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Department of  
Agriculture



Federal Crop  
Insurance  
Corporation



Risk Management  
Agency



Product  
Administration  
and Standards  
Division

FCIC-25025  
(08-2010)  
FCIC-25025-1  
(02-2011)  
FCIC-25025-2  
(12-2011)  
FCIC-25025-3  
(12-2012)

# **TOBACCO LOSS ADJUSTMENT STANDARDS HANDBOOK**

## **2013 and Succeeding Crop Years**



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

<b>TITLE: TOBACCO LOSS ADJUSTMENT STANDARDS HANDBOOK</b>	<b>NUMBER: FCIC-25025 (08-2010) FCIC-25025-1 (02-2011) FCIC-25025-2 (12-2011) FCIC-25025-3 (12-2012)</b>
<b>EFFECTIVE DATE: 2013 and succeeding crop years</b>	<b>ISSUE DATE: December 7, 2012</b>
<b>SUBJECT:</b>	<b>OPI: Product Administration and Standards Division</b>
<b>Provides the procedures and instructions for administering the Tobacco crop insurance program</b>	<b>APPROVED: December 7, 2012</b>  <b>/S/ Tim B. Witt</b>  <b>Deputy Administrator for Product Management</b>

**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 3 G (1) (b), pg. 9: Revised to agree with the burley and flue-cured tobacco Special Provisions.
2. Section 3 G (1) (e), pg. 9: Revised to agree with the burley and flue-cured tobacco Special Provisions.
3. Section 3 (1) (f), pg. 9: Revised to agree with the revisions in the burley and flue-cured tobacco Special Provisions for the 2013 crop year.
4. Section 3 G (2), pg. 10: Added some of the information (but not limited to) that RMA sends the AIP for an insured who has had burley or flue-cured tobacco graded at an AMS Tobacco Administration Grading Service (TAGS) location.
5. Section 3 G.1 (3), Example 2, pg. 10.1: Changed flue-cured to fire-cured since this section is specific to tobacco types other than burley or flue-cured.
6. Section 3 G.1 (5) (b), pgs. 11 and 12: Revised tobacco type from flue-cured to fire-cured and revised figures in the examples to reflect fire-cured tobacco since this section is specific to tobacco types other than burley or flue-cured.
7. Section 3 G.1 (5) (d) 1, a and b, pg. 13: Added “unless specified otherwise by AMS.”
8. Section 3 G.1 (6) (a) 1 and 2, pg. 14: Changed “auction warehouse” to “auction house.”
9. Section 6 D, pgs. 23-26: Revised to indicate this procedure applies to burley and flue-cured types to determine the number of pounds that is hanging in the barn or stored in the barn, but quality adjustment cannot be used if the procedure is utilized for these tobacco types. This is

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## REASONS FOR AMENDMENT (Continued)

because the Special Provisions for burley and flue-cured tobacco types require any tobacco that is quality adjusted to have been delivered to an AMS grading station and a grade assigned by AMS.

10. Section 8 C, item 9, pg. 28: Revised to the standard language used in all crop LASHs.
11. Section 8 C, illustration, pg. 32: Revised the unit number to reflect current unit numbering.
12. Section 9 B, Item 18, pg. 38: Revised “Reported Acres” instructions to indicate acres are to be entered “to hundredths rather than “to tenths.”
13. Section 9 B, item 39, pg. 42: Revised instructions for Replant and Final” to indicate “determined acres” are entered to “hundredths” rather than “tenths.”
14. Section 9 C, Narrative, item k (3), pg. 43: Revised to indicate this item was for all types other than burley or flue cured tobacco.
15. Section 9 C item 43 a, (2), pg. 45: Deleted sub-item (2) under item 43a. and renumbered accordingly.
16. Section 9 C, production worksheet illustration, pg. 48.4: Revised item 39 to show total acres entry to hundredths and showed that item 64b title was crossed out and Price Election inserted to match the completion instructions for this item.
17. Section 9 C Production Worksheet illustration, pg. 48.5: Revised item 39 to show total acres entry to hundredths.

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**CONTROL CHART**

<b>Control Chart For: Tobacco Loss Adjustment Standards Handbook</b>						
	<b>SC Page(s)</b>	<b>TC Page(s)</b>	<b>Text Pages</b>	<b>Reference Material</b>	<b>Date</b>	<b>Directive Number</b>
Remove	1-4		9-10.2		12-2011	FCIC-25025-2
			11-14		12-2011	FCIC-25025-2
			23-26.2		08-2010	FCIC-25025
			27-28		12-2011	FCIC-25025-2
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			41-42		02-2011	FCIC-25025-1
			43-44		12-2011	FCIC-25025-2
			45-46		02-2011	FCIC-25025-1
			48.3-48.6		12-2011	FCIC-25025-2
			Insert		1-4	
11-14	12-2012	FCIC-25025-3				
23-26.2	12-2012	FCIC-25025-3				
27-28	12-2012	FCIC-25025-3				
31-32	12-2012	FCIC-25025-3				
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41-42	12-2012	FCIC-25025-3				
43-44	12-2012	FCIC-25025-3				
45-46	12-2012	FCIC-25025-3				
48.3-48.6	12-2012	FCIC-25025-3				
Current Index	1-4	1-2		1-4		
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			17-20	12-2012	FCIC-25025-3	
			21-22	02-2011	FCIC-25025-1	
			23-28	08-2010	FCIC-25025	
			29-30	12-2011	FCIC-25025-2	
			31-32	12-2012	FCIC-25025-3	
			33-36	08-2010	FCIC-25025	
			37-38	02-2011	FCIC-25025-1	
			39-40	12-2012	FCIC-25025-3	
			41-46	02-2011	FCIC-25025-1	
			47-48.2	12-2012	FCIC-25025-3	
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				12-2012	FCIC-25025-3	
				08-2010	FCIC-25025	

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**(RESERVED)**

county is the FSA issuing county (e.g., county A), then the other county with separate FSN's (e.g., county B) could only be insured by separate application (e.g., County B). For information on Enterprise Units, refer to the LAM.

## **G. QUALITY ADJUSTMENT FOR ONLY BURLEY AND FLUE CURED TOBACCO TYPES**

(1) In lieu of section 12 (f) of the Tobacco CP, as indicated by the SP:

- (a) The insured must contact the AIP before any damaged tobacco is disposed of<sup>1/</sup> so the tobacco can be inspected to determine the amount of tobacco that may be eligible for quality adjustment. If the insured disposes of any damaged tobacco without giving the AIP the opportunity to inspect it, such tobacco will not be eligible for quality adjustment.

<sup>1/</sup> Disposed of means: Transfer of title of the tobacco by sale or transfer by any other means, or destruction of the harvested production.

- (b) Tobacco production **will** be adjusted for quality adjustment, if deficiencies are the result of an insured cause of loss for any of the insured causes listed in section 10 of the crop provisions;
- (c) Quality adjustment is allowed only if:
- 1 The insured **delivered the tobacco to a designated AMS grading station**, obtained an assigned grade for the tobacco, and the assigned grade appears on the Discount Factor Chart in the SP; and
  - 2 The tobacco is graded by a tobacco grader who is employed by the Agricultural Marketing System (AMS) or successor agency who assigns a grade in accordance with USDA Official Standards Grades published at CFR part 29.

Any tobacco not graded by AMS, as stated in (c) above will not be eligible for QA.

- (d) Any adjustment in production to count is determined by multiplying the pounds of damaged tobacco production by the quality adjustment factor (QAF) for the corresponding grade. The QAF is determined by subtracting the applicable Discount factor (DF), for the corresponding grade in the Discount Factor Chart in the SP, from 1.000 (expressed as a three-place decimal).
- \*\*\*** (e) No quality adjustment will be made on any production which has **been** assigned a grade that does not appear on the Discount Factor Chart in the SP.
- (f) Any production, **which due to an insured cause, AMS has assigned** a grade **shown on the SP** with a corresponding DF followed by "\*\*\*", is considered to have zero market value (ZMV) if such production is destroyed in a manner acceptable to the AIP. **If the insured chooses not to destroy such production, the AIP will apply the corresponding Discount Factor from the chart.** (Refer to section 9 C for the entry instructions **for**

completing the claim form (Production Worksheet). Only an entry in column 65 (Quality Factor) of the Production Worksheet is required.)

There is **no quality adjustment on** appraised **unharvested** production. It is counted pound for pound.

(2) **Tobacco Graded by AMS' Tobacco Administration Grading Service (TAGS)**

If any of the insured's tobacco has been graded at a TAGS location, AMS electronically transmits the graded tobacco information to RMA. RMA then transmits this information to the insured's AIP for the purpose of determining the quality adjustment factor(s) of any of the insured's graded tobacco that qualifies for quality adjustment. The information provides the AIP with at least the following:

- (a) Insured's policy state code, policy county code, and policy number;
- (b) Tax ID of the insured;
- (c) Crop Year;
- (d) Crop Code;
- (e) Grading Confirmation Number (GCN) that is assigned TAGS;
- (f) FSN;
- (g) Bale Number, Weight, and grade of each bale graded
- (h) Location where the tobacco was graded;
- (i) Date Tobacco was graded;
- (j) Tobacco type identified as burley (B) or flue-cured (F);
- (k) Leaf form – Leaf (L) or Strip (S);
- (l) Reloaded – Identified by Y or N as whether or not the Tobacco was reloaded on the truck for sale.

**G.1.QUALITY ADJUSTMENT FOR ALL TOBACCO TYPES OTHER THAN BURLEY AND FLUE CURED**

- (1) Mature (harvested and cured) tobacco production may be adjusted for quality deficiencies if, due to an insurable cause, the average value of the harvested tobacco is less than 75% (percent) of the insured's price election and all of the other quality criteria are met based on the following criteria in items (2)-(8).

- \*\*\* (a) The average value for harvested production includes the value of damaged and undamaged **harvested** production). Refer to section 6 D for information about appraising unsold **harvested** tobacco remaining in the barn.
- (b) There is **no quality adjustment on** appraised **unharvested** production, and it is counted pound for pound and valued at the insured's price election.
- (2) In accordance with section 12 (f) (1) of the Tobacco CPs, the insured must contact the AIP before any mature, cured tobacco is disposed <sup>1/</sup> of so the AIP can inspect the tobacco to determine the extent of the damage. In accordance with section 12 (f) (3) of the Tobacco CPs, if the insured disposes of any tobacco before the AIP has the opportunity to inspect the tobacco, no quality adjustment for such production is allowed, regardless of the average value of the production. Also, see subsection (4) below.

<sup>1/</sup> Disposed of means: Transfer of title of the tobacco by sale or transfer by any other means, or destruction of the harvested production.

(3) Determining Average Value.

- \*\*\* (a) The average value is determined by dividing the value of **all of the harvested** production by the total pounds of production **that has a value, excluding pounds of** harvested tobacco with no value. If the AIP determines the value received for the harvested tobacco is not reasonable, the AIP may adjust the average value to a reasonable value as stated in G (4) below. Tobacco production having no value is adjusted separately from the tobacco having a value. Refer to G (8) below for information regarding harvested tobacco with no value.
- (b) Regardless of the variances in damage (due to unavoidable insured causes) to the tobacco in the unit, (including tobacco having some damage and some having no damage), if the average value of all of the harvested tobacco (excluding harvested tobacco with no value) in the unit is less than 75% of the insured's price election, all of the harvested production will be eligible for quality adjustment. Some examples of when this could happen, but is not limited to the following:

Example 1: Some types of tobacco have leaves of tobacco harvested, cured and sold at various times throughout the season; e.g., Fire-Cured Tobacco. If the earliest harvested, cured and sold tobacco contained no damage and then an unavoidable, insured cause of loss occurred to the remaining tobacco on the stalks, any of the damaged and undamaged leaves harvested from the stalk will be quality adjusted if the average value of all harvested tobacco (excluding harvested zero value tobacco) is less than 75% percent of the insured's price election.

Example 2: Some types of tobacco are harvested with the tobacco leaves still on the stalk; i.e., **Fire Cured**. If some of the tobacco that had no damage was harvested and placed in the barn for curing and then an unavoidable, insured cause of loss occurred to the remaining tobacco still in the field that is subsequently harvested, all of the damaged and undamaged tobacco will be quality adjusted if the average value of all harvested tobacco (excluding harvested zero value tobacco) is less than 75% percent of the insured's price election.

- (4) Section 12 (f) (2) of the Tobacco Crop Provisions indicate if the average value for the harvested tobacco does not correlate with the amount of damage determined by the AIP during the inspections outlined in sections 3 D and/or G.1 (2) above, as applicable, the AIP has the authority to consider the average value unreasonable. If the AIP determines the average value of the damaged production for the tobacco is:
- (a) Reasonable, the AIP will use this average value to determine the quality adjustment factor.
  - (b) Unreasonable, the AIP may adjust the average value (to reflect a reasonable average value for the damaged production) to determine the quality adjustment factor.
- (5) The AIP's inspection of tobacco growing in the field will meet the requirement stated in (2) above and can be used to assist in determining if the average value of the tobacco is reasonable for the extent of damage as stated in (4) above. However, the insured **must** contact the adjuster if the expected quality changes. The adjuster may need to perform additional inspections to document the change in expected quality.
- (a) The adjuster must document the inspection on a Special Report or an inspection report developed just for this purpose and a copy must be retained in the insured's file folder. The report must contain at least the minimum, but is not limited to:
    - 1 The condition and extent of damage of the tobacco (including cause(s) of damage (e.g., excess precipitation and disease)) at the time of the inspection.
    - 2 A statement indicating the insured must notify the AIP so another inspection can be completed if the condition or extent of damage of the tobacco changes or any tobacco is sold at or below a price determined by the AIP at the time of the inspection.
    - 3 A certification statement that the insured has read the above and agrees to notify the AIP as outlined above.

4 The insured's signature and date of signature.

5 The adjuster's signature and date of signature.

(b) Examples of Adjusting the Average Value at Loss Time:

EXAMPLE 1: The insured harvests 20,000 pounds of **Fire** Cured Tobacco:

The insured's price election is **\$2.45**

Quality Adjustment would not start unless the Average Value fell below **\$1.84**  
(**\$2.45**\*.75 = **\$1.84**)

Sales records show the pounds, price per pound, and quality (grade).

The insured sells 10,000 pounds to buyer A @ **\$2.50** pound.

The insured sells 10,000 pounds to buyer B @ \$0.75 pound.

Based on sales records, the Average Value = **\$1.63** (**\$32,500**/20,000 lbs.).

Based on inspection prior to the sale of the tobacco, the AIP determines the Average Value is unreasonable for the quality of the tobacco.

The AIP concludes the value received from buyer A is reasonable.

The AIP concludes the value received from buyer B is unreasonable.

The AIP determines the reasonable value per pound for the production sold to buyer B is \$1.10 rather than \$0.75.

The average value would be adjusted as follows:

Buyer A: 10,000 pounds X **\$2.50** = **\$25,000**.

Buyer B: 10,000 pounds X \$1.10 = \$11,000 adjusted value

**\$36,000**/20,000 lbs. = **\$1.80** Adjusted Average Value

The value is below **\$1.84** so quality would apply.

QAF = **\$1.80**/\$2.45 = .735

PTC = 20,000 X **.735** = **14,700** pounds

EXAMPLE 2: Same scenario as Example 1, except the quality (grade) of the production that was sold to buyer B is the same quality as sold to buyer A.

The AIP would use the same value as applied by buyer A. So the average value would be, as follows:

Buyers A: 10,000 pounds X **\$2.50** = **\$25,000**

Buyers B: 10,000 pounds X **\$2.50** = **\$25,000** (adjusted value)

**\$50,000**/20,000 lbs. = **\$2.50** (Adjusted Average Value)

Because the Adjusted Average Value is higher than **\$1.84**, no quality adjustment can be applied.

(c) Ways to determine if the value is reasonable.

1 All Sold **T**obacco

If tobacco of the same quality has been sold to one buyer and the AIP determines the price is reasonable, and part of the production is

unreasonable based on the extent of damage, the AIP may use the same value applied by the buyer using a reasonable value. See example 2 above.

2 Some Tobacco Sold and Some Unsold

When some tobacco has been sold and some mature, cured tobacco has not, and the unsold tobacco is of the same quality, use this value to value the unsold tobacco, provided the value determined for the sold tobacco is reasonable for the extent of quality damage. If no quality determinations have been made by a potential buyer for any unsold tobacco (extent of damage), AMS grading may be obtained to determine the quality. The AMS Inspection and Classification Certificate (refer to Exhibit 2) meets the policy required record showing quality for quality adjustment purposes, and a copy must be retained in the insured's file folder. Refer to (d) below for additional information for obtaining AMS grades.

3 All Cured Tobacco is Unsold

If the AIP cannot obtain a written offer from someone who is in the business of buying tobacco for the unsold tobacco and the loss adjuster verifies that there is no buyer in the area willing to buy the tobacco or that will provide a written offer of a reasonable value for such tobacco, no quality adjustment will apply. If a written offer is obtained, the following applies:

- a The written offer will serve as the policy required record showing the price, and a copy must be retained in the insured's file folder.
- b The written offer is to include at least (but is not limited to):
  - (i) The insured's name;
  - (ii) Policy and unit number;
  - (iii) Tobacco type; e. g., Fire Cured;
  - (iv) Offerer's name and address;
  - (v) Dollar offer for the quality of tobacco being offered;
  - (vi) Number of pounds, date of offer; and
  - (vii) Offerer's signature (or person authorized to sign for the offerer).
- c The AIP may submit samples to AMS to determine the quality (extent of damage) to assist in determining reasonable values. Refer to (d) below for additional information for submitting samples to AMS.
- d If offers are not reasonable based on the extent of damage, the AIP may adjust the average value.

- e The AMS Inspection and Classification Certificate (refer to Exhibit 2) meets the policy required record showing quality for quality adjustment purposes, and a copy must be retained in the insured's file folder.

- 4 When the AIP questions whether the value received is reasonable, or whether an offer for unsold production is reasonable, the AIP may be able to average the values their insureds have received for the same type and quality of tobacco from the claims that they have finalized, as a way to determine if the average value is reasonable.

(d) AMS Tobacco Grading

There may be times when AMS tobacco grading can be used to help the AIP determine if there is damage or the extent of damage to the tobacco, or to serve as the required policy record showing quality for quality adjustment purposes when the tobacco is unsold and the insured does not have a record of quality. The AIP may obtain and submit samples on behalf of the insured, or the insured can arrange for AMS to grade the tobacco in the barn where the production is stored to determine the grade of the cured tobacco. If AMS grades the tobacco in the barn, the adjuster must also be present during the inspection.

1 Costs of AMS Grading:

- a A one (1) pound sample submitted to AMS will cost \$47.40, unless specified otherwise by AMS.
- b AMS grading tobacco in the barn will cost \$47.40 an hour (unless specified otherwise by AMS) to grade the tobacco, including travel time to and from the site.

2 Adjuster Submitted Samples. Collect approximately one (1) pound 30 – 60 leaves for each "lot."

- a When tobacco is hanging or stored in a barn, a barn will be considered a "lot" unless it appears that the tobacco appears to have differing quality. If it appears there is differing quality, a lot will be considered by the differing quality in the barn. The one pound sample will be taken from the samples collected as outlined in the procedures in section 6 D.
- b When tobacco is baled, 100 bales of like quality are considered a "lot." Collect the samples from the bales as instructed in section 6 D.

3 Packaging and mailing sample for shipment. Wrap the one pound sample in a plastic bag and place in a postal shipping box: Priority Mail, Federal Express or UPS overnight shipping. The package must also include:

- a A "Request for Grading Services" form filled out by adjuster/insurance representative and as instructed on the form, a payment of \$47.40 (the form provides the payee title). Refer to Exhibit 1.

b The mailing address and telephone are as follows:

USDA, AMS Cotton and Tobacco Programs  
Attention: Bobby Wellons  
1306 Annapolis Drive, Room 201  
Raleigh, NC 27608-0001  
Telephone: 919-856-4555

4 For specific instructions for AMS requests of grading at the insured's tobacco barn, contact AMS at the above telephone number.

(6) Production to count will be reduced only if the average value of the harvested and mature tobacco (excluding tobacco with no value) is less than 75 percent of the insured's tobacco price election. Harvested tobacco having no value is determined separately from tobacco having a value (refer to subsections (7) and (8) below). The production will not be quality adjusted unless the insured provides the AIP with records that are acceptable to the AIP and which clearly show the number of pounds, price per pound, and the quality of such production. **All such records must be retained in the insured's file folder.** If the insured cannot provide records, no quality adjustment is allowed for such production.

(a) If the insured knows he/she is going to sell the tobacco at an auction where quality (grades) are not shown on the records provided by the auction **house**:

1 A sample of the tobacco to submit to AMS may be obtained by an adjuster prior to the tobacco being delivered to the **auction house**; or

2 The insured can arrange for AMS to grade the tobacco prior to delivery to the auction **house**. The adjuster must be present when AMS grades the tobacco in the barn.

(b) The AMS grade shown on the AMS Inspection and Classification Certificate (refer to Exhibit 2) meets the policy required record showing quality and the sales record of the auction warehouse meets the policy required record showing the pounds and value (subject to AIP adjustment if the value is unreasonable) for quality adjustment purposes. Refer to section 3 G (5) (d) above for additional information regarding AMS grading.

(c) Refer to section 3 G (5) (c) above for policy record requirements for the value of production when there is unsold production.

(7) **Quality Adjusting Harvested Production to Count With a Value.** If the average value of the harvested tobacco (excluding harvested tobacco with no value – refer to (8) below) is less than 75 percent of the insured's price election, and all of the other quality adjustment criteria are met, the production to count for the harvested tobacco will be reduced as follows:

(a) Divide the average value per pound of the harvested tobacco as determined in (6) above by the insured's price election resulting in a quality adjustment factor (QAF), rounded to three-decimal places. Refer to Section 9 C for the entry instructions for

**EXAMPLE:**

Row width = 42 inches

Plant spacing = 24 inches

Plants per acre = 6,223 (from **TABLE B**)

Row length for 100 plants = 200.0 feet (from **TABLE B**)

Plants remaining in the sample = 95

Plants Per Acre = 5,912 plants per acre (6,223 x .95)

Machine sample row = 59 plants (5,912 x .01)

Plants in sample that can be machine harvested = 14

Percent of plants that can be machine harvested = 24% ( $14 \div 59 = .237$ , rounded to .24)

Plants per acre that can be machine harvested = 1,419 (5,912 x .24)

1,419 is entered in item 28 of the Tobacco Appraisal Worksheet.

- (f) Determine the normal leaves per acre by multiplying the number of harvestable plants per acre times the average number of normal leaves per plant. Divide the normal leaves per acre by the number of leaves per pound for the per acre appraisal.

**D. CURED TOBACCO HANGING OR STORED IN THE BARN METHOD**

Except where labeled or otherwise specified, all items in section D apply to all tobacco types.

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(1) General Information

- (a) This appraisal method is used when curing (cured) tobacco in the barn is damaged due to an insured cause of loss and the tobacco is not marketable or the tobacco remains unsold.

(b) **Quality Adjustment**

**1** **For Burley and Flue Cured tobacco types.** Quality is only applicable for production that is delivered and graded at an AMS grading station. Therefore, for Burley or Flue Cured tobacco types not delivered and graded at an AMS grading station only the number of pounds of production to count will be determined using the following method. The only exception to this would be as stated in item 13 below.

**2** **For tobacco types other than Burley and Flue Cured.** Quality adjustment cannot apply if a record of the value and/or quality of the production cannot be obtained. Refer to Section 3 G.1 (5) and (6) for additional information.

- (c) Record all appraisal determinations and calculations of the appraised production in the barn and other pertinent information on a Special Report. Attach any appropriate records or documents to the Special Report. Retain all of this information in the insured's file folder.

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- (d) Make the appraisal determinations as stated in items (2)-(9) or if applicable, item (11) (a) below.
- (2) Remove and appraise sticks, racks, boxes or other containers used for curing of representative tobacco selected randomly throughout the barn. Appraise at least the greater of 15 sticks per determined acre, or 1 percent of the total number of sticks in the barn or 10% of racks or boxes or other containers. Record the number of sticks racks, boxes or other containers appraised.
  - (3) Strip Tobacco leaves and divide into piles according to varying leaf size, appearance (possible differences in grade).
  - (4) Identify and weigh each group (varying leaf size, appearance- possible grade difference) to the nearest tenth of pound and record the weights and identification of each group. Then weigh the entire stripped production collectively to determine the accuracy of individual weights of each group identified. The collective weight should equal the sum of individually identified groups. Maintain separation of pile by binding with string.
  - (5) Divide the total weight of each identified pile (by varying leaf size, appearance, possible grade) by the total weight to determine the percentage of leaf (by weight) produced for each group identified. Record the percentages to the nearest 1/10 of 1 percent. Weigh the content of each rack, box, or other container to establish the weight per box, rack, or container.
  - (6) Divide the total weight of the (as determined in item (5) above) production by the number of sticks, racks, boxes, or containers recorded in (2) above and round to the nearest thousandth of a pound, to determine the average weight per stick, rack, box or other container in the barn(s) and record the results.
  - (7) Determine the number of sticks, racks, boxes, or other containers in the barn by counting the number of rails in the barn and multiplying by the average number of sticks per racks, boxes, or other containers and record.
  - (8) Multiply the average weight of stripped production per stick, rack, box, or other container determined in (7) above, by the total number of sticks, racks, boxes, or other containers in the barn (item (8) above) to obtain the gross production.
  - (9) Multiply the gross production by the percentage (nearest tenth percent) of each pile to determine pounds of each and record. This will serve as the policy-required record for pounds for quality adjustment purposes.
  - (10) Quality **for ONLY tobacco types OTHER than Burley and Flue Cured.**
    - (a) If there is no quality record from a potential buyer, a quality record must be obtained from AMS. If samples are to be submitted to AMS, obtain and submit representative samples to AMS as specified in section 3 G (5) (d). Only the adjuster can obtain and submit samples to AMS; the insured is not allowed to do this. If the tobacco is baled, refer to (11) below for instructions on obtaining samples to submit to AMS. The

AMS Inspection and Classification Certificate (refer to Exhibit 2) will serve as the policy-required record showing the quality of the tobacco and a copy must be retained in the insured's file folder.

(11) **If the tobacco is baled:**

- (a) Gross weight. Determine the gross weight of the production by weighing 10% of the bales selected by the adjuster (the insured cannot select the bales to be weighed), averaging the weight of these bales, and then multiplying the average weight by the number of bales. If the bales were rejected by a buyer and the insured has records from the potential buyer showing the weights of the rejected bales, use those weights.

→**Not applicable to Burley and Flue-cured Types. (For Burley and Flue-cured types, refer to (1) (b) above and (13) below.)**

(b) Quality

- 1 If the bales were rejected and the insured does not have records from the buyer who rejected the tobacco showing the quality of the tobacco, AMS should grade these bales at the barn and/or farm storage.
- 2 If AMS does not grade the tobacco at the barn and/or farm storage, the adjuster can obtain and submit representative samples to AMS for grading (the insured is not allowed to obtain and submit samples for grade determinations).
- 3 Adjuster-obtained sample instructions.

The adjuster will select representative samples to be submitted for AMS grading as instructed in a or b below:

- a Collect samples from 10% of every 50 bales of like quality by obtaining a sample from the bale. If the insured is willing to break the straps on a bale to obtain the sample, then take sample from this. If the insured is not willing to break the straps, the sample can be obtained from the bale by using a knife to obtain a plug approximately 4-6" long or by using a cordless drill with a metal hole saw drill bit attachment to obtain a plug of tobacco from each bale that comprise the one pound sample from 10% of every 50 bales, or if the bale is loose, pull some of the tobacco from the bale. Follow the requirements for shipping samples to AMS found in section 3 G (4) (e)); OR
- b Select 10% of every 50 bales of like quality to deliver to a facility where an approved AMS grader is grading tobacco. The adjuster must document the identifying tag number of every bale selected and place this information in the insured's file folder.

**Not applicable to Burley and Flue-Cured Types. (For Burley and Flue-cured types, refer to (1) (b) above and (13) below.)Refer to (1) (b) above and (13) below.**←

→Not applicable to Burley and Flue-Cured Types. (For Burley and Flue-cured types, refer to (1) (b) above and (13) below)

of the production has been sold. Records from the sold production of the same quality or written offers as stated in section 3 G.1 (5) (c) will serve as the policy-required record for price for quality adjustment purposes.

- (b) Average Value Per Pound of Harvested Tobacco for the Unit. Add the gross pounds of the appraised cured harvested production left in the barn and the gross pounds of any farm-stored production to the gross pounds of any sold production for the unit.

Divide the sum of all harvested production values by the gross poundage to determine average value per pound (do not include zero value production that has been destroyed in this calculation).

- (c) If the average value per pound (due to an unavoidable insured cause of loss) is less than 75 percent of the insured price election, the production is eligible for quality adjustment, provided all other quality provision requirements have been met.

Not applicable to Burley and Flue-Cured Types. (For Burley and Flue-cured types, refer to (1) (b) above and (13) below ←

(13) Zero Market Value (ZMV) Production Determined in the Barn

When due to insurable causes, production is determined to be ZMV, the claim cannot be processed until it is destroyed in accordance with PAR. 96 J (2) 2 a of the LAM (PAR. 96 J (2) 2 b is not applicable to tobacco). If the insured refuses to destroy such production, it will be included as production to count.

- (a) For Burley and Flue-Cured types of tobacco. Also, refer to (1) (b) above.

1 If due to insurable causes, the tobacco is damaged to the extent it cannot be baled or otherwise prepared for sale, such production will be considered to have ZMV.

a The gross production of appraised ZMV production in the barn that has been destroyed will be entered with a QAF of .000 in “Section II, C – Adjustments to Harvested Production” of the Production Worksheet.”

b ZMV-determined production must be documented in writing and pictorially, as specified in PAR. 96 J (2) (b) 3 of the LAM.

c All documentation must be retained in the insured’s file folder. In this case, ONLY, the adjuster’s documentation will serve as the policy-required record showing ZMV.

2 When it is questionable whether the tobacco is damaged to the extent that it cannot be baled or otherwise prepared for sale, the tobacco must be delivered and graded by an AMS grader at a location designated for AMS grading or it will be counted as production to count and no quality will apply.

(b) **For ALL types of tobacco other than Burley and Flue Cured**

- 1 If due to insurable causes, the tobacco is damaged to the extent it cannot be baled or otherwise prepared for sale, such production will be considered to have ZMV.
- 2 When only a portion of tobacco in the barn has a value, a sample of this tobacco must be submitted to AMS to determine the extent of damage as outlined in (a) above.
- 3 When it is questionable whether the tobacco is damaged to the extent that it has ZMV, submit a representative sample(s) of the tobacco to AMS.
- 4 Any tobacco determined to be ZMV:
  - a The gross production of appraised ZMV production in the barn that has been destroyed will be entered with zero value in Column “64a” of “Section IIC – Adjustments to Harvested Production” of the Production Worksheet, and the entry in Column “64b” will be the insured’s price election. Even if the production that has an average value equal or greater than 75% of the insured’s price election is not adjusted, the production that has zero value that has been destroyed will be adjusted to zero.
  - b ZMV-determined production must be documented in writing and pictorially, as specified in PAR. 96 J (2) (b) 3 of the LAM.
  - c All documentation must be retained in the insured’s file folder. In this case, **ONLY**, the adjuster’s documentation will serve as the policy-required record showing the quality of the tobacco for quality adjustment purposes.

**E. APPRAISED FIRE DAMAGED MATURE TOBACCO AT THE CURING BARN OR FARM STORAGE**

- (1) Determine the pounds of production destroyed in the fire. This can be done based on average weights of the production in the RSCs and/or from the average weights of other representative sticks, racks, boxes, or other containers of undamaged tobacco in the barn or farm storage, and from the number of sticks of tobacco destroyed or damaged in the barn. The total sticks, racks, boxes or other containers of tobacco in the barn or farm storage can be established from the records the insured has, based on labor records, etc.
- (2) If the number of harvested pounds of tobacco before the fire cannot be established through appraisals in the barn or farm storage and the insured’s records of the number of sticks hung, racks, boxes, or other containers in the barn, or from appraisals of the RSCs; then the claim must be denied.
- (3) When production has been damaged by fire and the insured has a private fire insurance policy for the tobacco and fire coverage has not been excluded from the Federal crop insurance tobacco policy, refer to PAR. 125 of the LAM for instructions.

- (4) Retain all documentation of the appraisal, Special Report, and any pertinent records in the insured's file folder.

## **7. APPRAISAL DEVIATIONS AND MODIFICATIONS**

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### **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.

## **8. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES**

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### **A. APPRAISAL WORKSHEET FORM STANDARDS**

- (1) The entry items in subsection C are the minimum requirements for the Tobacco Appraisal Worksheet. 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 section. 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) Refer to the DSSH for other crop insurance form requirements (e.g., font point size, etc.).

### **B. GENERAL INFORMATION FOR WORKSHEET ENTRIES AND COMPLETION PROCEDURES**

- (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 which has a differing base (APH) yield or farming practice (applicable to preliminary and final claims. Refer to section 5 for sampling requirements.
- (4) Standard appraisal worksheet items are numbered consecutively in subsection C. An example appraisal worksheet is also provided to illustrate how to complete entries. For all zero appraisals, refer to the LAM.

### **C. WORKSHEET ENTRIES AND COMPLETION INFORMATION**

**Verify or make the following entries:**

**Item**

**No.      Information Required**

1.      **Company:** Name of the AIP, if not preprinted on the worksheet (Company Name).
2.      **Claim Number:** Claim number as assigned by the AIP.

3. **Insured's Name:** Name of insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
4. **Policy Number:** Insured's assigned policy number.
5. **FSA Farm Number:** FSA Farm Serial Number.
6. **Crop Year:** Four-digit crop year, as defined in the policy, for which the claim has been filed.
7. **Type:** Three-digit code number, entered exactly as specified on the actuarial documents for the type grown by the insured; e. g. 011, 014, 023, 035, etc.
8. **Total No. Plants Per Acre:** The number of plants per acre in the original stand. Complete items 19 (Row Width) and 20 (Spacing). Apply those values to **TABLE B** to determine the number of plants per acre in the **original** stand and enter in this item.
9. **\*\*\* Unit No.:** **Unit** number from the Summary of Coverage after it is verified to be correct.
10. **Field No.:** Field or subfield identification symbol.
11. **No. of Acres:** Number of determined acres to hundredths in the field or subfield being appraised.
12. **Leaf Stage:** Estimate of the number of leaves present per plant at the date of damage.

#### **PART I - SAMPLE DETERMINATIONS**

13. **Percent Plant Loss:** Result of subtracting the number of **LIVE** plants that will produce **marketable leaves** from 100. When all samples are completed, enter the total for all samples at the bottom of the column. Refer to subsection 6 B (2).
14. **Number Leaves on Ten Stalks:** Total number of **marketable leaves** on 10 consecutive **LIVE** plants (that will produce marketable leaves) for each sample. Refer to Stand Reduction Method in section 6 B (2) for information on determination of "marketable leaves."
15. **Leaf Factor:** Factor, to tenths. Examine the leaves counted in item 14 above to determine if the average size is relative to a normal leaf (considering the stage of maturity). If the average leaf size is of normal leaf size, enter 1.0.
  - a. If the average leaf size is not of a normal leaf size, determine the appropriate leaf factor to use to convert leaves to normal leaf size, as follows:
    - (1) Using the FACTOR TABLE on the Tobacco Appraisal Worksheet or the Factor Table below find the column titled "NUMBER OF LEAVES REQUIRED TO EQUAL ONE NORMAL LEAF." Find the corresponding conversion factor in the column headed "MULTIPLY NUMBER OF LEAVES COUNTED BY FACTOR."

35. **Appraisal Per Acre:**

Result of multiplying the number of normal leaves per stalk (item 27) times percent potential (item 33) times form entry of one leaf per stalk (item 34), rounded to the nearest whole pound.

36. **Remarks:**

- a. Any remarks concerning any unusual circumstances or as required by the insurance provider.
- b. Leaf Factor:
  - (1) If the leaves are smaller than a normal leaf, document whether an insured or uninsured cause of loss caused the leaves to be undersized.
  - (2) Explain your determination and show the computation calculation of the leaf factor(s) used in item 15 if the entry is different than the factors from the Factor Table on the Appraisal Worksheet or the Factor Table in item 15.
  - (3) If the Mature Tobacco Leaf Computation found in Section 6 B (5) was used, show the computation in the Remarks section of the Appraisal Worksheet or on a Special Report. If a Special Report is used, attach it to the Appraisal Worksheet.

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

37. **Insured's Signature and Date:** Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining the signature, REVIEW ALL ENTRIES on the Appraisal Worksheet WITH THE INSURED (or insured's authorized representative), particularly explaining codes, etc., which may not be readily understood.
38. **Adjuster's Signature, Code Number, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured's authorized representative) has signed. If the appraisal is performed prior to signature date, document the date of the appraisal in the Remarks/Narrative section of the Appraisal worksheet (if available); otherwise, document the appraisal date in the Narrative of the TPC Production Worksheet.
39. **Page Numbers:** Page Numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

**FOR ILLUSTRATION PURPOSES ONLY**

<b>APPRAISAL WORKSHEET TOBACCO</b>		1. COMPANY: Any Company					2. CLAIM NUMBER: XXXXXX								
		3. INSURED'S NAME I.M. Insured			4. POLICY NUMBER XXXXXXXX		5. FSA FARM NUMBER 145			6. CROP YEAR YYYY					
		7. TYPE 022		8. TOTAL NO. PLANTS PER ACRE 5,940			9. UNIT NO. 0001-0001BU	10. FIELD NO. B	11. NO. OF ACRES 3.00		12. LEAF STAGE 10				
<b>PART 1 DETERMINATIONS</b>							19. ROW WIDTH 48		20. SPACING 22						
SAMPLE NO.	13	14.	15.	16.	17.	18.	<b>FACTOR TABLE</b>								
	PERCENT PLANT LOSS	NUMBER LEAVES ON TEN STALKS	X LEAF FACTOR	=	NUMBER OF NORMAL LEAVES	+	LEAVES TO EMERGE	=	NO. OF NORMAL LEAVES ON TEN STALKS	NUMBER OF LEAVES REQUIRED TO EQUAL ONE NORMAL LEAF			MULTIPLY NUMBER OF LEAVES COUNTED BY FACTOR		
1	48	23	0.5	=	11.5	+	38	=	49.5	1/2			2.0		
2	56	32	0.6	=	19.2	+	30	=	49.2	5/8			1.6		
3	55	38	0.5	=	19.0	+	32	=	51.0	3/4			1.3		
4	62	28	0.5	=	14.0	+	20	=	34.0	7/8			1.1		
5				=		+		=		1			1.0		
6				=		+		=		1 1/4			.8		
7				=		+		=		1 1/2			.7		
8				=		+		=		1 3/4			.6		
9				=		+		=		2			.5		
10				=		+		=		2 1/2			.4		
11				=		+		=		3 - 4			.3		
12				=		+		=		5			.2		
TOTAL	221	+	4	=	55.3	TOTAL	183.7	+	4	=	45.9	÷	10	=	4.6
<b>PART II APPRAISAL COMPUTATIONS</b>															
<b>PART A</b>															
27. AVERAGE NO. NORMAL LEAVES PER STALK		28. PLANTS PER ACRE		29. % POTENTIAL		30. TOTAL NUMBER OF LEAVES PER ACRE		31. NUMBER OF LEAVES PER POUND		32. APPRAISAL PER ACRE					
		X 5,940		X .447		= 12,214		÷ 35		= 349					
<b>PART B</b>															
4.6		33. % POTENTIAL				34. POTENTIAL POUNDS PER ACRE OF ONE NORMAL LEAF PER STALK				35. APPRAISAL PER ACRE					
		X				X 100				=					
36. REMARKS															
Consent given to destroy, Certification left with insured.															

Refer to the above Appraisal Worksheet instructions for required statements and signature entries.

15. **Companion Policy(ies):**

- a. If no other person has a share in the unit (insured has 100 percent share), MAKE NO ENTRY.
- b. In all cases where the insured has LESS than a 100 percent share of a loss-affected unit, ask the insured if the OTHER person sharing in the unit has a multiple-peril crop insurance contract (i.e., not crop-hail, fire, etc.). If the other person does not, enter “NONE.”
  - (1) If the other person has a multiple-peril crop insurance contract and it can be determined that the SAME AIP services it, enter the contract number. Handle these companion policies according to AIP instructions.
  - (2) If the OTHER person has a multiple-peril crop insurance contract and a DIFFERENT AIP or agent services it, enter the name of the AIP and/or agent (and contract number) if known.
  - (3) If unable to verify the existence of a companion contract, enter “Unknown” and contact the AIP for further instructions.

Refer to the LAM for further information regarding companion contracts.

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

Make separate line entries for varying:

- (1) Rate classes, types, class, sub-class, intended use, irrigated practice, cropping practice, or organic practice, as applicable;
- (2) APH yields;
- (3) Appraisals;
- (4) Stages or intended use(s) of acreage;
- (5) Shares (e.g., 50 percent and 75 percent shares on the same unit); or
- (6) Appraisals for damage due to hail or fire if Hail and Fire Exclusion is in effect.

**Verify or make the following entries:**

**Item  
No.**

**Information Required**

- 16. **Field ID:** The field identification symbol from a sketch map or an aerial photo. Refer to the Narrative.

17. **Multi-Crop Code:** The applicable two-digit code for first crop and second crop. REFER TO THE LAM FOR INSTRUCTIONS REGARDING ENTRY OF FIRST CROP AND SECOND CROP CODES.
18. **Reported Acres:** In the event of over-reported acres, handle in accordance with the individual AIP's instructions. In the event of under-reported acres, enter the reported acres to **hundredths** for the field or sub field. If there are no under-reported acres MAKE NO ENTRY.
19. **Determined Acres:** Refer to the LAM for definition of acceptable determined acres used herein. Enter the determined acres to hundredths for the field or subfield for which consent is given for other use and/or:
- Put to other use without consent;
  - Abandoned;
  - Damaged solely by uninsured causes;
  - For which the insured failed to provide acceptable records of production; or
  - When the stalks and stubble have been destroyed without consent.

Refer to the LAM for procedures regarding when estimated acres are allowed and documentation requirements.

**PRELIMINARY AND FINAL:** Determined acres to hundredths. Acreage breakdowns WITHIN a unit or field may be estimated (refer to LAM) if a determination is impractical. Refer to **Table C** for Tractor Row Acreage Correction Factors.

ACCOUNT FOR ALL ACREAGE IN THE UNIT.

20. **Interest or Share:** Insured's interest in the crop to three decimal places as determined at the time of inspection. If shares vary on the same UNIT, use separate line entries.
21. **Risk:** Three-digit code for the correct "Rate" specified on the actuarial document maps. If a "Rate" or "High Risk Area" is not specified on the actuarial document maps, MAKE NO ENTRY. Verify with the Summary of Coverage and if the Rate is found to be incorrect, revise according to the AIP's instructions. Refer to the LAM.
- Unrated land is uninsurable without a written agreement.
22. **Type:** Three-digit code number, entered exactly as specified on the actuarial documents for the type grown by the insured. If "No Type Specified" is shown in the actuarial documents, enter the appropriate three-digit code number from the actuarial documents (e.g., 997). If a type is not specified on the actuarial documents, MAKE NO ENTRY.
23. **Class:** Three-digit code number, entered exactly as specified on the actuarial documents for the class grown by the insured. If "No Class Specified" is shown in the actuarial documents, enter the appropriate three-digit code number from the actuarial documents (e.g., 997). If a class is not specified on the actuarial documents, MAKE NO ENTRY.

35. **Quality Factor:**

**MAKE NO ENTRY.**

Tobacco cannot be quality adjusted until it has been harvested, cured, and graded to determine quality.

36. **Production Post QA:**

**PRELIMINARY AND FINAL:** Transfer entry from Column 34.

37. **Uninsured Cause:**

**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. Refer to the LAM for information on how to determine uninsured cause appraisals.
  - (3) For acreage that is damaged PARTLY by uninsured causes, enter the result of multiplying the APPRAISED UNINSURED loss of production per acre, by Column 19 entry, rounded to whole pounds, 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. Chemical residue in tobacco that exceeds FDA established limits will be considered an "uninsured cause."

f. For fire losses, if the insured also has other fire insurance (double coverage), refer to the LAM.

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

39. **Total:**

**PRELIMINARY:** MAKE NO ENTRY.

**REPLANT AND FINAL:** Total determined acres (Column 19), to **hundredths**.

40. **Quality:**

**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 (e.g., refer to the crop provisions).

<b>Qualifying QA Condition:</b>
Other
None

- a. If "Other" is checked, document in the Narrative (or on a Special Report) the cause of the QA condition applicable to the unit's production and the result the QA condition has on the tobacco (e.g., Extreme drought during period the tobacco was maturing caused the tobacco to cure out green.)
- b. Check "None" if QA does not apply to the unit's production.

41. MAKE NO ENTRY.

42. **Totals:** Total of entries in columns 34, 36, 37 and 38. If a column has no entries, MAKE NO ENTRY.

**NARRATIVE:**

If more space is needed, document on a Special Report, and enter "See Special Report." Attach the Special Report to the Production Worksheet.

- a. If no acreage is released on the unit, enter "No acreage released," adjuster's initials, and date.
- b. If notice of damage was given and "No Inspection" is required, enter "No Inspection," the unit number(s), date, and adjuster's initials (do not enter the unit numbers for which notice has not been given). The insured's signature is not required.
- c. Explain any uninsured causes, unusual, or controversial cases.

- d. If there is an appraisal in Section I, column “37” for uninsured causes due to a hail/fire exclusion, show the original hail/fire liability per acre and the hail/fire indemnity per acre.
- e. Document the actual appraisal date if an appraisal was performed prior to the adjuster’s signature date on the appraisal worksheet, and the date of the appraisal is not recorded on the appraisal worksheet.
- f. State that there is “No other fire insurance” when fire damages or destroys the insured crop and it is determined that the insured has no other fire insurance. Also refer to the LAM.
- g. Explain any errors found on the Summary of Coverage.
- h. Explain any commingled production. Refer to the LAM.
- i. Explain any entry for “Production Not to Count” in Section II, Column “62” and/or any production not included in Section II, Column “56” (e.g., harvested production from uninsured acreage that can be identified separately from the insured acreage in the unit).
- j. Explain a “NO” checked in item 44, Damage Similar to Other Farms in the Area.
- k. For production that qualifies for Quality Adjustment (supporting documentation should be included in the insured’s claim file):
  - (1) Explain any “.000” quality adjustment (QA) factor entered in Section I, Column 35 and Section II, Column 65.
  - (2) Explain any deficiencies, substances, or conditions that are allowed for quality adjustment, as well as any which were not allowed.
  - (3) **For all types other than Burley or Flue Cured**, document the insured’s price election and the average value for the tobacco when it is less than 75 percent of the insured’s price election that is used to determine the QA factor for mature harvested production.
  - (4) Document all calculations used in determining QA factors.
  - (5) Refer to the LAM for additional documentation requirements.
- l. Attach a sketch map or aerial photo to identify the total unit:
  - (1) If consent is or has been given to put part of the unit to another use;
  - (2) If uninsured causes are present; or
  - (3) For unusual or controversial cases.

Indicate on the aerial photo or sketch map, the disposition of acreage destroyed or put to other use with or without consent.
- m. Explain any difference between date of inspection and signature dates. For an ABSENTEE insured, enter the date of the inspection AND the date of mailing the Production Worksheet for signature.
- n. When any other adjuster or supervisor accompanied the adjuster on the inspection, enter the code number of the other adjuster or supervisor and date of inspection.

- o. Explain the reason for a “No Indemnity Due” claim. “No Indemnity Due” claims are to be distributed in accordance with the AIP’s instructions.
- p. Explain any delayed notices or delayed claims as instructed in the LAM.
- q. Document any authorized estimated acres, as instructed in the LAM, shown in Section I, column 19.
- r. Document the method and calculation used to determine acres for the unit. Refer to the LAM.
- s. Specify the type of insects or disease when the insured cause of damage or loss is listed as insects or disease. Explain why control measures did not work.
- t. Identify any tobacco which has no market value and is destroyed. Explain the reason for no market value and the method of destruction. Also, refer to the LAM for additional documentation requirements.
- u. Document the name and address of the charitable organization when gleaned acreage is applicable. Refer to the LAM for more information on gleaning.
- v. Document any other pertinent information, including any data to support any factors used to calculate the production.

## **SECTION II - DETERMINED HARVESTED PRODUCTION**

### **GENERAL INFORMATION:**

- (1) Account for **ALL HARVESTED PRODUCTION** (for **ALL ENTITIES** sharing in the crop). Inspect **ALL** barns to account for all harvested production when using the Cured Tobacco Hanging in the Barn appraisal method.
- (2) If additional lines are necessary, the data may be entered on a continuation sheet. **USE SEPARATE LINES FOR:**
  - (a) Different **FIRST** handlers (buyers or warehouses). The insured must have maintained satisfactory records of **ALL** production sold. Verify any warehouse or buyer records.
  - (b) Varying shares; e.g., 50 percent and 75 percent shares on the same unit.
  - (c) Production having zero value that has been destroyed (including production destroyed by fire after harvest).
  - (d) Production not sold.

Verify or make the following entries:

**Item**

**No.**

**Information Required**

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

**PRELIMINARY: MAKE NO ENTRY.**

a. Enter the earlier of the date that one of the following events occurred:

(1) Total destruction of the tobacco on the unit;

\*\*\*

(2) Removal of the tobacco from the field where grown except for curing, grading, packing, or immediate delivery to the tobacco warehouse; or

(3) The calendar date for the end of the insurance period for the type.

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 was put to another use, etc. Refer to the LAM.

44. **Damage Similar to other Farms in the Area?:**

**PRELIMINARY: MAKE NO ENTRY.**

**FINAL:** Check “Yes” or “No.” Check “Yes” if 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 the 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.
  - b. If more than one practice and/or type of harvested production is listed in Section I and a separate approved APH yield exists, indicate for each practice/type the corresponding Field ID (from Section I, item “16”).

48. **Multi-Crop Code:** The applicable two-digit code for first crop and second crop. REFER TO THE LAM FOR INSTRUCTIONS REGARDING ENTRY OF FIRST CROP AND SECOND CROP CODES.

49-52. Strike through titles and enter “**Disposition**”

Enter the disposition of the tobacco as follows:

**PRELIMINARY:** “Destroyed by fire” for any tobacco burned in the curing barn or pack barn; otherwise, MAKE NO ENTRY.

**FINAL:**

- a. Name of auction warehouse for production sold through auction warehouse.
- b. Name of buyer for production sold to other than auction warehouse.
- c. “Not sold.” Document, in the Narrative, the location of any production which is not sold.
- d. “Destroyed by fire” for any tobacco burned in the curing barn or pack barn (refer to the LAM).
- e. “ZMV Tobacco Destroyed” when the adjuster has witnessed satisfactory destruction of tobacco that has no value due to insured causes.
- f. “ZMV Tob. Not Destroyed” for any tobacco that has no value and **that has not been destroyed.**

53-54 MAKE NO ENTRY.

55. **Gross Prod.:** Account for ALL harvested production, in whole pounds, for the **disposition** shown in items 49-52 including harvested production that is appraised in the barn. Explain in the Narrative how “Not Sold” production was determined.

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 should be signed on the bottom line.

75. **Page Numbers:**

**PRELIMINARY:** Page numbers – "1," "2," etc., at the time of inspection.

**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					8. Name of Insured I. M. Insured															
Fire Cured Tobacco 0230			0001-0001BU		FN 145			Agency					Any Agency			9. Claim # XXXXXXXXX				11. Crop Year YYYY			
4. Date(s) of Damage		Jun		Jul 10																			
5. Cause(s) of Damage		Drought		Hail																			
6. Insured Cause %		85		15																			
12. Additional Units		0002-0000BU																					
13. Est. Prod. Per Acre		1500																					

**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	NS		5.00	1.000		022					997		P	Plowed WOC								10685	10685	
B	NS		3.00	1.000		022					997		UH	To Soybeans	349			1047		1047			1047	
C	NS		20.00	1.000		022					997		H	H										
39. TOTAL			28.00	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 checked="" type="checkbox"/> None <input type="checkbox"/> 41. Mycotoxins exceed FDA, State or other health organization maximum limits. Yes <input type="checkbox"/>													42. TOTALS	1,047		1,047	10,685	11,732		

**NARRATIVE** (If more space is needed, attach a Special Report) *Field A plowed without consent. See attached aerial photos. Acres determined by adjuster with GPS. 1,000 lbs.of tobacco zero value due to blue mold. Adjuster witnessed destruction of zero value production. See Special Report for Stalk Inspection.*

**SECTION II – DETERMINED HARVESTED PRODUCTION**

43. Date Harvest Completed MM/DD/YYYY						44. Damage similar to other farms in the area? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>					45. Assignment of Indemnity Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					46. Transfer of Right to Indemnity? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					
A. MEASUREMENTS						B. GROSS PRODUCTION					C. ADJUSTMENTS TO HARVESTED PRODUCTION										
47a.	48.	49.	50.	51.	52.	53.	54.	55.	56.	57.	58a.	59a.	60a.	61.	62.	63.	64a.	65.	66.		
47b.	Share	Multi-Crop Code	Length or Diameter	DISPOSITION Width Depth Deduction		Net Cubic Feet	Conversion Factor	Gross Prod.	Bu., Ton (Lbs.) Cwt.	Shell/Sugar Factor	FM% Factor	Moisture % Factor	Test WT Factor	Adjusted Production	Prod. Not to Count	Production Pre-QA	Value Price Election Mkt. Price	Quality Factor	Production to Count		
	NS		Tri-County Tobacco Co.					15,000								15,000	1.20 2.43	.494	7410		
	NS		ABC Tobacco, Int.					16,000								16,000	1.20 2.43	.494	7904		
	NS		ZMV Tobacco – Destroyed					1,000								1,000	0.00 2.43	.000	0.00		
67. TOTAL																32,000	68. Section II Total		15,314		
																69. Section I Total		11,732			
																70. Unit Total		27,046			
																71. Allocated Prod.					
																72. Total APH Prod.		16,361			

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

**PRODUCTION WORKSHEET**

1. Crop/Code #	2. Unit #	3. Location Description	7. Company Any Company				8. Name of Insured I. M. Insured			
Flue Cured Tobacco 0229			0001-0001BU		FN 145		Agency Any Agency			
4. Date(s) of Damage	Jun	Jul 10					9. Claim #	11. Crop Year		
5. Cause(s) of Damage	Drought	Hail					XXXXXXXXXX	YYYY		
6. Insured Cause %	85	15					10. Policy # XXXXXXXXXX			
12. Additional Units	0002-0000BU						14. Date(s) Notice of Loss	1st MM/DD/YYYY	2nd MM/DD/YYYY	Final MM/DD/YYYY
13. Est. Prod. Per Acre	1500						15. Companion Policy(s)			

**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	NS		5.00	1.000		012					997		P	Plowed WOC								10685	10685
B	NS		3.00	1.000		012					997		UH	To Soybeans	349			1047		1047			1047
C	NS		20.00	1.000		012					997		H	H									
39. TOTAL			28.00	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 checked="" type="checkbox"/> None <input type="checkbox"/> 41. Mycotoxins exceed FDA, State or other health organization maximum limits. Yes <input type="checkbox"/>													42. TOTALS		1,047		1,047	10,685	11,732

**NARRATIVE** (If more space is needed, attach a Special Report) Field A plowed without consent. See attached aerial photos. Acres determined by adjuster with GPS. 1,000 lbs.of tobacco zero value due to blue mold. Adjuster witnessed destruction of zero value production. See Special Report for Stalk Inspection and attached AMS grade certificates for assigned grades. First line .600 DF and Second line .800 DF.

**SECTION II – DETERMINED HARVESTED PRODUCTION**

43. Date Harvest Completed MM/DD/YYYY					44. Damage similar to other farms in the area? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>					45. Assignment of Indemnity Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					46. Transfer of Right to Indemnity? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>						
A. MEASUREMENTS					B. GROSS PRODUCTION					C. ADJUSTMENTS TO HARVESTED PRODUCTION											
47a. 47b.	48.	49.	50.	51.	52.	53.	54.	55.	56.	57.	58a. 58b.	59a. 59b.	60a. 60b.	61.	62.	63.	64a. 64b.	65.	66.		
Share Field ID	Multi-Crop Code	Length of Diameter	DISPOSITION Width Depth Deduction		Net Cubic Feet	Conversion Factor	Gross Prod.	Bu. Ton (Lbs.) Cwt.	Shell/Sugar Factor	FM% Factor	Moisture % Factor	Test WT Factor	Adjusted Production	Prod. Not to Count	Production Pre-QA	Value Mkt. Price	Quality Factor	Production to Count			
	NS	Tri-County Tobacco Co.						15,000								15,000		.400	6,000		
	NS	Tri-County Tobacco Co.						16,000								16,000		.200	3200		
	NS	ZMV Tobacco – Destroyed						1,000								1,000		.000	0.00		
67. TOTAL															32,000	68. Section II Total		9,200			
															69. Section I Total		11,732				
															70. Unit Total		20,932				
															71. Allocated Prod.						
															72. Total APH Prod.		10,247				

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

**(RESERVED)**