

United States  
Department of  
Agriculture



Federal Crop  
Insurance  
Corporation



Product  
Administration  
and Standards  
Division

# SOYBEAN LOSS ADJUSTMENT STANDARDS HANDBOOK

FCIC-25440 (12-2009)  
FCIC-25440-1 (04-2010)

**2010 and Succeeding Crop Years**



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

<b>FEDERAL CROP INSURANCE HANDBOOK</b>		<b>Number: 25440</b>	<b>(12-2009)</b>
		<b>25440-1</b>	<b>(04-2010)</b>
<b>SUBJECT:</b>  <b>SOYBEAN LOSS ADJUSTMENT STANDARDS HANDBOOK 2010 AND SUCCEEDING CROP YEARS</b>	<b>OPI: Product Administration and Standards Division</b>		
	<b>APPROVED:</b>	<b>DATE:</b>	
	<i>/S:// Rodger M. Matthews</i>  <i>For Deputy Administrator, Product Management</i>	<i>04/30/2010</i>	

**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**

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-25440-1) issued **APRIL, 2010:**

- A. Subsection 4 A (3): Added language for specialty type soybean and replant procedure.
- B. Subsection 4 D: Deleted language that is in conflict with the LAM.
- C. Subsection 9 B (7): Added language for specialty type soybeans that a separate PW may be completed for each type in the unit.
- D. Subsection 9 C, 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”.
- E. Subsection 9 C, Section II, (g): Added language for specialty soybeans.

# SOYBEAN LOSS ADJUSTMENT STANDARDS HANDBOOK

## SUMMARY OF CHANGES / CONTROL CHART (Continued)

Control Chart For: Soybean Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1 – 2		3 – 6 31 – 32 39 – 40 45 - 46		12-2009 12-2009 12-2009 12-2009	FCIC-25440 FCIC-25440 FCIC-25440 FCIC-25440
Insert			3 – 6 31 – 32 39 – 40 45 - 46		04-2010 04-2010 04-2010 04-2010	FCIC-25440-1 FCIC-25440-1 FCIC-25440-1 FCIC-25440-1
Current Index	1 - 2	1 - 2	1 – 2 3 – 6 7 – 30 31 – 32 33 – 38 39 - 40 41 - 44 45 - 46 47 – 52	53 - 73	04-2010 12-2009 04-2010 12-2009 04-2010 12-2009 04-2010 12-2009 04-2010 12-2009	FCIC-25440-1 FCIC-25440 FCIC-25440-1 FCIC-25440 FCIC-25440-1 FCIC-25440 FCIC-25440-1 FCIC-25440 FCIC-25440-1 FCIC-25440

## **B. PROVISIONS AND PROCEDURES NOT APPLICABLE TO CAT COVERAGE**

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

## **C. UNIT DIVISION**

Refer to the insurance contract for unit provisions. Unless limited by the Crop or Special Provisions, a basic unit, as defined in the Basic Provisions, may be divided into optional units if, for each optional unit, all the conditions stated in the applicable provisions are met.

For information on Enterprise and Whole-Farm units, refer to the LAM.

## **D. QUALITY ADJUSTMENT**

- (1) The adjuster must refer to the Special Provisions if production is eligible for quality adjustment as identified in the crop provisions.
- (2) Refer to the LAM for information on speculative type contract prices in quality adjustment. THE QUALITY ADJUSTMENT FACTOR CANNOT BE GREATER THAN 1.000 or less than zero (.000).
- (3) Soybean production, in accordance with the crop provisions, will be eligible for quality adjustment if:
  - (a) Deficiencies in quality (due to insurable causes of loss), in accordance with the Official United States Standards for Grain, result in soybeans not meeting the grade requirements for **U.S. No. 4** or better (grades U.S. Sample Grade) because of kernel damage (excluding heat damage) or having a musty, sour, or commercially objectionable foreign odor (except garlic odor) or which meet the special grade for garlicky soybeans,
  - (b) The test weight is less than 49 pounds and discount factors are provided in the Special Provisions; or
  - (c) Substances or conditions are present that are identified by the Food and Drug Administration or other public health organizations of the United States as being injurious to human or animal health. "Green Damage" (soybeans which are discolored green in cross section), as described by FGIS, will be considered as a type of kernel damage.

Refer to the LAM for instructions on who can obtain samples for grading, and who can make determinations of deficiencies, conditions and substances that would cause the crop to qualify for quality adjustment.

- (4) When due to insurable cause(s), use of quality adjustment for soybeans is handled by determining the appropriate discount factors from the Special Provisions, summing them together, if applicable, and subtracting from 1.000 to obtain the applicable Quality Adjustment Factor (percent of production to count). Refer to the Special Provisions for chart discount factors, instructions for calculating non-chart discount factors, and other discounts allowed. Also, refer to the LAM for examples and guidance in determining reduction in values (RIV's) to determine non-chart discount factors.
- (5) Moisture adjustment is applied prior to applying any qualifying adjustment for quality such as test weight, kernel damage, etc. A soybean moisture adjustment chart is located in **TABLE J** (Soybean Moisture Adjustment Factors). Moisture adjustment results in a reduction in production to count of 0.12 percent for each 0.1 percent moisture in excess of **13 percent**.
- (6) For soybeans for which RIV's apply, and which can be conditioned/reconditioned, refer to the Quality Statement(s) in the Special Provisions and the LAM for instructions.
- (7) If a local market cannot be found for the soybeans, refer to the LAM.
- (8) Refer to the LAM for special instructions regarding mycotoxin-infected grain.
- (9) Document quality adjustment information as described in the instructions for the "Narrative" section of the claim form (subsection 9 B), or on a Special Report.
- (10) For additional quality adjustment definitions, instructions, qualifications, and testing requirements, refer to the LAM and the Official United States Standards for Grain.
- (11) For specialty use type soybeans, quality adjustment will be provided as specified in the crop provisions and Special Provisions. No additional quality adjustment will be made for any specialty type.

## **4. REPLANTING PAYMENT PROCEDURES**

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### **A. GENERAL INFORMATION**

- (1) Replanting payments made on acreage replanted by a practice that was uninsurable as an original planting will require the deduction of the replanting payment for such acreage from the original unit liability. If the unit dollar loss (final claim) is less than the original unit liability minus such replanting payment, the actual indemnity dollar amount will not be affected by the replanting payment. The premium will not be reduced.
- (2) No replanting payment will be made on acreage on which one replanting payment has already been allowed for the crop year.
- (3) **SPECIALTY TYPE SOYBEANS (Large Seeded Food Grade, Small Seeded Food Grade; Low Linolenic Acid, Low Saturated Fat, or High Protein):** When it is NO LONGER PRACTICAL to replant to the same specialty type soybeans (e.g., the processor will not accept

any production from acreage planted after a specific date), however it is practical to replant to a

different soybean type and the insured elected to replant to a different specialty type (provided all insurability requirements are met), or an “All Others” type, a revised acreage report (if previously filed) must be processed PRIOR to processing a replant claim.

(a) Standard rules for acreage report revision apply (refer to the LAM).

(b) The applicable price election of the replanted soybean type will be used to determine any replanting payment and to establish the premium and liability for the replanted acreage.

(c) Acreage that is replanted to a different type may have an increase or decrease in liability from that originally reported.

## **B. QUALIFICATIONS FOR REPLANTING PAYMENT**

To qualify for replanting payment, the:

- (1) insured crop must be damaged by an insurable cause;
- (2) AIP determines that it is practical to replant (refer to the LAM);
- (3) acres being replanted must have been initially planted on or after the “Earliest Planting” date established by the Special Provisions;
- (4) bushel per acre appraisal (or the appraisal plus any appraisals for uninsured causes of loss) must be less than 90 percent of the bushel per acre production guarantee for the acreage the insured intends to replant (Refer to section 5, “Soybean” Appraisals);
- (5) acreage replanted must be AT LEAST the lesser of 20 acres or 20 percent of the insured **planted** acreage for the unit as determined on the final planting date or within the late planting period if a late planting period is applicable (Any acreage planted after the end of the late planting period will not be included when determining if the 20 acres or 20 percent qualification is met. Refer to the LAM.); and
- (6) AIP has given consent to replant.

In the Narrative of the claim form or on a Special Report, show the bushel per acre appraisal for each field or subfield and the calculations to document that qualifications for a replant payment have been met.

## **C. MAXIMUM REPLANTING PAYMENT**

The maximum amount of the replanting payment per acre will be the LESSER OF:

- (1) the insured’s actual replanting cost;
- (2) the product of multiplying the maximum bushels allowed in the policy (**3 bushels**) by the insured’s price election **of the replanted type**, times the insured’s share in the crop; or



- (3) 20 percent of the production guarantee times the applicable price election of the replanted type times the insured's share.

Compute the number of bushels per acre allowed for a replanting payment by dividing the maximum replanting payment by the applicable price election. Show all calculations in the Narrative section of the claim form or on a Special Report.

#### **EXAMPLE 1**

Owner/operator (100 percent share)

30 acres replanted

Insured's actual cost to replant = \$18.00 per acre

Price election = \$6.50 per bu.

20% of prod. guar. (37.5 bu. x 20%) = 7.5 bu. x \$6.50 (price election) x 1.000 (share) = \$48.75

3.0 bu. (maximum bu. allowed in policy) x \$6.50 (price election) x 1.000 (share) = \$19.50

The lesser of \$18.00, \$48.75 and \$19.50 is \$18.00

Actual bushels per acre allowed = 2.8 bu. (\$18.00 ÷ \$6.50)

Enter the number of replanted acres multiplied by 2.8 bu. (84 bu.) in Section I - column 36, "Production Post QA" of the claim form.

#### **EXAMPLE 2**

Landlord/tenant (50/50 share)

No agreement exists that allows the tenant to have the landlord's share of the replanting payment.

30 acres replanted

Insured's actual cost to replant = \$9.00 per acre

Price election = \$6.50 per bu.

20% of prod. guar. (37.5 bu. x 20%) = 7.5 bu. x \$6.50 (price election) x .500 (share) = \$24.38

3.0 bu. (maximum bu. allowed in policy) x \$6.50 (price election) x .500 (share) = \$9.75

The lesser of \$9.00, \$24.38, and \$9.75 is \$9.00

Actual bushels per acre allowed = 1.4 bu. (\$9.00 ÷ \$6.50)

Enter the number of replanted acres multiplied by 1.4 bu. (42 bu.) if the share has been applied, or the number of replanted acres multiplied by 2.8 bu. (84 bu.) if share has yet to be applied in Section I - column 36, "Production Post QA" of the claim form. (Follow individual AIP guidelines). Indicate in the "Narrative" if the bushels allowed for replanting have/have not been reduced for share on the claim form according to AIP guidelines.

### **D. REPLANTING PAYMENT INSPECTIONS**

\*\*\* Replanting payment inspections are to be prepared as final inspections on the claim form only when qualifying for a replanting payment. Non-qualifying replanting payment inspections are to be handled as preliminary inspections. If qualified for a replanting payment, a Certification Form may be prepared on the initial farm visit. Refer to the LAM.

## **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 “Production Worksheet”) requirements. All of these entry items are considered “Substantive,” (i.e., they are required.)
- (2) Production Worksheet Instructions. The completion instructions for the required entry items on the 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 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 WORKSHEET ENTRIES AND COMPLETION PROCEDURES**

- (1) The Production Worksheet is a progressive form containing all notices of damage for all preliminary, replant, and final inspections (including “No Indemnity Due” claims) on a unit.
- (2) If a 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, when acreage is being appraised for a replanting payment and all acreage on the unit has been initially planted, or other reasons described in the LAM).
  - (e) “No Indemnity Due” claims (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 Handbook 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 “**REPLANT**” apply to replant inspections only. Instructions labeled “**FINAL**” apply to final inspections only. Instructions not labeled apply to ALL inspections.
  - (7) The AIP may complete a separate production worksheet for each type planted in the unit.

## C. FORM ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

<b>Item No.</b>	<b><u>Information Required</u></b>
1.	<b>Crop/Code #:</b> “Soybeans” (0081).
2.	<b>Unit #:</b> Five-digit unit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).
3.	<b>Location Description:</b> Land location that identifies the legal description, if available, and the location of the unit (e.g., section, township, and range; FSA Farm Serial Numbers; FSA Common Land Units (CLU) and tract numbers; GPS identifications; or Grid identifications) as applicable for the crop.
4.	<b>Date(s) of Damage:</b> First three letters of the month(s) during which the determined insured damage occurred for the inspection and cause(s) of damage listed in item 5 below. For progressive damage, enter the month that identifies when the majority of the insured damage occurred. Include the SPECIFIC DATE where applicable as in the case of hail damage (e.g., Aug 11). Enter additional dates of damage in the extra spaces, as needed. If more space is needed, document the additional dates of damage in the Narrative (or on a Special Report). Refer to the illustration in item 6 below.

If there is no insurable cause of loss, and a no indemnity due claim will be completed, MAKE NO ENTRY.

31. **Appraised Potential:**

**REPLANT:** MAKE NO ENTRY. (Enter the replant appraisal in the “Narrative.” Refer to section 4, “Replanting Payment Procedures” for additional instructions.)

**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 13.0 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 **13.0 percent** moisture, obtain moisture factor from **TABLE J** (Soybean Moisture Adjustment Factors).

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, times applicable of columns 32b, rounded 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 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 and the LAM.

36. **Production Post QA:**

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**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 there are 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 whole pounds, 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.

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

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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.

- (4) For production commercially stored, sold, etc., make entries in columns 49 through 52 as follows:
  - (a) Name and address of storage facility or buyer.
  - (b) “Seed,” “Fed,” etc.
- (5) There will be no “harvested production” entries for replanting payments.
- (6) If acceptable sales or weight tickets are not available, refer to the LAM.
- (7) If additional lines are necessary, the data may be entered on a continuation sheet.  
USE SEPARATE LINES FOR:
  - (a) Separate storage structures.
  - (b) Varying names and addresses of buyers of sold production.
  - (c) Varying determinations of production (varying moisture, foreign material (FM), test weight, value, etc.). Average percent of FM or moisture can be entered when the elevator has calculated the average on the summary sheet, and the determined average is acceptable to the adjuster. Separate line entries are not otherwise required. Refer to the LAM for instructions.
  - (d) Varying shares; e.g., 50 percent and 75 percent shares on same unit.
  - (e) Production from first (original) or second (substitute) crop acreage when a second crop will be or is planted on the first crop acreage within the same crop year.
  - (f) Conical piles. Do **NOT** add the cone in the top or bottom of a bin to the height of other grain in the structure. For computing the production in cones and conical piles, refer to the LAM.
  - (g) Varying types; e.g., a specialty type and a “All Others” type soybeans in the same unit. If there are multiple types planted within the same unit, the AIP may complete a separate Production Worksheet for each type in the unit.
- (8) There will generally be no harvested production entries in columns 47 through 66 for preliminary inspections.
- (9) If there is harvested production from more than one insured practice (or type) and a separate approved APH yield has been established for each, the harvested production also must be entered on separate lines in columns 47 through 66 by type or practice. If production has been commingled, refer to the LAM.

Verify or make the following entries:

**Item**

**No.      Information Required**

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

**PRELIMINARY:** MAKE NO ENTRY.

**REPLANT AND FINAL:**

- a.      The earlier of the date the ENTIRE acreage on the unit was (1) harvested, (2) totally destroyed, (3) replanted, (4) put to other use, (5) a combination of harvested, destroyed, or put to other use, or (6) the calendar date for the end of the insurance period.
- 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 is put to another use, replanting is complete for the unit, etc. Refer to the LAM.

44.      **Damage similar to other farms in the area? :**

**PRELIMINARY:** MAKE NO ENTRY.

**REPLANT AND FINAL:** Check “Yes” or “No.” Check “Yes” if the 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.”

45.      **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.

46.      **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.

47a      **Share:** RECORD ONLY VARYING SHARES on SAME unit to three decimal places.

47b      **Field ID:**

- a.      If only one practice and/or type of harvested production is listed in Section I, MAKE NO ENTRY.