



United States
Department of
Agriculture



Federal Crop
Insurance
Corporation

FCIC-24290 (07-2014)

FORAGE SEED INSURANCE STANDARDS HANDBOOK

2015 and Succeeding Crop Years

**RISK MANAGEMENT AGENCY
KANSAS CITY, MO 64133**

TITLE: FORAGE SEED INSURANCE STANDARDS HANDBOOK	NUMBER: 24290
EFFECTIVE DATE: 2015 and Succeeding Crop Years	ISSUE DATE: July 31, 2014
SUBJECT: Provides procedures and instructions for administering the Forage Seed crop insurance program.	OPI: Actuarial and Product Design Division
	APPROVED: /s/ Tim B. Witt Deputy Administrator for Product Management

REASON FOR ISSUANCE

The Forage Seed Insurance Standards Handbook is being issued and effective for the Forage Seed program available beginning with the 2015 crop year. It was formatted to the new standard for handbooks and contains the administrative, general loss, and underwriting standards for the 2015 and succeeding crop years.

FORAGE SEED INSURANCE STANDARDS HANDBOOK

CONTROL CHART

Forage Seed Insurance Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Insert	Entire Handbook						
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FILING INSTRUCTIONS

This handbook replaces the 2012 APH Forage Seed (Alfalfa Seed) (Pilot) Program Insurance Underwriting Guide, FCIC-24290 (06-2011). This handbook is effective for the 2015 and succeeding crop years.

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PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose

This handbook provides procedure for administering the Forage Seed program in accordance with the Basic Provisions and the Forage Seed Crop Provisions, and supplements the Crop Insurance Handbook (CIH) and the Loss Adjustment Manual (LAM) and any other procedural issuance via exceptions, changes, and additions. If there is a conflict between this handbook and the CIH or LAM or other issuance, this handbook supersedes the others.

B. Source of Authority

The Forage Seed Program is an actual production history (APH) product approved by the Federal Crop Insurance Corporation (FCIC) Board of Directors under section 523 of the Federal crop Insurance Act. It was approved by the FCIC Board of Directors to become a permanent program. The Forage Seed Final Rule was published May 29, 2014 effective June 30, 2014, for the 2015 and succeeding crop years. This handbook provides the FCIC-approved procedures for administering the program.

C. Duration

The Forage Seed Program was available as a pilot beginning with the 2002 crop year and is available as a permanent program beginning with the 2015 crop year.

D. Program Area

See actuarial documents for the program area.

E. Applying for the Forage Seed Program

Approved Insurance Providers (AIPs) shall use the standard application for the Forage Seed Program. The application must indicate the insured has selected the Forage Seed Crop Provisions along with all other required information.

F. Related Handbooks

The following table lists handbooks related to the Forage Seed Program.

Important: Not all sections of related handbooks or all procedures in a section apply to the Forage Seed Program. See Part 3 for more information.

Handbook	Purpose
CIH	General underwriting procedures.
LAM	General loss procedures.
Forage Seed Loss Adjustment Standards Handbook	Loss procedures for Forage seed.

2 Responsibilities

A. AIP Responsibilities

AIPs must use standards, procedures, methods and instructions as authorized by FCIC in the sale and service of crop insurance contracts. Each AIP is responsible for using RMA approved procedure. AIPs should report any program issues or concerns to the Actuarial and Product Design Division (APDD) of RMA.

B. Insured's Responsibilities

To be eligible for the Forage Seed Program, insured's must comply with all terms and conditions of the Basic Provisions and the Forage Seed Crop Provisions.

3-20 (Reserved)

PART 2 INSURABILITY

21 Unique Forage Seed Insurability Requirements

Currently, alfalfa seed is the only forage seed insurable under the crop provisions.

A. Forage Seed Production Contract or Required Agency Application

The forage seed must be grown under a forage seed production contract or an accepted certification application.

- (1) The insured must submit on or before the acreage reporting date or as specified in the Special Provisions:
 - (a) a copy of their forage seed contract for his/her contracted forage seed acreage; or
 - (b) a copy of their accepted certification application for his/her certified seed acreage.
- (2) The insured's failure to provide a copy of the forage seed contract or the certification application, accepted by the certifying agency, by the acreage reporting date or the date otherwise specified in the Special Provisions will result in denial of liability and no indemnity due.

B. Adequate Stand Determinations

Adequate stand determinations are necessary to determine the insurability of alfalfa seed acreage, whether for seed-to-seed plantings or established stands. Coverage begins on acreage with an adequate stand on the date specified in the policy and ends when the crop is harvested, destroyed, abandoned, at final adjustment of a loss, or on the calendar date in the crop provisions. These procedures are applicable to:

- (1) Pre-acceptance Inspections,
- (2) Required spot checks,
- (3) Verification of stand during loss adjustment, or
- (4) Verification of self-certification reporting by the insured.

Calculate and record the results on the Underwriting Report/Pre-Acceptance Inspection/Self-Certification Worksheet. Determine the insurability of the acreage using minimum plant count per square foot stated in the Special Provisions. **NOTE – Thresholds for Minimum Plants Required can be different by practice, e.g., seed-to-seed acreages generally have a greater population density requirement than established stands.**

The Plant Count method is used to determine whether a stand meets the minimum threshold of viable plants for insurance to attach.

Refer to Sample Selection below for Sample Selection Standards. Using a measuring tape and survey flags, measure a representative sample 25 feet long in the row to be evaluated. To determine the number of plants per square foot:

- (a) Count the number of live plants in each 25-foot length of selected rows.
- (b) When all samples are evaluated, sum:

Plants counted in each sample taken.
The length of all samples taken (in feet to tenths).

- (c) $\text{Plants Per Square Foot} = \text{Total Plant Count} \div [\text{Total length of all Samples (ft.)} \times \text{Row Width (in feet to tenths)}]$; Rounded to the nearest hundredth.

Example:

40 acres are inspected.
4 samples at 25 feet long each with 36-inch wide rows (3 feet).
240 live plants counted.

The result is:

$$\begin{aligned} & 240 \text{ plants} \div [(25 \text{ feet/sample} \times 4 \text{ samples} = 100 \text{ feet}) \times (3 \text{ foot row width})] = \\ & 240 \text{ plants} \div [300 \text{ sq. ft.}] = 0.80 \text{ Plants Per Square Foot.} \end{aligned}$$

For Canyon County, Idaho this plant density would meet the insurability requirements for acreage with an established stand, but would not if the crop was in its seed-to-seed year.

C. Sample Selection

Determine the number of recommended samples by field size and variability of the stand within the field or subfield. Split a field into subfields when significant variation in plant density exists within a field; or insured wishes to destroy part of the field.

Take as many samples as necessary for an accurate determination. See the minimum sample number table below. Use of fewer than the recommended samples must be explained on a Special Report and attached to a Pre-Acceptance Inspection Worksheet.

Use the required number of viable plants per square foot, established by the actuarial table, to determine insurability of all alfalfa seed acreage.

Minimum Adequate Stand Sample Table

Acres in Field or Subfield	Required Minimum Number of Samples
0.1 - 10.0	3
10.1- 40.0	4
Add one additional sample for each additional 40.0 acres (or fraction thereof) in the field or subfield.	

Sampling Procedure:

- (1) Select the appropriate number of samples to be taken for the field size.

- (2) Determine the number of live alfalfa plants within each representative sample area. Use a measuring tape to measure 25 feet long row samples.

D. Forage Seed Underwriting Report

The Forage seed underwriting report is used to ensure that the acreage of forage seed has an adequate stand. An underwriting/pre-acceptance inspection/self-certification report must be completed prior to the acceptance of any application for insurance of an alfalfa seed crop and at certain other times. Instructions for completing the underwriting/pre-acceptance inspection/self-certification report are in exhibit 4.

The underwriting report serves three purposes. It is used: 1) To record the results of a pre-acceptance inspection; 2) By company underwriters to determine insurability of acreage; and 3) By insured producers to self-certify acreage, stand adequacy, and stand age.

- (1) Pre-acceptance Inspections will be completed by an authorized company inspector for all first year applications, and for any subsequent insurance periods following the payment of an indemnity or a reported loss unless the crop was determined to have an adequate stand.
- (2) Self-certification reports must be completed and submitted by the insured producer prior to the date insurance attaches.

Insurance will not attach at the beginning of the insurance period on any forage seed acreage that does not have an adequate stand as established by the Special Provisions.

Insurance will not attach on any alfalfa seed acreage that exceeds the maximum stand age contained in the age limitation statement of the special provisions.

22 Insurable Types and Practices

A. Types Insurable

Types insured are: AVR B Ratings 1-4	114
AVR B Ratings 5-9	159
Hybrid AVR B Ratings 1-4	714
Hybrid AVR B Ratings 5-9	759

B. Insurable Practices

Insurable practices for Forage Seed are:

Established Stand Irrigated	102
Established Stand Organic (Certified) Irrigated	959
Established Stand Organic (Transitional) Irrigated	960
Fall Planted Seed-to-Seed Irrigated	202
Fall Planted Seed-to-Seed Organic (Certified) Irrigated	961
Fall Planted Seed-to Seed Organic (Transitional) Irrigated	962

Spring Planted Seed-to-Seed Irrigated	302
Spring Planted Seed-to-Seed Organic (Certified) Irrigated	963
Spring Planted Seed-to-Seed Organic (Transitional) Irrigated	964

23 Units and Coverage Levels

A. Units

- (1) Basic and Optional units are allowed.
- (2) In lieu of optional units allowed by the Basic Provisions, optional units by variety may be allowed if permitted by the Special Provisions.

B. Coverage Levels

Coverage is available in 5 percent (5%) increments. See the actuarial documents for further information.

24-30 (Reserved)

PART 3 APPLICABILITY OF HANDBOOKS

31 General Overview

This part identifies information specific to the applicability of the CIH, LAM and any other procedural issuance that may require supplemental information with regard to forage seed. Unless specifically amended, supplemented, or deleted by information in this handbook, all procedural issuances apply to the Forage Seed Program.

32 Specific Information – CIH

The general rules of crop insurance as provided in the CIH apply to Forage Seed.

The following table provides general information, changes, additions, deletions and/or modifications termed as supplemental instructions regarding the applicability of the CIH to the Forage Seed Program until incorporated into the CIH.

32 Specific Information – CIH	
CIH Reference	Supplemental Instructions
PART 6	Replanting, Late Planting and Prevented Planting provisions do not apply to Forage Seed.
PART 5	The Catastrophic Risk Protection Endorsement and the Hail and Fire Exclusion Option apply to Forage Seed.
PART 12 Section 3	Yield Adjustment applies to Forage Seed.
PART 14	Forage Seed is a category B crop, and eligible for Master Yields.
PART 10 PART 11 PART 16 Section 1	<p>The following provides additional information for calculating APH yields for Forage Seed.</p> <ul style="list-style-type: none"> (a) Acceptable Supporting Records. <ul style="list-style-type: none"> (1) Contracted Acreage: A copy of the contract must be provided by the acreage reporting date that shows planted acres and base price. (2) Non-contracted certified forage seed: A copy of the approved certifying agency application that shows certified acreage must be provided by the acreage reporting date. Seed Company records showing certified clean production must be provided. (b) For quality adjustment, the seed company or certifying agency's records must indicate that the production has been rejected or received less value by the seed company because it did not meet the company's minimum

32	Specific Information – CIH
CIH Reference	Supplemental Instructions
PART 10 PART 11 PART 16 Section 1	<p>requirements of the seed company contract or certifying state agency.</p> <p>(1) For production meeting the minimum quality requirements contained in the forage seed contract or certifying agency’s standards, and for production that does not meet such requirements due to uninsured causes there is no quality adjustment.</p> <p>(2) For production not meeting the minimum quality requirements contained in the forage seed contract or certifying agency’s standards due to insurable causes will be reduced as follows:</p> <p>(i) Divide the actual value by the Base Price for the insured type; and</p> <p>(ii) Multiply the result (not to exceed 1.0) by the number of pounds of such production.</p> <p>(c) Base Price for seed under contract is the price per pound (excluding any discounts or incentives that may apply) stated in the forage seed contract. For certified forage seed not under a forage seed contract, and for forage seed producers who are also forage seed companies, the price contained in the Actuarial Documents.</p> <p>(d) A copy of your forage seed contract for your contracted forage seed acreage or the approved certification application for your certified seed acreage, or both if you have both contracted forage seed acreage and certified forage seed acreage, must be submitted to the insurance provider on or before the acreage reporting date.</p> <p>(e) Currently, Alfalfa Seed is the only crop insurable under the crop provisions.</p> <p>PART 11 Section 3 Farm Management Records: Not Applicable (NA) to total crop disposition but applicable to unit reporting.</p> <p>Alfalfa Seed (Forage Seed) requires verifiable production records. Records from the seed certification agency may be used to support reported production and/or acres.</p> <p>For APH reporting of the immediate year’s crop (for either the Regular APH Procedure or the Master Yield procedure), if verifiable records are not available, follow PART 12, Section 1, Paragraph 1203, Subparagraph A(3).</p>
Exhibit 2 B	Add Forage Seed in this section as follows:

32		Specific Information – CIH	
CIH Reference	Supplemental Instructions		
	FCIC Policy:	11-BR	
	FCIC Crop Provisions:	2015- 0107	
	Crop Category; APH Yield Tolerance:	B 5%	
	Late Planting/Prevented Planting:	No	
	Replant:	No	
	Unit of measure:	Pounds	
	Unit by:	B/O ²⁷	
	High Risk Land Exclusion Option:	Yes ²⁵	

33 Loss Adjustment Manual

The duties and responsibilities identified in the LAM are adopted for the Forage Seed Program with the following addition.

33	Loss Adjustment Manual		
LAM Reference	Supplemental Instructions		
PART 3 Section 4	For Forage Seed: The production to count is based on the quantity of clean seed. The harvested production must be conditioned before the quantity of clean seed can be determined. There may be circumstances in which the harvested production from all units cannot be conditioned before 60 days after the end of the insurance period. Agents and AIPs should advise insureds of the need to request an extension of the time for filing a claim. AIPs should grant such requests whenever it can be determined the delay is due to extensive losses that make it impossible to properly condition the harvested production within the 60 day time frame. An extension should be denied if it is evident that only one or a few producers were affected by losses and the conditioners are placing such production at a lower level of priority for conditioning, unless circumstances beyond their control have prevented the timely cleaning of production where a loss is expected.		

34 Forage Seed Loss Adjustment Standards Handbook

The Forage Seed Loss Adjustment Standards Handbook applies to this program.

35-40 (Reserved)

Acronyms and Abbreviations

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

Approved Acronym/Abbreviation	Term
AIP	Approved Insurance Provider
APDD	Actuarial and Product Design Division
APH	Actual Production History
CAT	Catastrophic Risk Protection
CIH	Crop Insurance Handbook
FCIC	Federal Crop Insurance Corporation
LAM	Loss Adjustment Manual
RMA	Risk Management Agency

Definitions

The following are definitions of terms used within this handbook.

Agent – the same meaning as the term “agent” in the Standard Reinsurance Agreement.

Approved Insurance Provider (AIP) – the same meaning as the term “approved insurance provider” in the Federal Crop Insurance Act. For the purposes of this handbook, Approved Insurance Provider includes managing general agents as defined in the Standard Reinsurance Agreement.

Crop Year – Calendar year in which the harvest occurs.

Underwriting Report Completion Instructions

General Instructions – Attach the following:

CURRENT CROP YEAR AERIAL PHOTOGRAPH OR GLOBAL POSITIONING SYSTEM (GPS) MAP OF UNIT: For new insureds, new seed-to-seed acreage, or unit structure changes, document field acres and locations on the aerial photograph or GPS map.

SPECIAL REPORT SHOWING ADEQUATE STAND DETERMINATIONS: This is required for underwriting report and pre-acceptance purposes and suggested for self-certification purposes. Include all information and calculations used to determine an adequate stand.

COPY OF ACTUAL PRODUCTION HISTORY REPORT (APH): Include the APH used for the insured crop year or production report for the previous crop year.

UNDERWRITING REPORT COMPLETION INSTRUCTIONS	
ITEM NO.	INFORMATION REQUIRED
Company Name	Name of the company and agency servicing the crop insurance policy.
1. Insured's Name	The name of the insured producer/entity applying for the coverage.
2. State & County	State and county name and codes where the forage seed acreage is located.
3. Agent Name	Name, address and phone number of the agent servicing the crop insurance policy.
4. Policy Number	Insured's policy number from the most recent Policy Confirmation.
5. Crop Year	4 digit crop year the inspection or self-certification applies to.
6. Unit Number	Enter appropriate 8-digit unit numbers for the forage seed acreage.
7. Map Field ID	Number or name of the field/subfield or unit corresponding to the aerial photograph of the acreage.
8. FSN Number Legal Description Sec/Twp/Range	FSA Farm Serial Number (FSN), as applicable. The legal description; Section, Township, and Range where the alfalfa seed acreage is located.
9. Acres to 10ths	Total acres to tenths in field/subfield.
10. Type	Enter the three-digit type code from the actuarial documents.
11. Date Planted	Enter the date (Mo/Day/Yr) acreage was initially planted.
12. Practice	Indicate acreage as in its seed-to-seed year or an established stand with

UNDERWRITING REPORT COMPLETION INSTRUCTIONS

ITEM NO.	INFORMATION REQUIRED
	a check mark or an "X".
13. Stand Count Per Square Foot	Enter the stand determination results; use separate rows when fields or subfields have significant plant density variation or are not insurable.
14. Not Applicable	
15. Official Use Only	This column is used by an authorized company representative to accept or reject coverage on a field or unit based on stand determinations and age of stands.
16. Applicant or Self-Certifier Signature	<u>Circle</u> either Applicant or Self-Certifier, sign, and date.
17. Inspector	Signature of authorized company inspector performing the inspection and date completed.
Page numbers	Enter Page Numbers (Example: Page 1 of 1, page 1 of 2, page 2 of 2, etc.)

