

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Product
Administration &
Standards
Division

FCIC-25025 (08-2010)

TOBACCO LOSS ADJUSTMENT STANDARDS HANDBOOK

2010 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK	NUMBER: 25025 (08-2010)
SUBJECT: TOBACCO LOSS ADJUSTMENT STANDARDS HANDBOOK 2010 AND SUCCEEDING CROP YEARS	OPI: Product Administration and Division
	APPROVED: <i>/S/ Tim B. Witt</i> DATE: <i>8/9/10</i> Deputy Administrator, Product Management

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-ISSUED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2010 AND SUCCEEDING CROP YEARS. ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

This is the initial issuance of this handbook.

Control Chart For: Tobacco Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Pages	Reference Material	Date	Directive Number
Current Index	1-2	1-2	1-48	49-56	08-2010	FCIC-25025

TOBACCO LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

(RESERVED)

TOBACCO LOSS ADJUSTMENT STANDARDS HANDBOOK

TABLE OF CONTENTS

	<u>PAGE</u>
1. INTRODUCTION	1
2. SPECIAL INSTRUCTIONS	1
A. DISTRIBUTION	1
B. TERMS, ABBREVIATIONS, AND DEFINITIONS	1
3. INSURANCE CONTRACT INFORMATION	3
A. INSURABILITY	3
B. INSURANCE PERIOD.....	4
C. INSURED CAUSES OF LOSS	4
D. INSURED'S REQUIREMENTS TO LEAVE REPRESENTATIVE SAMPLES AND STALKS/STUBBLES AND THE ADJUSTER'S INSPECTIONS OF THESE.....	4
E. PROVISIONS AND PROCEDURES NOT APPLICABLE TO CAT COVERAGE	8
F. UNIT DIVISION.....	8
G. QUALITY ADJUSTMENT	9
4. REPLANTING PAYMENT PROCEDURES	15
5. TOBACCO APPRAISALS	15
A. GENERAL INFORMATION	15
B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS	16
C. MEASURING ROW WIDTH AND PLANT SPACING	16
D. STAGES OF GROWTH	17
6. APPRAISAL METHODS	17
A. GENERAL INFORMATION	17
B. STAND REDUCTION/LEAF COUNT METHODS	18
C. MACHINE HARVESTING METHOD.....	22
D. CURED TOBACCO HANGING OR STORED IN THE BARN METHOD	23
E. APPRAISED FIRE DAMAGED PRODUCTION THAT WAS IN THE BARN.....	26
7. APPRAISAL DEVIATIONS AND MODIFICATIONS	26
A. DEVIATIONS	26
B. MODIFICATIONS.....	26

TOBACCO LOSS ADJUSTMENT STANDARDS HANDBOOK

TABLE OF CONTENTS (Continued)

PAGE

8. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES.....	27
A. APPRAISAL WORKSHEET FORM STANDARDS	27
B. GENERAL INFORMATION FOR WORKSHEET ENTRIES AND COMPLETION PROCEDURES	27
C. WORKSHEET ENTRIES AND COMPLETION INFORMATION.....	27
APPRAISAL WORKSHEET EXAMPLE.....	32
9. CLAIM FORM ENTRIES AND COMPLETION PROCEDURES.....	33
A. CLAIM FORM STANDARDS.....	33
B. GENERAL INFORMATION FOR ENTRIES AND COMPLETION PROCEDURES.....	33
C. FORM ENTRIES AND COMPLETION INFORMATION.....	34
SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS.....	37
NARRATIVE.....	41
SECTION II - HARVESTED PRODUCTION.....	42
CLAIM FORM EXAMPLE.....	48
10. REFERENCE MATERIAL	49
TABLE A - MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS	49
TABLE B - LENGTH OF ROW PER 100 PLANTS AND PLANTS PER ACRE.....	49
TABLE C - TRACTOR ROW ACREAGE CORRECTION FACTORS	51
4 ROW PATTERN - 5TH TRACTOR ROW.....	51
6 ROW PATTEN - 7TH TRACTOR ROW	52
8 ROW PATTERN - 9TH TRACTOR ROW	53

EXHIBITS

EXHIBIT 1	REQUEST FOR GRADING SERVICES.....	54
EXHIBIT 2	INSPECTION AND CLASSIFICATION CERTIFICATE.....	55

1. INTRODUCTION

THIS HANDBOOK MUST BE USED IN CONJUNCTION WITH THE LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK, FCIC-25010.

The FCIC-issued loss adjustment standards for this crop are the official standard requirements for adjusting Multiple Peril Crop Insurance (MPCI) losses in a uniform and timely manner. The FCIC-issued standards for this crop and crop year are in effect as of the signature date for this crop handbook at www.rma.usda.gov/handbooks/25000/index.html. All reinsured companies will utilize these standards for both loss adjustment and loss training for the applicable crop year. These standards, which include crop appraisal methods, claims completion instructions, and form standards, supplement the general (not crop-specific) loss adjustment standards identified in the LAM.

2. SPECIAL INSTRUCTIONS

This handbook remains in effect until superseded by reissuance of **either** the entire handbook **or** selected portions (through slipsheets or bulletins). If slipsheets have been issued for a handbook, the original handbook as amended by slipsheet pages shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slipsheets.

A. DISTRIBUTION

- (1) The following is the minimum distribution of forms completed by the adjuster and signed by the insured (or insured's authorized representative) for the loss adjustment inspection:
 - (a) One legible copy to the insured; and
 - (b) The original and all remaining copies as instructed by the approved insurance provider (AIP).
- (2) It is the AIP's responsibility to maintain original insurance documents relative to policyholder servicing as designated in their approved plan of operations.

B. TERMS, ABBREVIATIONS, AND DEFINITIONS

- (1) Terms, abbreviations, and definitions that are **general** (not crop specific) to loss adjustment are identified in the LAM.
- (2) Terms, abbreviations, and definitions **specific** to guaranteed production tobacco loss adjustment and this handbook, which are not defined in this section, are defined as they appear in the text.
- (3) Abbreviations:

DSSH	Document and Supplemental Standards Handbook, FCIC-24040
ZMV	Zero Market Value. Harvested tobacco with no value due to insured cause

(4) Definitions:

Average value	For appraised production, the value of such production divided by the appraised pounds for the tobacco types. For harvested production, the value of such production divided by the harvested pounds for the tobacco type. Refer to section 3 G for clarification of the average value of appraised production.
Harvest	Cutting or priming and removing all insured tobacco from the unit.
Hydroponic plants	Seedlings grown in liquid nutrient solution.
Planted Acreage	In addition to the definition of planted acreage in the Basic Provisions, land in which tobacco seedling, including hydroponic plants, have been transplanted by hand or machine from the tobacco bed to the field.
Pound	Sixteen ounces avoirdupois.
Priming	A method of harvesting tobacco by which one or more leaves are removed from the stalk as they mature.
Stick:	A piece of wood that is approximately 1-inch square and 42 inches long used for the purpose of hanging stalks of tobacco in the tobacco barn. One stick will accommodate about 6 stalks of average size tobacco.
Tobacco bed	An area protected from adverse weather in which tobacco seeds are sown and seedlings are grown until transplanted in the tobacco field by hand or machine.
Tobacco types	Insurable tobacco as shown on the Special Provisions.

3. INSURANCE CONTRACT INFORMATION

The AIP is to determine that the insured has complied with all policy provisions of the insurance contract. Tobacco Crop provisions which are to be considered in this determination include (but are not limited to):

A. INSURABILITY

The following may not be a complete list of insurability requirements. Refer to the Basic Provisions, Tobacco Crop Provisions, and Special Provisions for a complete list.

(1) Insured Crop

- (a) In accordance with Section 8 of the Basic Provisions, the insured crop will be each tobacco type the insured elects to insure and for which a premium rate is provided by the actuarial documents:
 - 1 In which the insured has a share;
 - 2 That meets all rotation requirements on the Special Provisions.
- (b) The insured will be considered to have a share in the insured crop if the insured retains control of the acreage on which the tobacco is grown and the insured bears any risk if the crop is damaged or lost.
- (c) Refer to the section for “Insured Crop” in the Basic Provisions for additional provisions.

(2) Insurable Acreage

- (a) Insurable acreage is acreage planted to the insured crop in which the insured has a share, except for acreage:
 - 1 Planted in any manner other than as provided in the definition of “planted acreage,” unless otherwise provided by the Special Provisions or by Written Agreement. Refer to definitions in subsection 2 B (4).
 - 2 On which the insured crop is damaged and it is practical to replant the insured crop and it is not replanted. In addition to this, tobacco acreage damaged before the final planting date to the extent that the majority of producers in the area would not normally further care for the tobacco crop, is not insurable unless such crop is replanted or we agree that replanting is not practical. Refer to the Basic Provisions and the LAM for the definition of “Practical to replant.”
- (b) Refer to the section for “Insurable Acreage” in the Basic Provisions or the LAM for additional reasons acreage is not considered insurable.

B. INSURANCE PERIOD

- (1) In addition to the provisions in section 11 (Insurance Period) of the Basic Provisions, coverage ends at the earlier of:
 - (a) Total destruction of the tobacco on the unit;
 - (b) Removal of the tobacco from the unit where grown, except for curing, grading, and packing;
 - (c) Final adjustment of the loss on the unit; or
 - (d) The calendar date for the end of the insurance period, which is the date immediately following planting and designated by tobacco types and states specified in the Tobacco Crop Provisions (or as otherwise stated on the Special Provisions).

C. INSURED CAUSES OF LOSS

It is the insured's responsibility to establish any loss of production or quality was due to an unavoidable insured cause of loss as the result of a naturally occurring event that occurs during the insurance period. For example, even though fire is listed as a cause of loss in Section 10 of the crop provisions, the fire damage must have been due to a natural event that occurred during the insurance period. **Refer to the paragraph 125 of the LAM for additional information about fire damage and specifically fire damage to curing tobacco in the barn.**

D. INSURED'S REQUIREMENTS TO LEAVE REPRESENTATIVE SAMPLES AND STALKS/STUBBLE AND THE ADJUSTER'S INSPECTIONS OF THESE

- (1) **Representative Samples.** In accordance with Section 14 of the Basic Provisions, if the insured has given notice of damage less than 15 days before harvest or during harvest of the tobacco, the insured must leave intact, unharvested representative samples of the crop (RSCs).
 - (a) In accordance with section 11 of the Tobacco Crop Provisions, the RSCs:
 - 1 Must be at least 5 feet wide (at least two rows), and extend the entire length of each field in the unit.
 - 2 **MUST NOT be harvested or destroyed until AFTER** the AIP [adjuster] has inspected them.
 - (b) **The adjuster's inspection of the representative samples of the crop (RSCs).** This inspection is used to determine if the pounds and damage of the harvested tobacco are representative of the pounds and damage of the intact (unharvested plants) in the RSCs. The inspections of the RSCs are also used to assist in verifying if additional damage or additional insured causes occurred to the tobacco after the initial inspection or last inspection if more than one inspection occurred.

- 1 The adjuster's inspection of the RSCs must be done **as soon as possible after harvest** on the unit has been completed, but generally not later than 15 days after harvest on the unit has been completed to ensure the integrity of the crop samples. Weather conditions and type of damage can result in the loss of the crop samples and/or integrity of the samples if the inspection is later than this date. The AIP must communicate closely with the insured to determine when harvest has been completed on the unit, to meet these requirements.
 - 2 If the per-acre amount of marketable production in the RSC's appears to be greater than the harvested production, complete an appraisal and record on a Tobacco Appraisal Worksheet. If the per-acre appraisal of the RSC's is greater than the harvested production, notify your supervisor immediately before proceeding with completion of the claim.
- (c) **Documentation of the RSC Inspection.** The adjuster must document the RSC inspection on a Special Report and retain in the insured's loss file. The documentation must include, but is not limited to, the following:
- 1 Condition (extent and types of damage) of the tobacco in the RSCs and if it correlates to the harvested tobacco after it has been cured;
 - 2 The estimated amount of production and if it is comparable to the number of pounds harvested. If an appraisal was completed as outlined in (b) 2 above, attach the completed Tobacco Appraisal Worksheet to the Special Report and retain in the insured's file folder;
 - 3 Date harvest was completed on the unit;
 - 4 If the inspection is later than 15 days after the date harvest was completed on the unit, there must be a documentation of why the inspection was done later than this retained in the insured's file folder;
 - 5 Any other pertinent information;
 - 6 Date of inspection; and
 - 7 Adjuster's signature and code number.
- (2) **Stalks and Stubble.** In accordance with Section 11 of the Tobacco Crop Provisions, the insured must leave all tobacco stalks and stubble in the unit intact for the AIP's inspection. The stalks and stubble must not be destroyed until the AIP (not the agent) gives the written consent to do so, or until 30 days after the end of the insurance period, whichever is earlier. Refer to (c) below regarding when the AIP's can provide consent to destroy the stalks and stubble prior to an AIP inspection.
- (a) For any acreage where the stalks and stubble have been destroyed without the AIP's consent, the per-acre production guarantee will be assessed as production to count in accordance with section 12 (c) (1) (i) (E) of the Tobacco Crop Provisions.

- (b) When only stubble is left after harvest because the stalks have been destroyed due to the type of harvesting equipment or harvest practice applicable to the type of tobacco, this meets the insured's policy requirements for leaving stalks and stubble but still requires an adjuster's inspection, unless (c) below applies.
- (c) For any insureds that have NOT turned in a Notice of Damage or Loss on or prior to the day of completion of harvest on the unit, the AIP may provide consent to destroy the stalks and stubble.
- (d) For any insureds that HAVE turned in a Notice of Damage or Loss on or prior to the day of completion of harvest on the unit, a Stalk and/or Stubble Inspection must be completed as stated in 2 (e) below.
- (e) **Stalk and/or Stubble Inspection.** The adjuster's inspection of the remaining stalks and/or stubble is used to determine if all of the production, excluding the required representative samples of the crop, has been harvested from the acreage, as well as other information the adjuster might determine during this inspection.
 - 1 The inspection of the stalks and/or stubble must be completed as soon as possible after completion of harvest on the unit but generally **not later than 15 days after harvest** on the unit has been completed. If there was any unharvested tobacco, an inspection later than the 15 days may result in the adjuster being unable to determine whether there were or were not marketable leaves due to the deterioration of the tobacco as required in 2 below. The AIP must communicate closely with the insured to determine when harvest has been completed on the unit, to meet these requirements. After the adjuster has inspected the stalks or stubble, the AIP may provide the insured written consent to destroy the stalks or stubble.
 - 2 If all of the production has not been harvested and it is determined that any remaining unharvested production is/was marketable but was not harvested, the adjuster must appraise and complete an appraisal worksheet. Do not include in the appraisal the representative samples of the tobacco as required in D (1) above. Include the appraised production as production to count on the T-P-C Production Worksheet.
- (f) **Documentation of Stalk and/or Stubble Inspection.** The adjuster will document the stalk inspection on the Production Worksheet and/or Special Report and retain in the insured's file folder. The minimum information required for the stalk inspection is:
 - 1 The items specified in the instructions in Section II of the Production Worksheet;
 - 2 If an appraisal was completed as outlined in (e) 2 above, attach the completed Tobacco Appraisal Worksheet to the Special Report.
 - 3 Date harvest was completed on the unit;

- 4 If the inspection is later than 15 days after the date harvest was completed on the unit, there must be a documentation of why the inspection was done later than this retained in the insured's file folder;
 - 5 Any other pertinent information;
 - 6 Date of inspection; and
 - 7 Adjuster's signature and code number.
- (3) If the insured DID NOT submit a Notice of Damage or Loss to their AIP less than 15 days before or during harvest, the insured is not required to leave RSCs. When there are no RSCs for the adjuster to inspect, it may be more difficult for the insured to establish that an insured cause of loss damaged the tobacco rather than damage being caused from poor harvest and/or barn management practices.
- (a) When it is questionable whether the cause of loss being claimed was due to an unavoidable insured cause of loss that occurred in the field or the barn, the insured must provide verifiable documentation to the AIP that will establish the reason for the loss of production and/or quality was due to an unavoidable insured cause(s) of loss that occurred in the insurance period before a claim can be paid. Documentation the insured may provide to establish damage is due to an unavoidable insured cause of loss can include, but is not limited to, the following:
- 1 Weather reports from local weather bureaus to prove the times and frequencies of adverse weather events that caused the loss of production and/or quality;
 - 2 Names of any tobacco pests or disease causing damage and proof of control measures taken and the insured cause of loss that caused the control measures to be ineffective; and
 - 3 The opinions of at least one tobacco agricultural expert; and
 - a The opinions can be from published material and/or written opinions regarding whether the cause of loss was due to a natural cause that was unavoidable and whether the cause of loss would have caused a yield loss and/or quality deficiency in the cured tobacco. If a written opinion is submitted, it must include a statement regarding any familial or other business relationship between the expert and the approved AIP, agent, loss adjuster, or insured. If the written opinion cannot be backed up with published materials, the insured must provide at least one other additional agricultural experts opinion that supports this opinion as required in item (ii) below.
 - b The recommendation of at least one additional agricultural expert if:
 - (i) The expert providing an opinion has a business relationship with the producer, such as providing of advice and/or sale of inputs to the

producer's operation, or is employed by a firm that has provided such advice or inputs;

- (ii) The agricultural expert providing an opinion has a familial relationship with the producer or approved AIP, loss adjuster, or agent or will benefit financially from the outcome of the opinion as a result of some other business relationship other than disclosed amounts paid to provide a written opinion in a timely manner; or
 - (iii) The written opinion in 3a above is not supported by published documentation, then at least the opinion of one other agricultural expert that supports this opinion is needed.
- (b) The AIP will review and verify the documentation to determine if the documentation provided by the insured satisfactorily establishes there was an unavoidable cause(s) of loss that caused the damage or extent of damage. If the AIP determines the insured's documentation does not satisfactorily establish the cause and/or extent of damage, the AIP must take the appropriate action based on the evidence; i.e., pay the claim, assess uninsured cause appraisal for the portion of the loss the insured could not prove, or deny the claim.
- (c) Documentation. Retain, in the insured's file folder, all copies of all of the insured's documentation and documentation of the AIP's review and verification of the documentation and actions taken.

E. PROVISIONS AND PROCEDURES NOT APPLICABLE TO CAT COVERAGE

Refer to the CIH and LAM for provisions and procedures not applicable to CAT.

F. UNIT DIVISION

In lieu of the definition in the Basic Provisions, a basic unit is all insurable acreage of an insurable type of tobacco in the county in which the insured has a share on the date of planting for the crop year and that is identified by a **single** FSA FSN^{1/} at the time insurance first attaches under the Tobacco Crop Provisions for the crop year. Optional units and enterprise units as defined in the Basic Provisions may be allowed by the Special Provisions of Insurance.

^{1/} A single FSA FSN can cover acreage in more than one county or more than one state or both. Therefore, when a single FSA FSN does cover tobacco acreage in more than one county or state or both, **ONLY** one Basic Unit is allowed.

- (1) When a single FSN covers tobacco acreage in more than one county or State or both, one Basic Unit is allowed and in these instances the insurance policy is written for the county issuing the FSN.
- (2) When there is a single FSN in (e. g., county A), but there are other separate FSN's in another county where the insured has planted tobacco (e.g., county B), but one

county is the FSA issuing county (e.g., county A), then the other county with separate FSN's (e.g., county B) could only be insured by separate application (e.g., County B). For information on Enterprise Units, refer to the LAM.

G. QUALITY ADJUSTMENT

- (1) Mature (harvested and cured) tobacco production may be adjusted for quality deficiencies if due to an insurable cause, the average value of the harvested tobacco is less than 75% (percent) of the insured's price election and all of the other quality criteria are met based on the following criteria in items (2)-(8).
 - (a) The average value for harvested production includes the value of damaged and undamaged **harvested** production (excluding production having no value). Refer to section 6 D for information about appraising unsold **harvested** tobacco remaining in the barn.
 - (b) There is **no quality adjustment on** appraised **unharvested** production, and it is counted pound for pound and valued at the insured's price election.
- (2) In accordance with section 12 (f) (1) of the Tobacco CPs, the insured must contact the AIP before any mature, cured tobacco is disposed ^{1/} of so the AIP can inspect the tobacco to determine the extent of the damage. In accordance with section 12 (f) (3) of the Tobacco CPs, if the insured disposes of any tobacco before the AIP has the opportunity to inspect the tobacco, no quality adjustment for such production is allowed, regardless of the average value of the production. Also, see subsection (4) below.

^{1/} Disposed of means: Transfer of title of the tobacco by sale or transfer by any other means, or destruction of the harvested production.
- (3) Determining Average Value.
 - (a) The average value is determined by dividing the value of the total pounds of **harvested** production (excluding harvested tobacco with no value) by the total pounds of such production. If the AIP determines the value received for the harvested tobacco is not reasonable, the AIP may adjust the average value to a reasonable value as stated in G (4) below. Tobacco production having no value is adjusted separately from the tobacco having a value. Refer to G (8) below for information regarding harvested tobacco with no value.
 - (b) Regardless of the variances in damage (due to unavoidable insured causes) to the tobacco in the unit, (including tobacco having some damage and some having no damage), if the average value of all of the harvested tobacco (excluding harvested tobacco with no value) in the unit is less than 75% of the insured's price election, all of the harvested production will be eligible for quality adjustment. Some examples of when this could happen, but is not limited to the following:

Example 1: Some types of tobacco have leaves of tobacco harvested, cured and sold at various times throughout the season; i.e., Flue Cured. If the earliest harvested,

cured and sold tobacco contained no damage and then an unavoidable, insured cause of loss occurred to the remaining tobacco on the stalks, any of the damaged and undamaged leaves harvested from the stalk will be quality adjusted if the average value of all harvested tobacco (excluding harvested zero value tobacco) is less than 75% percent of the insured's price election.

Example 2: Some types of tobacco are harvested with the tobacco leaves still on the stalk; i.e., Burley. If some of the tobacco that had no damage was harvested and placed in the barn for curing and then an unavoidable, insured cause of loss occurred to the remaining tobacco still in the field that is subsequently harvested, all of the damaged and undamaged tobacco will be quality adjusted if the average value of all harvested tobacco (excluding harvested zero value tobacco) is less than 75% percent of the insured's price election.

- (4) Section 12 (f) (2) of the Tobacco Crop Provisions indicate if the average value for the harvested tobacco does not correlate with the amount of damage determined by the AIP during the inspections outlined in sections 3 D and/or G (2) above, as applicable, the AIP has the authority to consider the average value unreasonable.
 - (a) If the AIP determines the average value of the damaged production for the tobacco is:
 - 1 Reasonable, the AIP will use this average value to determine the quality adjustment factor.
 - 2 Unreasonable, the AIP may adjust the average value (to reflect a reasonable average value for the damaged production) to determine the quality adjustment factor.
- (5) The AIP's inspection of tobacco growing in the field will meet the requirement stated in (2) above and can be used to assist in determining if the average value of the tobacco is reasonable for the extent of damage as stated in (4) above. However, the insured **must** contact the adjuster if the expected quality changes. The adjuster may need to perform additional inspections to document the change in expected quality.
 - (a) The adjuster must document the inspection on a Special Report or an inspection report developed just for this purpose and a copy must be retained in the insured's file folder. The report must contain at least the minimum, but is not limited to:
 - 1 The condition and extent of damage of the tobacco (including cause(s) of damage (e.g., excess precipitation and disease) at the time of the inspection.
 - 2 A statement indicating the insured must notify the AIP so another inspection can be completed if the condition or extent of damage of the tobacco changes or any tobacco is sold at or below a price determined by the AIP at the time of the inspection.
 - 3 A certification statement that the insured has read the above and agrees to notify the AIP as outlined above.

4 The insured's signature and date of signature.

5 The adjuster's signature and date of signature.

(b) Examples of Adjusting the Average Value at Loss Time:

EXAMPLE 1: The insured harvests 20,000 pounds of Flue Cured Tobacco:

The insured's price election is \$1.75

Quality Adjustment would not start unless the Average Value fell below \$1.31
($1.75 \times .75 = \$1.31$)

Sales records show the pounds, price per pound, and quality (grade).

The insured sells 10,000 pounds to buyer A @ \$1.50 pound.

The insured sells 10,000 pounds to buyer B @ \$0.75 pound.

Based on sales records, the Average Value = \$1.12 ($\$22,500 / 20,000 \text{ lbs.}$).

Based on inspection prior to the sale of the tobacco, the AIP determines the Average Value is unreasonable for the quality of the tobacco.

The AIP concludes the value received from buyer A is reasonable.

The AIP concludes the value received from buyer B is unreasonable.

The AIP determines the reasonable value per pound for the production sold to buyer B is \$1.10 rather than \$0.75.

The average value would be adjusted as follows:

Buyer A - 10,000 pounds X \$1.50 = \$15,000.

Buyer B - 10,000 pounds X \$1.10 = \$11,000 adjusted value

$\$26,000 / 20,000 \text{ lbs.} = \1.30 Adjusted Average Value

The value is below \$1.31 so quality would apply.

$QAF = 1.30 / \$1.75 = .743$

$PTC = 20,000 \times .743 = 14,860 \text{ pounds}$

EXAMPLE 2: Same scenario as Example 1, except the quality (grade) of the production that was sold to buyer B is the same quality as sold to buyer A.

The AIP would use the same value as applied by buyer A. So the average value would be, as follows:

Buyers A - 10,000 pounds X \$1.50 = \$15,000

Buyers B - 10,000 pounds X \$1.50 = \$15,000 (adjusted value)

$\$30,000 / 20,000 \text{ lbs.} = \1.50 (Adjusted Average Value)

Because the Adjusted Average Value is higher than \$1.31, no quality adjustment can be applied.

(c) Ways to determine if the value is reasonable.

1 All Sold tobacco

If tobacco of the same quality has been sold to one buyer and the AIP determines the price is reasonable, and part of the production is

unreasonable based on the extent of damage, the AIP may use the same value applied by the buyer using a reasonable value. See example 2 above.

2 Some Tobacco Sold and Some Unsold

When some tobacco has been sold and some mature, cured tobacco has not, and the unsold tobacco is of the same quality, use this value to value the unsold tobacco, provided the value determined for the sold tobacco is reasonable for the extent of quality damage. If no quality determinations have been made by a potential buyer for any unsold tobacco (extent of damage), AMS grading may be obtained to determine the quality. The AMS Inspection and Classification Certificate (refer to Exhibit 2) meets the policy required record showing quality for quality adjustment purposes, and a copy must be retained in the insured's file folder. Refer to (d) below for additional information for obtaining AMS grades.

3 All cured tobacco is unsold

If the AIP cannot obtain a written offer from someone who is in the business of buying tobacco for the unsold tobacco and the loss adjuster verifies that there is no buyer in the area willing to buy the tobacco or that will provide a written offer of a reasonable value for such tobacco, no quality adjustment will apply. If a written offer is obtained, the following applies:

- a The written offer will serve as the policy required record showing the price, and a copy must be retained in the insured's file folder.
- b The written offer is to include at least (but is not limited to):
 - (i) The insured's name,
 - (ii) Policy and unit number,
 - (iii) Tobacco type; e. g., Flue Cured,
 - (iv) Offerer's name and address,
 - (v) Dollar offer for the quality of tobacco being offered,
 - (vi) Number of pounds, date of offer, and
 - (vii) Offerer's signature (or person authorized to sign for the offerer).
- c The AIP may submit samples to AMS to determine the quality (extent of damage) to assist in determining reasonable values. Refer to (d) below for additional information for submitting samples to AMS.
- d If offers are not reasonable based on the extent of damage, the AIP may adjust the average value.

- e The AMS Inspection and Classification Certificate (refer to Exhibit 2) meets the policy required record showing quality for quality adjustment purposes, and a copy must be retained in the insured's file folder.

- 4 When the AIP questions whether the value received is reasonable, or whether an offer for unsold production is reasonable, the AIP may be able to average the values their insureds have received for the same type and quality of tobacco from the claims that they have finalized, as a way to determine if the average value is reasonable.

(d) AMS Tobacco Grading

There may be times when AMS tobacco grading can be used to help the AIP determine if there is damage or the extent of damage to the tobacco, or to serve as the required policy record showing quality for quality adjustment purposes when the tobacco is unsold and the insured does not have a record of quality. The AIP may obtain and submit samples on behalf of the insured, or the insured can arrange for AMS to grade the tobacco in the barn where the production is stored to determine the grade of the cured tobacco. If AMS grades the tobacco in the barn, the adjuster must also be present during the inspection.

1 Costs of AMS Grading:

- a A one (1) pound sample submitted to AMS will cost \$47.40.
- b AMS grading tobacco in the barn will cost \$47.40 an hour to grade the tobacco, including travel time to and from the site.

2 Adjuster Submitted Samples. Collect approximately one (1) pound 30 – 60 leaves for each "lot."

- a When tobacco is hanging or stored in a barn, a barn will be considered a "lot" unless it appears that the tobacco appears to have differing quality. If it appears there is differing quality, a lot will be considered by the differing quality in the barn. The one pound sample will be taken from the samples collected as outlined in the procedures in section 6 D.
- b When tobacco is baled, 100 bales of like quality are considered a "lot." Collect the samples from the bales as instructed in section 6 D.

3 Packaging and mailing sample for shipment. Wrap the one pound sample in a plastic bag and place in a postal shipping box: Priority Mail, Federal Express or UPS overnight shipping. The package must also include:

- a A "Request for Grading Services" form filled out by adjuster/insurance representative and as instructed on the form, a payment of \$47.40 (the form provides the payee title). Refer to Exhibit 1.

b The mailing address and telephone are as follows:

USDA, AMS Cotton and Tobacco Programs
Attention: Bobby Wellons
1306 Annapolis Drive, Room 201
Raleigh, NC 27608-0001
Telephone: 919-856-4555

- 4 For specific instructions for AMS requests of grading at the insured's tobacco barn, contact AMS at the above telephone number.
- (6) Production to count will be reduced only if the average value of the harvested and mature tobacco (excluding tobacco with no value) is less than 75 percent of the insured's tobacco price election. Harvested tobacco having no value is determined separately from tobacco having a value (refer to subsections (7) and (8) below). The production will not be quality adjusted unless the insured provides the AIP with records that are acceptable to the AIP and which clearly show the number of pounds, price per pound, and the quality of such production. **All such records must be retained in the insured's file folder.** If the insured cannot provide records, no quality adjustment is allowed for such production.
- (a) If the insured knows he/she is going to sell the tobacco at an auction warehouse where quality (grades) are not shown on the records provided by the auction warehouse:
- 1 A sample of the tobacco to submit to AMS may be obtained by an adjuster prior to the tobacco being delivering to the auction warehouse; or
- 2 The insured can arrange for AMS to grade the tobacco prior to delivery to the auction warehouse. The adjuster must be present when AMS grades the tobacco in the barn.
- (b) The AMS grade shown on the AMS Inspection and Classification Certificate (refer to Exhibit 2) meets the policy required record showing quality and the sales record of the auction warehouse meets the policy required record showing the pounds and value (subject to AIP adjustment if the value is unreasonable) for quality adjustment purposes. Refer to section 3 G (5) (d) above for additional information regarding AMS grading.
- (c) Refer to section 3 G (5) (c) above for policy record requirements for the value of production when there is unsold production.
- (7) **Quality Adjusting Harvested Production to Count With a Value.** If the average value of the harvested tobacco (excluding harvested tobacco with no value – refer to (8) below) is less than 75 percent of the insured's price election, and all of the other quality adjustment criteria are met, the production to count for the harvested tobacco will be reduced as follows:
- (a) Divide the average value per pound of the harvested tobacco as determined in (6) above by the insured's price election resulting in a quality adjustment factor (QAF), rounded to three-decimal places. Refer to Section 9 C for the entry instructions for

item H¹ “Value per Pound” in “Section II- Harvested Production” of the TPC Production Worksheet.

- (b) Multiply the QAF by the pounds of harvested production.
- (8) **Quality Adjusting Harvested Production to Count with No Value.** If the AIP determines any harvested tobacco has been damaged to the extent that it has no value due to an insured cause of loss, the harvested tobacco production will be adjusted to zero production to count, PROVIDED the insured destroys such production in a manner acceptable to the AIP.
- (a) The number of pounds of tobacco with no value that the insured has satisfactorily destroyed is entered and adjusted on a separate line on the TPC Production Worksheet from harvested tobacco with a value. The number of pounds having no value is multiplied by the QAF. The QAF is determined by dividing 0.00 (value) by the insured’s price election resulting in a QAF of .000. Refer to Section 9 C for the entry instructions for item H¹ “Value per Pound” in “Section II- Harvested Production” of the TPC Production Worksheet.
 - (b) If the insured refuses to destroy such tobacco or does not destroy it in a manner acceptable to the AIP, the value will be considered to be the insured’s price election and will be included in determining the average value of the total harvested production. Refer to Section 9 C for the entry instructions for item H¹ “Value per Pound” in “Section II- Harvested Production” of the TPC Production Worksheet. Also, refer to PAR. 96 of the LAM for additional information about destruction and documentation of zero value production.

4. REPLANTING PAYMENT PROCEDURES

There is currently no replanting payment available for tobacco. Refer to Section 3 A (2) (a) 2 for replanting requirements for damaged production.

5. TOBACCO APPRAISALS

A. GENERAL INFORMATION

Potential production will be appraised in accordance with procedures specified in this handbook and the LAM. This includes production from lower stalk mature tobacco leaves (or leaves from any other stalk position) removed because the buyer refuses to accept production from this particular stalk position. This production must be included as production to count. If the insurance provider is not given the opportunity to appraise the tobacco and determine the amount of production before it is destroyed, then an appraisal for uninsured causes must be assessed in accordance with section 12 (c) (1) (B) of the Tobacco Crop Provisions.

B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS

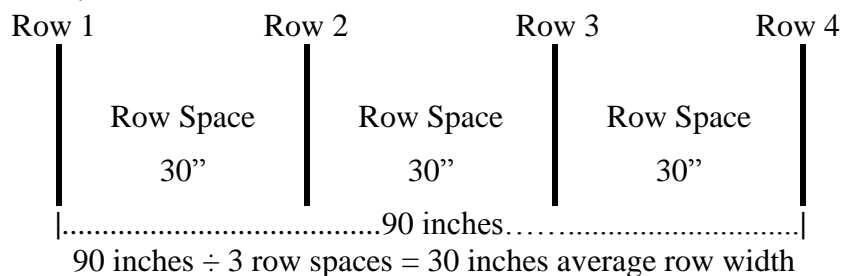
- (1) Determine the minimum number of required samples for a field or subfield by the field size, the average stage of growth, age (size) and general capabilities of the plants, and variability of potential production and plant damage within the field or subfield.
- (2) Split the field into subfields when:
 - (a) Variable damage causes the crop potential to appear to be significantly different within the same field; or
 - (b) The insured wishes to destroy a portion of a field.
- (3) Appraise each subfield separately.
- (4) Take not less than the minimum number (count) of representative samples required in **TABLE A** for each field and subfield.

C. MEASURING ROW WIDTH AND PLANT SPACING

Use these instructions for all appraisal methods that require row width determinations.

- (1) Use a measuring tape marked in inches or convert a tape marked in tenths, to inches. (Refer to the LAM for conversion table.)
- (2) Measure across **THREE OR MORE** row spaces, from the center of the first row to the center of the fourth row (or as many rows as needed) and divide the result by the number of row spaces measured across, to determine an average row width in whole inches.

EXAMPLE:



- (3) Where rows are skipped for tractor and planter tires, refer to the LAM.

D. STAGES OF GROWTH

Length of Time Required to Reach Various Stages of Growth After Transplanting to the completion of harvest:

Stages	Length of Time (After Transplanting)
Beginning of growth	3 to 7 days
10 th leaf stage	4 to 5 weeks
Bloom stage	6 to 9 weeks
Beginning of harvest	2 to 2 1/2 months
Completion of harvest	3 to 4 months

6. APPRAISAL METHODS

A. GENERAL INFORMATION

- (1) These instructions provide information on appraisal methods for:

Appraisal Methods...	Use...
Stand Reduction/Leaf Count Method	from the time of transplanting until all of the crop is harvested or removed from the field.
Machine Harvesting Method	for tobacco that can be machine harvested.
Cured Tobacco Hanging or Stored in the Barn Method	for tobacco which is completely cured and in proper moisture content as required for market.

- (2) The potential yield per acre of **hand harvested** tobacco is based on the number of normal leaves per acre remaining after damage, plus the number of leaves yet to emerge (if any). The total number of leaves divided by the number of normal leaves in one pound is the number of pounds of potential production per acre.
- (3) The potential yield per acre of **machine harvested** tobacco is based upon the number of normal leaves per acre remaining after damage, plus leaves yet to emerge (if any) on plants that will withstand machine harvesting. The number of leaves which can be harvested by machine divided by the number of normal leaves in one pound is the number of pounds of potential production per acre.
- (4) Delay appraisals at least seven days after the date of hail damage for unharvested tobacco.

B. STAND REDUCTION/LEAF COUNT METHODS

(1) Selecting Representative Samples

- (a) Measure row widths as instructed in Section 5 C to determine the average row-width.
- (b) Measure the **ORIGINAL** plant spacing.
- (c) Refer to **Table B** in Section 10.

Using the row-widths and plant spacing determined in steps (a) and (b), follow the instructions in **Table B** to determine the length of row per 100 plants and the number of plants per acre in the original planting pattern.

- (d) Select representative areas and rows in the field or subfield for each sample as indicated in section 5 B. Pick a random point to start in the row. Measure the **Length of Row per 100 plants** as determined in (c) above.

(2) Stand Reduction Procedure:

- (a) Count the number of remaining plants in the sample that will produce **MARKETABLE LEAVES^{1/}**. Subtract this number from 100 to determine plant loss per 100 plants. EXAMPLE: 100-52 (live plants with marketable leaves) = 48% plant loss.

^{1/} **MARKETABLE LEAVES** are leaves of sufficient size and quality to be marketed. If tobacco is machine harvested, include **ONLY marketable leaves** from plants that will withstand machine harvesting.

- (b) Record result of item (2) (a) above in Part I – Sample Determinations-Percent Plant Loss (item 13) of the appraisal worksheet.

(3) Determining Percent Potential:

- (a) Potential production on high plant population acreage does not usually decrease in direct proportion to a decrease in plant population. When plant population of the original stand is about 6,000 plants per acre or less, the potential production is usually in direct proportion to reduction of stand.

Refer to **TABLE B**. When the plant population is above the heavy line in **TABLE B**, **ONLY THE PERCENT OF STAND REDUCTION IN EXCESS OF 10 PERCENT IS ALLOWED TOWARD REDUCTION IN THE PERCENT OF POTENTIAL. STAND REDUCTIONS TO PLANT POPULATIONS BELOW THE HEAVY LINE ARE ALLOWED IN DIRECT PROPORTION TO PLANT REDUCTIONS.**

- (b) When the original plants per acre is above the heavy line, as indicated in **TABLE B**, or otherwise calculated to be 6,198 or greater, subtract the average percent plant loss from 110% to obtain the percent potential.

- (c) When the original plants per acre is below the heavy line, as indicated in **TABLE B**, or otherwise calculated to be less than 6,198, subtract the average percent plant loss from 100% to obtain the percent potential. **THE PERCENT POTENTIAL CANNOT EXCEED 1.000.** Enter percent potential (expressed as a 3-place decimal) in item 29 of the Appraisal Worksheet.

EXAMPLE:

<u>Above Heavy Line</u>	<u>Below Heavy Line</u>
110.0	100.0
- 12.0 % Plant Loss	- 12.0 % Plant Loss
98.0 % Potential	88.0 % Potential

- (d) The potential yield per acre is based on the determination of the number of normal leaves per acre after damage plus the number of leaves yet to emerge (if any), divided by the number of normal leaves required to weigh one pound.

(4) Leaf Count Procedure:

- (a) In each sample row used to determine **stand reduction**, select 10 consecutive plants which will produce **marketable leaves**. When there is a dead plant, missing plant, or plant with no marketable leaves in the row, move to the next plant in the row that will produce marketable leaves to achieve the 10-consecutive plant sample.
- (b) Strip the 10 consecutive LIVE plants of **all unmarketable** leaves. (For machine harvesting, strip ALL leaves that will NOT be machine harvested due to insurable causes.) Count the number of **marketable** leaves remaining on ALL 10 PLANTS and record in item 14 on the Tobacco Appraisal Worksheet.
- (c) Examine the leaves counted in (b) above, determine the **average** size relative to a normal leaf (considering the stage of maturity). Leaf size may vary and size may be affected by drought, excessive moisture, disease, or cultural practices.
- 1 If the leaves are not of normal size, determine the appropriate leaf factor to use to convert leaves to normal leaf size, as follows:
 - 2 Using either the FACTOR TABLE on the Tobacco Appraisal Worksheet or in Factor Table in item 15 of the Appraisal Worksheet Instructions (section 8 C), find the column titled "NUMBER OF LEAVES REQUIRED TO EQUAL ONE NORMAL LEAF" the AIP (or AIP service organization who makes crop insurance forms available to AIPs) may choose to include these factors on the Appraisal Worksheet). Find the corresponding conversion factor in the column headed "MULTIPLY NUMBER OF LEAVES COUNTED BY FACTOR" and enter the factor in item 15 of the Appraisal Worksheet. If number of leaves required to equal one Normal Leaf is on neither table, compute the factor as instructed in 2 a below.

→**For Burley Tobacco (Type 31) ONLY**

- a If the appropriate conversion factor is not found on the Appraisal Worksheet of the Tobacco Appraisal Worksheet Instructions or the Factor Table in item 15 of the Appraisal Worksheet Instructions in section 8 C, use the Mature Tobacco Leaf Computation in (5) below ONLY if the plant is completely mature.
- (i) Show the computation in the Remarks section of the Appraisal Worksheet or on a Special Report. If a Special Report is used, attach it to the Tobacco Appraisal Worksheet.
- (ii) The resulting factor will be recorded in the Leaf Factor (item 15 on the Tobacco Appraisal Worksheet).

For Burley Tobacco (Type 31) ONLY←

- b If the average leaf size is smaller than a normal leaf, determine whether an insured or uninsured cause of damage has affected the number of leaves required to equal one normal leaf. Record this information in the Remarks Section of the Tobacco Appraisal Worksheet or on a Special Report attached to the Tobacco Appraisal Worksheet.
- (d) Using the same 10 plants, count the total number of leaves which normally would be expected to emerge for harvesting, and record in item 17 of the Tobacco Appraisal Worksheet. Take into consideration leafing stages, condition of the stalk, type, variety, and stress from any insured cause of damage.
- (e) Complete Part I Sample Determinations, using the instructions in section 8 C items 16 thru 26.

→**For Burley Tobacco, Type 31 ONLY**

(5) Mature Tobacco Leaf Computation For Burley Tobacco (Type 31) ONLY):

Use only if the burley tobacco plant is fully mature and only if there is no appropriate factor on the Factor Table on the Tobacco Appraisal Worksheet

- (a) Measure length and width in inches of the largest leaf, on each of the 10 consecutive live plants in the sample.
- 1 Total the lengths of the largest leaf on the 10 plants and divide by 10.
- 2 Total the widths of the largest leaf on the 10 plants and divide by 10.
- 3 Multiply the average length, obtained in 1 above, times the average width, obtained in 2 above, and divide by 371 (sq. in/avg. leaf) = leaf size factor (round to tenths).

See example below

For Burley Tobacco (Type 31) ONLY←

→**For Burley Tobacco, Type 31 ONLY**

38.0 (average length from 10 plants)
X 20.8 (average width from 10 plants)
 $790.4 \div 371 = 2.130$ or 2.1 factor.
Do not use if plants ARE NOT completely mature.

For Burley Tobacco (Type 31) ONLY←

(6) Appraised Production Calculation:

- (a) Determine the number of **marketable** leaves on the 10 consecutive plants in the sample as determined in 4 (b) above. The number is entered in item 14 of the Tobacco Appraisal Worksheet.
- (b) Multiply the number of marketable leaves on ten stalks (item 14 of the Tobacco Appraisal Worksheet) times the Leaf Factor (item 15 of the Tobacco Appraisal Worksheet) to obtain the number of normal leaves (item 16 of the Tobacco Appraisal Worksheet).
- (c) Determine the number of leaves expected to emerge on the 10 plants (item 17 of the Tobacco Appraisal Worksheet).
- (d) Add the number of normal leaves (item 16 on the Tobacco Appraisal Worksheet) to the leaves expected to emerge (item 17 of the Tobacco Appraisal Worksheet) to obtain the number of marketable leaves on ten stalks (item 18 of the Tobacco Appraisal Worksheet). Total the marketable leaves for all samples entered in item 18, and enter the total at the bottom of item 18.
- (e) Divide the total of all samples of estimated marketable leaves by the number of samples (item 23 of the Tobacco Appraisal Worksheet) to obtain the average leaves per sample (item 24 of the Tobacco Appraisal Worksheet).
- (f) Divide the average leaves per sample (item 24 of the Tobacco Appraisal Worksheet) by 10 (item 25 of the Tobacco Appraisal Worksheet) to obtain the average number of marketable leaves per stalk (item 26 of the Tobacco Appraisal Worksheet).
- (g) Multiply the average number of **marketable** leaves per plant (item 26 of the Tobacco Appraisal Worksheet) by the number of plants per acre in the original planting pattern (item 8 of the Tobacco Appraisal Worksheet) and enter the results in item 28 of the Tobacco Appraisal Worksheet. Then multiply item 28 result by the percent potential (item 29 of the Tobacco Appraisal Worksheet) to obtain the total marketable leaves per acre (item 30 of the Tobacco Appraisal Worksheet). **Item (g) does not apply if the Mature Tobacco Leaf Computation was used.**
- (h) Divide the total marketable leaves per acre above by the number of leaves per pound for the type of tobacco (refer to chart in item 31 Appraisal Worksheet instructions) to obtain the pounds of potential per acre. **Item (h) does not apply if the Mature Tobacco Leaf Computation was used.**

EXAMPLE:

70 (Number of marketable leaves on 10 plants)
X .5 (Leaf factor)
+ 60 (Leaves to emerge on 10 plants)
= 95.0 (Total marketable leaves on 10 plants)
÷ 10 plants
= 9.5 (Average number of marketable leaves per plant)
X 6,534 (Number of plants per acre in original planting pattern)
X .750 (% Potential)
= 46,555 (Total marketable leaves per acre)
÷ 35 (Leaves per pound) for type 23
= 1330 (Pounds of potential per acre)

C. MACHINE HARVESTING METHOD**(1) Percent of Stand Procedure**

- (a) Follow the hand harvesting instructions in subsections 6 B (1), Selecting Representative Samples and (2), Stand Reduction Procedure.
- (b) Count the number of plants remaining in the portion of row determined in section 6 (1) (c). Determine the average number of plants. The average of ALL samples is the percent stand for the field.

(2) Leaf Count Procedure

Use the hand harvesting instructions for appraisals in section 6 B (4).

(3) Machine Harvested Plants

- (a) Multiply the percent of stand by the number of plants per acre in the original stand. This is the remaining number of plants per acre.
- (b) Multiply the remaining number of plants per acre by 0.01 (1% of plants in sample). Count this number of plants in each sample row.

The adjuster may examine the plants in the marked row portion and visually determine those that will withstand machine harvesting. If the insured agrees with this visual determination, continue with (d) below and do not run the machine.

- (c) Make as many test runs with the machine as needed on each sampled row to secure an accurate appraisal.
- (d) After the test runs, count the number of plants per sample and divide by the number of samples to obtain the average number of plants per sample which can be machine harvested.
- (e) Divide the average number of plants which can be machine harvested by the number of plants in the sample before the test runs.

EXAMPLE:

Row width = 42 inches

Plant spacing = 24 inches

Plants per acre = 6,223 (from **TABLE B**)

Row length for 100 plants = 200.0 feet (from **TABLE B**)

Plants remaining in the sample = 95

Plants Per Acre = 5,912 plants per acre ($6,223 \times .95$)

Machine sample row = 59 plants ($5,912 \times .01$)

Plants in sample that can be machine harvested = 14

Percent of plants that can be machine harvested = 24% ($14 \div 59 = .237$, rounded to .24)

Plants per acre that can be machine harvested = 1,419 ($5,912 \times .24$)

1,419 is entered in item 28 of the Tobacco Appraisal Worksheet.

- (f) Determine the normal leaves per acre by multiplying the number of harvestable plants per acre times the average number of normal leaves per plant. Divide the normal leaves per acre by the number of leaves per pound for the per acre appraisal.

D. CURED TOBACCO HANGING OR STORED IN THE BARN METHOD

(1) General Information.

- (a) This appraisal method is used when curing (cured) tobacco in the barn is damaged due to an insured cause of loss and the tobacco is not marketable or the tobacco remains unsold.
- (b) Quality adjustment cannot apply if a record of the value and/or quality of the production cannot be obtained. Refer to Section 3 G (5) and (6) for additional information.
- (c) Record all appraisal determinations and calculations of the appraised production in the barn and other pertinent information on a Special Report. Attach any appropriate records or documents to the Special Report. Retain all of this information in the insured's file folder.
- (d) Make the appraisal determinations as stated in items (2)-(9) or if applicable, item 11 (a) below:

- (2) Remove and appraise sticks, racks, boxes or other containers used for curing of representative tobacco selected randomly throughout the barn. Appraise at least the greater of 15 sticks per determined acre, or 1 percent of the total number of sticks in the barn or 10% of racks or boxes or other containers. Record the number of sticks racks, boxes or other containers appraised.
- (3) Strip Tobacco leaves and divide into piles according to varying leaf size, appearance (possible differences in grade).

- (4) Identify and weigh each group (varying leaf size, appearance- possible grade difference) to the nearest tenth of pound and record the weights and identification of each group. Then weigh the entire stripped production collectively to determine the accuracy of individual weights of each group identified. The collective weight should equal the sum of individually identified groups. Maintain separation of pile by binding with string.
 - (5) Divide the total weight of each identified pile (by varying leaf size, appearance, possible grade) by the total weight to determine the percentage of leaf (by weight) produced for each group identified. Record the percentages to the nearest 1/10 of 1 percent. Weigh the content of each rack, box, or other container to establish the weight per box, rack, or container.
 - (6) Divide the total weight of the (as determined in item (5) above) production by the number of sticks, racks, boxes, or containers recorded in (2) above and round to the nearest thousandth of a pound, to determine the average weight per stick, rack, box or other container in the barn(s) and record the results.
 - (7) Determine the number of sticks, racks, boxes, or other containers in the barn by counting the number of rails in the barn and multiplying by the average number of sticks per racks, boxes, or other containers and record.
 - (8) Multiply the average weight of stripped production per stick, rack, box, or other container determined in (7) above, by the total number of sticks, racks, boxes, or other containers in the barn (item (8) above) to obtain the gross production.
 - (9) Multiply the gross production by the percentage (nearest tenth percent) of each pile to determine pounds of each and record. This will serve as the policy-required record for pounds for quality adjustment purposes.
 - (10) Quality
 - (a) If there is no quality record from a potential buyer, a quality record must be obtained from AMS. If samples are to be submitted to AMS, obtain and submit representative samples to AMS as specified in section 3 G (5) (d). Only the adjuster can obtain and submit samples to AMS; the insured is not allowed to do this. If the tobacco is baled, refer to (11) below for instructions on obtaining samples to submit to AMS. The AMS Inspection and Classification Certificate (refer to Exhibit 2) will serve as the policy-required record showing the quality of the tobacco and a copy must be retained in the insured's file folder.
 - (b) If it is obvious that the tobacco is damaged to the extent that the tobacco has no value (ZMV), a sample does not have to be submitted to AMS; however, it must be documented in writing and pictorially, as specified in PAR. 96 of the LAM. In this case ONLY, the adjuster's documentation will serve as the policy-required record showing the quality of the tobacco for quality adjustment purposes.
- 1 When only a portion of tobacco in the barn has a value, a sample of this tobacco must be submitted to AMS to determine the extent of damage as outlined in (a) above.

- 2 When it is questionable whether the tobacco is damaged to the extent that it has ZMV, submit a representative sample(s) of the tobacco to AMS.
- 3 When production is determined to be ZMV, the claim cannot be processed until it is destroyed in accordance with PAR. 96 (2) of the LAM and documented in accordance with PAR. 96 (h) of the LAM, including written and pictorial documentation of the ZMV production. All documentation must be retained in the insured's file folder.

(11) If the tobacco is baled:

- (a) Gross weight. Determine the gross weight of the production by weighing 10% of the bales, averaging the weight of these bales, and then multiplying the average weight by the number of bales. If the bales were rejected by a buyer and the insured has records from the potential buyer showing the weights of the rejected bales, use those weights.
- (b) Quality.
 - 1 If the bales were rejected and the insured does not have records from the buyer who rejected the tobacco showing the quality of the tobacco, it would be preferred that AMS grade these in the barn.
 - 2 However, if the AMS does not grade the tobacco in the barn, the following can be used to obtain a representative sample to submit to AMS to determine the quality (extent of damage). Only the adjuster can obtain and submit samples to AMS – the insured is not allowed to do this. Sample instructions are as follows:
- (c) Sample instructions. A sample to send to AMS is needed for every 100 bales of like quality. Collect the samples from 10% of every 100 bales of like quality by obtaining a sample from the bale. If the insured is willing to break the straps on a bale to obtain the sample, then take sample from this. If the insured is not willing to break the straps, the sample can be obtained from the bale by using a knife to obtain a plug approximately 4-6" long or by using a cordless drill with a metal hole saw drill bit attachment to obtain a plug of tobacco from each bale that comprise the one pound sample from 10% of every 100 bales, or if the bale is loose, pull some of the tobacco from the bale. Follow the requirements for shipping samples to AMS found in section 3 G (4) (e)).

(12) Determining Value and Average Value of Harvested Tobacco for the Unit

- (a) Value of Tobacco. Refer to section 3 G (5) (c) for determining values of the harvested production when some harvested production has been sold and when none of the production has been sold. Records from the sold production of the same quality or written offers as stated in section 3 G (5) (c) will serve as the policy-required record for price for quality adjustment purposes.
- (b) Average Value Per Pound of Harvested Tobacco for the Unit. Add the gross pounds of the appraised harvested production for the unit in the barn to the number of pounds of any sold production for the unit. Divide the sum of all harvested production values

by the gross poundage to determine average value per pound (do not include zero value production that has been destroyed in this calculation).

- (c) If the average value per pound (due to an unavoidable insured cause of loss) is less than 75 percent of the insured price election, the production is eligible for quality adjustment, provided all other quality provision requirements have been met.
- (d) The gross production of appraised ZMV production in the barn that has been destroyed will be entered with zero value in item H₁ of “Section II-Harvested Production” of the TPC Production Worksheet, and the entry in H₂ will be the insured’s price election. Even if the production that has an average value equal or greater than 75% of the insured’s price election is not adjusted, the production that has zero value that has been destroyed will be adjusted to zero.

E. APPRAISED FIRE DAMAGED PRODUCTION THAT WAS IN THE BARN

- (1) Determine the pounds of production destroyed in the fire. This can be done based on average weights of the production in the RSCs and/or from the average weights of other representative sticks, racks, boxes, or other containers of undamaged tobacco hanging in the barn, and from the number of sticks of tobacco destroyed or damaged in the barn. The total sticks, racks, boxes or other containers of tobacco in the barn can be established from the records the insured has, based on labor records, etc.
- (2) If the number of harvested pounds of tobacco before the fire cannot be established through appraisals in the barn and the insured’s records of the number of sticks hung, racks, boxes, or other containers in the barn, or from appraisals of the RSCs, then the claim must be denied.
- (3) When production has been damaged by fire and the insured has a private fire insurance policy for the tobacco and fire coverage has not been excluded from the Federal crop insurance tobacco policy, refer to PAR. 125 of the LAM for further instructions.
- (4) Retain all documentation of the appraisal, Special Report, and any pertinent records in the insured’s file folder.

7. APPRAISAL DEVIATIONS AND MODIFICATIONS

A. DEVIATIONS

Deviations in appraisal methods require FCIC written authorization (as described in the LAM) prior to implementation.

B. MODIFICATIONS

There are no pre-established modifications contained in this handbook. Refer to the LAM for additional information.

8. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES

A. APPRAISAL WORKSHEET FORM STANDARDS

- (1) The entry items in subsection C are the minimum requirements for the Tobacco Appraisal Worksheet. All of these entry items are “Substantive;” i.e., they are required.
- (2) Appraisal Worksheet Completion Instructions. The completion instructions for the required entry items on the Appraisal Worksheet in the following subsections are “Substantive,” (i.e., they are required.)
- (3) The Privacy Act and Nondiscrimination statements are required statements that must be printed on the form or provided to the insured as a separate document. These statements are not shown on the example form in this section. The current Non-discrimination Statement and Privacy Act Statement can be found on the RMA website at <http://www.rma.usda.gov/regs/required.html> or successor website.
- (4) Refer to the DSSH for other crop insurance form requirements (e.g., font point size, etc).

B. GENERAL INFORMATION FOR WORKSHEET ENTRIES AND COMPLETION PROCEDURES

- (1) Include the AIP’s name in the appraisal worksheet title if not preprinted on the AIP’s worksheet or when a worksheet entry is not provided.
- (2) Include the claim number on the appraisal worksheet (when required by the AIP), when a worksheet entry is not provided.
- (3) Separate appraisal worksheets are required for each unit appraised and for each field or subfield which has a differing base (APH) yield or farming practice (applicable to preliminary and final claims. Refer to section 5 for sampling requirements.
- (4) Standard appraisal worksheet items are numbered consecutively in subsection C. An example appraisal worksheet is also provided to illustrate how to complete entries. For all zero appraisals, refer to the LAM.

C. WORKSHEET ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

Item

No. Information Required

1. **Company:** Name of the AIP, if not preprinted on the worksheet (Company Name).
2. **Claim Number:** Claim number as assigned by the AIP.

3. **Insured's Name:** Name of insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
4. **Policy Number:** Insured's assigned policy number.
5. **FSA Farm Number:** FSA Farm Serial Number.
6. **Crop Year:** Four-digit crop year, as defined in the policy, for which the claim has been filed.
7. **Type:** Three-digit code number, entered exactly as specified on the actuarial documents for the type grown by the insured; e. g. 011, 014, 023, 035, etc.
8. **Total No. Plants Per Acre:** The number of plants per acre in the original stand. Complete items 19 (Row Width) and 20 (Spacing). Apply those values to **TABLE B** to determine the number of plants per acre in the **original** stand and enter in this item.
9. **Unit No.:** Five-digit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).
10. **Field No.:** Field or subfield identification symbol.
11. **No. of Acres:** Number of determined acres to hundredths in the field or subfield being appraised.
12. **Leaf Stage:** Estimate of the number of leaves present per plant at the date of damage.

PART I - SAMPLE DETERMINATIONS

13. **Percent Plant Loss:** Result of subtracting the number of **LIVE** plants that will produce **marketable leaves** from 100. When all samples are completed, enter the total for all samples at the bottom of the column. Refer to subsection 6 B (2).
14. **Number Leaves on Ten Stalks:** Total number of **marketable leaves** on 10 consecutive **LIVE** plants (that will produce marketable leaves) for each sample. Refer to Stand Reduction Method in section 6 B (2) for information on determination of "marketable leaves."
15. **Leaf Factor:** Factor, to tenths. Examine the leaves counted in item 14 above to determine if the average size is relative to a normal leaf (considering the stage of maturity). If the average leaf size is of normal leaf size, enter 1.0.
 - a. If the average leaf size is not of a normal leaf size, determine the appropriate leaf factor to use to convert leaves to normal leaf size, as follows:
 - (1) Using the FACTOR TABLE on the Tobacco Appraisal Worksheet or the Factor Table below find the column titled "NUMBER OF LEAVES REQUIRED TO EQUAL ONE NORMAL LEAF." Find the corresponding conversion factor in the column headed "MULTIPLY NUMBER OF LEAVES COUNTED BY FACTOR."

The factors in the Factor Table below are also on the Factor Table in the Tobacco Appraisal Worksheet. AIPs or AIP service organizations offering forms to AIP may want to add the factors below to their Tobacco Appraisal Worksheet, but are not required to do so at this time.

FACTOR TABLE	
Number of Leaves Required to Equal One Normal Leaf	Multiply Number of Leaves Counted by Factor
2 ½	.4
3-4	.3
5	.2

→**For Burley Tobacco (Type 31) ONLY**

- (2) If the corresponding conversion factor is not found on the Appraisal Worksheet, or in the Factor Table above and the Burley Tobacco plant is completely mature, use the Mature Tobacco Leaf Computation instructions found in Section 6 B (5) to determine the appropriate leaf factor.

For Burley Tobacco (Type 31) ONLY←

- (3) Refer to the Remarks section for documentation requirements.

16. **Number Normal Leaves:** Multiply the number of leaves on ten plants (item 14) times the leaf factor (item 15) and round to the nearest tenth.
17. **Leaves to Emerge:** Total number of leaves which normally would be expected to emerge for harvesting from the same 10 plants.
18. **No. of Normal Leaves on Ten Stalks:** Sum of number of normal leaves (item 16) and leaves to emerge (item 17). Enter the total for all samples at the bottom of the column.
19. **Row Width:** Distance between rows (in whole inches) in the **original** planting pattern. Refer to subsection 5C for row-width determination information.
20. **Spacing:** Spacing between plants within each row (in whole inches) in the **original** planting pattern. Refer to **TABLE B** for instructions.
21. **Samples:** Number of samples taken in field or subfield.
22. **Avg. % Plant Loss:** Divide the total of percent plant loss (item 13) by the number of samples (item 21) and round to the nearest tenth.
23. **Total No. of Samples Checked:** Number shown in item 21.
24. **Avg. Leaves Per Sample:** Divide the total number of normal leaves on ten stalks (item 18) by total number of samples checked (item 23) and round to the nearest tenth.
25. **Factor:** Constant factor of “10.”

26. **Avg. No. Normal Leaves Per Stalk:** Divide average number of leaves per sample (item 24) by the constant factor of “10” (item 25) and round to the nearest tenth.

PART II - APPRAISAL COMPUTATIONS

MAKE NO ENTRY IN ITEMS 27-32 WHEN THE MATURE TOBACCO LEAF SIZE FACTOR COMPUTATION IS USED ON BURLEY TOBACCO (TYPE 31). The Mature Tobacco Leaf Size Factor is applicable ONLY to Burley Tobacco.

PART A

27. **Average No. Normal Leaves Per Stalk:** Result of transferring item 26.
28. **Plants Per Acre:** Total number of plants per acre shown in item 8.
29. **% Potential:** 110.0% or 100.0% minus the average percent plant loss (item 22), divided by 100, and rounded to the nearest tenth. **Entry cannot exceed 1.000.** Refer to subsection 6 B (3) for the calculation of percent potential.
30. **Total Number Leaves Per Acre:** Multiply the average number of normal leaves per stalk (item 27) times plants per acre (item 28) times percent potential (item 29) and round to nearest whole number.
31. **Number of Leaves Per Pound:** The number of normal leaves per pound.

TYPE

LEAVES PER POUND

32, 41 and all dark types (21, 22, 23, 35, 36, 37)	35
51 and 52.	50
61.	135
31, 54, 55 and flue-cured types (11, 12, 13, 14).	60

32. **Appraisal Per Acre:** Divide the total number of leaves per acre (item 30) by number of leaves per pound (item 31) and round to the nearest whole pound.

ITEMS 33-35 ENTRIES ARE APPLICABLE ONLY WHEN THE TOBACCO LEAF SIZE FACTOR COMPUTATION IS USED ON BURLEY TOBACCO (TYPE 31). The Mature Tobacco Leaf Size Factor is applicable ONLY to Burley Tobacco.

PART B

33. **% Potential:**
- Percent potential (recorded as a decimal; i.e., 63.5 percent recorded as .635). Refer to instructions in subsection 6 B (3) and item 29 for determining percent potential and to subsection 6 B (5) for explanation of Mature Tobacco Leaf Size Factor Computation.
34. **MAKE NO ENTRY.** “100” is preprinted on the form. Form entry of one leaf per stalk is equivalent to 100 pounds per acre potential

35. **Appraisal Per Acre:**

Result of multiplying the number of normal leaves per stalk (item 27) times percent potential (item 33) times form entry of one leaf per stalk (item 34), rounded to the nearest whole pound.

36. **Remarks:**

- a. Any remarks concerning any unusual circumstances or as required by the insurance provider.
- b. Leaf Factor:
 - (1) If the leaves are smaller than a normal leaf, document whether an insured or uninsured cause of loss caused the leaves to be undersized.
 - (2) Explain your determination and show the computation calculation of the leaf factor(s) used in item 15 if the entry is different than the factors from the Factor Table on the Appraisal Worksheet or the Factor Table in item 15.
 - (3) If the Mature Tobacco Leaf Computation found in Section 6 B (5) was used, show the computation in the Remarks section of the Appraisal Worksheet or on a Special Report. If a Special Report is used, attach it to the Appraisal Worksheet.

The following required entries are not illustrated on the Appraisal Worksheet example below.

- 37. **Insured's Signature and Date:** Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining the signature, REVIEW ALL ENTRIES on the Appraisal Worksheet WITH THE INSURED (or insured's authorized representative), particularly explaining codes, etc., which may not be readily understood.
- 38. **Adjuster's Signature, Code Number, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured's authorized representative) has signed. If the appraisal is performed prior to signature date, document the date of the appraisal in the Remarks/Narrative section of the Appraisal worksheet (if available); otherwise, document the appraisal date in the Narrative of the TPC Production Worksheet.
- 39. **Page Numbers:** Page Numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

FOR ILLUSTRATION PURPOSES ONLY

APPRAISAL WORKSHEET TOBACCO		1. COMPANY: Any Company						2. CLAIM NUMBER: XXXXXX					
		3. INSURED'S NAME I.M. Insured				4. POLICY NUMBER XXXXXXXX		5. FSA FARM NUMBER 145		6. CROP YEAR YYYY			
		7. TYPE 022		8. TOTAL NO. PLANTS PER ACRE 5,940		9. UNIT NO. 00100		10. FIELD NO. B		11. NO. OF ACRES 3.00		12. LEAF STAGE 10	
		PART 1 DETERMINATIONS						19. ROW WIDTH 48		20. SPACING 22			
SAMPLE NO.	13	14.	15.	16.	17.	18.	FACTOR TABLE						
	PERCENT PLANT LOSS	NUMBER LEAVES ON TEN STALKS	X LEAF FACTOR	=	NUMBER OF NORMAL LEAVES	+ LEAVES TO EMERGE	=	NO. OF NORMAL LEAVES ON TEN STALKS	NUMBER OF LEAVES REQUIRED TO EQUAL ONE NORMAL LEAF			MULTIPLY NUMBER OF LEAVES COUNTED BY FACTOR	
1	48	23	0.5		11.5	38		49.5	1/2			2.0	
2	56	32	0.6		19.2	30		49.2	5/8			1.6	
3	55	38	0.5		19.0	32		51.0	3/4			1.3	
4	62	28	0.5		14.0	20		34.0	7/8			1.1	
5									1			1.0	
6									1 1/4			.8	
7									1 1/2			.7	
8									1 3/4			.6	
9									2			.5	
10									2 1/2			.4	
11									3 - 4			.3	
12									5			.2	
TOTAL		21. SAMPLES 221	22. AVG % PLANT LOSS ÷ 4 = 55.3		TOTAL			23. TOTAL NO. SAMPLES CHECKED 183.7	24. AVG. LEAVES PER SAMPLE ÷ 4 = 45.9	25.	26. AVG NO. NORMAL LEAVES PER STALK ÷ 10 = 4.6		
PART II APPRAISAL COMPUTATIONS													
PART A													
27. AVERAGE NO. NORMAL LEAVES PER STALK		28. PLANTS PER ACRE		29. % POTENTIAL		30. TOTAL NUMBER OF LEAVES PER ACRE		31. NUMBER OF LEAVES PER POUND		32. APPRAISAL PER ACRE			
		X 5,940		X .447		= 12,214		÷ 35		= 349			
PART B													
4.6		33. % POTENTIAL				34. POTENTIAL POUNDS PER ACRE OF ONE NORMAL LEAF PER STALK				35. APPRAISAL PER ACRE			
						X 100				=			
36. REMARKS													
Consent given to destroy, Certification left with insured.													

Refer to the above Appraisal Worksheet instructions for required statements and signature entries.

9. CLAIM FORM ENTRIES AND COMPLETION PROCEDURES

A. CLAIM FORM STANDARDS

- (1) The entry items in subsection C are the minimum claim form (hereafter referred to as “TPC Production Worksheet”) requirements. All of these entry items are considered “Substantive,” (i.e., they are required.)
- (2) TPC Production Worksheet Instructions. The completion instructions for the required entry items on the TPC Production Worksheet in the following subsections are “Substantive,” (i.e., they are required.)
- (3) The Privacy Act and Non-Discrimination Statements are required statements that must be printed on the form or provided to the insured as a separate document. These statements are not shown in the example form in this exhibit. The current Non-Discrimination Statement and Privacy Act Statement can be found on the RMA website at <http://www.rma.usda.gov/regs/required.html> or successor website.
- (4) The certification statement required by the current DSSH must be included on the form directly above the insured’s signature block and immediately followed by the statement below.

“I understand the certified information on this TPC Production Worksheet will be used to determine my loss, if any, to the above unit. The insurance provider may audit and approve this information and supporting documentation. The Federal Crop Insurance Corporation, an agency of the United States, subsidizes and reinsures this crop insurance.”

- (5) Refer to the DSSH for other crop insurance form requirements (e.g., point size of font, etc.)

B. GENERAL INFORMATION FOR ENTRIES AND COMPLETION PROCEDURES

- (1) The TPC Production Worksheet is a progressive form containing all notices of damage for all preliminary and final inspections (including “No Indemnity Due” claims) on a unit.
- (2) If a TPC Production Worksheet has been prepared on a prior inspection, verify each entry and enter additional information as needed. If a change or correction is necessary, strike out all entries on the line and re-enter correct entries on a new line. The adjuster and insured should initial any line deletions.
- (3) Refer to the LAM for instructions regarding the following:
 - (a) Acreage report errors.
 - (b) Delayed notices and delayed claims.

- (c) Corrected claims or fire losses (double coverage) and cases involving uninsured causes of loss, unusual situations, controversial claims, concealment, or misrepresentation.
 - (d) Claims involving a Certification Form (when all the acreage on the unit has been appraised to be put to another use, or other reasons described in the LAM).
 - (e) “No Indemnity Due” claims (which must be verified by an APPRAISAL or NOTIFICATION from the insured that the production exceeded the guarantee).
 - (f) Late planting.
- (4) Refer to the Prevented Planting LASH for information on prevented planting.
 - (5) The adjuster is responsible for determining if any of the insured’s requirements under the notice and claim provisions of the policy have not been met. If any have not, the adjuster should contact the AIP.
 - (6) Instructions labeled “**PRELIMINARY**” apply to preliminary inspections only. Instructions labeled “**FINAL**” apply to final inspections only. Instructions not labeled apply to ALL inspections.

C. FORM ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

**Item
No.**

Information Required

1. **Crop/Code #:**

Flue Cured Tobacco	0229
Fire Cured Tobacco	0230
Burley Tobacco	0231
Maryland Tobacco	0232
Dark Air Tobacco	0233
Cigar Filler Tobacco	0234
Cigar Binder Tobacco	0235
Cigar Wrapper Tobacco	0236
2. **Unit #:** Five-digit unit number from the Summary of Coverage after it is verified to be correct. (e.g., 00100).
3. **Legal Description:** FSA Farm Serial Number for the unit. If there is not enough space in the block to record all of the FSNs that comprise the unit, enter “See Narrative,” and record all FSNs in the Narrative.
4. **Date of Damage:** First three letters of the month during which MOST of the insured damage (including progressive damage) occurred for each inspection. Include the SPECIFIC DATE where applicable as in the case of hail damage (e.g., AUG 11).

5. **Cause of Damage:** Name of insured cause of loss for **this crop** as listed in the LAM. If it is evident that no indemnity is due, enter “NONE.” If an insured cause of loss is coded as “Other,” explain in the “Narrative.”

Refer to the Basic Provisions and the Crop Provisions for this crop for information pertaining to insured and uninsured causes of loss.

6. **Primary Cause %:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Percent of damage for the cause of damage listed in item 5 above that is determined to be the primary cause of damage, to the nearest whole percent. The primary cause of damage must exceed 50 percent (e.g., 51%). Enter an “X” in the major secondary cause of damage.

7. **Company/Agency:** Name of company and agency servicing the contract, if not preprinted on the worksheet (Company Name).

8. **Name of Insured:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.

9. **Claim #:** Claim number as assigned by the AIP.

10. **Policy #:** Insured’s assigned policy number.

11. **Crop Year:** Four-digit crop year, as defined in the policy, for which the claim is filed.

12. **Additional Units:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Unit number(s) for **ALL** non-loss units for the crop at the time of final inspection. A non-loss unit is any unit for which a TPC Production Worksheet has not been completed. Additional non-loss units may be entered on a single TPC Production Worksheet.

If more spaces are needed for non-loss units, enter the unit numbers, identified as “Non-Loss Units,” in the Narrative or on an attached Special Report.

13. **Est. Prod. Per Acre:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Estimated yield per acre, in whole pounds, of **ALL** non-loss units for the crop at the time of final inspection.

14. **Date(s) of Notice of Loss:**

PRELIMINARY:

- a. Date the notice of damage was given for the unit in item 2.
- b. A third preliminary inspection (if needed) requires an additional set of TPC Production Worksheets. Enter the date of notice for a third preliminary inspection in the 1st space of item 14 on the second set.
- c. Reserve the “Final” space on the first page of the first set of TPC Production Worksheets for the date of notice for the final inspection.
- d. If the inspection is initiated by the AIP, enter “Company Insp.” instead of the date.
- e. If the notice does not require an inspection, document as directed in the Narrative.

FINAL: Transfer the last date (in the 1st or 2nd space to the FINAL space on the first or second set of TPC Production Worksheets) if a final inspection should be made as a result of the notice. Always enter the complete date of notice (MM/DD/YYYY) for the “FINAL” inspection in the FINAL space on the first page of the first set of TPC Production Worksheets. For a delayed notice of loss or delayed claim, refer to the LAM.

15. **Companion Policy(ies):**

- a. If no other person has a share in the unit (insured has 100 percent share), MAKE NO ENTRY.
- b. In all cases where the insured has LESS than a 100 percent share of a loss-affected unit, ask the insured if the OTHER person sharing in the unit has a multiple-peril crop insurance contract (i.e., not crop-hail, fire, etc.). If the other person does not, enter “NONE.”
 - (1) If the other person has a multiple-peril crop insurance contract and it can be determined that the SAME AIP services it, enter the contract number. Handle these companion policies according to AIP instructions.
 - (2) If the OTHER person has a multiple-peril crop insurance contract and a DIFFERENT AIP or agent services it, enter the name of the AIP and/or agent (and contract number) if known.
 - (3) If unable to verify the existence of a companion contract, enter “Unknown” and contact the AIP for further instructions.

Refer to the LAM for further information regarding companion contracts.

SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

Make separate line entries for varying:

- (1) Rate classes, types, or farming practices;
- (2) APH yields;
- (3) Appraisals;
- (4) Stages or intended use(s) of acreage;
- (5) Shares (e.g., 50 percent and 75 percent shares on the same unit); or
- (6) Appraisals for damage due to hail or fire if Hail and Fire Exclusion is in effect.

Verify or make the following entries:

**Item
No.**

Information Required

- A. **Field ID:** The field identification symbol from a sketch map or an aerial photo. Refer to the narrative. In the margin (or in a separate column), enter the date of inspection for the last line entry of each inspection.

REFER TO THE LAM FOR INSTRUCTIONS REGARDING ENTRY OF FIRST CROP AND SECOND CROP CODES.

- B. **Prelimin. Acres:**

PRELIMINARY: The number of acres, to hundredths, (include "E" if estimated), for which consent for other use has been given. Determine actual acreage, to hundredths, when the boundaries of the appraised acreage may not be determined later.

FINAL: MAKE NO ENTRY.

- C. **Final Acres:** Refer to the LAM for definition of acceptable determined acres used herein. Enter the determined acres to hundredths (include "E" if estimated) for which consent is given for other use and/or:

- a. Put to other use without consent;
- b. Abandoned;
- c. Damaged solely by uninsured causes;
- d. For which the insured failed to provide acceptable records of production; or
- e. When the stalks and stubble have been destroyed without consent.

Refer to the LAM for procedures regarding when estimated acres are allowed and documentation requirements.

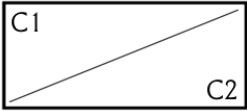
FINAL: Determined acres to hundredths.

Acreage breakdowns WITHIN a unit or field may be estimated (refer to LAM) if a determination is impractical AND if authorization was received from the AIP. Document

authorization in the Narrative. Refer to **Table C** for Tractor Row Acreage Correction Factors.

ACCOUNT FOR ALL ACREAGE IN THE UNIT. In the event of over-reported acres, handle in accordance with individual AIP's instructions. In the event of under-reported acres, draw a diagonal line in Column "C" as shown.

C₁ Enter the ACTUAL acres for the field or subfield.
C₂ Enter the REPORTED acres for the field or subfield.



- D. **Interest or Share:** Insured's interest in the crop to three decimal places as determined at the time of inspection. If shares vary on the same UNIT, use separate line entries.
- E. **Risk:** Three-digit code for the correct "Rate Class" specified on the actuarial documents. If there is no "Rate Class" or "High-Risk Area" specified on the actuarial documents, make no entry. Verify with the Summary of Coverage, and if the rate class is found to be incorrect, revise according to the AIP's instructions. Refer to the LAM.
- Unrated land is uninsurable without a written agreement.
- F. **Practice:** Three-digit code number, entered exactly as specified on the actuarial documents, for the practice carried out by the insured. If "No Practice Specified," enter appropriate 3-digit code number from the actuarial documents.
- G. **Type/Class/Variety:** Three-digit code number, entered exactly as specified on the actuarial documents, for the type grown by the insured. If "No Type Specified," enter appropriate 3-digit code number from the actuarial documents.
- H. **Stage:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Stage abbreviation as shown below.

<u>STAGE</u>	<u>EXPLANATION</u>
---------------------	---------------------------

"P".....	Acreage abandoned without consent, put to other use without consent, damaged solely by uninsured causes, for which the insured failed to provide records of production which are acceptable to the AIP, or when the stalks and stubble have been destroyed without consent.
----------	---

"H".....	Harvested.
----------	------------

"UH".....	Unharvested or put to other use with consent.
-----------	---

PREVENTED PLANTING: Refer to the Prevented Planting Handbook for proper codes for any eligible prevented planting acreage.

GLEANED ACREAGE: Refer to the LAM for information on gleaning.

- I. **Intended or Final Use:** Use of Acreage. Use the following “Intended Use” abbreviations.

<u>USE</u>	<u>EXPLANATION</u>
“To Soybeans,” etc.	Use made of the acreage
“WOC”	Other use without consent
“SU”	Solely uninsured
“ABA”	Abandoned without consent
“H”	Harvested
“UH”	Unharvested

Verify any “Intended Use” entry. If the final use of the acreage was not as indicated, strike out the original line and initial it. Enter all data on a new line showing the correct “Final Use.”

PREVENTED PLANTING: Refer to the Prevented Planting Handbook for proper codes for any eligible prevented planting acreage.

GLEANED ACREAGE: Refer to the LAM for information on gleaning.

- J. **Appraised Potential:** Per-acre appraisal, in whole pounds, of POTENTIAL production for the acreage appraised as shown on the appraisal worksheet. Refer to Section 6, “Appraisal Method” for additional instructions.

If there is no potential on UH acreage, enter “0.” Refer to paragraph 85 in the LAM for procedures for documenting zero yield appraisals.

- K. **Quality Factor:** MAKE NO ENTRY.

Tobacco cannot be quality adjusted until it has been harvested and cured.

- L. **Adjusted Potential:** Enter the amount from item “J.”

- M. **+ Uninsured Cause:** EXPLAIN IN THE NARRATIVE.

- a. Hail and Fire exclusion NOT in effect.

- (1) Enter NOT LESS than the insured’s production guarantee per acre, in whole pounds, for the line, (calculated by multiplying the elected coverage level percentage multiplied by the approved APH yield per acre shown on the APH form) for any “P” stage acreage.

On preliminary inspections, advise the insured to keep the harvested production from any acreage damaged SOLELY by uninsured causes separate from other production.

(2) For acreage that is damaged PARTLY by uninsured causes, enter the APPRAISED UNINSURED loss of production per acre, in whole pounds, for any such acreage. Refer to the LAM for information regarding assessing uninsured cause appraisals.

- b. When there is late-planted acreage, the applicable per-acre production guarantee for such acreage is the production guarantee per acre that has been reduced for late-planted acreage.
- c. Refer to the LAM when a Hail and Fire Exclusion is in effect and damage is from hail or fire.
- d. Enter the result of adding uninsured cause appraisals to hail and fire exclusion appraisals.

For fire losses, if the insured also has other fire insurance (double coverage), refer to the LAM.

N. **Potential Counted:** Potential to count, in whole pounds, (Column “L” plus Column “M”).

O. **Value Per Pound:** MAKE NO ENTRY.

P. **Total Potential to Count:** Column “C” or “C₁” (**actual** acres) times Column “N,” rounded to whole pounds.

Q. **Per Acre:** Per Acre Guarantee - Enter the per acre production guarantee from the insured’s policy, in whole pounds. Refer to the LAM for late planting procedures.

R. **Total:** Column “C₂” (**reported** acres; “C” if acreage is not under-reported) times Column “Q,” rounded to whole pounds.

16. **Total Acres:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Total Actual Acres (Column “C” or [“C₁” if there are under-reported acres]), to hundredths.

FOR ITEM 17. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, APH YIELDS, TYPES, PRICE ELECTIONS, ETC., WITHIN THE UNIT, AND TOTALS NEED TO BE KEPT SEPARATE FOR CALCULATING INDEMNITIES, MAKE NO ENTRY AND FOLLOW THE INSURANCE PROVIDER’S INSTRUCTIONS; OTHERWISE, MAKE THE FOLLOWING ENTRIES.

17. **Totals:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Total of Column “P” and total of Column “R.”

NARRATIVE:

If more space is needed, document on a Special Report, and enter “See Special Report.” Attach the Special Report to the TPC Production Worksheet.

- a. If no acreage is released on the unit, enter “No acreage released,” adjuster’s initials, and date.
- b. If notice of damage was given and “No Inspection” is required, enter “No Inspection,” the unit number(s), date, and adjuster’s initials (do not enter the unit numbers for which notice has not been given). The insured's signature is not required.
- c. Explain any uninsured causes, unusual, or controversial cases.
- d. If there is an appraisal in Section I, item M for uninsured causes due to a hail/fire exclusion, show the original hail/fire liability per acre and the hail/fire indemnity per acre.
- e. Document the actual appraisal date if an appraisal was performed prior to the adjuster’s signature date on the appraisal worksheet, and the date of the appraisal is not recorded on the appraisal worksheet.
- f. State that there is “No other fire insurance” when fire damages or destroys the insured crop and it is determined that the insured has no other fire insurance. Also refer to the LAM.
- g. Explain any errors found on the Summary of Coverage.
- h. Explain any commingled production. Refer to the LAM.
- i. Explain any entry for “Production Not to Count” in Section II, item J and/or any production not included in Section II, item G; e.g., harvested production from uninsured acreage that can be identified separately from the insured acreage in the unit.
- j. Explain a “NO” checked in item 19 (Damage similar to other farms in the area.)
- k. Attach a sketch map or aerial photo to identify the total unit:
 - (1) If consent is or has been given to put part of the unit to another use;
 - (2) If uninsured causes are present; or
 - (3) For unusual or controversial cases.

Indicate on the aerial photo or sketch map, the disposition of acreage destroyed or put to other use with or without consent.
- l. Explain any difference between date of inspection and signature dates. For an ABSENTEE insured, enter the date of the inspection AND the date of mailing the TPC Production Worksheet for signature.
- m. When any other adjuster or supervisor accompanied the adjuster on the inspection, enter the code number of the other adjuster or supervisor and date of inspection.

- n. Explain the reason for a “No Indemnity Due” claim. “No Indemnity Due” claims are to be distributed in accordance with the AIP’s instructions.
- o. Explain any delayed notices or delayed claims as instructed in the LAM.
- p. Document any authorized estimated acres shown in Section I, item C as follows:
EXAMPLE: “Line 3 “E” acres authorized by insurance provider MM/DD/YYYY.”
- q. Document the method and calculation used to determine acres for the unit. Refer to the LAM.
- r. Specify the type of insects or disease when the insured cause of damage or loss is listed as insects or disease. Explain why control measures did not work.
- s. Identify any tobacco which has no market value and is destroyed. Explain the reason for no market value and the method of destruction. Also, refer to the LAM for additional documentation requirements.
- t. Document the name and address of the charitable organization when gleaned acreage is applicable. Refer to the LAM for more information on gleaning.
- u. Document any other pertinent information, including any data to support any factors used to calculate the production.

SECTION II - HARVESTED PRODUCTION

GENERAL INFORMATION:

- (1) Account for ALL HARVESTED PRODUCTION (for **ALL ENTITIES** sharing in the crop). Inspect ALL barns to account for all harvested production when using the Cured Tobacco Hanging in the Barn appraisal method.
- (2) If additional lines are necessary, the data may be entered on a continuation sheet.
USE SEPARATE LINES FOR:
 - (a) Different FIRST handlers (buyers or warehouses). The insured must have maintained satisfactory records of ALL production sold. Verify any warehouse or buyer records.
 - (b) Varying shares; e.g., 50 percent and 75 percent shares on the same unit.
 - (c) Production having zero value that has been destroyed (including production destroyed by fire after harvest).
 - (d) Production not sold.

Verify or make the following entries:

Item

No.

Information Required

18. **Date Harvest/Sale Completed: (Used to determine if there is a delayed notice or a delayed claim. Refer to the LAM.)**

PRELIMINARY: MAKE NO ENTRY.

- a. Enter the earlier of the date that one of the following events occurred:
- (1) Total destruction of the tobacco on the unit;
 - (2) Weighing-in at the buyer or tobacco warehouse;
 - (3) Removal of the tobacco from the field where grown except for curing, grading, packing, or immediate delivery to the tobacco warehouse; or
 - (4) The calendar date for the end of the insurance period for the type.
- b. If at the time of final inspection (if prior to the end of the insurance period) there is any unharvested insured acreage remaining on the unit that the insured does not intend to harvest, enter “**Incomplete.**”
- c. If at the time of final inspection (if prior to the end of the insurance period), **none** of the insured acreage on the unit has been harvested, and the insured does not intend to harvest such acreage, enter “**No Harvest.**”
- d. If the case involves a Certification Form, enter the date from the Certification form when the entire unit was put to another use, etc. Refer to the LAM.

19. **Damage Similar to other Farms in the Area?:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Check “Yes” or “No.” Check “Yes” if amount and cause of damage due to insurable causes is similar to the experience of other farms in the area. If “No” is checked, explain in the narrative.

20. **Assignment of Indemnity:** Check “Yes” **only** if an assignment of indemnity is in effect for the crop year; otherwise check “No.” Refer to the LAM.

21. **Transfer of Right to Indemnity:** Check “Yes” **only** if a transfer of right to indemnity is in effect for the unit for the crop year; otherwise, check “No.” Refer to the LAM.

- A₁. **Share:** RECORD ONLY VARYING SHARES on the SAME unit to three decimal places.

A₂. **Field ID:**

- a. If only one practice and/or type of harvested production is listed in Section I, MAKE NO ENTRY.
- b. If more than one practice and/or type of harvested production is listed in Section I and a separate approved APH yield exists, indicate for each practice/type the corresponding Field ID (from Section I, item “A”).

REFER TO THE LAM FOR INSTRUCTION REGARDING ENTRY OF FIRST CROP AND SECOND CROP CODES.

- B. - E. **Row Width, Tractor Row, Est. Yield, Leaf Quality:** If the stalk inspection was recorded on a Special Report, enter “See attached Special Report” in items B-E with at least the required information below. If the PW is used to record the Stalk Inspection, make entries in the individual spaces as follows:

STALK INSPECTION: After the words “Stalk Inspection” in the column heading, enter the date the stalks were inspected.

Row Width - Enter the average number of inches from center to center of rows in the upper portion of the space. Enter the row pattern (4-1, 5-2, etc.) in the lower portion of the space.

Tractor Row - Enter the width of the tractor row in whole inches. Measure from center to center of outside rows.

Est. Yield - Enter the estimated yield (in whole pounds).

Leaf Quality - Check the appropriate entry, whether good (G), fair (F), or poor (P).

- F. **Quota, Non-Quota, Bale No.:** Strike through title and enter “**Disposition**”

Enter the disposition of the tobacco as follows:

PRELIMINARY: “Destroyed by fire” for any tobacco burned in the curing barn or pack barn; otherwise, MAKE NO ENTRY.

FINAL:

- a. Name of auction warehouse for production sold through auction warehouse.
- b. Name of buyer for production sold to other than auction warehouse.
- c. “Not sold.” Document, in the Narrative, the location of any production which is not sold.
- d. “Destroyed by fire” for any tobacco burned in the curing barn or pack barn (refer to the LAM).

- e. “ZMV Tobacco Destroyed” when the adjuster has witnessed satisfactory destruction of tobacco that has no value due to insured causes.
- f. “ZMV Tob. Not Destroyed” for any tobacco that has no value and **that has not been destroyed**.

G. **Production:** Account for ALL harvested production, in whole pounds, for the disposition shown in item F including harvested production that is appraised in the barn. Explain in the Narrative how “Not Sold” production was determined.

- a. Determining production to count for tobacco that has no market value:

Any tobacco that has no market value due to damage by insured causes must be destroyed and will **not** be considered production to count. However, if the insured refuses to destroy the tobacco, include such tobacco as production to count and value at the insured’s price election. Refer to section 3 G (8) and H₁ below for further instructions and information.

- b. For harvested fire damaged production, refer to 6 E and H₁ below.

H₁. **Value Per Pound:** Refer to section 3 G for additional information.

PRELIMINARY: MAKE NO ENTRY.

FINAL: Average value per pound to the nearest cent.

- a. Determine the average value per pound by adding the total value of harvested production including tobacco appraised in the barn (**exclude tobacco with no value** due to insured cause of loss that insured **has** satisfactorily **destroyed**; refer to (f) below) that:
 - (1) is sold and not sold;
 - (2) has ZMV (no value) and **that HAS NOT been destroyed** (or satisfactorily destroyed) and has been valued at the insured’s price election;
 - (3) If the value received is unreasonable, determine a reasonable value. Refer to section 3 G for instructions.
- b. Determine the average value per pound by dividing the result of item “a” above, by the total pounds harvested for the unit (exclude pounds of tobacco destroyed by fire or ZMV tobacco that has been satisfactorily destroyed), rounded to the nearest whole cent.
- c. After the average value per pound has been determined, the value will be the same for each line entry **except** for tobacco destroyed by fire or ZMV tobacco that has been satisfactorily destroyed, as witnessed by the adjuster. Document the average value calculation in the Narrative. Refer to (e) and (f) below respectively for separate line entries.

- d. If the average value per pound is equal to or greater than 75 percent of the insured's price election, MAKE NO ENTRY.
- e. **Fire Damaged Tobacco.** If there is a fair market value per pound for harvested tobacco production damaged by fire, refer to "a." above. If the fair market value is zero, enter "0.00" (zero) on a separate line entry. Refer to paragraph 125 of the LAM for instruction for determining the fair market value and for specific instructions regarding excluded fire coverage and double-fire coverage; i.e., fire coverage under the FCIC Tobacco crop insurance program and fire coverage under a private fire insurance policy.
- f. **ZMV tobacco (due to insured cause of loss) that has been satisfactorily destroyed:**

Enter "0.00" to represent no value. Refer to section 3 G (8) for additional information.
- g. Explain in the Narrative the basis for value of production "Not Sold" or basis of determination for production having no market value; i. e., (ZMV).

The insured must give the AIP the opportunity to inspect any production prior to the insured disposing of it. If the insured failed to notify and provide the AIP the opportunity to inspect such tobacco, document on a Special Report that the insured had sold, contracted, or otherwise disposed of the tobacco prior to inspection. Such production cannot be quality adjusted, regardless of the average value. Refer to section 3 G for further information.

H₂. **Local Market Price:** Strike through the title and enter "Price Election." Enter the insured's price election for the type of tobacco.

I. **Quality Factor:** Item H₁ divided by item H₂, to three decimal places.

J. **Production Not to Count:** Production NOT to count, in whole pounds, WHEN ACCEPTABLE RECORDS IDENTIFYING SUCH PRODUCTION ARE AVAILABLE, from harvested acreage which has been assessed an appraisal of not less than the production guarantee per acre, or from other sources (e.g., uninsured acreage). THIS ENTRY MUST NEVER EXCEED PRODUCTION SHOWN ON THE SAME LINE. EXPLAIN ANY "PRODUCTION NOT TO COUNT" IN THE NARRATIVE.

K. **Production to Count:**

- a. If quality adjustment **does not** apply, subtract Column "J" from column "G."
- b. If quality adjustment **does** apply, subtract column "J" from Column "G" times Column "I," rounding to the nearest whole pound.

L. - M. MAKE NO ENTRY.

N. **Production/Value to Count:** Repeat entry from item “K.”

NOTE: FOR ITEMS 22 - 24. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, APH YIELDS, PRICE ELECTIONS, TYPES, ETC., WITHIN THE UNIT, AND TOTALS NEED TO BE KEPT SEPARATE FOR CALCULATING INDEMNITIES, MAKE NO ENTRY AND FOLLOW THE AIP’S INSTRUCTIONS; OTHERWISE, MAKE THE FOLLOWING ENTRIES.

22. **Section II Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Enter the total of Column “N,” to whole pounds.

23. **Section I Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Enter the figure from SECTION I Column “P” total.

24. **Unit Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Total of items 22 and 23.

25. **Adjuster’s Signature, Code #, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured’s authorized representative) has signed. For an absentee insured, enter adjuster’s code number **ONLY**. The signature and date will be entered **AFTER** the absentee has signed and returned the TPC Production Worksheet.

Final indemnity inspections should be signed on the bottom line.

26. **Insured’s Signature:** Insured’s (or insured’s authorized representative’s) signature and date. **BEFORE** obtaining the insured’s signature, **REVIEW ALL ENTRIES** on the TPC Production Worksheet **WITH THE INSURED**, particularly explaining codes, etc., that may not be readily understood.

Final indemnity inspections should be signed on the bottom line.

27. **Page Numbers:**

PRELIMINARY: Page numbers – “1,” “2,” etc., at the time of inspection.

FINAL: Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

1 Crop/Code #	2 Units	3 Legal Description		T-P-C PRODUCTION WORKSHEET (FOR ILLUSTRATION PURPOSES ONLY) 7 Company _____ ANY COMPANY _____ Agency _____ ANY AGENCY _____				8 Name of Insured I.M. Insured			
Fire Cured Tobacco/0230	00100	FSN 145						9 Claim # XXXX		11 Crop Year YYYY	
4 Date of Damage	JUN	JUL 10						10 Policy # XXXXXXXX			
5 Cause of Damage	DROUGHT	HAIL						14 Date(s) Notice of Loss	1 st MMDDYYYY	2 nd MMDDYYYY	Final MMDDYYYY
6 Primary Cause %	60%	X						15 Companion Policy(s) NONE-			
12 Additional Units	00200										
13 Est. Prod Per Acre	1500										

SECTION I – ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

ACTUARIAL									POTENTIAL YIELD						STAGE GUARANTEE		
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Field ID	Prelim Acres	Final Acres	Interest or Share	Risk	Practice	Type Class Variety	Stage	Intended or Final Use	Appraised Potential	Quality Factor	Adjusted Potential	+Uninsured Cause	Potential Counted	Value per Pound	Total Potential to Count (CxNxO)	Per Acre	Total (CxQ)
M/D A N/S		5.00	1.000		997	022	P	Plowed/ WOC				2137	2137		10,685	2137	10,685
M/D B N/S		3.00	1.000		997	022	UH	To Soybeans	349				349		1,047	2137	6,411
M/D C N/S		20.00	1.000		997	022	H	H								2137	42,740
16 TOTAL		28.00	17 TOTALS												11,732		59,836

NARRATIVE (If more space is needed, attach a Special Report) *Field A plowed without consent. See attached aerial photos. Acres determined by adjuster, with GPS. 1,000 pounds of tobacco zero value due to blue mold.* Adjuster witnessed destruction of zero value production.

SECTION II – HARVESTED PRODUCTION

18 Date Harvest Completed MM/DD/YYYY						19 Damage similar to other farms in the area? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			20 Assignment of Indemnity? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			21 Transfer of Right To Indemnity? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					
STALK INSPECTION - MM/DD/YYYY						ADJUSTMENTS TO HARVESTED PRODUCTION											
A1 A2	B	C	D	E			F	G	H1 H2	I	J	K	L	M	N		
Share	Row Width	Tractor	Est. Yield	Leaf Quality			Quota (Q), Non-Quota (NQ), or Bale No. Disposition	Production	Value Per Pound Local Mkt. Price Price Election	Quality Factor (H1 ÷ H2)	Production Not to Count (lbs.)	Production to Count (lbs.)	Value of Production (\$)	Value Not to Count (\$)	Production ÷ Value to Count		
	48	96	1,500		X		Tri-County Tobacco, Co.	15,000	1.20 1.75	.686		10,290			10,290		
	48	96	1,500		X		ABC Tobacco, Int.	16,000	1.20 1.75	.686		10,976			10,976		
	48	96	500			X	ZMV Tobacco Destroyed	1,000	0.00 1.75	.000		0			0		

This illustration does not include all required statements and entries; e.g., adjuster and insured's signature blocks, certification statement, etc. Refer to the above requirements and completions instructions for all required entries and instructions for the TPC Production Worksheet.

22. Section II Total	21,266
23. Section I Total	11,732
24. Unit Total	32,998

10. REFERENCE MATERIAL

TABLE A - MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS

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

TABLE B: - FFET OF ROW PER 100 PLANTS AND NUMBER OF PLANTS PER ACRE

Spacing Between Plants (Inches)	Length of Row Per 100 Plants (Feet)	Plants Per Acre Row Widths (Inches)						
		36"	38"	40"	42"	44"	46"	48"
14"	116.7'	12,445	11,792	11,201	10,667	10,183	9,740	9,334
16"	133.3'	10,890	10,317	9,801	9,334	8,910	8,522	8,167
18"	150.0'	9,680	9,170	8,712	8,297	7,920	7,576	7,260
20"	166.7'	8,712	8,253	7,841	7,467	7,128	6,818	6,534
22"	183.3'	7,920	7,503	7,128	6,789	6,480	6,198	5,940
24"	200.0'	7,260	6,878	6,534	6,223	5,940	5,682	5,445
26"	216.7'	6,701	6,349	6,031	5,744	5,483	5,245	5,026
28"	233.3'	6,223	5,895	5,601	5,334	5,092	4,870	4,667
30"	250.0'	5,808	5,502	5,227	4,978	4,752	4,545	4,356
32"	266.7'	5,445	5,158	4,900	4,667	4,455	4,261	4,084
34"	283.3'	5,125	4,855	4,612	4,393	4,193	4,011	3,844
36"	300.0'	4,840	4,585	4,356	4,149	3,960	3,788	3,630
38"	316.7'	4,585	4,344	4,127	3,930	3,752	3,588	3,439
40"	333.3'	4,356	4,127	3,920	3,734	3,564	3,409	3,267
NOTE: Use dotted line for types 35 & 36; heavy line for all other types.								

- A. **Determining plants per Acre.** To use the above table, read across the appropriate column for distance between rows and down for distance between plants in a row. Where the two readings meet will be the number of plants per acre. If the distances in a particular field are not given in the above table, the number of plants per acre can be determined in the following manner:

Multiply the distance between the two rows in feet by the distance in feet between plants in the row in feet. This gives the square feet of area for each plant. Then, by dividing this figure into 43,560 (square feet area in an acre) the number of plants per acre is determined.

EXAMPLE: (17-inch plant spacing and 41-inch row width)

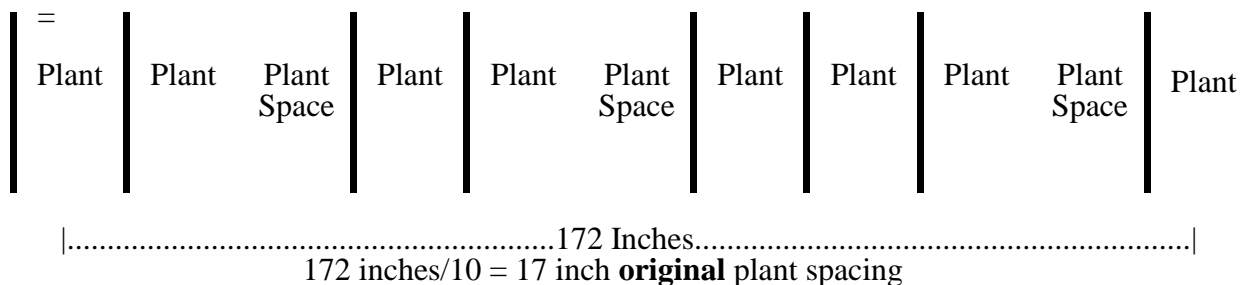
- (1) Divide spacing by 12" and, 17" plant spacing ÷ 12" = 1.42 ft.
round to hundredths.

- (2) Divide row width by 12 and, round to hundredths. $41'' \text{ row width} \div 12'' = 3.42 \text{ ft.}$
- (3) Multiply (1) by (2), and round to hundredths. $1.42 \text{ ft.} \times 3.42 \text{ ft.} = 4.86 \text{ sq. ft.}$
- (4) Divide 43,560 by the resulting product of (3), and round to nearest whole number. $43,560 \text{ sq. ft.} \div 4.86 \text{ sq. ft.} = 8,963 \text{ plants per acre}$

B. Determining Row Length per 100 Plants

- (a) Determine the **ORIGINAL** plant spacing within the row by measuring, to the nearest whole inch, the distance between the first plant in the sample and the 11th plant (include in the count any missing or dead plants). Divide this distance by 10 and record the results in Plant Spacing item 20 of the appraisal worksheet.

EXAMPLE: Measuring **original** plant spacing with 3 missing plants.



- (b) For even-numbered plant spacing, the required **Length of Row Per 100 Plants** may be read directly from the **TABLE B** above.
- (c) For plant spacing, not shown on the **TABLE B**, use the following formula:
- 1 Original plant spacing within the row (in inches) divided by 12'' (rounded to 3-decimal places)
 - 2 Multiply the result of item 1 above X 100 equals length of row per 100 plants (feet to tenth).

EXAMPLE: 17 inch plant spacing

$17'' \text{ plant spacing} \div 12'' = 1.4166 = 1.417 \text{ ft. plant spacing}$

$1.417 \text{ ft. plant spacing} \times 100 \text{ plants} = 141.7 \text{ ft. Length of Row Per 100 Plants.}$

TABLE C: TRACTOR ROW ACREAGE CORRECTION FACTORS

4 ROW PATTERN -- 5th TRACTOR ROW PERCENTAGE FACTOR FOR TRACTOR ROWS													
42" Row Width		44" Row Width		46" Row Width		48" Row Width		50" Row Width		52" Row Width		54" Row Width	
Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres
42	80.00	44	80.00	46	80.00	48	80.00	50	80.00	52	80.00	54	80.00
44	79.25	46	79.28	48	79.31	50	79.34	52	79.37	54	79.39	56	79.41
46	78.50	48	78.57	50	78.63	52	78.69	54	78.74	56	78.79	58	78.83
48	77.78	50	77.88	52	77.97	54	78.05	56	78.12	58	78.20	60	78.26
50	77.06	52	77.19	54	77.31	56	77.42	58	77.52	60	77.61	62	77.70
52	76.36	54	76.52	56	76.67	58	76.80	60	76.92	62	77.04	64	77.14
54	75.68	56	75.86	58	76.03	60	76.19	62	76.34	64	76.47	66	76.60
56	75.00	58	75.21	60	75.14	62	75.59	64	75.76	66	75.91	68	76.06
58	74.34	60	74.58	62	74.80	64	75.00	66	75.19	68	75.36	70	75.52
60	73.68	62	73.95	64	74.19	66	74.42	68	74.63	70	74.82	72	75.00
62	73.04	64	73.33	66	73.60	68	73.85	70	74.07	72	74.29	74	74.48
64	72.41	66	72.73	68	73.02	70	73.28	72	73.53	74	73.76	76	73.97
66	71.79	68	72.13	70	72.44	72	72.73	74	72.99	76	73.24	78	73.47
68	71.19	70	71.54	72	71.87	74	72.18	76	72.46	78	72.73	80	72.97
70	70.59	72	70.97	74	71.32	76	71.64	78	71.94	80	72.22	82	72.48
72	70.00	74	70.40	76	70.77	78	71.11	80	71.43	82	71.72	84	72.00
74	69.42	76	69.84	78	70.23	80	70.59	82	70.92	84	71.23	86	71.52
76	68.85	78	69.29	80	69.70	82	70.07	84	70.42	86	70.75	88	71.05
78	68.29	80	68.75	82	69.17	84	69.57	86	69.93	88	70.27	90	70.59
80	67.74	82	68.22	84	68.66	86	69.06	88	69.44	90	69.80	92	70.13
82	67.20	84	67.69	86	68.15	88	68.57	90	68.97	92	69.33	94	69.68
84	66.67	86	67.18	88	67.65	90	68.09	92	68.49	94	68.87	96	69.23
		88	66.67	90	67.15	92	66.61	94	67.13	96	67.57		
				92	66.67	94	67.13	96	67.57				
						96	66.67						
To get width of Tractor Row, measure distance from top of row to the next top of row and subtract row width. (Take measurement of several Tractor Rows to get average width.)													
FORMULA: Multiply Row Pattern by Row Width, plus Tractor Row. Divide result into Tractor Row. This gives percentage to take off. Subtract this percent from 100 percent. Result is percentage used to multiply to gross acreage to get acres of tobacco in field.													
EXAMPLE: $4 \times 42" + 42" = 210$, $42 \div 210 = 20.00\%$, $100.00\% - 20.00\% = 80.00\%$ multiplied to gross acres determines net acres of tobacco in field.													

TABLE C: TRACTOR ROW ACREAGE CORRECTION FACTORS (Continued)

6 ROW PATTERN -- 7th TRACTOR ROW PERCENTAGE FACTOR FOR TRACTOR ROWS													
42" Row Width		44" Row Width		46" Row Width		48" Row Width		50" Row Width		52" Row Width		54" Row Width	
Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres
42	85.71	44	85.71	46	85.71	48	85.71	50	85.71	52	85.71	54	85.71
44	85.14	46	85.16	48	85.19	50	85.21	52	85.23	54	85.25	56	85.26
46	84.56	48	84.62	50	84.66	52	84.71	54	84.75	56	84.78	58	84.82
48	84.00	50	84.08	52	84.15	54	84.21	56	84.27	58	84.32	60	84.37
50	83.44	52	83.54	54	83.64	56	83.72	58	83.80	60	83.87	62	83.94
52	82.89	54	83.02	56	83.13	58	83.24	60	83.33	62	83.42	64	83.51
54	82.35	56	82.50	58	82.63	60	82.76	62	82.87	64	82.98	66	83.00
56	81.82	58	81.99	60	82.14	62	82.29	64	82.42	66	82.54	68	82.65
58	81.29	60	81.48	62	81.66	64	81.82	66	81.97	68	82.11	70	82.23
60	80.77	62	80.98	64	81.18	66	81.36	68	81.52	70	81.68	72	81.82
62	80.25	64	80.49	66	80.70	68	80.90	70	81.08	72	81.25	74	81.41
64	79.25	66	80.00	68	80.23	70	80.45	72	80.65	74	80.83	76	81.00
66	79.25	68	79.52	70	79.77	72	80.00	74	80.21	76	80.41	78	80.60
68	78.75	70	79.04	72	79.31	74	79.56	76	79.79	78	80.00	80	80.20
70	78.26	72	78.57	74	78.86	76	79.12	78	79.37	80	79.59	82	79.80
72	77.78	74	78.11	76	78.41	78	78.69	80	78.95	82	79.19	84	79.41
74	77.30	76	77.65	78	77.97	80	78.26	82	78.53	84	78.79	86	79.02
76	76.83	78	77.19	80	77.53	82	77.84	84	78.12	86	78.39	88	78.64
78	76.36	80	76.74	82	77.09	84	77.42	86	77.72	88	78.00	90	78.26
80	75.90	82	76.30	84	76.67	86	77.01	88	77.32	90	77.61	92	77.88
82	75.45	84	75.86	86	76.24	88	76.60	90	76.92	92	77.23	94	77.51
84	75.00	86	75.43	88	75.82	90	76.19	92	76.53	94	76.85	96	77.14
		88	75.00	90	75.41	92	75.79	94	76.14	96	76.47		
				92	75.00	94	75.39	96	75.76				
						96	75.00						
To get width of Tractor Row, measure distance from top of row to the next top of row and subtract row width. (Take measurement of several Tractor Rows to get average width.)													
FORMULA: Multiply Row Pattern by Row Width, plus Tractor Row. Divide result into Tractor Row. This gives percentage to take off. Subtract this percent from 100 percent. Result is percentage used to multiply to gross acreage to get acres of tobacco in field.													
EXAMPLE: $6 \times 42 + 42 = 294$, $42 \div 294 = 14.29\%$, $100.00\% - 14.29\% = 85.71\%$ multiplied to gross acres determines net acres of tobacco in field.													

TABLE C: TRACTOR ROW ACREAGE CORRECTION FACTORS (Continued)

8 ROW PATTERN 9th TRACTOR ROW PERCENTAGE FACTOR FOR TRACTOR ROWS													
42" Row Width		44" Row Width		46" Row Width		48" Row Width		50" Row Width		52" Row Width		54" Row Width	
Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres	Tractor Row in Inches	% to Get Net Acres
42"	88.89	44	88.89	46	88.89	48	88.89	50	88.89	52	88.89	54	88.89
44"	88.42	46	88.44	48	88.46	50	88.48	52	88.50	54	88.51	56	88.52
46"	87.96	48	88.00	50	88.04	52	88.07	54	88.11	56	88.14	58	88.16
48"	87.50	50	87.56	52	87.62	54	87.67	56	87.72	58	87.76	60	87.80
50"	87.05	52	87.13	54	87.20	56	87.27	58	87.34	60	87.39	62	87.45
52"	86.60	54	86.70	56	86.79	58	86.88	60	86.96	62	87.03	64	87.00
54"	86.16	56	86.27	58	86.38	60	86.49	62	86.58	64	86.67	66	86.75
56"	85.71	58	85.85	60	85.98	62	86.10	64	86.21	66	86.31	68	86.40
58"	85.28	60	85.44	62	85.58	64	85.71	66	85.84	68	85.95	70	86.06
60"	84.85	62	85.02	64	85.19	66	85.33	68	85.47	70	85.60	72	85.71
62"	84.42	64	84.62	66	84.79	68	84.96	70	85.11	72	85.25	74	85.38
64"	84.00	66	84.21	68	84.40	70	84.58	72	84.75	74	84.90	76	85.04
66"	83.58	68	83.81	70	84.02	72	84.21	74	84.39	76	84.55	78	84.71
68"	83.17	70	83.41	72	83.64	74	83.84	76	84.03	78	84.21	80	84.37
70"	82.76	72	83.02	74	83.26	76	83.48	78	83.68	80	83.87	82	84.05
72"	82.35	74	82.63	76	82.88	78	83.12	80	83.33	82	83.53	84	83.72
74"	81.95	76	82.24	78	82.51	80	82.76	82	82.99	84	83.20	86	83.40
76"	81.55	78	81.85	80	82.14	82	82.40	84	82.64	86	82.87	88	83.08
78"	81.16	80	81.48	82	81.78	84	82.05	86	82.30	88	82.54	90	82.76
80"	80.77	82	81.11	84	81.42	86	81.70	88	81.97	90	82.21	92	82.44
82"	80.38	84	80.73	86	81.06	88	81.36	90	81.63	92	81.89	94	82.13
84"	80.00	86	80.37	88	80.70	90	81.01	92	81.30	94	81.57	96	81.82
		88	80.00	90	80.35	92	80.67	94	80.97	96	81.25		
				92	80.00	94	80.33	96	80.65				
						96	80.00						
To get width of Tractor Row, measure distance from top of row to the next top of row and subtract row width. (Take measurement of several Tractor Rows to get average width.)													
FORMULA: Multiply Row Pattern by Row Width, plus Tractor Row. Divide result into Tractor Row. This gives percentage to take off. Subtract this percent from 100 percent. Result is percentage used to multiply to gross acreage to get acres of tobacco in field.													
EXAMPLE: $8 \times 42 + 42 = 378$, $42 \div 378 = 11.11\%$, $100.00\% - 11.11\% = 88.89\%$ multiplied to gross acres determines net acres of tobacco in field.													

EXHIBIT 1



United States
Department of
Agricultural

Agricultural
Marketing
Services

Cotton & Tobacco Programs
1306 Annapolis
Raleigh, N.C. 27608

Date: MM/DD/YY

Subject: Request for Grading Services

I request that the accompanying tobacco sample be graded for quality purposes.

Company - Policy Number _____

Bundles: _____

Farm Serial Number: _____

Please send results to:

Name: _____

Address: _____

City, State, Zip _____

Telephone: _____

Attached is payment of \$47.40 per sample.

Make check payable to: USDA, AMS, Cotton and Tobacco Programs
1306 Annapolis Drive
Raleigh, NC 27608

If you have any questions about completing the form, contact AMS directly at Telephone: 919-856-4555

EXHIBIT 2

EXAMPLE ONLY

TB-85 (10-02)		UNITED STATES DEPARTMENT OF AGRICULTURAL AGRICULTURAL MARKETING SERVICE TOBACCO PROGRAMS		No. E030032
INSPECTION AND CLASSIFICATION CERTIFICATE Unstemmed and Unsweated Tobacco				
This Certificate is issued under the Tobacco Inspection Act (49 Stat. 731).				
LOT NO. OR FARM SERIAL NO	NO. OF BALES OR PILES	TYPE	U.S. GRADE (if applicable)	WEIGHT (if applicable)
001	100	12	B3F	N/A
LOCATION AT TIME OF INSPECTION/CERTIFICATION (Warehouse, City, State)				
Raleigh, NC 1306 Annapolis Drive		I. M. Farmer Any Street Raleigh, NC 27569		
I CERTIFY that the tobacco herein identified is as shown above.				
		<div><div>_____ MM-DD-YYYY (Date)</div><div><i>J. M. Inspector</i> _____ (SIGNATURE OF OFFICIAL INSPECTOR)</div></div> <p style="text-align: center;">ORIGINAL</p>		

(RESERVED)

