Sunflower Seed Loss Adjustment Standards Handbook

2012 and Succeeding Crop Years
**TITLE:** SUNFLOWER SEED LOSS
ADJUSTMENT STANDARDS
HANDBOOK

**NUMBER:**
- 25470 (12-2009)
- 25470-1 (3-2011)
- 25470-2 (10-2011)

**EFFECTIVE DATE:** 2012 and succeeding crop years

**SUBJECT:**
Provides the procedures and instructions for administering the Sunflower Seed crop insurance program

**OPI:** Handbook Standards Division

**APPROVED:**
/s/ Tim B. Witt 10/27/2011
Deputy Administrator for Product Management

**REASON FOR AMENDMENT**

Section 3C, page 3: Added language to reflect updated Special Provisions statement which allows optional units by type if the type is designated on the Special Provisions.

Section 9C Item 35, page 27: Added language to comply with the possibility of a State or Federal mandated destruction of a crop as specified in Section 15(j) of the Basic Provisions.

Section 9C Item 65, page 37: Added language to comply with the possibility of a State or Federal mandated destruction of a crop as specified in Section 15(j) of the Basic Provisions.

Section 9C, Production Worksheet Example, page 40: Made corrections to change the words “price election” to “projected price.”
## SUMMARY OF CHANGES/CONTROL CHART

| Control Chart For: Sunflower Seed Loss Adjustment Standards Handbook |
|-----------------------------|-----------------|-------|-------|------|------------------|
| SC Page(s) | TC Page(s) | Text Page(s) | Reference Material | Date | Directive Number |
| Remove | 1-2 | - | 3-4 | 27-28 | 37-40 | - | 3-2011 | FCIC-25470-1 |
| | | | 12-2009 | FCIC-25470 |
| | | | 3-2011 | FCIC-25470-1 |
| | | | 3-2011 | FCIC-25470-1 |
| Insert | 1-2 | - | 3-4 | 27-28 | 37-40 | - | 10-2011 | FCIC-25470-2 |
| | | | 10-2011 | FCIC-25470-2 |
| | | | 10-2011 | FCIC-25470-2 |
| | | | 12-2009 | FCIC-25470 |
| | | | 10-2011 | FCIC-25470-2 |
| | | | 3-2011 | FCIC-25470-1 |
| | | | 12-2009 | FCIC-25470 |
| | | | 3-2011 | FCIC-25470-1 |
| | | | 10-2011 | FCIC-25470-2 |
| | | | 12-2009 | FCIC-25470 |
| | | | 3-2011 | FCIC-25470-1 |
| | | | 10-2011 | FCIC-25470-2 |
(3) Any acreage of the insured crop damaged before the final planting date, to the extent that the majority of producers in the area would not normally further care for the crop, must be replanted unless the AIP agrees that replanting is not practical.

Refer to the LAM for replanting provision issues. Refer to section 4 of this handbook for replanting payment procedures.

(4) Any production harvested from plants growing in the insured crop may be counted as production of the insured crop on a weight basis.

B. PROVISIONS AND PROCEDURES NOT APPLICABLE TO CAT COVERAGE

Refer to the CIH and 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.

In addition to optional units by section, section equivalent, or FSA farm serial number, and by irrigated and non-irrigated practices, optional units may be by type if the type is designated on the Special Provisions.

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

D. QUALITY ADJUSTMENT

(1) Refer to the Special Provisions to determine if production is eligible for quality adjustment as identified in the Sunflower Seed Crop Provisions.

(2) Sunflower Seed production will be eligible for quality adjustment if deficiencies in quality, in accordance with the Official United States Standards for Grain, result in:

(a) Oil type sunflower seed not meeting the grade requirements for U.S. No. 2 (grades U.S. sample grade) because of test weight, kernel damage (excluding heat damage), or a musty, sour or commercially objectionable foreign odor;

(b) Non-oil type sunflower seed having a test weight below 22 pounds per bushel or kernel damage (excluding heat damage) in excess of five percent (5%), or a musty, sour or commercially objectionable foreign odor; 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.
When due to insurable cause(s), use of quality adjustment for sunflower seed is handled by determining appropriate discount factors, 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) needed to determine non-chart discount factors.

Moisture adjustment is applied prior to any qualifying quality adjustment factors such as test weight, kernel damage, etc. Refer to the sunflower moisture adjustment factors in TABLE D. Moisture adjustment results in a reduction in production to count of 0.12 percent for each 0.1 percent moisture in excess of 10 percent.

For sunflower seed for which RIV’s apply, and which can be conditioned/reconditioned, refer to the Special Provisions for instructions.

THE QUALITY ADJUSTMENT FACTOR CANNOT BE GREATER THAN 1.000 or less than zero (.000). Refer to the LAM for information on contract prices in quality adjustment.

If a local market cannot be found for the sunflower seed, refer to the LAM.

Refer to the LAM for special instructions regarding mycotoxin-infected grain.

Document quality adjustment information as described in the instructions for the “Narrative” section of the claim form (section 9 B), or on a Special Report.

For additional quality adjustment definitions, instructions, qualifications, and testing requirements; refer to the LAM and the Official United States Standards for Grain.

4. REPLANTING PAYMENT PROCEDURES

A. GENERAL INFORMATION

When Sunflower Seed is replanted using a practice that is uninsurable as an original planting, the liability for the unit will be reduced by the amount of the replanting payment which is attributable to the insured’s share. 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 amount will not be reduced.

No replanting payment will be made on acreage on which one replanting payment has already been allowed for the crop year.
33. **Shell %, Factor, or Value:**

**REPLANT:** MAKE NO ENTRY.

**PRELIMINARY AND FINAL:** MAKE NO ENTRY

34. **Production Pre QA:**

**REPLANT:** Enter the result of multiplying column 31 times column 19 rounded to whole pounds. If no entry in column 31, MAKE NO ENTRY.

**PRELIMINARY AND FINAL:** Result of multiplying column 31 times column 19, and if applicable, multiplying this result times column 32b, rounded to whole pounds. 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 Statements 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.

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

**Under section 15 (j) of the Basic Provisions, if due to insured causes, a Federal or State agency has ordered the appraised insured crop or production to be destroyed, enter the factor “.000.” Instruct the insured to complete and submit a Certification Form stating the date the crop or production WAS DESTROYED and the method of destruction (refer to item 40). Document the cause of condition in the Narrative and include a copy of the Certification Form. Also refer to LAM paragraphs 96 J (2) and 102 A for additional information.**

For additional quality adjustment definitions, instructions, documentation, qualifications, and testing requirements, refer to the LAM and the Agricultural Marketing Act of 1946, as amended for the crop. Also, refer to the quality adjustment instructions in the “Narrative” herein.

36. **Production Post QA:**

**REPLANT:** Transfer entry from column 34.

**PRELIMINARY AND FINAL:** Result of multiplying column 34 times column 35 rounded to whole pounds. If “no entry” in column 35 transfer entry from column 34.
37. **Uninsured Causes:**

**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 whole pounds. 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 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.
   (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.

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, 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.
THIS ENTRY MUST NEVER EXCEED PRODUCTION SHOWN ON THE SAME LINE. EXPLAIN THE TOTAL 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. Refer to example in the LAM.

63. **Production Pre-QA:** Result of subtracting column 62 from column 61.

64a. **Value:** Refer to Section 3D, Quality Adjustment.

When applicable, enter the Reduction in Value (RIV) applied by the buyer due to all insurable quality deficiencies. RIV must be limited to amounts that are usual, customary, and reasonable. Refer to the Special Provisions, and the LAM for further instructions.

MAKE NO 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 sunflower seed (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 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.

c. If due to insured causes, a Federal or State agency has ordered the insured harvested crop production to be destroyed, enter the factor “.000.” Refer to instructions for items 35 and 40 above and the Narrative for required documentation.

66. **Production to Count:** Enter result from multiplying column 63 times column 65, rounded to whole pounds.

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, PROJECTED PRICE OR HARVEST PRICE, 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 whole pounds.
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 whole pounds.

71. **Allocated Prod:** Refer to paragraphs 126 C (1-3) and 127 the LAM for instructions for determining allocated production. Enter the total production, rounded to whole pounds, allocated to this unit that is included in Section 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 whole pounds, of subtracting the total of column 37 (item 42 “Totals”) and item 71 (Allocated Prod.) from item 70 (Unit Total). If no entries in item 37 and item 71, transfer the entry in item 70. MAKE NO ENTRY when separate APH yields are maintained by type, practice, etc., within the unit.

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

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

Final indemnity inspections and final replanting payment inspections should be signed on bottom line.

74. **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 Production Worksheet.

Final indemnity inspections and final replanting payment inspections should be signed on bottom line.

75. **Page:**

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

**REPLANT AND FINAL:** Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).
PRODUCTION WORKSHEET

1. Crop/Code #  2. Unit #  3. Location Description  7. Company  ANY COMPANY  Agency  ANY AGENCY

4. Date(s) of Damage  JUN 10  5. Cause(s) of Damage  HAIL  6. Insured Cause %  100

8. Name of Insured  I.M. INSURED  9. Claim #  XXXXXXX

10. Policy #  XXXXXX  11. Crop Year  YYYY


SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

| 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        | NS              | 40.0           | 40.0             | 1.000            | 048  | 002  | UH    | FLOWED | 134       | 5,360       | 5,360          | 5,360          | 5,360          | 5,360          | 5,360          |
| B        | NS              | 41.3           | 1.000            | 048  | 002  | H    | H    | 21,000 | 21,000 |
| C        | NS              | 20.0           | 1.000            | 048  | 002  | P    | WOC  | 1,050  | 21,000 |
| TOTAL    |                 | 101.3          |                  |                  |      |      |       |         |            |              | 5,360          | 21,000 | 26,360         |

QUALITY FACTORS

40. Quality: TW  □  KD  □  Aflatoxin  □  Vomitoxin  □  Fumonisin  □  Garlicky  □  Dark Roast  □  Sclerotinia  □  Ergoty  □  CoFo  □  Other  □  None  □
41. Mycotoxins exceed FDA, State or other health organization maximum limits?  Yes  □  No  X

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

OCTOBER 2011  39  FCIC-25470-2 (SUNFLOWER)
### PRODUCTION WORKSHEET

**A. ACTUARIAL**

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<th>Determined Acres</th>
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**NARRATIVE**

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

**REPLANT EXAMPLE 1: 100% SHARE**

**SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS**

**16. ACTUARIAL**

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**NARRATIVE**

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

**REPLANT EXAMPLE 2: 50% SHARE**

**SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS**

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**NARRATIVE**

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

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

**OCTOBER 2011**

**40**

**FCIC-25470-2 (SUNFLOWER)**