

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Risk Management
Agency



Product
Administration
and Standards
Division

FCIC-25110
(02-2011)
FCIC-25110-1
(12-2011)
FCIC-25110-2
(02-2012)

DRY BEAN LOSS ADJUSTMENT STANDARDS HANDBOOK

2012 and Succeeding Crop Years

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

TITLE: DRY BEAN LOSS ADJUSTMENT STANDARDS HANDBOOK	NUMBER: 25110 (02-2011) 25110-1 (12-2011) 25110-2 (02-2012)
EFFECTIVE DATE: 2012 and Succeeding Crop Years	ISSUE DATE: February 16, 2012
SUBJECT: Provides the procedures and instructions for administering the Dry Bean crop insurance program	OPI: Product Administration and Standards Division
	APPROVED: February 16, 2012 /s/ Tim B. Witt
	Deputy Administrator for Product Management

REASONS FOR AMENDMENT

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

1. Section 4C, page 10 and examples on page 11: Added back the reference to insured's actual cost of replanting, as this was mistakenly removed, and adjusted examples on page 11 accordingly.
2. Production Worksheet Example, page 45: Made changes to comply with adding back insured's actual cost of replanting.

DRY BEAN LOSS ADJUSTMENT STANDARDS HANDBOOK

(RESERVED)

DRY BEAN LOSS ADJUSTMENT STANDARDS HANDBOOK

CONTROL CHART

Control Chart For: Dry Bean Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-4		9-12 45	46	11-2011 11-2011	FCIC-25110-1 FCIC-25110-1
Insert	1-4		9-12 45	46	2-2012 2-2012	FCIC-25110-2 FCIC-25110-2
Current Index	1-4	1-2	1-4 5-8 9-12 13-14 15-16 17-30 31-32 33-34 35-36 37-38 39-42 43-44 45	46 47-52 53-54	2-2012 2-2011 11-2011 2-2012 2-2011 11-2011 2-2011 11-2011 2-2011 11-2011 2-2011 11-2011 2-2011 2-2012 2-2011 11-2011	FCIC-25110-2 FCIC-25110 FCIC-25110-1 FCIC-25110-2 FCIC-25110 FCIC-25110-1 FCIC-25110 FCIC-25110-1 FCIC-25110 FCIC-25110-1 FCIC-25110 FCIC-25110-1 FCIC-25110 FCIC-25110-2 FCIC-25110 FCIC-25110-1

DRY BEAN LOSS ADJUSTMENT STANDARDS HANDBOOK

(RESERVED)

- 2 The elevator may clean/screen (recondition) gross production to improve the grade of the dry beans and reflect the value of the damaged production through a weight reduction (tare %) rather than quoting a grade and price for the gross production as delivered. Refer to Exhibit 1.

In this case, to determine the net price per pound of the qualifying damaged production:

- a Multiply the net weight (determined gross weight minus the weight reduction [tare %] for damage) of the production that the buyer/processor used as the basis for payment, by the price that was paid for the dry beans (the bid price of the grade of the damaged production after milling); and
- b Divide the result obtained in 2a, above, by the gross pounds determined.

The adjuster must verify that any weight reduction is related to an insurable cause of loss. Refer to 3E(4)(d)1d.

- c The market price per pound of the damaged or conditioned production will be divided by the local market price to determine the quality adjustment factor; and
- d The number of pounds remaining, after any reduction due to excessive moisture (the moisture-adjusted gross pounds if appropriate), of the damaged or conditioned production will then be multiplied by the quality adjustment factor to determine the net production to count.

EXAMPLE: Elevator/buyer-listed deductions may include foreign material, off-sized beans, splits, moisture dock, "dockage," checked skins, and damage. (Refer to the Claim Form Entries and Completion Procedures (item 58a.), and **EXHIBIT 1**.) Since moisture is handled as a separate adjustment, allowing "moisture dock" would be inappropriate. Likewise, "splits" due to uninsured causes (included in dockage) must not be included in quality adjustment.

4. REPLANTING PAYMENT PROCEDURES

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 a prior replanting payment has been made during the current crop year.

B. QUALIFICATIONS FOR REPLANTING PAYMENT

- (1) To qualify for replanting payment, the:
 - (a) insured crop must be damaged by an insurable cause;
 - (b) AIP must determine that it is practical to replant;
 - (c) acres being replanted must have been initially planted on or after the “Earliest Planting” date established by the SP;
 - (d) per acre appraisal (plus any appraisals for uninsured causes of loss) must be less than 90 percent of the per acre production guarantee for the acreage the insured intends to replant (Refer to section 5, “Dry Bean Appraisals”);
 - (e) 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
 - (f) AIP must have given consent to replant.
- (2) In the “**Narrative**” of the Claim Form or on a Special Report, for each field or subfield, document that qualifications for a replanting 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 pounds allowed in the CP (120 pounds) by the insured’s price election for the type to be replanted, times the insured’s share in the crop; or
- (3) 10 percent of the production guarantee for the replanted type times applicable price election times the insured’s share.

Compute the number of pounds per acre allowed for a replanting payment by dividing the maximum replanting payment by the price election. Show all calculations in the Narrative of the Claim Form or on a Special Report.

EXAMPLE 1

Owner/operator (100 percent share)

30 acres of Great Northern beans replanted

Insured's actual cost to replant = \$25.00

Price election = \$.25

10% of prod. guar. (1,125 lbs. x 10%) = 113 lbs. x \$.25 (price election) = \$28.25 x 1.000 (share) = \$28.25.

120 lbs. (maximum lbs. allowed in policy) x \$.25 (price election) = \$30.00 x 1.000 (share) = \$30.00.

The lesser of \$25.00, \$28.25 and \$30.00 is \$25.00.

Actual pounds per acre allowed = 100 lbs. (\$25.00 ÷ \$0.25)

Enter 100 lbs. in Section I column 31, "Appraised Potential," of the Claim Form. Enter the replant calculations in the "Narrative" of the Claim Form.

EXAMPLE 2

Landlord/tenant on 50/50 share

30 acres of Great Northern beans replanted

Insured's actual cost to replant = \$12.50

Price election = \$.25

10% of prod. guar. (1,125 lbs. x 10%) = 113 lb. x \$.25 (price election) = \$28.25 x .500 (share) = \$14.13

120 lbs. (max. lbs. allowed in policy) x \$.25 (price election) = \$30.00 x .500 (share) = \$15.00

The lesser of \$12.50, \$14.13 and \$15.00 is \$12.50.

Actual pounds per acre allowed = 50 lbs. (\$12.50 ÷ \$0.25)

Enter 50 lbs. in Section I column 31, "Appraised Potential," of the Claim Form if the insured's share has been applied or 100 lbs. if the insured's share has yet to be applied. Indicate in the "Narrative" if "Appraised Potential" has/has not been reduced for share on the Claim Form according to individual AIP guidelines. Enter the replant calculations in the "Narrative" of the Claim Form.

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 (**unless the claim is withdrawn by the insured**) 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.

5. DRY BEAN APPRAISALS

A. GENERAL INFORMATION

- (1) Potential production for all types of inspections will be appraised in accordance with procedures specified in this handbook and the LAM.

- (2) Use the Before Podding or After-Podding appraisal method instructions to appraise dry beans and contract seed beans.
- (3) The appraisal procedures used for dry beans and contract seed beans are identical, only the factors differ.

B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS

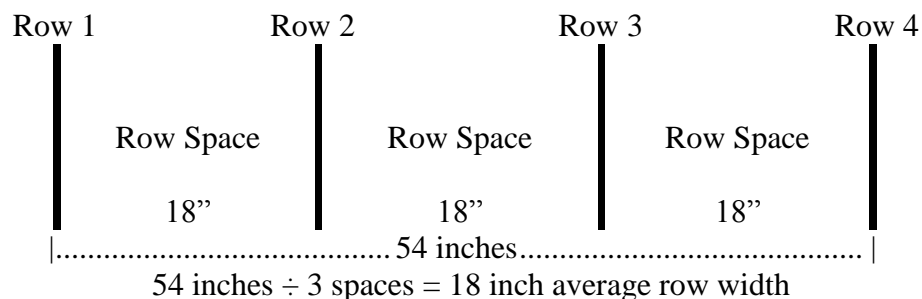
- (1) Determine the minimum number of required samples for a field or subfield by the field size, (take not less than the minimum number (count) of representative samples required in **TABLE A** for each field or subfield), the average stage of growth, age (size) and general capabilities of the plants, 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) Each field or subfield must be appraised separately.

C. MEASURING ROW WIDTH FOR SAMPLE SELECTION

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 of a foot, to inches, to measure row width (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.
- (4) Apply average row width in **TABLE B** to determine the square foot factor.

PRODUCTION WORKSHEET

1. Crop/Code # Dry Beans 0047	2. Unit # 0001-0001-BU	3. Location Description SW1-96N-30W	7. Company Agency	ANY COMPANY ANY AGENCY	8. Name of Insured I.M. INSURED
4. Date(s) of Damage June 10	5. Cause(s) of Damage Hail	6. Insured Cause % 100	12. Additional Units	13. Est. Prod. Per Acre	9. Claim # XXXXXXXXXX
					11. Crop Year YYYY
					10. Policy # XXXXXXX
					14. Date(s) Notice of Loss
					1st MM/DD/YYYY
					2nd MM/DD/YYYY
					Final MM/DD/YYYY
					15. Companion Policy(s) NONE

REPLANT EXAMPLE 1: 100% SHARE

SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS																						
A. ACTUARIAL															B. POTENTIAL YIELD							
16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32a. 32b.	33.	34.	35.	36.	37.	38.
Field ID	Multi-Crop Code	Reported Acres	Determined Acres	Interest or Share	Risk	Type	Class	Sub-Class	Intended Use	Irr Practice	Cropping Practice	Organic Practice	Stage	Use of Acreage	Appraised Potential	Moisture % Factor	Shell %, Factor, or Value	Production Pre QA	Quality Factor	Production Post QA	Uninsured Causes	Total to Count
A			30.0	1.000		311					002		R	REPLANTED	100			3,000		3,000		3,000
B			15.0	1.000		311					002		NR	NOT REPLANTED								
39. TOTAL			45.0	40. Quality: TW <input type="checkbox"/> KD <input type="checkbox"/> Aflatoxin <input type="checkbox"/> Vomitoxin <input type="checkbox"/> Fumonisin <input type="checkbox"/> Garlicky <input type="checkbox"/> Dark Roast <input type="checkbox"/> Sclerotinia <input type="checkbox"/> Ergoty <input type="checkbox"/> CoFo <input type="checkbox"/> Other <input type="checkbox"/> None <input type="checkbox"/>											42. TOTALS		3,000		3,000		3,000	
41. Mycotoxins exceed FDA, State or other health organization maximum limits? Yes <input type="checkbox"/>																						
NARRATIVE (If more space is needed, attach a Special Report)																						
Total acres from FSA permanent field measurements. Field A wheel measured. Example above shows allowance when actual cost (\$25.00/acre) of replanting is less than both 10% of the production guarantee and maximum pounds allowed (120 lbs). Price election is \$0.25. Actual cost divided by price election (\$25.00/\$0.25=100 lbs). 10% of prod. guar. (1,125 lbs x 10% = 113 lbs). Appraised potential = 100 lbs./acre.																						

REPLANT EXAMPLE 2: 50% SHARE

SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS																						
A. ACTUARIAL															B. POTENTIAL YIELD							
16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32a. 32b.	33.	34.	35.	36.	37.	38.
Field ID	Multi-Crop Code	Reported Acres	Determined Acres	Interest or Share	Risk	Type	Class	Sub-Class	Intended Use	Irr Practice	Cropping Practice	Organic Practice	Stage	Use of Acreage	Appraised Potential	Moisture % Factor	Shell %, Factor, or Value	Production Pre QA	Quality Factor	Production Post QA	Uninsured Causes	Total to Count
A			30.0	.500		311					002		R	REPLANTED	50			1,500		1,500		1,500
B			15.0	.500		311					002		NR	NOT REPLANTED								
39. TOTAL			45.0	40. Quality: TW <input type="checkbox"/> KD <input type="checkbox"/> Aflatoxin <input type="checkbox"/> Vomitoxin <input type="checkbox"/> Fumonisin <input type="checkbox"/> Garlicky <input type="checkbox"/> Dark Roast <input type="checkbox"/> Sclerotinia <input type="checkbox"/> Ergoty <input type="checkbox"/> CoFo <input type="checkbox"/> Other <input type="checkbox"/> None <input type="checkbox"/>											42. TOTALS		1,500		1,500		1,500	
41. Mycotoxins exceed FDA, State or other health organization maximum limits? Yes <input type="checkbox"/>																						
NARRATIVE (If more space is needed, attach a Special Report)																						
Total acres from FSA permanent field measurements. Field A wheel measured. Example above shows allowance when actual cost (\$12.50/acre) of replanting is less than both 10% of the production guarantee and maximum pounds allowed (120 x 0.500 share = 60 lbs). Price election is \$0.25. Actual cost divided by price election (\$12.50/\$0.25=50 lbs). 10% of prod. guar. (1,125 lbs x 10% x 0.500 share = 57 lbs). Appraised potential = 50 lbs./acre.																						

This form example does not illustrate all required entry items (e.g., certification statements, signatures, etc.).

10. REFERENCE MATERIAL

TABLE A – MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS

ACRES IN FIELD OR SUBFIELD	MINIMUM NUMBER SAMPLES
0.1 - 10.0	3
One additional sample is required for each additional 40.0 acres (or fraction thereof) in the field or subfield.	

TABLE B – SQUARE FOOT FACTOR

ROW WIDTH (INCHES)	SQUARE FOOT FACTOR	ROW WIDTH (INCHES)	SQUARE FOOT FACTOR	ROW WIDTH (INCHES)	SQUARE FOOT FACTOR
B*	9.0	20	16.7	35	29.2
6	5.0	21	17.5	36	30.0
7	5.8	22	18.3	37	30.8
8	6.7	23	19.2	38	31.7
9	7.5	24	20.0	39	32.5
10	8.3	25	20.8	40	33.3
11	9.2	26	21.7	41	34.2
12	10.0	27	22.5	42	35.0
13	10.8	28	23.3	43	35.8
14	11.7	29	24.2	44	36.7
15	12.5	30	25.0	45	37.5
16	13.3	31	25.8	46	38.3
17	14.2	32	26.7	47	39.2
18	15.0	33	27.5	48	40.0
19	15.8	34	28.3		

* Use a 3.0 foot by 3.0 foot square sample size for broadcast acreage. The square foot factor for broadcast acreage is 9.0.

For row widths not identified in **TABLE B**, use the following formula:
 (Row Width ÷ 12) X 10 ft. of row = Square Foot Factor rounded to tenths

EXAMPLE

Row width is determined to be 7.5 inches.

$(7.5 \div 12) \times 10 = 6.25$ rounded to tenths = 6.3 Square Foot Factor