

(2)(b) **Skip-Row Planting Patterns.** Except for crops and counties listed in Paragraphs 1-3 that follow, skip-row planting (row widths exceeding 40 inches) is NOT an established practice contained on the county actuarial documents and an **Unrated Practice, Type or Variety (TP)** written agreement is required to insure skip-row planted acreage of an otherwise insurable crop [see Par. 4G and WAH for written agreement instructions]. Requests to insure skip-row planting patterns for any crop must be accompanied by APH form(s) as indicated in Par. (2)(b)4 below. Once insured, APH forms/databases must continue to be completed as indicated in (2)(b)4. Skip-row planting patterns are insurable without a written agreement for the following crops:

- 1 Tree, bush and vine crops normally planted in rows wider than 40 inches subject to any applicable policy row spacing limitations.
- 2 Cotton in all counties with a cotton insurance program [see Exhibit 17 for skip-row instructions].
- 3 Grain Sorghum, including but not limited to the following Texas counties, Andrews, Concho, **Fisher**, Jones, **Mitchell**, Runnels, **Scurry**, **Taylor** and Tom Green. Contact the RMA Regional Office concerning insurability of skip-row planted acreage in other counties.
- 4 To insure acreage planted in skip-row planting patterns:
 - a A separate APH form/database must be established for acreage planted in skip-row planting patterns and for solid-planted acreage. Skip-row production reports/databases must be identified and the corresponding Type 15 Records transmitted to RMA must be identified by “S” yield indicators.
 - b Skip-row acres for each crop year reported must be converted to solid-plant using the current FSA percent planted factors. **For patterns not listed, contact FSA for the percent planted factors. [See acres considered planted by FSA chart following:]**
 - c Actual yields for each crop year reported that was planted in a skip-row planting pattern must be calculated by dividing the production by the solid-planted acres. Yield conversion factors do not apply to the acreage planted in qualifying skip-row planting patterns.
 - d Skip-row acreage must be converted to solid-plant for acreage report purposes.

ACRES CONSIDERED PLANTED BY FSA

Cropping Definition	Row Width	Percent Planted
1 planted 1skipped	40 inch	50.00%
1 planted 1 skipped	36 inch	55.56%
1 planted 1 skipped	32 inch	62.50%
2 planted 1 skipped	30 to 40 inch	66.67%
2 planted 2 skipped	30 to 40 inch	50.00%
3 planted 1 skipped	30 to 40 inch	75.00%
3 planted 2 skipped	30 to 40 inch	60.00%
4 planted 1 skipped	30 to 40 inch	80.00%
4 planted 2 skipped	30 to 40 inch	66.67%
4 planted 4 skipped	30 to 40 inch	50.00%
5 planted 1 skipped	30 to 40 inch	83.33%
5 planted 2 skipped	30 to 40 inch	71.43%
6 planted 1 skipped	30 to 40 inch	85.71%
6 planted 2 skipped	30 to 40 inch	75.00%
7 planted 1 skipped	30 to 40 inch	87.50%
7 planted 2 skipped	30 to 40 inch	77.77%
8 planted 1 skipped	30 to 40 inch	88.89%
8 planted 2 skipped	30 to 40 inch	80.00%
Other patterns	FSA Rules	FSA Rules

- A(3) **Crop Policy and/or County Actuarial Document Revisions.** Such revisions must be on file with the AIP 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 CP include more than one crop; however, these CP 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 CP [Insured Crop section] or the SP to determine the separate insurable crops. Each crop under the same CP 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 AIP on or before the cancellation date for the effective crop year, 2) the policy is terminated by the AIP 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 CP.

- (5)(a) **Cancellation.** The insured or AIP 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 (SPOI 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 AIP of any change that 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. G], or the AIP was not authorized to calculate the preliminary yield and the approved yield is not acceptable to the insured.**←NACAT)**

- 3 AIPs agree. A policy written with one AIP may not be canceled for the purpose of insuring with another agent/AIP the first effective crop year without the consent of the AIP involved. However, a change in **insurance plans** is allowed and must be made before the earlier of the applicable cancellation or SCD (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 SCD the insured requests Multiple Peril Crop Insurance (MPCI) instead of CRC on Corn and Soybeans).

4C Applications For Insurance.

- C(1) **Eligible Persons.** Application for insurance covering an insurable (eligible) crop may be made by a person 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) **Landlord/Tenant.** Separate applications/contracts are required for each person insured unless the application clearly states the landlord will insure the tenant's share, or the tenant will insure the landlord's share.
- 1 If the landlord or tenant has requested to insure the other person's share of the crop on the application by the applicable SCD, 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.
 - 2 Evidence of the other party's approval (lease, power of attorney, etc.) must be provided to the AIP by the SCD, and retained.
 - 3 If a person is sharing with multiple landlords'/tenants' and requests to insure the landlords'/tenants' share, only one policy is **allowed**. Such policy covers the named insured and the landlords'/tenants' share (as listed on the application) of the insured acreage only.
 - 4 Each separate share arrangement with **different landlords or tenants** qualifies as a basic unit.
 - 5 If a landlord or tenant's share is insured under the policy, the applicable identification number must be shown on the application, regardless of whether the landlord or tenant holds a SBI in the policy.
 - 6 **A landlord/tenant's share cannot be insured under another person's policy, if the landlord/tenant has a policy for that crop/county. For example, a landlord's share cannot be insured under a tenant's policy if the landlord has his own individual policy for that crop/county.**
- (1)(c) **Native American land held in trust** by the Bureau of Indian Affairs is handled similar to other trusts. [See Exhibit 32, Par. **9C**.] All other Native American entities will be insured as applicable (i.e., individuals, partnerships, joint operators, etc.) **with the exception of those tribal ventures that do not meet the requirements for joint ventures, which will be treated as a BIA trust for crop insurance policy processing purposes.**
- (1)(d) **(CAT→**Landowners with an undivided interest in land may insure crops on such land under one policy. [See Exhibit 32, Par. 2E.]**←CAT)**

- C(2) **Ineligible Persons.** An ineligible person is a person denied participation in any program administered by FCIC under the Act. [See FCIC-24050 Ineligible Tracking System Handbook] to determine impact of ineligibility or SBI holders. A new application is required for insurance coverage after the end of the ineligibility period.
- (2)(a) Any person with a delinquent debt to RMA or an AIP is ineligible for crop insurance until the debt is resolved.
- 1 When the debt is resolved, that person again becomes eligible for crop insurance.
 - 2 Application must be made on or before the applicable SCD for the crop.
 - 3 If debt is resolved after the SCD for a crop, the person cannot apply for insurance for that crop until the next crop year, unless the crop also has a SCD for the crop year occurring after the payment is made (i.e., multiple SCDs within a crop year). For such crops, applications may be taken by a later SCD; however, insurance attaches only after the application is taken. Any loss incurred between the time the policy was terminated and the new application is taken is not covered.
- (2)(b) Any person who is disqualified, suspended or debarred, under the Act and applicable regulations, is ineligible for crop insurance for the period of disqualification, suspension or debarment.
- (2)(c) 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 under the Food Security Act of 1985.
- C(3) **Sales Closing Dates (SCD).** To participate, a person must apply for insurance on or before the applicable SCD. SCDs, usually preceding the beginning of the insurance period, are established for each insurable crop and are published in the county actuarial table. After the SCD, new applications for insurance for that crop year may not be accepted. SCDs 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 SCD 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 or amount of insurance. All acreage of the insured crop within a county must be insured at the same level with the following exceptions:
- 1 High-risk land excluded from an additional coverage policy and insured separately under a CAT policy;

C(8) **Successor-In-Interest Applications.** A successor-in-interest policy continues the insurance protection, APH yield history, and favorable insurance experience/premium discounts (if the successor qualifies) that were accumulated by the former insured. [See Par. C(11) for insurance experience/premium discount requirements and applicable crops.] A successor-in-interest requires the preparation of a new application and cancellation of the previous policy.

(8)(a) **Qualified 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. Qualified changes of insurable entity include dissolution and formation of a partnership, corporation, trust, or **opening and** settlement of an estate. The successor/applicant must have been a member of the insured entity that changed and operates all or part of the same land previously insured by the entity.

(8)(b) **Limitations.** A successor-in-interest policy covers only the land previously insured **under a single policy**. If additional land is to be covered under the same policy, a successor-in-interest application is not applicable.

(8)(c) **Eligibility for continuing insurance protection.** If a successor-in-interest application is from a qualified applicant, insurance coverage must be continued on the same coverage level, price **election**, etc., as the original insurance application if it is taken after the SCD. For example, if an insured dies on or after the SCD but before insurance attaches, a successor-in-interest application from a qualified applicant maintains continuity of insurance.

(8)(d) **Eligibility for continuing favorable insurance experience/premium discounts.** The successor must **be a qualified applicant and** have participated in an active farming capacity (e.g., managed **and** performed the physical activities necessary to produce the crop, or received a share of the crop) in the operation to assist in earning of the premium reduction to be eligible to continue the favorable insurance experience/premium discounts. The successor-in-interest request must document the extent of the successor's participation in the prior production of the crop. The AIP either approves or denies the request to transfer the favorable experience [See Par. 4 C(11)(c) for additional limitations]. A successor-in-interest application may be approved by the AIP when there is one successor to the insured entity or for each former member of a partnership when a partnership is dissolved.

- (8)(e) Eligibility for 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 and who participated in an active farming capacity (e.g., managed and performed the physical activities necessary to produce the crop, or received a share of the crop), the AIP must transfer all the years of APH yield history to the successor-in-interest policy.
- 1 If only part of the acreage is insured under the successor-in-interest policy or the successor participated in the operation for a limited period of time, only the applicable APH data is used.
 - 2 If a successor did not participate in an active farming capacity in the farming operation, variable T-Yield or if applicable, new producer procedures, will be used to determine the approved APH yield.
 - 3 If the successor applicant is a spouse, who was listed as a SBI on the previous policy, all existing years of actual production history and non-actual/assigned yields will transfer to the successor.
 - 4 If the event that created the need for the successor-in-interest arose from an entity change in name only, with no other changes to the farming operation (e.g., an individual or partnership incorporates without adding new members or changing the farming operation), all existing years of actual production history and non-actual/assigned yields will transfer to the successor. If new members, new land is added or any land used to calculate SA T-Yields is no longer contained in the successor entity, SA-T Yields do not transfer. If a partnership or other entity is dissolved and the land is split between members, SA T-Yields do not transfer.
- (8)(f) Deadline for Successor-In-Interest. There is no deadline for a successor-in-interest application. If the event which created the need for a successor-in-interest occurs after insurance attaches, the successor-in-interest is not effective until the following year. Use Transfer of Right to Indemnity to transfer coverage and any possible indemnity payment for the current year [See Sec. 4 par. F(4)].

- C(9) **Transfer of Policies.** Use a Cancellation/Transfer of Experience form developed according to RMA approved standards to cancel policies and to transfer insurance experience data from one AIP to another. To be effective, transfer requests must be signed by the insured by the cancellation date.
- (9)(a) **The policy may not be canceled the first effective crop year** with any AIP for the purpose of insuring with another AIP without the consent of the insurers involved.
- (9)(b) **Requirements.** The assuming AIP 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 policy only once per crop year between AIPs (a company, which has entered into a Standard Reinsurance Agreement with FCIC). A transfer within an AIP from one policy issuing company to another is not considered a transfer for this purpose.
- (9)(c) **Documentation.** The assuming AIP must complete an application, indicate it is a renewal, obtain the insured's signature, and enter the ceding AIP'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 AIP, if applicable, the APH yield history **MUST** also be transferred.
- (9)(e) **Responsibilities.**
- 1** The assuming AIP 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 AIP.
 - 2** All AIPs 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.
 - 3** For Nursery crops [See Sec. 8, B].
- (9)(f) **Verification of Underwriting Information.** AIPs may complete/issue policies using the PHTS without requesting insurance experience and APH history from the ceding AIP. However, if the PHTS information appears incomplete or inaccurate, the assuming AIP **MUST** request the data from the ceding AIP. When requested timely (within 45 days after the cancellation date), the ceding AIP will provide the experience and complete APH data for the applicable crop/county to the assuming AIP no later than 15 calendar days after receiving the request even if the ceding AIP has already cancelled the policy. If due to a lag in processing the immediate past year's business, the cumulative experience factor may be used by the assuming AIP 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 AIP must notify the ceding AIP when it has accepted the transfer. The ceding AIP will then terminate its policy. In any transfer, the assuming AIP must issue the policy and the ceding AIP must terminate its policy if the Cancellation/Transfer Experience Data Form was signed timely by the insured; regardless of whether the assuming AIP timely notified the ceding AIP.

(9)(h) Policy service functions will be performed by the assuming AIP 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 under the policy terminates. However,

1 AIPs may elect to continue coverage for a surviving spouse on a carryover policy where the death of the insured spouse occurs on or before the SCD, when:

a It is unreasonable to expect the surviving spouse to have known or contemplated the need to advise the AIP of the death of the named insured due to the timing of such event;

b There is no indication of intent to commit fraud;

c A successor-in-interest application is completed to change the insured name and identification number to the name and identification number of the surviving spouse and the entity type of the policy to an individual entity, provided the surviving spouse is eligible for coverage and has an insurable share in the crop after the death of the former policyholder; and

d The surviving spouse was listed as a SBI on such policy.

The surviving spouse will be required to use all existing years of actual production history and non-actual yield/assigned yields.

2 If applicable, a successor-in-interest application may be taken from qualified applicants to maintain continuity of insurance and may preserve any favorable insurance experience/premium discounts and APH history [See 4 C (8)].

(10)(b) AFTER the beginning of planting of any insured annual crop, or AFTER insurance attaches for any insured perennial crop, coverage for the crop 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 AIP 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 (e.g., APH to GRP; MPCCI to Crop Revenue Coverage, Revenue Assurance, or Income Protection) or APH coverage levels (e.g., additional coverage to CAT coverage), AIPs 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 MPCCI 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 AIP 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, Sunflower Seeds, 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.

No other crops have premium adjustments based on favorable experience.

EXAMPLE 1: ELIGIBLE PP ACRES

The insured has produced hybrid seed corn, grain sorghum, and soybeans or received a prevented planting payment during the four most recent policy crop years and will produce sunflowers for the first time during the current policy crop year. Since the insured has planted other crops in the county for which PP insurance was available, an intended acreage report cannot be filed for sunflowers.

CROPS PLANTED/ PP PAYMENT (The 4 most recent crop years)	MAXIMUM NUMBER OF ACRES REPORTED		BASE ELIGIBLE ACRES
	APH FORM	ACREAGE REPORT	
Hybrid Seed Corn	NA	110.0 (2006) (Processor Contracts)	100.0 (Acres contracted 2006)
Grain Sorghum	150.0 (2006)	150.0 (2006)	150.0
Soybeans	150.0 (2005)	150.0 Planted (2005) 50.0 PP	200.0 (50.0 + 150.0)
Sunflower Seed	0.0	0.0 (New Grower 2007)	0.0

EXAMPLE 1 CONTINUED (ELIGIBLE PP ACRES INCREASED):

The insured cash leased an additional 212 acres of cropland, supplied a copy of the lease showing that the acreage was leased in time to plant it using good farming practices for the current crop year. The AIP determined that there was no cause of loss evident at the time the acreage was leased that would PP of the insured crops. The insured also provided total cropland acres available for planting for the previous and current policy crop year.

CROPLAND ACRES	CROP	ACRES	FACTOR	ELIGIBLE PP ACRES
2007 2006 Crop Yr. 742 ÷ 530 = 1.400	Hybrid Seed Corn	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(i) Eligible PP Acreage Chart for Crops Requiring a Processor Contract to be Insured.

<p>IF THE INSURED CROP IS A CROP REQUIRED TO BE CONTRACTED WITH A PROCESSOR:</p>	<p>THEN ELIGIBLE ACRES ARE:</p>
<p>Dry Beans (Contract Seed), Dry Peas (Contract Seed), Green Peas, Hybrid Seed Corn, Hybrid Sorghum Seed, Mustard, Popcorn, Processing Beans, Processing Sweet Corn, or Sugar Beets</p>	<p>For contracts specifying the number of acres contracted (or a minimum number of acres contracted), the number of acres (or minimum number of acres) of the crop specified in the contract for the current crop year.</p> <p>For contracts specifying a quantity of production (or minimum quantity of production) that will be accepted, the number of acres determined by dividing the quantity of production (or minimum quantity of production) stated in the contract by the insured's approved APH yield. For the purpose of establishing eligible PP acreage, if variable T-Yields of less than 100% of the T-Yield are used to calculate the approved APH yield, the applicable 100 percent T-Yield must be used instead and a yield calculated for this purpose.</p> <p>If a processor:</p> <p>...cancels or does not provide contracts, or reduces contracted acreage or contracted production solely because the acreage was PP due to an insured cause of loss, the AIP may determine the number of eligible acres based on the number of acres or amount of production contracted, whichever is applicable, for the crop in the county for the previous crop year. If the insured did not have a processor contract the previous crop year, there is not any eligible PP acreage for the processor crop. The total eligible PP acreage in all counties cannot exceed the total number of acres or amount of production contracted in all counties in the previous crop year. If the CP requires a price election based on a contracted price, and a contract price is not provided for the current crop year, the price election may be based on the contracted price for the previous crop year.</p>

- (8)(j) PP Payments. To be eligible for a PP payment, the following requirements must be met.
- 1 The insured must file a notice of PP within 72 hours after;
 - a The final planting date, if the crop will not be planted during the late planting period or if a late planting period is not applicable; and
 - b Indicating that he or she will not be able to plant the crop within any applicable late planting date.
 - 2 The insured was prevented from planting the insured crop by an insured cause of loss that occurred:
 - a On or after the SCD for the crop the crop year the application is accepted (new insured).
 - b On or after the SCD for the crop for the previous crop year if a carryover insured.
 - 3 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 intended to 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, failure of the irrigation water supply, i.e., there is not a reasonable probability of having adequate water to carry out an irrigated practice.
- (8)(k) PP Payments for crops without an adequate base. If an insured was prevented from planting a crop without an adequate base of eligible PP acres, the production guarantee or amount of insurance for the PP payment for the acreage that exceeds the crop's eligible PP acres, will be based on the crops insured for the current year for which the insured has remaining eligible PP acreage. This will be allowed only if the crop that was planted with remaining eligible PP acreage meets all policy provisions for insurability.
- 1 The crops used will be those that result in a PP payment most similar (closest) to the PP payment that would have been made for the crop that was prevented from being planted. For example, the insured was prevented from planting 200 acres of corn and has 100 acres of corn PP eligibility that would result in a PP payment of \$40 per acre. The insured also had 50 acres of potato PP eligibility that would result in a PP payment of \$100 per acre, 90 acres of grain sorghum PP eligibility that would result in a PP payment of \$30 per acre and soybean eligibility that that would result in a PP payment of \$25 per acre. The PP coverage for the 200 acres would be \$6950, based on 100 acres of corn ($\$40 \times 100 = \4000), 90 acres of grain sorghum ($\$30 \times 90 =$

\$2700) and 10 acres of soybeans (\$25 X 10 = \$250). [Refer to PP Handbook, Sec. 12E for additional examples.]

- 2 PP payments may be based on crops with eligible PP acreage other than those that were prevented from being planted even though the acreage may not meet the other crop's policy provisions such as having a processor contract or meeting rotation requirements. If the insured was prevented from planting any non-irrigated crop acreage, and there is not any remaining eligible PP acreage for that crop and the insured does not have any other crop with remaining eligible non-irrigated PP acres, no PP payment will be made for the acreage. However, if the insured has only irrigated history for another crop with remaining eligible PP acreage and both irrigated and non-irrigated practices for the crop are insurable in the county and the non-irrigated practice would result in the most similar payment, a non-irrigated practice will be established and the PP payment will be based on the non-irrigated practice for the crop with remaining PP eligible acres.

- 3 Additional administrative fees that result solely from basing a PP payment on another crop will not be charged to the policyholder [refer to Appendix III for the appropriate administrative fee exception flag], provided there are no planted acres for this crop and/or actual PP claim for that crop.

- (8)(l) 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 crop 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). For enterprise and whole farm units, the 20 acres or 20 percent rule applies to the total acreage for the crop (e.g. corn) in the county. Any PP acres within a field that contains planted acreage will be considered to be acreage of the same crop (type and practice) that is planted in the field, except that the PP acreage may be considered acreage of a crop (type and practice) other than that which is planted in the same field ONLY if:
- a The PP acreage in the field consists of at least 20 acres or 20 percent of the insurable acreage in the field, and the insured produced both crop types or practices in the same field in the same crop year within one of the four most recent crop years;
 - b The insured was prevented from planting a first insured crop and a second crop was planted in the same field. There will be only one first insured crop in the field, unless the requirements in a or c are met; or
 - c The insured crop planted in the field would not have been planted on the remaining PP acreage (e.g., rotation requirements would not have been met or total number of contracted acres already planted, or irrigation facilities not available for an irrigated practice).
- 2 For which the actuarial documents do not provide the information to determine the premium rate (**NACAT**→ unless a premium rate is assigned by an RMA RO written agreement ←**NACAT**);

DO require approval by the AIP (e.g. if an FSA measurement for a field is incorrect, the acreage for the field can be corrected).

- 2 After the final acreage reporting date, most acreage reports cannot be revised without consent of the AIP [for exceptions see Par. 4, 5 and the FCIC-25010 Loss Adjustment Manual (LAM)].

AIPS may approve acreage report revisions that increase liability without performing crop inspections for planted or PP acreage if the acreage is clearly transposed, adequate evidence is provided by the insured that the AIP or someone from the USDA committed an error regarding the information reported, or if a measurement service results in different acreage than the estimated acreage.

For other situations, AIP's cannot provide consent to revise an acreage report that results in increased liability unless the crop is inspected and the appraisal indicates that the crop will produce at least 90 percent of the yield used to determine the guarantee or amount of insurance for the unit (including reported and unreported acreage), or the revision meets other criteria for accepting increases in liability as specified in LAM. Refer to the LAM for situations requiring crop inspections.

- 3 An initial acreage report will not be considered misreported if insured files a CORRECT revised acreage report as allowed by the crop's policy or according to RMA approved procedures prior to filing a notice of prevented planting or loss.

- 4 Short rated, as allowed by the applicable CP and the actuarial table, provides a reduced premium rate for acreage that will be destroyed prior to harvest and reported to the agent by the date designated in the crop's SPOI. If the insured requests that such acreage be designated separately on his/her acreage report, the AIP 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. Such acreage cannot be reinstated for insurance coverage after the **insured notifies the agent that the acreage will be destroyed prior to harvest.**

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.

- 5 Measurement Services Requested for Acreage Reports. An insured may request an acreage measurement service ON OR BEFORE THE ARD. In such cases:

- a Documentation that verifies acreage measurement was requested, must be furnished to the AIP on or before the final ARD.

- b An acreage report must be filed on or before the final ARD with the estimated acreage for which the measurement service has been requested clearly identified (e.g., field ID) on the acreage report.
- c The measurement service may be completed by:

 - i AIP or their loss adjuster(s);
 - ii FSA offices or;
 - iii Firms engaged in land measurement (including those operated by sales agents). However, for claim purposes, measurement services performed by the agent are not allowed [see LAM].
- d Acceptable system of measuring includes on farm measurements, digitized measurements and any other system of measuring.
- e The measurement, when completed, must be provided to the AIP.
- f The acreage report will be revised if there is a discrepancy between the estimated acreage report and the measurement;
- g If the insured fails to provide the measurement to the AIP, or indicates the measurement will not be performed,

 - i Estimated acreage indicating that a measurement service has been requested will not be accepted for subsequent acreage reports.
 - ii The acreage will be considered misreported and applicable penalties will apply if the estimated acreage is not correct.

(2)(g) Verifying the Acreage Reported. The representative/agent shall CAREFULLY REVIEW with the insured the original acreage report BEFORE it is submitted to the AIP. It is imperative that the information required on the insured's acreage report is ENTIRELY accurate. Policy provisions do not allow for increasing liability except in rare situations [as specified in the LAM. Under-reported acreage or unreported units may adversely affect the outcome of a loss and result in a misreporting penalty [see Sec. 5, Par. B(8)] being applied to any indemnity, prevented planting payment, or replant payment.

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 AIP and have the error corrected.

(2)(h) Differences in acreage measurements. Regardless of whether a measurement service is requested (e.g., difference is discovered during reconciliation process), if there is an irreconcilable difference between:

(NACAT→**4G Written Agreements**

A written agreement is a document designed to provide crop insurance for insurable crops when coverage or rates are unavailable or to modify existing terms and conditions in the crop insurance policy when specifically permitted by the policy. RMA RO's are authorized to conduct the underwriting and approve or deny requests for actuarial change and written agreements on behalf of FCIC. Refer to the FCIC 24020 Written Agreement Handbook (WAH) for processing of actuarial requests and 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 AIP to be effective. [See Exhibit 12 for a list of the RMA RO's and states served.]

- G(1) **Deadlines and Documentation.** The following chart shows the types of written agreement requests, deadlines, and required documentation [see Par. G(3)]. All written agreements must be approved by the RMA RO. Insureds must sign and date a request for a written agreement by the deadline for each request type shown below. Review the WAH for additional information on deadlines and minimum supporting documentation.
- G(2) **In addition to the minimum supporting** documentation shown below in the chart [see Par. G(3)], all requests for a written agreement must include:
- (2)(a) Completed Request for Actuarial Change Form [Refer to Exhibit 2 in the WAH.];
 - (2)(b) Evidence of adaptability for the crop/type/practice/etc., being requested (unless not required by the RMA RO);
 - (2)(c) The insured's Actual Production History (APH) form for the most current crop year, unless the policy does not require the form [refer to Par. G(3)];
 - (2)(d) The legal description of the land (if applicable), FSA Farm Serial Number and FSA aerial photographs or legible maps delineating field boundaries where the applicant intends to plant the crop for which insurance is requested and;
 - (2)(e) If applicable, all required inspections if the request involves a perennial crop.

G(3) Additional documentation may be required on individual requests. In certain instances, the RMA RO may issue additional guidelines used to determine adaptability. Additional time may be granted if additional documentation is not listed above or under “MINIMUM SUPPORTING DOCUMENTATION.”

TYPE OF AGREEMENT	DEADLINE	MINIMUM SUPPORTING DOCUMENTATION
<p>Group risk insurance plans (GRP/GRIP) to insure hybrid grain sorghum, hybrid seed corn, popcorn, sweet corn, and other specialty corn as basic grain sorghum or basic corn.</p> <p>Request Type: GP</p>	<p>Sales Closing</p>	<p>Check with the appropriate RMA RO to see if evidence of adaptability is required.</p> <p>A completed APH form, Aerial photographs or maps are not required.</p> <p>Refer to section 4A in the WAH.</p>
<p>High-risk or rate areas.</p> <p>Request Type: HR</p>	<p>Initial: Acreage Reporting Date</p> <p>Subsequent Years: Sales Closing Date</p>	<p>For fragile or highly erodible land, five years of records may be required.</p> <p>Refer to section 4B in the WAH.</p>
<p>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.</p> <p>Request Type: NB</p>	<p>Initial: Acreage Reporting Date</p> <p>Subsequent Years: Sales Closing Date, but re-issuance is not normally required unless the acreage covered by the prior written agreement was not planted.</p>	<p>Date land was cleared, chemically cleared or broken out of sod, pasture or perennial legume.</p> <p>Aerial photographs must identify the acreage for the crop, legal description and size of the farm fields.</p> <p>NRCS Soil surveys.</p> <p>Refer to section 4C in the WAH.</p>
<p>Unrated nursery plant materials.</p> <p>Request Type: NL</p>	<p>New Insured: With application</p> <p>Carryovers/subsequent years: Cancellation Date</p>	<p>A list of exact names of genus, species, subspecies, variety, cultivars (e.g. scientific name), common name (if applicable), patented name (if applicable), plant or container sizes, number of plants requested to be insured by written agreement, practice, (container or field grown).</p> <p>Two copies of all current wholesale catalogs/price lists that are used by the nursery for its sales. The crop year, name, address, and phone number of the nursery must be shown on the catalogs/price lists.</p> <p>Refer to section 4D in the WAH.</p>
<p>Organic crops. (If coverage is not available in the actuarial documents for the organic practice.)</p> <p>Request Type: OC</p>	<p>Initial: Acreage Reporting Date</p> <p>Subsequent Years: Sales Closing Date</p>	<p>Copy of the written certification (previous year's certification or other acceptable documentation).</p> <p>[See Exhibit 38 for additional information]</p>
<p>Unrated rate class option.</p> <p>Request Type: OP</p>	<p>Sales Closing Date</p>	<p>APH specifically for acreage that would be under the option being requested.</p> <p>Evidence that the crop optional coverage is being requested for is commercially grown with a viable marketing outlet.</p> <p>Refer to section 4F in the WAH</p>

TYPE OF AGREEMENT	DEADLINE	MINIMUM SUPPORTING DOCUMENTATION
<p>Policy exceptions, if authorized in crop provisions or SPOI. (Not defined in this table as another request type.)</p> <p>Request Type: PE</p>	<p>Initial: Sales Closing Date or date specified in crop provisions or SPOI.</p> <p>Subsequent Years: Sales Closing Date</p>	<p>Contact the appropriate RMA RO.</p> <p>Refer to section 4G in the WAH.</p> <p>See Footnote 2.</p>
<p>Rotation exceptions, if provided for by the SPOI</p> <p>Request Type: RE</p>	<p>Sales Closing Date</p>	<p>Written and detailed recommendation indicating the acceptability of any rotation deviation from the ag experts based on crop and soil types.</p> <p>All APH history for the crop</p> <p>Detailed soils and map locations of exactly where the crop is planted.</p> <p>If recommended, evidence of disease control application or the means of application are available.</p> <p>Refer to section 4H in the WAH.</p>
<p>Special purpose corn, if coverage is not provided by the SPOI.</p> <p>Request Type: SC</p>	<p>Initial: Acreage Reporting Date</p> <p>Subsequent Years: Sales Closing Date</p>	<p>Normal planting and harvesting dates and marketing outlets.</p> <p>Refer to section 4I in the WAH.</p>
<p>Small grains or crops, if provided for in the CP:</p> <p>(i) interplanted with another crop;</p> <p>(ii) planted into an established grass or legume; or</p> <p>(iii) planted as a nurse Crop.</p> <p>Request Type: SG</p>	<p>15 calendar days after the Acreage Reporting Date</p>	<p>Detailed soils and map locations of where the crop is planted.</p> <p>All production history for the crop for the acreage that had been previously been interplanted.</p> <p>Written and detailed recommendation on the acceptability of the practice from state extension/research specialist on the producer's acreage based on the crops and soil types.</p> <p>If recommended, evidence of disease control application or the means of application are available.</p> <p>Refer to section 4J in the WAH.</p>
<p>Strip-mined land. (Crop produced less than five consecutive crop years.)</p> <p>Request Type: SM</p>	<p>Sales Closing Date</p>	<p>Description of reclamation process report.</p> <p>Date reclamation completed.</p> <p>All actual production history for the reclaimed acreage.</p> <p>NRCS soil mapping (if available).</p> <p>Refer to section 4K in the WAH.</p>
<p>Seed potato acreage greater than 125% of past average acres.</p> <p>Request Type: SP</p>	<p>Sales Closing Date</p>	<p>Reason for acreage increase.</p> <p>Certification that all requested acreage will be managed according to state standards.</p> <p>Refer to section 4L in the WAH.</p>
<p>Non-irrigated corn grain where irrigated corn (grain and silage) listed on actuarial documents only.</p> <p>Request Type: TC</p>	<p>Initial: Acreage Reporting Date, unless otherwise stated in the SPOI.</p> <p>Subsequent Years: Sales Closing Date</p>	<p>A completed Non-irrigated Corn Grain Request (TC) worksheet substantiating actual corn grain production in at least 3 years out of the most recent 4 years; or a fully executed contract for corn grain production for ethanol production.</p> <p>Renewal request must complete the worksheet for the most recent crop year.</p> <p>The RMA RO may require additional documentation.</p> <p>Refer to section 4M in the WAH.</p>

TYPE OF AGREEMENT	DEADLINE	MINIMUM SUPPORTING DOCUMENTATION
Type of dry beans not on actuarial documents. (Including Chickpeas or Garbanzo Beans.) Request Type: TD	Sales Closing Date	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 may be submitted. 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). Refer to section 4N. in the WAH.
Unrated practice, type or Variety (P/T/V). Request Type: TP	Initial: Acreage Reporting Date Footnote 3 Subsequent Years: Sales Closing Date	Evidence of adaptability of the P/T for the area. APH showing the specific P/T/V involved with the request. Evidence that the P/T/V is commercially grown with viable marketing outlet. Refer to section 4O in the WAH.
Written unit agreements. (Refer to Sec. 5 of the WAH.) Request Type: UA	Initial: Acreage Reporting Date Subsequent Years: Sales Closing Date	The aerial photos or legible maps must delineate permanent boundaries of the unit(s) and clearly document the feature(s) which qualifies the producer for the unit agreement. [Refer to Sec. 5 of the WAH for specific guidelines.]
Unrated land. Request Type: UC	Initial: Acreage Reporting Date Subsequent Years: Sales Closing Date	Check with the appropriate RMA RO to see if evidence of adaptability is required. Refer to section 4B in the WAH.
Counties with no actuarial documents for the crop. Request Type: XC	Cancellation Date (for the crop in the area) specified in the crop endorsement for which coverage is requested. Refer to Footnote <u>1</u>	Footnote <u>2</u> Footnote <u>4</u> Refer to sections 3C(2)(b) and 4P in the WAH.

The following plans of insurance allow for certain types of written agreements:

Plan of Insurance	Request Type
Crop Revenue Coverage (CRC)	HR, NB, OC, OP, PE, RE, SM, TC, TP, UA, UC, and XC (if adjacent). Check crop provisions to verify if WA is allowed.
Revenue Assurance Coverage. (RA)	HR, NB, SM, and UC
Group Risk Plan (GRP) and Group Risk Income Protection	GP

Written Agreements are not applicable to Income Protection (IP)

Footnotes:

- 1 Exception: On or before the cancellation date contained in the CP or SPOI, if applicable, to insure a crop in a county that does not have actuarial documents for the crop. If the CP or SPOI do not provide a cancellation date for the county:

- a Use the cancellation date for other insurable crops in the same state that have similar final planting and harvesting dates; or
 - b If there are no other insurable crops with similar final planting and harvesting dates in the state, use the cancellation date in the closest county or state where the crop is insurable.
- 2 For the Pecan Revenue Policy only: At least four years of production and gross sales records are required for XC request types. All other request types involving pecans must contain at least two years of production and gross sales records. **The pecan revenue policy is a two year coverage module, therefore written agreements must be written in two year increments.**
- 3 For written agreements where crop types insurable in the county have later planting and harvesting dates than the type requested on the written agreement, the producer/AIP should submit the request prior to or during the planting period, to allow for coverage by written agreement during the growing season. For example: Spring forage is insurable and the acreage reporting date is in April, fall forage is only insurable by written agreement. In this situation, if the producer waits until after the acreage reporting date, coverage cannot be provided by written agreement as the insurance period (growing season) has passed, and causes of loss may have been incurred; thus the written agreement would not be authorized. **For XC requests, the policy designates that if the crop provisions provides a cancellation date, it is the deadline for written agreement requests. (i.e., Fresh Market Peppers the cancellation date is July 31.)**
- 4 The following minimum information is required:
 - a A completed APH form (except for crop policies that do not use the form) that contains all the information needed to determine the approved yield for the current crop year and is signed by the producer, or the APH form may be submitted unsigned with the applicable production reports signed and dated by the producer based on verifiable records of actual yields for the crop and county;
 - b Acceptable production records of actual yields for the crop for at least the most recent three consecutive APH crop years during the base period. Refer to the applicable section for determination requirements for acceptable production records.
 - i Production records provided to or requested by the RMA RO that are subsequently determined to be unacceptable may result in a request being incomplete and denied.
 - ii Landlords, with tenants that meet qualifications and also submit an actuarial request, may qualify with less than the three most recent crop years, by providing supporting documentation.
 - iii Production records are not required if records of crop production are not used to establish either insurance coverage or losses paid under the policy;
 - c The dates the applicant and other growers in the area normally plant and harvest the crop, if applicable;

- d The name, location of, and approximate distance to the location at which the crop will be sold or used by the applicant;
- e For any irrigated practice, the water source, method of irrigation, and the amount of water needed for an irrigated practice for the crop; and
- f Evidence from agricultural experts that the crop can be produced in the area if the request is to provide insurance for practices, types, or varieties that are not insurable, unless not required by the RMA RO.

Production records provided to or requested by the RMA RO that are subsequently determined to be unacceptable may result in a request being incomplete and denied.

Landlords with less than the three most recent years of crop history may qualify by submitting an request for actuarial change and providing documentation that supports their tenant meets the applicable qualification requirements.

Written agreements are not available for situations not listed here. Written agreement requests will not be accepted for crops for which there is no crop policy, endorsement, and crop provision; or to alter policy provisions, price elections, etc. unless specifically permitted by approved RMA procedures. [Contact the RMA RO for details.] **←NACAT)**

- 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 standards. [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) **Incorporating corrections** resulting from APH reviews and/or corrected claims to APH databases and then transmitting corrected databases to the AIP for the applicable crop year.
- A(17) **Referring requests for field visits for APH acreage and yield determinations** (appraisals, bin measurements, etc.) to the appropriate AIP's representative. [See Sec. 10, D for more information.]

5B Producers/Insureds are Responsible for:

- B(1) **Requesting field visits** for APH acreage and yield determinations from the AIP 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 APH form developed according to RMA approved standards, 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 TMA, 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 AIP, a copy of the records must be furnished to the AIP.

- B(4) **Completing Producer's Pre-Acceptance Worksheets (Underwriting Information).** Except for Texas Citrus, 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 administrative review, (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 administrative review, 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).

(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 SPOI 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:

- aa If the entire unit is insured as grain for the current crop year, and the previous year's database was established on a silage basis, any actual and/or assigned yields must be converted to bushels and a database established for grain.
- bb If the entire unit is insured as silage for the current crop year, and the previous year's database was established on a grain basis, any actual and/or assigned yields must be converted to tons and a database established for silage.
- iii If both grain and silage is insured on the same unit, if the previous production history indicates type, use the grain actual yield(s) to calculate the APH yield for grain and the silage actual yield(s) for silage. If records are for one type, any actual and/or assigned yields must be converted to the other type and a database established for the other type.

(2)(i) Grain Sorghum. Separate production reports are required for practices specified in the actuarial documents and skip-row planting patterns when applicable.

J(3) Cotton and ELS Cotton. [See Exhibit 17 for additional APH Instructions.]

(3)(a) Acceptable Supporting Records.

- 1 Gin records and gin bale receipts must show net weight in pounds. Individual bale receipts may be used to support determinations for grade, staple length and micronaire reading.
- 2 If no claim was filed, harvested production that was lost before it was ginned, (e.g., modules burned in the field or after delivery to the gin) may be reported for APH if the insured certifies the production and has acceptable field harvest records or other gin/fire insurance records to accurately document the production that was lost.
 - a Gin/fire insurance records indicating the net pounds of production lost (by unit), may be used as supporting records to document the production and number of modules lost.
 - b Module measurements taken prior to the destruction of the modules, may be used if the modules were burned prior to weighing or tagging if gin/fire insurance records are not applicable. The size and number of modules lost must be documented in a manner that is acceptable to the AIP. Specifications, provided by the insured, of the module maker(s) used to make the modules that were lost, may be used to verify the size of modules reported. If module or trailer measurements are used to document such production, the net pounds of cotton production must be determined according to the instructions contained in the Cotton Loss Adjustment Standards Handbook.

- (3)(b) Quality Adjustment. To be eligible for quality adjustment, the quality of cotton produced must be such that on the date the last bale from the unit is classed, the price quotation for cotton of like quality is less than 75 percent of that day's growth area price quotation, at the same area, for Cotton of the grade, staple length and micronaire reading shown on the actuarial documents.
- (3)(c) Separate production reports (yields) are required to establish or update an APH yield for Cotton and ELS Cotton.
- (3)(d) Instructions for non-irrigated skip-row Cotton or ELS Cotton. In order to provide a yield that may be used for any skip-row pattern the insured may carry out, skip-row cotton must be converted to a solid planted basis. [See Exhibit 17 for skip-row yield conversion factors, percent planted factors, computation procedures and worksheet for production history.]
- 1 When completing the acres column on the APH form, the acres entered 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 an additional step to arrive at a solid planted yield. [See Ex. 17, for Example.]
 - 4 When a non-irrigated skip-row planting pattern is reported, the solid planted yield in the approved APH Yield block on an APH form must be multiplied by the appropriate skip-row yield conversion factor (for the skip-row pattern carried out) to determine the approved APH yield for skip-row acreage. The approved APH yield is then applied to the **applicable** rate table to determine the rate.
 - a Agents are to transfer the factored skip-row yield calculation to the approved yield column of the acreage report.
 - b The production guarantee for non-irrigated skip-row Cotton is calculated by multiplying the approved yield from of the acreage report by the percentage for the level elected (e.g., 65 percent).
 - 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/AIP 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). **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 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 SPOI 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, ledger and assembly sheets that show gross production of dry beans in pounds.

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: 1) A grader licensed under the United States Agricultural Marketing Act or the United States Warehouse Act; 2) A grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or 3) A grader not licensed under State Law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses or by; 4) a laboratory approved by RMA with regard to substances or conditions injurious to human or animal health.

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 according to policy provisions). Dockage is determined by FCIC issued 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 according to policy provisions). Dockage is determined by FCIC issued 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.

[See Exhibit 27] for additional procedures that:

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

(5)(d) Austrian Winter Peas. Settlement sheets must show gross production, dockage and net production. Dockage is determined by FCIC issued loss adjustment methods currently in effect.

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 FCIC issued 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-25150 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 AIP 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 2005) for establishing an APH unless those records can be verified through some means (e.g., 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.

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

J(7) **Millet.**

- (7)(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.
- (7)(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/AIP.
 - 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(8) **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.

- (8)(a) Field-run production must be adjusted to reflect the applicable grade standards specified in the policy.

(8)(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 SPOI) 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(9) **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.

- (9)(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 SPOI 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.
- (9)(b) Bypassed/Unharvested Acreage. Follow the instructions provided under Processing Beans [Par. J(1)(b) of this Sec.].
- (9)(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.
- (9)(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(10) **Popcorn.**

(10)(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. Individual scale tickets may be used to support determinations for moisture and quality adjustment.

- 1 Any ear popcorn production must be converted to shelled popcorn.
- 2 Production from yellow or white dent corn will be counted as popcorn on a weight basis

(10)(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.

J(11) **Peanuts.** Effective for the 2003 crop year, peanuts were converted to a Category B APH crop (insurance plan code 90). **Except as otherwise provided in this paragraph, standard APH procedures (including added land) for Category B crops will apply to APH yield determinations for peanuts.**

(11)(a) APH Databases With Classification Yields. Databases still containing classification ("F") yields after filing the most recent year's production report will continue to retain such yields until a minimum of 4 actual/assigned yields have been accumulated in that database. Adding an actual or assigned yield will result in removal of a classification yield from the affected database until all classification yields in the database have been replaced by actual or assigned yields. When the addition of an actual or assigned yield leaves no further classification yields in a database **(i.e., there are at least four actual or assigned yields),** standard APH procedures will apply fully to that database.

- 1 Unit/P/T/V's with **2006** peanut acreage. The database for the **2007** crop year will consist of an actual yield based on acceptable acreage and production records or an assigned yield for the **2006** crop year, plus:
 - a One actual or assigned yield and two classification yields; or
 - b **Two actual or assigned yields and one classification yield;**
or
 - c Three classification yields and a "Z" in 2002, 2003, 2004 and **2005** (when the 2002, 2003, 2004 and **2005** crop years for the unit/P/T/V were zero planted).
- 2 Unit/P/T/V's with no **2006** peanut acreage. If peanuts were not planted on the unit/P/T/V in the **2006** crop year, a "Z" is entered in the database for **2006** and the database for the **2007** crop year will consist of either:
 - a One, two, or three actual or assigned yields and three, two, or one classification yields; or

- b Four classification yields when there was no acreage in 2002, 2003, 2004, 2005 or 2006 (i.e., a "Z" is entered when all crop years for the unit/P/T/V for the period 2002-2006 were zero planted).
- c If the unit/P/T/V already has at least four actual or assigned yields in the database prior to 2006, enter a "Z" for 2006 and apply standard APH procedures.
- 3 Submission of prior production records. In lieu of Section 6H(3), carryover insureds with classification yields in any database may not recertify acreage and production for such databases for crop years prior to the 2002 crop year.
- 4 Entity changes for insureds with classification (F) yields. If an insured with classification yields in the database(s) changes to a different entity (e.g., an individual insured incorporates the operation; two or more insureds with different classification yields in their respective databases merge their operations into one entity), standard APH procedures will be used to establish APH databases for the new entity.
- (11)(b) Use of Another Producer's Records. Using another person's records to establish databases will follow standard procedures contained in [Section 10E]. RMA RO Determined Yields identified as F-Yields (i.e., classification yields) will not qualify as actual yields for these purposes.
- (11)(c) Yield Adjustments, Limitations, and Edits. APH procedures regarding yield adjustments (substitutions) and limitations (cup and floor) will apply to peanuts with the following clarifications:
- 1 Yield Floor. Insureds with databases containing classification yields or that contained classification yields the prior year are considered to have at least five years of actual yields and qualify for the 80 percent yield floor.
- 2 Yield Substitution. Yield substitutions will not be applied to any actual yields for crop years prior to the 2002 crop year or to any classification yields in the database.
- 3 Yield Edits. The maximum yield edit process for peanuts will apply to actual and approved APH yields. The applicable T-Yield will be used to establish the edit levels.
- (11)(d) Acceptable Supporting Records. If farm management records are used to support production reports, they must be substantiated by acceptable records from a buyer, broker, processor, storage facility, or similar entity.
- 1 Acceptable production records must be provided by unit/P/T/V as shown on the actuarial documents, according to standard APH procedures.

2 Production data may be obtained from grading sheets, settlement sheets, ledger sheets, weight tickets, or other verifiable documentation from a buyer, broker, processor, or storage facility. Such records must show net pounds after adjusting for foreign matter, moisture, quality, etc.

3 Acreage and production data by farm serial number, practice, and type, may be available from documents on file at the FSA county office where the farm serial number is maintained. Examples of such acceptable documents include FSA-156 Farm Record Card, FSA-578 Report of Acreage, FSA-1002 Peanut Marketing Card ("smart card"), and FSA-1007 Inspection Certificate and Sales Memorandum. In addition, county offices may also maintain acreage and production data from these and other documents on computer spreadsheets by farm serial number.

(11)(e) Default Provisions. Any issues or provisions not specifically addressed above for peanuts will be covered by standard APH procedures, including the SPOI, the Peanut CP, and the BP.

- J(12) **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.

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 SPOI. 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.

Farm stored production must show the gross weight of stored potatoes (by unit) prior to being placed in storage. A copy of the weight slips must be provided. If the potatoes are not weighed prior to being placed in storage, production may be determined from measurements of stored production by an AIP authorized representative or FSA. If the potatoes are not weighed or measured, the production will be determined using disposition records of the farm stored production from the marketing outlet, processor, packer, etc.

- (12)(a) Central and Southern Potato CP. 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 **include any** culled potatoes **as defined in the crop provisions.**
- 2 If no claim is filed, use the following 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.
 - c Seed potato record must show total weight sold **or as specified [in J(12) above].**
 - d **[See J(12) above for farm stored production.]**
- 3 If you file a claim for indemnity;
 - a Claims for indemnities are used for APH.
 - b 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.

(12)(b) Northern Potato CP. 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 If no claim is filed, use the following 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 **include any** culled potatoes **as defined in the crop provisions**. Refer to 2 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 **[See J(12) above for farm stored production.]**

2 If you file a claim for indemnity, only production to count as determined under the terms of the Northern Potato CP and the Storage Coverage Endorsement, if applicable, is used for APH. For example, freeze, and loss of bulking are covered under the Northern Potato CP, and causes resulting in tuber rot are covered under the Northern Potato CP and the Storage Coverage Endorsement. Quality adjustment for these causes made under the terms of the Northern Potato CP and Storage Coverage Endorsement will be reflected in the APH production. However, any reductions in production to count under the terms of the Northern Potato Crop Insurance Quality Endorsement or Northern Potato Crop Insurance Processing Quality Endorsement are not included in determining APH production. **[See J(12) above for potatoes harvested prior to full maturity.]**

3 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 AIP. 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.

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 AIP. 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.

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. PERCENTAG (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(13) **Rice.**

- (13)(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.
- (13)(b) Quality Adjustment. To be eligible for quality adjustment, the following determinations must be made by: 1) A grader licensed under the United States Agricultural Marketing Act or the United States Warehouse Act; 2) A grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or 3) A grader not licensed under State Law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouse or by; 4) a laboratory approved by RMA with regard to substances or conditions injurious to human or animal health.
- 1 Milling yield.
 - 2 Chalky kernels.
 - 3 Red Rice.
- (13)(c) Rice is insured only under a flood-irrigated practice.
- (13)(d) Harvested production from regrowth is counted as production for APH yield purposes.

J(14) **Safflower, Sunflower Seed, and Canola/Rapeseed.**

- (14)(a) Acceptable supporting records are settlement sheets, ledger sheets, and assembly sheets that show gross production of the commodity in pounds.
- (14)(b) Safflower, Quality Adjustment. To be eligible for quality adjustment the following determinations must be made by: 1) A grader licensed under the United States Agricultural Marketing Act or the United States Warehouse Act; 2) A grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or 3) A grader not licensed under State Law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses. The production is eligible for quality adjustment if the production: 1) Has a test weight below 35 pounds per bushel; 2) Has seed damage in excess of 25 percent, or has a musty, sour, or commercially objectionable foreign odor. 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/AIP.

- (14)(c) Sunflower Seed, Quality Adjustment. To be eligible for quality adjustment the following determinations must be made by: 1) A grain grader licensed under the United States Grain Standards Act or the United States Warehouse Act; 2) A grain grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; 3) A grain grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; 4) a laboratory approved by RMA with regard to substances or conditions injurious to human or animal health. The production is adjusted if the deficiencies in quality result in: 1) Oil type sunflower seed not meeting the grade requirements for U.S. No. 2 (grades U.S. sample grade) because of test weight, kernel damage (excluding heat damage), or a musty, sour or commercially objectionable foreign odor; or 2) Non-oil type sunflower seed having a test weight below 22 pounds per bushel or kernel damage (excluding heat damage) in excess of five percent (5%) or a musty, sour, or commercially objectionable foreign odor.
- (14)(d) Canola/Rapeseed, Quality Adjustment. To be eligible for quality adjustment the following determinations must be made by: 1) A grain grader licensed under the United States Grain Standards Act or the United States Warehouse Act; 2) A grain grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; 3) A grain grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; 4) a laboratory approved by RMA with regard to substances or conditions injurious to human or animal health. The production is adjusted if the deficiencies in quality result in the canola not meeting the grade requirements for U.S. No. 3 or better (U.S. Sample grade) because of kernel damage (excluding heat damage), or a musty, sour, or commercially objectionable foreign odor.
- (14)(e) 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 document for Oil and Non-Oil types. See [Sec. 6 Par. E(2)] for requirements.

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

(15)(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. Production from hay-type barley is not insurable and is not acceptable for APH purposes.

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

- 1 The following determinations indicated by an X, must be made by: 1) A grain grader licensed under the United States Grain Standards Act or the United States Warehouse Act; 2) A grain grader licensed under Sates law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or 3) A grain grader not licensed under State Law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; or by; 4) a laboratory approved by RMA with regard to substances or conditions injurious to human or animal health.

	Wheat	Barley**	Oats***	Rye	Flax
Sound kernels		X	X		
Damaged kernels	X	X		X	X
Shrunken & broken kernels	X				
Thin kernels		X		X	
Black kernels		X			
Blighted		X			
Smutty, garlicky or ergoty grain	X	X	X	X	X
Musty, sour or commercially objectionable foreign odor. Refer to SPOI.	X	X	X	X	X

* The same quality deficiency levels considered for quality adjustment of durum wheat will be applicable for determination of deficiencies for Khorasan.

**The same quality deficiency levels considered for quality adjustment of barley will be applicable for hull-less barley.

***The same quality deficiency levels considered for quality adjustment of oats will be applicable for hull-less oats.

- 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/AIP.

(15)(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 the AIP agrees an adequate stand exists in the spring to produce the yield used to determine the production guarantee. Insureds must report all planted acreage on which insurance attached for APH purposes. See also, the SPOI for coverage exceptions.

(15)(d) The Barley or Wheat Winter Coverage Endorsement is available in counties that have both a fall and spring planting date and the actuarial table provides a premium rate for this coverage. If the barley or wheat Winter Coverage Endorsement is NOT selected and winter barley or wheat 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 winter type of the crop.

1 If the Winter Coverage Endorsement (WCE) is elected, an appraisal reflecting the crop's potential production is required to determine production for APH purposes prior to destroying winter barley or wheat or putting it to another use. The acres and the appraised potential production must be used to calculate the winter type APH yield. [See Exhibit 29 for a flow chart outlining acres and production used for APH when the WCE has been selected.]

2 Under the WCE, once an appraisal is made and the winter barley or wheat acreage is released, the insured may:

a Destroy the winter barley or wheat and plant the acreage to another crop.

b Destroy the winter barley or wheat and plant the acreage to spring barley or wheat and:

i Insure the spring barley or wheat as a separate optional unit. In this case, the lower of the appraised potential production or winter type approved yield is used for the winter barley or wheat APH. The acres and production from the spring barley or wheat are used for the spring barley or wheat APH unless the production is commingled with winter barley or wheat production. [If the production is commingled, see iii below.]

ii Not insure the spring barley or wheat. In this case, the lower of the appraised potential production or winter type approved yield is used for the winter barley or wheat APH. The spring barley or wheat 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 winter barley/wheat or spring barley/wheat).

- iii If the spring barley or wheat production from insured spring barley or wheat unit is commingled with winter barley or wheat production, the spring barley or wheat acreage will be considered to be a part of the original winter barley or wheat unit. The acreage originally planted to winter barley or wheat and the acreage planted to spring barley or wheat and the lower of the appraised potential production or the winter barley or wheat approved yield for the released acreage and the spring/winter barley or wheat production will be used for the winter barley or wheat APH.

3 The late planting period does not apply under the WCE.

(15)(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.

(15)(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.

(15)(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.]

(15)(h) Special production reporting/APH requirements:

1 Malting barley [see Exhibit 22].

2 In counties where Durum wheat is shown as a separate type.

a Durum wheat must be reported separately from spring wheat types.

b If Durum and other types are planted (i.e., both Durum and spring wheat in Durum and spring wheat counties or both Durum and winter wheat in counties with only Durum and winter wheat), separate line entries by P/T/V are required on the acreage report.

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. 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, enter it in the approved APH yield column of the acreage report for the SF practice and for data processing purposes, identify the CC yield record being used. A duplicate Type 15 SF Record is no longer required for data processing purposes. The 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.

(15)(i) Late Planting period is applicable to small grains, except to any barley or wheat acreage covered under the terms of the Barley or Wheat Winter Coverage Endorsement.

J(16) **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.

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

(16)(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 SPOI. 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). However, Sugar Beet appraisals that were reduced because Sugar Beets were in the first stage (use appraisals prior to reduction) are not used for APH purposes.

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

J(17) **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.

(17)(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 the total production column 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 2000 X percent-of-sugar factor = 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 the total column of the APH form which was used to adjust the production for the most recent crop year in the base period.

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

(17)(b) **Sugarcane cut for seed.** The insured must notify the AIP 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.
- 3 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.

(17)(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 2007 crop year, the base period will begin with the 2005 crop year and may contain up to 10 APH consecutive crop years (begin with 2005 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 2005 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 prior to the 2006 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 2006 calendar year. [See Exhibit 37.]
- 3 For units (by practice) on which sugarcane was produced for the 2006 crop year, 2006 is recognized as a crop year with actual yields available, even though they cannot be reported until the 2008 crop year. For new insureds that 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 2006 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: 2005) 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: 2005 and 2004) 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: 2005, 2004 and 2003) 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.

(17)(d) Sugarcane acreage that exceeds the applicable age limitations shown in the SPOI is insurable ONLY if the AIP performs an inspection, makes an appraisal that indicates the acreage is capable of producing at least the yield used to determine the production guarantee for the unit for the current crop year and then agrees to insure it in writing (does not require an RMA RO written agreement).

Any uninsurable acreage must be reported in the remarks section of the acreage report. Separate records must be kept of the production from uninsurable and insurable acreage.

J(18) **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.

(18)(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.

(18)(b) Bypassed/Unharvested Acreage. Follow the instructions provided under Processing Beans, [Par. J(1)(b) of this Sec.]

J(19) **Tobacco (Guaranteed Production Plan in CT, MA, MD, PA)**. This paragraph applies only to the following tobacco types and states:

CROP CODE	CROP NAME	CROP TYPE	STATE
0232	Maryland Tobacco	032	MD, PA
0234	Cigar Filler Tobacco	041	PA
0235	Cigar Binder Tobacco	051	CT, MA
0235	Cigar Binder Tobacco	052	MA
0236	Cigar Wrapper Tobacco	061	CT, MA

If farm management records are used to support production reports, they must be substantiated by acceptable supporting records from a marketing outlet, processor, packer, first handler, etc.

(19)(a) Sold Production. Marketing 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.

(19)(b) Unsold (formerly carryover) Tobacco. Harvested production which was not sold in the crop year produced is also used for APH purposes; however, unsold tobacco production must be verified by the AIP to be used for APH purposes.

(19)(c) Lag Year Instructions for type 061 CT and MA. Tobacco records for type 061 (crop code 0236, cigar wrapper) in CT and MA 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, 2005 will be the most recent crop year contained in the 2007 crop year database.

- 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 prior to the 2006 crop year. [See Ex. 36.]
- 2 "New Producer" procedures apply if a person was not actively engaged in farming for a share of the tobacco production for more than **TWO CROP YEARS** prior to the 2006 crop year. [See Exhibit 37.]
- 3 For units on which tobacco was produced for the 2006 crop year, 2006 is recognized as a crop year with actual yields available, although 2006 production cannot be reported until the 2008 crop year. For new insureds that 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 2006 crop year is 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 (e.g., 2005) is applicable, the APH database is completed using one actual/assigned yield and three 90 percent T-Yields.
 - c If two actual/assigned yields (e.g., 2005 and 2004) 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: 2005, 2004 and 2003) 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 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(20) **Tobacco (Burley)**. Except as otherwise provided in this paragraph, standard APH procedures (including added land) for Category B crops contained elsewhere in this CIH will apply to APH yield determinations for Burley Tobacco for the 2007 and subsequent crop years.

(20)(a) **Acceptable Supporting Records**. If farm management records are used to support production reports, they must be substantiated by records from a buyer, broker, processor, storage facility, or similar entity.

- 1 Acceptable production records must be provided by unit/P/T/V as shown on the actuarial documents, according to standard APH procedures.
- 2 Acreage and production records for 2001-2004 are normally available from FSA, if requested by the producer, and are considered acceptable production records for APH purposes.
- 3 If a claim has been filed for any crop year, the claim documents signed by the producer that specifies the amount of production used to complete the claim will be the production report for that crop year. If the claim document indicates dollars the dollars must be converted to pounds for APH purposes.
- 4 Other acceptable production records as specified in section 10C(1)(b) may be used to establish an APH yield.

(20)(b) **Written Agreements**. Producers in a county with no burley tobacco actuarial documents may request a written agreement (type XC) as authorized in the Written Agreement Handbook.

(20)(c) **Default Provisions**. Any issues or provisions not specifically addressed above for the specified types of tobacco will be governed by standard APH procedures, including the SPOI, the CP, and the BP.

J(21) **Tobacco.** Effective for the 2006 crop year, the following tobacco types were converted to a Category B APH crop (insurance plan code 90).

CROP CODE	CROP NAME	CROP TYPE	STATE
0229	Flue Cured Tobacco	111	NC, VA
		012, 112	NC
		013	NC, SC
		014	AL, GA, FL
0230	Fire Cured Tobacco	021	VA
		022, 023	KY, TN
0233	Dark Air Tobacco	035	KY, TN
		036	KY
		037	VA
0235	Cigar Binder Tobacco	054, 055	WI

Except as otherwise provided in this paragraph, standard APH procedures (including added land) for Category B crops will apply to APH yield determinations for the tobacco types shown above for the 2006 and subsequent crop years.

(21)(a) **2007 and Subsequent APH Yields for Insureds with a Classification Yield in the database.** Adding an actual or assigned yield for the 2006 crop year will result in a classification yield being removed from the affected database. In subsequent crop years, this process will continue until all classification yields in the database have been replaced by actual or assigned yields.

1 Unit/P/T/V's with 2006 tobacco acreage. The database for the 2007 crop year will consist of an actual yield based on acceptable acreage and production records or an assigned yield for the 2006 crop year, plus:

a The 2005 crop year actual yield and two classification yields; or

b Three classification yields and a "Z" in 2005 (when the 2005 crop year for the unit/P/T/V was zero planted).

2 Unit/P/T/V's with no 2006 tobacco acreage. If tobacco was not planted on the unit/P/T/V in the 2006 crop year, a "Z" is entered in the database for 2006 and the database for the 2007 crop year will consist of either:

a The 2005 actual yield plus three classification yields; or

b Four classification yields when there was no acreage in either 2005 or 2006 (i.e., a "Z" is entered when both crop years for the unit/P/T/V were zero planted).

3 Submission of prior production records. In lieu of Section 6H(3), carryover insureds with classification yields in a database may not recertify acreage and production for that database for crop years prior to the 2005 crop year.

4 Entity changes for insureds with classification yields. If an insured with a classification yield in the database changes to a different entity (e.g., an individual insured incorporates the operation; two or more insureds with different classification yields in their respective databases merge their operations into one entity), standard APH procedures will be used to establish an APH database for the new entity.

(21)(b) Establishing Databases (New Producer, New Insured, Added Land, and New Database/P/T/V). All new databases initially established for the 2007 and subsequent crop years will be based on standard APH procedures. Such determinations apply regardless of whether the insured (or FSN) was previously classified on an FCI-32 or has other databases containing classification yields. [See Par. (21)(e) for acceptable production records.] For the purposes of calculating SA T-Yields for added land/new databases, approved APH yields for databases containing F-Yields (i.e., classification yields) should be included in the SA T-Yield calculation [see Ex. 36, Added Land/new databases].

(21)(c) Use of Another Producer's Records. Using another person's records to establish databases will follow standard procedures contained in Section 10E. RMA RO determined yields identified as F-Yields (i.e., classification yields) will not qualify as actual yields for these purposes.

(21)(d) Yield Adjustments, Limitations, and Reductions. APH procedures regarding yield adjustments (yield substitution), yield limitations (yield cups and floors), and yield reductions (reductions due to excessive yields, inconsistent yields or different production methods) will apply to tobacco with the following clarifications:

1 Yield Adjustments. Yield substitutions will not be applied to any classification yields. Substitute yields applied to actual yields are determined using 60 percent of the county T-Yield.

2 Yield Floors. Insureds with databases containing classification yields are considered to have at least five years of actual yields and qualify for the 80 percent yield floor.

3 Yield Reductions. The maximum yield edit process for tobacco will apply to actual and approved APH yields. The county T-Yield will be used to establish the edit levels.

(21)(e) Acceptable Supporting Records. If farm management records are used to support production reports, they must be substantiated by acceptable records from a buyer, broker, processor, storage facility, or similar entity.

1 Acceptable production records must be provided by unit/P/T/V as shown on the actuarial documents, according to standard APH procedures.

- 2 Production data may be obtained from grading sheets, settlement sheets, ledger sheets, weight tickets, or other verifiable documentation from a buyer, broker, processor, or storage facility. Such records must show net pounds (minus tare) after grading.
- 3 Acreage and production data by FSN, P/T, may be available from documents on file at the FSA county office where the FSN is maintained for crop years prior to 2005. Examples of such acceptable documents include FSA-578 Report of Acreage, MQ-76 Tobacco Marketing Card, and MQ-72-1 Report of Tobacco Auction Sales. FSA county offices often maintain several years of acreage and production data from these and other documents on computer spreadsheets by FSN. In addition, tobacco warehouse documents, such as check registers, ledger sheets, or other records may help in determining the poundage produced and sold by each tenant on a FSN with multiple tenants.

(21)(f) Default Provisions. Any issues or provisions not specifically addressed above for the specified types of tobacco will be governed by standard APH procedures, including the SPOI, the CP, and BP.

- J(22) **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 SPOI. 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 SPOI.
- J(23) **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.

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

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- APPENDIX III, DATA ACCEPTANCE SYSTEM HANDBOOK**

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

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

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 AIP or by RMA RO. T-Yields are available for all Category C crops on the FCI-35 or FCI-33L.

D(1) **Approved Yields.** AIPs are required to calculate and approve APH yields for all Category C APH crops unless the Pre-Acceptance Field Inspection Selection Criteria and RMA RO **Determined** Yield Calculation Criteria is met or exceeded [see Par. F(2) of this Section]. If the Pre-Acceptance Field Inspection Selection Criteria and RMA RO **Determined** Yield Calculation Criteria are met or exceeded, AIPs **must** calculate the APH yield as outlined [in F(2)(b)] and if the RMA RO has issued underwriting guidelines authorizing them to calculate the APH yield [see par. F(3)] .

The RMA RO will **approve** the **RMA RO determined** APH yields for cases requiring Pre-Acceptance Field Inspections [see Par. F(1)] and cases meeting Pre-Acceptance Field Inspection and RMA RO **Determined** Yield Selection Criteria, except when calculated according to [Par. 7F(2)(b)] or the RMA RO has issued underwriting guidelines that authorize the AIP to calculate the APH yield.

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

D(3) **Yield Descriptors and Yield Indicators.** Yield descriptors that identify the yields entered in APH databases are required. In addition, yield indicators that identify the database yield, must be indicated on Type 15 APH records transmitted to RMA.. [Refer to Appendix III and Exhibit 5 for the appropriate yield type descriptors and reporting instructions.

D(4) **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/bush acres may be used to determine acreage for limited situations. To determine tree/vine/bush acreage determinations, the tree/vine/bush 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/bushes are removed, the acreage is measured/determined and then deducted.

Surveying devices, global positioning systems (GPS), remote sensing devices used in conjunction with aerial photos or satellite imagery, etc., may be used if as accurate as the measurement methods listed above.

- (4)(a) **Tree/vine/bush acreage must be measured** around the outside of each block/plot based on the spacing within row and between rows.

For the length, measurements should extend beyond the end of the rows, by $\frac{1}{2}$ the within-row spacing, from the center of the outside plants on the end of the rows.

For the width, measurements should extend past the outside row of each block/plot by $\frac{1}{2}$ the distance between rows.

EXAMPLE: An orchard has 15' x 25' spacing, or an average of 15 feet between trees (center of tree to center of tree) within row and 25 feet between rows (center of tree to center of tree). Measurements would begin $\frac{1}{2}$ of 15' (7.5') from the middle of the trunk of the end tree in the outside row and extend $\frac{1}{2}$ of 25' (12.5') from the outside row, using the same spacing around the entire block (7.5 feet beyond the ends of the rows and 12.5 feet beyond the outside rows, referred to as the drip line).

EXAMPLE: Where a road forms an orchard boundary, the measuring point will be $\frac{1}{2}$ the spacing between tree rows not to extend past the center of the road.

[See the Loss Adjustment Manual (LAM)] for information on non-crop acreage deductions and acreage measurement.

- (4)(b) Tree/vine/bush acreage determinations are acceptable for the following situations:

- 1 Determination of the acreage of different age and/or types, varieties or other characteristics for different T-Yields, and/or interplanted crops within a particular tract of measured acreage. The sum of the parts must be equal to the measured acreage.

Adjustments in acreage may be made when a significant reduction in stand due to wind, disease or other natural occurring weather-related events occur prior to insurance attaching, and are not adjusted otherwise, i.e., T-Yield or YA adjustment applies [see 7H(1)(a) and Exhibit 16, 4B Peaches Example 2].

- 2 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 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(5) **Base Periods.** The base period for each APH database is determined by consecutive CROP YEARS, not calendar years, and consists of:
- (5)(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.
 - (5)(b) Ten consecutive 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.
 - (5)(c) Five consecutive crop years immediately preceding the current crop year defined in the applicable insurance policy for Apples and Peaches.
- D(6) **Insured Crop.** See the policy and actuarial documents for insurable and restrictions by crop. In addition to restrictions on following good farming practices, adaptability, interplanted and if inspected, considered acceptable, many of the Category C APH crops have restrictions or minimums for age, production, age or production, and for age and production as well as percent stand. Some crop provisions allow for an agreement in writing or written agreements to insure acreage not meeting the crop minimums (i.e. almonds "on acreage where at least 90 percent of the trees have reached at least the seventh growing season after set out, unless we agree in writing to insure trees not meeting this requirement).
- 7E **Producer's Pre-Acceptance Worksheet.** Each applicant/carryover insured, except for new insureds (policies) for Texas Citrus Fruit where an Pre-Acceptance Perennial Crop Inspection Report is required the initial year, must certify updated 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, 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, AIPs 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) **AIPs must monitor** Producer's Pre-Acceptance Worksheets to assure they are completed in an acceptable manner. Producer's Pre-Acceptance Worksheets **must be verified** when pre-acceptance field inspections are performed (e.g., acreage tolerance, high actual yield variability, etc.). **Acreage reports cannot be processed until AIPs complete reviews, new Pre-Acceptance Perennial Crop Inspection Reports including review/corrections and initial on the Producer's Pre-Acceptance Worksheets, insurability determinations and/or RMA RO determined yields are issued, when the insured answers YES to question 22, 23 or NO to 24.**

- E(3) **Completion Instructions.** The following items must be completed on the self-certified Producer's Pre-Acceptance Worksheet.

<u>Item No.</u>	<u>Information Required</u>
1	Applicant/insured's full name.
2	Applicant/insured's policy number.
3	Unit number.
4	Name of the insured crop.
5	Name of the state in which the acreage is located.
6	Legal description of the land, if applicable.
7	Policy crop year for which the Pre-acceptance Worksheet is being completed.
8	Name of the county in which the acreage is located.
9	Farm Service Agency, Farm Serial Number (FSA FSN), 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 Exhibit 16]. Separate blocks by type/practice, variety, different T-Yield map area, other characteristics shown in the actuarial documents (e.g., early, mid, late peaches), age, and density. Show block numbers to three places (i.e., 001). Multiple blocks being reported together as one block on the APH Block Production must be shown with one block number. If separate information is available for multiple blocks being reported as one block, separate line entries may be made using the same block number and must match block as reported for APH. Prepare a sketch map showing the location of each block, designate unique number for each block reported. Enter these numbers along with the block number in column #10. Complete the items applicable to the crop (10-21) for each block.
11a	Month and year trees, vines, bushes, etc., were planted.
11b	Month and year grafting to the current variety was completed on previously planted, if applicable; otherwise, enter N/A. For Texas Citrus Fruit, if trees were dehorned within the last 8 policy crop years, enter "dehorned" and the month and year dehorned.

- 12 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 Name(s) of the variety(ies) contained in this block.
- 14 Type applicable (e.g., peaches Early, Mid and Late).
- 15 Number of bearing plants (trees, vines, bushes, etc.), which make up this block (NA cranberries).
- 16 Average tree spacing/pattern observed within this block (example 18.5 X 20) (NA cranberries).
- 17 Calculate the percent stand by dividing the number of bearing/insurable trees/vines/bushes in item 15 by the product of density in item 18 multiplied by Acres in item 12. (Item 15 ÷ [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 or non-irrigated by entering IRR or 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.).
- Refer to the applicable crop provisions and/or actuarial document for determining insurable and uninsurable acreage. When prior production is commingled the entire commingled acreage must meet the production minimum requirements for insurability. When minimum production requirements, age or combination are not met, acreage must be reported as uninsurable as provided in the crop provisions.
- 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 NEW 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 must 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 under the Grape CP (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 AIP 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 in counties classified by the State Department of Agriculture as being partially or entirely GWSS or Glassy-wing Sharpshooter infested. See the Actuarial Documents for additional information.

- 23 Are production methods being used that would reduce the insured crop's production from previous levels? If the producer answers "YES" to this question, hard copy records of acreage and production and a field inspection are required to determine insurability.
- 24 If the producer does not have an adequate water supply and answers NO to this question, a NEW 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.

PAW (Perennial Crops)				1. Applicant's Name:				2. Policy No.:		3. Unit No.:		4. Crop:		5. State:	
PRODUCER'S PRE-ACCEPTANCE WORKSHEET (For illustration purposes ONLY)				6. Legal Description:				7. Crop Year:		8. County:		9. FSA FSN:			
Block No. 10	Mo/Year Planted 11a	Mo/Year Grafted 11b	Acres 12	Variety 13	Type 14	Number of Plants 15	Plant Spacing 16	Percent Stand 17	Density 18	Practice IRR/NI 19	Insurable or Uninsurable 20	Spur or Nonspur 21			
TOTALS:															
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?										Yes		No			
23. Are production methods being used that would reduce production from previous levels?										Yes		No			
24. Is the current water supply (surface allotment/well) adequate to produce a normal crop for the crop year being certified above?										Yes		No			
I certify that to the best of my knowledge and belief all of the information on this form is correct. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C. §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729, §3730 and any other applicable federal statutes).															
26. Insured's Signature:										Date:					

PAW (Perennial Crops) (See Reverse for Collection of Information and Data [Privacy Act])

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 AIP 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.** AIPs 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 or adjusted 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 **approve** an accurate RMA RO determined yield (e.g., RMA RO issues underwriting guidelines for yield variance that require new or updated inspections and RMA RO approval).
- (1)(c) New inspections. are required for the following situations:
 - 1** **If indicated by the SPOI** (i.e., Texas Citrus Fruit for NEW insureds);
 - 2** Damage has occurred to trees/vines/bushes/bog;
 - 3** Cultural practices have been performed that will reduce the insured crop's production from previous levels;
 - 4** **Requested by RMA RO;**
 - 5** **Pre-Acceptance Field Inspection Selection Criteria and RMA RO Determined Yield Calculation Criteria [7F(2)].** and no prior Pre-Acceptance Field Inspection;

An updated inspection is required if the most recent pre-acceptance field inspection is more than five years old (i.e., for **2007**, updated inspections are required if inspections were completed prior to the **2002** crop year) unless waived by RMA RO (i.e., an excessive number of the AIPs Category C APH databases are selected based on yield variance [see 7F(3)(a)2]).

F(2) **Pre-Acceptance Field Inspection Selection Criteria and RMA RO Determined Yield Calculation Criteria.** The following pre-acceptance field inspection selection criteria and RMA RO **Determined** Yield calculation criteria apply to all Category C APH crops. When selected by the criteria, if a pre-acceptance field inspection has not been performed, or the most recent pre-acceptance field inspection is more than 5 years old, unless waived in writing by the RMA RO, pre-acceptance field inspections are mandatory for F(2)(a), (b)1 and 2, (c)(d)(e) and (f).

In addition, unless other RMA RO procedure or underwriting guidelines are provided, the following calculation criteria must be applied to any block or unit which:

(2)(a) A greater yield than the average APH yield is requested by the insured with reasonable cause (e.g., acreage in production not meeting the crop minimums, almonds in production that are less than seven years after set out, or added land), [see 7K(2)(b)]. The request must be in writing and signed by the insured, [see Exhibit 34 and Par F(6)].

Code blocks or units that meet the criteria above with **special case** yield indicator “H” shown with the RMA RO **determined** yield that is **higher than the average yield** for the block or unit.

(2)(b) High variability of actual yields (used to calculate the 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 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

If the database contains less than four years of actual yields, adjustments for high variability of actual yields for alternate bearing [7F(2)(b)1] or downward yield trend [7F(2)(b)2] are not applicable.

For each block or unit that meets the above table, apply the following additional test(s):

- a If the most recent crop year’s per-acre **actual** yield is equal to or greater than 125 percent of the average APH yield **AND** the per-acre **actual** yield for the year prior to the most recent year is less than or equal to 75 percent of the average APH yield, using the most recent 5-year average for the database (4 when less than 5 are available), perform an additional test. In addition to the most recent year (year 1) being $\geq 125\%$ of the average, year 2 must be $\leq 75\%$ of the average, year 3 must be $\geq 125\%$ of the average and year 4 must also be $\leq 75\%$ of the average, as shown below:

APH	Crop Year	Yield
Year 5	20XX	1200
Year 4	20XX	200 ($\leq 75\%$ of average)
Year 3	20XX	1200 ($\geq 125\%$ of average)
Year 2	20XX	200 ($\leq 75\%$ of average)
Year 1	Most Recent	1200 ($\geq 125\%$ of average)
Average:		800

AIPs will use the following formula to calculate the RMA RO **determined** yield for these blocks or units:

- i Multiply the per-acre average of the most recent four years in the database by 0.5:
 - ii Multiply the per-acre average of the two lowest per-acre yields in the most recent four years of the database by 0.5:
 - iii Sum the results of steps i and ii for the authorized **RMA RO determined** yield.
- b For Citrus and Macadamia Nuts: Due to the lag year, in place of the additional test [in F(2)(b)1a above], if the most recent crop year’s per-acre actual yield is less than or equal to 75 percent of the average APH yield **AND** the prior crop year’s per-acre actual yield is equal to or greater than 125 percent of the average APH yield, using the most recent 5-year average for the database (4 when less than 5 are available), perform an additional test. In addition to the most recent year (year 1) being $\leq 75\%$ of the average, year 2 must be $\geq 125\%$ of the average, year 3 must be $\leq 75\%$ of the average and year 4 must also be $\geq 125\%$ of the average. AIPs will use the formula [in 7F(2)(b)1 a above] to calculate the **RMA RO determined** yield for these blocks or units.

- c If the most recent crop year's per-acre actual yield is less than or equal to 75 percent of the average APH yield **AND** the prior crop year's per-acre actual yield is equal to or greater than 125 percent of the average APH yield, using the most recent 5-year average for the database (4 when less than 5 are available), perform an additional test. In addition to the most recent year (year 1) being $\leq 75\%$ of the average, year 2 must be $\geq 125\%$ of the average, year 3 must be $\leq 75\%$ of the average and year 4 must also be $\geq 125\%$ of the average. AIPs will use the following formula to calculate the **RMA RO determined** yield for these blocks or units:

The higher of the applicable block or unit average APH yield or the most recent four-year per-acre average will be used for the AIP authorized **RMA RO determined** yield.

- d For Citrus and Macadamia Nuts: Due to the lag year, in place of the additional test [in F(2)(b)1 c above], if the most recent crop year's per-acre actual yield is equal to or greater than 125 percent of the average APH yield **AND** the per-acre actual yield for the year prior to the most recent year is less than or equal to 75 percent of the average APH yield, using the most recent 5 year average for the database (4 when less than 5 are available), perform an additional test. In addition to the most recent year (year 1) being $\geq 125\%$ of the average, year 2 must be $\leq 75\%$ of the average, year 3 must be $\geq 125\%$ of the average and year 4 must also be $\leq 75\%$ of the average. AIPs will use the formula [in 7F(2)(b)1 c above] to calculate the **RMA RO determined** yield for these blocks or units.

Code blocks or units that meet these criteria [in 1 a, b, c, or d] with **special case** yield indicator "AF" to show they are adjusted by the formula. Do not apply additional test in 2 below. Unless [Sec. 7(2)(b)2] or any other selection criteria is applicable, AIPs will approve yields using the standard Category C APH procedure for blocks or units selected for high variability [in criteria 1] but not selected by the additional tests [in a, b, c, or d] for alternate bearing.

- 2 For blocks or units meeting the criteria [in 1] but not meeting the additional test [in a, b, c, or d,] if the average of the most recent three years' per-acre actual yields is at least 25 percent less than the average APH yield. AIPs will use the following formula to calculate the **RMA RO determined** yield for these blocks or units:

Multiply the average yield by 0.80 to determine the **RMA RO determined** yield.

Code blocks or units that meet the criteria above with **special case** yield indicator "DF".

If the RMA RO issues underwriting guidelines that waive the adjustment [in 2 above], blocks or units must be reported by AIPs with special case yield indicator “D” to show the criteria were met but that no adjustment by formula is applicable.

Special case yield indicator “F” alone shall identify RMA RO determined yields with yields adjusted other than by the above formula or methodology, by AIPs following RMA RO underwriting guidelines for downward trending.

- 3 When the AIP cannot determine alternate bearing [7F(2)(b)1] or downward yield trend [7F(2)(b)2] due to assigned yield(s) for a unit, an RMA RO review and determined yield is required.
- 4 If an insured can show that high variability yield adjustment for alternate bearing or downward trending is not appropriate, submit a Determined Yield request to the RMA RO. Request(s) must be in writing and signed by the insured within 30 days of written notification by the AIP of the yield adjustment. [See Exhibit 34 for an example of the form and see Sec 7F(6) for required supporting documentation. Under Exhibit 34 item number 8, the producer must explain why any unit(s) or blocks should not be adjusted for high variability of their actual yields.] If submitted and authorized, RMA RO determined yields will also be issued with yield indicator “F”. The RMA RO will indicate if special case indicators apply and when not if YA or CUP may be applied by the AIP or if applicable identify which (YA or CUP) was already applied by the RMA RO in approving the determined yield.

AIPs will approve yields for applicable blocks or units using the [above procedure F2(b)], unless otherwise provided by RMA RO underwriting guidelines. If adjusted following the procedure [in 1 or 2 above], yield limitations (CUPS) and Yield Substitution (YA) do not apply.

Rounding is according to APH yield per-acre rounding rules for the crop, to the nearest bushel, box, pound, etc.; multiplied by any applicable factor and then rounded again to the nearest bushel, box, pound, etc.; at each applicable step.

AIPs will approve yields using standard Category C APH procedure for blocks or units selected as high variability of actual yields [F2(b)] but not selected by the additional test procedures [in F2(b)1 a, b, c, or d or F2(b)2] and special case yield indicators are not applicable. Pre-Acceptance Perennial Crop Inspections, supporting acreage and production evidence (hard copy) and additional review are not required. Any exception issued by RMA RO Underwriting Guidelines will indicate use of special case yield indicators.

- (2)(c) Productivity is reduced. A NEW inspection is required if the insured answers YES to question #22 on the Producer's Pre-Acceptance Worksheet [see copy at end of 7E(3)] or 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.

For crop acreage modified by grafting (or dehorning) the month and year it was completed must be used to determine the applicable leaf-year (age) and T-Yield (unless an alternative T-Yield and procedures for approving an RMA RO Determined Yield is provided, shown on the actuarial documents or RMA RO Underwriting Guidelines).

Identify the RMA RO determined yield for blocks or units identified as meeting these criteria with the special case yield indicator "R".

- (2)(d) A non-conventional production methods are being used. An inspection is required if the insured answers YES to question #23 on the Producer's Pre-Acceptance Worksheet [7E(3)] or if it is KNOWN that non-conventional production methods will be carried out that will reduce the insured crop's production from previous levels certified in the APH database.

Use special case yield indicator "N", for blocks or units identified by these criteria. If the non-conventional farming practice is determined to be sustainable, use S in conjunction with N, special case yield indicator "NS".

- (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 [7E(3)] a new pre-acceptance inspection is required.

Identify blocks or units answered with "no" with special case yield indicator "I".

- (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 AIP agrees in writing [not a written agreement] to insure this) for certain crop policies (e.g., Almonds, Grapes, etc.) [see Sec. 4G(7)] or where acreage has been commingled to meet insurability requirements for additional yield adjustment or insurability determination.

For cases with an agreement in writing, 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, the AIP must complete a pre-acceptance field inspection and send the inspection and all supporting documentation [see Par. F(6) of this section] to the RMA RO. [See Ex. 34 for RMA RO Determined Yield Request].

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 Selection Criteria identifies an excessive number of contracts for pre-acceptance field inspections that cannot be feasibly accomplished, the RMA RO is authorized to issue underwriting guidelines that waive pre-acceptance field inspections:
- 1 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).
 - 2 AIPs are not required to perform field inspections, **based on yield variance, when and excessive number** of their Category C APH contracts (per crop, per region). RMA RO may issue underwriting guidelines/criteria identifying which contracts (by crop, by region), or they may waive the requirement of completing updated field inspections on these contracts.
 - 3 AIPs may also 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.
 - 4 For non-conventional production methods that are sustainable and considered good farming practices for the area, the RMA RO may also issue underwriting guidelines that waive yearly pre-acceptance field inspections.
 - 5 RMA RO Underwriting Guidelines, for perennial Category C crops, are exceptions provided to identify regional issues (i.e. [see 4 above]; severe weather related losses are clearly identified for doing additional tests on alternate bearing and/or downward yield trend). Guidelines should be issued and available no later than the last applicable contract change date on the RMA RO WEB site at: <http://www.rma.usda.gov/aboutrma/fields/rsos.html>. This site is directly linked to RMA What's New site: <http://www.rma.usda.gov/news/whatsnew/>
- (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 **RMA RO approval** of the **RMA RO determined** APH yield. If RMA RO approval of APH yields is WAIVED:
- 1 For blocks or units that meet or exceed minimum insurance requirements, the AIP **approves** the **RMA RO determined** APH Yield(s). Blocks or units not meeting minimum insurance requirements may be eligible for the **FSA** Non-Insured Crop Disaster 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 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 AIPs to calculate RMA RO determined APH yields without the formulas or with other methodologies for some situations when yield decline is identified.

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

(4)(a) Within five working days of receipt of the request, **but;**

(4)(b) **No later than 10 calendar days** after the PRD.

Inspectors must notify the AIP 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 AIP 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 AIP (i.e., must be received by the AIP, or RMA RO office) no later than 30 calendar days after the PRD for ALL Category C crops.

(5)(b) Extensions of Deadlines. AIPs 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.

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

(5)(c) If additional supporting records/documentation/clarification for timely submitted RMA RO determined yield requests are required by the RMA RO, the verifier will have 20 calendar days from the date of notification from the RMA RO or date specified in the letter 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 AIP by the grower. The AIP will perform the field inspection.

For situations requiring RMA RO determined yields, that the AIP is not authorized by procedure or RMA RO underwriting guidelines to approve, forward the original inspection report and supporting documentation to the RMA RO. Required supporting documentation includes:

- (6)(a) RMA RO Determined Yield Request. [see Exhibit 34]:
- (6)(b) Applicable Crop Addendum Worksheet(s):
- (6)(c) Producer's Pre-Acceptance Worksheet:
- (6)(d) Updated approved APH form(s) for the current crop year:

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 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 1A-H]. The item numbers and instructions below correspond with the item numbers on the approved sample 12-P, the Pre-Acceptance Perennial Crop Inspection Report forms. 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 AIP representative responsible for assigning inspections.

<u>Item No.</u>	<u>Information Required</u>
1	Crop, policy crop year for which the field inspection is being completed, unit number, insurable and uninsurable acreage for the unit being inspected.
2	Applicant/insured's name and address as shown on the application for insurance.
3	Location state/code and county/code.
4	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	Telephone number for the agent/agency office.
9	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. 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. **The Producer's Pre-Acceptance Worksheet, should be used as an aid and reviewed/corrected when completing the Orchard Inspection.** Make the following entries:

<u>Item No.</u>	<u>Information Required</u>
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 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.) or GPS. Identify and document TREE ACREAGE if used (e.g. if the terrain is irregular or if there was a stand reduction).
- 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. **Verify entries on Producer's Pre-Acceptance Worksheet(s), making any corrections needed, and initial the form.**
- 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. **Verify entries on Producer's Pre-Acceptance Worksheet(s), making any corrections needed, and initial the form.**
- 33 Obtain FSA aerial photo(s) with blocks, 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 and 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 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 **or applicable** forms and applicable records to the RMA RO/AIP.

**PRE-ACCEPTANCE PERENNIAL CROP
INSPECTION REPORT**
(For illustration purposes ONLY)

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 Telephone Number Area Code ()	
9. Legal Description: Section(s)	Township	Range	Farm Serial Number

10. Location Description

GROWER INFORMATION

11. Number of year's 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/foiar 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/bush/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 there 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.

(Pre-Acceptance Perennial Crop Inspection Report Reverse)

ACREAGE/INSPECTION INFORMATION

25. Measured Acres of Unit: A. Planimetered FSA Photo B. Wheel/Tape/GPS 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).
 Verify and/or correct Producer's Pre-Acceptance Worksheet(s)

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

Complete and attach appropriate crop addendum worksheet(s).
 Verify and/or correct Producer's Pre-Acceptance 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 RMA RO Coverage Review Rejection RMA RO 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, 1A-H]. The crop addendum worksheets, applicable under items 31 and 32, are required as a part of the PRE-ACCEPTANCE PERENNIAL CROP INSPECTION REPORT.
- (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, Stonefruit and Walnuts. [For each of these crops, sample perennial crop addendum worksheets are provided in Exhibit 16, 1A-H].
- (3)(b) **Insurable and Uninsurable Acreage.** Complete a separate addendum worksheet for insurable and uninsurable acreage. For example, on apples, check items 17 or 18 as applicable to identify when a crop addendum worksheet is completed for insurable or uninsurable acreage [see Exhibit 16, 1A].

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 SPOI for grapes, required minimum production has not been met or grafting has occurred that will reduce production from previous levels, cranberry bog is being renovated, etc.). Refer to the applicable crop provisions and/or actuarial documents for determining insurable and uninsurable acreage.

When prior production or acreage is commingled, the entire commingled acreage must meet the production minimum requirements for insurability. When minimum production requirements, age, or a combination are not met, acreage must be reported as uninsurable. Acreage that is combined to meet insurability requirements may require additional yield adjustment [as provided in F(2)] or should be submitted to the RMA RO for review and yield determination [see F(2)(f)].

7H **APH Yield Calculation.**

Yield calculation methods used to **approve RMA RO determined** APH yields are based on the simple average of actual and/or assigned yields and, if applicable, variable T-Yields for each block or unit. When less than four-years are available for a block or unit, variable T-Yields are determined based upon the number of actual and/or assigned yields for the crop/county, with exceptions for added land [see 7K(2)].

- H(1) **T-Yield Instructions.** Variable T-Yields are determined by the number of years **with** actual and/or assigned yields for the crop/county (by applicable P/T/V/TMA or other characteristics shown in the actuarial documents).
- (1)(a) **T-Yields.** (Perennial crop T-Yields are shown on the FCI-35 or FCI-33L). T-Yields may be established by age, density, type, practice, variety, T-Yield Map Area, or other characteristics shown in the actuarial documents in the county (e.g., spur and non-spur apples; early, mid and late peaches). Different P/T/V/TMA or other characteristics shown in the actuarial documents, require separate reporting; [see Exhibit 16, 4A-C]. Standard variable T-Yield percentages apply to T-Yields and any adjustments for

percent stand ["K" yield descriptor]; see the crop provisions and actuarial documents. Any adjustment for percent stand also applies for YA purposes, must be applied by the AIP and reported to DAS with an "F" yield indicator with applicable flag indicating premium rate surcharge applies (e.g., peaches see actuarial documents: When the percent of stand is less than 90 percent, reduce the T-Yield and YA based upon the percent of missing trees and/or trees not of bearing age.)

For example, when four or more years of actual and/or assigned yields are applicable for the crop/county, the T-Yield percentage is 100% "T". The Actuarial Documents or Crop Provisions, require adjustment when the percent stand is less than 90 percent. If item 17 of the Producers Pre-Acceptance Worksheet for the block being reported is 85%, the applicable T-Yield would be reduced by 85% and reported as "TK". The same adjustment (85%) would also apply to yields used for yield adjustment (YA).

- (1)(b) Weighted Average T-Yields. Weighted average T-Yields are required for a mixed block or unit where different T-Yields are applicable (i.e., for different tree age or densities). Such block or unit will be reported with the applicable yield indicator "W".

Standard variable T-Yield percentages apply to Weighted Average T-Yields and any adjustments for percent stand ["K" yield descriptor]; see the crop provisions and actuarial documents. Any adjustment for percent stand also applies for YA purposes,[see example in (1)(a) above]. Different P/T/V/TMA or other characteristics shown in the actuarial documents require separate reporting [see Exhibit 16, 4A-C].

Commingled production procedure [Exhibit 15, 6B] **DOES NOT APPLY**, and YA will not apply on a block or unit basis, when there is prior commingled production from immature acreage; yield descriptor "AY" must be shown [see I(1)].

- (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, with exceptions specified in the crop provisions (e.g., 90 percent of the almond trees have reached at least the seventh growing season since set out, unless we agree in writing to insure trees not meeting this requirement; minimum production of 200 bu. per acre for apples in Colorado; 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 applicable crop provisions and/or actuarial documents for determining insurable and uninsurable acreage. When prior production is commingled [see 7G(3)].

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. See applicable crop provisions for insurability and minimum production requirements, (e.g., apples must have produced the minimum in at least one of the previous four years). All such actual yields must be reported and certified on the APH form.

The actual yields, prior to meeting the policy minimum, will be replaced with the variable T-Yield (the percentage based on years of actual or assigned yields for the crop). The prior production and acreage remains as reported on the APH database.

For crops requiring minimum production, acreage which has not met the minimum production requirements does not qualify for insurance. When prior production is commingled the entire commingled acreage must meet the production minimum requirements for insurability. When minimum production requirements, age, or a combination are not met, acreage must be reported as uninsurable, unless otherwise provided (i.e., when authorized by the crop provisions for an agreement in writing or written agreement).

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 underage acreage or the yield may be replaced, as well as all prior years, with the applicable variable T-Yield. All previously certified production and acreage, and the prior actual yield that the insured chooses to use, must remain in the database until no longer in the base period.

3 Insured must report uninsurable production and acreage for the block or unit as a separate block on the APH and separate line on the Producer's Pre-Acceptance Worksheet. Failure to report separately will result in acreage being shown and production considered to be commingled in the block or unit for APH purposes. Refer to the applicable crop provisions and/or actuarial document for determining insurable and uninsurable acreage. When prior production is commingled the entire commingled acreage must meet the production minimum requirements for insurability. When minimum production requirements, age or a combination are not met, acreage must be reported as uninsurable, unless otherwise provided (i.e., when authorized by the crop provisions for an agreement in writing or written agreement). [See Exhibit 16 3A & 3C].

- H(2) **Assigned Yield Instructions.** Assigned yield provisions apply on a crop year basis to all databases (blocks or units by P/T/V/TMA or other characteristics shown in the actuarial document) that had insurable acres (except on blocks or 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).

Producers reporting prior production by block for the current year with prior assigned yields, in other than the most recent year being reported, require assigned yields for each block. Enter the acres and the assigned yield. When switching to block production prior assigned yields at the unit level with different T-Yields require recalculation.

A worksheet similar to the multipurpose worksheet in [Section 6F] may be used for calculation when different T-Yields apply by block.

Col. 1 – Acres for the block
 Col. 2 – T-Yield for the block (weighted average if yield indicator “W”)
 Col. 3 – Block total (Col. 1 X Col. 2)
 Col. 4 – Acres for the unit
 Col. 5 – T-Yield for the unit (weighted average)
 Col. 6 – Unit total (Col. 4 X Col. 5)
 Col. 7 – Factor (Block total Col. 3 ÷ unit total Col. 6)
 Col. 8 – Assigned yield for unit
 Col. 9 – Assigned production for the unit (Assigned yield Col. 8 X acres Col. 4)
 Col. 10 – Reassigned yield (assigned production Col. 9 X factor Col 7 ÷ acres for the block Col. 1)

The above block procedure must be completed if yields were assigned to a unit, that is being divided into basic units and different T-Yields apply.

- 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/TMA or other characteristics shown 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 block or unit (by P/T/V/TMA or other characteristics shown 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) **CUPS** (10%) provisions are NOT applicable the initial year insured; however, they apply to all Category C APH Crops [see Par J(5) of this section] in subsequent years to databases containing actual and/or assigned yields. For other situations where cups are not applicable, [see Par. F(2) (b)-(f) and 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 APH yield recalculated. [For added land see Par. 7K(2) of this section.]

(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 determined on a crop/county basis to complete the 4-year minimum data requirement (by P/T/V/TMA or other characteristics shown in the actuarial documents) as follows:

(4)(a) Variable T-Yield percentages are based on the number of years of actual/assigned yields certified for the crop and county as follows:

- 1 One year: 80 percent of the applicable T-Yield;
- 2 Two years: 90 percent of the applicable T-Yield;
- 3 Three years: 100 percent of the applicable T-Yield;

(4)(b) [For subsequent crop years, see (3)(c) above].

H(5) **Four or More Years of Actual and/or Assigned Yields.** When four or more years of actual and/or assigned yields are available on a block or unit (by P/T/V/TMA or other characteristics shown in the actuarial documents (e.g., spur, non-spur apples; early, mid, and late peaches), the 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. [See Exhibit 15, 6B for prior commingled production; Sec. 7H(2) for assigned yields; and 16, 3B & C and 4A & C for examples].

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 SPOI, 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 blocks or units with **different** P/T/V/TMA or other characteristics indicated in the actuarial documents (e.g., spur, non-spur apples; early, mid, and late peaches), separate APH yields **ARE REQUIRED** for Category C crops [see Exhibit 15, 6B for commingled production].

For blocks or units with the same P/T/V/TMA or other characteristics indicated in the actuarial documents, separate reporting is **OPTIONAL** when different T-Yields are shown by age and density in the actuarial documents.

- H(9) **Approved Yield.** The approved APH yield may be different from the simple average due to one or more of the following reasons:
- (9)(a) RMA RO determined yield cases [outlined in Par. F (1) and F (2) of this section and Exhibit 34 for RMA RO Determined Yield Request];
 - (9)(b) Alternate or biennial bearing [F(2)(b)1];
 - (9)(c) Yield decline or downtrending [F(2)(b)2];
 - (9)(d) Yield substitutions or CUPS are applied.
 - (9)(e) Excessive Actual Yields [see Sec. 14B, Exhibit 6 and Appendix III].
- H(10) **When completing APH databases,** each yield entered in the yield column must be identified with the applicable yield descriptor [see Exhibit 5].
- H(11) **When reporting APH databases,** blocks or units must be identified with the applicable yield indicator.
- (11)(a) When **multiple blocks are reported as a unit or as one block and has mixed age or density with production reported together:**
- W = Yield indicator, unit numbers and block numbers, if applicable, must be shown; otherwise, show 000. May be eligible for yield substitution or CUP when commingled production does not include immature acreage [see I(1)].
- A** T-Yield indicator “W” is NOT reported when only one T-Yield is shown on the actuarial.
- (11)(b) When blocks or units are identified as special cases [7F(1) & (2)], (unless RMA RO Underwriting Guidelines, shown on their internet website: <http://www.rma.usda.gov/aboutrma/fields/rsos.html>), indicating additional criteria to determine which contracts will be treated as special cases and showing which special case yield indicator applies [see 7F(2)2 and (2)(d)]. RMA RO determined yields should also be reported by AIPs with yield indicators “F”. When approved by the RMA RO, to aid AIPs in reporting, they will indicate if special cases yield indicators apply; when the RMA RO indicates that special cases yield indicators are not applicable they will indicate if YA or CUP may be applied by the AIP, or if applicable identify which (YA or CUP) has already been applied by the RMA RO in approving the determined yield.
- Special case** yield indicators **are** as follows:
- H = Higher yield than the average is approved for the block or unit [7F(2)(a)]. **NO** CUP or YA will be applicable.
- AF = Used to identify high variability of actual yields with adjustment made according to the formula [F(2)(b)1]. **NO** CUP or YA will be applicable.

- D = Used to identify high variability of actual yields not adjusted by formula [F(2)(b)2]. **NO** CUP or YA will be applicable.
- DF = Used to identify high variability of actual yields when adjustment made according to the formula [shown in 7F(2)(b)2]. **NO** CUP or YA will be applicable.
- F = When adjustment is made by the RMA RO, such as based on determinations from RMA RO Underwriting Guidelines [7F(2)(b)2], show “F” only. **NO** CUP or YA will be applicable.
- R = Productivity is reduced [F(2)(c)]. **NO** CUP or YA will be applicable.
- N = Non-conventional farming practice is carried out [F(2)(d)]. **NO** CUP or YA will be applicable.
- NS = S used in conjunction with N. When sustainable practice [F(2)(d)], CUP or YA may be applicable.
- I = Irrigation water supply is not adequate [F(2)(e)]. **NO** CUP or YA will be applicable.

7I **APH Block Production.** The APH Block Production replaces the Block Production Worksheet. It is used to allow the producer to report separate production and acreage by block or multiple blocks reported as a single block as defined below. Reporting production by blocks reduces the impact of younger age blocks on the final approved APH yield and allows history from prior acreage with different productivity to be removed. Using blocks is at the producer’s option, **unless separate P/T/V/TMA or other characteristics** are shown on the actuarial documents. [If commingled see Exhibit 15, 6B.]

APH Block Production 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 APH Block Production must correspond to the blocks on the Producer's Pre-Acceptance Worksheet. When multiple blocks are reported together as one block, only one block number applies.

The APH yield is calculated based on a simple average of total production and total acreage (insurable **and uninsurable**) within the block (by P/T/V/TMA or other characteristics shown on the actuarial documents), for the years certified (subject to any applicable CUP or YA) [see 7H APH Yield Calculation]. However, a weighted average must be determined when multiple blocks are reported as one block and there are different T-Yields by age/density and less than four years of actual and or assigned yields or for yield substitution. Such block will be reported with the applicable yield indicator “W” [see H(1)(b)].

Commingled production procedure [in Exhibit 15, 6B] **DOES NOT APPLY**, and YA will not apply on a block, when there is prior commingled production from immature acreage, yield descriptor “AY” must be shown.

- I(1) **If the block or unit contains** immature acreage of trees/bogs/vines/bushes as provided in the Transitional Yield and YA Substitution Table when multiple T-Yields are applicable by age (i.e., age (on the Actuarial Documents) prior to the highest yield on a span is lower than age shown below; acreage was recently grafted/dehorned; and/or as follows:

CROP(s)	AGE
Almonds, Macadamia Nuts, Prunes and Figs	<10 Years
Apples and Pears	<15 Years
AZ-CA Citrus	<9 Years
Blueberries	<5 Years
Cranberries, Grapes, Table Grapes Texas Citrus Fruit, Peaches, Plums, and Stonefruit	<8 Years
Walnuts	<12 Years

- (1)(a) and the producer certifies separate production and acreage by block **for all years certified** (block is defined as trees/vines/bushes/bogs of a single age, density, P/T/V/TMA or other characteristics to indicate different T-Yields), for insurable acreage (as provided in the crop provisions) 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 by P/T/V/TMA or other characteristic of each block. [See the APH Block Production 7I(1) & (2) and Weighted Average T-Yield Worksheet 7I(3) or examples in Exhibit 16, 4A & B and respective worksheet instructions for each crop];
- (1)(b) and the producer certifies separate production and acreage by block **for at least the most recent year** (block is defined as trees/vines/bushes/bogs of a single age, density, P/T/V/TMA or other characteristics to indicate different T-Yields), for insurable acreage (as provided in the crop provisions) 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 and older for the applicable crop. Commingled production procedure [see Exhibit 15, 6B] **DOES NOT APPLY**, and YA will not apply on block or unit databases for years where there is prior commingled production from immature acreage as outlined above. Yield descriptor "AY" must be shown **when reporting the mature block/unit for years commingled** [see H(1)(b) and examples Exhibit 16, 3A, C & D];

Separate production and acreage must be certified by P/T/V/TMA or other characteristics shown on the actuarial documents [see Exhibit 15, 6B] for commingled production.

If less than four years are certified for the crop and block data is NOT certified on the Producer's Pre-Acceptance Worksheet by age and density, Weighted Average T-Yields will be determined using the Weighted Average T-Yield Worksheet. [See Section 7I(3) for worksheet and completion instructions 7H(1)(b) Weighted Average T-Yields and Exhibit 16, 3D & F.] Using the APH Block Production for such units is not necessary as the information can be transferred directly to the APH form for the unit. The unit may be eligible for yield adjustment, if acreage as reported is insurable and other requirements for yield adjustment are met [see Section 13].

- I(2) **Block Production Completion Instructions.** Producers who report separate production and acreage by block, as described above, use this APH Block Production. The blocks on the production worksheet must correspond to the blocks on the Producer's Pre-Acceptance Worksheet.

<u>Item No.</u>	<u>Information Required</u>
1	Applicant's/insured's full name.
2	Applicant's/insured's policy number.
3	Unit number.
4	Name of the insured crop (a), practice (b), type (c), variety or other characteristics shown on the actuarial documents (d) on each applicable block.
5	Name of the state in which the acreage is located.
6	Legal description of the land, if applicable.
7	Policy crop year for which the APH is being calculated.
8	Name of the county in which the acreage is located.
9	FSA Farm Serial Number (FSA FSN).
10	Appropriate crop year(s) for the base period.
11	Appropriate block number from the Producer's Pre-acceptance Worksheet, shown to three places, (e.g., 001). Multiple blocks reported together as a single block must show the same number.
12	Month and year planted.
13	<p>SET OUT YEAR for the block, calculated as follows:</p> <p>Spring-Planted prior to July 1 (May 1 Florida Citrus) of the coming leaf year - 1st full leaf year following setting. For example, for trees set out in February of 1997 (2/97), the correct set out year is 1997.</p> <p>Fall-Planted on or after July 1 (May 1 Florida Citrus) of the coming leaf year - 1st full year following setting. For example, for trees set out in November of 1997 (11/97), the correct set out year is 1998.</p> <p>If mixed age, density and/or multiple blocks are being reported as a single block, yield indicator "W" (item 18) is applicable. Use the Weighted Average T-Yield Worksheet to determine the weighted average set out year and leave the month and year blank. If the actuarial documents contain only one T-Yield, the set out year and completion of block production may not be required, unless separate P/T/V/TMA or other characteristics shown on the actuarial documents are applicable.</p> <p>If the exact month and year are not known, or the number of plants for each year in a range are not known, to determine the set out year or to do weighted average set out year, than use the most recent known year. Unless variable yields with declining yields for mature are shown in the actuarial documents that result in lower yields. In that case use the most distant or recent year in the range (i.e., within a range of 1995-1999, use</p>

1999 for fresh freestone peaches in Washington where T-Yields increase and then remain constant after maturity, use 1995 for peaches in Alabama where T-Yields are on a bell curve as age increases).

- 14 Density. If the block has mixed age or plant density, enter the weighted average density [see the Weighted Average T-Yield Worksheet], or leave blank if the block is mixed and the actuarial documents contain a single T-Yield [see 7I(3)].
- 15 Total production for the block as adjusted for production reporting purposes when actual yields are reported.
- 16 Planted acreage for the block in acres to tenths for each year an actual yield is reported.
- 17 Appropriate yield and yield descriptor for each crop year.
- 18 T-Yields are adjusted for the following situations (if mixed ages or density, enter yield indicator "W"):
- Less than three years of actual production records.
 - Published T-Yield Factors.

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).
 - Percent stand.

Apply any applicable percent stand adjustment: (e.g., peaches: as provided in the actuarial documents "If a block has less than a 90% stand, reduce the T-Yield by the percent of missing trees and/or percent trees not of bearing age."), adjustments also apply to YA [see H(1)(a)].
 - Grafting (or dehorning).

For crop acreage modified by grafting (or dehorning) the month and year it was completed must be used to determine the applicable leaf-year (age) and T-Yield (unless an alternative T-Yield and procedures for approving an RMA RO Determined Yield is provided, shown on the actuarial documents or RMA RO Underwriting Guidelines).
- 19 Determine the average yield for the block by totaling the yields in column 17 and dividing by the number of years of actual, assigned and/or T-Yields used.

- 20 Determine the approved yield for the block by totaling the yields in column 17 and dividing by the number of years of actual, assigned and/or T-Yields used with any applicable CUPS, or YA. If special cases apply, the proper code(s) must also be shown [see 7H(11)]. Blocks with prior assigned yields must be recalculated at the block level [see 7H(2)]. YA are not applicable when blocks contain prior commingled production from immature acreage; yield descriptor "AY" must be shown.
- 21 Producer's prior approved yield, if applicable.
- 22 Producer reviews certified data and accompanying certification statement and signs and dates the form.

- l(3) **Weighted Average T-Yield Worksheet.** This worksheet is used to calculate weighted average age and density in order to determine the T-Yield when the block or unit certified contains multiple blocks with different set out years (age) and/or density. When there were multiple planting and tree counts are not known; use the most recent year in the range or most distant year which ever results in the lowest applicable T-Yields or YAs. If the actuarial documents contain only one T-Yield, the set out year and completion of the worksheet is not required [see 7I].

Item No. Information Required

- 1 Applicant's/insured's full name.
- 2 Applicant's/insured's policy number.
- 3 Unit number.
- 4 Name of the insured crop (a), practice (b), type (c), variety or, if applicable, other characteristics shown on the actuarial (d).
- 5 Name of the state in which the acreage is located.
- 6 Legal description of the land if applicable.
- 7 Policy crop year for which the APH is being calculated.
- 8 Name of the county in which the acreage is located.
- 9 FSA Farm Serial Number (FSA FSN).
- 10 Appropriate unit number.
- 11 Appropriate block number shown to three places (e.g., 001), from the Producer's Pre-Acceptance Worksheet.
- 12 Month and year the block was planted; leave blank if mixed.
- 13 SET OUT YEAR of the block, which is calculated as follows:

Spring-Planted prior to July 1 (May 1 Florida Citrus) of the coming leaf year - 1st full leaf year following setting. For example, if the trees were set in February of 1997 (2/97), the correct set out year is 1997.

Fall-Planted on or after July 1 (May 1 Florida Citrus) of the coming leaf year - 1st full year following setting. For example, if the trees were set in November of 1997 (11/97), the correct set out year is 1998.
- 14 Acres for the block also in column 17.
- 15 Multiply the age (column 13) by the acres (column 14) and enter the total.
- 16 Density for the block.
- 17 Acres for the block same as in column 14.

- 18 Multiply the density (column 16) times the acres (column 17) and enter the total.
- 19 Total of column 14 and 15 as Extensions.
- 20 Total of column 17 and 18 as Extensions.
- 21 Calculate the weighted average set out year by dividing column 15 by column 14.
- 22 Calculate the weighted average density by dividing column 18 by column 17.
- 23 Transitional yield (T-Yield) for the block or unit, using the weighted average **set out year** (block 21) and density (block 22) to obtain the T-Yield from the appropriate actuarial documents. The T-Yield is then transferred to the appropriate block of the APH form for the unit or worksheet for the block. **When grafting (or dehorning) is applicable the month and year completed must be used to determine the leaf-year (age) and substituted to determine the weighted average age and T-Yield (unless an alternative adjusted T-Yield and procedures for approving an RMA RO Determined Yield is provided, shown on the actuarial documents or RMA RO Underwriting Guidelines).**

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 block or unit by P/T/V/TMA or other characteristics shown 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. 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 19-A) preceded by a "P." Enter reported acres in the Acres Column (Col. 17 19-A) [See item J(1) for exception].
- Production reports certified by the insured are subject to AIP APH field reviews if acceptable records to support such reports are not submitted and verified by AIP.
- J(5) **Yield limitations.** Yield floors DO NOT apply. CUPS (10%) are yield limitations that apply to ALL Category C APH crops. Cups limit yield decreases to 90 percent of the prior year's approved APH Yield if only the most recent year's production history is added to the database.
- (5)(a) **Cups** are applicable for carryover insureds and are administered by database (by block or unit, by P/T/V/TMA or other characteristics shown on the actuarial documents). To be eligible for a cup 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 or any other exception listed in [Par. J(6)] applies. Cups are not applicable when converting from units to blocks or when reporting by blocks is discontinued.

- 1 If the previous year's approved APH yield was calculated for a unit and current crop year is using APH block production, procedures for calculating cups do not apply for the current crop year.
- 2 Beginning with the 2006 crop year, if the previous year's approved APH yield was calculated using block production with approved yields issued by blocks and use of the block production is discontinued for the current crop year.

(5)(b) Rate determination instructions.

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 is administered on a line entry basis. [See FCIC - Appendix III Data Acceptance System Handbook.]

J(6) Yield limitations (CUPS) do not apply:(6)(a) To special cases. [see 7F(2)]. These include instances when:

- 1 The AIP 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 AIP and the case is referred to the RMA RO. [See Exhibit 34 for RMA RO Determined Yield Request.]
- 3 The required RMA RO yield determinations are waived by the RMA RO or underwriting guideline exceptions are provided (i.e., severe weather-related losses are clearly identified for doing additional tests on alternate bearing and/or downward yield trend) and the AIP is authorized to calculate the approved APH yield.
- 4 Procedure is provided for AIPs to complete reviews and average yields are adjusted by formula to determine the approved yield [7F(2)].

(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. Revised APH yields (Type 15 Yield Records) must be reported to RMA through the Data Acceptance System (DAS).
- 3 Actual yields that 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).
- 4 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).
- 5 Corrected or revised claims lower the actual yield used for APH purposes (by P/T/V/TMA or other characteristic shown in the actuarial document) by 10 percent or more.
- 6 AIP Errors. Incorrect application of procedure by AIP.

- (6)(c) The initial year procedures for added land/P/T/V/TMA or other characteristics are applicable; or units, P/T/V/TMA other characteristics or blocks, 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 that 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 or combination). APH yield calculation instructions by P/T/V/TMA or other characteristics used to show different T-Yields in the actuarial documents:

- (1)(a) Added acreage to an existing block or unit.

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 that were commingled. The commingled production and all acreage are entered on the APH form for the block or unit. See the applicable crop provisions for insurability. Crops with minimum production requirements may require an RMA RO determined yield. Yield descriptor "AY" must be shown. [See Exhibit 16, 3A, C, & D]

- (1)(b) Added as a separate block or unit:

- 1** When insurability of the crop is based on maturity, and the crop attained the required maturity, the approved APH yield is calculated using four variable T-Yields for the crop, preceded by the applicable yield descriptor ("S", "E", "N" and "T"). If separate acreage and production from the previously uninsurable crop year(s) are provided, such production history and acreage is entered on the APH form and certified but will **NOT** have the average yield for applicable year(s) shown. Prior uninsurable average yield(s) that the insured elects to use are shown and reported to RMA through DAS and must remain in the database until excluded by the base period. Any prior commingled production and acreage remains with the prior commingled block or unit; however, at least the most recent year of separate production and acreage must be provided [see I(1)(b) and Exhibit 16, 4A, B, & C].
- 2** 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 variable T-Yields are used to calculate the approved APH yield. The qualifying acreage and production must be entered on the APH form. Any prior production and acreage shown and certified on the APH, before meeting the production minimum, will **NOT** have average yield for applicable year(s) shown. Any prior commingled production and acreage remains with the prior commingled block or unit; however, at least the most recent year of separate production and acreage must be provided [see I(1)(b) and Exhibit 16, 3B, E, & F].

3 For crops with minimum production and maturity, follow the procedure [in K(1)(b)1 above]. For crops with minimum production or maturity, follow applicable procedure [in K(1)(b)1 or 2 above].

4 [See Exhibit 13 modifications applicable for some Perennial Category C APH Crops in Arizona, California, Hawaii and Utah.]

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/TMA or other characteristics used for different T-Yields indicated in the actuarial documents), whether or not that producer continues to share in the crop, WHEN ACCEPTABLE HARD COPY RECORDS of acreage and production (prior MPCl loss records are acceptable) are submitted to the AIP.

(2)(a) **Production reports submitted.** When at least 4 years of acceptable production reports/records are submitted, use the applicable procedures.

A separate block(s), or unit(s) if applicable, is required for added land previously meeting crop insurability requirements. [See also, Par. I of this Section for procedures and Exhibit 16, 4A, B]. See record requirements for producers sharing in the crop with another producer [Sec.10 Par. E].

(2)(b) **Production reports NOT submitted or less than four years are provided.** If acceptable production reports/records are not provided, or less than four years are provided, following separate block or unit procedure a yield is determined for the missing years, similar to variable T-Yields, based upon the years of records provided for all block(s) or unit being added, **not on a crop basis**. The yield descriptor ("S", "E", "N") for 100% use "I" plus an X is used to identify yields that are being used instead of the actual yields (e.g., SX325 or IX500) [see Exhibit 16, 4A & B]. These yields remain in the database unadjusted and roll out as the most recent four years of actual/assigned yields are provided. These descriptors take precedence over any other applicable yield descriptor. If the insured can demonstrate that a greater yield(s) than the yield(s) that are being used instead of actual yields is reasonable for that particular acreage, the insured may request an RMA RO Determined Yield [see Par. 7F(2)(a) and Exhibit 34 for RMA RO Determined Yield Request].

If insurability is based upon production, maturity or any combination thereof and records are not provided, and/or age cannot be determined to meet this requirement, the acreage must be reported as uninsurable.

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 2007 crop year is 2006 - 2002). 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 Optional Coverage for Quality Adjustment and a claim for indemnity has been completed, total marketable production from the claim prior to adjustment for quality is used for APH purposes (i.e., U.S. No.1 Processing or better).

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.

FRESH BLUEBERRY PACKAGE DETERMINATIONS APPROVED
BY U.S. Highbush Blueberry Council:

Package Size	# Of Packages Per Flat	Weight Per Flat
3.5 oz. (100 g.)	12	2.6 lbs.
4.4 oz. (125 g.)	12	3.3 lbs.
6.0 oz. or ½ dry pint (170 g.)	12	4.5 lbs.
1 dry pint (12 oz.)	6	4.5 lbs.
1 dry pint (12 oz.)	12	9.0 lbs.
1 dry quart (24 oz.)	6	9.0 lbs.
2 dry quarts (48 oz.)	4	12.0 lbs.
2 lbs.	4	8.0 lbs.
2.3 lbs. (Bulk Pack)	4	9.2 lbs.
2.5 lbs.	4	10.0 lbs.
2.75 lbs.	4	11.0 lbs.
2.75 lbs.	8	22.0 lbs.
5 lbs.	1 carton	5.0 lbs.
10 lbs.	1 carton	10.0 lbs.

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 CP) 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 CP (i.e., 38 lbs.). $90,820 \text{ lbs.} \div 38 \text{ lbs.} = 2,390$ cartons.

3 Fresh citrus fruit packed in different size containers than indicated in the CP (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, **pick records [see Sec. 10, C(4)]**, 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 (i.e., sparkling, botrytis affected, ice-wine, etc.) are used for APH purposes when adequate records are available. The production of such Grapes will be adjusted 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 and normal use. Reduced grape production under tonnage contracts also requires **reduction in the RMA RO determined yields**. The insured shall timely report cultural practices that will reduce the insured crop's production from previous levels in item 22 on the Producer's Pre-Acceptance Worksheet. Reductions in the approved yield will be made based upon the terms of the tonnage contract provided.

- 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 CP), 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 sound wet-in-shell nuts by variety, which excludes immature, unsound nuts (floaters and peewees), and foreign material. Sound 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 (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 2007 crop year is 2006 - 2002). 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,** regardless of whether acreage is insured under the Pear Quality Adjustment Endorsement or not, field-run marketable production is applicable. If a claim for indemnity has been completed, total marketable production from the claim prior to adjustment for the pear quality endorsement is used for APH purposes.
- 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 3.0.

L(15) **Stonefruit.**

- (15)(a) For Cling Peaches, the California Cling Peach Board (CCPB) determined acreage may be used for APH purposes instead of wheeled acreage. California, processor or CCPB 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 minimum standards as specified in the SP 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. Production from alternative uses other than fresh can be converted to a fresh lug equivalent using the procedures outlined in (15)(d). Processing production where the primary intent was processing may not be converted to fresh production.
- (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. In counties, where there is no published price election available, the earliest published price for the applicable state for that and prior years may be used.

- L(16) **Walnuts.** Delivery records, production recaps or sales receipts from processors must indicate the net weight of inshell Walnuts by variety.

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

- (3)(f) Value per Bushel. The dollar value per bushel is calculated by the AIP 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.

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

A(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 AIP.
- (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.]

8B Category G, Nursery Crop

B(1) **Eligible Crop**: All plants listed on the Eligible Plant Listing and Plant Price Schedule (EPL/PPS) in the nursery:

- (1)(a) Practice (container grown or field grown);
- (1)(b) Botanical name and common name;
- (1)(c) Plant type;
- (1)(d) Hardiness zone, and winter storage requirements;
- (1)(e) 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).

B(2) **New Plants**. The RMA RO recommends the addition of new plants to be added to the EPL/PPS.

B(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 AIP performs the inspection.

B(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 list for the plant size. Any indemnity is always determined using the lower of the two prices.

- B(5) **Transfer of Nursery Policies.** When the insured transfers the policy to a different AIP, the ceding AIP must provide the assuming AIP with a copy of the latest Plant Inventory Value Report along with any Peak **Endorsements and Rehabilitation Endorsements**. If the insured nursery has plants in its inventory that were damaged due to a prior loss and have not fully recovered at the time of transfer, the appraisal worksheet must be transferred to the assuming AIP to ensure plants are not over-valued. **The insured is allowed to transfer the policy until the cancellation date. Any policy transferred after the SCD must have the same coverage levels, plant types, etc., that were effective on the SCD.**

8C **Group Risk Plan (GRP) and Group Risk Income Protection (GRIP) Plans of Insurance**

The GRP **and GRIP** plans of insurance **are** risk management tools offered by the FCIC as alternative program to the APH **based** plans of insurance.

C(1) **General Information:**

- (1)(a) 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.
- (1)(b) **GRIP is an area-based revenue insurance product that pays the insured in the event the county average per-acre revenue falls below the insured’s “trigger revenue.” GRIP is similar to GRP in that participation is driven by the relationship of insureds elected trigger yield to the county expected yield, except that price is added into the equation to place the focus on revenue.**

[See FCIC 18040, Group Risk Plan Insurance Standards Handbook for Procedural requirements **for GRP and 05-GRIP-Basic and GRIP Underwriting Rules for requirements for GRIP.**]

- C(2) **Insureds are NOT required** to report yield history or maintain production records for GRP/**GRIP**. However, they are encouraged to maintain individual crop yield and acreage history (including any added land) for possible future use in a plan of insurance or added land determinations that uses APH yields for the same crop.
- (2)(a) **GRP/GRIP participation will NOT** break continuity of APH plan for premium adjustment purposes. Any MPCl experience adjustment will be reinstated when the individual GRP/**GRIP** 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/GRIP 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/**GRIP**) are filed when returning to such a plan. **However, the MPCl database will not be updated with loss figures from the GRP/GRIP years but will resume from the point when left for coverage under GRP/GRIP.** 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/**GRIP**, then the APH prior to switching to GRP/**GRIP** must also be used.

- (2)(d) AIPs that did not maintain the APH reported prior to switching to GRP/GRIP or received the policy via a transfer from another AIP may use the PHTS to obtain the applicable APH yield records for the identified insured. If APH yield records are not available from PHTS, then only the years for which production reports are provided will be used.
- (2)(e) Failure to file the most recent APH crop year's production report on an optional unit basis will limit the insured's choices regarding optional units under the selected plan of insurance.

Yield limitations (cup) do not apply when switching from GRP/GRIP back to an APH plan of insurance the initial year. If adequate documentation is kept for added land, a request for SA T-Yields may be made by the insured the initial year when switching from GRP/GRIP to an APH-based plan of insurance for the crop, if the crop has not been planted on that acreage. [See Ex. 36 for additional information regarding added land determinations.]

- C(3) Written agreements may be requested from RMA RO by the SCD to insure hybrid grain sorghum, hybrid seed corn, popcorn, sweet corn and other specialty corn as basic grain sorghum or basic corn, respectively, using request type code GP [see WAH].

8D Pecan Revenue

D(1) Crop Provisions.

The Pecan Revenue CP (05-020 Rev. 10/04) is effective for the 2007 crop year.

- D(2) General Instructions. To be eligible for coverage, minimum requirements for insurability stated in the pecan revenue CP must be met (i.e., 12th growing season after being set out or replaced by transplants, or that are in at least the 5th growing season after top work and have produced 600 pounds or more of pecans in-shell per acre during a prior year). Insurability requirements will be verified through the use of a certification process requiring Producer Pre-Acceptance Worksheet, Summary of Revenue History (SRH) [see Exhibit 11], and pre-acceptance field inspections performed by the AIP or by RMA RO.

- (2)(a) Approved Average Revenue. AIPs (agents/representatives) are required to calculate and approve average revenue per acre on pecans.
- (2)(b) Acreage Determination. [See Section 7 D(3)].
- (2)(c) Base Periods. The base period for pecans is determined by consecutive CROP YEARS, not calendar years and consists of the consecutive crop years immediately preceding the current two-year module, with a minimum of four building to ten crop years in two-year increments.

D(3) Termination and Premium Payments.

- (3)(a) The AIP will terminate for non-payment of premium for the first year or if applicable the second year of the module.
- (3)(b) Insureds do not have to pay a premium in the second year of the module, based upon a timely acreage report for removed acreage, or relinquished acreage on which they no longer have a share in the crop.

D(4) **Transfers.** Policies may not be transferred to another AIP until the end of the two-year module.

D(5) **Inspections.**

(5)(a) **Producer's Pre-Acceptance Worksheet.**

- 1 [See Section 7E] for completion requirements and example of worksheet.
- 2 Prior to the insured/applicant answering question 22, any change in acreage and cultural practice should be reviewed. Tree thinning is considered a cultural practice that will reduce the insured crop's previous gross sales below the approved average revenue. If the applicant answers "Yes" to this question, a field inspection and hard copy records of average revenue are required.

(5)(b) **Pre-Acceptance Field Inspections.**

- 1 [See Section 7 G(2)] for instructions and Pre-Acceptance Perennial Crop Inspection Report.
- 2 [See Exhibit 16 1H] for applicable Addendum Worksheet.

Evaluate each block to determine if light penetration into the canopy is sufficient to stimulate nut development. Rate as good, fair or poor based on the Orchard Inspector's review in item 8.
- 3 AIPs must perform pre-acceptance field inspections for the following:
 - a New insureds.
 - b When productivity is reduced:
 - i An inspection is required when KNOWN tree damage has occurred or cultural practices have been performed that will reduce the insured crop from previous gross sales below the approved average revenue, and when insured answers "YES" to question 22 on the Producer's Pre-Acceptance Worksheet.
 - ii Unless otherwise provided in the SPOI, when more than 12.5% of the total acres for the unit are thinned (not removal of a contiguous block), the average gross sales for those acres thinned will be multiplied by .80, or a factor contained in the SPOI, for the first year after sequential thinning. Guarantee reduction flag F and the factor must be reported for the acreage. No reduction will be assessed the following year after sequential thinning.

c At the discretion of the AIP when added land or acreage is greater than 12.5 percent or acreage is removed.

4 Key items the Orchard Inspector should consider before filling out the Pre-Acceptance Perennial Crop Inspection Report are:

a Age by block;

b Date of any sequential thinning or hedged acreage including qualifying production;

c Whether the orchard/grove is being maintained in a recommended manner with adequate tree spacing, no overcrowding of adjoining tree branches, orchard/grove floor management practice and [2 above];

d Is direct market applicable? A review of records may determine whether any direct market of production occurred. Direct marketing is insurable, only as provided by the Pecan Revenue CP and SPOI or WA; and

e In counties with separate irrigated and non-irrigated rated practices, verify the correct practice is reported. If reported as irrigated, an adequate water supply and functional irrigational system must be verified; AIP's must review and verify when less than four years of revenue history are reported on the SRH.

The above key items, as well as other information being shown on the Inspection Report, and certified by the producer must be considered for completing item 37 on the Pre-Acceptance Perennial Crop Inspection Report.

D(6) **Revenue Reports.** Production and gross sales must be reported on the Summary of Revenue History (SRH) [see Exhibit 11] for each unit for each year of the two-year coverage module on or before the acreage reporting date for the first year of the next two-year coverage module. Insureds not reporting timely will have revenue assigned using the lowest available dollar span shown on the actuarial documents, (identified by yield descriptor "B's"). If less than two years are certified the revenue may be assigned to the applicable missing year, e.g., 2004 was previously reported and certified by the producer, but 2005 was not timely reported and certified; 2004 may be reported as shown and 2005 assigned and identified as "B"; otherwise both 2004 and 2005 would be assigned. Lag years are not applicable for pecans. [See D(11)] for reporting production and price when marketing is incomplete.]

(6)(a) **Irrigated and non-irrigated.** Must be kept and reported separately. Growers with commingled production between irrigated and non-irrigated practices may use the commingled worksheet procedure [in the Section 6F(1)] to separate the production. The midpoint of the dollar span in the actuarial documents (average of D05) for each practice will be used in place of T-Yields in the commingled computation.

(6)(b) **High-Risk Land.** Separate acceptable SRHs [see Exhibit 11], must be filed for acreage located on high-risk land.

(6)(c) Hedged Acreage. Hedged acreage is uninsurable unless otherwise provided on the SPOI or by written agreement. A separate acceptable SRH [see Exhibit 11], must be filed for hedged acreage.

(6)(d) Late or Unreported Gross Sales.

- 1 If SRH [see Exhibit 11] reports are not reported or not timely reported, a gross sales amount will be assigned for any year that was not reported. The gross sales amount assigned will be the lowest available dollar span provided by the actuarial table for the current coverage module (APH plan assigned yield provisions do not apply).
- 2 If production and gross sales are reported after the ARD for the two-year coverage module, average gross sales per acre will be adjusted using the reported information for the next crop year.
- 3 The production and gross sales or the assigned gross sales amount will be used to compute your sales history for the next two-year coverage module.
- 4 If a claim is filed for any year, the value of harvested production and appraised potential production used to determine the indemnity payment will be the gross sales for that year.

(6)(e) Uninsurable acreage.

- 1 Uninsurable acreage must be reported on a separate SRH [see Ex 11].
- 2 If production and gross sales from uninsurable acreage is commingled or not reported separately, net acreage, total production, and gross sales will be shown on the SRH in determining the Approved Average Revenue per acre [see Ex. 11].
- 3 Only acreage meeting the terms of the pecan revenue CP may be reported as insurable.

(6)(f) Excessive Yield Edit Verification, the term excessive yields means the approved or annual per acre revenue submitted to Data Acceptance System (DAS) that exceeds the maximum yield edit level [See Sec. 14 Par. B, and Appendix III].

- 1 Identified with yield descriptor "AX", "GX", or "VX" if simple average values.
- 2 Identified with yield descriptor "TX" and using the lowest available dollar span shown on the actuarial documents if no other units.

D(7) Written Agreements. To qualify for a written agreement:

(7)(a) For counties with actuarial documents, at least two years of production and gross sales records are required.

- (7)(b) For counties without actuarial documents, four years of production and gross sales records are required.

D(8) **Completing databases:**

- (8)(a) Reports are completed in two-year increments of four to ten years. If at least four years of production and gross sales records are not provided, the lowest available dollar span amount provided by the actuarial table for the current coverage module will be used (i.e., four years of the lowest dollar span, yield descriptor "B's", or two years of the lowest dollar span, yield descriptor "B's", and two years of actual, yield descriptor "A's", "G's", or "V's"). The lowest dollar spans, used in place of records, may be replaced with actual gross sales when reporting in the next two-year cycle.
- (8)(b) Separate databases for certified organic, yield descriptor "V", and transitional databases, yield descriptor "G", for certified and transitional acreage are required for any insured crop grown using an organic farming practice. Net acres, pounds of production, and gross sales from each acreage type of the organic farming practice will be contained in **only** the applicable database. Each database will include production and acreage from any applicable buffer zone. Average Gross Sales of the insured crop by applicable year from transitional acreage, yield descriptor "G", for any of the most recent four years may be used in place of the lowest dollar spans provided by the actuarial table for the current coverage module to establish the certified organic approved average revenue dollar amount, when such acreage initially qualified as certified organic acreage.

Separate databases must be established for new acreage in transition, unless the acreage is from the same block or other blocks of the same age, density and variety. The lowest dollar span provided by the actuarial table for the current coverage module will be used to complete the database, [see Exhibit 38 for Organic Procedures].

- (8)(c) Identify each value entered in the average gross sales column 5 of the SRH [see Exhibit 11] with the applicable yield descriptor [see Exhibit 5 and Examples 1-5 in this section].

D(9) **When reporting databases:**

- (9)(a) Units must be reported with the guarantee reduction flag and factor as follows:

F = Sequential Thinning and the **.80 factor** shown [in the Pecan Revenue CP **section 3(d)(1)**], or applicable factor contained in the SPOI.

- (9)(b) Refer to the [Pecan Revenue CP **section 10(b)**] for changes in share on insurable acreage.
- (9)(c) [See CP **section 3(d)(2)**] for increase in previous year's insured acreage.
- (9)(d) [See CP **section 3(e)**] for removal of a contiguous block of trees or damage to trees. If the removed contiguous block of trees or damaged trees is reported on or before the acreage reporting date, the amount of acreage insured or insurance per acre will be reduced. When acreage is destroyed or becomes uninsurable during the first year of the two-year coverage module, it must be reported on the acreage report, for the second year of

the module. This acreage must be reported as uninsurable acreage or zero acreage when the entire unit is destroyed and/or removed prior to the ARD.

(9)(e) For other changes that may occur after insurance attaches or during the two-year coverage module, [see the applicable Pecan Revenue CP] or procedures in the CIH Section 4, (i.e., [see Sec. 4 C(8) Successor-In-Interest Applications], etc.)

D(10) **Amount of Insurance.** The amount of insurance per acre will remain the same as stated in the Summary of Coverage for each unit, for each year of the two-year coverage module, with the following exceptions:

(10)(a) **Sequential Thinning.** as defined in the Pecan Revenue CP:
A method of systematically removing pecan trees for the purpose of improving sunlight penetration and maintaining the proper spacing necessary for continuous production.

Unless otherwise provided in the SPOI, if more than 12.5 percent of the insured acres are thinned, the gross sales for those acres thinned will be multiplied by a factor of (.80) or a factor contained in the SPOI for the first year after sequential thinning.

(10)(b) **New Producers.** When less than 4 years of records are available, the lowest dollar span provided by the actuarial table for the current coverage module (yield descriptor "B's") may be assigned for the missing two-years or four-years on insurable acreage.

(10)(c) **Added Land.** when less than 4 years of records are available, the lowest available dollar span provided by the actuarial table for the current coverage module (yield descriptor "B's") may be assigned for missing years on insurable acreage (i.e., 12th growing season after being set out or replaced by transplants, or that are in at least the 5th growing season after top work and have produced at least 600 pounds or more of pecans in-shell per acre during a prior year).

1 [See Section 3(d)(2) of the Pecan Revenue CP.] If acreage is increased by more than 12.5 percent, the approved average revenue must be recalculated.

a If using the history for the added acreage: The number of years used must not exceed the number of years in the insured's present database. A minimum of two years (the most recent two years) must be shown on the SRH .

b If production and gross sales records are not available for the added acreage:

i The lowest available dollar span amount provided in the actuarial documents (yield descriptor "B's") will apply to the added land and shown on a separate SRH [see Exhibit 11].

- ii For the next two-year reporting period, the added net acreage and sales records with appropriate yield descriptor must be shown for the two-years or year with insurance.

[See also Section 7K] for additional procedure (hardcopy records from the prior producer must be provided or the lowest available dollar span amount provided in the actuarial documents applies).

a Acreage meeting age minimum requirement.

- i When prior separate reported production and gross sales records are available, a minimum of the most recent two prior years must be provided with the appropriate yield descriptor or the lowest available dollar span amount provided in the actuarial documents (yield descriptor "B's") will apply to the added acreage.
- ii Any previously reported production and gross sales records, the insured chose to use for added acreage, may not be removed from the database.

b Acreage meeting age and production minimums.

For acreage that is in at least the 5th growing season after top work and has produced 600 pounds or more of pecans in-shell per acre during a prior year:

Report all years since meeting or exceeding the 600 pound minimum on the SRH [see Exhibit 11], may not require two year increments the initial year. [See also D(10)(c)2 a ii] above.

- 2 [See also **D**(5)(b) above for Pre-Acceptance Inspection requirements.]

D(11) **Records.** Settlement sheets, sales receipts, and final or year-end statements from a processor must indicate the weight of pecans harvested in pounds (in-shell basis rounded to the nearest whole pound) by variety excluding foreign material and the in-shell price received per pound (in dollars and cents). If in-shell is not shown, documentation must be obtained or documentation must contain information to determine the in-shell price (e.g. in-shell price may be shown as the fixed price; shelling percentage may be shown). When all pecans have **not** been marketed, the pounds of pecans in storage must be reported and the average in-shell market price for the week the pecans were harvested will be used to determine the harvested value.

See [Section 10 C(4)] for acceptable pick records, and use of pre-harvest appraisal for direct market sales. If direct market is allowed by the SPOI or by written agreement, review for any required adjustments in determining market price.

D(12)

Reserved.

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 that account for the production fed to livestock must be maintained on a daily basis, and must 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 APH crop years (2001-2006) are initially certified for the 2007 crop year, all six crop years of acreage and production evidence must be retained until the calendar date for the end of the 2010 crop year). 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, malting barley (Insured under Option A only), Sugarcane, Texas Citrus Fruit and CT & MA, Type 61, Tobacco (cigar wrapper). For example, the APH base period begins with the 2005 APH crop year for the 2007 policy crop year.

(1)(b) **Apples and Peaches** have a base period of the five most recent APH crop years.

A(2) **Continuity.** When a new insured reports acreage and production, 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 **valid** 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. **If an insured omits a crop year that he or she received a share of the crop's production, continuity is broken that crop year and acreage and production prior to that crop year is not used,**

(2)(b) **For carryover insureds, if acceptable production reports are not submitted or acceptable supporting records are not provided when requested,** assigned yields are used to 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 **the insured having** no interest in the crop (did not farm, cash-leased to another party, sold the land and then gets it back, etc.) and the insured requests to use acreage and production history prior to the break in continuity, **prior production reports and records may be used as follows:**
- (3)(a) **For Category B crops,** **for new insureds,** with verifier approval. If the verifier approves use of the **production reports** 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,** **if the insured (new or carryover) certifies the acreage and production and also provides to the AIP acceptable supporting records (obtained from a producer who had an interest in the crop that crop year). If such records are not available or were not provided for such crop years:**
- 1** An RMA RO determined yield may be requested. A new insured, must include the records for the crop year(s) prior to the break in continuity [see Exhibit 34 for RMA RO Determined Yield Request]. Both new and carryover insureds must certify to the circumstances causing the break in continuity. The RMA RO will review the production history (including claims history), determine if the prior years' production history may be used and the applicable yield ("F" yield descriptor) that is substituted for the missing year(s).
 - 2** If an RMA RO determined yield is not requested, "Zs" are not entered for such crop years to maintain continuity of production reports [see Section 7K(2)(b) Added Land New/Producer Procedures] except for Table Grapes (0052) and Grapes (0053), with Thompson Seedless (088) type. For these crops/type "Zs" are entered in databases as authorized by the RMA RO or as provided in the Actuarial Documents when insured as another crop; i.e., Raisins (0037), Table Grapes (0052) or Grapes (0053).

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 **ALL units** (even those not contained in the insured's operation for the current crop year) for each APH crop year reported. The production reports must conform 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.) For annual crops, the verifier may consider zero planted acreage reports (by unit) as production reports.

B(1) Include on Production Reports All:

- (1)(a) **Insurable acreage and production "PLANTED" to the insured crop for HARVEST AS DEFINED IN THE CP.**
- 1** However, a separate production report containing the acreage and production of a second crop that the insured elected not to insure (uninsured acreage) to collect a full indemnity on the first insured crop planted on the same acreage is required [see Sec. 4D(2)(a)]. The production report for uninsured acreage must be identified as

“uninsured acreage” and is not used to calculate the actual yield for the APH crop year. AIPs are not required to create a separate Type 15 record (database) for such acreage and production and transmit the data to RMA.

- 2 If the production from uninsured acreage is commingled with production from the insured acreage, the total acreage and total production (insured and uninsured) is entered in the database used to calculate the actual yield for the APH crop year. If production from uninsured and insured acreage was not kept separate and is allocated for claims purposes, the insured acreage and the production allocated to the insured acreage is used to calculate the actual yield.

Supporting records must clearly indicate separate production from insurable and either uninsured or uninsurable production [see Par. (1)(b)] (whichever is applicable) or the production will be considered to be commingled. If production from uninsured or uninsurable acreage was kept separate from the insurable production, the acreage and production must be accounted for on separate production reports and is not included in the database used to calculate the actual yield for the crop year. For Category C crops [see Sec. 7H and K.]

- 3 Insurable acreage of the crop that should have been reported for insurance but was not reported as required by the CP must be reported and used for APH. If a claim and the production from the unreported acreage is combined with production from the reported acreage, the total acreage (reported and unreported) and total production must be used to calculate the actual yield for the APH crop year. However, if separate databases are required (e.g., separate units, TMAs and etc.) for APH purposes, then the acreage and production that is applicable to each database must be entered in the appropriate database.

- (1)(b) Uninsurable acreage and production. However, a separate production report is required for uninsurable and insurable acreage and the production report for uninsurable acreage must be identified as “uninsurable acreage”. When kept separate and reported separately, uninsurable acreage and production is not used to calculate the actual yield for the APH crop year. If commingled, the total acreage and total production (insurable and uninsurable) must be included on the production report and on the APH database used to calculate the actual yield for the crop year. The term uninsurable acreage means, “Acreage of an insured crop that does not meet the policy requirements for insurance”
- (1)(c) Prevented planting (PP) acreage on which the PP payment was limited to 35 percent of the PP coverage [see Sec. 6C(10)]. Acreage and yields identified with “PP” or “PW” yield descriptors must be used for APH purposes.
- (1)(d) Applicable yield history from harvested acreage, appraised POTENTIAL production determined by an RMA RO, FSA, or MPCIC company representative and/or yields as indicated in Par.(1)(c) for the previous APH crop year(s).

- 1 If PLANTED acreage of the crop was destroyed/put to another use and an appraisal of the potential production was not made (not requested for APH purposes or no claim), the production report will indicate the planted acres and a yield of zero.
 - 2 The production report must include planted insurable acreage for Category B APH crops (annual crops). For Category C APH Crops (perennial crops) [see Sec.7H and K] for instructions concerning how to report insurable and uninsurable acreage.
- B(2) **Do Not Include** in the database used to calculate the actual yield for the APH crop year):
- (2)(a) Uninsurable acreage and production if reported separately and the production from uninsurable and insurable acreage is not commingled. Uninsurable acreage of an insured crop includes acreage:
- 1 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 when an MPCl policy is in force;
 - 2 That was not planted and harvested within one of the three previous crop years (including PP acreage) and a written agreement was not in force unless, such acreage was not planted in at least two of the three previous crop years to comply with another USDA program, because of a qualifying crop rotation, or a perennial tree vine, or bush crop was grown on the acreage;
 - 3 That has been strip-mined, unless insured by a written agreement, or unless an agricultural commodity other than a cover, hay or forage crop (except corn silage) has been harvested from the acreage for at least five crop years after the strip mined land has been reclaimed;
 - 4 For which the actuarial documents do not provide the information necessary to determine the premium rate (unrated P/T/V or excluded by the SPOI), unless insured by a written agreement;
 - 5 That was damaged and it is practical to replant the insured crop but it was not replanted according to the policy provisions (insurance did not attach);
 - 6 That is interplanted with another crop, unless allowed by the crop provisions;
 - 7 Initially planted after the final planting date unless late planting coverage is provided by the crop's policy [see Exhibit 1]; and
 - 8 Of a second crop (insured or not insured) following the same insured crop harvested in the same crop year unless specifically permitted by the CP or the SPOI.
- (2)(b) Eligible prevented planting acreage that was NOT limited by the crop's policy to 35 percent of the prevented planting coverage [see Sec. 4D(8)(d)].

- (2)(c) Short Rated Acreage. Acreage and Production from any initially insured Wheat, Barley, or Oats crop located in a county that a short rate adjustment factor is provided by the actuarial document as indicated in the SPOI will not be used to calculate the approved APH Yield, if the agent/AIP was notified, prior to the published date in the SPOI, that the insured intended to destroy acreage of the crop prior to harvest either by grazing or mechanical means.
- 1 If short rated acreage is harvested, the acreage and production from the short rated acreage is used only if the production is commingled with production from acreage of the insured crop that was not short rated.
 - 2 If the agent/AIP is not notified, and the crop's acreage is grazed, destroyed, or put to another use, the total planted acres and harvested production (if any) will be used to calculate the approved APH yield. The full premium rate will apply (not short rated). For claim purposes, such acreage is destroyed without consent and uninsured cause of loss procedures apply.
- (2)(d) Appraisals made for production LOST due to insurable or uninsurable causes of loss (e.g., appraised production lost due to fire or chemical carryover).
- B(3) previously uninsurable acreage, crops, practices, or types made insurable by RMA may be reported by insureds and have databases established that contain such 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, crop year and unit [see 10B and 10C(3)] are acceptable for Barley, Canola/Rapeseed, Corn, Cotton, ELS Cotton, Dry Beans (except Contract Seed Beans), Flax, Forage Production (fed and farm-stored production), Grain Sorghum, Millet, Oats, Popcorn, Rice, Rye, Safflower, Soybeans, Sunflower Seed, and Wheat [see Sec. 6, Par. J]. If central drying/storage facilities are used to store the production from multiple units (including P/T/V and TMA), producers must maintain written records that reflect the production from each unit prior to being placed in the structure if separate structure measurements will not be made for each unit. The following types of records may be used to separate and document the production from different units, and account for total production for the crop year.
- 1 Field harvest records (FHR). FHR include production determined from truck/grain wagon loads that is documented by weight tickets or by conveyance measurements, separate measurements of unit production when placed in farm storage structures, cotton module measurements and/or livestock feeding records [C(2)];
 - 2 Precision farming and yield monitoring systems may be used for APH purposes 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; and/or

3 Verifiable production records indicated in paragraphs [C(1)(b)-(f)] and appraised potential production for unharvested acreage [D(1) and (2)].

- (1)(b) Verifiable production reports must be substantiated by records from a marketing outlet, processor, packer, first handler, etc., or measurements of farm-stored production by an authorized person from an AIP, FSA or RMA RO, for Almonds, Apples, Blueberries, Citrus (Arizona-California and Texas Citrus Fruit), Cranberries, Dry Beans (Contract Seed Beans), Dry Peas, Figs, Forage Production (sold production), Grapes, Macadamia Nuts, Onions, Peaches, Peanuts, Pears, Green Peas, Pecan Revenue, Plums, Potatoes (Northern, Central and Southern), Processing Beans, Processing Sweet Corn, Prunes, Stonefruit (Apricots, Nectarines, and Peaches), Sugar Beets, Sugarcane, Table Grapes, Tobacco (types insured under the Production Guarantee or Quota Tobacco Policies) Tomatoes (Processing and Fresh Market Guaranteed Production Plan) and Walnuts [see Sec. 6, J and Sec. 7 Par. L]. If production is not delivered/sold to a disinterested party, additional supporting documentation such as acceptable pick records, daily sales receipts, tax forms, and/or appraisals are required [see Par. C(4)].
- (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 AIP Recorded Evidence. Acreage and production evidence accepted by either RMA RO or AIP on their respective Field Inspection and Claim for Indemnity forms or MPCl Production Worksheet forms. For Category B and C Crops, claims determinations from 1986 and succeeding crop years will be used whether or not the insured files production reports for those years. [See Par. C(3)(a) for additional instructions if optional units were combined because the insured failed to keep acceptable records for optional units for claims purposes.]

If a Claim for Indemnity has reduced the production to count to account for transportation to a market, reconditioning costs, etc., 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, storage facility, or marketing outlet,
 - 4 Crop year produced and date of the transaction,

- 5 P/T/V when applicable, and
- 6 Quantity of production that can be converted to the proper unit of measure, if necessary.
- (1)(f) **Measurements of Farm-Stored Production.** Measurements of farm-stored production performed by an authorized person from RMA RO, FSA or an AIP are considered to be verifiable production records and are required for farm stored production for the crops listed in paragraph [(1)(b)]. Measurements of farm stored production by insureds are not considered verifiable production records and may only be used to support farm management records for crops as listed in paragraph [(1)(a)]. Pack factors are applicable beginning with the 2005 production reported for the 2006 (policy) crop year, for the following crops: barley, corn, grain sorghum, hybrid corn seed, hybrid sorghum seed, oats, popcorn, soybeans, and wheat. Pack factors for these crops:
- 1 Are applied if storage structure measurements are used to calculate the production for APH purposes and the test weight is also documented;
- 2 Will NOT apply to production for APH crop years prior to 2005;
- 3 Are found in the applicable Crop Loss Adjustment Standards Handbooks (Crop LASH).

Steps in Determining Pack Factors.

- Step 1: Go to the Combination Test Weight and Pack Factor Table in the appropriate Crop LASH.
- Step 2: Determine the applicable factor (use the appropriate test weight and square feet of floor space).
- Step 3: Multiply the applicable factor times the calculated production and enter the result on the APH form.

EXAMPLE: The Corn LASH indicates that corn with a test weight of 56 lbs. stored in a structure with 254 sq. ft. of floor space has a pack factor of **1.018**.

- C(2) **Production Fed to Livestock.** Producers should determine the amount of production before feeding, if at all possible. However, if that is not possible, feeding records must be kept. If an insured does not keep acceptable records (e.g., bin measurements, ledger sheets, weight tickets, load records, etc.) that account for ALL harvested production of the insured crop, and some or all of the production is subsequently fed, acceptable written records of the fed production must be kept to be used for APH purposes. Production fed and substantiated by livestock feeding records, or by the conveyance's measurements, 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 for each feeding (daily, bi-weekly, weekly), thus accounting for production fed to livestock during the time period that feeding occurred. 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 prior to the beginning of harvest (requests for measurements to be performed by AIPs must be made at least 15 days prior to the beginning of harvest). If feeding continuously, the producer must record the following:

- (2)(a) Amount of grain/insured crop or commodity fed at each feeding interval (i.e., each day).
- (2)(b) Bin/storage facility ID from which the production was taken or unit from which it was harvested if feeding is done during harvesting.
- (2)(c) Number and kind of livestock to which it was fed.
- (2)(d) Estimated average weight of livestock (to the nearest 100 pounds), number of head of livestock 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, conveyance measurements, field harvest records, precision farming and yield monitoring systems, etc., that indicate planted acres and production for each optional unit must be available for that year and account for all planted acreage and total production. However, if a notice of loss is filed and the insured failed to keep acceptable records for claims purposes for optional units and the affected optional units are combined, the insured does not qualify for optional units on the combined unit. For the subsequent crop year (the claim record must be used for APH), the insured will not qualify for optional units on the combined unit. Acceptable production reports for optional units (supported by acceptable records) must be filed for the combined units in a subsequent APH crop year in order for the insured to qualify for optional units again.
- (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 *prorated* basis (except for optional units determined by P/T/V), and applied to optional units with planted acres. If a new insured is unable to provide acceptable production reports or records of planted acreage of the crop to prorate the production for optional units, such years are not acceptable for APH purposes when optional units are requested. *Prorated* 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 "PA"125 bu. are entered on the APH form in the Total Production, Acres, and Yield columns respectively. For unplanted

units 00102 and 00104, 0.0 is entered in the acres 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 (or optional unit) and then prorated if the insured wishes to continue to qualify for optional units. [For additional limitations for combining optional units, refer to Exhibit 15]. ←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 AIP. 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 that 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. The RMA RO/AIP must verify all calculations. 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/AIP) 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 (such appraisals

are considered to be supporting documentation and are used in conjunction with pick and/or sales records). 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.

- 1 Production summaries or estimates including summaries and estimates made by inspectors, agents, growers, RMA RO, or AIP will not be accepted.
- 2 Appraisals for APH purposes, not used in conjunction with claims submitted alone are not considered acceptable records (such appraisals must be used in conjunction with pick and/or sales records to be acceptable).

(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 Appraisals and Field Visits for APH Purposes

D(1) **Appraised Production for Unharvested Acreage.** Appraisals made for potential production remaining in the field prior to insured acreage being put to another use or for acreage not harvested (as defined in the crop's policy) and used to calculate claims for indemnities ARE also used for APH. However, appraisals are subject to AIP reviews, similar to those required for other annual yields to verify their reasonableness and accuracy [see Sec. 14B]. Properly completed appraisal worksheets are considered verifiable production records for acreage that is appraised. An appraisal exceeding the maximum level yield edit for which there is not a valid basis for the difference between the appraisal and other yields in the county, must be adjusted/reduced by using the procedure in [Ex. 6, Par. 3A(2)].

(1)(a) Appraised production from representative sample areas after the acreage of the crop in the field has been destroyed, put to another use, or abandoned may not be used for APH purposes unless the representative samples were left according to the applicable policy provisions and Loss Adjustment Manual (LAM) Standards Handbook.

For example, the CP require representative samples if the insured and the AIP disagree on the amount of appraised production for insured acreage that will be released to be put to another use or that will be no longer cared for. For this situation, AIPs may give consent to leave representative samples if the insured agrees to leave the samples intact in locations acceptable to the AIP and then provide sufficient care for the samples as indicated below and according to the LAM. If the representative samples are:

- 1 Left intact and sufficient care is provided for the crop in the samples, the amount of production used for APH will be based on the per-acre yield of harvested production from the sample areas or the

appraisal from the sample areas at the time harvest should have occurred.

- 2 Not left intact or sufficient care is not provided for the crop in the sample areas, the amount of production will be the AIPs appraisal made prior to giving the insured consent to put the acreage to another use or no longer care for the crop.

Refer to the LAM for the requirements for representative samples.

- (1)(b) Appraisals that account for production lost due to uninsured causes of loss and for insured acreage of the crop that was destroyed or put to another use without consent by the AIP ARE NOT used for APH. (E.g., the insured did not notify the AIP that acreage initially planted to wheat and reported on the acreage report as grain was tilled and then planted to grain sorghum.)

D(2) **If insured crops will not be harvested:**

- (2)(a) Insureds must notify the agent/AIP, if acreage will be destroyed or put to another use and request permission to do so as required by the crop's policy. If such acreage is subsequently harvested, the acres and harvested production are used instead of the appraisal unless the insured is unable to maintain/provide acceptable records for the harvested production for situations indicated in [Par D(3)].
- (2)(b) Agents must notify the Insurance Provider of the insured's intent to destroy or put insured acreage to another use. AIPs will make field visits/appraisals for claims and/or APH purposes. If an appraisal is requested in conjunction with a claim for indemnity or if a claim for indemnity is due to a revenue component determined at a later date AND claim for indemnity appraisal requirements are different than the requirements outlined in this handbook for APH, AIPs must follow claim for indemnity appraisal requirements in the applicable Crop LASH. For example, for corn, if acreage will be harvested as silage and a claim may be involved, refer to the Corn LASH for the appraisal requirements for this specific situation (paragraphs D(3)(a)2 or D(4) are not applicable).
- (2)(c) Agents must notify the AIP of the insured's intent to destroy or put insured acreage to another use. AIPs will make field visits/appraisals for claims and/or APH purposes.

D(3) **Appraisals/Field Visits for Acreage that Will be Harvested** (harvest as defined in the crop's policy). To maintain/provide acceptable records:

- (3)(a) Insureds must obtain appraisals from their AIP or another qualified person as indicated in [Par. D(5)] by unit for APH record purposes when **INSURED** acreage:
- 1 Will be harvested and the insured will not be able to maintain/provide acceptable records of the production (e.g., high moisture grain chopped for silage or forage production stored in an airtight structure).
- 2 Of corn in a grain-only or silage-only county will be harvested as either grain or silage and less than 50 percent of the acreage will be harvested as the type insured (e.g., grain in grain-only counties) and

acceptable records will NOT be maintained for the harvested production of the other type (e.g., silage in a grain-only county).

For example. 100 acres of corn are reported in a grain-only county on the unit. The insured will harvest 40 acres as grain, maintain/provide the grain records, and harvest 60 acres as silage. However, if the insured will not be able to maintain/provide acceptable silage production records, an appraisal is required for APH purposes for the acreage that will be harvested as silage. Otherwise, the insured will NOT have acceptable records for the unit and assigned yields will apply). [See Sec. 6, Par. J (2)(f) & (g) for APH instructions.]

- a If 50 percent or more of the acreage is harvested as the type insured (grain in grain only counties or silage in silage only counties) and acceptable production records are maintained/provided for the insured type, then an appraisal is not required for APH purposes for the acreage harvested as the other type (e.g., silage in a grain-only county). The harvested actual average yield for the type insured (grain in a grain-only county) is entered in the unit's database and used to calculate the APH yield.
- b Exception to the 50 percent rule. If the harvested production for the type for which records will be maintained (e.g., grain/irrigated) is for a different practice than the acreage for which acceptable records will not be maintained/provided (e.g., silage/non-irrigated), then an appraisal is required for the acreage for which acceptable records will not be maintained.

For example: The unit contains 130 acres of irrigated acreage and 28 acres of non-irrigated acreage and is insured in a grain-only county. The insured will maintain/provide records for grain harvested from the irrigated acreage. However, the 28 acres of non-irrigated corn will be harvested as silage. To have acceptable records for the unit, the insured will have to either maintain/provide acceptable records for the non-irrigated acreage or have the acreage appraised and use the appraisal for the non-irrigated practice.

- 3 Of corn in grain and silage counties and acreage will be harvested as either grain or silage and acceptable records will not be maintained/provided for the type(s) insured (grain and/or silage).

D(4) **Appraised potential production must**, correspond to the insurable type(s) and practices for the county (and in grain and silage counties the types) indicated on the acreage report for the crop year. 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. To convert bushels to tons, multiply bushels times .15 and round to the nearest one-tenth ton (e.g., 5,000 bushels X .15 =750.0 tons. To convert tons to bushels, divide tons by .15 and round to the nearest whole bushel (e.g., 750 tons ÷ .15 = 5,000 bushels).

- D(5) **APH Determinations.** When requested by insureds, the AIP servicing the policy performs field visits to make acreage and/or production determinations for APH purposes. Insureds may request acreage and/or 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 AIP.
- D(6) **Requesting APH Determinations.** Requests for acreage and production determinations by an insured will be made through the agent/representative to the AIP. 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 appraised production. If a Claim for Indemnity is NOT or WILL NOT be filed, AIPs may use a production worksheet and applicable instructions to document appraisals.
- D(7) **Assigned Yields.** Failure to provide required acreage and production evidence, when required by the AIP 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 (or not previously produced the crop) on a specific land location (legal description), acreage and production evidence from another person (**either insured or not insured if using the other person's actual records**) who shares in the crop on that land location for the current crop year (or when APH data is transferred to the insured's policy from another policy for that land location on which the insured shared in the insured crop's production [see Sec. 4 C(12)]) may be used to support production reports certified by the insured. To use another person's acreage and production history, insureds must either: 1) obtain permission to use the other insured's APH production reports/databases for the current crop year [See authorization requirements in Par. F] or 2) obtain copies of the other producer's acreage and production **records.**
- E(1) **When using another Insured's APH Production Reports/databases,** non-actual yields such as SA T-Yields and assigned yields contained in the other person's APH database are not transferred/used. Assigned yields break continuity of records for persons using another insured's Production/Reports/database to establish their own APH databases.
- (1)(a) **Insureds must certify only the acreage and production history** from locations that they share in the crop (same acreage, legal description, FSN, etc.) on their production reports.
- (1)(b) **All years for the appropriate locations** must be reported (years from which acreage and production was reported cannot be excluded), unless fewer years of acceptable production reports have been provided for the balance of their farming operation. If fewer total years have been reported on other units and the insured did not report all years that the crop was produced on those units, the number of years that may be used is limited to those provided for the other units. For example, the insured previously had one basic unit in the farming operation (unit 00100), and had produced the crop for 10 years but only reported the five most recent consecutive crop years of APH and then added unit 00200 for the current crop year. The database (unit 00200) obtained from another person sharing in the crop contains ten years of APH. However, the insured may use only the five most recent crop years for unit 00200 because only the five most recent crop years were reported for unit 00100 [see Par. 10A(2)].)
- (1)(c) **All other APH requirements must be met.**

- (1)(d) Supporting Records. For APH review purposes, records must be available for all crop years within the record retention period of the person from which the APH databases were obtained. If acceptable supporting records are not available for all such crop years, then the other person's database(s) may not be used. The person using another insured's production reports/databases is responsible for providing acceptable supporting records for APH reviews. Additionally, bona fide shares must be verified and documented.
- E(2) Another Person's Records. Another producer's acreage and production records may be used if:
- (2)(a) The person using them has a bona fide share (rented for a percentage of the crop) in the insured crop with the other producer for the current crop year [see Sec. 3, definition of crop share];
- (2)(b) The records are acceptable and account for all of the other producer's acreage and production of the crop in the county;
- (2)(c) Continuity and all other APH requirements are met [See Exhibit 23]; and
- (2)(d) Acceptable Supporting Records are obtained. An insured that uses another producer's records must keep those records for three crop years after the end of the crop year that he/she initially certifies the acreage and production (record retention period). If selected for an APH review during the record retention period, upon request, the insured must provide acceptable supporting records for all years certified. Additionally, bona fide shares must be verified and documented.

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.

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 Use of APH When Insured Persons/Entities Change or Land is Transferred to Another Person/Entity.

- G(1) Insured Person/Entity. The person/entity insured is as defined in the BP. See [Exhibit 32] for the documentation required at the time of application. Some states require persons/entities that are doing business under an assumed name (e.g., doing business as....) to register that name in the county in which they do business.
- G(2) APH Yield Determinations for New Persons/ 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. If a person changed his or her name or created a new entity that insures a crop(s) for the current year that was produced on land farmed by the previous person/entity and THAT LAND is contained in the new person/entity'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 a different person/entity the previous crop year, a new person/entity may qualify for a successor-in-interest application and transfer of the APH data. [See Sec. 4, Par. C(8)]. If the insured is not eligible to have the APH data transferred (different land or different crops involved) or was eligible to have the APH data transferred and a successor-in-interest application was not used, follow the procedures below:

- (2)(a) New persons/entities who have produced the insured crop in the county for more than two APH crop years do not qualify as new producers. If any member of a new entity has produced the crop as an individual or member of another entity, the new entity is considered to have produced the crop. Members of an entity include: stockholders of a corporation, partners of a partnership, persons insured as co-owners or as joint ventures, etc. [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 land contained in their current farming operations according to ALL applicable APH procedures for each crop year certified. For entities consisting of more than one member, their production reports must include all land contained in the current farming operations upon which crop(s) insured for the current crop year were produced by ALL members of the entity.
- 1 Acceptable RECORDS must be available to support the acres and production certified.
 - 2 Acres and production history must not be transferred from existing unit databases via a successor-in-interest unless the new person/entity is eligible to use the acreage and production history and the same unit structure (acreage) is involved. If only part of the land (specific legal descriptions) will be transferred to the new entity, the acreage and production must be certified according to the new unit/farming operation. (E.g., a member of the new entity previously produced the insured crop as a member of another entity on four different units/sections (Section 11, 25, 27, and 35). Section 35 was transferred to the new entity and the new entity will produce the insured crop on this section. In this example, the acreage and production history from ONLY Sec. 35 must be certified by the new entity and transferred to the new entity.)
- (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, 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.

- G(3) **Land is Transferred to Another Insured Person/Entity** (not a new person/entity). If land with acreage and production history is transferred from a person/entity (transferor) to a different person/entity that insures the same crop on a different policy (transferee), the acreage and production history must be transferred to and/or certified by the transferee for the current crop year if:
- (3)(a) The transferee shared in the insured crop's production with the transferor as a tenant, landlord, member of a partnership, member or owner of a corporation, spouse, co-owner, etc., in previous crop years; or
 - (3)(b) The transferor is a member of the entity to which the land was transferred;
 - (3)(c) The acreage was transferred on or before the PRD for the current crop year. For acreage transferred after the PRD, the acreage and production history must be transferred/certified by the transferee by the PRD for the following crop year. Failure by the transferee to report such acreage and production for the applicable crop year results in incomplete/unacceptable production reports for that crop year. For carryover insureds, assigned yield provisions apply; however, the acreage and production from the acreage transferred must be used the succeeding crop year. For new insureds, continuity of production reports is broken. Members of an entity include owners and stockholders of a corporation, partners of a partnership, persons insured as co-owners or joint ventures, etc.

Acreage and production history for previous crop year(s) must not be transferred/used by another person who did not share in the insured crop's production unless 1) the transferor is a member of the entity to which the land was transferred or 2) the transferee and transferor share in the insured crop's production for the current crop year.

10H **Reserved.**

11 RECONSIDERATIONS, ADMINISTRATIVE REVIEW, MEDIATION, AND APPEALS

Any participant (individual or entity) who has applied for, or whose rights to participate in or receive a payment or benefit according to any program administered by RMA, may obtain a review of an 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, are not appealable. This section also applies to **adverse decisions, including RMA's participation in a Large Claim Review, and requests for reconsideration of determinations regarding good farming practices (GFP) made by RMA. If the participant disagrees with a GFP decision made by an AIP, they may request that the RMA RO make a GFP determination. This is not an appeal; however, the participant is required to obtain an RMA RO-GFP determination before bringing suit against FCIC in a United States District Court.**

A participant may request mediation, or administrative review (formerly reconsideration) by RMA and/or appeal to the National Appeals Division (NAD) by timely requesting such consideration with the appropriate authority as defined in this section. Mediation and appeal to NAD are not available for **RMA RO** determinations or reconsideration decisions regarding GFP.

11A Time Limitations

All notifications of adverse decisions to insureds must contain the information necessary for the insured to take such actions (i.e., time limitation, places of contact, etc).

A request for mediation, and administrative review, or appeal to NAD or a request for reconsideration of **a RMA RO GFP** must be made in writing not later than 30 calendar days from receipt of the written notice of the adverse decision.

A request for **a RMA RO GFP determination**, reconsideration of a GFP determination, mediation, administrative review or appeal to NAD will be considered "filed" when personally delivered in writing to the appropriate reviewing authority or when the properly addressed request, postage paid, is postmarked.

11B Administrative Review to RMA RO

B(1) **Administrative Reviews.** A participant may seek an administrative review of an adverse decision before filing an appeal with NAD. A participant seeking an administrative review must file a written request with the reviewing authority. The reviewing authority will issue a final decision that will not be subject to further review by the agency. If a participant has requested an administrative review, the participant may not appeal to NAD until the administrative review has concluded. A participant who chooses an administrative review before filing an appeal with NAD:

- (1)(a) Retains the rights of the 30-day period in which a participant may appeal to NAD;
- (1)(b) Will have the balance of days remaining in the 30-day period to appeal to NAD when the administrative review has concluded.

A participant may seek an administrative review or mediation, but not both.

- 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 administrative review, 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 according to applicable program policies, regulations and procedures; or 2) all material facts were not properly considered.

11C **Reconsiderations to RMA Insurance Services.**

If a participant disagrees with any GFP determination made by the RMA RO, the participant may request reconsideration of such determination under 7 C.F.R. subpart J or may sue FCIC in United States District Court. There is no right to appeal any determination or reconsideration of such determination to NAD. Mediation is not available for determinations of GFP. RMA cannot reconsider the amount assigned by the AIP as uninsured causes for failure to follow a GFP.

If the insured seeks reconsideration of RMA RO determinations regarding GFP, the insured must file a written request for reconsideration to the following: USDA/RMA/Deputy Administrator for Insurance Services, 1400 Independence Avenue, SW., Mail Stop 0805, Washington, D.C. 20250-0805. A request for reconsideration must be filed within 30 days of receipt of a written notice of the determination regarding GFP.

The request should also include a copy of the GFP determination and must state the basis upon which the participant relies to show that: 1) the decision was not proper and not made according to applicable program regulations and procedures; or 2) all material facts were not properly considered in making such determination; and should include any verifiable documentation to support the participant's position.

The insured may either seek reconsideration of RMA RO determinations of GFP or file suit against FCIC in a United States District Court. However, any challenge to a reconsideration decision must be filed against FCIC in a United States District Court. The insured cannot file suit against the AIP for determinations of GFP.

11D **Mediation/Alternative Dispute Resolution (ADR) Of RMA RO Decisions**

Mediation is a process in which a trained, impartial, neutral third party, called a mediator, helps parties find ways to settle their dispute. Mediation is voluntary, private, confidential, and informal. 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; (3) look for alternatives and options as well as areas of common interest that are consistent with program policies, regulations, statutes, and procedures; and (4) prevent the parties from focusing on only one solution. Mediators have no decision-making authority. The mediator's role is that of a facilitator. RMA RO GFP determinations and GFP reconsideration decisions are not eligible for mediation/alternative dispute resolution.

- D(1) **When Mediation May be Chosen.** Participants have the right to seek mediation involving an adverse decision not later than 30 calendar days from receipt of the written notice of the adverse decision.

D(2)

Requests for Mediation. A participant is responsible for contacting the Certified State Mediation Program in States where such mediation program exists. The state mediation program will make all arrangements for the mediation process. A list of Certified State Mediation Programs is available at <http://www.fsa.usda.gov/pas/publications/facts/html/mediate03.htm>

A participant is responsible for making all necessary contacts to arrange for mediation in Non-certified States or in Certified States that are not currently offering mediation on the subject in dispute.

A participant needing mediation in States without a certified mediation program may request mediation by contacting the RMA RO, who will provide the participant with a list of acceptable mediators.

If the participant objects to the selected mediator, the insured may request selection of another mediator.

D(3) **Time Limitation.** The participant may request administrative review of an adverse decision before requesting mediation, but cannot request administrative review of the decision after choosing mediation.

A participant may request mediation of an adverse decision before filing an appeal with NAD. If a participant requests mediation, the participant may not appeal to NAD until mediation has concluded. 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.

D(4) **Frequency.** A participant may mediate an adverse decision only once.

11E NAD Appeals

A participant may appeal a final decision of the RMA RO or FOSB directly to NAD. Determinations or reconsideration decisions of GFP may not be appealed to NAD. **An adverse decision made by the RMA RO while participating in a Large Claim Review may be appealed 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 NAD Director for a determination of appealability.

E(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 personally signed by the participant and submitted to the NAD Director.
- (1)(b) An appeal of the adverse decision must be personally requested by the participant in writing not later than 30 calendar days after the participant receives notice of the Director's determination that an agency decision is appealable.

E(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.

E(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 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, and are processed by RMA's Appeals, Litigation & Legal Liaison Staff.

- (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. Such requests are processed by RMA's Appeals, Litigation & Legal Liaison Staff.
- (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.
- E(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.
- E(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 AIP);
- (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.
- (5)(i) GFP decisions made by the AIP, GFP determinations made by the RMA RO, or an RMA GFP reconsideration decision made under the Federal Crop Insurance Act (7 U.S.C. 1501 *et seq.*) and 7 C.F.R. part 400, subpart J, and the amount of uninsured causes of loss assigned by the AIP for failure to follow a GFP.

11F Judicial Reviews

- F(1) Except for reconsideration of GFP, a participant must exhaust administrative remedies before seeking judicial review of an adverse decision. Except for determinations or reconsideration of GFP, a participant must appeal an agency adverse decision to NAD prior to seeking judicial review. A final determination of NAD and a RMA RO GFP determination or reconsideration decision is reviewable and enforceable by a United States District Court.
- F(2) AIPs cannot be sued for a determination of failure to follow GFP. Such suit can only be brought against FCIC.

11G AIP Reconsiderations for Changes or Corrections to APH Yields

- G(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 according to 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 according to the policy terms.

The verifier may correct errors in yield computation or in the application of RMA approved standards. 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 AIP in order to process the request. Upon request the documentation will be made available to RMA RO for review. ←NACAT)

- G(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.
- G(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 AIP's address.

- 11H Notification of Right to Resolve Disputes.** If the AIP makes an adverse determination affecting a producer's guarantee or indemnity, the notification letter will be issued to the insured and include the producer's right to recourse:
- H(1) If the dispute is on a factual determination, including the amount assessed as uninsured causes of loss for the failure to follow a GFP, the AIP will notify the insured in writing of their right to resolve the disagreement in accordance with section 20 of the Basic Provisions. The disagreement may be resolved through mediation according to section 20(g). If resolution cannot be reached through mediation, or if the AIP and the insured do not agree to mediation, the disagreement must be resolved through arbitration in accordance with the rules of the American Arbitration Association and provide all information necessary for the insured to take such actions (i.e., time limitation, places of contact, etc.).
 - H(2) If the dispute involves a GFP decision, the AIP will notify the insured in writing of his/her right to seek an RMA RO GFP determination in accordance with MGR-05-010 or MGR-05-012 and will provide all information necessary for the insured to take such action (i.e., time limitation, places of contact, information required, etc.).
 - H(3) The right to take legal action. The AIP will notify the insured in writing of their right to bring legal action after complying with all policy provisions and provide all information necessary for the insured to take such actions (i.e., time limitation, places of contact, etc.).

- 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, 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 2003 therefore, 60 percent of the 2003 T-Yield is used for 2003 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) **Category C APH Crops, when T-Yields or Weighted Average T-Yields are based on age and density:** Determining age for 2007; then subtract one year for each year prior and add one year for each subsequent year. For YA use the applicable age for the crop year.

Apply any factors as appropriate (i.e., FCI-33L), including any yield adjustment for percent stand ("K") based on the current reported or determined percent stand.

For example, if the actual yields are reported for the 2001-2005 APH crop years, the 2006 T-Yield or weighted average T-Yield age will be reduced by one year for each prior year in determining the proper yield substitution. If the age for 2006 is determined to be 10, the 2005 age would be 9 ($10-1 = 9$), the 2004 age would be 8 ($10-2 = 8$), the 2003 age would be 7 ($10-3 = 7$), the 2002 age would be 6 ($10-4 = 6$), and 2001 age would be 5 ($10-5 = 5$). In subsequent years, 1 year will be added for each year. In this example, to determine the 2003 yield substitution for age (7) by density P/T/V/TMA or other characteristics, refer to the Transitional Yield and YA Substitution Table. Yield substitution for the 2003 APH crop year will be 60 percent of the applicable 2003 T-Yield, determined using the 2006 reported age ($10-3 = 7$), any applicable factor and yield adjustment applies. For 2007, a carryover insureds, age using this example would be 11 ($10+1=11$), or ages can be recalculated using the current year as shown above.

- (2)(e) **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(7) for Category C Crop instructions] the first crop year yield substitution(s) are elected (or if all applicable yield substitution(s) cancelled for at least one APH crop year) 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 PRD, the method, by unit/P/T/V and actual yields to be substituted (crop year) within a database, 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 when yield substitutions elected are NOT eligible for cups or yield floors.

D(4) **Malting Barley.** YA, if elected, applies to actual yields contained in feed Barley APH databases when Malting Barley Option A or B is elected. It does not apply to actual yields contained in 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 TMA, designated homogeneous Master Yield areas, and by P/T/V. [See Exhibit 7 for Master Yield instructions and Exhibit 7, Par. 3D specifically for APH Master Yield Summary Form requirements].

(5)(a) AIPs 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.

14 APH REVIEW REQUIREMENTS**14A APH Field Reviews.**

AIPs are required to conduct annual APH tolerance reviews [See Guidelines and Expectations for Delivery of the Federal Crop Insurance Program (Appendix IV) for APH tolerance, **\$100,000 Claims and Large Claims** 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. **Reviews are limited to the** actual yields that were certified to calculate the current year's APH yield **unless a multi-crop year APH review is required.** A discrepancy in excess of the **percent tolerance for the crop category** requires a revised APH form 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 **(approved)** 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**. 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. The cup procedures do not apply to the corrected approved APH yield.

Any production report listing an incorrect T-Yield as the approved APH yield or misreported claim determinations must be corrected for the current crop year.

A(1) **The RMA RO/AIP may also request an APH review** on any unit that has a yield which appears to be excessive, based on:

- (1)(a) Established tolerances.
- (1)(b) Personal knowledge of the producer's farming operation.
- (1)(c) Actual yields on neighboring farms that have similar productive characteristics.
- (1)(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.

A(2) **Tolerances for the crop categories are:**

- (2)(a) Categories "D" and "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" and "G".]
- (2)(b) **The following Category "B" crops** have a five (5) percent tolerance: Barley, Canola/Rapeseed, Corn, Cotton, ELS Cotton, Dry Beans **(except Contract Seed Beans)**, **Dry** Peas (except Contract Seed Peas), Flax, Forage Production, Grain Sorghum, Oats, Peanuts, Popcorn, Rice, Rye, Safflower, Soybeans, Sunflower Seed, and Wheat.

- (2)(c) **The following Category "B" and "C" crops** have a two (2) percent tolerance: Almonds, Apples, Blueberries, Citrus (Arizona-California and Texas Citrus Fruit), Cranberries, Dry Beans (**Contract Seed Beans**), **Dry** Peas (Contract Seed Peas), Figs, Grapes, Macadamia Nuts, Millet, Onions, Peaches, Pears, **Green** Peas, Pecan Revenue, Plums, Potatoes (Northern, **Central** and Southern), Processing Beans, Prunes, Stonefruit (**Apricots, Nectarines, and Peaches**), Sugar Beets, Sugarcane, Processing Sweet Corn, Table Grapes, Tobacco (**types insured under the Production Guarantee or Quota Tobacco Policies**), Tomatoes (Processing and Fresh Market Guaranteed Production Plan) and Walnuts.

(2)(d) **For Pilot Program Crops** [see Exhibit 1 for APH review tolerances].

14B **Maximum Yield Reviews.**

AIPs 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 **Appendix IV Section III C (2) for additional guidance**].

- B(2) **For Category B and Category C crops** where T-Yields published in the applicable county actuarial documents are available:

- (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 state/county/ crop/practice/type:
 - a The AIP 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 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. Review requirements for actual annual and approved yields exceeding the maximum yield edit level and requirements for requests to increase the maximum yield edit level are as follows:

- 1 AIPs are required to complete APH record reviews for each crop year that excessive actual yields are reported. Supporting records for ALL databases that comprise the basic unit that contains at least one excessive actual yield must be reviewed (e.g., a basic unit consisting of three optional units, one of which contains an excessive actual yield, must have an APH review conducted on all three optional units). If an insured:
 - a Provides verifiable records [see definition of production report and Sec. 10] to support excessive actual yields that are significantly different than other insureds' actual yields for the crop/P/T/V in the county or other actual yields reported for the insured's farming operation. Appraisals exceeding the maximum yield edit level are not acceptable **unless the requirements in b below are met** [see Sec. 10 par. D(1)].
 - b Provides a valid basis to support the differences in yields if the yield is significantly different from the other yields for the crop/P/T/V in the county or other yields for the crop/P/T/V of the insured.
 - i Valid basis to support differences in yields from other crop/P/T/V yields would include factors such as significantly different production capabilities of soils, or differing weather conditions.
 - ii Valid basis to support differences in yields from other crop/P/T/V yields would not include factors such as significantly smaller acreage, or intensely farmed acreage.
- 2 If upon conclusion of an APH review, the AIP determines an insured provided verifiable hard copy records to support the yield and a valid basis to support difference between yields, the AIP may submit to RMA a request to increase the maximum yield edit level. Any request that does not contain all elements listed below will be rejected. For the request to be considered, the following must be included:
 - a Request for increase in the maximum yield edit level;
 - b Certification of the accuracy of the insured's yield by AIP;
 - c Copy of the AIP's underwriting review (including review of all optional units within the basic unit containing the APH database with excessive yield);

