

United States
Department of
Agriculture



Federal Crop Insurance
Corporation



Product
Administration
And Standards
Division

FCIC-25460 (06-2006)
FCIC-25460-1 (06-2009)

SUGARCANE LOSS ADJUSTMENT STANDARDS HANDBOOK

2010 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25460 (06-2006) 25460-1 (06-2009)	
SUBJECT: SUGARCANE LOSS ADJUSTMENT STANDARDS HANDBOOK 2010 AND SUCCEEDING CROP YEARS		OPI: Product Administration and Standards Division	
		APPROVED: /s/ Tim B. Witt	DATE: June 4, 2009
		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

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-25460-1) issued **JUNE 2009**:

- A. Page 8, subsection 5 D (3): Corrected referenced item.
- B. Page 9, subsection 7 A (3): Updated standard language regarding the Privacy Act and Nondiscrimination statements.
- C. Page 18, subsection 8 A (3): Updated standard language regarding the Privacy Act and Nondiscrimination statements.
- D. Page 24, subsection 8 C, Section I - Acreage Appraised, Production And Adjustments, item M (a) (2): Updated standard language in the Uninsured Cause item.

SUGARCANE LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

Control Chart For: Sugarcane Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-4		7-10 17-18 23-24		06-2006 06-2006 06-2006	FCIC-25460 FCIC-25460 FCIC-25460
Insert	1-2		7-10 17-18 23-24		06-2009 06-2009 06-2009	FCIC-25460-1 FCIC-25460-1 FCIC-25460-1
Current Index	1-2	1-2	1-6 7-10 11-16 17-18 19-22 23-24 25-32	33-36	06-2009 06-2006 06-2009 06-2006 06-2009 06-2006 06-2009 06-2006	FCIC-25460-1 FCIC-25460 FCIC-25460-1 FCIC-25460 FCIC-25460-1 FCIC-25460 FCIC-25460-1 FCIC-25460

- (b) Use a measuring tape marked in tenths or convert a tape marked in inches, to tenths, to measure a row or combinations of rows comprising 100 feet of row.

(2) Defining a Skip

A skip (or blank) is the space between “**live**”¹ plants within the row that exceeds the allowable skip. The allowable skips, by state, are defined as follows:

36 inches for Florida, Louisiana, or Texas

(3) Measuring a Skip

- (a) Using a measuring tape marked in inches, measure the total distance between “**live**” plants within the sample row.
- (b) Subtract the allowable skip (e.g., 36 inches) from the total distance measured between the existing “**live**” plants. The result is the “**net length**” of the skip.

EXAMPLE: Distance between existing “**live**” plants: 40 inches
Less the allowable skip: 36 inches
“**Net Length**” of the skip: 4 inches

- (c) Compute the combined length of skips by adding the “**net length**” of all skips within the 100-foot sample.
- (d) Convert the results to feet and tenths by dividing by 12 and rounding to the nearest tenth of a foot.

EXAMPLE: Total net length: 629 inches ÷ 12 = 52.4 ft.

- (e) Record the results for each representative sample in Part I – Stand Reduction Method column 9 of the appraisal worksheet.
- (4) Calculate the pounds-per-acre appraisal using the instructions in section 7B Part I – Stand Reduction Method.

D. WEIGHT METHOD

(1) Row Width and Sampling

- (a) Select the required number of representative samples using the instructions in section 4B.

¹ “**Live**” plants include primary shoots, secondary shoots, and tertiary shoots that are capable of recovery and can timely contribute raw sugar to the ultimate yield at the time of harvest.

- (b) Use a measuring tape marked in tenths, or convert a tape marked in inches, to tenths, to measure a row or combination of rows comprising 1/1000 acre row length required for the row width (refer to section 4C).
- (2) Preparing Sugarcane to Weigh
 - (a) Cut and top **all** the stalks at the height and topping point that a cane harvester would have cut the sugarcane.
 - (b) Strip the leaves from each stalk in the sample.
 - (c) Weigh the sample using a scale that weighs in pounds, to tenths (e.g., a Dairy Scale).
 - (d) Record the total weight (in pounds, to tenths) for the sample on the appraisal worksheet in Part II - Weight Method. Refer to Column 22 of the appraisal worksheet.
- (3) Calculate the tons per acre appraisal using the instructions in section 7D, for the appraisal worksheet in Part II - Weight Method.
- (4) **EXCEPTION** to the Weight Method for mature sugarcane:

Apply a “zero” appraisal to any acreage from which the mature sugarcane that, due to an insurable cause of loss, is **NOT ACCEPTED** by the boiling house mill for processing as **raw sugar**.

6. 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.

7. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES

A. APPRAISAL WORKSHEET FORM STANDARDS

- (1) The entry items in subsection C are the minimum requirements for the Sugarcane Appraisal Worksheet for the Inadequate Stand Method. The entry items in subsection D are the minimum requirements for the Sugarcane Appraisal Worksheet for the Stand Reduction Appraisal Method and the Weight Appraisal Method. 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 exhibit. The current Privacy Act Statement and Nondiscrimination 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 INFORMATION

- (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. Refer to section 4B for sampling requirements.

Standard appraisal worksheet items are numbered consecutively in sections 7C and D. Example appraisal worksheets are also provided to illustrate how to complete all entries, except the last three items on the respective appraisal worksheets.

C. WORKSHEET ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

**Item
No.**

Information Required

INADEQUATE STAND METHOD

Use to determine insurability of sugarcane.

Company: Name of AIP, if not preprinted on the worksheet (company name).

1. **Insured's Name:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2. **Policy No.:** Insured's assigned policy number.
3. **Claim No:** Claim number as assigned by the AIP.
4. **Unit No.:** Five-digit unit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).
5. **Crop Year:** Four-digit crop year, as defined in the policy, for which the claim is filed.
6. **Field No.:** Draw a line horizontally dividing the box in half. Enter the Field No. or subfield identification symbol that identifies the field appraised in the top half. In the bottom half, indicate if the appraised acreage is 1st, 2nd, or 3rd, etc., year stubble cane.
7. **Row Width:** The Row Width (average space in inches). Refer to **TABLE B**, Row Width For Sample Selections, for the row-length sample requirements according to row width.
8. **Variety Number:** Record the sugarcane Variety Number that is being appraised.
9. **Acres:** Number of determined acres to tenths in the field or subfield of the unit.
10. **APH Yield:** Record the approved APH Yield from the APH form for the field or subfield.
11. **Each Block Equals Number of Stalks in 1/1000 Acre:** Enter, in each block, the Number of Stalks in 1/1000 Acre counted from each representative sample.
12. **Total of All Samples:** Determine the Total of All Samples by adding the Number of Stalks in 1/1000 Acre (column 11) from all samples.
13. **Number of Samples:** Enter the Number of Samples taken by counting the blocks with entries in (column 11).
14. **Average Number of Stalks:** Results of dividing Total of All Samples (column 12) by Number of Samples (column 13), rounded to nearest tenth.

EXAMPLE: After sugarcane has reached maturity.

COMPANY: ANY COMPANY

OR ILLUSTRATION PURPOSES ONLY SUGARCANE APPRAISAL WORKSHEET	1. Insured's Name I. M. Insured	2. Policy NO. XXXXXXX	3. Claim NO. XXXXXX	4. Unit NO. 00100	5. Crop Year YYYY
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Part I STAND REDUCTION METHOD																
6. Field Id.	7. Acres	8. Variety No.	9. Combined Skip Length From Each Sample (Sample = 100 Feet)						10. Total Skip Length	11. No. of Samples	12. Avg. Skip Length	13. Row Length	14 Avg. Skip Length	15. Percent Stand	16. APH Yield	17. Pounds Per Acre
								=	÷	=		100	—	=	x	=
								=	÷	=		100	—	=	x	=
								=	÷	=		100	—	=	x	=
								=	÷	=		100	—	=	x	=

Part II WEIGHT METHOD (After Sugarcane Has Reached Maturity)																										
18. Field Id.	19. Row Width	20. Acres	21. Variety No.	22. Weight Of Mature Sugarcane In Each Block Equals One Sample (1/1000 Fraction of Acre Sample)							23. Total Weight of All Samples	24. No. of Samples	25. Avg. Weight Per Sample	26. Factor	27. Tons Per Acre	28. Sugar Percent	29. Conv. Factor	30. Pounds Per Acre								
B	72	95.0	LCP- 85-384	Total Weight Per Sample	14.1	15.7	13.6	16.2	16.9	13.8	=	90.3	÷	6	=	15.1	÷	2	=	7.6	x	.085	x	2000	=	1292
				Total Weight Per Sample							=		÷		=		÷	2	=		x		x	2000	=	
				Total Weight Per Sample							=		÷		=		÷	2	=		x		x	2000	=	
				Total Weight Per Sample							=		÷		=		÷	2	=		x		x	2000	=	

31. NARRATIVE (If more space is needed, attach a Special Report)

8. CLAIM FORM ENTRIES AND COMPLETION INFORMATION

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 Completion 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 Nondiscrimination statements are required statements that must be printed on the form or provided as a separate document. These statements are not shown in the example form in this exhibit. The current Privacy Act Statement and Nondiscrimination statement can be found on the RMA website at <http://www.rma.usda.gov/regs/required.html> or successor website.
- (4) The following certification statement must be included on the form directly above the insured’s signature block.

Insured Certification Statement: “I certify that to the best of my knowledge and belief all of the information on this form is correct. I also understand that failure to report completely and accurately may result in sanctions under my policy, including but not limited to voidance of the policy, and in criminal or civil penalties (18 U.S.C §1006 and §1014; 7 U.S.C. §1506; 31 U.S.C. §3729 §3730 and any other applicable federal statutes). I understand the certified information on this Production Worksheet will be used to determine my loss, if any, to the above unit. The AIP 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 INFORMATION

- (1) The Production Worksheet is a progressive form containing all notices of damage for all preliminary and final inspections 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.

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>
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“P”	Acreage abandoned without consent, put to other use without consent, cut for seed without the proper 15 day notice, stubble destroyed within 15 days after harvest is completed without consent, damaged solely by uninsured causes, or for which the insured failed to provide records of production which are acceptable to the AIP.
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“H”	Harvested.
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“UH”	Unharvested.
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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>
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“To plow,” etc.....	Use made of acreage.
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“WOC”	Other use without consent.
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“WOC-Cut for seed”	Cut for seed without consent.
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“SU”	Solely uninsured.
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“ABA”	Abandoned without consent.
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“H”-Cut for Seed.....	Cut for seed with consent.
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“H”-Cut for Sugar.....	Harvested.
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“UH”	Unharvested, stalks destroyed with consent.
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“R”	Rejected by the boiling house mill.*
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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.”

*Document, in the Narrative, the date and reason the boiling house mill rejected any sugarcane. Include a copy of the rejection letter if available.

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. Refer to Appraisal Worksheet Entries And Completion Procedures (section 7) Part I, column 17 and Sugarcane “Cut for Seed,” (section 3A(4)) for additional instructions.

- (1) For **mature unharvested** acreage, document in the Narrative the sugar content as a percentage and the specified source of that percentage used to calculate the appraisal.
- (2) If there is NO POTENTIAL (economic value) for unharvested acreage (e.g., sugarcane damaged by freeze and rejected by a boiling house mill), enter “0.” Document in the Narrative, the reason that the boiling house mill rejected the sugarcane.

K₁ - L. MAKE NO ENTRY.

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

a. Hail and Fire exclusion NOT in effect.

- (1) Enter NOT LESS than the insured’s per acre production guarantee 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.

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.
- (3) For acreage that is “Cut for Seed” WITHOUT the proper 15-day notice, enter not less than the per-acre production guarantee in WHOLE pounds.

EXAMPLE: Field A—Production guarantee = 4310 lbs.
Acreage cut for seed without 15-day notice = 4310 lbs.

- b. Refer to the LAM when a Hail and Fire Exclusion is in effect and damage is from hail or fire.
- c. 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. **Adjusted Potential:** Column “J” plus column “M.”