

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Product
Administration
and Standards
Division

GRAIN SORGHUM LOSS ADJUSTMENT STANDARDS HANDBOOK

FCIC-25210 (12-2009)
FCIC-25210-1 (05-2010)

2010 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: FCIC-25210 (12-2009) FCIC-25210-1 (05-2010)	
SUBJECT: GRAIN SORGHUM LOSS ADJUSTMENT HANDBOOK 2010 and Succeeding Crop Years	OPI: Product Administration and Standards Division		
	APPROVED:		DATE:
	<i>/S:/ Tim B. Witt</i> Deputy Administrator, Product Management		<i>May 5, 2010</i>

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED 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

The following list contains significant changes to this handbook, as determined by us. It may not represent all changes made. All changes made to this handbook are applicable regardless of whether or not listed.

Major Changes: See changes or additions in text which have been highlighted. Three stars (***) identify where information has been removed.

Changes for Crop Year 2010 (FCIC-25210-1) issued **MAY 2010**:

- A. Subsection 9C, Columns 34, 36, and 37: Deleted “(or column 18 if there are under-reported acres)”. Calculations will be based on the column 19, “Determined Acres”. Updated to current standard language.
- B. Subsection 9C, Column 60b: Corrected calculation in example.

GRAIN SORGHUM LOSS ADJUSTMENT HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

Control Chart For: Grain Sorghum Loss Adjustment Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1 - 2		35 – 38 45 - 46		12-2009 12-2009	FCIC-25210 FCIC-25210
Insert	1 - 2		35 – 38 45 - 46		05-2010 05-2010	FCIC-25210-1 FCIC-25210-1
Current Index	1 – 2	1 - 2	1 - 34 35 - 38 39 - 44 45 - 46 47 - 50	51 - 58	05-2010 12-2009 05-2010 12-2009 05-2010 12-2009 12-2009	FCIC-25210-1 FCIC-25210 FCIC-25210-1 FCIC-25210 FCIC-25210-1 FCIC-25210 FCIC-25210

FINAL: Stage abbreviation as shown below.

STAGE

EXPLANATION

“P” Acreage abandoned without consent, put to other use without consent, damaged solely by uninsured causes, or for which the insured failed to provide records of production which are acceptable to the AIP.
“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.

30. **Use of Acreage:** Use the following “Intended Use” abbreviations.

USE

EXPLANATION

“Replant” Acreage replanted and qualifying for replanting payment
“Not Replanted” Acreage not replanted or not qualifying for a replanting payment
“To Millet,” 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.

31. **Appraised Potential:**

REPLANT: MAKE NO ENTRY. (Enter the replant appraisal in the narrative. Refer to section 4.)

PRELIMINARY AND FINAL: Per-acre appraisal in bushels, to tenths, of POTENTIAL production for the acreage appraised as shown on the appraisal worksheet. Refer to section 6, “Appraisal Methods” 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.

32a **Moisture %:**

REPLANT: MAKE NO ENTRY.

PRELIMINARY AND FINAL: Moisture percent to nearest tenth, only if in excess of 14.0 percent. Moisture adjustment is applied prior to applying any qualifying adjustment for quality.

32b. **Factor:**

REPLANT: MAKE NO ENTRY.

PRELIMINARY AND FINAL: For appraised mature grain production in excess of 14.0 percent moisture, obtain moisture factor from **TABLE G**.

33. **Shell %, Factor, or Value:** MAKE NO ENTRY.

34. **Production Pre QA:**

REPLANT: MAKE NO ENTRY.

*** **PRELIMINARY AND FINAL:** Result of multiplying column 31 times column 19, and if applicable, multiplying this result times columns 32b and 33, round result to tenths of a bushel. If no entry in column 31, MAKE NO ENTRY.

35. **Quality Factor:**

REPLANT: MAKE NO ENTRY.

PRELIMINARY AND FINAL: For mature unharvested production which due to insurable causes qualifies for quality adjustment as provided in the Coarse Grains Crop Provisions, enter the Quality Adjustment Factor (QAF) as a three place decimal calculated in accordance with the Quality Statement(s) in the Special Provisions. Document all calculations in the Narrative of the Production Worksheet (or on a Special Report). Include a copy of all supporting documentation in the insured's claim file. For additional quality adjustment definitions, instructions, documentation, qualifications, and testing requirements, refer to the LAM and the Official United States Standards for Grain. Also refer to the quality adjustment instructions in the Narrative, herein.

If appraised mature production is determined by the AIP to have zero market value, enter ".000." Refer to the Special Provisions of Insurance and the LAM.

36. **Production Post QA:**

*** **REPLANT:** Result of multiplying the bushels per acre allowed for replanting times column 19, rounded to the nearest tenth of a bushel. Document calculations in the Narrative or on a Special Report. (Refer to section 4 for qualifications and computations.)

PRELIMINARY AND FINAL: Result of multiplying column 34 times column 35, rounded to tenths of a bushel. If “no entry” in column 35 transfer entry from column 34.

37. **Uninsured Cause:**

REPLANT: MAKE NO ENTRY.

PRELIMINARY AND FINAL: “Result of per acre appraisal for uninsured causes (taken from appraisal worksheet or other documentation) multiplied by column 19, rounded to tenths of a bushel. Refer to the LAM for information on how to determine uninsured cause appraisals. If no uninsured causes, MAKE NO ENTRY.”

a. Hail and Fire exclusion NOT in effect.

- (1) Enter the result of multiplying column 19 entry by NOT LESS than the insured’s production guarantee per acre, in bushels to tenths, for the line, (calculated by multiplying the elected coverage level percentage times the approved APH yield per acre shown on the APH form), for any “P” stage acreage.
- (2) On preliminary inspections, advise the insured to keep the harvested production from any acreage damaged SOLELY by uninsured causes separate from other production.

- (3) For acreage that is damaged PARTLY by uninsured causes, enter the result of multiplying the APPRAISED UNINSURED loss of production per acre, in bushels to tenths, by column 19 entry for any such acreage

- b. When there is late-planted acreage, the applicable production guarantee for such acreage is the production guarantee per-acre that has been reduced for late-planted acreage, multiplied by column 19 entry.
- 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.
- e. For fire losses, if the insured also has other fire insurance (double coverage), refer to the LAM.

38. **Total to Count:** Result of adding column 36 and column 37.

39. **Total:**

PRELIMINARY: MAKE NO ENTRY

REPLANT AND FINAL: Total determined acres (column 19), to tenths.

40. **Quality:**

REPLANT: MAKE NO ENTRY.

PRELIMINARY AND FINAL: Check the applicable qualifying quality adjustment (QA) condition(s) affecting the unit's production (refer to Table below). Check all qualifying conditions that apply to the unit's appraised and harvested production (refer to the crop provisions and Special Provisions of Insurance (SPOI)).

Qualifying QA Condition:
Test Weight (TW)
Kernel Damage (KD) and Total Defects
Garlicky (Grade)
Aflatoxin
Vomitoxin
Fumonisin
Dark Roast (for Sunflowers only)
Sclerotinia (for Sunflowers only)
Ergoty
COFO (commercially objectionable foreign odor) (includes Musty and Sour Odor)
Other
None

a. For all qualifying QA conditions checked, in the Narrative (or on a Special Report):

- (1) Document the level for each qualifying QA condition as indicated by approved test results, and the name and location of each testing facility that verifies the presence of the qualifying QA condition and the date of the test(s); or
- (2) Enter "See documentation included in the claim file" (e.g., include copy of the test facility certificate, grade certificate, summary or settlement sheet, etc., that documents the QA condition).

b. If "Other" is checked, in addition to the above documentation requirements, document in the Narrative (or on a Special Report):

- (1) A description of the qualifying QA condition;
- (2) The name of the controlling authority that considers this qualifying QA condition to be injurious to human and animal health and why.

c. Check "None" if none of the production qualifies for QA.

- 60a **Test Wt.:** Enter test weight (ONLY when storage structure measurements are entered) in whole pounds (or pounds to tenths IF so instructed by the AIP). Refer to the LAM for instructions on determining test weight.
- 60b **Factor:** Combination Test Weight Factor – Enter the factor from (**TABLE H**) for the square footage of floor space in the storage structure. Refer to the LAM for instructions on calculating floor space of a structure.

If the AIP instructions are to enter test weights rounded to tenths, use the nearest ½ pound test weight value on the combination test weight pack factor chart.

For test weights not shown on the chart, multiply the actual test weight by the last available combination test weight pack factor for the appropriate bin size and divide the result by the last available test weight shown on the chart.

EXAMPLE FOR TEST WEIGHT NOT SHOWN ON THE CHART:

Grain Sorghum with a test weight of 63 pounds stored in a less than 255 Sq. Ft. bin;
63 (actual test weight) x 1.109 (last available factor) ÷ 62.0 (last available test weight) =
1.127

If the AIP instructions are to enter test weight to the nearest tenth, use the nearest test weight value on the combination test weight/pack factor chart.

61. **Adjusted Production:** Result of multiplying columns 55 or 56 times 58b times 59b times 60b (**Round to bushels to tenths**).
62. **Prod. Not to Count:** Net production NOT to count, in bushels to tenths, WHEN ACCEPTABLE RECORDS IDENTIFYING SUCH PRODUCTION ARE AVAILABLE, from harvested acreage which has been assessed an appraisal of not less than the guarantee per acre, or from other sources (e.g., other units or uninsured acreage) in the same storage structure (if the storage entries include such production).

THIS ENTRY MUST NEVER EXCEED PRODUCTION SHOWN ON THE SAME LINE. EXPLAIN THE TOTAL STORAGE STRUCTURE BIN CONTENTS (bin grain depth, etc.) AND ANY “PRODUCTION NOT TO COUNT” IN THE NARRATIVE.

Make no entry if only the depth for production to count has been entered in column 51, and the depth for production not to count has been entered in the “Narrative” section. Refer to the example in the LAM.

63. **Production Pre-QA:** Result of subtracting column 62 from column 61.
- 64a. **Value:** When applicable, enter the Reduction in Value (RIV). The RIV will be the reasonable RIV applied by the buyer due to all insurable quality deficiencies. (Refer to the Special Provisions and the LAM for further instructions).

DO NOT make an entry when the discount factor is obtained from the charts in the Special Provisions.

- 64b. **Mkt. Price:** If an entry is in column 64a, enter the Local Market Price for U.S. No. 2 grade Grain Sorghum (refer to the crop provisions). Refer to the LAM for further instructions.
- MAKE NO ENTRY when the discount factor is obtained from the charts in the Special Provisions.
65. **Quality Factor:** For grain sorghum production eligible for quality adjustment, enter the 3-digit quality adjustment factor determined by:
- a. Subtracting the result of column 64a divided by column 64b from 1.000; **or**
 - b. **1.000 minus the sum of the applicable discount factor(s) obtained from the Special Provisions.**
66. **Production to Count:** Enter result from multiplying column 63 times column 65, rounded to bushels to tenths.
67. Total of column 63. If no entry in column 63, MAKE NO ENTRY.
- FOR ITEMS 68 – 72; 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.
68. **Section II Total:**
- PRELIMINARY AND REPLANT:** MAKE NO ENTRY.
- FINAL:** Total of column 66 to bushels to tenths.
69. **Section I Total:**
- PRELIMINARY AND REPLANT:** MAKE NO ENTRY.
- FINAL:** Enter figure from Section I, column 38 total.
70. **Unit Total:**
- PRELIMINARY AND REPLANT:** MAKE NO ENTRY.
- FINAL:** Total of 68 and 69, to bushels to tenths.
71. **Allocated Prod.:** Refer to the LAM for instructions for determining allocated production. Enter the total production, rounded to bushels to tenths, allocated to this unit that is included in Sections I or II of the Production Worksheet. Document how allocated production was determined and record supporting calculations in the Narrative or on a Special Report.
72. **Total APH Prod.:** Result, rounded to tenths, of subtracting the total of column 37 (item 42 “Totals”) and item 71 (Allocated Prod.) from item 70 (Unit Total). If no entries in columns 37 and item 71, transfer the entry in item 70.