

**ADJUSTED  
GROSS  
REVENUE-LITE  
STANDARDS  
HANDBOOK**

**Effective for 2004 and Succeeding Insurance Years**

## **Adjusted Gross Revenue-Lite (AGR-Lite) Standards**

### **Effective for 2004 and Succeeding Crop Years**

The Adjusted Gross Revenue Standards Handbook applies to AGR-Lite except as noted below.

1. The AGR-Lite insurance plan code is 61.
2. The AGR-Lite insurance crop code is 0061.
3. The AGR-Lite program is available in the states of CT, DE, MA, ME, MD, NH, NJ, NY, PA, RI, VT, WV. See Exhibit 1 for a list of approved states and counties and Exhibit 2 for the commodity codes applicable to each county.
4. Enter “-Lite” after AGR in the headings of all forms.
5. Producers may not purchase AGR if they purchase AGR-Lite.
6. Producers have the option, but are not required, to purchase other crop insurance plans provided by the Act (except AGR).
7. There is no limitation on the percentage of animal receipts. Therefore, animal receipts may constitute up to 100% of the farm sales. However, since RMA has a legislatively limited annual allocation for animal and animal product expenses, insurance may be denied if the allocation for animals and animal products becomes exhausted.
8. The producer must make IRS income tax records for the previous 5 years available for inspection at the time of enrollment to substantiate the five-year income and expense history for AGR-Lite. These records must also be available for inspection upon request by authorized individuals. In the event that a claim is filed, hard copies of these tax forms and any amendments must be provided to us.
9. If the producer purchases either the 75% or 80% levels of coverage, the historical information required to complete the Agricultural Commodity Profile Reports must be provided for the most recent 2 years used to calculate the AGR-Lite history.
10. An AGR-Lite Histories Calculation Worksheet is provided to transfer the appropriate information from the IRS Schedule F 1040 (for the 5 year histories). This form should be completed according to the instructions provided herein and should be kept in the company’s files.
11. An Actual Commodity Report is provided. This form must be completed if an indemnity is to be paid. The total revenue of this report is entered as item 26 on the claim form. The adjuster should complete the worksheet according to the instructions provided herein.
12. If an indemnity is to be paid, copies of the tax forms (specifically IRS Schedule F 1040 or other IRS Schedules that contain allowable income and expense information) used to calculate the 5-year histories and the year of the claim must be secured and accompany claim forms.

13. Although IRS Schedule F 1040 is heavily referenced, the policy and the AGR Standards Handbook provide broad authority to use a variety of tax forms when necessary, to capture allowable farm income.
14. See exhibit 3 for a list of items required at time of application and for annual policy renewal.

**U.S. DEPARTMENT OF AGRICULTURE  
Federal Crop Insurance Corporation  
AGR-Lite Histories Calculation Worksheet**

A. IRS Accounting Method?		B. Insurance Year
Cash	Accrual	

<b>C. PRODUCER INFORMATION</b>		Type of Tax Entity:	<b>D. AGENCY INFORMATION</b>		E. State(s)  County(ies)	F. Was any listed commodity also to be insured under another insurance policy? If yes, list the commodity(ies) and contract number(s).
Phone Number:	SSN:	EIN:	Policy No:	Agent's Code:		

**INFORMATION FROM 5 YEARS OF TAX FORMS 1040F**

<b>Part I Income</b>		<b>G. Tax Years -----</b>				
1040F line#	Description from IRS form 1040F					
3	Animal sales after cost or basis:					
4	Sales of livestock, produce, grains, & other products you raised:					
5b	Taxable amount of coop distributions:					
7a	CCC loans reported under election					
7c	CCC loan forfeitures; taxable amount:					
10	*Other income:					
H.	<b>Allowable income</b> (total lines 3 through 10):					
I.	<b>Indexing calculation (if applicable):</b>					
* Only include direct income from ag commodities required by IRS including bartering, processor payments for bypassed, unharvested acreage, federal and state diversion, set-aside, marketing order and other such payments, etc.				J. 5-Year Total Adjusted AGR:		
				K. 5-Year Average Preliminary Adjusted AGR:		
				L. AGR Index Factor:		
				M. Indexed Adjusted Preliminary AGR (if applicable):		

<b>Part II Expenses</b>		<b>N. Tax Years -----</b>				
1040F line#	Description from IRS form 1040F					
35	Total Expenses:					
Part 1, line 2	Cost or other basis of livestock and other items reported on line 1:					
O.	Subtotal (line 35 plus part I line 2):					
	<b>Less Non- Allowed Items for AGR-Lite:</b>	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX X
16	Non-animal depreciation:					
17	Employee benefit programs other than line 25:					
23a	Mortgage interest paid:					
23b	Other Interest:					
25	Pension and profit share plans:					
26a	Rent or Leases:					
26b	Other:					
31	Taxes and other non-allowed expenses:					
P.	Subtotal (lines 16 through 31):					
Q.	<b>Allowable expenses</b> (line O minus line P):					
R.	<b>Indexing calculation (if applicable):</b>					
U. Page _____ of _____ Pages				S. 5-Year Total Adjusted Expenses:		
				T. 5-Year Average Preliminary Adjusted Expenses:		
				V. Expenses Index Factor:		
				W. Indexed Adjusted Preliminary Expenses (if applicable):		

X. Notes:

I certify that the information I have furnished as reflected on this form is complete and accurate for the IRS tax entity, commodity (ies), income, expenses 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 adjusted gross revenue. I also understand that failure to report completely and accurately may result in avoidance of my adjusted gross revenue 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).

Y. PRODUCER'S SIGNATURE

DATE

Z. AGENT'S SIGNATURE

DATE

COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)

To the extent that the information requested herein relates to the your individual capacity as opposed to the your business capacity, the following statements are made in accordance with the Privacy Act of 1974, as amended (5 U.S.C. 5521a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) and the Federal crop insurance regulations contained in 7 C.F.R. chapters IV.

Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in Federal crop insurance program. The primary use of the SSN or EIN is voluntary; however, failure to furnish that number will result in denial of program participation and benefits.

The balance of the information requested is necessary for the insurance company and FCIC to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The information furnished on this loan will be used by Federal agencies, FCIC employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: FCIC contract agencies, employees and loss adjusters; reinsured companies; other agencies with the United States Department of Agriculture; The Department of Treasury including the Internal Revenue Service; the Department of Justices, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit, ineligibility for insurance; and a unilateral determination of any monetary amounts due.

NONDISCRIMINATION STATEMENT

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

## AGR-Lite Histories Calculation Worksheet Completion Instructions

Verify or make the following entries:

### HEADING

#### Item Information Required

- A **IRS Accounting Method:** The accounting method (cash or accrual) used to file income taxes with the IRS for the insurance year.
- B **Insurance Year:** The current insurance year (e.g., 2004). For a Fiscal Tax year, also enter the month and year the fiscal year begins and the month and year the fiscal year ends (e.g. 5/2004 – 4/2005).
- C **Producer Information:** The name of the insured that identifies exactly the person (a legal entity which must be the same as for income tax purposes) for whom the Farm Report is completed. Enter the insured's complete address and telephone number. Enter the social security number or the tax identification number for the entity. Enter the type tax entity, sole proprietor, partnership, a corporation, estate, trust, etc. Enter the insured's assigned policy number (applicable if a carryover policy).
- D **Agency Information:** The name, address, telephone number, and code number of the agent that provides insurance service to the insured.
- E **State/County:** Enter the applicable state and county or independent city and codes in which agricultural commodities will be produced that are expected to generate allowable income. [See Part 3, Section 20, Par. (B) for complete instructions.]
- F **Other Insurance:** Enter the commodities on which other insurance policies are in force and the corresponding policy numbers (if applicable).

#### **Part I Income**

- G **Tax Year(s):** Enter the IRS tax years, in the top box of each column under Item G corresponding to the allowable income and allowable expenses for each tax year reported for AGR history purposes (e.g. for 2004 insurance year, enter 2002, 2001, 2000, 1999, 1998). Five tax years are required to document the historic revenue. Entities, in the business of farming, that do not file the Schedule F for tax purposes must complete substitute Forms Schedule F to be eligible for AGR-Lite coverage. This is necessary to account for allowable income and expenses in the same manner as producers who file the Schedule F form.

1040F Line # Enter the allowable income (rounded to the nearest whole dollar) taken from the applicable IRS tax records for each tax year. More detailed instructions are provided in the AGR Standards Handbook, Sections 6 and 19. If allowable income is reported on other lines or on other schedule forms, it may be utilized (see AGR-Lite Policy, Section 1 – Allowable Income).

- H **Allowable Income:** Total the columns for each tax year.

## I Indexing Calculations:

### CALCULATION OF AGR

**Preliminary Adjusted AGR.** Agents must calculate and enter preliminary AGRs on the Farm report for new insureds. Preliminary AGRs are necessary to provide applicants with estimated premium and estimated coverage that will be provided. The preliminary AGR is calculated using the same procedures as used to calculate the approved AGR. The approved AGR must be issued by the insurance provider verifier. If the approved AGR is less than 95 percent of the preliminary AGR, the insured may submit a written request for reconsideration or request mutual cancellation of the AGR policy. Such requests must be made within 30 calendar days of the date the approved AGR was mailed or was otherwise made available to the insured.

**Indexed average AGRs (if applicable):** Indexed average AGRs may be calculated for operations with increasing revenue and may increase the effective coverage. To qualify for indexing: 1) at least one of the two most recent tax year's allowable income (in the AGR base period) must be greater than the average AGR, and 2) the insurance year's total expected income (Item 18, Intended Agricultural Commodity Report) indicated on the Annual Farm Report, as approved by the insurance provider, must be greater than the average AGR. Note: If the income trend factor is greater than 1.000, average expenses must be indexed in the same manner.

#### **Calculate indexed average AGR as follows: (Note: The premium calculator on the RMA Web Page automatically calculates the indexes.)**

**Step 1:** Divide each tax year's allowable income, Line H for each year by the preceding tax year's allowable income and round to three decimal places. The factor may not exceed 1.200 (20% cap) or be less than .800 (20% cup). Example: (1998's allowable income \$110,000) ÷ (1999's allowable income 100,000) = 1.100, (2001's allowable income \$134,000) ÷ (2000's allowable income \$110,000) = 1.218 (capped at 1.200). Cupping example: If 1998's allowable income was \$70,000 ÷ 1997's allowable income was \$100,000 = .700 would be cupped at .800.

**Step 2:** Total the results obtained in Step 1, divide by four, rounding to three decimal places. Multiply the result by itself three times (fourth power). The index is cupped at 1.000 so will never be lower than one.  
Example:  $(1.100 + 1.200 + 0.900 + 1.200) \div 4 = 1.100^4 = 1.464$ .

**Step 3:** Multiply the income trend factor obtained in Step 2 times the average AGR and round to the nearest dollar.  
Example: (Average AGR \$121,920 X 1.464 = \$178,490).

J **5-Year Total Adjusted AGR:** Total the annual income for the 5 years (add line H across).

K **5-Year Average Preliminary Adjusted AGR:** Calculate the average AGR by dividing Item J by 5.

L **AGR Index Factor:** Calculate this factor according to the instructions in I, Steps 1 and 2, above (Factor in example is 1.464).

M **Indexed Adjusted Preliminary AGR:** Calculate by multiplying the entries on lines K times L.

## Part II Expenses

N **Tax Year(s):** Repeat the entries shown under Part I, item G, above at the top of each column (for 2004 insurance year, enter 2002, 2001, 2000, 1999, 1998).

1040F Line # Enter the expense information for each line for each year (rounded to the nearest whole dollar) from applicable IRS tax records. More detailed instructions are provided in the AGR Standards Handbook. The allowable expenses for five consecutive tax years are used to calculate the average allowable expenses. Allowable expenses that are incurred but not shown on tax forms because they are already subtracted from income (producer reported net sales income) will be used to calculate approved expenses and allowable expenses for the insurance year.

O Calculate the subtotal for each year by adding the two lines above line O.

P Total lines 16 through 31 of each column.

Q Subtract line P from line O in each column.

### R **Indexing Calculation:**

Step 1: Divide each tax year's allowable expenses (line Q) by the preceding tax years allowable expenses and round to three decimal places. The factor may not exceed 1.200 (20% cap) or be less than .800 (20% cup).

EXAMPLE: (1999's allowable expenses are \$95,000) ÷ (1998's allowable expenses are \$93,500) = 1.016 (2000's allowable expenses \$107,200) ÷ (1999's allowable expenses \$95,000) = 1.129, and etc. Cupping example: If 1999's expenses were \$70,000 ÷ 1998's allowable expenses were \$93,500 = .749 would be cupped at .800.

Step 2: Total the results obtained in Step 1, divide by four, and round to three decimal places. Multiply the result by itself three times (fourth power).

Example:  $(1.016 + 1.129 + 0.950 + 1.200) \div 4 = 1.074^4 = 1.331$ .

Step 3: Multiply the expense trend factor obtained in Step 2 times the average allowable expenses and round to the nearest dollar.

Example: (Average allowable expenses \$103,632 X 1.331 = \$137,934).

### **Indexed Expenses (if the approved AGR is based on indexing). Calculate indexed average expenses as follows:**

**(Note: The premium calculator on the RMA Web Page automatically calculates the indexes.)**

**Factored down**, if the approved AGR is less than the average allowable income. The average of the allowable expenses is multiplied by the factor (to three decimal places) resulting from dividing the approved AGR by the average of the allowable income. Example: If the approved AGR is \$80,000, the average allowable income is \$100,000, and the average allowable expenses are \$90,000, the approved expenses are:  $\$90,000 \times (\$80,000 \div \$100,000) = \$72,000$ .

**Factored up**, if eligible for indexed AGR and the approved AGR is greater than the average allowable income and less than the indexed AGR. The average allowable expenses are multiplied by the factor (to three decimal places) resulting from dividing the approved AGR by the average of the allowable income. Example: If the approved AGR is \$120,000, the average allowable income is \$100,000, and the indexed AGR is \$146,400, and the average allowable expenses is \$90,000; the approved expenses are  $\$90,000 \times (\$120,000 \div \$100,000) = \$108,000$ .

**Issuance of Approved AGR.** The approved AGR is issued by the insurance provider (verifier) and is used to calculate the insured's AGR coverage and premium. The agent's calculation is preliminary for estimation purposes.

S **5-Year Total Adjusted Expenses:** Total the annual expenses for the 5 years (line Q across).

T **5-Year Average Preliminary Adjusted Expenses:** Calculate the average allowable expenses by dividing item S by 5.

U **Page \_\_\_ of \_\_\_ Pages:** If more than one sheet, so indicate (e.g. 1 of 2).

Note: If the individual qualifies for an Indexed AGR, the allowable expenses must be indexed, as well.

V **Expenses Index Factor:** Calculate this factor according to the instructions for R, Steps 1 and 2, above (Factor in example is 1.331).

W **Indexed Adjusted Preliminary Expenses:** Calculate by multiplying the entries on lines T times V.

X **Notes:** Include specific notations that explain unique information above. (Example: original tax forms were schedule C rather than schedule F).

Y Producer must sign and date, certifying to the accuracy of the data.

Z Agent must sign and date.

**Transfer of information:** The applicable information from lines H through M and Q through W (excluding V) must be transferred to the Annual Farm Report, columns 7 through 9. Also complete Items 19A and 20 of the Annual Farm Report.

**Retention of Histories Calculation Worksheet:** This worksheet must remain a part of the applicant's official file.

October 2003 AGR-Lite	<b>U.S. DEPARTMENT OF AGRICULTURE</b> <b>Federal Crop Insurance Corporation</b> <b>Actual Commodity Report</b>	A. IRS Accounting Method? Cash                  Accrual	B. Insurance Year
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C. PRODUCER INFORMATION  Phone Number: _____	Type of Tax Entity: _____  SSN: _____      EIN: _____	D. AGENCY INFORMATION  Phone Number: _____  Policy No: _____      Agent's Code: _____	E. State (s): _____  County (ies): _____	F. Was any listed commodity also insured under another insurance policy? If yes, list the commodity(ies) and contract number(s).  _____
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<b>ACTUAL COMMODITY REPORT</b>	<b>TOTAL VALUE BY COMMODITY</b>
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G. COMMODITY NAME	CODE	H. AMOUNT (acres, # head, area, etc.)	I. YIELD OR QUANTITY PRODUCED (X)	UNITS	J. VALUE (price per unit) (=)	K. TOTAL VALUE

<b>M. REPORT OF CHANGES:</b> Complete this report to reflect the actual information which in effect adjusts the Intended Commodity Report to the actual situation. If item L. is less than the approved AGR (form FCI 821 AGR, Item 21) transfer total of Item L. to Item 21. on the claim for indemnity worksheet (form FCI 74 AGR). Also, document any changes in tax entity or changes in commodities, production, prices and total revenues by commodity. Notations can also be made documenting other changes such as ownership, business structure, size of operation, farming practice, type of farming activity, accounting methods, or any other change that alters farm income from the average (historic) income. Describe the change and its expected effect on adjusted gross revenue, by applicable commodity. (Explain in Notes and on an attachment, if necessary.)	<b>L. TOTAL INCOME:</b>   
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N. Notes:

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Notes (cont.):

I certify that the information I have furnished as reflected on this form is complete and accurate for the IRS tax entity, commodity(ies), income, expenses 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 adjusted gross revenue. I also understand that failure to report completely and accurately may result in avoidance of my adjusted gross revenue 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).

P. PRODUCER'S SIGNATURE	DATE	Q. AGENT'S SIGNATURE	DATE
		R. Page _____ of _____ Pages	

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The balance of the information requested is necessary for the insurance company and FCIC to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The information furnished on this loan will be used by Federal agencies, FCIC employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: FCIC contract agencies, employees and loss adjusters; reinsured companies; other agencies with the United States Department of Agriculture; The Department of Treasury including the Internal Revenue Service; the Department of Justices, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit, ineligibility for insurance; and a unilateral determination of any monetary amounts due.

**NONDISCRIMINATION STATEMENT**

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

## ACTUAL COMMODITY REPORT COMPLETION INSTRUCTIONS (to be completed at time of claim)

Verify or make the following entries:

### HEADING

#### Item Information Required

- A **IRS Reporting Method:** The accounting method (cash or accrual) used to file income taxes with the IRS for the insurance year.
- B **Insurance Year:** The insurance year that coverage will be in effect (e.g., 2004). For a fiscal tax year different than calendar year enter the month and year the fiscal year begins and the month and year the fiscal year ends (e.g. 5/2003 – 4/2004).
- C **Producer Information:** The name of the insured that identifies exactly the person (a legal entity which must be the same as for income tax purposes) for whom the Actual Commodity Report is completed. Enter the insured's complete address and telephone number. Enter the social security number or the tax identification number for the entity. Enter the type tax entity; sole proprietor, partnership, corporation, estate, trust, etc.
- D **Agency Information:** The name, address, telephone number, and code number of the agent that provides insurance service to the insured. Also enter the insured's assigned policy number (applicable if a carryover policy).
- E **State/County:** Enter the applicable state and county or independent city and codes in which agricultural commodities will be produced that are expected to generate allowable income. [See Part 3, Section 20, Par. (B) for complete instructions.]
- F **Other Insurance:** Enter the commodities on which other insurance policies are in force and the corresponding policy numbers (if applicable).
- G **Commodity Name/Code:** Enter the name of any agricultural commodity that was produced or purchased for resale during the insurance year. (Commodities fed or to be fed to animals on the farm are counted as animal production and therefore are not listed.) (See Exhibit 2 for the acceptable breakdown of commodities and their codes). The insurance provider must enter the applicable agricultural commodity code. Each different agricultural commodity must be listed on a separate line. Commodities purchased for resale must also be listed. If purchased for resale, place "PR" immediately behind the agricultural commodity's name.
- If more than one production cycle/harvest of the agricultural commodity is harvested during the insurance year, the acreage, production and income may be summed on a single line. For crops produced in a greenhouse, enter "greenhouse." If more than one greenhouse is accounted for on one line, enter the number of greenhouses immediately behind "greenhouse."
- H **Amount (Acres, number of head, area, etc.):** For field crops, enter the number of acres to tenths that produced (e.g., 40.0 acres of processing cucumbers) and if a perennial crop, list ONLY bearing acres. For animals, enter the number produced during the insurance year. For commodities grown in greenhouses, enter the total square feet for the number or greenhouses listed on the line. For commodities purchased for resale, enter the total number/amount purchased for resale. For animal products (milk, wool, honey, etc.) enter the total tons, hundredweight, or pounds respectively that were produced.

- I **Yield/Quantity (per unit):** Enter the total amount of the commodity produced per unit. Enter the abbreviation for the unit of measure after the total amount of production. For data acceptance purposes, a numeric code corresponding to the unit of measure must be submitted. See Exhibit 5 of the AGR Standards Handbook for unit of measures, abbreviations, and unit numeric codes.
- J **Value (Price per Unit):** Enter the average value (contracted value if produced under a contract with a specified price) of the agricultural commodity in the unit of measure marketed (tons, cwt., bu., lbs., etc.). For example: The average market price of cucumbers (processing) is \$155 per ton; therefore, \$155 is entered. For crops produced in a greenhouse enter the gross income per square foot relative to the crops produced. For commodities purchased for resale (exception: animals marketed in pounds) enter the market price less the cost or other basis. For animals that are marketed in pounds, enter the average market price.
- K **Total Value:** Enter the total dollars or value from each agricultural commodity (by line) produced during the insurance year. Multiply column H times column I times column J and enter the result in column K. For example: 10 acres X 2.2 tons per acre X \$155 per ton = \$3,410.
- L **Total Income:** Enter the sum of the dollars reported in column K for all commodities reported. Round to the nearest whole dollar. Enter this amount in item 21 of the claim form (FCI 74 AGR) only if it is less than the approved AGR (form FCI 821 AGR, Item 21), otherwise disregard.
- M **Report of Changes:** The applicant/insured must explain in the notes.
- N **Notes:** Document any changes to the farming operation for the insurance year that changed the expected income as compared to the historic AGR. [See AGR Standards Handbook for additional instructions.] Changes such as tax entity, tax accounting method, the size of the farming operation (decrease in acreage or share), marketing method to be used (fresh market, processing, wholesale, retail), condition of a perennial crop, removal of perennial crop's root stock, failure to replace expendable commodities, etc., must be reported. The estimated effect of the change to the AGR must be described in detail.
- O **Page Numbers:** Examples: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.
- P **Producer's Signature and Date:** The insured must sign and date the report. Insurance providers may not accept unsigned Actual Commodity Reports.
- Q **Agent's Signature and Date:** The insurance providers agent's signature and date.
- R **Page \_\_\_ of \_\_\_ Pages:** If more than one sheet, so indicate (e.g. 1 of 2).

**List of States and Counties where AGR-Lite program is approved for 2004**

<b>State</b>	<b>Approved Counties</b>
Connecticut	All counties
Delaware	All counties
Maine	All counties
Maryland	All counties except Baltimore City
Massachusetts	All counties
New Hampshire	All counties
New Jersey	All counties except Hudson
New York	All counties except Bronx, Hamilton, Kings, Nassau, New York, Putnam, Queens, Richmond, Rockland, and Westchester
Pennsylvania	All counties except Philadelphia
Rhode Island	All counties
Vermont	All counties
West Virginia	All counties

**Approved Commodity Code Lists for States and Counties where AGR-Lite program is approved for 2004**

Refer to the AGR Standards Handbook Exhibit 2 for the approved list of commodity names and codes. Use the information below to determine which category your state and county are in.

<u>Category</u>	<u>State</u>	<u>County</u>	<u>County Code</u>
<b>Delaware</b>	<b>Delaware</b>	All Counties	
<b>Maryland</b>	<b>Maryland</b>	Anne Arundel	003
		Baltimore	005
		Calvert	009
		Caroline	011
		Carroll	013
		Cecil	015
		Charles	017
		Dorchester	019
		Frederick	021
		Harford	025
		Howard	027
		Kent	029
		Montgomery	031
		Prince George's	033
		Queen Anne's	035
		Somerset	039
		St. Mary's	037
		Talbot	041
		Washington	043
		Wicomico	045
		Worcester	047
<b>New England (Original)</b>	<b>Maine</b>	Androscoggin	001
		Cumberland	005
		Kennebec	011
		York	031

<u>Category</u>	<u>State</u>	<u>County</u>	<u>County Code</u>	
<b>New England (Original)</b>	<b>Massachusetts</b>	All Counties		
	<b>New Hampshire</b>	Belknap	001	
		Cheshire	005	
		Hillsborough	011	
		Merrimack	013	
		Rockingham	015	
		Strafford	017	
Sullivan	019			
<b>New England (2000)</b>	<b>Connecticut</b>	All Counties		
	<b>Rhode Island</b>	All Counties		
	<b>Vermont</b>	All Counties		
	<b>Maine</b>	Aroostook	003	
		Franklin	007	
		Hancock	009	
		Knox	013	
		Lincoln	015	
		Oxford	017	
		Penobscot	019	
		Piscataquis	021	
		Sagadahoc	023	
		Somerset	025	
		Waldo	027	
		Washington	029	
		<b>New Hampshire</b>	Carroll	003
			Coos	007
	<b>New York</b>	Grafton	009	
		Clinton	019	
		Essex	031	
		Franklin	033	
		Fulton	035	
		Herkimer	043	
		Jefferson	045	
		Lewis	049	
		Montgomery	057	
		St. Lawrence	089	
Saratoga		091		
<b>New England (2000)</b>	<b>New York</b>	Warren	113	
		Washington	115	

**Exhibit 2**

<b><u>Category</u></b>	<b><u>State</u></b>	<b><u>County</u></b>	<b><u>County Code</u></b>
<b>New Jersey (Northern)</b>	<b>New Jersey</b>	Bergen	003
		Essex	013
		Hunterdon	019
		Mercer	021
		Middlesex	023
		Morris	027
		Passaic	031
		Somerset	035
		Sussex	037
		Union	039
Warren	041		
<b>New Jersey (Southern)</b>	<b>New Jersey</b>	Atlantic	001
		Burlington	005
		Camden	007
		Cape May	009
		Cumberland	011
		Gloucester	015
		Monmouth	025
		Ocean	029
		Salem	033
<b>New York (Orange, Ulster)</b>	<b>New York</b>	Albany	001
		Columbia	021
		Dutchess	027
		Greene	039
		Orange	071
		Rensselaer	083
		Schenectady	093
		Schoharie	095
		Ulster	111
<b>New York (Suffolk)</b>	<b>New York</b>	Suffolk	103
<b>New York (West)</b>	<b>New York</b>	Cayuga	011
		Chautauqua	013
		Erie	029
		Genesee	037
		Livingston	051
Monroe	055		

## Exhibit 2

<u>Category</u>	<u>State</u>	<u>County</u>	<u>County Code</u>	
New York (West) continued	New York	Niagara	063	
		Oneida	065	
		Onondaga	067	
		Ontario	069	
		Orleans	073	
		Oswego	075	
		Seneca	099	
		Wayne	117	
		Wyoming	121	
		Yates	123	
Pennsylvania (Eastern)	New York	Allegany	003	
		Broome	007	
		Cattaraugus	009	
		Chemung	015	
		Chenango	017	
		Cortland	023	
		Delaware	025	
		Madison	053	
		Otsego	077	
		Schuyler	097	
	Pennsylvania		Steuben	101
			Sullivan	105
			Tioga	107
			Tompkins	109
			Adams	001
			Bedford	009
			Berks	011
			Blair	013
			Bradford	015
			Bucks	017
Carbon	025			
Centre	027			
Chester	029			
Clinton	035			
Columbia	037			
Cumberland	041			

## Exhibit 2

<u>Category</u>	<u>State</u>	<u>County</u>	<u>County Code</u>
Pennsylvania (Eastern) continued	Pennsylvania	Dauphin	043
		Delaware	045
		Franklin	055
		Fulton	057
		Huntingdon	061
		Juniata	067
		Lackawanna	069
		Lancaster	071
		Lebanon	075
		Lehigh	077
		Luzerne	079
		Lycoming	081
		Mifflin	087
		Monroe	089
		Montgomery	091
		Montour	093
		Northampton	095
		Northumberland	097
		Perry	099
		Pike	103
Schuykill	107		
Snyder	109		
Sullivan	113		
Susquehanna	115		
Tioga	117		
Union	119		
Wayne	127		
Wyoming	131		
York	133		
Pennsylvania (Western)	Pennsylvania	Allegheny	003
		Armstrong	005
		Beaver	007
		Butler	019
		Cambria	021
		Cameron	023
		Clarion	031
		Clearfield	033

**Exhibit 2**

<u>Category</u>	<u>State</u>	<u>County</u>	<u>County Code</u>
<b>Pennsylvania (Western) continued</b>	<b>Pennsylvania</b>	Crawford	039
		Elk	047
		Erie	049
		Fayette	051
		Forest	053
		Greene	059
		Indiana	063
		Jefferson	065
		Lawrence	073
		McKean	083
		Mercer	085
		Potter	105
		Somerset	111
		Venango	121
		Warren	123
Washington	125		
Westmoreland	129		
<b>West Virginia</b>	<b>West Virginia</b>	All Counties	
		<b>Maryland</b>	
		Allegany	001
		Garrett	023

West Virginia							
West Virginia: All Counties							
Maryland Counties: Allegany and Garrett							
AGR-Lite Agriculture Commodities							
Commodity Name	Code Num	Animal Y or N	MPCI Policy	Commodity Name	Code Num	Animal Y or N	MPCI Policy
Alfalfa	0648	N	Y	Hot Peppers	0610	N	N
Apples	0054	N	Y	Indian Corn	0651	N	N
Asian Pears	0303	N	N	Kale	0614	N	N
Barley	0091	N	Y	Kohlrabi	0636	N	N
Bedding Plants	0630	N	N	Leeks	0638	N	N
Bees (Animals)	0843	Y	N	Lettuce	0604	N	N
Bell Peppers	0104	N	Y	Maple Syrup	0645	N	N
Berries (Other)	0601	N	N	Melons (All Other)	0101	N	N
Blackberries	0302	N	N	Mini Pumpkins	0617	N	N
Blueberries	0012	N	N	Mink	0824	Y	N
Broccoli	0620	N	N	Mushrooms	0654	N	N
Broilers	0962	Y	N	Nectarines	0102	N	Y
Brussel Sprouts	0657	N	N	Nursery (FG & C)	0073	N	Y
Buckwheat	0865	N	N	Oats	0016	N	Y
Cabbage	0072	N	N	Onions	0013	N	Y
Cantaloupe	0612	N	N	Other Animal Products	0845	Y	N
Carrots	0624	N	N	Other Forage Seeds	0308	N	N
Cattle: Cow-calf	0800	Y	N	Other Live Animals	0823	Y	N
Cattle: Feedlot	0802	Y	N	Other Small Grains	0307	N	N
Cattle: Stocker/Feeder	0801	Y	N	Other Traditional Farm Animals	0810	Y	N
Cauliflower	0621	N	N	Other Vegetables	0646	N	N
Christmas Trees	0635	N	N	Parsnips	0643	N	N
Clover	0668	N	Y	Peaches	0034	N	Y
Clover Seed	0655	N	N	Pears	0089	N	Y
Corn	0041	N	Y	Peppers (Other)	0627	N	N
Crown Vetch Seed	0305	N	N	Plums	0092	N	Y
Cucumbers	0603	N	N	Popcorn	0043	N	Y
Cut Flowers	0683	N	N	Potatoes	0084	N	Y
Dairy	0847	Y	N	Poultry	0821	Y	N
Dry Beans	0047	N	Y	Pumpkins	0605	N	N
Dry Peas	0067	N	Y	Radishes	0625	N	N

continued

West Virginia (continued)							
West Virginia: All Counties							
Maryland Counties: Allegany and Garrett							
AGR-Lite Agriculture Commodities							
Commodity Name	Code Num	Animal Y or N	MPCI Policy	Commodity Name	Code Num	Animal Y or N	MPCI Policy
Eggplant	0613	N	N	Raspberries	0679	N	N
Eggs	0841	Y	N	Rhubarb	0650	N	N
Escarole	0649	N	N	Rye	0094	N	Y
Fish/Aquaculture	0820	Y	N	Seed (Other)	0626	N	N
Flowers (Other)	0615	N	N	Sheep: Ewe/Lamb	0806	Y	N
Furs	0842	Y	N	Sheep: Stocker/Feeder	0807	Y	N
Game Birds	0304	Y	N	Snap Beans (Fresh Market)	0082	N	N
Garlic	0301	N	N	Soybeans	0081	N	Y
Goats	0809	Y	N	Spinach	0623	N	N
Gourds	0652	N	N	Squash (Other)	0669	N	N
Grain Sorghum	0051	N	Y	Squash, Summer	0014	N	N
Grapes (American)	0972	N	Y	Strawberries	0110	N	N
Grapes (Hybrid)	0890	N	Y	Sunflowers	0078	N	Y
Grapes (Vinifera)	0892	N	Y	Sweet Cherries	0099	N	N
Grass Seed	0660	N	N	Sweet Corn (Fresh Market)	0044	N	Y
Green Peas	0064	N	Y	Sweet Corn (Processing)	0042	N	Y
Greenhouse	0600	N	N	Swiss Chard	0653	N	N
Greens (Other)	0631	N	N	Tart Cherries	0100	N	N
Hay (Other)	0611	N	N	Tobacco	0071	N	Y
Herbs	0639	N	N	Tomatoes (Fresh Market)	0086	N	Y
Hogs and Pigs	0815	Y	N	Tomatoes (Processing)	0087	N	Y
Hogs: Farrow	0803	Y	N	Turnips	0619	N	N
Hogs: Farrow/Finish	0804	Y	N	Watermelons	0040	N	N
Hogs: Finish	0805	Y	N	Wheat	0011	N	Y
Honeydew	0642	N	N	Winter Squash	0065	N	N
Horseradish	0661	N	N				

## **Forms Completion Checklist**

### **I. Checklist Of Forms Required At Time Of Application**

1. Application (FCI-12 AGR or similar form)
2. AGR-Lite Histories Calculation Worksheet (or similar form)
3. Complete Annual Farm Report (FCI 821AGR or similar form)
4. If 75% or 85% level of coverage are selected, complete an Agricultural Commodity Profile (FCI-823 AGR or similar form) for the last two crop years (2002 and 2003 when applying for 2004).
5. A beginning Inventory Report (applicable FCI 822 AGR or FCI 824 AGR or similar forms)

### **II. Checklist Of Forms Required by 1/31 For Second And Each Successive Years That Policy Is In Force**

1. Complete Annual Farm Report (FCI 821AGR or similar form).
  - a. Update Allowable Income and Expenses History (drop oldest year and include most recent year)
  - b. Complete intended commodities information for coming year
2. Acquire a beginning Inventory Report (applicable FCI 822 AGR or FCI 824 AGR or similar forms)