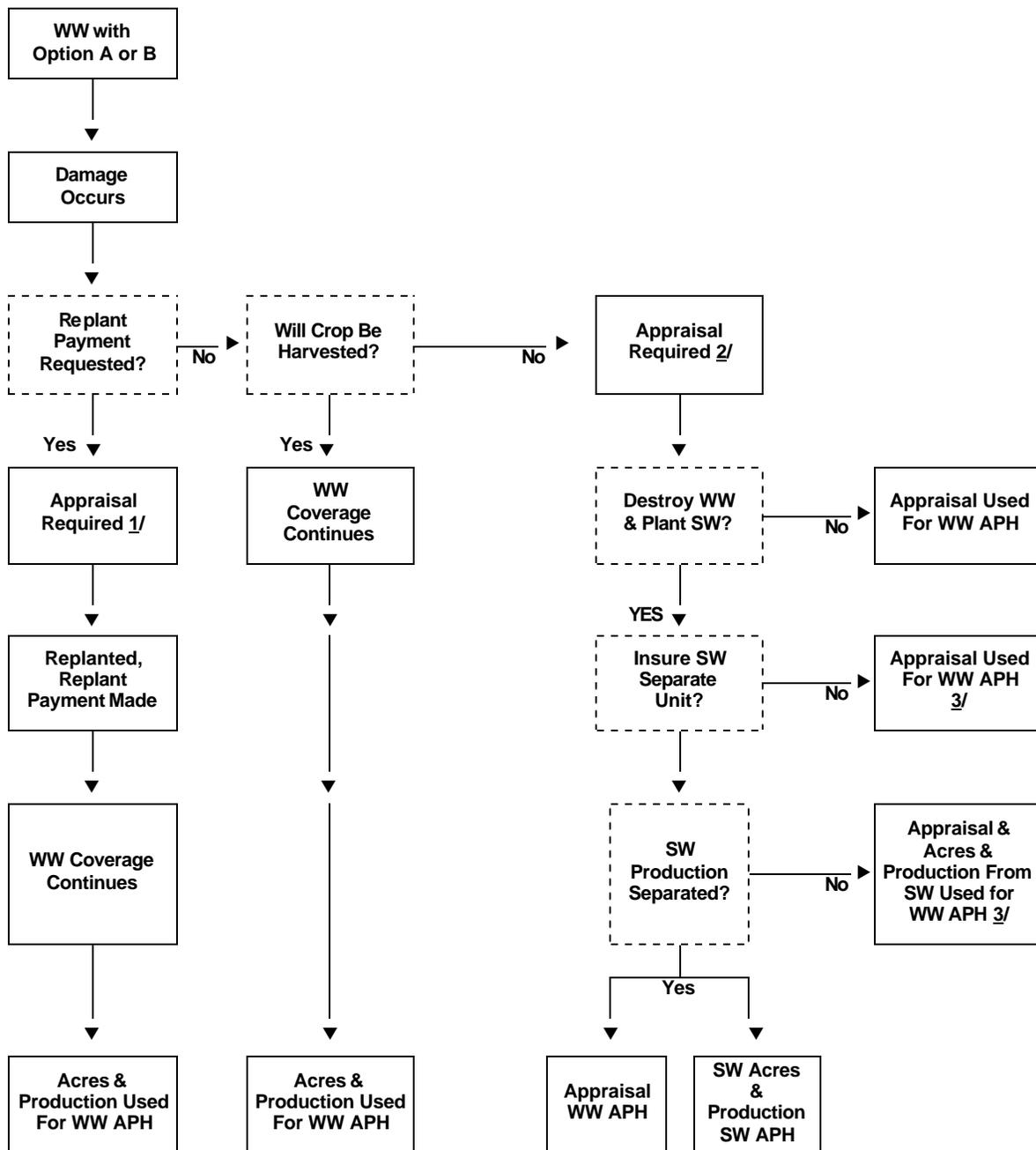
**Item No.**

- (1) Identification information - name of crop, unit number, crop year, contract number, name and address of insured.
- (2) Acreage and location - planted insurable acreage and location information, including legal description.
- (3) Crop information - overall crop condition.
- (4) Special hazards - note any hazards (flood etc.).
- (5) Management practices - document any improper farming practices (poor weed control, etc.) and comment on overall unit condition.
- (6) Recommendation - recommend acceptance, rejection, or acceptance with an RMA RO rate and/or coverage review.
- (7) Date of inspection, signature, code number and title of person making inspection.

Distribution: Original - Insurance Provider Verifier  
First Copy - Insured's file,  
Second Copy - Inspector's option.



(NACAT → FLOW CHART - WINTER WHEAT WITH OPTION A OR B



Winter Wheat (WW)  
Spring Wheat (SW)

- 1/ Must Qualify for Replant Payment
- 2/ Appraisal for Potential Production Used for WW APH  
Option A may require additional appraisal
- 3/ If WW & SW Production Commingled,  
Also Use Acres & Production from SW for WW APH

← NACAT)

**REQUESTS FOR HYBRID  
SEED CORN OR HYBRID SORGHUM APPROVED YIELDS**

This exhibit addresses requesting approved yields used by Insurance Providers to determine hybrid seed corn or hybrid sorghum seed indemnities. In computing an indemnity, two different types of information obtained from a seed company contracting with growers to produce insured hybrid crosses are used.

**1 ACTUAL AND EXPECTED YIELD HISTORIES**

- 1A Must be reported annually.** Prior actual and expected yield histories for all previously grown hybrid crosses produced by a seed company must be reported annually to the RMA Actuarial Division.

The Yield Base Factor determined from this data is used to calculate approved yields when little or no actual yield history exists for a new hybrid cross produced by the seed company.

- 1B Actual yield histories for only those hybrid crosses produced for the current crop year.** This information is reported annually to the RMA RO on the Hybrid Seed Corn/Hybrid Sorghum Seed Yield History Report. Yield data from this report and the Yield Base Factor are used to determine and approve yields for each hybrid cross by seed company plant location.

**2 ISSUANCE OF APPROVED YIELDS**

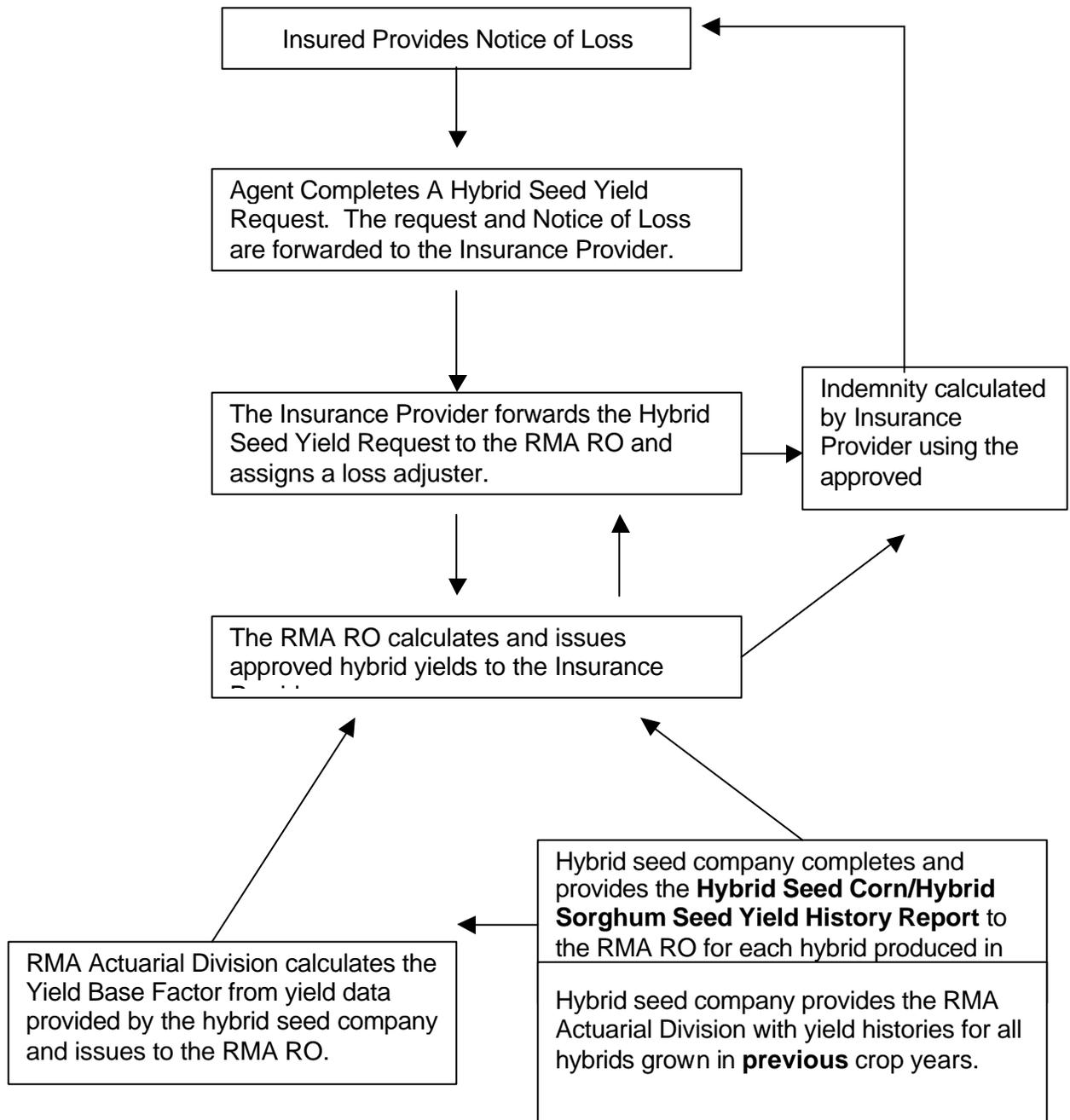
- 2A Approved yields for hybrid crosses are issued by the RO when:**

- A(1) A "Hybrid Seed Yield Request" is received by the RO from the Insurance Provider;
- A(2) The Yield Base Factor has been calculated by the RMA Actuarial Division from data supplied by the seed company; and,
- A(3) The Hybrid Seed Corn/Hybrid Sorghum Seed Yield History Report has been completed by an authorized seed company representative and received by the RO.

- 2B Hybrid Seed Corn/Hybrid Sorghum Seed Yield History Report.** The Hybrid Seed Yield Request must be completed by the seed company plant/facility location for each hybrid cross identification processed at the plant/facility location by practice. The RMA RO will calculate and issue approved yields for each plant/facility location.

**Note:** Refer to the following chart and forms in this exhibit for explanation of loss notification and approved yield determination processes.

FLOW CHART - APPROVED YIELD NOTIFICATION PROCESS



Hybrid Seed Yield Request  
From the Insurance Provider to Risk Management Agency Regional Office

Agent's Name and  
Mailing Address

Insurance Provider's Name  
and Mailing Address

Seed Company's Name  
and Mailing Address

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Plant Location:

\_\_\_\_\_

Phone Numbers

\_\_\_\_\_

( ) \_\_\_\_\_

( ) \_\_\_\_\_

( ) \_\_\_\_\_

Name of Seed Company Representative \_\_\_\_\_

\_\_\_\_\_

Policyholder's Name

State & County of  
Insured Crop

No. Acres

Hybrid Identification

\_\_\_\_\_

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Signature of Agent

Date

Signature of Insurance Provider Representative

Date



**HYBRID SORGHUM SEED YIELD HISTORY REPORT  
FOR**

**HYBRID IDENTIFICATION:** \_\_\_\_\_ **(Code may be utilized)**

Type of Sorghum Seed (please check one)       Grain       Sudan       Forage

Type Of Cross:       Single       Modified Single       Three Way       Four Way  
(please check one)

Planting Method:       Straight-Away       Split      Are the male (pollinator) rows inter-planted?       Yes       No

SEED COMPANY:	FACILITY/PLANT COMPLETE ADDRESS:
FACILITY/PLANT LOCATION:	
FACILITY/PLANT REPRESENTATIVE:	
FACILITY/PLANT PHONE:	

For the above specified hybrid seed identification, the expected or anticipated field production yield is \_\_\_\_\_ bushels per female acre.

Yield must be on the basis as the yields provided below.      Growing Area/Counties: \_\_\_\_\_

**ACTUAL YIELD DATA FOR ALL GROWERS FOR ABOVE HYBRID IDENTIFICATION AT THIS SPECIFIC PLANT LOCATION**

**IRRIGATED PRODUCTION AND ACREAGE**

	Crop Year	Total Female Field Production (Bu.)	Total Female Acres Planted (Acres)	Yield = Female Production / Female Acres Planted

The field production data must be based on determinations obtained and calculated on harvested production delivered to the plant prior to any production entering the seed conditioning process. Hence, the field production data and the bushels per total planted female acre yield are accepted by FCIC as harvested production leaving the field and delivered to the seed company's plant prior to entering any of the seed conditioning process (i.e., drying, shelling, screening, etc.) only! The reported amount of harvested production must be adjusted by you for moisture, shelling factor, and foreign material (i.e., husks, stalks, etc.) as necessary. When applicable, the production data reported must include the production figures determined for calculating any prior indemnified losses.

NOTE: You must check one of the following letters that describes the manner in which you have determined/calculated the requested information and yield data.

For the purpose of determining the quantity of mature field production:

- A) Harvested seed production was adjusted to .12 percent for each .1 percentage point of moisture to 13.0; or
- B) All records of harvested seed production provided by the seed company were adjusted to a basis of 13.0 percent moisture and 56 - pound test weight.

CERTIFICATION:      I certify that to the best of my knowledge and belief, the information and data shown for the above - Identified hybrid on the seed company's individual facility/plant location is correct and the practices used to produce the stated results are continuing and consistent to produce the same results.

\_\_\_\_\_  
Signature of Seed Company's Facility/Plant Representative

\_\_\_\_\_  
Date

**SHELLING PERCENTAGE CHART FOR CLEAN UNSHELLED ALMONDS**

The varietal shelling percentages applicable to unshelled almonds for APH purposes are as follows:

VARIETY	AVERAGE SHELLING PERCENT
Aldrich .....	60
Butte .....	60
Carmel.....	65
Carrion.....	60
Dottie Won .....	50
Fritz .....	55
Harvey .....	65
IXL .....	50
Jeffries .....	70
Jordanolo.....	65
Le Grand .....	60
Livingston .....	65
Merced .....	70
Milow .....	65
Mission .....	50
Monarch .....	48
Mono .....	50
Monterey .....	55
Ne Plus Ultra .....	65
Non Pariel .....	70
Norman.....	60
Padre.....	55
Pearl.....	55
Peerless .....	45
Price .....	65
Ripon.....	45
Rosetta.....	50
Ruby .....	55
Sauret I.....	65
Sauret II.....	65
Solano .....	65
Sonora.....	70
Thompson.....	70
Tokyo.....	55
Valenta .....	55
Vesta .....	51
Woods Colony.....	65
Yosemite .....	47

Example, 54,688 pounds of unshelled Norman almonds, which have a conversion factor of 60 percent.  $54,688 \times .60 = 32,813$  pounds of shelled Norman almonds.

## 1 ENTITIES: DEFINITION, DETERMINATION, AND DOCUMENTATION

The following provides the criteria, required documentation, and proper identification numbers required to process each type of entity listed. [For data processing instructions and codes, see Manual 13, Data Acceptance Handbook.]

Policies written as an individual entity require a Social Security Number (SSN) or, when applicable, an Employer Identification Number (EIN). When an EIN is applicable, the insured must be listed as a person with a Substantial Beneficial Interest (10 percent or greater interest in the policy) and his or her SSN provided. If a spouse's interest is covered by the policy, the spouse must be listed as having a Substantial Beneficial Interest (SBI) and his or her SSN provided [see Par. 1B(1)(c)]. All persons with an SBI (joint and survivor interests) must be listed and the SSN/EIN of each SBI provided.

An EIN is required for entities that are insured as partnerships or corporations. An SSN or EIN is required for co-owners/joint operations, estates, and trusts. All persons with an SBI in the entity must be listed and the SSN/EIN of each SBI provided. If no one qualifies as an SBI, at least one person's name must be listed and his or her SSN/EIN must be provided for data acceptance purposes.

SBI information (including the spouse's SSN/EIN, when applicable) must be provided by the applicable sales closing date for new applications and by the acreage reporting date for carryover insureds. Failure to provide the required information for spousal entities will result in rejection of new applications; for carryover policies, the insured share will be reduced to the share presumed to belong to the spouse whose name and SSN/EIN is provided (presumed to be 50 percent of the spousal entity unless evidence is provided to show differently). **If the marital status of an insured changes after the sales closing date, the spousal reporting requirement becomes applicable the following crop year.**

### 1A Individual Entity: Individuals

- A(1) **The applicant must be competent**, of legal age (18 years of age or older) and capable to enter 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 Par. E of this Sec.]
- A(2) **The applicant incurs debt** (if any) related to production, stores or markets in his or her name and receives proceeds.
- A(3) **The application covers only 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. [See 1I for Landlord/Tenant.]
- A(4) **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. Not applicable in most cases to spouses. [See Par. 1H.]

### 1B Individual Entity: An Individual Operating as a Company

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

1C **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,").

- C(1) **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.
- C(2) **If either party dies,** the contract continues, but a successor-in-interest application must be obtained. [For additional instructions concerning the effective crop year for which the successor-in-interest application must be prepared, see Sec. 4, Par. C(8).]

1D **Individual Entity: Minors or Mental Incompetents**

- D(1) **A minor must provide evidence** that an insurable share exists, and a court-appointed guardian or a parent must co-sign the application. (**CAT →** A minor who is competent or capable of entering into a binding contract may insure a crop at the CAT level without a co-signer **← CAT**.)
- D(2) **A mental incompetent may be insured** ONLY if a court-appointed guardian signs the documents.
- D(3) **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(4) **When the minor becomes capable of entering into a binding contract** or when incompetency is dissolved, a successor-in-interest application is required. [For instructions concerning the effective crop year for which the successor-in-interest application must be prepared, see Sec. 4, C(8).]
- D(5) **When a parent or court-appointed guardian** co-signs the application, it must contain a statement guaranteeing payment of the annual premium.

1E **(CAT → Individual Entity: Producers Under One Tobacco Marketing Card**

Tobacco producers may insure 100 percent of the tobacco acreage for which a marketing card is issued by FSA under one policy, subject to the following conditions:

- E(1) **All shareholders** must agree to such an arrangement in writing, and none may have other tobacco on which CAT coverage is required.
- E(2) **The insured is the producer named on the application.** The designated applicant/named insured must have a share in the tobacco acreage covered by the marketing card, and has the following responsibilities:
- (2)(a) **Furnishing to the Insurance Provider** a copy of the shareholder agreement, names, and Employee Identification Numbers (EIN) or Social Security Numbers (SSN) of all persons who share in the tobacco acreage covered by the marketing card. Each shareholder must be listed as an SBI even if their actual interest in the insured entity is less than 10 percent.

- (2)(b) **Applying for insurance**, pay any applicable administrative fee and fulfill all contractual requirements (e.g., file acreage reports, provide APH production reports, give notice of damage, etc.), and providing a copy of the agreement that designates the responsible person to the Insurance Provider.
- (2)(c) **Distributing any indemnity payments** (made to the named insured under his/her SSN/EIN number) to other producers sharing in the crop. ← CAT)

1F **CAT → 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:

- F(1) **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 is required.
- F(2) **The total liability for each crop** insured under an undivided interest policy must not exceed \$2500.
- F(3) **The landowner designated** as the named insured is responsible for:
- (3)(a) **Furnishing proof that an undivided interest** in the land exists to the Insurance Provider;
- (3)(b) **Furnishing an agreement signed** by all parties authorizing insurance under one policy and designating landowner responsible for fulfilling all contractual requirements (e.g., file acreage reports, provide APH production reports, give notice of damage etc.) to the Insurance Provider;
- (3)(c) **Furnishing names** and the SSN/EIN of all landowners to the Insurance Provider;
- (3)(d) **Applying for insurance** and paying any applicable administrative fee(s) to the Insurance Provider; and
- (3)(e) **Distributing any indemnity payments** (made to the named insured under his/her SSN/EIN number) to other producers sharing in the crop.
- F(4) **All landowners** must be listed as an SBI without regard to their actual interest in the land. ← CAT)

1G **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 signatures 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.

1H **Spouses**

- H(1) **Only one contract** is required when the insurable share is owned jointly or separately by husband and wife. This includes shares owned in community property states.

- (1)(a) The FSA may recognize a married couple who 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.
- (1)(b) SSN/EIN for spouses must be reported for spousal entities. The spouse's share will be presumed to be 50 percent in the entity unless evidence is provided to show differently. **In some circumstances, a certification by the insured indicating a spouse's share (or lack thereof) may be determined to be sufficient evidence by the Insurance Provider.**

H(2) **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 needed 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. Only one application in the husband's name, wife's name, or both names as co-owners is required, and either spouse may sign the insurance documents.

H(3) **If a spouse operates a SEPARATE farming operation independently** of the other spouse, each spouse (if they chose) may submit a separate application and insure his or her interest separately. To qualify as a separate farming operation, ALL of the following criteria must be met: separate ownership of land, separate capital, separate accounting of costs for equipment and/or labor, separate management, and separate records maintained.

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. If the FSA considers spouses to be operating separate farming operations, separate contracts are signed by each spouse, separate FSNs issued, etc.

#### 1I **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, the percentage shares of all entities 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.

#### 1J **Partnerships:**

A partnership is a written or verbal (requires an EIN) contract between two or more individuals. 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.

J(1) **The death, declaration of incompetence, or withdrawal of a partner** terminates the partnership, unless a written partnership agreement provides otherwise

- J(2) **Crops to be insured under the partnership** are those in which the partnership has a share and require only one application.
- J(3) **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.

### **1K** **Co-ownership/Joint Operations**

An 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).

- K(1) **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 maintained in the insured's file folder.
- K(2) **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.
- K(3) **Death or withdrawal** of one of the parties terminates the insurable interest at the end of the crop year.

### **1L** **Corporations:**

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 are on file. Changing officers or stockholders does not affect continuity of the contract.

### **1M** **Estates:**

The application covers the share owned by an estate and must be signed by the authorized court-appointed officer or executor.

- M(1) **Upon settlement of the estate** and the discharge of the court-appointed officer, the contract **is canceled** and a new application is required to maintain insurance protection.
- M(2) **Removal or discharge** of a court-appointed officer and appointment of another does not terminate the contract.

### **1N** **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.

- N(1) **Irrevocable trusts** require an EIN and/or SSN.

- N(2) **Revocable trusts** are processed using the same guidelines as individual entities.
- N(3) **Trusts administered by The 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. 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). 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.

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.

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.

- 10 **Other Entities:** The following entities are generally assigned an EIN for tax purposes [if the entity does not have an EIN, see FCIC - M13, Data Acceptance System Handbook for data processing instructions and requirements]:
- O(1) **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.
- O(2) **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.
- O(3) **Association, Clubs, or Tax-Exempt Organizations.** To act as a representative for any principal, an entity (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.

## 2 ENTITY VERIFICATION

### 2A **Verification**

When taking an application, verify that the entity is correct and documented in accordance with the entity definitions in [Par. 1 A-O] above. Incorrect entities may 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 **spousal entity**, or a minor who does not qualify as a separate entity from a parent.)

### 2B **New Person/Entity and Changes of Insured Entities.** For the purpose of this paragraph a "new person/entity" includes persons who have changed their names, dissolved entities and/or formed new entities and are now insuring crops that were produced under the previous name and/or by members of a new entity.

- B(1) **Insured Person/Entity.** The person/entity insured must be as defined in the Basic Provisions applicable for the crop(s) insured. See [Par. 3] of this exhibit for documentation required at the time of application. Some states require persons/entities who are doing business under an assumed name (e.g., doing business as....) to register that name in the county in which they do business.

- B(2) **APH Yield Determinations.** In general, if a person changed his or her name or a different entity was created and the new person/entity insures crop(s) for the current year that were produced on land farmed by the previous person/entity and THAT LAND is contained in the current year's farming operation, the crop(s)' acreage and production must be reported for APH purposes. [See Exhibit 37, Par. 1 for the definition of producing a crop.] If insured as another person/entity the previous crop year, a new person/entity may qualify for a successor-in-interest application. [See Sec. 4, Par. C(8)]. If the insured is not eligible for a successor-in-interest application (different land or different crops involved) or a successor-in-interest application was not used, follow the procedures below:
- (2)(a) New persons/entities do not automatically qualify for new producer procedures. The number of years that a person who has changed his/her name or member(s) of the insured entity have produced the insured crop in the county on land that is a part of the new person/entity's farming operation, must be considered when determining if the insured is a new producer. If members of the entity who share in the crop have produced the crop, the entity is considered to have produced the crop. The policy holder tracking system may be used to identify persons with a substantial beneficial interest in other insured entities. [See Exhibit 37 for new producer requirements and procedures.]
- (2)(b) When new persons/entities insure crops they previously produced, production reports must be filed for all such land contained in the current farming operation according to ALL applicable APH procedures for each crop year certified. For entities consisting of more than one person/entity, their production reports must include all land contained in the current farming operation upon which crop(s) insured for the current crop year were produced by ALL members of the entity. Members of an entity include: stockholders of a corporation, partners of a partnership, persons insured as co-owners, persons insured as joint ventures, etc.
- 1 Acceptable RECORDS must be available to support the acres and production certified.
  - 2 Acres and production history may not be duplicated from existing unit databases unless a successor-in-interest application was taken and the same unit structure (acreage) is involved. If only part of the acreage will be transferred to the successor-in-interest, acreage and production must be recertified according to the new unit/farming operation.
- (2)(c) For new persons/entities who have produced insured crop(s) on entirely different land than is contained in the current farming operation, 65% of the "T" Yield will apply unless sent to the RO for yield determination [See Exhibit 37 of CIH, Par. 2A(2) and Par. 2B].
- (2)(d) Added land/P/T/V procedures will apply after the APH for a new person/entity is structured according to the preceding procedures. However, new persons/entities may also file production reports based on acreage and production RECORDS from another person with whom they have a bona fide share in the insured crop who is not a member of the insured entity.

**3 ENTITIES AND DOCUMENTATION:**

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 or Incompetent with 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>
SPOUSES	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>
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 SSN's <u>2</u>
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>3</u>

ENTITY	APPLICATION	SIGNATURE(S) REQUIRED	DOCUMENTATION NEEDED	ID NUMBER
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)	Statement where articles of incorporation are on file. Application must be signed by authorized officer of the Corporation.	EIN For the Corporation <u>3</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
TRUST	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>3</u>
(Irrevocable)	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>3</u>
	Ralph R. Doe, Trust, c/o Richard Roe, Trustee or Administrator	Ralph R. Doe Trust, c/o Richard Roe, Trustee or Administrator		EIN for Trust or SSN Reported for the Trust <u>3</u>
(Revocable)	John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator	John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator		EIN for Trust or SSN Reported for the Trust <u>3</u>
(BIA)	(Name of Trust) BIA Trust 0016	BIA Trust 0016 by John Doe Trustee or Power of Attorney		Statement advising where authority can be found
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 and/or any individual holding a 10% or more SBI interest; EIN if not individual.

**IRRIGATED PRACTICE GUIDELINES****1 IRR. PRACTICE GUIDELINES FOR PLANTED OR PERENNIAL CROP ACREAGE**

The following guidelines are provided to enable insureds to properly report planted or perennial crop 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 be utilized to document whether, at the time insurance attaches, there is a REASONABLE EXPECTATION of receiving adequate water to carry out a good irrigation practice for the acreage reported under the irrigated practice.

**1A Definitions.** The following definitions are provided to facilitate a uniform understanding of the standards and guidelines for the irrigated practice for planted or perennial crop acreage.

A(1) **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\*, to carry out a good irrigation practice for the insured crop.

\* 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.

A(2) **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 amount of his/her irrigation water may be reduced before coverage begins, no reasonable expectation exists.

A(3) **Adequacy of Water.** The determination of the adequacy of water will be based upon: (a) the water available (at the time insurance attaches) from the irrigation water supply, soil moisture levels, and, **as applicable**, snowpack storage levels; AND (b) 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 **B(5)**] below, including the legal entitlement or rights to water.

A(4) **Good Irrigation Practice.** Application of adequate water in an acceptable manner, at the proper times to allow production of a normal crop which is often identified as the approved Actual Production History (APH) yield for crops under APH.

A(5) **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 (a) are not under the control of the insured, or (b) 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.

A(6) **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.

- A(7) **Adequacy of Irrigation Facilities.** Irrigation facilities are considered adequate if it is determined that, at the time insurance attaches to planted or perennial acreage, 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.
- A(8) **Water Source.** The source from which water is made available. This includes wells, lakes, reservoirs, streams, aquifers, etc.

#### **1B Reporting Requirements under Irrigated Practice**

- B(1) **Failure of 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.
- B(2) **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 of the irrigation water supply after insurance attached. **Note: 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, even if the insured never applied any water.**
- B(3) **For loss purposes,** insureds are required to keep their production records separate for acreage insured under the irrigated practice, acreage insured under a practice other than irrigated (or with no practice applicable), and uninsured acreage.
- B(4) **Insureds are expected to be prepared** to provide documentation of the factors which were considered in reporting acreage to be insured under the irrigated practice.
- B(5) **Factors to consider in determining planted or perennial crop acreage** to be reported and insured under an irrigated practice include, but are not limited to:
- (5)(a) Water source history, trends, and forecasting reliability;
  - (5)(b) Supplemental water supply availability and usage (including return flow);
  - (5)(c) Pumping plant efficiency and capacity;
  - (5)(d) Water distribution uniformity and flexibility of the system or district;
  - (5)(e) Water requirements (amount and timing) of all crops to be irrigated;
  - (5)(f) Water rights (primary, secondary, urban versus agricultural use, etc.);
  - (5)(g) Contingency plans available to handle water shortages;
  - (5)(h) Acres to be irrigated, amount of water to be applied, and expected yield;
  - (5)(i) Ownership of water (state or federal versus landowner);
  - (5)(j) Use of meters and other measuring devices or methods;
  - (5)(k) Soil types, soil moisture levels, and pre-plant irrigation needs;
  - (5)(l) Water conserving methods, devices, and plans utilized;

- (5)(m) Past crop planting history, trends, and recommended local practices;
- (5)(n) Prudent activities and practices utilized by non-insured producers;
- (5)(o) Irrigation water supply (both quantity and quality) and facilities;
- (5)(p) Recommendations from local County Extension Service (CES) or National Resource Conservation Service (NRCS), **and other source recognized by CES or NRCS to be an expert in this area** regarding irrigation and crop production; and
- (5)(q) Information the insured knew (or should have known), and when the insured knew (or should have known) such information.

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.

**1C** **Irrigation Practice Guidelines for Prevented Planting Coverage** Under the prevented planting provisions in the Basic Provisions and applicable crop provisions, insureds may be able to receive a prevented planting payment for acreage historically grown under an irrigated practice if there is not a reasonable expectation of having adequate water (due to an insured cause of loss occurring in the prevented planting insurance period) on the final planting date (or within the late planting period if the insured elects to try to plant the crop) to carry out an irrigated practice, provided all other prevented planting provisions have been met.

C(1) **Additional Definitions**

- (1)(a) Reasonable Expectation (Probability). If the insured knew or had reason to know that his/her water may be reduced or cut off during the irrigation season by the time frames stated above, then no reasonable expectation exists.
- (1)(b) Irrigation Water Supply. [See Par. 1A(5) of this Exhibit for definitions].
- (1)(c) Water Source. (See Par. 1A(8) of this Exhibit for definition).

C(2) **Prevented planting payments** may be allowed when an insured peril that occurs on or after the applicable sales closing date [see below] causes failure of the irrigation supply, and all other requirements for prevented planting have been met.

- (2)(a) For carryover insureds, the sales closing date for the previous crop year.
- (2)(b) For new insureds, the sales closing date for the current crop year.

C(3) **Acreage historically grown** under an irrigated practice for which the insured had no reasonable expectation of having adequate irrigation water by the final planting date (or within the late planting period, if applicable), may be eligible for an irrigated prevented planting payment even if the acreage could have been planted with a non-irrigated practice and the producer elects not to plant.

C(4) **Insureds are expected to be prepared** to provide documentation of the factors which were considered in reporting that there was no reasonable expectation of receiving adequate irrigation water for the acreage reported as prevented planting under an irrigated practice.

1      RESERVED

**1 YIELD DETERMINATIONS FOR COMBINED OR DIVIDED PRACTICES, TYPES, VARIETIES (P/T/V), OR "T" YIELD MAP AREAS (TMA)**

This procedure applies to both Category B and C crops when P/T/V or TMA's requiring separate APH yields change. If all requirements for acceptable production reports are met, current crop year production reports are acceptable if filed either according to current or the previous crop year's separate APH yield requirements. For subsequent crop years, insureds must file production reports according to the applicable P/T/V/TMA. The initial year P/T/V or TMA's are combined or divided, yield limitation provisions do not apply. The procedure must be applied for each P/T/V/TMA by unit. If P/T/V change on the same crop the same crop year (i.e., Winter and Spring Wheat types; Summerfallow Practice, Continuous Cropping Practice, General Practice, etc.) types should be combined/divided prior to combining/dividing practices.

Note: For the purposes of reporting or re-designating grade quality percentages which are utilized by a crop's quality endorsement, (e.g. apples, potatoes, etc.), references to "production" shall be applicable since these percentages are determined from measured production at a specific grade compared to the corresponding total production. [See Example 5.]

**1A Combining APH Databases [See Exhibit 36 for combining or dividing exceptions/restrictions.]**

When more than one P/T/V/TMA requiring separate APH yields has been combined into a P/T/V or TMA requiring a separate APH yield, use the following instructions.

A(1) **If a single database** (one P/T/V or TMA reported) CONTAINS ACTUAL OR ASSIGNED YIELD(S) use the following procedure. [See Example 1].

**Step 1** Complete the most recent year (2001 for most crops) in the database by using the current production report(s) filed for the most recent APH crop year. For carryover insureds, if acceptable production report(s) are not filed for the previous (policy) year and insurable acreage was planted, use the assigned yield. If insurable acreage was planted on more than one P/T/V or TMA, use a simple average of the prior approved APH yields for the applicable P/T/V's or TMA times .75. If separate production reports are filed according to the previous (policy) year's requirements (more than one P/T/V or TMA): 1) combine the acres and production into the applicable P/T/V or TMA [See instructions for A.2. Step 2]; 2) if zero planted, enter "Z" in the yield column when sufficient space exists in the database. Zero-planted acres are used to indicate that continuity of records are maintained.

**Step 2** Retain all actual and assigned yields and acres.

**Step 3** Remove "T" Yields in the database and if less than 4 years of actual and/or assigned yields, enter the applicable variable "T" Yield (by P/T/V/TMA) to establish a 4-year database. If a "T" Yield is not established, an RMA RO Determined Yield will be necessary.

**Step 4** Calculate the approved APH yield using the applicable Category B or C procedure.

A(2) **If more than one database** (more than one P/T/V or TMA was reported which has been combined into a single APH yield) CONTAINS ACTUAL AND/OR ASSIGNED YIELDS, use this procedure [see Example 2].

**Step 1** Complete the most recent crop year (2001 for most crops) in the database by using the current production reports filed for the previous (policy) year. If separate production reports are filed according to the previous (policy) year's requirements (more than one P/T/V or TMA), combine the acres and production from the separate production reports. For carryover insureds, if acceptable production report(s) are not filed for the previous (policy) year

and insurable acreage was planted, use the assigned yield. If insurable acreage was planted on more than one P/T/V or TMA, use a simple average of the prior approved APH yields for the applicable P/T/V's or TMA times .75.

- Step 2** Combine the total production (Col. 16) and actual acres (Col. 17) for each APH crop year (for the yields that are being combined). For APH crop years with assigned yields, multiply the planted acres times the assigned yield to establish a production amount and handle in the same manner as a year with actual yields. Divide the combined production by the combined acres for corresponding crop years. Next, enter the combined total production, acres and average yields in the current crop year's database. For crop years in which no acres have been planted, enter "Z" in the yield column if sufficient space exists in the database. Zero-planted acres are used to indicate that continuity of records are maintained for the P/T/V's or TMA being combined.
- Step 3** If less than 4 years of actual and assigned yields for the crop, enter the applicable variable "T" Yield (by P/T/V/TMA ) in the yield column (Col. 18) to establish a 4-year database. If no "T" Yield established, an RMA RO Determined Yield is necessary.
- Step 4** Calculate the approved APH yield using the applicable Category B or C current procedure.

## 1B Dividing APH Databases

If a P/T/V or TMA that required a separate APH Yield is divided into more than one P/T/V or TMA requiring separate APH yields (databases), [does not apply to "T" Yield Map Areas in counties where the "T" Yields are currently assigned by "T" Yield Maps (See Sec. 6 E(1)2)], use the following procedure. The insured may recertify all prior production and acreage history according to the new actuarial structure [otherwise, paragraphs B1 and B2 below apply]. [See Example 3.]

- B(1) **If production cannot be apportioned** according to distribution of acres (by crop year) to P/T/V/TMA requiring separate APH yields, the acreage and production is charged to the P/T/V or TMA that normally yields the highest (i.e., if non-irrigated practice divided into summerfallow and continuous cropping....charge to the summerfallow practice). [See Example 3.]

### (1)(a) For the higher yielding P/T/V or TMA:

- Step 1** Complete the most recent year (2001 for most crops) in the database by using the current production reports filed for the previous (policy) year. For carryover insureds, if acceptable production report(s) are not filed for the previous (policy) year and insurable acreage was planted, enter the assigned yield. For zero-planted, enter "Z" in the yield column if sufficient space exists in the database. Zero-planted acres are used to indicate that continuity of records are maintained.
- Step 2** Retain actual and assigned yields and acres entered in the database.
- Step 3** Remove "T" Yields in a database, and if less than 4 years of actual and assigned yields, replace them with the applicable variable "T" Yield (by P/T/V or TMA) to establish a 4-year database. If no "T" Yield has been established, an RMA RO Determined Yield is necessary.
- Step 4** Calculate the approved APH yield normally using applicable Category B or C procedure.

(1)(b) For the lower yielding P/T/V or TMA:

- Step 1** If acceptable production report(s) are not filed for the most recent (policy) year (and insurable acreage was planted) for the purpose of establishing the APH yield, enter the assigned yield (for each P/T/V or TMA).
- Step 2** Complete the 4-year database with the applicable variable "T" Yield (by P/T/V or TMA).
- Step 3** Calculate the approved APH yield following the applicable Category B or C procedure.

B(2) **If production can be apportioned** according to distribution of acres (by crop year) to P/T/V or TMA requiring separate APH yields, use the following procedure [see Example 4]. The commingled production worksheet may be used to apportion production when acreage is available for the P/T/V/TMA requiring separate yields.

- Step 1** Complete the most recent year (2001 for most crops) in the database by using the current production reports filed for the previous (policy) year. Acceptable production report(s) MUST have been filed according to P/T/V/TMA requiring separate APH yields for the current crop year. All prior crop years having actual or assigned yields must have been apportioned and reported according to applicable P/T/V/TMA's for the current crop year.
- Step 2** Enter the actual and assigned yields and acres entered in the database.
- Step 3** Remove "T" Yields if at least 4 years of acceptable records have been provided. If less than 4 years of acceptable records are available, enter the applicable variable "T" Yield to establish a 4-year database. If no "T" Yield has been established, an RMA RO Determined Yield is necessary.
- Step 4** Calculate the approved APH yield according to applicable Category B or C procedure.

**1C No Actual or Assigned Yields**

If there are no actual or assigned yields in the databases being combined or divided:

- Step 1** Complete the most recent year (2001 for most crops) in the database by using the current production reports filed for the previous (policy) year. For carryover insureds, if acceptable production report(s) are not filed for the previous (policy) year and insurable acreage was planted, enter the assigned yield. For zero-planted, enter "Z" in the yield column if sufficient space exists in the database. Zero-planted acres are used to indicate that continuity of records are maintained. Complete the most recent crop year in the database by using the current crop year's production report following the applicable procedure for combining or dividing P/T/V/TMA's. If acceptable production report(s) are not filed and the insured has previously provided actual and/or assigned yields use the assigned yield procedure in this exhibit.
- Step 2** Complete the 4-year database with the current "T" Yield (by P/T/V/TMA). If no "T" Yield has been established, an RMA RO Determined Yield will be necessary.
- Step 3** Calculate the approved APH yield using applicable Category B or C procedure.

**2 EXAMPLES**

Example 1 and 2 illustrate establishing a database when NI Following Another Crop (FAC) and NI Not Following Another Crop (NFAC) have been combined into a non-irrigated (NI) practice. For this example the NIFAC database is converted to the new practice.

**2A Example 1**

For the previous (policy) year, a single database, FAC, contained actual or assigned yields. The current "T" Yield for NI is 17.

<b>2001 UNIT 00100 NI FAC</b>			
YEAR	PROD.	ACRES	YIELD
95			
96	2200	55.0	A40
97		0.0	Z
98		40.5	P12
99	2520	60.0	A42
2000	1210	50.0	A20

<b>2002 UNIT 00100 NI</b>				
YEAR	PROD.	ACRES	YIELD	Step
95				Step 3
96	2200	55.0	A40	Step 2
97		0.0	Z	Step 2
98		40.5	P12	Step 2
99	2520	60.0	A42	Step 2
2000	1210	50.0	A20	Step 2
<b>2001</b>	<b>5760</b>	<b>120.0</b>	<b>A48</b>	<b>Step 1</b>
		Total	162/5=32	Step 4
		APH	32	

**2B Example 2**

The following example illustrates combining non-irrigated (NI) Following Another Crop (FAC) and NI Not Following Another Crop (NFAC) databases containing actual yields into a single NI database. The databases below are considered the previous (policy) year's databases.

2001 UNIT 00100 NI FAC			
YEAR	PROD.	ACRES	YIELD
96			N13
97			N13
98	1200	60.0	A20
99		0.0	Z
2000	880	40.0	A22

2001 UNIT 00100 NI NFAC			
YEAR	PROD.	ACRES	YIELD
96			
97			T17
98	2880	90.0	A32
99	1680	60.0	A28
2000	1920	80.0	A24

Step 1: The current production report (2002) indicates for the 2001 crop year: NI NFAC practice with 3000 bu. production, 100.0 actual acres and a 30 bu. average yield.

Step 2: Actual acres and production are combined.

$$\begin{array}{l}
 \text{Year} \quad \quad \quad \mathbf{4080} \quad \quad \quad \mathbf{150.0} \\
 98 \quad (1200[\text{FAC}] + 2880[\text{NFAC}]) / (60.0[\text{FAC}] + 90.0[\text{NFAC}]) = \mathbf{27} \\
 \quad \quad \quad \mathbf{1680} \quad \quad \quad \mathbf{60.0} \\
 99 \quad (0[\text{FAC}] + 1680[\text{NFAC}]) / (0.0[\text{FAC}] + 60.0[\text{NFAC}]) = \mathbf{28} \\
 \quad \quad \quad \mathbf{2800} \quad \quad \quad \mathbf{120.0} \\
 2000 \quad (880[\text{FAC}] + 1920[\text{NFAC}]) / (40.0[\text{FAC}] + 80.0[\text{NFAC}]) = \mathbf{23}
 \end{array}$$

**2002 Non-Irrigated Database (00100)**

Step	YEAR	PROD.	ACRES	YIELD
Step 2	98	4080	150.0	A27
Step 2	99	1680	60.0	A28
Step 2	2000	2800	120.0	A23
<b>Step 1</b>	<b>2001</b>	<b>3000</b>	<b>100.0</b>	<b>A30</b>
Step 3			Total	108/4=27
			APH	27

**2C Example 3**

In this example, the Non-Irrigated yield has been divided into SF and CC practices. The insured did not recertify production which was previously reported as Non-Irrigated. The commingled production worksheet cannot be used to apportion production because the insured did not have separate records of acres by practice. The current production report was submitted on a Non-Irrigated basis. The actual acres and production are charged to the higher yielding SF practice. If acceptable records had not been submitted for the 2001 crop year the assigned yield would have been used.

<b>2001 UNIT 00100 NI</b>			
YEAR	PROD.	ACRES	YIELD
95	8800	200.0	A44
96		0.0	Z
97		100.0	P32
98	10080	210.0	A48
99	8000	200.0	A40
2000	4800	240.0	A20

<b>2002 UNIT 00100 SF</b>				
YEAR	PROD.	ACRES	YIELD	Step
95	8800	200.0	A44	Step 2
96		0.0	Z	Step 2
97		100.0	P32	Step 2
98	10080	210.0	A48	Step 2
99	8000	200.0	A40	Step 2
2000	4800	240.0	A20	Step 2
<b>2001</b>	<b>4400</b>	<b>80.0</b>	<b>A55</b>	<b>Step 1</b>
			Total	239/6=40
			APH	40

**Example 3 (CC)**

The CC (00100) database is established using the variable "T" Yield for the CC practice and the assigned yield for 1997. The variable "T" Yield percentage (100%) is based on the number of years of actual and assigned yields contained in the reference (6) database for the SF Practice.

<b>2002 Unit 00100 CC</b>			
YEAR	PROD.	ACRES	YIELD
97		100.0	P32
98			C38
99			C38
2000			C38
2001		0.0	Z
		Total	146/4=37
		APH	37

**2D Example 4**

In this example the Non-Irrigated yield has been divided into SF and CC practices. The insured apportioned production by CC and SF practice which was previously reported as Non-Irrigated. Current crop year production reports were also submitted for CC and SF practices.

<b>2001 UNIT 00100 NI</b>			
YEAR	PROD.	ACRES	YIELD
95	8800	200.0	A44
96		0.0	Z
97		100.0	P32
98	10080	210.0	A48
99	8000	200.0	A40
2000	4800	240.0	A20

<b>2002 UNIT 00100 SF</b>				
YEAR	PROD.	ACRES	YIELD	Step
95	4160	80.0	A44	Step 2
96		0.0	Z	Step 2
97		100.0	P32	Step 2
98	5500	100.0	A55	Step 2
99	2880	60.0	A48	Step 2
2000	4200	140.0	A30	Step 2
<b>2001</b>	<b>4400</b>	<b>80.0</b>	<b>A55</b>	<b>Step 1</b>
	Total		272/6=45	Step 3
	APH		45	

<b>2002 Unit 00100 CC</b>				
YEAR	PROD.	ACRES	YIELD	Step
95	4640	120.0	A39	Step 2
96		0.0	Z	Step 2
97		0.0	Z	Step 2
98	4580	110.0	A42	Step 2
99	5120	140.0	A37	Step 2
2000	600	100.0	A6	Step 2
<b>2001</b>		<b>0.0</b>	<b>Z</b>	<b>Step 1</b>
	Total		124/4=31	Step 3
	APH		31	

**2E Example 5**

The potato variety Umatilla Russet was re-designated from **Group A** (type 261) to Group A (type 161) for the 2001 crop year. The insured had grown this variety, in addition to others, in the 1999 and 2000 crop years. The previously certified production report for 1999 (acreage, total production, and graded production) is redistributed to reflect the revision in types. Production reports or claim information of the 2000 crop are also to be attributed to the type designations effective for crop year 2001.

**APH for 1999 Crop Year**

Unit	Type	Variety	Acres	Total Production	#1 Production	Percent #1's
00100	161	Russet Burbank	100.0	40,500	24,300	60
00100	***	Umatilla Russet	100.0	41,500	29,050	70
00100	261	Norkotah Russet	100.0	35,000	28,000	80

\*\*\*Variety classified as type 261 for the 2000 and preceding crop years, and as type 161 for later years.

**Summarized 1999 APH for 2000 Crop Year**

Crop Year	Unit	Type	Total Production	Acres	Yield	Percent #1's Grade
1999	00100	161	40,500	100.0	405	60
1999	00100	261	76,500	200.0	383	75

**Re-summarized 1999 APH (revised type/group) for 2001 and Succeeding Crop Years**

Crop Year	Unit	Type	Total Production	Acres	Yield	Percent #1's Grade
1999	00100	161	82,000	200.0	410	65
1999	00100	261	35,000	100.0	350	80

**ADDED LAND AND ADDED PRACTICE/TYPE/VARIETY (P/T/V)**

The following procedures are applicable for all Category B APH Crops **except** when calculating Master Yields [see Exhibit 7].

**1 DEFINITIONS**

**Added Land** is cropland acreage (irrespective of crops) added to the insured person's farming operation within the county for the current crop year [See Exhibit 32 for an insured person (entity) information].

**Added Land/New Database With Records** is added land or a new database for which acceptable production reports, based upon the production records obtained from a person sharing in the crop/P/T/V's production for the current crop year, HAVE BEEN filed by the PRD for the current crop year by the insured or to which assigned yields apply. [Refer to Sec. 3, Definitions, Assigned Yield for assigned yield information and to Section Par. 2A of this Exhibit for calculation instructions.]

**Added Land/New Database Without Records** is added land or a new database for which acceptable production reports HAVE NOT been filed by the PRD for the current crop year by the insured or to which assigned yields do not apply. [Refer to Par. 2B-2C of this Exhibit.]

**Added P/T/V** is a P/T/V (as identified by the actuarial document) of the insured crop that requires an APH yield for that P/T/V for which the insured person has NOT been previously actively engaged in farming for a share of that P/T/V's production. Added PTV procedures are administered on a county, crop, and basic unit basis. [Refer to Par. 2E of this Exhibit.]

**Cropland Acreage** is FSA agricultural use acreage devoted to the production of annual and perennial crops including fallow acreage, NOT just the acreage planted to insured crops or program payment acreage. [Refer to Par. 4 of this Exhibit.]

**Cropland Acreage Limitations** are the criteria that establish the total cropland acreage that may be added to the insured's farming operation (640 acres) or the percentage (50 percent) of cropland acreage that may be added to an existing basic or optional unit or added as a separate optional unit without an RMA RO review; and the maximum of 2000 cropland acres added to the operation that may be submitted for RMA RO review. [See Par. 3, of this Exhibit]

**Existing Units** are basic or optional units for the crop that were in the insured entity's farming operation the previous crop year that **remain** in the farming operation for the current crop year. If units that were in the farming operation the previous crop year are divided or combined for the current crop year, existing units are the units as structured for the current crop year. Units that are no longer a part of the policyholder's farming operation for the current crop year (sold, lost the lease, no longer renting, etc.) are not considered to be existing units.

**New Databases** are APH databases, as required by procedure, that were not established prior to the current insurance year. [Refer to Sec. 6, Par. C(3) and Exhibit 37 for procedures relating to new producers.]

**Simple Average "T" Yields** (SA "T" Yields) are "T" Yields calculated from the individual producer's yield data which may be used in place of Variable "T" Yields for qualifying databases. [Refer to Par. 2C of this Exhibit.]

**Variable "T" Yield** percentages and yield descriptors are the same as for regular APH procedure. [Refer to Sec. 6, Par. C(1), C(2), and Par D.]

**2 YIELD DETERMINATION PROCEDURES**

Depending on the situation, new databases for added land/crop/P/T/V's are established using one of the following methods:

**2A Actual/assigned Yield(s).** When acceptable production reports, based on production records obtained from another person sharing in the insured crop/P/T/V's production for the current crop year [see Sec. 10, Par. E] have been FILED by the PRD for the current crop year and/or assigned yield(s) are applicable, regular APH procedures apply. Actual and/or assigned yield(s) and variable "T" Yields, when less than four years of actual/assigned yields, are used to establish new databases. [See Sec. 6, Par. C(2).] Exception: for high-risk land where a high-risk "T" Yield is applicable, 100 percent of the high-risk "T" Yield is used instead of the variable "T" Yield. **Note: Databases that can be separate optional units containing less than four years of actual/assigned yields, cannot be combined .**

**2B Variable "T" Yields.** When acceptable production reports have not been filed and/or assigned yields are not applicable, variable "T" Yields must be used if the acreage is: 1) a separate basic unit, 2) a separate optional unit and does not qualify for the SA "T" yield, 3) a separate optional unit and the SA "T" Yield is less than the variable "T" Yield, 4) added to an existing unit and does not qualify for the existing unit's yield or 5) partially or entirely located in a "T" Yield map area with a lower "T" yield than the existing unit if "T" Yield map areas are applicable 6) **subject to a lower "T" Yield for any reason.** Exception: for high-risk land where a high-risk "T" Yield is applicable, 100 percent of the high-risk "T" Yield is used instead of the variable "T" Yield.

B(1) **Establish new databases** by entering the applicable variable "T" Yield for each of the four most recent crop years.

- (1)(a) **Yield descriptors.** Variable "T" Yields for new databases are identified by yield descriptors (S, E, N, or T) indicating the number of years used to determine the variable "T" Yield percentage. [See Sec. 6, Par. C(2) and Par. D for additional information.]
- (1)(b) **Yield indicators.** When variable "T" Yields are used to establish databases for **added land**, Insurance Providers must identify databases for such land with yield indicators for data processing purposes **[see 2F]**. Yield indicators must be submitted to RMA as long as variable "T" Yield(s) are contained in the database.

B(2) **In subsequent crop years:** Update databases by removing a variable "T" Yield for each actual or assigned yield. The variable "T" Yield percentage (if less than 100%) will change as actual/assigned yields are added.

**EXAMPLE:** A separate database is required and records were not provided for the added land; the insured has two years of actual yields for the crop/county (other databases). For each subsequent year, an actual yield is provided. The following chart illustrates replacing variable "T" Yields (based on a 100-bu. "T" Yield) with actual yields. [See Par. 9B for additional examples.]

1st YEAR	2 <sup>nd</sup> YEAR	3rd YEAR	4th YEAR
N90	T100	T100	T100
N90	T100	T100	A110
N90	T100	A110	A120
N90	A110	A120	A50

**2C Simple Average “T” Yields (SA “T” Yields).** SA “T” Yields (by P/T/V, if applicable) may be calculated and used to establish new databases (without records) if the existing basic unit has database(s) containing actual/assigned yields for the same P/T/V (if P/T/V is applicable). However, if the new database is for land added to the operation or for a new crop initially insured in 2000 or a subsequent crop year, cropland acreage limitations are required prior to using the SA “T” Yield. [See Par. 3].

C(1) **Calculate SA “T” Yields** by determining a simple average of all existing optional unit APPROVED APH yields within the same existing basic unit that **contain actual/assigned yields.**

(1)(a) Calculate **separate** SA “T” Yields by crop/P/T/V and “T” Yield map area (including areas/acreage assigned high-risk “T” Yields), if applicable. However, SA “T” Yields may be calculated from databases within the same basic unit from “T” Yield Map areas with “T” Yields equal to or lower than the acreage being added if database(s) with actual yields from the same “T” Yield map area are not available.

For high-risk land assigned high-risk “T” Yields, SA “T” Yields may be calculated only if databases (containing actual/assigned yields) within the same basic unit are for high-risk areas with the same high-risk “T” Yield as the added land. Otherwise, 100 percent of the high-risk “T” Yield is used instead of the SA “T” Yield. Round the SA “T” Yield according to [Section 4, Par. B(6)].

(1)(b) Compare the SA “T” Yield to the variable “T” Yield for the same P/T/V and use the higher of the two.

C(2) **Enter SA “T” Yields** for the four most recent crop years in the database. Update databases in subsequent years with actual/assigned yields and remove one SA “T” Yield for each actual or assigned yield entered. Once entered in the database, SA “T” Yields are not recalculated (are “set”) when updating the database in subsequent years, unless a correction in the yield for the basic unit originally used to determine the SA “T” Yield is made. **([See Exhibit 15] for instructions on combining or dividing databases with SA “T” Yields.)** The SA “T” must be preceded by the appropriate yield descriptor:

(2)(a) “L” if for added land;

(2)(b) “C” if for a new database for added crop/P/T/V.

**Example:** An initial added land database with an SA “T” Yield based on a simple average of three existing optional units’ approved APH yields containing at least one actual/assigned yield.  $(140 + 100 + 120) \div 3 = 120$  bu.

Year	Prod.	Acres	Yield
XXXX			L120
XXXX			L120
XXXX			L120
20XX			L120

For data processing/submission purposes, **yield indicator “A”** must also be submitted.

2D **Using the Existing Unit's APH Yield/Database.** In order for land to be added to an existing unit and use its APH yield/database, cropland acreage limitations must be administered [See Par. 3 this Exhibit] and the added land must:

D(1) **Be physically located in the same or higher "T" Yield Map Area** as the existing unit (by crop, P/T/V), if "T" Yield maps are applicable; or

D(2) **If physically located in a high-risk "T" Yield Map Area** (including high-risk "T" Yields assigned by written agreement,) have the same high-risk "T" Yield as the existing unit (by crop, P/T/V).

2E **Added P/T/V Yield Instructions.** The following procedures apply when a policyholder grows a P/T/V for the first time within a basic unit or within the farming operation (SA "T" Yields are not applicable):

E(1) **With Records.** Insureds who submit acceptable production reports by the PRD for the current crop year will have approved APH yields calculated using standard APH procedures.

E(2) **Without Records.** Use variable "T" Yields or, if an irrigated or summerfallow practice, use the special procedures for irrigated or summerfallow practices. [See Par. 10 of this Exhibit and Sec. 6, J(13)(h)3.]

E(3) **Variable "T" Yields** are entered in the four most recent crop years in the database and preceded by appropriate yield descriptor (S,E,N or T).

2F **Added Land Descriptors and Identifiers:**

Note: Yield indicators apply only to added land databases, not to new crop/P/T/V or added P/T/V databases.

Insured	Added Land	Added Land APH	Yield Descriptor	Yield Indicator
New Producer; no history [See Ex. 37]	Separate basic or optional unit	100% "T" Yield	IL	[n/a]
New Producer; 1-2 years of history [See Ex. 37]	Separate optional unit eligible for SA "T" Yield	SA "T" Yield	IL	A
	Separate optional unit not eligible for SA "T"	100% "T" Yield	IL	B
	Separate optional unit SA "T" lower than 100% "T" Yield	100% "T" Yield	IL	C
	Added to existing unit and eligible to use existing APH	Existing APH	Existing APH	[n/a]
	Added to existing unit but not eligible to use existing APH so separate database required	100% "T" Yield	IL	B
	Separate basic unit	100% "T" Yield	IL	C
Not a New Producer	Separate optional unit eligible for SA "T" Yield	SA "T" Yield	L	A
	Separate optional unit not eligible for SA "T" Yield	Variable "T" Yield	S, E, N, T	B
	Separate optional unit eligible for SA "T" but not better than variable "T" Yield	Variable "T" Yield	S, E, N, T	C
	Added to existing unit but not eligible to use existing APH so separate database required	100% "T" Yield	S, E, N, T	B
	Added to existing unit and eligible to use existing APH	Existing APH	Existing APH	[n/a]
	Separate basic unit	Variable "T" Yield	S, E, N, T	C

### 3 CROPLAND ACREAGE LIMITATIONS

Cropland acreage limitations are used to determine whether SA "T" Yields may be used, if applicable, or if land may be added to an existing unit and use its yield/database without an RMA RO underwriting review.

- 3A **Years Prior to 2000.** New databases for land contained in the farming operation prior to 2000 are not subject to acreage limitations.
- 3B **2000 and Subsequent Years.** Land added to the farming operation or a new crop initially insured in 2000 or in a subsequent crop year is subject to cropland acreage limitations prior to calculating SA "T" yields for new databases. Cropland acreage limitations must be administered each crop year according to the year that the land is added to the farming operation. (Example, the land was added to the farming operation in 2001 and a new crop (Grain Sorghum) added in 2003. Acreage limitations are administered according to the year the land was added, 2001.) Producers may request SA "T" Yields for crops not previously insured in the county; however, if the cropland acreage limitations are exceeded, an underwriting review must be requested from the RMA RO. [See Par. 2C and 2D for calculation instructions and Par. 4 for cropland acreage determinations.] Note: Cropland acreage limitations do not apply if a new database is required for a new P/T/V (first crop year the P/T/V is produced on the unit) unless it is produced on added land and the use of the SA "T" Yield is requested.
- 3C **If a separate optional unit,** SA "T" Yields may be used to establish new databases (without records) for added land or an added crop by P/T/V if the cropland acres added:
- C(1) **Do not exceed 50 percent** of the total cropland acres contained in the existing basic unit **and** the total cropland acres to be added (all units) to the existing farm operation do not exceed **640 cropland acres** (without respect to crops), the Insurance Provider will calculate an SA "T" Yield. The approved APH yield will be the higher of the SA "T" Yield (or the variable "T" Yield. [See Par. 3 for cropland acreage determinations.] Use an "A" yield indicator if the SA "T" Yield is higher or a "C" yield indicator if the variable "T" Yield is higher for data processing purposes for these situations.
- Note: Policies with enterprise units may have databases established and transmitted to the RMA for the underlying units. For these situations, the total cropland acres added to each unit must be compared to the total cropland acres of the existing basic unit for 50 percent limitation purposes.
- C(2) **Exceed 50 percent** of the total cropland in the existing basic unit **or** the total cropland acres to be added (for all units) to the existing farm operation exceed **640 but are less than 2000 cropland acres** (without respect to crop), and the RMA RO performs an underwriting review and approves the use of the SA "T" Yield. [See Par. 4 for instructions.] When use of the SA "T" Yield is approved by the RMA RO, the Insurance Provider calculates it the initial year a database is established for the crop by P/T/V then compares the SA "T" Yield to the variable "T" Yield and uses the higher of the two yields to establish the database.

If use of a SA "T" Yield is not approved when an underwriting review is required by the RMA RO or cropland acreage limitations are not administered by the Insurance Provider, the Insurance Provider must determine a variable "T" Yield in accordance with [Par 2B]. Such databases may not be combined with an existing unit in a subsequent crop year, until at least four years of actual/assigned yields have been entered in the database. "B" Yield indicators are required for data processing purposes for these situations.

Note: SA "T" Yields may not be used if the total cropland acres being added to the operation exceed 2000; the variable "T" Yield must be used to establish new databases in these instances.

3D **If Added to an Existing Unit.** The yield/database of the existing unit will apply for a crop by P/T/V (without records) if the cropland acres added:

D(1) **Do not exceed 50 percent** of the total cropland acres contained in the existing unit **and** the total cropland acres to be added (for all units) to the existing farm operation do not exceed **640**, (without respect to crop), the APH yield of the existing unit will apply. A yield indicator is not required.

D(2) **Exceed 50 percent** of the total cropland in the existing unit **or** the total cropland acres to be added (for all units) to the existing farm operation exceed **640** but are less than **2000 cropland acres** (without respect to crop), and the RMA RO performs an underwriting review and approves its use. The insured may request by the applicable deadline an underwriting review by the RMA RO to determine if the existing unit's APH yield may be used. [See Par. 4 for additional instructions.] If the RMA RO does not approve use of the existing unit's yield/database or an RMA RO underwriting review is not requested:

(2)(a) Use regular variable "T" Yield procedure for the added acreage, establish a separate database, and maintain it until "T" Yields are no longer required. [See 2A of this Exhibit for variable "T" Yield instructions.]

(2)(b) Separate databases must be maintained within the existing unit until there are four years of actual/assigned yields.

(2)(c) If the added land database is separated from the existing unit in a subsequent crop year, ONLY the APH history associated with the added land may be transferred to the new unit's database. Use variable "T" Yields to complete the four-year database if less than four actual/assigned yields.

(2)(d) For data processing purposes, use a "B" yield indicator.

#### 4 CROPLAND ACREAGE DETERMINATIONS

Cropland acreage contained in an existing unit or for added land means the cropland acres owned, leased, cash rented, share rented, etc. (as applicable for the unit structure), for the current crop year.

4A **50 Percent Determinations.** To determine the percentage of acreage being added:

A(1) **As a separate optional unit,** divide the cropland acres **contained** in the optional unit, by the total cropland acres **contained** in the existing basic unit.

A(2) **To an existing unit,** divide the cropland acres contained in the added land by the cropland acres contained in the existing basic or optional unit, as applicable.

4B **640 and 2000 Acre Determinations.** Cropland acres for all added land (including added land with records) must be included for the purpose of determining the 640-acre and **2000** acre limit.

4C **Examples:**

**Example 1, Cropland Acres:** For the current crop year, the insured's existing 100 percent share basic unit includes land from three FSN's. FSN #1 consists of 300 cropland acres all of which are owned by the insured. FSN #2 consists of 700 cropland acres; however, the insured only cash leased, one tract of FSN # 2 which contains 200 cropland acres. FSN #3 consists of 150 cropland acres all of which are cash leased by the insured. For acreage comparison purposes, the basic unit contains 650 (300 + 200 + 150) cropland acres.

**Example 2, Percentage of Cropland Acres Added:** Same background information as Example 1, except that for the current crop year, the insured lost the lease to farm FSN #3 and added farm FSN #4 which consists of 310 cropland acres all of which is cash leased by the insured. If the insured wishes to add FSN #4 to the existing unit or as a separate optional unit, the percentage comparison is  $310 \div 500$  (300 + 200) = .62 (a 62 percent increase). The percentage increase exceeds the 50 percent limit.

**Example 3, Total Cropland Acres Added:** For the previous crop year, the insured had one existing 100 percent share basic unit which was divided into two optional units, 00101 contained 400 cropland acres and 00102 contained 600 cropland acres. For the current crop year, the insured continues to operate those farms; however, three additional tracts of land were cash rented, FSN #1 containing 200 cropland acres, FSN #2 containing 300 cropland acres, and FSN #3 containing 180 cropland acres. The insured wishes to add each as a separate optional unit. None of the cropland acres for the added optional units exceed 50 percent of the cropland acres contained in the basic unit; however, the total cropland acres to be added is 680, which exceeds the 640 acre limit but is less than the **2000** acre maximum.

## 5 RMA RO UNDERWRITING REVIEWS

If the land being added exceeds the **50 percent** and the 640 acres guidelines but does not exceed the 2000 cropland acre maximum and the insured submits a signed request by the applicable deadline and provides the required documentation, the RMA RO will perform an RMA RO underwriting review to determine the appropriate yield method to be used for the added land.

5A **Requests must be postmarked** no later than 20 calendar days after the PRD and received in the RMA RO no later than 10 calendar days thereafter. Faxed requests must be received in the RMA RO no later than 20 calendar days after the PRD. Requests may be submitted for cropland acreage obtained after the PRD but not later than the acreage reporting date. Such requests be postmarked no later than 20 calendar days after the acreage reporting date, and received in the RMA RO no later than 10 calendar days thereafter. Fax requests must be received no later than 20 calendar days after the acreage reporting date.

5B **Productivity of the added land** must be equal to or exceed 85 percent of the existing unit's yield capability before the use of the SA "T" Yield for a separate optional unit or the use of the existing unit's approved APH yield will be approved. Productivity comparisons of the added land to the existing unit will be made using one or more of the following productivity indicators:

- B(1)** **The actual production history** by crop by P/T/V (if applicable) of the added land for the previous crop year(s) from the previous operator/tenant and submitted by the insured.
- B(2)** **Soil survey maps** to determine similar soil types or other climate or elevation data used by the RMA RO to determine similar agronomic conditions.
- B(3)** **Natural Resource Conservation Service** Soil Survey information.
- B(4)** **RMA Actuarial Maps** (past or present).
- 5C** **The RMA RO may utilize factors** other than just the productivity of the added land when determining the appropriate yield method to be used for the added land. For example, the SA "T" Yield may be based on a relatively small acreage in comparison to the amount of land being added (i.e., SA "T" Yield based on three optional units averaging less than 25 planted acres and the total cropland added is 500 acres). In an instance such as this, the RMA RO may determine whether the use of a SA "T" Yield based on a small acreage is an appropriate method for determining a "T" Yield for the added land. The variable "T" Yield (with a "B" yield indicator) will be used in those instances where the SA "T" Yield is inappropriate.
- 5D** **The RMA RO will notify** (postmark if mailed) the Insurance Provider of the approved yield determination method(s) no later than 20 days after the receipt of the request and required documentation.

**6 SIMPLE AVERAGE "T" YIELD REQUEST CHECKLIST**

The SA "T" Yield checklist may be used when acreage limitations are exceeded for added land and the insured requests use of the SA "T" Yield or the existing yield/database of an existing unit. If the checklist is not used, the Insurance Provider must submit a request that provides the same information. The insured must sign any request to use the SA "T" Yield.

**SIMPLE AVERAGE (SA) "T" YIELD REQUEST CHECKLIST**

NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

SSN/EIN: \_\_\_\_\_ CROP YEAR: \_\_\_\_\_

STATE: \_\_\_\_\_ COUNTY: \_\_\_\_\_ POLICY #: \_\_\_\_\_

Documentation Attached:

- Required statement [Exhibit 36, item 8A(2)(a)], signed and dated by insured.
- Acceptable APH form for the current crop year.
- Cropland acres, e.g., FSA 578 or 156 EZ for the current or previous crop year, or other documentation that indicates: cropland acres; legal description; ownership; share; cash rent or lease agreements.
- Aerial photos with legal descriptions, FSN's and tract numbers as appropriate.
- APH form from previous operator/tenant (only if the insured wishes APH yields to be considered for productivity comparisons).

**ADDITIONAL INFORMATION DETAILS:**

Company Name & Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Reporting Organization Code: \_\_\_\_\_ (Please Complete Table on Other Side)

BASIC UNIT NO.	FSN*		LAND DESCRIPTION* (Legal if units are based on Sec.) (Tract/Field# if units are based on FSN's)	AL CROPLAND ACRES	EXISTING UNIT CROPLAND ACRES	REQUEST TYPE** (E or S)	CROP(S)	UNIT/ PRACTICE/ TYPE/ VARIETY
	1 EXISTING LAND	2 ADDED LAND (AL)						
	1							
	2							
	1							
	2							
	1							
	2							
	1							
	2							
	1							
	2							
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	1							
	2							
	1							
	2							
	1							
	2							
	1							
	2							
	1							
	2							

\* An entry for the existing land and for the added land is needed for these columns.

\*\* Added to an **existing unit**, Please enter “**E**”; added as a **separate optional unit**, enter “**S**”.

## 7 P/T/V's COMBINED OR DIVIDED

If P/T/V's are combined or divided (on the actuarial document) in subsequent (policy) crop years, [see Exhibit 35] for instructions.

## 8 ADMINISTRATION AND RESPONSIBILITIES

### 8A Policyholder Responsibilities.

A(1) **Policyholders adding land as a separate optional unit** and using SA "T" Yields must not have previously produced the crop on the land and certify to such.

A(2) **Requests for RMA RO Reviews.** Insureds who wish to use SA "T" Yields for a separate optional unit, or add land to an existing unit and use the existing unit's approved APH yield, must provide the required supporting documentation to the agent, preferably by the PRD **but no later** than acreage reporting date is eligible for SA procedure **[in accordance with all applicable sections of this Exhibit]**. Supporting documentation consists of the following:

(2)(a) A written signed request containing the following statement:

"I hereby request an RMA RO underwriting review to determine the appropriate APH calculation method(s) to calculate my insurance guarantee **for land added to my operation**. Insured crops for which this request is being made are as follows:

\_\_\_\_\_."

"I understand that crop(s) not included on the request will use variable "T" Yields for added land unless acceptable acreage and production records are provided."

(2)(b) Acceptable APH forms for the insured crop(s) filed for the current crop year.

**(2)(c)** Cropland acres contained in the added land and existing unit(s) for the current crop year in the farming operation. A copy of applicable FSA-578's or FSA-156EZ for the current or the previous crop year may be used as documentation. If the FSA-578 or FSA-156 EZ is not used, a copy of other documents may be provided that indicate ownership, share, cash rent, lease agreements, insurance records, etc., indicating cropland acres.

**(2)(d)** APH forms from the previous operator/tenant for the insured crop(s) for the previous crop year, showing the production history and the approved APH yield(s) for the affected acreage **only if** the insured wishes APH yields to be considered for productivity comparisons.

**(2)(e)** Aerial photo copies and complete legal descriptions (including tract and field numbers if required by the RMA RO) for the added land and existing units for which the request is being made.

Note: If a request for RMA RO review was not submitted or not submitted **timely** for an insured crop the initial year land was added, a request may be submitted the following crop year only. Exception: **if insurance is later obtained for a crop/P/T/V not insured when the land was added, a request for RMA RO review may be made the first crop year the crop is insured (i.e., RMA RO review is requested the initial year land is added for wheat and corn, which are insured crops; the insured adds insurance for soybeans in a subsequent year and may request a RMA RO review at that time; however, the insured must submit documentation for the year the land was added and all requirements of this Exhibit will apply.)**

**8B** **Agent/Representative Responsibilities.** For added land/P/T/V without records and a separate APH yield (database) is required [see Par. 2A, 2B(2), and 2C(2)], the agent/representative must complete items 6-14 of the FCIC-19-A (comparable items for other FCIC-approved APH forms).

**8C** **Insurance Provider Responsibilities.** Insurance providers must notify insureds of SA "T" Yield procedures prior to the PRD. If acreage is indicated on the acreage report that may qualify for the use of SA "T" Yields, the Insurance Provider has the option of contacting the insured and explaining the requirements. If the insured wishes to use the SA "T" Yields or adds land to an existing unit and wishes to use the approved APH yield of the existing unit and provides the required documentation, the Insurance Provider calculates the approved APH yields for units that do not exceed the cropland acreage limitations.

- C(1) **For acreage that exceeds the cropland acreage limitations but do not exceed the 2000 cropland acre maximum,** the Insurance Provider will forward the request and documentation to the applicable RMA RO. Requests to the RMA RO must be submitted no later than the applicable deadline.
- C(2) **For policies selected for APH reviews** the year databases are initially established with SA "T" Yields, verify that the insured has not previously been actively engaged in farming for a share of the crop/P/T/V's production (any crop's production if **on** added land).
- C(3) **Prior to the payment of a claim for indemnity** for databases initially established with SA "T" Yields, verify **OR** obtain a certification statement that the insured has NOT previously been actively engaged in farming for a share of the crop/P/T/V's production. If such acreage does not meet the requirements, the APH yield must be recalculated using variable "T" Yields and corrected according to APH review tolerances.

9 EXAMPLE OF COMPLETED DATABASES

**Example 1: ADDED LAND WITH RECORDS COMBINED WITH AN EXISTING UNIT**

The following example illustrates combining an existing unit's database and added land with records into a single unit database. Both databases contain actual and/or assigned yields and cannot be further divided into optional units. The insured share-rented another farm (FSA FSN) from the same landlord who was insured the previous (policy) crop year and who has an established database.

**Previous (Policy) Crop Year Databases (2002)**

ADDED LAND/LANDLORD A			
2002	UNIT 00100	NI FAC	Sec. 10
YEAR	PROD.	ACRES	YIELD
98	640	40.0	A16
99	700	50.0	A14
00	1200	60.0	A20
01	880	40.0	A22

EXISTING UNIT/LANDLORD A			
2002	UNIT 00100	NI FAC	Sec. 10
YEAR	PROD.	ACRES	YIELD
98	1400	70.0	A20
99	2880	90.0	A32
00	1680	60.0	A28
01	1920	80.0	A24

Step 1: The 2003 production report indicates for the 2002 crop year: NI FAC with 3000 bu. production, 100.0 actual acres and a 30 bu. average yield.

Step 2: Actual acres and production are combined.

Year	<b>2040</b>	<b>110.0</b>
98	(640[Bu] + 1400[Bu]) ÷ (40.0 [acres] + 70.0[acres]) = <b>19</b>	<b>140.0</b>
99	(700[Bu] + 2880[Bu]) ÷ (50.0 [acres] + 90.0[acres]) = <b>26</b>	<b>120.0</b>
00	(1200[Bu] + 1680[Bu]) ÷ (60.0[acres] + 60.0[acres]) = <b>24</b>	<b>120.0</b>
01	( 880[Bu] + 1920[Bu]) ÷ (40.0[acres] + 80.0[acres]) = <b>23</b>	

	2003	UNIT 00100	NI FAC	
Step	YEAR	PROD.	ACRES	YIELD
Step 2	98	2040	110	A19
Step 2	99	3580	140.0	A26
Step 2	00	2880	120.0	A24
Step 2	01	2800	120.0	A23
<b>Step 1</b>	<b>2002</b>	<b>3000</b>	<b>30.0</b>	<b>A30</b>
Step 3			Total	126/5=25
			APH	25

Step 3: The actual yields are totaled and divided by five to determine the preliminary/approved APH yield.

**Example 2: SEPARATE DATABASE REQUIRED**

The following example illustrates establishing current databases for a basic unit. The added land did not have records, exceeded cropland acreage limitations **but did not exceed the 2000 cropland acreage maximum**, and the RMA RO did not authorize the use of the existing unit's APH yield for the added land.

**Current Crop Year Databases (2003)**

EXISTING UNIT/100 PERCENT				ADDED LAND/CASH RENTED			
2003	UNIT 00100	NI FAC		2003	UNIT 00100	NI FAC	
YEAR	PROD.	ACRES	YIELD	YEAR	PROD.	ACRES	YIELD
98	2200	55.0	A40	98			
99		0.0	Z	99			T17
00		40.5	P15	00			T17
01	2520	60.0	A42	01			T17
02	1210	50.0	A20	02			T17
		Total	117/4=29			Total	68/4=17
		APH	29			APH	17

For the subsequent crop year, the insured provides separate production reports and requests separate optional units.

**Subsequent Crop Year Databases (2004)**

EXISTING UNIT/100 PERCENT				ADDED LAND/CASH RENTED			
2003	UNIT 00101	NI FAC		2003	UNIT 00102	NI FAC	
YEAR	PROD.	ACRES	YIELD	YEAR	PROD.	ACRES	YIELD
98	2200	55.0	A40	98			
99		0.0	Z	99			
00		40.5	P15	00			T17
01	2520	60.0	A42	01			T17
02	1210	50.0	A20	02			T17
03	1280	40.0	32	03	3300	150.0	A22
		Total	149/5=30			Total	73/4=18
		APH	30			APH	18

**10 UNDERWRITING GUIDELINES FOR DETERMINED IRRIGATED YIELDS**

Not applicable to acreage assigned high-risk "T" Yields **or if carried out on added land** unless acceptable production reports are filed **for the Non-irrigated practice** based on records from another person sharing in the crop.

**10A Qualifying for Determined Irrigated (IRR) Yields**

The RMA RO/Insurance Provider may approve a determined yield for an irrigated practice the **FIRST TIME** the irrigated practice qualifies as an added practice ON A UNIT provided:

- A(1) **A Non-Irrigated (NI) practice** has been carried out on the crop and acceptable production reports have been provided for the NI practice;
- A(2) **The NI practice for the same unit/location** (farm/legal description/location if the Irrigated unit is a separate optional unit) has a higher APH yield than the yield available for the IRR practice using Variable "T" Yield procedures that apply for the added IRR practice when no IRR records are available for the unit.

**10B Request Requirements**

- B(1) **Request Deadlines.** A written request for a determined IRR yield must be received by the verifier no later than 20 calendar days after the PRD.
- B(2) **Records Are Required.** Copies of the production reports for the most recent crop year must be provided to the verifier. Legal descriptions of the unit(s) for which the determined yield for the IRR practice is being requested must also be provided.
- B(3) **Irrigation System Documentation.** Documentation must indicate the facilities and water supply are adequate to meet a good irrigation practice. The water must be artificially applied during the growing season by appropriate systems and at the proper time with the intention of providing the quantity of water needed to produce at least the yield (approved APH) used to establish the irrigated production guarantee on the irrigated acreage planted to the insured crop under the IRR practice.

**10C Underwriting Guidelines for Establishing Determined Irrigated Yields**

- C(1) **Determine A "T" Yield Reference Factor.** Determine the location where the IRR practice will be carried out. Determine the approved APH yield for the NI practice applicable to the same unit/location. This is the NI reference unit. Compare the NI APH yield for the reference unit to the variable "T" Yield that would apply to the IRR practice. If the NI APH yield for the reference unit is less than the variable "T" Yield for the IRR practice, the unit DOES NOT qualify for the determined Factored "T" Yield. The variable "T" Yield for the IRR practice applies.

If the NI APH yield for the reference unit is greater than the yield available for the IRR practice using variable "T" Yield procedures, identify the reference unit number in the "other " block on the APH form documenting the determined irrigated yield. Divide the approved NI APH yield by the applicable NI "T" Yield and determine a reference factor (to two decimal places).

If the reference unit contains more than one NI yield, calculate a reference factor for each NI yield and then determine a simple average reference factor.

The maximum reference factor allowed is determined by the number of years of actual yields provided for the crop/county:

- (1)(a) 1.20 if one or two years,  
 (1)(b) 1.30 if three years, and  
 (1)(c) 1.40 if four or more years.

Example 1: The reference unit's (00100, N1/2 Sec. 15) NI practice approved APH Yield is 425 lbs. The NI 100 percent "T" Yield is 320 lbs.  $425/320 = 1.33$ .

Four years of actual yields have been provided for the crop in the county.

- C(2) **Compute The Factored Irrigated "T" Yield.** Multiply the "T" Yield reference factor [determined in C(1) above for the reference unit] times the 100 percent "T" Yield for the IRR practice.

Example 1, continued: An IRR practice is added to N1/2 Sec. 15 (it becomes part of unit 00102) and the 100 percent "T" Yield is 400 lbs. The factored IRR "T" Yield for the IRR practice is 1.33 [determined in C(1) above] x 400 (the 100 percent IRR "T" Yield) = 532 lbs.

- C(3) **Select An Existing Irrigated Yield.** If any IRR records have been provided for any unit for the crop, select the approved APH yield for the unit (basic or optional) containing records for the IRR practice that is physically located nearest to the reference unit. If more than one unit with IRR records are located an equal distance from the reference unit, use the IRR unit with the most years of records.

- C(4) **Assign The Determined Irrigated Yield.** If IRR records have been provided for any unit for the crop, the determined IRR yield is the lesser of the factored IRR "T" Yield for the reference unit or the IRR yield [determined in C(3)]. If NO IRR records have been provided, the determined Irrigated yield is the factored IRR "T" Yield [determined in C(2)].

Example 1, continued: The nearest unit's approved APH yield that has records for the IRR practice is 550 lbs. The Determined IRR Yield is the factored IRR "T" Yield of 532 lbs. [as determined in C(2) above] (it is less than the approved IRR yield for the nearest unit of 550 lbs.) Compare the Determined Irrigated Yield (532 lbs.) to the added practice Variable "T" Yield (400 lbs. 100% of IRR "T" Yield) [calculated according to Par. C(3)] and use whichever is higher.

Example 2: The NI approved APH yield for the reference unit (0100) is 420 lbs. The factored IRR "T" Yield is 480 lbs.  $420/320$  (100% NI "T" Yield) = 1.20 (1.31 limited to 1.20 because two years of actual yields were provided) x 400 (100% IRR "T" Yield)].

The factored IRR "T" Yield (480 lbs.) is compared to the approved APH IRR yield (460 lbs.) for the nearest unit (00200) on which irrigated records are available and the added practice Variable "T" Yield (400 lbs.). In this example, the determined IRR Yield is limited by the approved IRR APH yield to 460 lbs.

#### 10D **Documenting the Determined Irrigated Yield**

Four determined IRR yields are entered in the yield column of the APH form preceded by the yield descriptor "C". For subsequent crop years, the determined IRR "T" Yield is used to complete the 4-year database until four years of actual and/or assigned yields are available. The request for the determined IRR yield, supporting documentation, and determined IRR yield calculations must be retained and provided if the policy is selected for an Insurance Provider APH field review or RMA compliance review.

**NEW PRODUCERS****1 QUALIFYING AS A NEW PRODUCER**

## PROVISIONS FOR CATEGORY B CROPS

[See Sec. 3 for definition.] Actively engaged in farming for a share of an insured crop's production in the county is hereafter referred to as "produced the crop."

Examples: The insured started farming in 2000 and produced the insured crop in 2000 and 2001. In this instance, the insured qualifies as a New Producer but must provide production reports for the insured crop for the 2000 and 2001 crop years to use the 100 percent "T" Yield in the APH yield calculation. If the insured had also produced the insured crop prior to the 2000 crop year, the insured would not qualify as a New Producer.

Insureds who have produced the insured crop for more than two APH crop years in other county(ies) qualify as a New Producer of the insured crop if they have not produced the insured crop in a county for more than two crop years.

**1A New Producers who have not produced the insured crop in the county.**

A(1) **Initial Year.** The applicable 100 percent "T" Yield is the approved APH yield the initial year of insurance [see Sec. 6, Par. C(3)(a) and Par. 4 of this exhibit for an example]; or

A(2) **If sharing in the insured crop** for the current crop year with another person(s), New Producers may file acceptable production reports by the PRD based on acreage and production records obtained from the other person(s). If so, standard APH procedures apply [see Sec. 10, E].

**1B New Producers who have produced the insured crop for one or two crop years are required to provide production reports (on land contained in the current farming operation) for such crop years.**

B(1) When such production reports are filed, verifiers use a combination of actual yields and 100 percent of the applicable "T" Yield to calculate the approved APH yield until four years of actual and/or assigned yields are provided [see Par. 4].

B(2) **If the required production reports are not filed** the initial year the APH yield is established, the approved APH yield is calculated using:

(2)(a) **65 percent of the "T" Yield** if no production reports are provided [see Sec. 6, Par. C(1)].

(2)(b) **one actual yield and three 80 percent "T" Yields** if only the most recent crop year is provided and the insured has produced the insured crop two years [see Sec. 6, Par. C(2)(a)1].

**B(3) In subsequent crop years, if required production reports are not provided assigned yield provisions apply [see Sec. 6, Par. C(1)].**

**B(4) Added land P/T/V.** If new land/P/T/V is added and the insured still qualifies as a New Producer for the crop/county, set up the new database(s) according to:

(3)(a) New Producer procedures; or

(3)(b) Added land procedures (See Ex. 36).

**1C** **Formation of New Entities.** Formation of a new entity (corporation, partnership, trust, etc.) comprised of one or more individuals does not automatically qualify the entity as a new producer. Although the entity may not have records as such, individuals comprising the entity may have produced the insured crop in the county during the base period. If the individuals have produced the insured crop for two crop years or less, the entity may qualify as a new producer. If production reports are filed for these crop year(s) for the insured crop on land that is operated by the new entity, the approved APH yield is calculated using the actual yields and 100 percent of the applicable "T" Yield.

**1D** **Dissolution of Entities.** Dissolution of an entity (corporation, partnership, trust, etc.) comprised of one or more individuals does not automatically qualify the individual(s) previously involved in the entity as new producers. It is necessary to determine how many crop years the previous entity produced the insured crop in the county during the base period. If the previous entity produced the crop for two crop years or less and production reports are filed for these crop years on land that is now operated by the individual, the approved APH yield is calculated using actual yields and 100 percent "T" Yields.

## **2 SITUATIONS FOR WHICH RMA YIELD DETERMINATIONS MAY BE REQUESTED**

**2A** **Insureds (individuals or entities) who have produced the insured crop for more than two crop years** in the county do not qualify as new producers. However, if records ARE NOT available for ANY of the land in the insured's current operation, APH procedure may limit the approved APH yield to less than 100 percent of the "T" Yield unless a yield is requested from the RMA RO for the following situations.

A(1) **The insured produced the crop on a farming operation** for more than two crop years, stopped farming ALL land in that farming operation, and is producing the crop on entirely different land.

NOTE: If an insured produced the crop in a county, stopped farming in that county and begins farming in another county, that insured qualifies as a new producer. However, if past production history (from the county with records) indicates average yields that are consistently greater than 100 percent of the applicable "T" Yield, the insured may request an RMA RO yield determination.

A(2) **Change of entity.** A new entity has been created and production records are **not** available on ANY land in the new entity's farming operation; however, individual(s) that comprise the new entity have produced the crop for more than two crop years on other land.

A(3) **An entity has been dissolved** and production records are **not** available on ANY land in the individual's current farming operation; however, the individual as a member of the former entity has produced the crop for more than two crop years on other land.

A(4) **An individual or entity (or member of the insured entity) has NOT** produced or shared in the crop in the county in the last 10 calendar years preceding the current crop year (11 calendar years for crops with a lag year) may request a RMA RO yield determination.

**2B** **Request Requirements.** To be considered by the RMA RO, all requests for approved APH yields must be signed by the production reporting date and received in the RMA RO no later than 20 calendar days after the production reporting date. The request must include the records of acreage and production (with legal descriptions, aerial photo or map locating the acreage in the county) available from the land on which the insured crop was produced, and the legal descriptions of all land the insured currently operates for which approved APH yields are being requested.

**2C Yield Guidelines.** RMA RO approved APH yields are based on soil productivity of the land in the current operation and the management ability demonstrated by the actual yields submitted. They are generally limited to 65-100 percent of the applicable "T" Yield. The RMA RO will issue the percent of "T" Yield on a letter. The Insurance Provider will take the percentage of "T" Yield thus issued times the current "T" Yield and apply with an "F" descriptor. The same percentage will be applied when "T" Yields are updated by RMA.

**3 DOCUMENTATION OF NEW PRODUCER STATUS**

New producers and Insurance Providers must document the new producer status and approved APH yields by completing and signing APH forms and certifying [in block 11 "Other" of the APH form] the crop years the insured has produced the insured crop [see Par. 4 and 5 examples below]. The deadline for documenting new producer status is the PRD. Exception, if the agent/representative fails to correctly identify the new insured as a New Producer, the error may be corrected up until the acreage reporting date with Insurance Provider approval. Separate four-year databases must be established for each unit (by P/T/V) and/or for each "T" Yield map area. Verification of "New Producer" status is required by the insurance provider prior to payment of a claim for indemnity and for policies selected for APH reviews. In some instances, the producer's status may be verified by contacting the applicable FSA office or by using RMA's experience listings.

**4 EXAMPLE - NEW PRODUCERS WITHOUT PRODUCTION RECORDS**

In this example database, the insured started to farm for the current crop year and records are not available from another producer. In this case, the approved APH yield is 100 percent of the applicable "T" Yield.

Current Year	Year 2	Year 3	Year 4
I100	I100	I100	I100
I100	I100	I100	I100
I100	I100	A110	A110
I100	A110	A120	A120
			Z

**5 EXAMPLE - NEW PRODUCER WITH PRODUCTION RECORDS**

In this example database, the insured has been farming for two years and produced the insured crop for two crop years. Production reports were filed containing actual yields for the two crop years. The "current year" is the initial crop year the insured qualified as a new producer. The "I" yield descriptor is retained in an individual database containing "T" Yields until the database contains three years of actual/assigned yields.

Current Year	Year 2	Year 3	Year 4
I100	T100	T100	A40
I100	A40	A40	A140
A40	A140	A140	A110
A140	A110	A110	Z
		Z	A138

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