United States Department of Agriculture

Federal Crop Insurance Corporation

FCIC-25010
(11-2013)

# LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK

## 2014 and Succeeding Crop Years

**RISK MANAGEMENT AGENCY**
**KANSAS CITY, MO 64133**

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| **TITLE: LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK** | **NUMBER: FCIC-25010 (11-2013)** |
| **EFFECTIVE DATE: 2014 and succeeding crop years** | **ISSUE DATE: November 1, 2013** |
| **SUBJECT:**<br><br>**Provides the procedures and instructions for administering the general loss adjustment of crop insurance programs** | **OPI: Product Administration and Standards Division**<br>**APPROVED:**<br><br>**/S:/ Tim B. Witt**<br><br>**Deputy Administrator for Product Management** |

## REASON FOR ISSUANCE

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

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| 1. | Throughout the LAM | Converted to new approved format. Paragraphs are renumbered accordingly.<br><br>All references were updated to reflect the revised paragraph numbers.<br><br>Comments that pertain to grammar, punctuation, deleting unneeded words, rewording to make a sentence flow better, formatting, etc., are not listed.<br><br>Where necessary, examples and calculations were updated to reflect current factors, prices, etc.<br><br>All references to a MIF have been deleted. |
| 2. | Para. 1 B, pg. 1 | Added the Source of Authority authorizing the administration of the Federal crop insurance program. |
| 3. | Para. 1 F, pg. 2 | Added information on Title VI of the Civil Rights Act of 1964. |
| 4. | Para. 3 B, pg. 4 | Added procedure for submitting procedural questions concerning the LAM. |
| 5. | Para. 4 Abbreviations or Acronyms | Abbreviations or Acronyms are moved to Exhibit 1. |
| 6. | Para. 22 A, pg. 19 | Added statement that AIPs must use RMA's system to determine if more than one policy is in force. |

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

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| 7. | Para. 22 C, pg. 19 | Added statement that if the AIP determines duplicate coverage exists and was intentional, the insured may be subject to the consequences listed. |
| 8. | Para. 23 A(1)(a)(iii), pg. 22 | Clarified that evidence of share for the judicially declared incompetent must be provided to the AIP before acceptance of the application. |
| 9. | Para. 23 A(1)(a)(iv), pg. 23 | Clarified that a new application is required when incompetency is dissolved, and evidence of the dissolution must be provided to the AIP. |
| 10. | Para. 23 A(1)(b), pg. 23 | Clarified that a new application is required when an minor enters the age of legal majority and is competent to enter a legally binding contract. |
| 11. | Para. 25 B(3)(a), pg. 35 | Revised procedure to state a RAN is an acceptable number for crop insurance purposes. A RAN is issued by RMA to those individuals who demonstrate that they are entitled to Federal benefits in accordance with the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA). |
| 12. | Para. 25 C(1)(b), pg. 37 | Revised to state a policy will be void if it does not include all persons with an SBI in the applicant or insured. |
| 13. | Para. 25 C(1)(g), pg. 38 | Added Example 3. |
| 14. | Para. 25 D(1)(a)(ii), pg. 39 | Added "...disappears, or is judicially declared incompetent..." |
| 15. | Para. 25 F(2)(b)(ii), pg. 46 | Added Exceptions to when separate policies for spouses are allowed. |
| 16. | Para. 25 F(3)(a), pg. 47 | <u>Deleted the following:</u><br><br><u>1</u> Effective the 2012 crop year, applications/carryover policies containing an SSN of either the applicant/insured or an individual SBI must be reported as an individual.<br><br><u>2</u> The AIP must notify the carryover insured that he/she or their SBI has been identified as an individual and of the change in person type. |
| 17. | Para. 25 G(1)(a), pg. 49 | Clarified that if the tenant or landlord has a separate policy for the crop/county, they cannot be insured under another person's policy. |
| 18. | Para. 25 I, pg. 50 | Added "Joint ventures are not allowed between spouses." |
| 19. | Para. 25 I(1)(b), pg. 51 | Deleted "If two or more persons do not have a SBI in the joint venture, documentation must be obtained from the insured verifying there is no SBIs." |

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

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| 20. | Para. 25 J, pg. 52 | Deleted "Share. The corporation may insure its share as landlord, owner-operator, operator, or tenant." |
| 21. | Para. 25 L(1)(a), pg. 53 | Clarified that an EIN must be established, used, and reported. |
| 22. | Para. 25 L(1)(a), pg. 53 | Deleted the following:<br><br>(a) An EIN. Effective for 2012, an estate which previously reported a SSN must provide an EIN to continue to be insured as an estate for the 2012 crop year.<br><br>1 The AIP must use the applicable form to obtain an EIN and revise existing policies<br><br>a The change in identification number does not constitute a new insured.<br><br>b Any multi-year WA must be revised to reflect the new identification number reported. |
| 23. | Para. 25 N(2), pg. 56 | Deleted the following:<br><br>(c) Effective for 2012, policies reported by the AIP to RMA as a public agency (city, county, or state) person type must be revised to State/Local Government. The AIP must notify carryover insured's of the change in person type. |
| 24. | Para. 25 N(4), pg. 56 | Deleted the followinig:<br><br>(a) Effective for 2012, policies reported by the AIP to RMA as the following person types: associations, clubs, private schools, or tax-exempt organizations must be revised to Non-Profit or Tax-Exempt Organization. The AIP must notify carryover insured's of the change in person type. |
| 25. | Para. 41, pg. 71 | Added information clarifying a form or card meeting FCIC-form standards for the required information for a Notice of Loss may be used by the insured to file written notice to the AIP or, if applicable, to confirm the notice in writing within 15 days. If the agent/AIP receives the notice from the insured by phone, e-mail, FAX, or postal service, and documents such notice on a phone log, claim form, claims log, claim registry, automated notice system to open claims, etc., the policy requirement for confirming the notice of loss in writing will be considered fulfilled. |
| 26. | Para. 51 A, pg. 75 | Clarified that except for Nursery and Cultivated Clams, the acreage report (tonnage report for raisins) is the document used to determine the liability or amount of insurance, the premium, and the insurable share at the time insurance attached. |

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

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| 27. | Para. 53 E (1) & (2), pg. 85 | Clarified that when referencing a firm engaged in land measurement, the primary function of such firm must be land measurement. A company whose primary function is not land measurement, but provides land measurement as part of their service (e.g., spray or fertilizer applications businesses) should not be considered a firm engaged land measurement service. |
| 28. | Para. 53 H, pg. 87 | Clarified that the information in this paragraph applies only when the APH or practice/type/variety within the same unit is not correctable as allowed in Para. 29 B. |
| 29. | Para. 62 D (1) (a), pg. 94 | Revised to clarify that acreage is not insurable if the acreage was initially planted after the LPP (FPD if LPP is not applicable), unless late planting coverage is allowed by the policy. |
| 30. | Para. 83 B, pg. 98 | Clarified that in some counties summer fallow is an insurable practice, and that all of the procedures in 83 B (1) – (3) must be met to qualify as SF practice for the current crop year. |
| 31. | Para. 83 B (2), pg. 98 | Clarified that in addition to lying fallow for a full crop year, plant growth on the acreage must be terminated on or before the applicable plant growth termination date, followed by a continuous chemical and/or mechanical weed control program.<br><br>Added an example illustrating the applicable termination date. |
| 32. | Para. 83 B (3), pg. 98 | Clarified that for land devoted to a perennial crop, such as grasses, alfalfa, clover, or other perennial plants or forbs, including land previously enrolled in CRP, the perennial crop must be terminated by mechanical or chemical means a full crop year before planting of the crop qualifying for the SF practice. |
| 33. | Para. 83 B (3), Exception 1, pg. 99: | Added language to clarify that representative sample area left for loss adjustment purposes will qualify for a SF practice provided the remainder of the field qualifies for the SF practice.<br><br>Added several examples to help illustrate this procedure. |
| 34. | Para. 83 B (3), Exception 2, pg. 99: | Added language to clarify when acreage on which a crop was planted in the preceding crop year shall qualify for the SF practice in the current crop year. |
| 35. | Para. 83 B (3), Exception 3, pg. 100: | Added language to clarify when acreage that did not qualify for the SF practice in the preceding crop year and on which a crop was planted in the preceding crop year shall qualify for the SF practice in the spring of the current crop year provided: |

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

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| 36. | Para. 84 A (1) (b), pg. 101 | Added language to clarify if insureds that have no reasonable expectation of receiving adequate irrigation water, they must make decisions to plant fewer acres, plant and insure acreage for which adequate water is not available under a non-irrigated practice, or report acreage as PP |
| 37. | Para. 84 B, pg. 102 | Added language to clarify that AIPs are to provide to insureds for whom the irrigated practice may apply, the "Irrigated Practice Guidelines" prior to the time insurance generally attached in an area. |
| 38. | Para. 84 C, pg. 102 | Added definitions for Adequacy of Water, Good Irrigation Practice, and Reasonable Expectation of Adequate Water. |
| 39. | Para. 84 D, pg. 103 | Updated some of the Factors to Consider for IRR Practice Reporting and Coverage for clarification. |
| 40. | Para. 84 G, pg. 107 | Added language to clarify that the insured is not expected to purchase more expensive equipment or take extraordinary measures to modify their irrigation facilities in order to deliver adequate irrigation water to their crop(s) the surface water (e.g., river) level has decreased to the point that the insured's existing equipment cannot lift the amount of water historically lifted to adequately irrigate the crop. |
| 41. | Para. 84 M (4), pg. 109 | Added language to clarify that if no other appropriate practice is available for the acreage, insurance will not be considered to have attached on the acreage. |
| 42. | Para. 84 S, pg. 116 | Added language stating what the AIP/Adjuster must verify and document concerning irrigated practice. |
| 43. | Para. 87 A (1), pg. 117 | Deleted – "(b) The certified organic and transitional acreage is identified as insured (or insurable) in the CP; or" |
| 44. | Para. 87 B (1), pg. 118 | Clarified that when an organic plan is in not effect, appraisals for production lost due to uninsured causes may apply for not following weed or disease control measures or GFP recommendations for conventional practices. |
| 45. | Para. 87 C, pg. 118 | Added language stating Section 21 of the BP gives AIP authority to request any records related to the insured crop, including insured crops grown under an organic practice. |
| 46. | Para. 87 C (2), pg. 118 | Added procedure for a new insured that receives an organic certification after the ARD, and if the insured has acreage but the certifying agent did not reissue the certificate after the organic plan was updated. |

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

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| 47. | Para. 87 F, pg. 121 | Clarified procedure concerning certification exemption. |
| 48. | Para. 101 B (1), pg. 138 | Added language to instruct adjuster to also refer to the applicable CP or SP for the crop and county for additional reasons why the crop may not be insured. |
| 49. | Para. 114 D, pg. 154 | Updated crop years in examples. |
| 50. | Para. 131 A (d), pg. 175 | Clarified the intent of the paragraph. |
| 51. | Para. 132 E (2) (a), pg. 186 | Removed unnecessary language. |
| 52. | Para. 132 F (5), pg. 190 | Removed information regarding how to convert to the new 2011 unit numbering system. |
| 53. | Para. 132 H (5), pg. 195 | Removed specific section references in the Written Agrement Handbook. |
| 54. | Para. 174 H (1), pg. 214 | Inserted instructions requiring AIPs to provide insured's with consent in advance of replanting. Also indicated that exceptions to this requirement cannot be made even if the original stand remains intact and the insured inter-seeded, replanted alongside the original damaged rows, or left representative sample areas at the insured's discretion. |
| 55. | Para. 175 A (1) and (2), pg 218 | Inserted at the beginning of the paragraph language describing the purpose of the certification form. Rewrote sections A (1) and (2) to clarify how the certification form is used in different claim scenarios and when the claim can be finalized. |
| 56. | Para. 175 C, pg. 220 | Revised to emphasize the insured must sign and date the certification form. Added under C (5) as an additional reason the insured is to return a certification form when damaged nursery plants have been destroyed. Moved section D (2) up to section D (1) and renumbered D (3) as D (2). In D (2) (a) clarified the adjuster must review the certification form and claim, and if the information on the two forms agree the adjuster is to send both forms to the AIP. |
| 57. | Para. 175 D(1), pg. 221 | Revised paragraph to clarify that damaged nursery plants that will not recover any time after the loss occurrence require the adjuster to make another on-the-farm inspection to verify . |
| 58. | Para. 175 D(3)(a), pg. 222 | Revised paragraph to clarify that the adjuster must review the Certification Form and the claim. If the data on the Certification Form and the claim agree, the adjuster may sign the claim form and send both documents to the AIP, and no follow-up inspection is required. |

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

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| 59. | Para. 178 A (3), pg. 229 | Clarified the title of the subsection by inserting the words "of Time." |
| 60. | Para. 178 A (3)(b), pg.230 | Clarified that when the insured requests the 180 day delay in measurement, it will not be considered a delayed claim. |
| 61. | Para. 178 B (2) (a), pg. 233 | Clarified the intent of the subsection. |
| 62. | Para. 178 C (2) (b), pg. 234 | Inserted instructions requiring the AIP to document why the claim form and the insured's signature could not be obtained within the required time frame. |
| 63. | Para. 182 A (1), pg. 247 | Removed the reference to the CIH. |
| 64. | Para. 201 B (1), pg. 254 | Clarified the intent of the subsection by inserting that a measurement service is a firm whose primary function is land measurement services. Inserted if an acreage measurement is only requested for a portion of the acreage in a unit, the insured must separately identify the acreage for which an acreage measurement has been requested. Also clarified the intent of subsection (3). |
| 65. | Para. 201 C, pg. 256 | Revised the subsection title by adding "the AIP," and inserting "or a" before the phrase Measurement Service. |
| 66. | Para. 201 E (3), pg. 257 | Inserted at the end of Example 1 that "A LAF will apply." |
| 67. | Para. 201 I (3) (a), pg. 263 | Revised to indicate planting rate records are required if variable rate planting populations are recommended by ag experts. |
| 68. | Para. 213 C (1) (d),pg. 278 | Added an example at the end of (d) to clarify the intent of the subsection. |
| 69. | Para. 213 H (2) (e), pg. 281 | Clarified the intent of the subsection, revised the insured's certification statement, and added instructions to attach the original signed Certification form to the claim. |
| 70. | Para. 216 E (1) (b) (i)(A), pg. 290 | Inserted an example calculation for determining the equivalent area needed for an RSA contained within a center pivot irrigation circle. |
| 71. | Para 218 C (4) (a)(i), pg. 299 | Moved statement to Para 218 C (4) (a)(iii) for clarity. |

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

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| 72. | Para 219 G (1) (a) (iv), pg. 304 | Revised statement for clarity. |
| 73. | Para. 232 D(2)(a), pg. 318 | Added wild rice to list of crops for which blended samples may be accepted. |
| 74. | Para 232 H (14), pg. 330 | Updated discount factors in the examples for the current crop year. |
| 75. | Para. 232 J(1), pg. 341 | Revised statement for clarification. |
| 76. | Para. 232 J (3) (a) (iii)(B), pg. 345 | Revised language to clarify when the AIP receives the Certification Form back from the insured, the claim cannot be finalized until the adjuster makes another on-the-farm inspection to verify destruction. |
| 77. | Para. 234 A (1)(b), pg. 349 | Corrected the entry instructions for columns 58a and 58b on the PW. |
| 78. | Para 238 P Examples, pg. 375 | Updated discount factors in the examples for the current crop year. |
| 79. | Para. 252 A, pg. 383 | Changed “uninsurable” to “uninsured” for clarification. |
| 80. | Para. 252 B (1) (b), pg. 384 | Added language to allow weighed production records from a grain cart equipped with scales integrated with Bluetooth (or other wired or wireless) interface that is capable of electronically recording and storing weight records on a load by load basis without requiring verification of the production records from such a grain cart by other means (i.e., bin measurements, sales records, etc.), unless there is reason to question the accuracy of the records provided by the insured. |
| 81. | Para. 252 C, pg. 386 | Moved this procedure from subparagraph D to C for clarity. Added procedure for acceptable production records from a grain cart equiped with scales integrated with a Bluetooth interface. |
| 82. | Para. 252 C (4), pg. 386 | Added a grain cart that is equipped with scales integrated Bluetooth (or other wired or wireless) interface that is capable of electronically recording and storing weight records on a field-by-field basis from which the insured can print all individual load tickets and detailed summaryas an acceptable scale type. |
| 83. | Para. 252 D(2)(c)(i), pg. 387 | Statement revised to allow gross weight records only from a grain cart if it is equipped with scales integrated with Bluetooth (or other wired or wireless) interface that is capable of electronically recording and storing weight records on a load by load basis from which the insured can print all individual load tickets and detailed summary, by unit.. |
| 84. | Para. 253 E, pg. 395 | Changed the calculations to round to 6 decimal places instead of to whole percent. |

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

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| 85. | Para. 253 E (c)(i) and (iii), pg. 396 | Corrected unit numbering to the new unit numbering format. |
| 86. | Para. 253 E – Proration Examples, pg. 397 | Changed the calculations to round to 6 decimal places instead of to whole percent. Also corrected unit numbering to the new unit numbering format. |
| 87. | Para. 254 A(1), pg. 399 | Revised procedure for calculating the square footage of a grain bag for the purpose of determining the appropriate combination test weight/pack factor (length X width). |
| 88. | Para. 258 C (4), pg. 404 | Clarified that pack factors are applied to all farm-stored production for crops listed in (1) above that are stored within a structure or conveyance. |
| 89. | Para. 258 C (8) (c), pg. 406 | Clarified that this procedure also applies to grain bags. |
| 90. | Para. 260 M, pg. 412 | Corrected calculation for determining the depth of a conical pile. |
| 91. | Para. 261 E, pg. 416 | Corrected unit numbering to the new unit numbering format. |
| 92. | Para. 281 K (9), pg. 434 | Reworded to clarify that failure to follow the recognized good farming practices for the insured crop(s) and area due to adherence to land lease restrictions will be considered uninsured causes of loss. |
| 93. | Para. 292, pg. 441 | Deleted paragraph from the LAM and referred to PART 3, Paragraphs 301 – 304 of the CIH for further information. |
| 94. | Para 294 C (4), pg. 448 | Moved information from Para 294 C (4) (b) here for clarity. |
| 95. | Para 294 C (4) (b), pg. 448 | Deleted information from here and moved information to Para 294 C (4) for clarity. |
| 96. | Para. 294 C(6), pg. 453 | Added examples for prorating commingled production from different practice/types having separate APH yields within a unit. |
| 97. | Para. 297 B and D, pg. 461 | Added Canola to the list of crops that have protection for Airplane- or Broadcast-Seeded. |
| 98. | Para. 299 A (1) (e), pg. 464 | Added language to clarify that a processed claim cannot be corrected unless part or all of the claim is settled on appraised production and the insured later harvests the appraised production; or part or all of the production on the acreage is harvested using normal harvesting methods/equipment and the insured later harvests additional production from the same acreage using specialized harvesting methods/equipment. |

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

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| 99. | Para. 304, pg. 470 | Deleted paragraph from the LAM and referred to PART 3, Paragraphs 305 of the CIH for further information. |
| 100. | Para. 305 A(5)(a), pg. 471 | Dollar tolerances for SCP was changed to $20,000 for optional units and $40,000 for basic units. |
| 101. | Para. 321, pg. 479 | Deleted paragraph from the LAM and referred to PART 3, Paragraphs 305 of the CIH for further information. |
| 102. | Exhibit 1, pg. 481 | Added Abbreviation or acronym for:<br>• Area Risk Protection Insurance (ARP);<br>• American Society of Agronomy (ASA);<br>• Code of Federal Regulations (CFR);<br>• Crop Loss Adjustment Standards (CLAS)<br>• Commingled Production Factor (CPF);<br>• Cooperative State Research, Education, and Extension Service (CSREES);<br>• Electronic Data Processing (EDP);<br>• Global Positioning System (GPS)<br>• National Alliance of Independent Crop Consultants (NAICC);<br>• Organic Foods Production Act of 1990 (7 U.S.C. 6502.) (OFPA)<br>• Production Reporting Date (PRD); |
| 103. | Exhibit 2, pg. 484 | Deleted "Crop Policy Information" (this is in the CIH) and moved "Terms and Definitions" to Exhibit 2. |
| 104. | Exhibit 2 - Catastrophic Risk Protection , pg. 487 | Clarified definition to mean the minimum level of Federal crop insurance coverage offered by RMA that a producer can obtain. CAT is not available with revenue protection. |
| 105. | Exhibit 2 – Earliest Planting date, pg. 492 | Added a note: "If planted prior to this date, the crop is not eligible for a replanting payment, but is still insurable." |
| 106. | Exhibit 2 – Initial Planting Date, pg. 497 | Deleted "Initial Planting Date." Refer to "Earliest Planting Date." |
| 107. | Exhibit 2 – Landlord, pg. 498 | Added definition for "Landlord." |
| 108. | Exhibit 2 – Owner-Operator, pg. 502 | Added definition for "Owner-Operator." |
| 109. | Exhibit 2 – Sharecropper, pg. 508 | Added definition for "Sharecropper." |
| 110. | Exhibit 2 – Tenant, pg. 510 | Added definition for "Tenant." |

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

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| 111. | Exhibit 4, pg. 516 | Combined Exhibit 4 and Exhibit 21, Deleted exhibit 21. |
| 112. | Exhibit 5 – Person Types and Documentation Chart, pg. 521 | Updated entries for "Individual (Married) and "Joint Ventures.) |
| 113. | Exhibit 7 – FSA Documents, pg. 525 | Combined Exhibits 7, 8, and 9 into Exhibit 7. Updated the FSA map codes. |
| 114. | Exhibit 8 – Claim Checklist Form Standards, pg. 531 | Changed from Exhibit 10 to Exhibit 8. |
| 115. | Exhibit 9 – Certification form Standards and Completion Instructions, pg. 534 | Changed from Exhibit 11 to Exhibit 9.<br>Deleted the form example. |
| 116. | Exhibit 10 – Self-Certification Replant Worksheet Standards and Completion Instructions, pg. 538 | Changed from Exhibit 12 to Exhibit 10.<br>Deleted the form example. |
| 117. | Exhibit 11 – Square Root Table, pg. 542 | Changed from Exhibit 13 to Exhibit 11. |
| 118. | Exhibit 12 – Round Bin Conversion Chart, pg. 543 | Changed from Exhibit 14 to Exhibit 12. |
| 119. | Exhibit 13 – Notice of Prevented Planting or Notice of Damage or Loss Form Standards, pg. 552 | Changed from Exhibit 15 to Exhibit 13.<br>Revised subparagraph C to clarify the Notice of Loss requirements. |
| 120. | Exhibit 14 – Production Worksheet Continuation Sheet Form Standards, pg. 556 | Changed from Exhibit 16 to Exhibit 14. |
| 121. | Exhibit 15 – FGIS (or Applicable State or Other Entity's) FM and Dockage Definitions, pg. 557 | Changed from Exhibit 17 to Exhibit 15. |
| 122. | Exhibit 16 – Calculation Sequence of Liability Adjustment Factor and 1st/2nd Crop Reduction, pg. 560 | Changed from Exhibit 18 to Exhibit 16. |
| 123. | Exhibit 17 – Instructions for Determining Tree/Vine/Bush Acres, pg. 562 | Changed from Exhibit 19 to Exhibit 17. |

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

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| 124. | Exhibit 18 – Settlement of Claim When Insured has less than 100% Share, pg. 567 | Changed from Exhibit 20 to Exhibit 18.<br><br>In Example 3 – Question 3; Changed the answer from "yes" to "Same."<br><br>Deleted a scenario in Example 5 that was repeated. |
| 125. | Exhibit 19 – SCP Form Completion Instructions, pg. 574 | Changed from Exhibit 22 to Exhibit 19.<br><br>Example SCP Form. Unit numbers were updated to the new unit numbering format. |
| 126. | Old Exhibit 21 | Exhibit 21 was combined with Exhibit 4. Exhibit 21 was deleted. |
| 127. | Exhibit 23 – Index | Deleted. |

| CONTROL CHART FOR: LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK | | | | | | |
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# PART 1 GENERAL INFORMATION

## 1. Purpose

### A. Purpose of the Handbook

This handbook is the official publication of the Risk Management Agency (RMA) for all levels of insurance provided under the Federal Crop Insurance program unless a specific crop (or commodity) loss adjustment standards handbook (LASH) or insurance standards handbook or guide for a specific plan of insurance (e.g., Area Risk Protection Insurance (ARPI) plan, Rain Index or Vegetation Index plans of insurance, etc.) specifies that none or only specified parts of this handbook apply. Insurance policies available under the Federal crop insurance program are sold and serviced by private insurance companies (hereafter called AIPs) reinsured by Federal Crop Insurance Corporation (FCIC).

### B. Source of Authority

Federal programs enacted by Congress and the regulations and policies developed by RMA, USDA, and other Federal agencies provide the authority for program and administrative operations; and **basis** for RMA directives. Administration of the Federal crop insurance program is authorized by the following:

(1) The Federal Crop Insurance Act, 7 U.S.C. 1501
(2) The Food Security Act of 1985, 16 U.S.C. 3801 et seq.
(3) Controlled Substance Act of 1970, 21 U.S.C. 801 et seq.
(4) Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 42 U.S.C. 653a
(5) 7 CFR part 400
(6) Standard Reinsurance Agreement

### C. If an AIP is audited by a government agency or is selected for an RMA compliance review:

The applicable procedures in this FCIC-issued handbook will be the basis for all determinations.

### D. This handbook identifies standards (requirements):

(1) for general loss adjustment (not crop-specific) for adjusting losses in a uniform and timely manner,

(2) for the general loss adjustment process (e. g., assignment of indemnities, notices of loss, acreage determination, revising acreage reports, etc.);

(3) for completing policy-related inspections for the crop year (e.g., Growing Season Inspections, Pre-Harvest Inspection, etc.); and

(4) that are not adjuster specific, but are an overall part of the loss adjustment process **for which the AIP (rather than the adjuster) is responsible**; e.g., procedural standards for requesting appraisal deviations and modifications, etc.

## 1. Purpose (Continued)

### E. The standards contained in this handbook are to be used with:

(1) The insurance standards handbooks or guides for a specific plan of insurance, unless these handbooks or guides specify otherwise, as stated in subparagraph A above.

(2) Prevented Planting LASH (when applicable), and

(3) Crop specific LASH (e.g., Almond LASH) unless specified otherwise, as stated in subparagraph A above.

### F. Title VI of the Civil Rights Act of 1964

The USDA prohibits discrimination against its customers. Title VI of the Civil Rights Act of 1964 provides that "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." Therefore, programs and activities that receive Federal financial assistance must operate in a non-discriminatory manner. Also, a recipient of RMA funding may not retaliate against any person because he or she opposed an unlawful practice or policy, or made charges, testified or participated in a complaint under Title VI.

It is the AIPs' responsibility to ensure that standards, procedures, methods and instructions, as authorized by FCIC in the sale and service of crop insurance contracts, are implemented in a manner compliant with Title VI. Information regarding Title VI of the Civil Rights Act of 1964 and the program discrimination complaint process is available on the RMA public website at http://www.rma.usda.gov/aboutrma/civilrights/complaint.html.

## 2. Special Instructions

### A. Titles

Specific titles of AIPs' approving officials for which certain events, function, etc., would require the approving official's approval are not indicated in this handbook. However, for specific events, functions, etc., that require FCIC approval, titles of approving offices (or officials) are stated.

### B. Forms and Specific Entry Instructions

(1) Forms. AIP forms must meet the standards stated in the Document and Supplemental Standards Handbook (DSSH), FCIC-24040. As stated in FCIC-24040, the loss adjustment forms shown in the LAM and the individual LASHs serve as the form standards for these forms. The Privacy Act Statement and the Non-Discrimination Statement must be utilized as stated in the FCIC-24040. 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. Any changes to the forms shown in updated FCIC LAM standards or FCIC crop LASHs require the same changes on AIP forms or trade-association-developed forms used by AIPs.

**B. Forms and Specific Entry Instructions (Continued)**

(2) When for a particular loss adjustment form, the **item numbers** for the entry instructions in the FCIC-issued loss adjustment standards handbooks **do not correlate** with **the item numbers on the AIP's form**, AIPs may change the item numbers (only) for the entry instructions to agree with the item numbers on their form.

**C Procedures**

The Standard Reinsurance Agreement (SRA) states: "Procedures mean the applicable handbooks, manuals, bulletins, memorandums or other written directives issued by FCIC related to the eligible crop insurance contract and the Agreement." Procedures issued by FCIC means issued by the Risk Management Agency (RMA) for FCIC. Section IV. (f)(1)(B). of the SRA states: "The company shall use contracts, standards, FCIC procedures, methods, and instructions as authorized by FCIC in the sale and service of eligible crop insurance contracts." Any FCIC-issued procedures take effect on the approval date of the procedure. For loss adjustment standards handbooks, the approval date is always found at the top of the TP 1 page.

**D. Items/provisions or plans of insurance not applicable to Catastrophic Risk Protection (CAT) coverage:**

(1) Written agreements.

(2) Hail-fire exclusion (also not applicable if additional coverage is less than 65/100 or equivalent coverage).

(3) High-risk land exclusion.

(4) Options or endorsements that extend coverage under the crop policy; (Examples of options/endorsements that extend coverage and those that do not, are as follows: (1) The Potato Quality Option extends the coverage from what is found in the crop policy by providing for loss of production due to quality; (2) The Sorghum Silage Endorsement does not extend coverage, it sets up coverage; and (3) The Frost Protection Option does not extend coverage, it reduces the premium because the frost protection provided by the insured reduces the risk of loss.)

(5) Replanting payments.

(6) Optional units.

(7) Revenue Protection.

(8) AGR and AGR-Lite.

## 2. Special Instructions (Continued)

**E.** Abbreviations/accoroymns ,**Definitions, Codes, and Units of Measure**

(1) Exhibt 1 contains the abbreviations and accoroymns used in this handbook.

(2) Exhibit 2 contains terms and definitions.

(3) Exhibit 3 contains cause of loss names and codes; and

(4) Exhibit 4 contains unit of measure of production and standard weight per bushel, by crop.

## 3. Operating Policy

**A. Regulations or Procedural Conflict**

If there is a conflict between any FCIC-issued regulations, provisions, or procedures, the order of precedence is listed in Para. 3 D. All FCIC regulations, provisions, procedures and interpretations of FCIC regulations, provisions, and procedures issued by RMA listed in Para. 3 D take precedence over policy provisions, procedures or any clarification, interpretation of policy provisions or procedures or other materials distributed by an association or AIP.

**B. Procedural Questions**

(1) Questions regarding loss adjustment procedures in this handbook are to be directed:

(a) to the AIP; then, if not resolved,
(b) through appropriate channels within the AIP to RMA's PASD by e-mail at rma.LAM@rma.usda.gov or in writing at the following address:

Office of Deputy Administrator for Product Management
Product Administration and Standards Division
USDA—Risk Management Agency
Beacon Facility—Mail Stop 0812
P.O. Box 419205
Kansas City, MO 64141-6205

RMA will not attempt to instruct agents or insureds of the AIP.

(2) If a perceived error is identified, notify RMA by e-mail at rma.LAM@rma.usda.gov or in writing at the above address.

Clearly identify the error and provide the proposed correction.

If RMA determines the error identified is significant, RMA will issue a correction either in the existing crop year through a slipsheet to the LAM or a memorandum/bulletin. Conversely, if RMA determines the error identified is not significant, the correction will be included in the subsequent issuance of the LAM.

(3) For disputes involving procedural interpretations, refer to Para. 323.

## C. These Standards Remain in Effect Until Superseded

The issuance of an entire handbook will replace a previous handbook. Handbook slipsheets, Final Agency Determinations, or RMA Manager's Bulletins that change any part of this handbook will supersede that part of the handbook. AIPs may find it necessary to provide additional internal guidelines or procedures for their loss adjustment functions, such as where completed loss forms are forwarded, specifying specific form numbers and item numbers, etc. Additional guidelines or procedures must comply with FCIC issued regulations, standards, and procedures.

## D. Crop Insurance Document Precedence

The most important document is listed first with the order of precedence being listed from top to bottom.

(1) Federal Crop Insurance Act, as amended (7 U.S. C. 1501 et seq.) (Act) and any Final Agency Determination (FAD) interpreting the Act.

(2) The CAT Endorsement, as applicable, and any FAD interpreting the CAT Endorsement.

(3) Written Agreement, as applicable.

(4) The SP and other actuarial documents in the following order of precedence:

(a) SP
(b) Actuarial Documents.

(5) Crop endorsement/options/exclusions, and any FAD interpreting the crop endorsement/options/exclusions if published in 7 C.F.R. part 457.

(6) CP and any FAD interpreting the CP.

(7) BP and any FAD interpreting the Basic Provisions.

(8) Administrative regulations (7 CFR part 400) and any FAD interpreting the administrative regulations.

(9) Manager's Bulletins and any interpretation of procedures therein (refer to MGR.05-18, Interpretation of Procedures).

(10) Prevented Planting Loss Adjustment Standards Handbook and any interpretation of these procedures (refer to MGR.05-18, Interpretation of Procedures).

(11) Crop Insurance Handbook (CIH) and other applicable Underwriting Guides for a specific commodity or plan of insurance and any interpretation of these procedures (refer to MGR.05-18, Interpretation of Procedures).

## 3. Operating Policy (Continued)

### D. Crop Insurance Document Precedence (Continued)

(12) LAM Standards Handbook and any interpretation of these procedures (refer to MGR.05-18, Interpretation of Procedures).

(13) Crop LASHs and any interpretation of these procedures (refer to MGR.05-18, Interpretation of Procedures).

(14) PM Informational Memorandums.

(15) Informational Memorandums.

**Example:** (1) is the Act and any FAD interpreting the Act;(2)-(7) policy provisions and any FAD interpreting items (2), (5), (6), or (7); (8) regulations and any FAD interpreting the regulations; (9)-(13) are procedures and any Interpretation of Procedures; and (14)-(15) is information.

## 4. Document Procedures

### A. What Can Be Used

Refer to Para. 2 B and C above for forms and procedures. Other than the AIP's name and policy number, policies issued by AIPs must be exactly as those published in the Federal Register, and thereafter published in the Code of Federal Regulations.

### B. Documents and Procedures

Forms (and/or data processed from forms) and manuals necessary for loss adjustment include, but are not limited to:

(1) Data from accepted applications and acreage reports. This data would include, (but is not limited to) the following: insured's name as accepted on the application, authorized representative, price election, level of coverage, SSN or EIN, approved APH yields, acres, types, practices, shares, etc., reported for the crop;

(2) Insurance policy (BP, CP, applicable endorsements or options, Written Agreement, if applicable, SP, and FADs) applicable to the inspection;

(3) Actuarial documents;

(4) RMA bulletins, information memorandums, other related memorandums;

(5) FCIC-25010, LAM and any Interpretation of Procedures (MGR.05-18);

Due to the nature of some insurance products such as livestock, certain revenue products, etc., there may be other issuances of underwriting guidelines (procedures)

B. Documents and Procedures (Continued)

or general loss adjustment procedures, specific to each of those insurance products that are used in lieu of all or parts of the LAM.

(6) Specific crop LASH and any Interpretation of Procedures (MGR.05-18);

(7) Notice of Prevented Planting or Notice of Damage or Loss; and

(8) Forms (or data from forms) meeting FCIC-issued form standards (refer to Para. 2 B) applicable to the type of inspection and crop(s) being inspected; e.g., appraisal worksheets, Certification Form, claim forms, etc.

## 5. FCIC's RMA Product Administration and Standards Division Responsibilities

**A. Standards.** Establish, issue, and maintain the minimum policy, underwriting, and loss adjustment standards.

**B. Form Standards.** Establish, issue, and maintain (including completion instructions) form standards to be used by the AIPs. Also, refer to Para. 2 B.

**C. Guidance/Clarification.** Provide guidance and clarifications.

## 6. FCIC Plans of Insurance

### A. Basic Information

(1) Coverage is determined by the insurance plan, level of coverage, and price. The insurance plan, level of coverage and price is chosen by the applicant/insured at the time the Application, or the Policy Change in subsequent years, is completed. The level of coverage and price elected may be changed if requested in writing on or before the applicable SCD for the insured crop.

(2) The same plan of insurance, level of coverage, and percentage of the available price election or projected price must be selected for the crop for all insurable acreage in the county unless one or more of the following exceptions apply:

(a) The applicable CP/SP allows an exception by individual crop or type (e.g., price elections by dry bean type in the actuarial documents, coverage levels by grape type in the SP, plan election for specialty types of barley and soybeans);

(b) High-risk land excluded from an additional coverage policy and insured separately under a CAT policy; or

(c) Hybrid Seed Corn or Hybrid Sorghum Seed grown under contract with more than one Seed Company insured under separate policies.

**B. Plans of Insurance**

The BP provides coverage for multiple plans of insurance, which vary by crop and are identified in the actuarial documents. Plans of insurance include:

(1) **Actual Production History Plan** which provides protection from loss of production for crops for which revenue protection is not available.

(2) **Revenue Protection Plan** which provides protection for loss of revenue and/or production for certain crops with revenue protection selected.

(3) **Revenue Protection with Harvest Price Exclusion** which provides protection for loss of revenue and/or production for certain crops and excludes the use of the harvest price in the determination of the revenue protection guarantee.

(4) **Yield Protection Plan** which provides protection from loss of production for crops with revenue protection available but not selected.

(5) **Dollar Amount of Insurance Plan(s)** which provides protection for certain crops against declining value due to damage that causes a yield shortfall; and

(6) **Other Plans of Insurance** available for specific crops, i.e., Pecan Revenue, Nursery, etc.

**C. Levels of Coverage**

A crop may be insured at a percentage of the approved APH yield or amount of insurance. All acreage of the insured crop within a county must be insured at the same level unless the exceptions listed in subparagraph A (2) above and/or if the CP specifies otherwise. Levels of coverage include for:

(1) CAT, 50%.

(2) Additional coverage 50%, 55%, 60%, 65%, 70%, and 75% (80% and 85% coverage levels are available for some crops if indicated on the actuarial documents).

**D. Price**

The actuarial documents provide pricing information. Only one price percentage may be elected per crop, per county, per policy unless the CP (e.g., Dry Beans) allow for different price percentages, by P/T. The pricing mechanism varies by plan.

**D. Price (Continued)**

(1) **Revenue Protection Plan.** The FCIC issued projected price and harvest price must be insured at 100%. The projected price is used to calculate premium, any replanting, and any PP payment.

When the harvest price exclusion is:

(a) Elected, the projected price is used to compute the revenue protection guarantee per acre; or

(b) Not elected, the projected price is used to initially determine the revenue protection guarantee per acre. If the harvest price is greater than the projected price, the revenue protection guarantee per acre will be recomputed using the harvest price.

(2) **Yield Protection Plan**. The value of the production guarantee per acre and the value of production to count are determined by multiplying the FCIC issued projected price times the percentage of the projected price selected by the insured. Once selected, the percentage of the projected price will continue to apply unless changed on or before the applicable SCD.

(3) **All Other Plans** (e.g., Actual Production History Plan, Dollar Amount of Insurance Plan(s), etc.). The amount of insurance will be the amount of insurance issued by FCIC, multiplied by the coverage level percentage selected. The price election will be the price election issued by FCIC multiplied by the percentage of price elected.

**Example:** The actuarial documents for Fresh Market Tomatoes provide the FCIC issued reference maximum dollar amount of $7,837. Therefore, an insured who elects 75 percent coverage level would have an amount of insurance equal to $5,878 (i.e., 0.75 x $7,837).

(4) **The price election is** determined by the FCIC issued price election, multiplied by the percentage of price selected. FCIC may provide additional price elections or amounts of insurance no later than 15 days prior to the applicable SCD. The additional price elections or amount of insurance:

(a) Will not be less than those available on the CCD.

(b) Must be selected on or before the applicable SCD.

(c) If elected, will be used to determine the amount of premium and any claim settlement. Once selected, the amount of insurance, percentage of price election, or the additional price election will continue to apply unless changed on or before the applicable SCD.

## 7. AIP Responsibilities

AIP responsibilities include (but are not limited to) the following:

### A. Administering the loss adjustment procedures

The AIP is responsible for all loss adjustment responsibilities outlined in this handbook whether the requirement is performed by a contracted adjuster, employed adjuster, or other AIP employee. The AIP and other parties involved with FCIC's crop insurance program are to administer the general loss adjustment in accordance with the procedures (requirements) provided in this handbook and in conjunction with the following issuances:

(1) FCIC-issued crop LASHs (including the Prevented Planting LASH) and FCIC-issued Underwriting Guides (handbooks), any FCIC-issued slipsheets that supersede any portion of this handbook or crop LASHs, and any Interpretation of Procedures (MGR.05-18);

(2) Appendix IV of the SRA for AIPs to meet the minimum guidelines, procedures and performance standards that FCIC expects to be used in training agents and adjusters; and quality assurance functions.

(3) FCIC-Appendix III to the SRA Handbook (formerly known as the M-13 Handbook) for PASS data elements, data requirements, and edits;

(4) FCIC-24020 (Written Agreement Handbook (WAH)) for written agreement standards and any Interpretation of Procedures (MGR.05-18);

(5) FCIC-18010, CIH for general underwriting standards and APH standards and guidelines, any FCIC-issued slipsheets to this handbook, and any Interpretation of Procedures (MGR.05-18);

(6) Any RMA bulletins, informational memorandums, or memorandums pertinent to loss adjustment; and

(7) Applicable policies, BP, CP and any applicable FADs, applicable actuarial documents (including the SP), applicable options or endorsements, and applicable approved written agreements that are in effect for the crop policy being inspected.

### B. Compliance/Implementation

(1) Comply with and implement the loss adjustment standards (requirements) and loss-related form standards and form completion instructions (requirements) established by FCIC, through FCIC LASHs and/or the DSSH issued by RMA's PASD, or as otherwise specified in writing by FCIC; and

(2) Comply with all other requirements issued by FCIC in the administration of contracts between the AIP and FCIC.

**C. Ensure that all documentation, determinations, and calculations are completed** as specified in the, FCIC policy provisions, LAM Standards Handbook, crop LASHs, and any other applicable FCIC issuances.

**D. Input.** Provide input to FCIC regarding the loss adjustment standards.

**E. Advise.** Advise RMA's PASD of impending situations, which may necessitate the development of procedures, form standards, or calculations that are different than those identified in the FCIC-issued standards.

**F. Documents/Procedures.** Provide the adjuster with the insurance contract forms (or data from the processed forms) and procedures identified in Para. 5.

**G. Determinations and/or Verifications**. In addition to the responsibilities identified in this handbook, determine or verify whether crop-specific contract provisions or requirements (identified in the crop LASHs) apply to the insured, and if so, whether they have been complied with by the insured.

**H. Loss Adjustment Equipment.** Assure that the adjuster has necessary equipment, is trained in its operation, and that such equipment is in proper working order to perform loss adjustment duties.

**I. Conflict of Interest.** Assure that there is no conflict of interest with anyone involved in the loss adjustment of a claim, as outlined in the SRA.

**J. Review Summary of Coverage (Summary).** Prior to the loss adjustment inspection, the AIP should: (1) Review the Summary against the data on the acreage report; (2) reprocess the acreage report if keying errors are found prior to assigning the loss to be worked; and (3) notify the insured that a new summary will be issued with the correct data.

**K. Required Information.** Ensure that the required information (i.e., entry instructions) specified in FCIC-issued loss adjustment standards (LAM, LASHs, or any other applicable procedures) is recorded on the specific forms, printouts, or on a Special Report attached to the appropriate form.

**L. Maintaining and retaining records for claims in accordance with the criteria in section (g) of the SRA.** The definition of "records" in section 1 of the SRA is as follows:

**"Records** means documentation in any form that relates to an eligible crop insurance contract or this Agreement. Such documentation includes original signed documents, or legible electronic images of the original signed documents, any other documents, or legible electronic images of any other documents, and electronic information either produced by the Company or an affiliate or obtained from outside sources or the policyholder that are utilized by the Company or an affiliate to establish, calculate, verify or determine a policyholder's program eligibility, insurance coverage, APH yields, premium, liability, or indemnity."

**M. New Producer Verification.** The AIP must assure before settlement of any claim on which the insured is shown as having a new producer status for the crop, that:

(1) Qualification for the new producer status has been verified to be correct; and

**M. New Producer Verification (continued)**

(2) In addition to subparagraph L above, AIPs must maintain documentation in the insured's claim file substantiating the AIP's determination (made at the time of underwriting) that an insured qualifies for new-producer status.

## 8. Loss Adjustment Responsibilities

**A. General Information**

(1) The following responsibilities and procedures throughout this handbook apply to whoever is performing loss adjustment whether it is an AIP employee whose primary duty and title is not adjuster or a person under contract or employed with an AIP specifically as an adjuster. For example, some AIPs may have employees whose primary function is NOT loss adjustment activities (e.g., underwriter) but this employee makes some loss adjustment verifications prior to assignment or after assignment of the loss notice to the adjuster. Additionally, some AIPs may have non-loss adjuster employees perform certain types of reviews or loss adjustment assignments found in this handbook.

(2) Sales Agents, local agency employees, or sales representatives (other than taking notices of damage or loss or as otherwise specified in this handbook) cannot perform loss adjustment duties unless outside of their selling and servicing area as described in the SRA.

**B. Loss Adjustment Responsibilities**

Responsibilities include **(but are not limited to)** the following:

(1) Be thoroughly familiar with the insured's contract folder or print-out supplied by the AIP showing the insured's coverage in effect, and all insurance documents (or data documents) that pertain to the insured's insurance contract in the county; e.g., BP, applicable CP, any applicable endorsement or option provisions in effect for the crop year, Written Agreement information (if applicable), SPs, reported Acreage Report information, etc. Para. 6 provides a general overview of the different insurance plans.

(2) Verify and/or determine and document the information as specified in this handbook or other FCIC-issued procedures necessary for loss adjustment. Document information as specified in this handbook or other forms of issuance approved by RMA's PM or PASD, or RMA Manager's Bulletins.

(3) Use loss forms that meet FCIC-form standards and procedures as outlined in Part 1, Para's 2 B and C. All FCIC-issued procedures take effect on their approval date. For

**B. Loss Adjustment Responsibilities (Continued)**

the LAM Standards Handbook and crop LASHs, the approval date is always found at the top of the TP 1 page. The FCIC-issued procedures are effective as of the approval date. The LAM Standards Handbook and all FCIC

LASHs for the applicable crop year are found on RMA's website (or its successor) at http://www.rma.usda.gov/data/directives.html#25000
DO NOT deviate from FCIC-issued procedures without prior written approval from FCIC. (The AIP will provide the appropriate parties with any FCIC-approved deviations.)

(4) Use and be proficient with the applicable loss adjustment equipment.

(5) Identify the type of inspection that will be made. All inspections will fall into one of three types: (1) Indemnity Inspection (including prevented planting payment Inspection), (2) Replant Payment Inspections, and (3) Special Contract Services Inspections.

(6) Visit farms for the purpose of inspecting damaged or destroyed crops during the growing season or following harvest.

(7) Explain to insureds their contractual responsibilities, filing procedures, and what will be done during the inspection.

(8) During farm visit:

(a) Determine and/or verify any insured and uninsured causes of loss. Establish production or dollar amount to count from appraisals for uninsured causes of loss.

(b) Determine and/or verify the time of loss.

(c) Review and verify the acreage report information as described in Para. 37.

(d) Inspect insured crops and make inquiries to independently establish all harvested, unharvested, and potential production for all units of the crop being inspected in accordance with PART 3 Section 4. Determine (measure, if applicable) all farm-stored production from the loss units of the crop being inspected in accordance with PART 3.

(e) Determine (measure if applicable) the insurable acreage of the loss unit or as required in any other type of inspection.

(f) Determine if there is any unreported insurable acreage. If any is found, take appropriate steps, as found in this handbook.

**B. Loss Adjustment Responsibilities (Continued)**

(g) Inspect acreage to determine and verify correct FSA FNs, legal descriptions, classifications, planting dates, planting practices, and whether proper planting and care of the crop was carried out as it pertains to fertilizer, herbicides, irrigation (when applicable), etc.

(h) Appraise potential production and grant written consent to replant or put insured acreage to another use when the insured is not going to carry the crop to harvest as described in Para's 213 and 216.

(i) Perform APH review responsibilities as defined in Para. 35.

(j) Perform on-the-farm inspections in accordance with procedures in this handbook and applicable crop LASHs.

(9) Review information from any previous inspection for the crop being inspected, including information documented on Special Reports (definition in Exhibit 2).

(10) Verify the insured's entity and share are correct. Verify whether the entity is married and, if so, whether the spouse's SSN/EIN has been provided to the AIP as stated in Para's 24 and 25.

(11) During a loss inspection, review documents, records, etc., that would show the correct entity, share, legal description and/or FNs, and acres. Refer to the appropriate paragraphs for more information. As stated in Para. 161, FSA records do not have to be used for verification purposes, UNLESS information needed to complete loss adjustment can only be obtained from FSA. However, such verification at FSA is recommended as an additional verification source since AIPs must ensure that producer-certified information is accurate and that liability is established and indemnities are paid according to FCIC-issued policies and procedures and any related Agency policy or procedural interpretations.

(12) If the actuarial classification appears to be incorrect, adverse, or unusual risk conditions exist, prepare a Special Report with details and forward to the AIP. The AIP can then request an actuarial review or prepare a Request for Actuarial Change.

(13) During an indemnity inspection, explain what the insured's options are under the terms and conditions of the contract, but in no way provide advice or suggestions that could affect the insured's decision concerning these options; e.g., do not advise or suggest whether to carry the crop to harvest or go to another crop, etc.

(14) DO NOT provide any advice or suggestions to the insured regarding the insured's farming operation; e.g., type and application of chemicals, herbicides, tillage, etc. If

**B. Loss Adjustment Responsibilities (Continued)**

the insured solicits your advice, advise the insured to consult with an agricultural expert (refer to definition in Exhibit 2).

(15) Advise insureds that a routine quality assurance review may be made to assure the loss adjustment was done in a fair and impartial manner, and in accordance with contract terms.

(16) **Prior** to obtaining the **insured's signature** (or authorized representative's signature) on the claim form: (1) Review all entries on appraisal worksheets and claim forms with the insured; (2) Explain any circumstances that may affect the indemnity; and (3) Explain the Certification Statement on the claim form and that the insured's (or authorized representative's) signature represents the insured's certification that the information on the claim form is complete and accurate. **Do not sign a final replant payment or final claim for indemnity (including prevented planting payment) until satisfied with all determinations.**

(17) Use a Claim Checklist (similar or like the one shown in exhibit 8) when instructed by the AIP to do so.

(18) Do not discriminate against any insured because of race, color, religion, sex, age, disability, marital status, national origin, or sexual orientation.

(19) Do not solicit or accept money, gifts, or favors from any party that are designed to influence (or give the appearance of influencing) any loss adjustment finding or decision.

(20) Do not use your position to gain favor, influence, or financial advantage over any insured or individual.

(21) Adjusters must provide written consent (not verbal consent, unless specified otherwise in these procedures) to the insured when the adjuster is releasing acreage to:

(a) destroy the insured acreage;
(b) put the insured acreage to another use;
(c) replant the insured acreage (only for crops having replant provisions); and
(d) abandon the insured acreage.

(22) Before a replanting, prevented planting, or indemnity claim is finalized, verify the insurability requirements of the crop and acreage; e.g., one of the insurability requirements of acreage is that the acreage upon which the insured crop is planted has had a crop planted and harvested or insured in one of the three previous crop years, unless it meets the exceptions, as stated in Para. 91. Also, refer to Para. 91 for additional reasons that acreage would not be insurable.

**B. Loss Adjustment Responsibilities (Continued)**

Insurability requirements for a crop can be found in Para. 101, the CP, if applicable, or SP.

(23) When there is contained water, verify and document the elevation of the contained water at the time of loss. Refer to Para. 193 A (6) (c) for details.

(24) Loss Adjustment Form corrections.

**DO NOT USE WHITE OUT ON ANY DOCUMENT.**

(a) If during the time of loss adjustment the adjuster makes a correction on a loss adjustment form, the adjuster will follow the instructions for making corrections in the Section entitled Claim Form Entries and Completion procedures in the applicable crop LASH.

(b) If a claims reviewer or auditor makes a correction on the claim for indemnity form prior to processing it for payment, the auditor/reviewer will:

(i) Line through the incorrect information and replace with the correct information,

(ii) Initial and date the correction/change, and

(iii) Document on an attached Special Report the reason why the correction/change was needed.

(c) The AIP should notify the insured of this correction/change if this change/correction will result in reducing the Indemnity Payment (Replant Payment or PP Payment, if applicable) from what it would have been had the correction/change not been made.

## 9. Insured's Responsibilities

Besides the requirement to provide notice when damage occurs (as stated in Para. 41), the BP requires the insured to:

(1) Protect the crop from further damage by providing sufficient care.

(2) Cooperate with the AIP in the investigation or settlement of a claim, and as often as the AIP reasonably requires:

(a) Show the AIP the damaged crop;
(b) Allow the AIP to remove samples of the insured crop; and

(c) Provide records and documents requested and permit the AIP to make copies.

(3) Establish:

(a) The total production or value received for the insured crop on the unit;

(b) That any loss occurred during the insurance period;

(c) That the loss was caused by one or more of the insured causes specified in the CP; and

(d) That he/she has complied with all provisions of this policy.

(4) Obtain consent from the AIP before, and notify the AIP after:

(a) Destroying any of the insured crop that will not be harvested,
(b) Putting the insured crop to an alternative use,
(c) Putting the acreage to another use, or
(d) Abandoning any portion of the insured crop.

(5) Leave unharvested representative samples of the crop (RSCs) intact (if required by the CP to do so) in accordance with the BP and/or CP. For additional information for RSCs, refer to Para. 212 B.

(6) Submit a claim declaring the amount of the insured's loss by the dates specified in the BP. For additional information, refer to Para. 178.

(7) Provide a complete harvesting, production, and marketing record of each insured crop by unit including separate records showing the same information for production from any acreage not insured.

(8) Separate records of production for 1st and 2nd crop acreage. Refer to Para.s 111-112 for additional information on 1st and 2nd crop acreage.

(9) Retention of records

The insured must retain, and provide upon the AIP's request, or the request of any employee of USDA authorized to investigate or review any matter relating to crop insurance:

(a) Complete records of the planting, replanting, inputs, production, harvesting and disposition of the insured crop on each unit for three years after the end of the crop year. (This requirement also applies to all such records for acreage that is not insured.)

(b) While the insured is not required to maintain records beyond the record retention period specified, at any time, if the AIP or FCIC has evidence that the insured, or anyone assisting the insured, knowingly misreported any information related to any yield the insured has certified, the AIP or FCIC will replace all yields in the insured's APH database determined to be incorrect with the lesser of an assigned yield determined in accordance with section 3 of the BPs or the yield determined to be correct.

(i) If an overpayment has been made to the insured, the insured will be required to repay the overpaid amount; and

(ii) Replacement of yields in accordance with section 21(b)(3) of the BP does not exempt the insured from other sanctions applicable under the terms of the policy or any applicable law.

(c) By the insured signing the application for insurance authorized under the Act or by continuing insurance for which the insured has previously applied, the insured authorizes the AIP or USDA, or any person acting for the AIP or USDA authorized to:

(i) Investigate or review any matter relating to crop insurance; and

(ii) Obtain records relating to the planting, replanting, inputs production, harvesting and disposition of the insured crop from any person who may have custody of such records, including but not limited to, FSA offices, banks, warehouses, gins, cooperatives, marketing associations, and accountants.

The insured must assist in obtaining all records, the AIP or any employee of USDA authorized to investigate or review any matter relating to crop insurance requests from third parties.

(d) If the insured fails to provide access to the insured crop or the farm, authorize access to records maintained by third parties, or assist in obtaining such records, it will result in a no indemnity due for the crop year in which failure occurred.

(e) If the insured fails to maintain or provide records, the provisions of section 21 (f) (and (g) if applicable) of the BP will apply.

**10-20 (Reserved)**

# PART 2 INSPECTION DUTIES

## SECTION 1 PRODUCER ELIGIBILITY AND ENTITIES

### 21. General Information

Before any loss adjustment or contract service can be initiated, verify that the insured and all who have an interest of 10 percent or more are eligible for insurance and the entity is legal.

### 22. Insurance Provisions

Insurance will cover a PERSON'S share of an insurable crop as landlord, owner-operator, or tenant.

The definition of "person" is an individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a State, or a political subdivision or agency of a State. "Person" does not include the United States Government or any agency thereof. Refer to Exhibit 2 for definition of "Insured."

**A. Duplicate Policies**

*** Duplicate policies are not permitted. Duplicate policies exist when more than one policy (issued under the authority of the Federal Crop Insurance Act) is in force for the same crop/county and for the same person, or for a spouse, child, or other member of the household who does not have a separate farming operation or share in the crop.

AIPs must use RMA's system to determine if more than one policy is in force.

**B. Discovered Duplicate Policies**

If it is discovered or suspected that duplicate policies exist, notify the next level of supervision. Duplicate policies will be handled in accordance with the procedures in the CIH.

**C. AIP Determination of Duplicate Coverage**

If the AIP determines duplicate coverage exists and the existence was intentional, the insured may be subject to the consequences authorized under the BPs, the ACT, or other applicable statutes.

**D. Duplicate Policy Exceptions**

The following are not considered duplicate policies:

(1) High-Risk Land, as designated by RMA, that has been excluded from an additional coverage policy and is insured under a separate CAT policy may be insured on a separate CAT policy provided that on or before the crop's SCD the insured:

(a) Executes a High-Risk Land Exclusion Option Form, and
(b) Obtains a CAT policy from the same AIP.

**D. Duplicate Policy Exceptions (Continued)**

If the additional and CAT coverage policies are not insured with the same AIP, it is acceptable the first effective crop year for the policies to remain with the respective AIPs unless the AIPs involved agree otherwise.

**Example:** An additional coverage policy is written with AIP A and a CAT policy is written with AIP B, the CAT policy written with AIP B may remain in effect or may be canceled and rewritten with AIP A. However, the following crop year the CAT policy and the additional coverage policy must be written with the same AIP.

(2) High-Risk Alternate Coverage Endorsement is designed to exclude all high-risk land by crop and county from the base policy and insure it on a separate additional coverage policy. Refer to the High-Risk Alternate Coverage Endorsement Standards Handbook (FCIC-20190).

(3) Hybrid Seed Corn or Hybrid Sorghum Seed grown under contract with more than one seed company. These CPs allow:

(a) A separate policy for acreage grown under contract with each different seed company. The policies do not have to be insured with the same AIP; however, all acreage of the insured crop in the county must be insured.

(b) Different coverage levels may be selected on each separate policy. Payment of losses must be made accordingly and coordinated between policies and AIPs. Unit division is as stated in Para. 132.

(4) Specialty types listed on the SPs for barley are excluded from a revenue protection policy and insured under the yield protection policy in order to receive a contract price.

(5) Crops also insured under AGR/AGR-Lite policies are also insured under the BP.

**E. CP With More Than One Insurable Crop**

The following CP provide coverage for multiple crops: The Arizona and California Citrus, Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Coarse Grains, Grapes (California ONLY), Nursery, Small Grains, Stonefruit, and Tobacco. These CP allow insureds to designate which of the crop(s) is to be insured and may indicate which type(s) or variety(ies); e.g., Fresh Apricots and Processing Apricots insured under the Stonefruit CP are separate insured crops. However, this is not considered to be duplicate coverage. The section entitled “Insured Crop” in the applicable CP or the SP indicates the separate insurable crops.

**F. Other Insurance/Excess Coverage**

When other:

(1) Fire insurance is carried on the insured crop, the BP provides for only excess coverage. Refer to Para. 293 for more detailed information.

(2) Insurance is provided by an AGR/AGR-Lite policy, the individual CP provides primary coverage and indemnity payments from those policies. Such payments are considered income to count under the AGR/AGR-Lite policy.

**G. Multiple Benefits From More Than One USDA Program**

(1) If an insured is eligible for an indemnity and is eligible for the same loss under another USDA program, the insured may receive benefits under both programs, unless it is specifically limited by the crop insurance contract or by law.

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(2) Any amount received for the same loss from any USDA program, in addition to the crop insurance payment will not exceed the difference between the crop insurance payment and the actual amount of the loss, unless otherwise provided by law. The amount of the actual loss is the difference between the total value of the insured commodity before the loss and the total value of the insured commodity after the loss.

(a) For crops for which revenue protection is not available:

(i) If the insured has an approved yield, the total value of the crop before the loss is the insured's approved yield times the highest price election for the crop; and

(ii) If the insured has an approved yield, the total value of the crop after the loss is the insured's production to count times the highest price election for the crop; or

(iii) If the insured has an amount of insurance, the total value of the crop before the loss is the highest amount of insurance available for the crop; and

(iv) If the insured has an amount of insurance, the total value of the crop after the loss is the insured's production to count times the price contained in the CP for valuing production to count.

**G. Multiple Benefits From More Than One USDA Program (Continued)**

(b) For crops for which revenue protection is available and the insured elects yield protection:

(i) The total value of the crop before the loss is the insured's approved yield times the applicable projected price (at the 100 percent price level) for the crop; and

(ii) The total value of the crop after the loss is the insured's production to count times the applicable projected price (at the 100 percent price level) for the crop; or

(c) For crops for which the insured elects revenue protection:

(i) The total value of the crop before the loss is the insured's approved yield times the higher of the applicable projected price or harvest price for the crop (If the insured has elected the harvest price exclusion, the applicable projected price for the crop will be used); and

(ii) The total value of the crop after the loss is the insured's production to count times the harvest price for the crop.

(3) FSA or another USDA agency, as applicable, will determine and pay the additional amount due the insured for any applicable USDA program, after first considering the amount of any crop insurance indemnity.

## 23. Insurance Qualifications

**A. Eligibility**

(1) Eligible Person(s). To be eligible for crop insurance the applicant must meet all of the following:

(a) Be competent:

(i) For crop insurance purposes, only a court can declare an individual incompetent.

(ii) A judicially declared incompetent individual may apply for insurance only if a court-appointed guardian signs the crop insurance documents.

(iii) Evidence that an insurable share exists for the judicially declared incompetent must be provided to the AIP before acceptance of an Application.

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**A. Eligibility (Continued**

(iv) When incompetency is dissolved, evidence of the dissolution (e.g., court judgment) must be provided to the AIP, and a new Application is required.

(b) Be of legal majority (18 years or older or conferred by court).

For individuals less than 18 years old or legal majority has not been conferred by the court, to be eligible for crop insurance:

(i) A minor must provide evidence an insurable share exists; and

(ii) A court-appointed guardian or parent must co-sign the application. When a court-appointed guardian or parent cosigns the application:

(A) Must include an acknowledgment guaranteeing payment of the annual premium.

(B) A written statement describing the farming operation and the insurable share must be provided.

(iii) For CAT coverage only, a minor who is competent to enter into a binding contract may insure a crop at CAT level coverage without a co-signer; however, if not competent to enter into a binding contract, a court-appointed guardian or parent must sign the application.

When an minor enters the age of legal majority and is competent to enter a legally binding contract, the existing contract is dissolved and a new Application is required. Refer to the Para. 25 D for entity status changes.

(c) Have an insurable interest in the crop.

(d) Provide the applicable identification number and person type.

(e) Not be ineligible per the procedures in subparagraph (2) below.

(2) Ineligible Person(s)

An ineligible person is a person denied participation in any program administered by RMA under the Act. Ineligibility occurs when a person:

(a) Has a delinquent debt to FCIC or an AIP and remains ineligible until the debt is resolved, a written payment agreement is executed, or a bankruptcy petition is filed.

(i) When the debt is resolved, a written payment agreement is executed, or a bankruptcy petition is filed; that person becomes eligible for crop insurance.

**A. Eligibility (Continued)**

(ii) Application must be made on or before the applicable SCD for the crop.

(iii) If the debt is resolved, a written payment agreement is executed, or a bankruptcy petition is filed after the SCD for a crop, the person cannot reapply for crop insurance for that crop until the next available SCD, unless:

(A) The crop also has a SCD for the crop year occurring after the payment is made (i.e., multiple SCDs within a crop year), or

(B) CP allows applications to be submitted after the SCD, such as Nursery. If a new Application is submitted, and all other criteria are met, the person is eligible to participate in that crop program the crop year eligibility is regained. For the new application, coverage is not provided for any loss incurred between the time the policy was terminated and insurance attached.

(b) Is disqualified, suspended, or debarred under the ACT and applicable regulations, and remains ineligible for crop insurance for the period of disqualification, suspension, or debarment.

(c) Is convicted of violating the controlled substance regulations as described in Para. 141. Any person who is disqualified for violating the controlled substance regulations is ineligible for crop insurance for the length of time stated in Para. 141.

## 24. Verifying and/or Determining Insurable Share

**A. Insurable Share**

(1) An insurable share is the percentage of interest in the insured crop the owner, owner-operator, tenant or sharecropper has at the time insurance attaches. An insurable share of the crop means the insured has a financial risk directly related to the production of the crop (receives all or part of a crop) as an owner-operator, landlord, sharecropper or tenant at the time insurance attaches.

(a) A landlord is the person who holds the ownership interest to the land that is leased or rented to another person, called the tenant, on which the crop is grown. The landlord receives a cash payment or a share of the crop as a lease or as rental payment from the tenant.

(b) The tenant is the person who holds the possessory interest in the land that is leased/rented from the landlord. The tenant pays the landlord for use of the land by cash or share of the crop.

**A. Insurable Share (continued)**

(c) Owner-operator is a person who holds an ownership interest to the land on which the crop is grown.

(d) Sharecropper is a person who works the land for a share of the crop produced on the land.

(e) To have an insurable share, the tenant or owner-operator must:

(i) Produce the crop;

(ii) Exercise managerial control relating to producing and marketing the crop (controls what to plant, when to plant, when to till, cultivate, irrigate, fertilize, spray, harvest, market, etc.);

(iii) Carry all or part of the financial risk (including making credit arrangements, if applicable) related to producing the crop;

(iv) Own, rent, or lease the farming equipment, make arrangements to obtain equipment, or hire custom work directly related to the production and harvest of the crop;

(v) Hire, manage, and be responsible for the payment of the labor; or

(vi) Purchase all inputs (seed, fertilizer, pesticides, herbicides, etc.)

(f) To have a 100 percent insurable share, the tenant or owner-operator must satisfy all the requirements in subparagraph (e), including having 100 percent of the financial risk.

(i) If any of the requirements of subparagraph (e) are not satisfied, the tenant or owner-operator will have an insurable share that is less than 100 percent.

(ii) The insured may be required to provide documentation demonstrating that all the requirements in paragraph (e) have been met.

(iii) To the extent that any of the functions stated in subparagraph (e) are shared with another entity, the tenant or owner-operator does not have a 100 percent share.

(g) If less than a 100 percent share, the amount of insurable share is determined by the extent by which the tenant or owner-operator performs the functions stated in subparagraph (e) or the amount of compensation provided to any other entity to perform the function.

**A. Insurable Share (continued)**

(2) Insurance share:

(a) Insurance will cover only the share of the crop owned by the person who completed the application unless the accepted application clearly indicates insurance is requested for a partnership or joint venture, or is intended to cover the landlord's or tenant's share of the crop,.

(b) The share will not extend to any other person having an interest in the crop except as may be specifically allowed in the policy or CAT Endorsement.

(c) The interest of spouses, children, or other household members in most cases will be insured under one PERSON and have only one policy number issued. Refer to Para. 25 for exceptions that allow spouses and children to have separate policies.

(3) Tenant or Landlord insuring the other's share.

(a) If a person is sharing with a landlord or tenant (or multiple landlords or tenants) only one person's share is allowed to be insured on each application, unless the landlord or tenant has requested to insure the other's share of the crop on their application.

(b) Requirements for landlord or tenant to insure the other's share:

(i) Evidence of the other party's approval (lease, power of attorney, etc.) must be provided to the AIP by the SCD and retained.

(ii) The landlord/tenant's share cannot be insured under another person's policy if the landlord/tenant has a policy for that crop/county. For example, a landlord's share cannot be insured under a tenant's policy if the landlord has his own individual policy for that crop/county. When the landlord or tenant insures the other's share:

(A) The percentage shares of both persons must be shown in the remarks section of the acreage report or on a Special Report attached to the acreage report.

(B) Only one policy is allowed when the person is sharing with multiple landlords/tenants. Each separate share arrangement with different landlords or tenants, qualifies as a basic unit; i.e., this arrangement does not negate the basic unit provisions in the policy that indicates there is a separate basic unit for the acreage shared with each different landlord or tenant.

**A. Insurable Share (continued)**

(c) When there is a landlord or tenant insuring the other's share, the AIPs will provide this information to the adjuster if the adjuster is not provided a copy of the actual acreage report. Refer to Para. 132 for information about how share arrangements affect unit structure.

(4) The insured establishes his/her insurable share on the acreage report by reporting the share insurable at the time insurance attached. **However, only for the purpose of determining the amount of indemnity:** If, during the final loss adjustment inspection, it is determined that the insured's share differs from what it was at the time insurance attached, the insured's share will be the lesser of what:

(a) it was at the time insurance attached, or
(b) the AIP determines to be the share at the earlier of:

(i) the time of loss, or
(ii) the beginning of harvest of the unit, unless excepted by the specific crop policy.

At the time of final loss adjustment, if the insured's share is determined to be less than originally reported, decrease the share by entering the determined share in the appropriate column for the insured's share on the claim. This may also require a revised acreage report depending on the AIPs processing system. Follow instructions as provided by the AIP.

**B. Share Arrangements (Written or Verbal)**

(1) **100 percent crop share (Cash Lease)**

(a) 100 percent crop shares include 100 percent share as owner/operator and/or land that is rented for cash, a fixed commodity payment, or any consideration other than a share in the crop.

(b) A lease that provides for EITHER a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) OR a crop share is considered a cash lease (e.g., lease provides for a 50/50 crop share or $100 dollars, whichever is greater).

(c) A lease that contains a crop share but the percentage is not a fixed amount at the time coverage begins is considered a cash lease. Such leases may contain a cash consideration with an undetermined crop share percentage at the time coverage begins.

**B. Share Arrangements (Written or Verbal) (Continued)**

(2) **Crop Share (Crop Share Lease)**

(a) In order to have a crop share, the crop share percentage must be specified at the time coverage begins and cannot change based on the amount of production harvested. Refer to example 4 and 8 in subparagraph C below.

(b) Written or verbal lease agreements containing provisions for BOTH a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) AND a crop share is considered a crop share lease.

**C. Share Arrangement Examples**

**Example 1:** The tenant (insured) agrees to give the landlord 1/3 of the crop in return for farming the land.

- The agreement is a crop share.
- The insured's share is 2/3 of the crop.

**Example 2:** The tenant (insured) agrees to give the landlord 1/3 of all the crops produced on the premises and to guarantee that the landlord's share of the crops will average $35 an acre. In the event that the landlord's share of the crops is worth less than $35 an acre, the tenant will pay the difference in cash to the landlord.

- The agreement is a crop share.
- The insured's share is 2/3 of the crop.

**Example 3:** The tenant (insured) agrees to give the landlord $50 per acre cash and 1/4 of the crop in return for farming the land.

- The agreement is a crop share.
- The insured's share is 3/4 of the crop. We do not convert the $50 per acre cash payment to a share basis.

**Example 4:** The tenant (insured) agrees to give the landlord $50 per acre cash and 1/3 of all the bushels in excess of 60 bushels per acre. (Average yields for the area are usually around 55-65 bushels.)

- The agreement is a cash lease.
- The insured's share is 100 percent. The bushels in excess of the 60 bushels per acre are a "bonus" above and beyond the insured crop. The share percentage of the entire crop cannot be determined at the time coverage begins since it is dependent on how many bushels in excess of 60 bushels will be produced.

## C. Share Arrangement Examples (Continued)

**Example 5:** The tenant (insured) agrees to give the landlord $50 per acre cash and 10 bushels per acre.

- The agreement is a cash lease.
- The insured's share is 100 percent. We do not convert the 10 bushels to a percentage share. In this scenario the tenant will pay the landlord a fixed amount, cash ($50) and commodity (10 bushels per acre).

**Example 6:** The tenant (insured) agrees to give the landlord 25¢ for every bushel of peaches harvested.

- The agreement is a cash lease.
- The insured's share is 100 percent. Because there is no agreement for a set share percentage of the crop at the time coverage begins, the insured's share must be considered a cash lease.

**Example 7:** The tenant (insured) agrees to pay the landlord $25 per acre OR 1/4 of the crop, whichever is greater.

- The agreement is a cash lease.
- The insured's share is 100 percent. Since the lease contains an either/or type arrangement, the share cannot be considered a fixed element of the lease.

**Example 8:** The tenant's (insured's) lease agreement states that the tenant will receive the first 85 bushels per acre of corn produced. Of any bushels in excess of 85 bushels per acre, the tenant will receive 60 percent and the landlord will receive 40 percent. The insured's guarantee is 85 bushels and is based on the highest level of coverage that can be elected.

- The agreement is a cash lease.
- The insured's share is 100 percent. Since the insured receives the first 85 bushels and this amount is the insured's guarantee, 85 bushels is the maximum amount that could be insured under the policy.

**Example 9:** **Flexible Share Arrangement.** The tenant's (insured's) APH is 17.0 tons per acre. The tenant's lease agreement contains the following schedule:

| Tons producer | Tenant's share | Landowner's share |
|---|---|---|
| 0.0 – 8.0 | 98% | 2% |
| 8.1 – 12.0 | 96% | 4% |
| 12.1 – 16.0 | 94% | 6% |
| 16.1 – 20.0 | 90% | 10% |
| 20.1 – 25.0 | 88% | 12% |
| 25.1 - ... | 85% | 15% |

**C. Share Arrangement Examples (Continued)**

The agreement is a share arrangement since there is no mention of cash.

The base share is derived from the tenant's (insured's) APH. Therefore, the share percentage range for the insured's (tenant's) APH reported on the acreage report would be 90%. Since the share is to be established at the time insurance attaches and both still have a share in the crop at the end of the crop year, the share percentage established at the time insurance attached will be retained for indemnity and premium purposes.

**D. Verify the Following:**

(1) Producer has an insurable interest in the crop. (Refer to Para. 23).

(2) Person type processed from the application reflects the correct person (individual, partnership, corporation, co-owner, joint operator, estate, trust, etc.). (Refer to Para. 25.)

(3) Producer qualifies as landlord, owner-operator, or tenant. (Refer to Para. 25.)

**E. Crop Share Verification**

Verify the insured's correct share, by crop, by comparing the reported share on the crop insurance acreage report to the insured's share shown on:

(1) Lease agreements, elevator summaries, packer statements, marketing records, etc.; or

(2) FSA-578 (Do not use other FSA documents to verify crop share since these documents may contain "contract" shares rather than crop share.) When crop shares are reported to the FSA, AIPs do not have to verify crop shares reported for crop insurance with the crop shares reported to the FSA, but are encouraged to do so since AIPs must ensure that producer-certified information is accurate so liability is established and indemnities are paid in accordance with the policy provisions.

**F. Documentation**

Document from what sources the share verification was made, and document anything else pertinent to the share verification.

### G. Resolving Share Discrepancies

Refer to exceptions for spousal shares as outlined in subparagraph H below.

(1) If the shares on the crop insurance acreage report, by crop, do not agree with the shares on marketing records, lease or share agreements, FSA-578 (does not have to be used for verification purposes (refer to (3) below)), or other documents or actions of the insured that reflect crop share, resolve these discrepancies as follows:

(a) If there is a written lease/share agreement in force, use the share identified on the agreement, unless the marketing records or FSA-578 (does not have to be used for verification purposes, (refer to (3) below)) or actions of the insured do not substantiate the share identified in the agreement; whereas, handle as stated in (1) (c) below. Refer to (2) and (3) below.

(b) If no written lease/share agreement is in force but crop shares are reported on the FSA-578, use the share identified on the FSA-578 if it is used for verification purposes (refer to (3) below)); unless marketing records or actions of the insured do not substantiate the insured's share identified on the FSA-578, whereas, handle as stated in (1) (c) below. Refer to (2) and (3) below.

(c) If no written lease/share agreement is in force or the share shown on a written lease/share agreement or FSA-578 (does not have to be used for verification purposes, (refer to (3) below) is not substantiated with marketing records and/or actions of the insured, determine the share from the marketing records and/or actions of the insured. Refer to (2) and (3) below.

(2) Marketing records may include settlement sheets, canceled checks, seed receipts, fertilizer receipts, chemical receipts, etc. Actions refer to other arrangements the insured may have made with the other party sharing in the crop; e.g., every third load is delivered to the other party sharing in the crop, etc. If there is evidence to support that the lease/share agreement is a scheme to acquire more USDA benefits, the AIP may, by policy provisions, void the contract.

(3) AIPs are not required to verify crop shares reported to FSA, but are encouraged to do so since AIPs must ensure that producer-certified information is accurate and that liability is established and indemnities are paid according to policy provisions.

(4) Document your findings. The AIP will maintain documentation and copies of any applicable agreements and marketing records that substantiate the insured's correct share.

### H. Spousal Shares

(1) Generally, it is found that spouses share in the SAME farming OPERATION(S). This is why you will find that in Para. 25 under the definition "Person type: Married

**H. Spousal Shares (Continued)**

Individual (Spouses) " married couples are considered to be an individual entity, thus allowing only ONE insurance contract with only one share shown for both on the crop insurance acreage report, even when:

(a) FSA recognizes a married couple who shares in the SAME farming operation as "two persons" for the purpose of farm program payment limitations and requires only ONE contract to participate in FSA programs to be signed by the married couple.

(b) Such married couples are considered to be a spousal entity/married individual for crop insurance purposes. Refer to Para. 25 F (2).

(2) The only exception to a married couple being allowed to have only one contract is when the spouses are legally separated or separate under State law or when all the criteria in Para. 25 F (2) (b) are met.

(3) Verifying the share

There is only one share for the spouses shown on the crop insurance acreage report, unless (2) applies. However, the FSA-578 may list two, as explained in (a) below. If it is found that there are two crop insurance contracts, it must be verified that the spouses qualify for separate entities as stated in (2) above and 14 F (2) below.

When AIPs verify crop insurance acreage reports with the FSA-578's, it is normally, as indicated in subparagraph G above, considered a discrepancy if the crop shares reported for crop insurance and the shares reported on the FSA-578 do not match. The same is true for names and person types. However, in some cases because of the "two person" recognition, the producer's name, person type (e.g., partnership vs. individual), and/or share listed on the crop insurance acreage report and FSA-578 program can be in disagreement. Handle the verification of the spousal arrangements, as follows:

(a) When it is verified that it is a married couple and (2) above does not apply:

(i) The share reported for crop insurance purposes will be considered correct if the total of the two shares listed for the spouses on the FSA-578 equals the same percentage as reported for crop insurance purposes. However, if it is determined the insured failed to provide the spouse's SSN, refer to Para. 25 F (2) (a) to determine how this will affect the insured's coverage. Document the facts in the narrative of the claim form or on a Special Report.

**Example**: Fred Jones is the only name listed on the wheat insurance application. Fred reported a 100% share in Farm Serial Number (FSA FN) 2020 to FCIC, but the FSA-578 shows that Fred Jones has a 60% share in FSA FN 2020, and an FSA-578 shows that Mary Jones has a 40% share in FSA FN 2020. The total of the two shares reported on the FSA-578 equals

### H. Spousal Shares (Continued)

the same percentage reported for crop insurance purposes. Therefore, there would be no discrepancy in shares reported for crop insurance purposes and those reported to the FSA for other than crop insurance purposes.

(ii) It will be considered a share discrepancy when the total percentage of the two shares reported on the FSA-578 for non-crop insurance purposes does not equal the same percentage reported for crop insurance programs. Resolve the share discrepancy in accordance with Para. 24 G.

(b) When the FSA has recognized the spouses as being separate entities (operations), and the AIP has verified that spouses are legally separated or separate under State law and has recognized them as separate entities by giving each spouse a separate contract, the share reported on each spouse's crop insurance acreage report will be compared against the crop share reported to the FSA for the individual spouse. (Each operation will have separate FSA FNs.) If the individual spouse's crop share amount does not agree with what has been reported to the FSA for non-crop insurance purposes, handle in accordance with Para. 24 G above.

### I. Questionable Insurable Interest in the Crop

When it is questionable whether the insured has an insurable interest in the crop, document the circumstances on a Special Report. Forward the Special Report to the next level of supervision, and include the insured's contract folder if it has been assigned to you.

## 25. Person(s): Types, Documentation, and Determination

### A. Verification of Person at Loss Time

Using the information in the following subparagraphs, the adjuster (or AIP if specified), must:

(1) From information obtained from the insured, FSA or other reliable sources, and from the criteria for each person type found below; verify that the person qualifies for the entity shown on the application or qualifies for a separate person from another household member, relative, corporation, etc., and that the person on the application has an insurable interest in the crop.

There may be a situation where it appears the person (name and entity type) shown on the application has no insurable interest in the crop because the person shown on FSA documents, marketing records, etc., do not agree with the person on the application. The particular situation may be one for which a correction to the person shown on the application is allowed as outlined in subparagraph E below. However, if it is determined the person shown on the application has no insurable share in the crop, and the reason this policy was set up under this

**A. Verification of Person at Loss Time (Continued)**

particular person is one of the reasons stated in section 27 of the BP for concealment, misrepresentation, or fraud, the policy must be voided. A.

(2) Verify whether the insured is married and, if so, whether the insured has provided the spouse's SSN or EIN. Refer to subparagraph 25 C and F (2) below for requirements of the spouses SSN/EIN. AIPs do not have to verify persons through the FSA; however, are encouraged to do so since AIPs must ensure that producer-certified information is accurate and that liability is established and indemnities are paid according to policy provisions.

(3) If the person type reported is questionable or incorrect, document the facts and refer the case to the next line of supervision or to whom the AIP has instructed.

(a) if the person type is verified at FSA and there is a discrepancy between the person type recorded for crop insurance and the local FSA office, AIPs will try to resolve the discrepancy with the FSA. If the discrepancy cannot be resolved and the AIP has evidence supporting its position, the AIP should retain the person type reported to them; and keep on file all documentation and evidence supporting this decision**.**

(b) **The insured or the agent's certification and/or statement are not adequate documentation** (evidence) to support questionable person types or discrepancies between the person types reported to FSA and the AIP.

(4) Signature/Documentation. Verify that the person has authority to sign the document. Refer to Exhibit 5 for a list of the person authorized (and documentation required for such authorization) to sign documents (including loss documents) for each person type and documentation required for each person type.

(5) AIPs must verify that the RAN has not expired, as stated in subparagraph B (3) below, before an indemnity, replant payment, or PP payment is made.

**B. General Information for Person Types and ID Numbers**

(1) To obtain insurance, each person type requires either a(n) SSN, EIN, or RAN be reported on the application.

(a) An EIN or RAN is to be used only by the person to whom it was assigned.

(b) A SSN is to be used only by the individual to whom it was assigned, with exception for co-ownerships/joint operations/joint ventures, LLCs, revocable trusts, and estates.

Each identification number is to be used in accordance with the applicable person type procedures in the subsequent subparagraphs below.

**B. General Information for Person Types and ID Numbers (Continued)**

(2) Insurance will not be provided to persons who fail to report their SSN, EIN, or RAN, if applicable, by the SCD. An incorrectly reported person type may result in an invalid policy.

(3) RANs

(a) A RAN is an acceptable number for crop insurance purposes. A RAN is issued by RMA to those individuals who demonstrate that they are entitled to Federal benefits in accordance with the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA). Refer to the CIH for more detailed information about RANs.

(b) For BIA trust allotments only, AIPs may issue a RAN in accordance with the CIH procedures when the BIA allotment does not have an EIN.

(c) RAN Expiration.

(i) For non-citizen qualified aliens, a RAN is temporary, and will expire either when the qualified alien becomes a U.S. citizen and is assigned an SSN or the documentation provided to support qualified alien status expires. If a RAN expires:

(A) And the applicant or the applicant's SBI receives an admittance extension from the USCIS, of which renews the individual's qualified alien status, then the applicant or applicant's SBI must resubmit a request for a RMA assigned RAN.

(B) And after resubmitting a request for a RMA RAN:

1 If the applicant no longer qualifies for a RAN, then a policy will not be issued.

2 If the applicant's SBI does not qualify for a RAN, then the amount of coverage for all crops on the Application will be reduced proportionately by the percentage of interest the SBI has in the applicant.

(ii) For BIA trust allotments, the RAN has no expiration.

(iii) The AIP is responsible for monitoring the expiration of the RAN.

(A) If a RAN expires due to a non-citizen receiving a SSN, the AIP must correct the policy to include the SSN and notify RMA of the receipt of the SSN.

**B. General Information for Person Types and ID Numbers (Continued)**

(B) If a RAN expires due to a non-citizen no longer qualifying as a qualified alien; upon discovery the AIP must notify RMA of the disqualification by the next SCD.

Failure to report the expiration may adversely affect the insured's ability to continue coverage. Refer to the CIH for more information regarding failure to report.

(d) RANs for SBIs of a Business Entity.

(i) Obtaining insurance as a business entity cannot be used to defeat the purpose of PRWORA. If a business entity only has one individual with a SBI in the entity and it is determined that the business entity was formed in order to defeat the requirements of PRWORA, the entity is to be treated as an individual; therefore, no insurance will be provided.

(ii) If any individual belonging to the entity does not qualify for federal benefits under PRWORA, then the entity's insurable interest must be reduced proportionately. If any individual is eligible to receive federal benefits, then the individual's share is insurable.

(e) Refer to the CIH for more detailed information about RANs.

(4) If an incorrect SSN/EIN is certified or an insured receives an indemnity, PP payment, or replant payment and the SSN/EIN is not correct; the insured may be subject to civil, criminal, or administrative sanctions.

(5) The Application must also contain SBI information, if applicable, as stated in subparagraph C below.

(6) Correction After Discovery. When an AIP discovers an incorrect identification number for an insured or an incorrect or unreported identification number for a SBI:

(a) The AIP must notify the insured in writing of the incorrect or unreported identification number(s) and establish a deadline for submitting the corrected or unreported identification number(s);

(b) Failure by the insured to correct or provide the identification number by the AIPs established deadline results in policy voidance;

A policy that has been voided after the established deadline has expired cannot be reinstated.

### C. SBI Information

The following requirements apply to an interest held by any person of at least 10 percent in the insured/applicant: A SBI of less than 10 percent is not required to be reported to the AIP nor RMA.

(1) Requirements

(a) By the SCD, for both new and carryover insureds, all persons (both foreign and domestic) with an interest of at least 10 percent in the insured/applicant must be listed and the applicable identification number provided on the policy/application.

(b) A policy will be void if it does not include all persons with an SBI in the applicant or insured (see subparagraph B (6) above).

(c) SBI information collected must be provided to an assuming AIP for any policy transferred.

(d) If any SBI information changes after the SCD for the previous crop year:

(i) The Application must be revised by the SCD for the current crop year.

(ii) If such information changes less than 30 days before the SCD for the current crop year, the Application must be revised by the SCD of the next crop year.

(iii) If the insured fails to provide such revisions, the procedures in subparagraph D below apply.

(e) The spouse of any individual applicant/individual insured will be presumed to have a SBI in the applicant or insured, even if the spouses qualify for separate policies in accordance with F(2)(b) below;

**Exception:** If the spouses can prove they are legally separated or otherwise legally separate under the applicable state dissolution of marriage laws, then separate polices may be available. Refer to F (2) (a) below.

(f) Any child of an individual applicant/individual insured will not be considered to have a SBI in the applicant or insured unless the child has a separate legal interest in such person.

**C. SBI Information (Continued)**

(g) SBI Examples

**Example 1:** There are two partnerships that each has a 50 percent interest in the insured. Each partnership consists of two individuals, each with a 50 percent share of the applicable partnership. Each individual is considered to possess a 25 percent interest in the applicant/insured. Therefore, both the partnership and the individuals would have a SBI in the applicant/insured. The spouses of the individuals would not be considered to have a SBI unless the spouse was one of the individuals that comprised the partnership.

**Example 2**: If each partnership is comprised of six individuals with equal interest in the applicant/insured, then each would only have an 8.33 percent interest in the applicant/insured although the partnership would have a SBI interest in the applicant/insured.

**Example 3:** There are two corporations that each has a 50 percent interest in the insured. Each corporation is comprised of two foreign partnerships. Two of the foreign partnerships have a 50 percent interest in one corporation and the other two foreign partnerships have a 50 percent interest in the other corporation. Each of the four foreign partnerships is comprised of two individuals, each having a 50 percent interest in the respective foreign partnership.

In this example, each individual would be considered to have a 12.5 percent interest in the applicant/insured. The corporations, foreign partnerships and individuals, whether foreign or domestic, must be reported as having a substantial beneficial interest in the applicant/insured.

The total of all SBIs' shares may exceed 100 percent.

**D. Person Status Changes**

(1) Death, Disappearance, or Judicial Declaration of Incompetence

(a) Married Individuals

(i) When the named insured dies, disappears, or is judicially declared incompetent, the policy will automatically convert to the name of the surviving or competent spouse if all of the following are met:

(A) The spouse was included on the policy as having a SBI in the named insured;

**D. Person Status Changes (Continued)**

(B) The spouse has a share of the crop; and

(C) The procedure in subparagraph D (2) below is not applicable.

(ii) When a married insured dies, disappears, or is judicially declared incompetent, and the share converts to an estate or is otherwise legally transferred to a person other than a spouse; or if a married insured dies and the conditions in subparagraph D (1) (a) (i) are not met, and the event(s) occurs:

(A) More than 30 days before the cancellation date, the policy is automatically cancelled as of the cancellation date and a new Application must be submitted; or

(B) 30 days or less before the cancellation date, or after the cancellation date, the policy will continue in effect through the crop year immediately following the cancellation date and be automatically canceled as of the cancellation date immediately following the EOIP for the crop year, unless cancelled by the cancellation date prior to the start of the insurance period.

1 A new Application must be submitted prior to the SCD for coverage for the subsequent crop year, and

2 Any indemnity will be paid to the person(s) determined to be beneficially entitled, and such person(s) must comply with all policy provisions and pay the premium.

(iii) The beneficiary is required to report the death, disappearance, or judicial incompetence no later than the cancellation date prior to the start of insurance, except when the event occurs 30 days or less before the cancellation date or after the cancellation date, then notice must be provided by the cancellation date for the next crop year.

(b) Unmarried Individual

If an unmarried individual dies, disappears, or is judicially declared incompetent and the event occurs:

(i) More than 30 days before the cancellation date, the policy is automatically cancelled as of the cancellation date and a new Application must be submitted; or

**D. Person Status Changes (Continued)**

(ii) 30 days or less before the cancellation date, or after the cancellation date, the policy will continue in effect through the crop year immediately following the cancellation date and be automatically canceled as of the cancellation date immediately following the EOIP for the crop year, unless cancelled by the cancellation date prior to the start of the insurance period.

(A) A new Application must be submitted prior to the SCD for coverage for the subsequent crop year, and

(B) Any indemnity will be paid to the person(s) determined to be beneficially entitled; such person(s) must comply with all policy provisions and pay the premium.

(iii) The beneficiary is required to report the death, disappearance, judicial or incompetence no later than the next cancellation date, except when the event occurs 30 days or less before the cancellation date or after the cancellation date, then notice must be provided by the cancellation date for the next crop year.

(c) Legal Business Entities

If any partner, member, shareholder, etc., of an insured legal entity dies, disappears, or is judicially declared incompetent and such event dissolves the entity; and the event occurs:

(i) More than 30 days before the cancellation date, the policy is automatically cancelled as of the cancellation date and a new Application must be submitted; or

(ii) 30 days or less before the cancellation date, or after the cancellation date, the policy will continue in effect through the crop year immediately following the cancellation date and be automatically canceled as of the cancellation date immediately following the EOIP for the crop year, unless cancelled by the cancellation date prior to the start of the insurance period.

(A) A new Application must be submitted prior to the SCD for coverage for the subsequent crop year, and

(B) Any indemnity will be paid to the person(s) determined to be beneficially entitled; such person(s) must comply with all policy provisions and pay the premium.

**D. Person Status Changes (Continued)**

(iii) The remaining member(s) of the insured entity is required to report the death, disappearance, or judicial incompetence no later than the next cancellation date for the next crop year, except if notice is not provided timely, then (i) and (ii) above apply retroactive to the date such notice should have been provided and any payments made after the date the policy should have been cancelled must be returned.

(2) Causes Other Than Death, Disappearance, or Judicial Declaration of Incompetence

For all person type status changes other than death, disappearance, or judicial declaration of incompetence, the following applies:

(a) If the insured entity dissolves before the cancellation date:

(i) The policy is automatically canceled by the cancellation date prior to the start of the insurance period; and

(ii) A new Application must be submitted by the SCD.

(b) If the insured entity dissolves on or after the cancellation date:

(i) The policy will continue through the crop year immediately following the cancellation date, and automatically cancel on the cancellation date immediately following the EOIP for the current crop year unless canceled by the cancellation date before insurance attaches.

(ii) A new Application must be submitted prior to the SCD of the subsequent crop year.

(iii) Any indemnity, replant payment, or PP payment will be paid to the person(s) determined to be beneficially entitled; such person(s) must comply with all policy provisions and pay the premium.

(c) The remaining member(s) or beneficiaries of the insured entity must report the event that caused the dissolution no later than:

(i) The next cancellation date, except
(ii) When the event occurs 30 days or less before the cancellation date or after the cancellation date, then notice must be provided by the cancellation date for the next crop year.

**E. Correctable Entity Names**

(1) General Information

Situations have arisen where the named insured is not the person with the insurable interest in the crop, yet the named insured does bear financial risk of the crop. For example, an individual may incorrectly obtain a policy in the individual's name when a corporation (wholly owned by the individual) actually has the insurable interest in the crop. The individual does have a direct financial interest in the crop due to being the sole owner of the corporation. Additionally, the individual may have formed the corporation several years ago, failed to change the name on the insurance policy to the corporation but complied with every other term of the policy, including payment of premium, until the discrepancy in the named insured associated identification number is discovered at loss time or during a compliance review. In this instance, whether the policy is in the corporation's name or the individual's name, there would be no difference in unit structure, approved yields, production or revenue protection guarantees, premium rate, indemnities, etc.

(2) Correctable Entity Names

When the following criteria are met, AIPs may grant relief to correct the named insured and the associated identification number in those limited situations as described below:

(a) The following conditions must be met:

(i) The named insured is required under current policy provisions and procedures to be reported as a SBI holder in the person who is the correct named insured, or conversely the person who is the correct named insured must previously have been reported as a SBI holder for the person with the policy;

(ii) The named insured can prove they are the owner, shareholder, or member of the person who is the correct named insured, or the person who is the correct named insured is the owner, shareholder, or member of the named insured;

(iii) If the correct named insured also participates in any FSA program, the AIP must verify the correct named insured is also contained in FSA information. If the correct named insured does not reconcile, the policy cannot be corrected until the FSA information is corrected unless the policy or FCIC-issued procedures provide otherwise (e.g., FSA information shows the entity as a joint venture, but FCIC procedures allow an individual to insure their share of a joint venture when 100 percent of the joint venture is not insured, or FSA shows a husband and wife, but FCIC procedures provide for an individual policy with the spouse shown as having a SBI);

**E. Correctable Entity Names (Continued)**

(iv) There is no evidence of fraudulent or material misrepresentation;

(v) The APH records, approved yields, production guarantees or revenue production guarantees, unit structure, premium rates, indemnities, coverage level, etc. is maintained when the named insured is corrected (i.e. APH history must not have been lost or altered, production guarantees, unit structures, etc., must not have been altered);

(vi) The person who is the correct named insured is eligible for insurance;

(vii) The reported identification number matches the reported named insured (e.g., an individual reported their correct SSN on the policy; however, the correct named insured is a corporation wholly owned by the individual);

(viii) Such discovery is made for the 2006 or subsequent crop years.

**Exception:** If all members of a partnership reported their respective share of the partnership under their individual policies, the error may be corrected by establishing a policy for the partnership (with the appropriate acreage, unit structure, etc., and reducing the individual policies by the acreage and share that is not theirs as individuals, but rather is the partnership's) for the next crop year; AND

(ix) If this authority is used to grant relief, then these procedures must be referenced as part of the documentation for AIP's determination to grant relief and maintained in producer's file.

(b) Correction of the named insured is limited to the following situations if the criteria in (a) above are met:

(i) A corporation or LLC, wholly owned by an individual, owns the insurable crop, but the crop insurance policy is in the individual's name. In this case, the individual's policy would be discontinued for the current crop year and a policy for the corporation or LLC would be provided.

(ii) An individual owns the insurable crop, but the crop insurance policy is in the name of a corporation or LLC, wholly owned by the individual. If the individual is reported as a SBI to the corporation or LLC, the corporation's or LLC's policy could be corrected for the current crop year to reflect the individual.

**E. Correctable Entity Names (Continued)**

(iii) A farm is a partnership made up of individuals and each of the individuals has insured their share of the partnership under their separate individual policies. The individuals' separate policies would be continued for the current crop year, and a new policy for the partnership provided for the next crop year. If the individual producers also have a separate insurable share in acreage that is not a part of the partnership, such acreage would continue to be insured under the separate individual policy(s).

(iv) A corporation, LLC, joint operation/joint venture/co-owner, partnership or trust, wholly owned or granted by an individual and spouse, owns the insurable crop, but the crop insurance policy is in the individual's name with spouse listed as a SBI. In this case, the individual's policy would be discontinued for the current crop year and a policy for the corporation, LLC, joint operation/joint venture/co-owner, partnership or trust would be provided.

(v) An individual and spouse own the insurable crop, but the crop insurance policy is in the name of a corporation, LLC, joint operation/joint venture/co-owner, partnership or trust, wholly owned by the individual and spouse. If the individual and spouse are reported as SBIs to the corporation, LLC, joint operation/joint venture/co-owner, partnership or trust, the corporation's, LLC's, joint operation/joint venture/co-owner's, partnership's or trust's policy could be corrected for the current crop year to reflect the individual with spouse reported as SBI**.**

**F. Person Type: Individuals**

Policies written for individuals require a SSN, EIN, or RAN, as authorized below by type of individuals.

(1) **Individual**

This person type is a natural person, including but not limited to a citizen of the United States, an alien lawfully admitted for permanent residence, and a non-citizen national or non-resident alien as defined by the Immigration and Nationality Act as amended, 8 USC 1452.

(a) The individual applicant must be an eligible person and must report a SSN/RAN. An individual with an EIN must report as an individual operating as a business.

(i) Effective the 2012 crop year, applications/carryover policies containing an EIN of either the applicant/insured or an individual SBI must be reported as an individual operating as a business.

**F. Person Type: Individuals (Continued)**

(ii) The AIP must notify the carryover insured that he/she or the SBI has been identified as an individual operating as a business and of the change in person type.

(b) The individual applicant incurs debt (if any) related to production, stores, or markets in the individual's or individual's business name and receives proceeds.

(c) The Application covers only the individual's share; including the individual's share as a co-owner, joint operator, or partner, provided the co-ownership, joint operation, or partnership is not insured separately. Refer to subparagraph G below for Landlord/Tenant requirements.

(d) When more than one member of a family in the same household applies for insurance, or the applicant resides in the household of an insured, applicants must provide evidence on a signed statement indicating separate insurable shares. Separate insurable shares are not applicable to spouses unless all the criteria noted in subparagraph F (2) (b) below is met.

(2) **Married Individual (Spousal)**

(a) Spousal Policy

The spouse of a married insured is presumed to have a SBI equal to 50 percent in the insured individual, unless legally separated or otherwise legally separate under the applicable state dissolution of marriage laws.

(i) On the application, one spouse is reported as the insured and the other spouse is reported as a SBI.

(ii) Failure to report a spouse as a SBI and the spouse's identification number by the applicable SCD will void the policy; if:

(A) The identification number is not provided;

(B) The insured cannot prove the omission was inadvertent (simply stating the omission was inadvertent is not sufficient to prove the omission was inadvertent); or

(C) The AIP determines the omitted identification number:

1 Would have allowed the insured to obtain disproportionate benefits;

2 The SBI is ineligible to participate in the crop insurance program; or

**F. Person Type: Individuals (Continued)**

3 The insured or the insured's SBI could avoid an obligation or requirement under any state or Federal law.

(b) Separate Polices for Spouses. Generally, any acreage or interest by or for a spouse will be considered to be included in a married individual's policy (spousal), unless the spouses can prove each have a separate farming operation. If the spouses can demonstrate each has a separate interest from the other spouse, then separate policies are acceptable.

(i) Spouses must document with distinct and identifiable records proving separate farming operations. Separate farming operations require all, but are not limited to, the following:

(A) Separate land (transfers of acreage from one spouse to another is not considered separate land);
(B) Separate capital;
(C) Separate inputs;
(C) Separate accounting; and
(E) Separate maintenance of proceeds.

(ii) If there is not any evidence of misrepresentation or fraud, separate policies for each spouse will be issued.

**Exception:** Separate policies are not allowed for an individual/married individuals and an individual operating as a business. If the individual/married individual operates both as an individual/married individual and as an individual operating as a business, both operations must be reported under the individual/married individual policy.

**Exception:** Separate policies are not allowed for joint operations between spouses. Spousal joint ventures must be reported as an individual married policy.

(iii) Application must be submitted on or before the SCD for the crop year.

(vi) Each spouse must have a spousal policy with the other spouse reported as a SBI.

(3) **An Individual Operating as a Business**

This person type is an unincorporated business created and governed under the laws of the state in which it was formed in which an individual owns all the assets, owes all the liabilities, and operates in his or her own personal capacity. This type includes but is not limited to individual proprietorships, sole proprietorships, DBA (doing business as) and assumed name.

F. Person Type: Individuals (Continued)

For a policy to be issued to an individual operating as a business, the following apply:

(a) An EIN. If an EIN is not provided, then the person must be insured as an individual (non-spousal or spousal) reporting a SSN or RAN. See subparagraph F (1) (e) above.

***

(b) Must meet the requirement of subparagraph F (1) or (2).

(c) The application must be signed by the owner or authorized representative of the company/small business.

(d) A statement from the company/small business listing the authorized representative must be maintained.

(e) Must not be a Corporation or other legal entity.

(f) Individual/married individuals SSN or RAN must be reported and listed as a SBI.

Separate policies are not allowed for an individual/married individuals and an individual operating as a company/small business. If the individual/married individual operates both as an individual/married individual and as an individual operating as a business, both operations must be reported under the individual/married individual policy.

(4) **Joint Tenancy and Survivorship Interests**

This person type includes real property held by two or more persons jointly; each party has equal rights of possession and income. On the death of one joint tenant, his interest transfers to the benefit of the survivors in equal shares, without court proceedings. Joint and survivorship interests are applicable in "community property" states in which a husband and wife have a joint and survivorship interest in insurable acreage and in states where such an interest may be created by deed.

For a policy to be issued to individuals with Joint and Survivorship interests the following is required:

(a) All parties must meet the requirements in subparagraph F (1).

(b) All parties must sign the application.

**F. Person Type: Individuals (Continued)**

**Exception:** When persons are husband and wife or when a statement is prepared and signed by both parties designating either party as the authorized representative for the other, one party may sign the Application. The Application is completed in the name of the joint and survivorship interest, such as John W. Doe, James C. Smith.

**(CAT policies ONLY →**

(5) **Undivided Interests**

CAT policies only are allowed for insurance under this individual person type. Individual landowners with an undivided interest in land may insure crops on such land under one policy subject to ALL of the following conditions:

(a) The policy covers only insured crop (s) grown on land with an undivided interest. None of the landowners may have other land on which CAT coverage is required.

(b) The total liability for each crop insured under an undivided interest policy must not exceed $2500.

(c) The landowner designated as the named insured is responsible for the following:

(i) Furnishing proof to the AIP that an undivided interest in the land exists;

(ii) Furnishing the AIP with an agreement signed by all parties authorizing insurance under one policy and designating the landowner responsible for fulfilling all contractual requirements (e.g., filing acreage reports, providing APH production reports, giving notice of damage, etc.) to the AIP;

(iii) Furnishing the AIP with the names and the SSN/EIN of all landowners to the AIP;

(iv) Applying for insurance and paying the AIP any applicable administrative fee(s); and

(v) Distributing any indemnity payments (made to the named insured under his/her SSN/EIN number) to other producers sharing in the crop.

(d) All landowners must be listed as an SBI without regard to their actual interest in the land; and

(e) The policy must be insured at CAT coverage level.

**←CAT policies ONLY)**

**G. Person Type: Landlord/tenant (SBI only)**

Any person(s) may insure a landlord's and/or a tenant's share(s).

(1) When insuring the landlord's/tenant's share the following is required:

(a) The Application must clearly state the tenant will insure the landlord's share or the landlord will insure the tenant's share. If the tenant or landlord has a separate policy for the crop/county, they cannot be insured under another person's policy.

(b) The person who is insuring the other's share must provide and the AIP must maintain evidence of the other party's approval, such as the lease agreement or power of attorney.

(c) The landlord/tenant and the applicable identification number must be listed on the insured person's application even if their share is less than 10 percent. Additionally, the percentage shares of all persons must be:

(i) Shown in the remarks section of the acreage report, or
(ii) Documented and attached to the Acreage Report.

(d) If a person is sharing with multiple landlords/tenants and requests to insure the landlord's/tenant's share, only one policy is allowed:

**Example:** Insured A insures his landlord's (Producer B and Producer C) share for corn in County A. Insured A may only have one corn policy in County A. Such policy covers the named insured and the landlord's/tenant's share (as listed on the application) of the insured acreage only.

(e) If the other person insured the crop under an insurance plan that used APH to determine the per acre production guarantee the previous crop year, the production history of the other person for the appropriate locations must be transferred to, reported by and used by the insured. If either the landlord or tenant had new producer status for a crop prior to establishing the landlord/tenant arrangement and the other person (either the tenant/landlord) previously produced a crop for more than two crop years, the new producer status is not retained.

***

### H. Person Type: Partnerships

This person type is the voluntary association of two or more persons who jointly own and carry on a business for profit. The association can be either written or oral. Because each partner has the authority to enter into contracts and bind all other members to such contracts, a partnership is distinguished from other joint ventures. This person type includes, but is not limited to, General Partnerships, Limited Partnerships, and Limited Liability Partnerships.

(1) Partnership application policy

For a partnership to obtain insurance, the following is required.

(a) An EIN is required and must be reported for all legal entities that are insured as a partnership.

(b) All SBIs for the partnership must be reported:

(i) All persons with an SBI in the partnership must be listed and the SSN/EIN/RAN of each SBI provided with at least two SBIs provided.

(ii) If two or more persons do not have a SBI in the partnership, documentation must be obtained from the insured verifying a single SBI.

(2) **Share**

(a) Crops to be insured under the partnership are those in which the partnership has a share and allows only one policy; however, if the entire share of the partnership is not to be insured:

(i) A policy to cover the share of an individual/married individual holding an interest in the partnership may be obtained.

(ii) The application also covers any other individual/married individual person type interest the applicant may have.

(3) The death, judicial declaration of incompetence, or withdrawal of a partner terminates the partnership, unless a written partnership agreement provides otherwise. Refer to subparagraph D (1) and subparagraph D (2) for policy cancellation guidelines.

### *** I. Person Type: Joint Ventures

This person type, which includes co-ownership and joint operations, is similar to a short-term partnership in which parties of two or more persons jointly engage in the farming operation. Generally, each person contributes land, labor, or machinery; share in the expenses, and divides profits in terms of their invested interest. Like a partnership, this

## I. Person Type: Joint Ventures (Continued)

person type can involve any type of business transaction, and the persons involved can be individuals, groups of individuals, companies or corporations. However, unlike the partnership person type, no person(s) is authorized to bind any other person(s) to any business transaction. Joint ventures are not allowed between spouses.

(1) Joint Venture Policies

For joint venture to obtain insurance, the following is required:

(a) If an EIN has been established for a joint venture, it must be used and reported. If an EIN has not been established for the joint venture, an individual member's SSN may be used as the identification number.

**Example:** Individual A and Individual B form AB joint venture. No EIN is obtained; therefore, the Application should show AB joint venture with Individual A's or Individual B's SSN; two SBI's reported with Person A's SSN and Person B's SSN.

(b) All persons with an SBI in the person must be listed and the applicable identification number of each SBI provided.

(i) If an EIN is provided, at least two SBIs must be listed.

(ii) If a member's SSN is provided, at least one SBI must be listed.

***

(c) The application must be signed by all parties or by the authorized representative.

(i) If an authorized representative signs the Application, an agreement must be executed by the members of the joint venture giving the representative the authority to sign on behalf of all parties.

(ii) This agreement is to be maintained by the AIP.

(2) **Share**

(a) Crops to be insured under a joint venture are those in which the joint venture has a share and allows only one policy; however, if the entire share of the joint venture is not to be insured:

(i) A policy to cover the share of an individual/married individual holding an interest in the co-ownership/joint venture may be obtained.

(ii) The Application also covers any other individual/married individual person type interest the applicant may have.

## I. Person Type: Joint Ventures (Continued)

(b) The death, judicial declaration of incompetence, or withdrawal of one of the parties terminates co-ownership/joint operation/joint venture.

## J. Person Type: Corporations

This person type is a legal entity created and governed under the laws of the state in which it was formed whose existence is independent of its shareholders with the intent to provide goods and services for profit. Includes but is not limited to publicly- or privately-held C or S corporations, such as a domestic C corporation, a private cooperative corporation, or a wholly-owned foreign corporation. This business type does not include corporations that can be classified as nonprofit or tax-exempt organizations.
For a corporation to obtain insurance, the following is required.

(1) An EIN must be reported for all persons who are insured as a corporation.

(2) All person(s) with a SBI in the corporation must be listed and the SSN/EIN/RAN of each SBI provided.

(a) If at least one person does not have a SBI in the corporation, documentation must be obtained from the insured verifying a single SBI.

(b) Changing of shareholders does not affect the continuity of the policy.

(3) The application must be signed by a person authorized by the corporation to bind the corporation into contracts.

(4) The insured must provide to the AIP, in writing, the state in which the articles of incorporation/organization are filed.

***

## K. Person Type: Limited Liability Companies (LLCs)

This person is a legal entity created and governed under the laws of the state in which it was formed by filing articles of organization as an LLC. Unlike a partnership, none of the members of a LLC are personally liable for its debts. LLCs can elect to be taxed as a corporation, or choose to be a "pass-through" entity which eliminates being double taxed. Owners are referred to as members, not partners, or shareholders; the number of members is unlimited and may be individuals, corporations, partnerships, joint ventures, other LLC's, etc.

(1) For a LLC to obtain insurance, the following is required:

(a) If an EIN has been established for a LLC, it must be used and reported. If an EIN has not been established for the LLC, a SSN must be reported.

**K. Person Type: Limited Liability Companies (LLCs) (continued)**

(b) All persons with a SBI in the LLC must be listed on the Application and the SSN/EIN for each SBI provided.

(i) If at least one person does not have a SBI in the LLC, documentation must be obtained from the insured verifying there is not a SBI.

(ii) Changing members does not affect continuity of the policy unless specified by the LLC's operating agreement. If the operating agreement provides that changing members would affect the continuity of the LLC and, therefore, the continuity of the policy, then the procedures in subparagraphs D (2) and D (2) (c) above apply.

**L. Person Type: Estates**

This person type is a legal entity created and governed under the laws of the state in which it was formed as a result of an individual's death. The decedent's estate is a separate legal entity for federal tax purposes.

The estate pays any debts owed by the decedent and then distributes the balance of the estate's assets to the beneficiaries of the estate. The estate exists until the final distribution of the assets is made to the heirs and other beneficiaries.

(1) For an estate to obtain insurance the following is required:

(a) An EIN must be established, used, and reported.

*** (b) If the estate does not possess an EIN, then the AIP must contact the personal representative and determine the appropriate person type and revise the policy, as applicable.

(c) The application covers the share owned by an estate and must be signed by the personal representative of the estate.

(2) Discharge and Settlement.

(a) Upon settlement of the estate and the discharge of the personal representative the policy is canceled and a new application is required to maintain insurance protection.

(b) Removal or discharge of a personal representative or executor and the appointment of another does not terminate the insurance contract.

**M. Person Type: Trusts**

The person type is an arrangement through which trustees take title to property for the purpose of protecting or conserving it for the beneficiaries under the ordinary rules applied in chancery or probate courts. A trust is a legal entity created during an individual's lifetime (inter vivo) or at the time of his or her death under will (testamentary). The person who creates the trust is called the grantor or settlor.

(1) **Trust Types.** For crop insurance purposes, the commonly recognized trusts include irrevocable, revocable, and BIA allotment trusts. State law and the trust instrument establish whether a trust is revocable or irrevocable.

(a) **Irrevocable Trusts.** This person type is a legal entity created and governed under the laws of the state in which it was formed where legal title/interest is transferred from the settlor or grantor to the trustee for the benefit of the designated beneficiary(ies). This trust cannot be modified, amended, canceled, or revoked at any time by the settlor without the permission of the beneficiary.

For an Irrevocable Trust to obtain insurance:

(i) An EIN must be used and reported. If the irrevocable trust does not possess an EIN, the AIP must contact the trustee and determine the appropriate person type and revise the policy accordingly.

(ii) If the individual/married individual operates both as an individual/married individual and as an irrevocable trust, both operations must be reported under separate and distinct policies.

**Example:** One individual/spousal policy and one irrevocable trust policy, but not one individual/spousal policy with one irrevocable trust reported as SBI.

(b) **Revocable Trusts**. This person type is a legal entity created and governed under the laws of the state in which it was formed where legal title/interest is transferred from the settlor or grantor to the trustee for the benefit of the designated beneficiary(ies). This trust may be modified, amended, canceled, or revoked at any time by the grantor. The grantor of a revocable trust has a SBI in the trust.

(i) For a Revocable Trust to obtain insurance:

(A) An EIN must be used and reported, if it has been established. If an EIN has not been established, then a SSN/RAN must be reported. Additionally, the following may be applicable.

(B) If the individual/married individual operates both as an individual/married individual and as a revocable trust both operations must be reported under

**M. Person Type: Trusts**

the individual/married individual policy. The revocable trust must be listed as a SBI to the individual/married individual policy.

(ii) If operating as an individual and a revocable trust, the revocable trust's interest would be covered by the individual policy. The revocable trust must be listed as a SBI to the individual policy.

(iii) If both spouses each have a revocable trust, each trust must be covered under the individual/married policy, unless the criteria for separate policies has been met. The revocable trust must be listed as a SBI to the individual/married individual policy.

(c) **The Bureau of Indian Affairs and Indian Tribal Ventures (BIA Trusts)**

(i) Native American land is frequently held in trust by the Bureau of Indian Affairs or a Tribal governing body and leased to operators. Often BIA trusts are referred to as allotments, identified by an allotment number. A separate policy is required for each allotment with different individual owners.

(ii) Native American land, held under trust, is processed in the same manner as land held in an irrevocable trust. The name of the trust is the named insured. If the trust agreement provides that operators of leased land purchase crop insurance, a POA will be executed by the BIA granting the operator the authority to purchase crop insurance on behalf of the trust.

(iii) Linkage to other USDA farm program benefits for individual Native Americans who own parcels of an allotment are established by that trust.

(iv) All other Native American persons will be insured as applicable (i.e., individuals, partnerships, joint operators, etc.) with the exception of those tribal ventures that do not meet the requirements for joint ventures, which will be treated as a BIA trust for crop insurance policy processing purposes.

(2) **Trust Application.**

(a) The Application must be signed by the administrator or fiduciary/trustee appointed to administer the business affairs of the trust.

(b) The Application extends to only the trust's interest. This extension does not include the interest of the beneficiaries to the trust.

## N. Person Types: Other Persons

The following person types must report an EIN.

(1) **Receiver or Liquidator**

Receivers or liquidators may insure crops under their administration. The application must be signed by the person authorized by the court to administer business of the receivership.

(2) **State/Local Government**

This person type is the government at state-level or lower, such as the government of a state of the United States, a state agency, county government, or city government.

(a) This person type may insure their share.
(b) The Application must be signed by the person having authority to enter into a binding contract for the State/Local Government.

***

(3) **Public Schools.** This person type includes primary, elementary, or secondary, open and free to all children of a particular district where the school is located. Also, includes colleges and universities which are directly administered under the authority of a governmental body or which receives a predominant amount of its financing from public funds.

(a) This person type may insure their share.
(b) The Application must be signed by the person having authority to enter into a binding contract for the public school.

(4) **Non-Profit or Tax Exempt Organizations.** This person type is a legal entity created and governed under the laws of the state in which it was formed that is a tax-exempt or non-profit organization, generally a corporation that does not distribute earnings to its members. Includes, but is not limited to, churches, charities, private schools, and clubs.

***

(a) To act as a representative for any principal, a person (individual, etc.) must provide evidence of authority (preferably a POA) or a signed statement

**N. Person Types: Other Persons (Continued)**

indicating where such authority can be verified. If authority is by verbal agreement, a statement is required from the principal for verification.

(b) The application must be signed by the person having authority to enter into a binding contract for Non-Profit or Tax-Exempt Organization.

**26-30 (Reserved)**

# SECTION 2 INSURED'S CONTRACT INFORMATION

## 31. Contract Information and Verification

Before the appointment and inspection are made, thoroughly review all documents in the contract folder or data from the processed documents that are applicable to the inspection. Some information must be verified by the adjuster at the time of the on-the-farm visit. The following paragraphs contain verification requirements of the data on these forms.

## 32. Application

Before a loss adjustment inspection can be done, the AIP must assure there is a properly accepted application confirmed by a policy confirmation (defined in Exhibit 2). For further information regarding the application, refer to the CIH.

## 33. Policy Change

Prior to assignment of the loss inspection, the AIP is responsible for verifying that all timely completed and submitted policy changes for the crop and crop year that would affect the loss inspection and indemnity payment have been processed. If it is discovered during the loss inspection that a timely completed and submitted policy change has not been processed, contact your AIP for further instructions. Refer to the CIH for more information regarding changes in plan of insurance, percentage of projected price or price election, and coverage level. For information on the Policy Cancellation, refer to the CIH.

## 34. Written Agreement

Verify whether any written agreement is in effect for the crop and crop year being inspected. If there is, read the entire agreement and determine how it affects the crop being inspected; e.g., a practice that is not otherwise insurable is insurable via this agreement, etc.

## 35. APH Form (Production and Yield Report)

### A. Review Approved APH Yields

An APH database with the current approved APH yield for the crop/practice/type must be in place in order to complete a claim. Unless subparagraph B applies, the AIP will verify the approved APH during the loss adjustment inspection, as follows:

(1) Review the actual yields certified by the insured for reasonableness.
(2) Perform a cursory review to determine if the APH yield was calculated accurately.
(3) Compare the approved APH yields to the acreage report. Verify that the correct APH yields have been entered on the acreage report (by unit, Practice/Type/Variety, map area, etc.).

## 35. APH Form (Production and Yield Report) (Continued)

### A. Review Approved APH Yields (continued)

(4) Conduct additional reviews and/or make corrections, as appropriate, if:

(a) A current approved APH yield is not on file;
(b) Yields certified do not appear to be reasonable; or
(c) The approved APH yield appears to have been calculated incorrectly. If a correct/current APH yield cannot be verified before an inspection must be made, and the insured has a *bona fide* contract and claim, the inspection may be made but the claim cannot be finalized (do not obtain the insured's signature).

### B Required Mandatory Reviews Requiring APH Field Reviews

Refer to Appendix IV of the SRA for information and instructions.

## 36. Options and Endorsements

### A. High-Risk Land Exclusion Option

If an option is in effect, verify that:

(1) None of the acreage designated as high risk is included with insured acreage on the acreage report. If such acreage is included as insured acreage on the acreage report, revise the acreage report to correctly reflect the insured and uninsured acreage. (It is possible that the insured may have this high-risk land insured under a separate CAT policy - see the CIH for more information), and

(2) Harvested production from the acreage designated as high risk has been kept separate. If it has not, refer to the commingled production procedure in Para. 294.

### B Review of Other Option Forms or Endorsements

Review any other option form or endorsement that pertains to the crop and crop year being inspected. Make any appropriate verification as it pertains to the provisions of the option or endorsement. If there is insured and uninsured acreage, verify that harvested production has been kept separate or is allowed to be separated by meeting the criteria in Para. 294. If it has not, refer to the commingled production procedure in Para. 294.

## 37. Acreage Report

### A. General Information

(1) The acreage report must include, if applicable, the following information:

(a) Amount of acreage of the crop in the county in which the insured has a share and the date the insured crop acreage was planted on the unit as follows:

(i) **Timely planted acres.** The last date any timely planted acreage was planted and the number of acres planted by such date; and

(ii) **LP acres.** The date of planting and the number of acres planted per day for acreage planted during the LP period. (If the insured fails to report the number of acres planted on a daily basis, all acreage planted in the LP period will be presumed to have been planted on the last day planting took place in the late planting period for the purposes of section 6 of the BP.);

(b) The insured's share at the time coverage begins;

(c) The practice;

(d) The type; and

(e) The land identifier for the crop acreage (e.g., legal description, FSA FN, or CLU number, if provided to the insured by FSA, etc.) as required on the acreage report, or as specified on the CP or SP, if applicable.

(2) If it is after the ARD, there must be an acreage report on file with the AIP before a claim can be filed.

(3) Separate line entries are required on the acreage report, as follows:

(a) Basic, enterprise, and optional units, and within each unit, separate line entries for differing practices, types, varieties, shares, APH yields, and risk classifications;

(b) For whole farm units, a separate line for each crop and for each crop with differing practices, types, varieties, shares, APH yields, and risk classifications;

(c) Timely planted acres (full production guarantee);

(d) LP acres, with a separate line entry for each day of planting during the LP period (with a reduced production guarantee based upon the number of days planted late), or a separate line entry for acres of a crop prevented from planting after the LP period or a separate line entry after the FPD for crops that do not have a LP period;

**A. Review Approved APH Yields (continued)**

(e) Planted acres of the first insured crop for which 100 percent of the premium is due and a separate line of first insured crop acreage for which 65% reduction of the premium is applicable;

(f) Eligible PP acres that are eligible for 100 percent of the PP payment; and for which 100 percent of the premium is due will be a separate line from eligible PP acres that will have a 65 percent reduction of the PP payment and which will result in a 65 percent reduction in premium;

(g) Uninsurable acreage, designated as specified in Part 9 of the CIH. Also, see Para. 91 B (2) of the LAM;

(h) Uninsured acreage of an insured crop, designated as specified in Part 9 of the CIH;

(i) Unreported acreage (within the same unit) is insurable acreage not reported timely and that did not meet the criteria for the AIP to accept the liability for such acreage and designated as such as specified in Part 9 of the CIH. Refer to Para's 61 and 182 herein for the criteria for accepting such acreage; and

(j) Unreported units are units which were not reported timely, or did not meet the criteria for the AIP to accept the unit acreage designated as such, as specified in Part 9 of the CIH. Refer to Para's 61 and 182 herein for the criteria for accepting such acreage.

**B. Late-Filed Acreage Reports or Tonnage Report-Raisins**

When the insured DOES NOT report any acreage (or tonnage for raisins) for the insured crop by the established reporting date, the AIP may determine the acreage (tonnage for raisins) and establish premium and liability or the liability may be denied in accordance with procedures in Para. 182. Late-filed acreage reports are not allowed for PP acreage.

**C. Verification of the Acreage Report Information at Loss Time**

(1) General Information

Verify with the insured the correctness of all acreage report information, including whether all crop acreage (insurable and uninsurable) has been reported (refer to Para's 91 and Para. 101). Also, refer to Para. 295 for detailed information on unreported units. For non-loss units, verifications other than with the insured do not have to be made.

However, for loss units, verification with the insured as well as other field verification requirements must be made. Acreage must be "determined" for loss units but not non-loss units. Acreage determinations must be made in accordance with Para. 201 and 202.

**C. Verification of the Acreage Report Information at Loss Time (continued)**

(2) Prior to a farm visit, if an error is found in the acreage report information requiring a revised acreage report, complete an on-the-farm inspection and continue verification of information on the acreage report as follows: (Refer to Part 2, Section 3 of this handbook for revised acreage report instructions.)

(a) Crop

Verify that the crop acreage was actually planted and that the crop is insurable in accordance with the crop insurance policy. If planting is questionable, sample areas of the field to find evidence of planted seed, request seed tickets, and any other records needed to verify actual planting. If insurability is questionable, further investigation is needed relating to the area questionable, such as seed variety being adaptable to area, that seed planted was viable seed, etc. Contact your field supervisor for assistance and guidance. Refer to Para's 91 and 101 for more details on insurable (insured), uninsured, and uninsurable crop acreage.

(i) Verify that the type, class, or variety actually planted is insurable as defined in the crop policy/endorsement (or if applicable, by Written Agreement), and that it has not been excluded by the actuarial documents.

(ii) If the type, class, or variety is found to be uninsurable, revise the acreage report to remove all acreage with the uninsurable, type, class, or variety.

(b) Planting Dates

Verify the planting dates with the insured and by field inspection.

(i) If the insured confirms these dates, but the reported timely-planting dates or reported late-planting dates do not correspond to the growth stage of the crop in the field, taking weather conditions into consideration, further investigation is needed. Request seed ticket receipts from the insured or where the seed was purchased. The adjuster or other AIP representative will verify with the seed dealer the amount of seed purchased and date purchased and whether any seed was returned, etc., to help make determinations of planting dates. It may be necessary to visit with neighbors or others who may frequently travel past the fields in question.

(ii) Revise the acreage report if any acreage reported timely was planted after the FPD or if any of the reported LP dates are incorrect, revise the acreage report accordingly. Refer to the late-planted acreage procedures in Part 5.

**C. Verification of the Acreage Report Information at Loss Time (continued)**

(c) Acres reported

(i) Verify that all insurable and uninsurable acreage for the crop has been reported. If any of the acreage reported as insurable is uninsurable, revise the acreage report to designate such acreage as uninsurable. Refer to Para. 91 for information about uninsurable acreage.

(ii) For annually planted crops: If it is past the FPD, verify that all acreage planted has been reported for all fields

(d) Practices

(i) Verify the actual planting practices carried out by the insured. Verify that the actual practice is insurable, as shown in the actuarial documents or Written Agreement, if applicable.

(ii) If the practice is not insurable, revise the acreage report and designate such acreage as uninsurable acreage, and verify that the production from this uninsurable acreage and insured acreage has been kept separate. If production was not kept separate, follow the procedures in Para. 294 for commingled production. Use the actual planting practice on the claim form except as explained in Para. 86.

(e) Land identifier for the crop acreage (e.g., legal description, FSA FN, or CLU number, if provided to the insured by FSA, etc.)

Verify the physical location against the land identifier on the acreage report by using FSA documents or other verifiable documents as references during inspection of the fields.

(f) Share

Verify with the insured, and as instructed in Para. 24, that the share reported is correct. Shares cannot be increased at loss time. However, if the share is lower at the time of the claim, the claim must reflect the correct lower share.

(g) Person's sharing in the crop

Verify with the insured and via lease-agreements or FSA records or other verifiable documents, the name of the person(s) sharing in the crop. Refer to Para. 24.

**C. Verification of the Acreage Report Information at Loss Time (continued)**

(h) Risk classification

The AIP must verify that the risk classification is correct by verifying: (1) the adjuster-verified physical location of the acreage, against the actuarial documents (or written agreements, if applicable) or (2) FSA documents if FSA FNs are applicable.

(i) Unit Number

(i) AIPs must verify that the legal description and FSA FN for each unit on the acreage report is the same as on the APH form.

(ii) Verify that the unit numbers reported are in accordance with the applicable individual CP or endorsement or, if applicable, the unit division provisions in the actuarial documents or Unit Division Option.

(j) Remarks. Review any information recorded in the remarks section that may be pertinent to this inspection.

(3) Uninsured or Uninsurable Acreage

Verify that any harvested production from the uninsured or uninsurable acreage was kept separate from the insured acreage. If it was not, refer to the commingled production procedure in Para. 294.

**D. Misreported Information (MI) on Acreage Reports**

The insured must submit annually all required acreage report information for all insured crops on an annual acreage report(s) to the AIP. The insured is responsible for the accuracy of all information contained in the acreage report. The insured is responsible for verifying the information on all such reports prior to submitting them to the AIP. The following subparagraphs identify when the misreported information (MI) provisions in section 6 (g) (2) of the BP apply and do not apply:

(1) **Planted Acreage.** MI provisions apply to the acreage information reported as insured acreage. However, the provisions do not apply to any acreage reported as insured acreage that is not insurable acreage in accordance with the policy provisions for insurable acreage, as outlined in Para. 91.

(2) **PP Acreage.** MI provisions apply to reported insurable PP acreage anytime the insured misreports any actual information (for example, when there are only 80 acres but the insured reported 100 acres). However, if any of the acreage reported as PP is not eligible for a PP payment, the MI provisions do not apply (for example, when the

**D. Misreported Information (MI) on Acreage Reports (continued)**

insured reported PP on 500 actual acres, but due to eligibility requirements, 400 of the 500 acres were determined to be ineligible for prevented planting coverage).

(3) MI determinations are based on the information for the unit acres reported on the acreage report for each type of claim; i.e., only the information from the reported replanted acres are used for MI determinations for replant payment claims, only the information from the reported PP acres are used for PP payment claims, and only the information for the planted acres (including replanted acres) are used for indemnity claims.

(4) If the insured unintentionally:

(a) **Under-reports liability** for the unit (reported information results in liability lower than the liability determined by the AIP to exist), the loss liability for the unit will be held to the liability reported by reducing the production guarantee or amount of insurance on the unit by the liability adjustment factor (LAF). (Refer to Exhibit 2 for definition of LAF.) In the event the insurable acreage is under-reported for any unit and a claim for indemnity is submitted, all production or value to count from all of the insurable acreage (reported and not reported) will count against the unit guarantee.

(b) **Over-reports liability** for the unit (reported information results in liability higher than the liability determined by the AIP to exist for the unit, the information contained in the acreage report will be revised to be consistent with the correct information. Any overstated premium resulting from the over-reported liability will be reduced accordingly and refunded to the insured if already paid.

(5) If the AIP discovers the insured has incorrectly reported any information on the acreage report for any crop year, the insured may be required to provide documentation in subsequent crop years substantiating his/her report of acreage for those crop years, including, but not limited to, an acreage measurement service at his/her own expense. If the correction of any misreported information would affect an indemnity, PP payment or replant payment that was paid in a prior crop year, such claim will be adjusted and the insured will be required to repay any overpaid amounts.

(6) If the AIP has evidence the insured intentionally misreported (misrepresentation) acreage information, the voidance provisions in section 27 of the BP apply. If the AIP does not have evidence that the acreage information was intentionally misreported (misrepresentation), the MI provisions apply.

**E Revised Acreage Report**. Acreage reports cannot be revised except as outlined in Para's 52 and 53.

## 38. Hail and Fire Exclusion

### A. Eligible Acreage

(1) The hail and fire exclusion applies to all acreage of the crop insured at an equivalent to a minimum 65 percent coverage indemnified at the 100percent price election (also refer to B(2) below). If a whole-farm unit is elected, hail and fire coverage may be excluded if allowed by the SP.

(2) Due to an insured's ability to select different price elections or different coverage level percentages for different types of the same crop, such as dry beans, dry peas or grapes, a single crop policy may have some types with sufficient coverage to exclude hail and fire and some with less than the minimum coverage required. When this occurs, hail and fire is excluded only from acreage with at least minimum coverage.

### B. Verifying Adequate Liability

(1) The AIP must ascertain/verify that for the crop year of the claim, the amount of liability under the hail and fire policy equals or exceeds the liability amount that would have been provided by the MPCI policy for that crop year. Liability for acreage that is eligible for prevented planting but was not planted is NOT considered and the premium is not reduced on such acreage.

(2) To determine if the minimum required hail and fire liability is in place for a revenue protection plan of insurance policy, or revenue protection with the harvest price exclusion plan of insurance policy, the amount of liability (for this purpose only) will be computed based upon the projected price.

(3) When ascertaining whether there is adequate liability, uninsurable acreage must be considered. If uninsurable acreage is involved, the total liability under the hail and fire policy may exceed the MPCI crop insurance liability due to the extra acreage (uninsured acreage), yet the insured still MAY NOT have adequate hail and fire liability to allow exclusion of hail and fire coverage the MPCI policy.

VERIFICATION - Based on the above, the insured's hail and fire liability of $50 per acre does not equal or exceed the $100 per acre liability that would have been provided by the MPCI policy; therefore, the insured does not have adequate liability to exclude hail and fire from MPCI coverage.

### C. Damage Exceeds Deductible

If damage results from hail or fire and a hail and fire exclusion is in effect, the adjuster will make an appraisal for uninsured (excluded) causes of loss if the damage exceeds the deductible established in the policy. Use the following instructions for computing and entering the appraisal in the "Uninsured Cause" column.

**C. Damage Exceeds Deductible (continued)**

(1) Original hail or fire liability has NOT been reduced.

(a) Make an entry in the "Uninsured Cause" column, as described below, ONLY if ALL the following conditions have been met:

(i) Hail or fire damage has occurred on the unit;
(ii) Hail and fire exclusion is in effect; and
(iii) The original amount of hail or fire liability has NOT been reduced.

(b) Enter the appraisal determined as follows:

(i) Determine the weighted AVERAGE (based upon gross acres) percent of hail or fire damage (from the hail or fire claim) for the unit.

**Weighted-average-damage example**: Suppose a unit of wheat (270 acres) is covered by a MPCI policy (65% coverage level) with hail/fire excluded. Hail damages the unit as follows (percent of damage as shown on the private hail/fire carrier's loss form):

| | | |
|---|---|---|
| 80 acres @ 0% | 80 acres X .00 = | 0.0 |
| 55 acres @ 48% | 55 acres X .48 = | 26.4 |
| 75 acres @ 66% | 75 acres X .66 = | 49.5 |
| 60 acres @ 100% | 60 acres X 1.00 = | 60.0 |
| | 270 acres | 135.9 |

135.9 ÷ 270.0 = .503 = 50.3% weighted-average damage percent for unit.

(ii) Determine the "hail/fire exclusion appraisal factor" either by:

(A) calculating as instructed in steps (C) and (D) below, OR

(B) skip steps (C) and (D) and obtain the factor representing the insured's coverage level percent and weighted average percent of hail/fire damage from the "Hail/fire Exclusion Appraisal Factor Chart" in Exhibit 6.

**Example**: "Hail/fire Exclusion Appraisal Factor" derived from the table in Exhibit 6 and based on example in (b) (i) above (65% coverage level).

| | |
|---|---|
| 50% hail/fire damage = | .2308 |
| .3% hail/fire damage = | .0046 |
| 50.3% | .2354 |

**C. Damage Exceeds Deductible (continued)**

(C) **(Do not use this step if the "hail/fire exclusion appraisal factor" was obtained from the Hail/fire Exclusion Appraisal Factor chart; go to step in (E) below.)** For each coverage level, the "deductible" is 100% minus the coverage level percent (e.g., 100% - 65% = 35%). Subtract the percent "deductible" from the weighted average percent of hail or fire damage (e.g., 50.3% weighted ave. hail damage - 35% "deductible" = 15.3%).

(D) **(Do not use this step if the "hail/fire exclusion appraisal factor" was obtained from the Hail/fire Exclusion Appraisal Factor chart; go to step in (E) below.)** Multiply the result in step (C) times the applicable 2-decimal level factor to determine a 4-place factor (hail/fire exclusion appraisal factor). Determine the 2-place factor as follows: 100 divided by the coverage level percent in step (C) (e.g., 100 ÷ 65 = 1.54 for the 65% coverage level). Determine hail/fire exclusion appraisal factor as follows: .153 X 1.54 = .2356.

(E) Multiply the factor determined in step (D) above (or as derived from the Hail/fire Exclusion Appraisal Factor Chart," Exhibit 6) times the per-acre guarantee for the acreage. (If the crop is a dollar plan crop, the per-acre guarantee will be the per-acre dollar amount of insurance, unless the instructions on the Production Worksheet for the uninsured cause column shows the entry in bu., lbs., etc.). Enter the result in the "Uninsured Cause" column of the claim form (e.g., .2356 X 4.6 bu. guarantee (rounded to the nearest tenth) will equal a 1.1 bushel appraisal). Make no entry for "0" appraisals.

(2) Original Hail or fire Liability HAS BEEN reduced

(a) Make an entry in the "Uninsured Cause" column, as described below, ONLY if all of the following conditions have been met:

(i) Hail or fire damage has occurred,
(ii) A hail/fire exclusion is in effect, and
(iii) The original amount of hail and fire LIABILITY HAS BEEN REDUCED.

(b) Enter the appraised amount of UNINSURED hail or fire damage per acre calculated as follows: Divide the hail or fire insurance indemnity per acre by the original hail and fire insurance liability per acre. Multiply the result by the guarantee per acre divided by the coverage level percentage, and this result will be the appraisal for uninsured causes.

**C. Damage Exceeds Deductible (continued)**

**Example:**

Assume insured has the following:
MPCI guarantee per acre = 90.0 bu./acre
MPCI coverage level = 75% (or .75)
MPCI liability = $180/acre
Original private hail/fire liability = $200/acre
Reduced private hail/fire liability = $150/acre
(reduced due to an MPCI insured cause of loss)

Since the private hail/fire liability has been reduced below the MPCI liability ($150 an acre versus $180 an acre), the "EXCEPT THAT" clause in the Hail and Fire Exclusion provisions applies.
Private hail/fire indemnity = 30% loss X $150/acre = $45/acre indemnity

$45/acre private hail/fire indemnity ÷ $200/acre original private hail/fire liability = .2250 X 90.0 bu./acre MPCI guarantee = 27.0 bu./acre appraisal
75 coverage level

**The Hail/Fire Exclusion Factor Chart is not applicable for this calculation.**

## 39. Assignment of Indemnity

**A. General Information.** A prescribed form signed by the insured to assign the right to an indemnity to a third party. The assignment applies to all acreage of the crop covered under the policy. Refer to the CIH for more detailed information.

**B. When Made?** Assignments of indemnity may be made after acceptance of the application but prior to the transmittal of a claim for processing an indemnity payment.

**C. Life of Assignment.** An assignment is in effect only for the crop year of the assignment.

**D. Replant Payment and Assignment.** Issuance of a replant payment for any insured unit does not restrict the insured from assigning the right to an indemnity to another party.

**E. Assignment of Indemnity and Transfer of Coverage and Right to an Indemnity.** If a timely signed Assignment of Indemnity and a timely signed Transfer of Coverage and Right to an Indemnity for the crop and crop year are on file, and no release for either document is found, the earliest processed document will take precedence.

**F. Release.** The Assignment of Indemnity may be released by the assignee submitting a signed statement of release showing the insured's name, mailing address, contract number, and crop(s). If it is discovered during the loss inspection that there is a release that has not been submitted or processed, document this on a Special Report, and attach the Special Report and the release statement to the claim form.

## 39. Assignment of Indemnity

**G. Claim Instructions.** Record whether an Assignment of Indemnity is in effect by completing the appropriate entry block (line) on the claim form, or in the absence of an entry block (line), record the information on an attachment or in the narrative of the claim form.

**H. Notice of Loss.** Any assignee will have the right to submit all loss notices and forms as required by the policy. If the insured has suffered a loss and fails to file a claim for indemnity within the time period specified in the policy, the assignee may submit the claim for indemnity not later than 30 days after the period for filing a claim has expired. However, the AIP will honor the terms of the assignment only if the AIP can accurately determine the amount of the claim.

## 40. Transfer of Coverage and Right to an Indemnity

**A General Information.** A prescribed form used to transfer insurance coverage and right to any subsequent indemnity from one insured person to another person. The form is used when a transfer of part or all of the ownership/share of the insured crop occurs during the insurance period. Therefore, a transfer of part or all of the ownership of the insurable share and/or acreage must occur before the earliest of the:

(1) Date harvest was completed on the unit,
(2) Calendar date for the EOIP, or
(3) Date the entire crop on the unit was destroyed, as determined by the AIP.

**B Approval.** The transfer is subject to approval by the AIP and to any outstanding Assignment of Indemnity made by the transferor prior to the date of transfer.

**C Ownership Transfer.** Ownership of the insured crop MUST HAVE BEEN transferred prior to the EOIP. The completed and signed transfer form must be submitted prior to processing the claim.

**D Responsibility.** The transferee has all the rights and responsibilities under the policy consistent with the transferor's interest.

**E. Joint and Severally Liable.** The transferee and the transferor (insured) shall be jointly and severally liable for any unpaid premium, administrative fee and/or other amounts due on the acreage and share transferred, even if the transfer is released by the transferee.

**F. Release.** The Transfer of Coverage and Right to an Indemnity may be released by the transferee submitting a signed statement of release showing the insured's name, mailing address, contract number, crop(s), and unit(s). If it is discovered during the loss inspection that there is a release that has not been submitted or processed, document this on a Special Report, and attach it and the release statement to the claim form.

**G. Life of Transfer.** The transfer established by the Transfer of Coverage and Right to An Indemnity is effective only for the crop year specified. For succeeding crop years, if the transferee does not have a crop insurance policy in force for the succeeding crop year but wishes to continue insurance, the transferee must apply for insurance by the SCD for the crop.

**H. Claim Instructions**

(1) **Transfer in Effect?** Record whether a Transfer of Coverage and Right to an Indemnity is in effect by completing the appropriate entry block (line) on the claim form; or in the absence of an entry block (line), by recording the information on an attachment or in the Narrative of the claim form.

(2) **How Many Claims Are Prepared?** Prepare only one claim form for the loss on the unit. Account for all the acreage, production, and share. The transferor's name must appear on the claim form as listed on the latest policy confirmation.

(3) **Required Signatures on Claim Form**

(a) **Partial Transfer**: For a partial transfer, the insured and transferee(s) must sign the claim (transferee should sign below the transferor's signature).

(b) **Complete Transfer:** For a complete transfer, the transferee must sign the claim.

## 41. Notification of Prevented Planting (PP) or Notice of Damage or Loss

The insured is responsible for providing to the AIP, a notice of PP or notice of damage or loss for planted crop acreage within the prescribed time stated in the policy/endorsement/CP. The BP state that all notices required to be received by the AIP within 72 hours may be made by the insured by telephone or in person, but the insured must confirm the notice in writing within 15 days. A form or card meeting FCIC-form standards for the required information for a Notice of Loss (Refer to Exhibit 13) may be used by the insured to file written notice to the AIP or, if applicable, to confirm the notice in writing within 15 days. If the agent/AIP receives the notice from the insured by phone, e-mail, FAX, or postal service, and documents such notice on a phone log, claim form, claims log, claim registry, automated notice system to open claims, etc., and identifies the required information for a Notice of Loss, the policy requirement for confirming the notice of loss in writing will be considered fulfilled.

A form or card meeting FCIC-form standards for a Notice of Prevented Planting or Notice of Damage or Loss (Exhibit 15) may be used by the insured to file written notice to the AIP or to confirm the notice in writing within 15 days.

## 41. Notification of Prevented Planting (PP) or Notice of Damage or Loss

### A. AIP's Responsibilities

(1) Prepare and distribute the notice of damage to the appropriate parties. (It is suggested that agents (or representatives taking notices of damage) are provided with instructions to obtain information pertaining to **companion contracts** (insured's shareholder in the loss-affected unit has a FCI policy); i.e., name of the shareholder's AIP; and in the absence of this or if it is not known whether the shareholder has a FCI policy; the name, address, and telephone number of the shareholder.

(2) Remind insureds of their responsibilities, including but not limited to (the following is not applicable to prevented planting notices):

(a) continuing to care for the crop;

(b) leaving representative samples/strips as provided in the BP, CP, or Endorsement when notice of damage has been given less than 15 days prior to or during harvest;

(c) keeping production separate for each unit and for each practice having separate APHs, etc.; and

(d) keeping production from 1st and 2nd crop acreage separate; e.g., 100 acres of soybeans is first crop acreage and 200 acres of soybeans is second crop acreage. The soybean production from the 200 acres of second crop acreage is required to be kept separate from the production from the 100 acres of soybeans that is first crop acreage.

(3) Assign notices of damage to adjusters as quickly as possible to assure timely service to the insured.

(4) Assure that, if at all possible, **companion contracts** are adjusted at the same time, as follows:

(a) If the companion contract is serviced by the same AIP, the AIP will make arrangements to have both contracts adjusted by the same adjuster.

(b) If the companion contract involves a different AIP, the AIP will notify the other AIP, if known, immediately of the situation. It should be encouraged that adjusters from different AIPs adjust the claim together; however, if either AIP is unable to adjust the claim, the other AIP will make the loss inspection and provide the necessary documentation to the AIP unable to be present on the loss inspection. It is expected that the number of times this situation occurs will be minimal.

(c) When only one AIP completes a loss inspection, the other AIP will be provided legible copies of the appraisal worksheet (when applicable) and claim forms. At their discretion, both AIPs may review the loss inspection at a later date for quality assurance purposes.

## 41. Notification of Prevented Planting (PP) or Notice of Damage or Loss

### A. AIP's Responsibilities

(d) In the event a loss inspection is completed by one AIP and the other AIP disagrees with the original findings, representatives from both AIPs involved will meet and resolve the discrepancies. If the discrepancies cannot be resolved, each representative will follow their respective AIP's instructions.

(e) If upon receipt of a companion contract, it is discovered that an inspection has already been made by the other AIP, the claim may be completed based on the other AIP's findings, **PROVIDED** the AIP agrees with the original findings of the other AIP. (Refer to Para. 212 C regarding production determination when crop shares are involved.) If there is reason to disagree with the findings of the other AIP, follow the same procedure outlined in Para. 41 A (4) (d).

(f) When a loss inspection indicates the need for a GFP decision, AIPs will work together to document the production methods carried out by the insured, obtain verifiable receipts, conduct research on the production methods, and make a decision. If AIPs are unable to make the decision, refer the request for a determination to the RMA RO. Each AIP will notify its insured in writing of the GFP decision. The decision applies to all insured shareholders on the acreage. Refer to Para.s 292 and 321 for additional information.

(5) Use the instructions for delayed notice inspections in Para. 178 if the insured failed to provide notice within the time prescribed in the policy provisions.

### B. Adjuster Responsibilities

(1) Accepting Notices. Follow the AIP's instructions for accepting notices of loss.

(2) When the insured has less than 100 percent share of a loss-affected unit and the claim form does not indicate or the AIP has not provided the information indicating whether the shareholder has a FCI policy, question the insured to determine whether the OTHER person sharing in the unit also has a FCI policy. Contact the AIP for further instructions if the other person sharing in the crop unit has a FCI policy.

(3) Review all information from prior inspections for the crop(s) being inspected to determine if any information from these inspections (appraisal worksheets, maps, claim form, special reports, etc.) is pertinent to the inspection being performed.

## 42. Power of Attorney

### A. AIP's Responsibility

The AIP will provide the adjuster with the name of the party who can act on behalf of the insured to submit and sign crop insurance documents and assure that anyone other than the insured who has signed loss related forms or claims is authorized to do so.

**B. Adjuster Responsibility**

If an individual other than the insured states they are acting in behalf of the insured, and the AIP has not provided information that this party has authority to act on behalf of the insured, do not allow signatures until it is verified with the AIP that an acceptable Power of Attorney is on file granting such authority to this individual.

**C. Acceptable POAs for Crop Insurance Purposes**

A legally executed POA signed by the insured granting authority for crop insurance documents to be signed and submitted by a third party. **A legally executed POA includes:**

(1) POAs executed according to federal authorities, e.g., a FSA Power of Attorney (FSA-211) form executed according to FSA regulations**. A FSA POA that does NOT specifically grant authority to sign some or all crop insurance documents is NOT an acceptable POA for crop insurance purposes.**

(2) Other non-Federal POAs, if legally executed according to applicable state authorities and which authorize the grantee to sign crop insurance documents on behalf of the grantor.

(a) POAs which grant authority to sign contracts and legally bind the grantors are sufficient for crop insurance purposes.

(b) In states that require POAs to be notarized, the signatures of the grantor and grantee must be notarized. If notarization is not required by the state, the signatures of the grantor and grantee must be witnessed and the signature of the witness obtained on the document.

**D. The POA shall be filed** with the office where the official insurance file is maintained and shall remain in full force and effect until written notice of its revocation has been received by the office maintaining the official insurance file, such revocation shall be placed in the official insurance file.

**E. If the grantor of the POA dies,** or is judicially-declared incompetent, then the POA is void.

**F. An agent's and loss adjuster's** use of a POA may be limited by conflict of interest requirements contained in the SRA.

**43-50** (Reserved)

# SECTION 3 REVISED ACREAGE REPORTS

## 51. General Information

### A. Overview

Except for Nursery and Cultivated Clams, the acreage report (tonnage report for raisins) is the document used to determine the liability or amount of insurance, the premium, and the insurable share at the time insurance attached. (Refer to the Nursery and Cultivated Clam Handbooks for the document(s) used in lieu of an acreage report.) If incorrect, the acreage report may be revised if allowed under the parameters of this section.

### B. Possible Reasons for Revised Acreage Reports

The following circumstances may result in a revised acreage report being filed, IF by the criteria stated in Para.'s 52 and/or 53 below, revised acreage reports are permitted.

(1) The insured may file a request for a revision on a unit basis.

(2) The AIP may file a revised acreage report to correct a keying error on the original acreage report discovered during loss adjustment, improper unit division to delete uninsurable acreage reported as insurable acreage, and so on, provided the revision falls within the allowed parameters outlined in this section.

### C. All acreage report revisions require:

(1) Documentation in the "Remarks" section of the acreage report (or other form specified by the AIP to revise acreage reports) or on a Special Report explaining why the revision took place and what changes were made (if a form was used to document, notate "See attached (Form Number)" in the "Remarks" section of the acreage report);

(2) Date, signature, and code number of the person preparing the revised acreage report (or other form designated by the AIP to revise acreage reports);

(3) Insured's signature and date, UNLESS circumstances warrant the absence of the insured's signature. If the insured's signature is not obtained, document why the signature was not obtained in the "Remarks" or on a Special Report. Based on the nature of the revision and the reasons the insured's signature was not obtained, the AIP will determine whether the revised acreage report should be approved without the insured's signature (for example, correcting keying error would not require the insured's signature); and

(4) For acreage reports revised after the final ARD, the AIP's authorized representative's approval.

## 52. Revised Acreage Reports – on or Before the ARD

A. **Planted Acreage.**

Acreage reports for a planted crop may be revised on or BEFORE the ARD anytime information that affects the guarantee, premium, or liability for the crop was incorrectly reported. No crop inspection or approval is required when revisions are filed BEFORE the ARD.

**B. PP Acreage**

(1) The insured can change any information on any initially submitted acreage report, except as provided in subparagraph B (2) below without the AIPs consent. For example, the insured can add acreage of the insured crop prevented from planting, or correct a share.

(2) The insured CANNOT revise the insured's initially submitted acreage report AT ANY TIME (and the AIP cannot approve) to change the insured crop or type that was reported as prevented from planting on the acreage report, unless the insured can provide adequate evidence that the insured did report the correct crop or type, but the AIP, agent, or someone from the USDA committed an error regarding the crop or type shown on the processed acreage report.

(3) Refer to the PP LASH for examples of revised acreage reports for PP acreage.

**C. Acreage Report Revision Requirements**

All acreage report revisions require:

(1) Documentation in the "Remarks" section of the acreage report (or other form specified by the AIP to revise acreage reports) or on a Special Report explaining why the revision took place and what changes were made (if a form was used to document, notate "See attached (Form Number)" in the "Remarks" section of the acreage report),

(2) Date, signature, and code number of the person preparing the revised acreage report (or other form designated by the AIP to revise acreage reports),

(3) Insured's signature (or authorized representative's) and date, UNLESS circumstances warrant the absence of the required signature.

**For CAT coverage ONLY:** Unless a person with an insurable interest in the crop objects in writing on or before the ARD and provides a signed acreage report on his or her own behalf, the operator may file/sign the acreage report for all other persons with an insurable interest in the crop, including a revised acreage report. A power of attorney is not required and all other persons with an insurable interest in the crop, and for whom the operator purports to sign for and represent, are bound by the information contained in that acreage report.

**←For CAT coverage ONLY.**

C. Acreage Report Revision Requirements (Continued)

If the insured's signature is not obtained, document why the signature was not obtained in the "Remarks" or on a Special Report. Based on the nature of the revision and the reasons the insured's (or authorized representative's) signature was not obtained, the AIP will determine whether the revised acreage report should be approved without the insured's (or authorized representative's) signature (for example, correcting keying error would not require the insured's (or authorized representative's) signature; and

(4) The AIP's authorized representative's approval if acreage reports are revised after the final ARD.

## 53. Revised Acreage Reports - After the ARD

### A. AIP Approval

(1) For Planted Acreage:

(a) Acreage reports may be revised AFTER the ARD ONLY with the AIP's authorized representative's consent (that is, approval) as stated in the following subparagraphs.

(b) The AIP can provide consent for a revised acreage report if:

(i) No cause of loss has occurred. (When insureds request revisions to reduce acres, AIPs can provide consent as stated in subparagraph B (8) below);

(ii) The crop unit passes the crop inspection criteria for accepting unreported acreage information; for example, adding acreage or units, as stated in Para. 182; or

(iii) A crop inspection is not needed to revise the acreage report as stated in subparagraph B below.

(c) Acreage reported as an irrigated practice (and that qualifies for an irrigated practice at the time insurance attached) **cannot** be revised to a non- irrigated practice (even when the insured never applied any irrigation water) or vice versa WHEN loss is evident on the unit **or** WHEN harvest is general in the area, unless subparagraph A (1) (d) below or subparagraph B applies. Para. 84 M (10) applies when acreage cannot be revised from irrigated to non-irrigated. When acreage does not qualify for an irrigated practice, Para. 84 M (4) applies.

**A. AIP Approval (Continued)**

(d) When the insured has reported both an irrigated and non-irrigated practice and claims there is an error in the reported acreage of irrigated and/or non-irrigated practices, a revised acreage report may be approved to change a non-irrigated practice to an irrigated practice (acreage must qualify for an irrigated practice) or irrigated may be revised to a non-irrigated), PROVIDED:

(i) no damage or loss has occurred,
(ii) harvest is not general in the area, **AND**
(iii) the AIP has verified that the practice for which the change was requested actually existed and is being carried out in a manner consistent with a good farming practice for the practice that the acreage is being revised.

(2) PP Acreage: Refer to Para. 56 of the PP LASH.

**B. When Acreage Report Revisions Can Be Done Without a Crop Inspection**

Acreage Reports May Be Revised to Add or Revise Information on a Crop Unit Without Crop Inspections for the Following Situations and a LAF is ONLY Applicable to Misreported Information on the Revised Acreage Report:

(1) Short-rated acreage (refer to subparagraph C below);

(2) Measurement service requested by the date specified in subparagraph E below;

(3) The crop is replanted to a different type or variety than was initially reported and that is specified on the actuarial documents (e.g.,initially planted oil-type sunflowers, and replanted to non-oil type), unless specified otherwise in the CPs or SPs. The same acres as were shown on the initial acreage report would be shown on the revised acreage report, unless the insured requested that additional acreage be added, which would then require a crop inspection;

(4) Keying errors of the acreage report caused an incorrect Summary to be issued;

(5) Incorrect unit arrangement has been reported:

(a) Two or more optional/guideline units must be combined anytime separate records of production and acreage are not maintained. (Refer to Commingled Production, Para. 294.)

(b) Part of a unit or an entire unit may be deleted.

(c) Additional units may not be created after the ARD, except for basic/policy units. Basic units are defined by the BP; or if, applicable, the CP or SP. Basic units must be separated even if damage has occurred on the unit.

**B. When Acreage Report Revisions Can Be Done Without a Crop Inspection (Continued)**

(6) The insured provided evidence that the agent, AIP or someone from USDA has committed an error regarding the information on the insured's acreage report. Following are some, but not limited to, items and documents from which the agent or AIP could make an error when transferring information from the document to the acreage report and which would substantiate that an error was made:

(a) Approved yield from the APH form.

(b) Information from an approved Written Agreement.

(c) Information from Actuarial Documents; for example, the actuarial map was incorrectly read resulting in an incorrect classification, and so forth.

(d) A document the insured claims he/she completed and submitted to his/her AIP/agent to report his/her original acreage report information. The acreage report may be revised to agree with the information on this document **provided** the AIP can substantiate that this document was on file in the agent or AIP's office on or prior to the ARD.

(e) A document the insured claims he/she completed and submitted to his/her agent to report the skip-row planting pattern for the planted crop/unit. The percent-planted factor and/or yield-conversion factor may be revised to agree with the information shown on this document, **provided** the AIP can substantiate that this document was on file in the agent's office on or prior to the ARD.

(f) The information on the acreage report is clearly transposed;(e.g., 87.0 is written as 78.0). Also, refer to subparagraph B (9) below for transposition of information between acreage report lines that are also correctable.

(7) Any other reasons specified in the policy provisions, including those shown in subparagraphs B (1), C and E.

(8) Acreage has been over reported

(a) When an insured requests a decrease in reported acres of a unit, the acreage report may be revised to remove those acres, provided:

(i) At the time the insured requests a decrease in reported acreage, no cause of loss has occurred;

(ii) All units of the crop for which the revision is NOT requested must have existing acceptable determined acres, as defined in Para. 201; and

**B. When Acreage Report Revisions Can Be Done Without a Crop Inspection (Continued)**

(iii) For the unit for which the insured has requested a decrease in acres the insured must, at his/her expense have a current measurement of the unit acreage done by FSA or a disinterested firm whose primary function is land measurement.

(b) Document the acceptable determined and measured acreage on a form used for documentation purposes or aerial photo map.

(c) Insured's request to reduce acres is not the same as automated revisions that occur during claims processing to adjust over-reported liability. However, in both cases, the premium due is based on what actually exists (for example, less acres actually exist than reported).

(9) Correctable **Transposition** Acreage Report Errors. When it is obvious that the acreage was inadvertently switched **between lines** at the time the insured's acreage report was completed resulting in incorrect acres between crops or practices, FSA FNs, types, etc. AIPs may approve a revised acreage report to correct the error in these cases. The reason for the revision must be documented in the "Remarks Section" of the acreage report or on a Special Report. If a Special Report is used, attach it to the acreage report. The insured must sign the revised acreage report.

(a) AIPs are to use this type of correction prudently and are to be approved ONLY when it is obvious that:

(i) acreage reported on one line was inadvertently switched with acreage on another line, and

(ii) the AIP believes the insured did not intentionally report this information to obtain additional benefits (e.g.,misreporting land location to obtain a lower premium). The AIP should try to establish whether there is a pattern of misreporting every year. If so, the AIP should not consider the misreported acres as inadvertent switching of acreage.

(b) This procedure is not to be used to correct overall variances between acres reported and acres determined (e.g., if the irrigated practice was reported as 100.0 acres and the non-irrigated practice is reported as 150.0 acres, and it is determined that there are 95.0 irrigated acres and 155.0 non-irrigated acres, this is a variance in reporting (under reporting and over reporting) and is not considered an inadvertent switch.

**B. When Acreage Report Revisions Can Be Done Without a Crop Inspection (Continued)**

(c) When the acreage report is revised to correct an inadvertent switching of acreage, the revised acreage report must be processed prior to the claim. The acreage on the revised acreage report will be used as the reported acres and cannot be used as the determined acres also. The determined acres must remain a separate determination.

**Example**: 100.0 acres was initially reported as irrigated and 50.0 as non-irrigated; however, the acres for the two practices were inadvertently switched. The determined acres for the irrigated acreage is 51.5 acres; the revised reported acres are 50.0 acres, so there is 1.5 acres under reported for this practice. The determined acres for the non-irrigated acres are 98.0 and the revised reported acres are 100.0, so there is 2.0 acres over reported for this practice.

(d) The following can be considered correctable if the AIP believes that the insured did not switch the acreages to benefit from lower premiums, and so on:

(i) Acreages for practices were inadvertently switched. For example: 100.0 acres were reported as irrigated and 50.0 as non-irrigated, however, the acres for the two practices were inadvertently switched when reported. (The inadvertent switch of acreage may occur within the same unit, or for additional coverage, it may occur between different units when there are optional units for irrigated and non-irrigated acreage.)

(ii) Acreages for different types were inadvertently switched. For example: 150.0 acres were reported as oil type (048) sunflowers and 100.0 acres were reported as non-oil type (049) sunflowers; however, the acres for the types were inadvertently switched when reported. The inadvertent switch may occur within the same unit, or when optional units are allowed by type for the coverage selected, the inadvertent switch may involve different units.

(iii) Acreage between legal descriptions was inadvertently switched. For example: Unit 0001-0002OU has 100.0 acres reported with legal description Section 2, Township 5, Range 3. Unit 0001-0001OU has 150.0 acres reported with legal description Section 1, Township 5, Range 3. The legal descriptions are correct for the unit structures shown on the APH form. However, the acreage for the legal descriptions was inadvertently switched. (The inadvertent switch may occur within the same unit; or may involve different units (for additional coverage) when optional units are allowed by sections (or other legals described in the policy). If this inadvertent switch was between the same crop that an insured has insured in two different counties, and the AIP requires

**B. When Acreage Report Revisions Can Be Done Without a Crop Inspection (Continued)**

separate acreage report forms be completed to report the acreage report information for the two different counties rather than reporting the information on one form, the AIP may consider this a correctable error if the criteria in (9) (a) are met.

(iv) When unit structure for the crop is by FSA FN and the acreage between two FSA FNs were inadvertently switched. For example, 200.0 acres for FSA FN 1234 was reported, and 300.0 acres for FSA FN 2345 was reported; however, the acreage for the FSA FNs was inadvertently switched.

(v) Acreages between two crops were inadvertently switched. For example: one line showed 120.5 acres of corn and one line showed 155.6 acres of soybeans; however, there was actually 155.6 acres of corn and 120.5 acres of soybeans.

**C. Revisions to Reduce Premium for Acreage Destroyed Prior to Harvest**

(1) Acreage reports CANNOT be revised after the ARD to remove or reduce premium because the insurable acreage was destroyed prior to harvest, except when the Actuarial Documents provide a reduced premium rate (short-rate) for acreage destroyed prior to harvest and the other criteria is met as stated in subparagraph (2)(a)–(b) below. For such crops and counties, the insured may report all planted acreage as insurable. Premium will be due on all the acreage with additional coverage.

(2) Requirements for Short-rated Acreage of Small Grain Crops When Short-Rates Are Available on the SP.

(a) The premium amount will be reduced (short-rated), including CAT coverage, by the amount shown on the Actuarial Documents **only if** the insured notifies the agent by the date shown on the SP that the acreage will be destroyed by grazing or mechanical means prior to harvest, and the insured does not claim an indemnity on such acreage.

(b) If a notice of damage or loss is filed and the insured wants to file a claim for indemnity on the acreage at this time rather than take a short rate, the acreage must be appraised. Refer to Para.'s 213 and 216. If the insured wishes to destroy the acreage to comply with other USDA programs, the acreage must be released when an adequate appraisal is made; or if applicable, the insured has agreed to leave representative samples so that adequate appraisals can be made at a later date.

**C. Revisions to Reduce Premium for Acreage Destroyed Prior to Harvest (Continued)**

(c) When timely and proper notification that the acreage will be destroyed is received, the AIP will revise the acreage report and reduce (short-rate) the premium accordingly. Insurance coverage will cease on any acreage the insured does not intend to harvest on the date the insured notifies the agent of such intent.

(d) In accordance with section 6 (b) (2) of the Small Grains Crop Provisions, if the acreage that is short-rated is not destroyed as intended, the insured will be subject to the under-reporting provisions contained in section 6 of the BP, which is inclusive of section 6 (f), (g) (1), and (g) (2). (That is, acreage short-rated and taken to harvest is considered under-reported). If part of unit acreage is short-rated and taken to harvest, the production harvested from the short-rated acreage will be counted against the remaining insured acres on the unit in accordance with section 6 (g) (1) of BP. If the entire unit acreage is short-rated and taken to harvest, the harvested production from the short-rated unit will be allocated to the insured units in the county, in accordance with section 6 (f) of the BP. Such acreage cannot be added back to the acreage report, even if the crop would pass a crop inspection in accordance with Para. 182.

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**Example of how the production and acres would be handled if part of the acreage in the unit is short-rated and taken to harvest:**

Unit 0001-0001OU wheat = 100.0 insured acres initially reported. The insured timely notifies the AIP that he/she is destroying 20.0 of the 100.0 acres. The AIP short-rates the 20.0 acres, but the insured takes all 100.0 acres to harvest. The insured files a claim for unit 0001-0001OU.

PW - The PW for unit 0001-0001OU wheat is completed with 80.0 acres as the entry for "Final Acres" assuming that the 80.0 acres is the "Determined Acres" in accordance with Para. 201. The production that was harvested from all 100.0 acres is counted as production to count against the 80.0 insured acres, even if the harvested production from the 20.0 acres that were short-rated was kept separate from the production harvested from the 80.0 acres.

APH - In accordance with the CIH, if the short-rated acreage is harvested, and the production from the short-rated acreage is **not commingled** with the insured acreage production, then the APH would include 80.0 acres and the production from the 80.0 insured acres. **However**, if the short-rated acreage production **is commingled** with the insured acreage production, the APH would include 100.0 acres and production from the 100.0 acres.

**Example of how the production and acres would be handled if all the insured acreage in the unit is short-rated and taken to harvest:**

**C. Revisions to Reduce Premium for Acreage Destroyed Prior to Harvest (Continued)**

Unit 0001-0001OU wheat = 100.0 insured acres initially reported. The insured timely notifies the AIP that he/she is destroying the acreage. The AIP short-rates the 100.0 acres, but the insured takes all 100.0 acres to harvest.

Wheat units in the county with remaining insured acres reported:
0001-0002OU = 50.0 acres
0001-0003OU = 100.0 acres
0001-0004OU = 25.0 acres.

PW - The production harvested from the 100.0 acres will be allocated to the wheat units above. The production will be allocated and shown on the PW following the instructions in Para. 295. None of the acres from unit 0001-0001OU will be allocated and added to the Final Acres shown on the PW.

APH - The APH will be handled as stated in Para. 285.

(e) If the insured destroys (by grazing or mechanical means) the acreage without proper and timely notification, the acreage is considered to have been destroyed without consent. An appraisal of not less than the guarantee will be assessed on such acreage.

(3) Requirements for Short-rated Acreage for ARH Citrus:

(a) When the insured reports all planted acreage as insurable, the premium will be reduced if the insured notifies the AIP in writing of his/her intention to destroy trees on or before the date designated in the SP, and does not claim an indemnity on the acreage and the trees that are destroyed are contiguous and equals at least the lesser of 10 percent of the acreage in the unit or at least five acres.

(i) No premium reduction will be allowed if the required notice is not given or if the insured claims an indemnity for the acreage.

(ii) Upon receiving timely notice, insurance coverage on the acreage the insured does not intend to harvest will cease and the AIP will revise the acreage report to indicate the applicable reduction in premium.

(iii) If the insured fails to destroy the crop as intended, the insured will be subject to the under-reporting provisions contained in section 6 of the BP.

(b) When an insured anticipates destroying trees at acreage report time:

The insured may report all insurable planted tree acreage that he/she does not intend to destroy as insured planted acreage and report as uninsurable acreage any tree acreage that he/she intends to destroy for the crop year. No coverage

**C. Revisions to Reduce Premium for Acreage Destroyed Prior to Harvest (Continued)**

will be considered to have attached to the acreage intended to be destroyed and reported as uninsurable and no premium will be due for such acreage. If the insured does not destroy such acreage, the insured will be subject to the under-reporting provisions contained in section 6 of the BP.

**D. Cannot Add Acreage of Small Grain Crop Initially Reported as Uninsurable**

Acreage reports CANNOT be revised to add acreage of a small grain crop initially reported as uninsurable because the crop was planted for a use other than for which coverage is provided. For example: wheat planted for the purpose of being grazed or destroyed before harvesting for grain (that is, uninsurable acreage). When acreage of a small grain crop reported as uninsurable is harvested, the under-reporting provisions (under-reported for a reported unit or an unreported unit) in the section entitled "Report of Acreage" in the BP apply.

**E. Revisions Due to Measurement Service**

(1) If the insured provides documentation to the AIP that they have requested Measurement Service from FSA or a firm whose primary function is land measurement services (refer to (2) below), prior to the ARD, and submits an acreage report to the AIP with estimated acres by the ARD, the insured must provide the measurement to the AIP when the Measurement Service has completed the measurements.

If the measured acreage was different than the reported acreage, the acreage will be increased or decreased based on the Measurement Service's measured acres (even at loss adjustment time), unless there is a discrepancy between the acreage measurements of the Measurement Service and the AIP or FSA (refer to (5) below). However, no LAF will apply if due to irreconcilable differences, the AIP or FSA acreage measurements are used in lieu of the Measurement Service's measurements.

(2) Firms whose primary function is land measurement services may include those operated by sales agents or firms in which the sales agent is associated. However, for claim purposes, acreage measurements performed by a measurement service operated by or in which the sales agent is associated are not considered "measured acres," but no LAF will apply as explained in Para. 201 B (2).

(3) If the insured has not provided the acreage measurement by the time a notice of loss has been provided to the AIP, the AIP may:

(a) Defer finalization of the claim until the measurement is completed, and

(i) make all necessary loss determination, except the acreage measurement and

**E. Revisions Due to Measurement Service (Continued)**

(ii) finalize the claim in accordance with applicable policy provisions after the insured provides the acreage measurement to the AIP. If the insured fails to provide the measurement, the claim will not be paid; or

(b) Elect to measure the acreage and

(i) finalize the claim in accordance with the policy provisions; and

(ii) estimated acreage reported due to a measurement service will not be accepted from the insured for any subsequent acreage reports.

(4) If the acreage measurement is not provided to the AIP:

(a) at least 15 days prior to the premium billing date, the premium will be based on the estimated acreage and will be revised, if necessary, when the acreage measurement is provided.

(b) by the termination date, the insured will be precluded from providing any estimated acreage for all subsequent crop years.

(5) If there is an irreconcilable difference between:

(a) The acreage measured by FSA or a measuring service, and the AIP on-farm measurement, the AIP on –farm measurement will be used for the revised acreage report;

(b) The acreage measured by a measuring service, other than the AIP on-farm measurement, and FSA, the FSA measurement will be used on the revised acreage report.

**F. Preparation, Documentation, and Submission**

Prepare a revised acreage report and Special Report explaining errors or omissions on the previous acreage report or summary and what corrections were made. All revised acreage reports require the items listed in Para. 51 C. Submit the revised acreage report and Special Report to the AIP's approving official. If a crop inspection was required, refer to Para. 182 for additional requirements.

**G. Liability Adjustment Factor (LAF)**

(1) If the liability determined to have existed at loss adjustment time is higher (based on the liability determined from the information on the PW and APH record) than the liability reported (based on the information the insured initially reported on their acreage report and/or Production Report (APH Record), if applicable), the LAF must be applied to the replant payment, PP payment, or indemnity payment calculation to hold the liability to the liability initially reported. Refer to the definition of LAF in Exhibit 2, and refer to Exhibit 16 for example of where the LAF is applied in the replant payment, PP planting payment, or indemnity payment calculation.

(2) If the acreage report must be revised to process the practice, type, or variety determined to exist due to a different APH yield for the actual practice, type, or variety determined to have existed, or the APH has to be revised to correct the approved APH yield due to the AIP determining that the information the insured reported on his/her Production Report is different than what actually exists, the LAF based on the liability from the initial acreage report (including the incorrect APH due to the insured's misreported information on the Production Report (APH records) must still be applied to the indemnity payment calculation even though the liabilities determined to actually exist would match after the APH records and acreage report records are revised. For the purpose of determining a LAF share is excluded from liability; refer to the definition of liability in Exhibit 2.

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**H. Misreported APH or Misreported Practices/Types/Variety Within the Same Unit**

The following applies only when the APH or practice/type/variety within the same unit is not correctable as allowed in Para. 53 B.

(1) If it is determined that:

(a) A practice/variety/ type) that actually existed for a unit was not a practice/variety/type reported on the acreage report for the unit (or it is determined that information reported by the insured to determine the insured's approved APH is incorrect);

(b) The approved APH yield:

(i) for each practice, variety, or type is different (for example, a summerfallow practice is reported but a continuous cropping practice actually exists with each practice having a different APH yield); or

(ii) based on what the AIP determines actually exists is different than the initial approved APH yield (based on the information the insured reported on his/her Production Records (APH records)); AND

**H. Misreported APH or Misreported Practices/Types/Variety Within the Same Unit (Continued)**

(c) A claim for replant payment, prevented planting payment, or indemnity payment will be processed (UNLESS (3) below applies). Prior to processing the claim, the following steps and sequence must be taken:

(i) An APH record for the correct practice/type/variety (or corrected APH record, if applicable) must first be processed through the PASS, and

(ii) A revised acreage report to change the unreported practice/type/variety information along with the applicable APH yield, guarantee, and so on, determined to actually exist, UNLESS (3) below applies.

(2) A LAF based on the initial acreage report liability must be applied to the replant payment, prevented planting payment, or indemnity calculation, if applicable. For the purpose of determining a LAF, share is excluded from liability. Refer to Para. 37 and the definition of liability in Exhibit 2.

(3) If the AIP has supporting evidence of the insured misrepresenting the practice/type for the purpose of obtaining lower premium or a higher guarantee, the policy should be voided in accordance with the policy provisions.

**I. Different Production Method Has Been Carried Out and Will Result in Lower Yield**

If it is discovered that a different production method has been carried out than what was reported on the acreage report, and will likely result in a lower actual yield than was established for the production method reported:

(1) The approved yield will be reduced to an amount consistent with the production methods actually carried out for the crop year. The yield will be adjusted based on the insured's other units where such production methods were carried out or to the applicable county transitional yield for the production methods if other such units do not exist.

(2) The acreage report will be revised with the revised APH yield that matches the practice determined to actually exist; and

(3) If applicable, a LAF will be applied to the replant payment, PP payment, or indemnity payment calculation. Refer to subparagraph G for more information about the LAF and Para. 37 D for information about the LAF.

## 53. Revised Acreage Reports - After the ARD (Continued)

### J. Revision to Correct Uninsurable Crop Acreage Reported As Insured Acres

When it is determined that uninsurable acreage has been incorrectly reported as insured acres, the AIP must revise and process the revised acreage report to delete such acreage from the insured acres (Insured Acres block area of the Acreage Report form) and add the uninsurable acreage to the uninsured acres (Uninsured Acres block area of the Acreage Report form). No premium is due for the uninsurable acreage. However, if both insurable insured acreage and uninsurable acreage are in the same unit, and the production from the insured and uninsurable acreage has not been kept separate, it will all be counted as production to count against the unit guarantee.

### K. Perennial Crop Acreage

If the AIP discovers during loss adjustment that part of the perennial crop acreage reported for the crop year had been reduced due to disease, a natural occurring weather-related event, or a man-made event that occurred prior to insurance attaching, the acreage report may have to be revised. Refer to Para. 201 G (3) (a) (ii) for further instructions.

## 54. Revised Acreage Reports - Examples

Following are some examples of acreage report revisions that may be needed during an inspection. Always document the reason for the revision on the form used to revise acreage reports or document on a Special Report.

### A. Examples

(1) Insured reported units 0001-0001OU and 0001-0002OU of grain sorghum as insurable. Upon inspection unit 0001-0002OU was found to be planted to an uninsurable practice.

ACTION: Revise 0001-0002OU to designate the acreage as uninsurable acreage instead of insurable. Indicate the reason why the acreage is uninsurable.

(2) During an inspection prior to harvest being general in the area, the AIP discovered that unit 0001-0001BU of soybeans had not been reported on the original acreage report. The crop inspection indicated that this unit and all other units met the appraisal criteria for accepting additional liability for the additional unit, as defined in Para. 182.

ACTION: Unit 0001-0001BU may be added.

(3) Based on the APH yield, an incorrect risk classification for unit 0001-0001BU was entered on the original acreage report.

ACTION: Revise the acreage report to show correct risk classification, and notate the reason of the revision in the "Remarks Section" or on a Special Report.

**A. Examples (Continued)**

(4) The original acreage report shows 25.0 acres for unit 0001-0001BU, and the inspection reveals 50.0 acres were planted. The crop inspection indicated that all the criteria for accepting additional acreage for this unit (reported and unreported acreage) were met, as defined in Para. 182.

ACTION: The acreage report may be revised to add the additional acreage.

(5) The original acreage report shows all of unit 0001-0001BU (108.0 acres) was planted by the FPD and there is no LP provision for the crop, but it was determined 20.0 acres of unit 0001-0001BU were planted after the FPD.

ACTION: Revise the acreage report to reduce the 108.0 acres of insured acreage to 88.0 insured acres. Notate in the remarks section of the acreage report that unit 0001-0001BU was revised to designate the 20 acres planted after the FPD as uninsured acreage. Advise insured to keep harvested production from insured acreage (88.0 acres) separate from harvested production from the uninsured acreage (20.0 acres).

(6) The original acreage report shows all of unit 0001-0002BU (200.0 acres) was planted by the FPD, but it was determined that 50.0 acres were planted 5 days after the final planting period. This is a crop that the policy provisions provide for automatic late-planted acreage coverage.

ACTION: Revise the acreage report to show 150.0 acres as timely planted and make a separate line entry showing the 50.0 acres with the correct planting date.

(7) The original acreage report shows 50 percent share for unit 0001-0001BU. It is determined that the share at the time of planting was 100 percent and is still 100 percent. (No additional acreage is being added.)

ACTION: Provided a crop inspection indicates that unit 0001-0001BU acreage meets the criteria for accepting additional liability, as defined in Para. 182, the acreage report can be revised to reflect 100 percent share.

(8) The original acreage report shows 100 percent share for unit 0001-0001BU soybeans. The inspection revealed the share at the time of planting was 50 percent.

ACTION: Revise the acreage report to reflect the appropriate share at the time of planting.

(9) The original acreage report showed unit 0001-0002BU of wheat with 100 percent share. The inspection revealed there were two units, one with 100 percent share and one with 50 percent share. Additional units must be "broken out" because they are basic units.

ACTION: Revise the acreage report to show the correct unit structure.

**A. Examples (Continued)**

(10) The original acreage report showed two optional units of soybeans. The inspection determined that no separate records of production or acreage were maintained to support the production report filed.

ACTION: Revise the acreage report to combine the two optional units. Delete the unit number not kept.

(11) The original acreage showed Unit 0001-0002BU soybeans with .333 share. The verification of the share revealed that the insured had no interest in this unit.

ACTION: Revise the acreage report to remove unit 0001-0002BU soybeans.

(12) The insured reported two units of soybeans (unit 0001-0001OU and unit 0001-0002OU) on his/her acreage report. After the ARD, the insured reviewed the Summary of Coverage that was generated from the soybean acreage report and discovered that he/she had failed to report unit 0001-0003OU soybeans. The insured requests that unit 0001-0003OU be added. The crop inspection to accept additional acreage (Para. 182) reveals that the appraisal for unit 0001-0001OU and the appraisal for 0001-0003OU exceed 90 percent of the yield upon which the per-acre guarantee for each of these units is based. However, unit 0001-0002OU acreage appraises below 90 percent of the yield upon which the per-acre guarantee is based.

ACTION: The AIP must deny the request to add unit 0001-0003OU (additional acreage) since unit 0001-0002OU is considered to be in a potential loss situation as outlined in Para. 182 D and E.

(13) The insured reports 100.0 planted acres on the acreage report, but only 75.0 acres are planted and the insured claims that 25.0 of the acres were actually prevented from planting. The insured claims he/she reported the 100.0 acres because he/she was planning to plant 100.0 acres, but then it started raining and the insured was unable to plant the other 25.0 acres, as reported.

ACTION: If it is prior to the ARD, both the planted and PP acres can be revised. If it is after the ARD, the acreage report cannot be revised to add the PP acres. However, the planted acres can be revised downward, if at the time the revision is requested, no insured cause of loss affecting the planted acres has occurred, as stated in Para. 53 B (8) above. Based on the preceding information: (1) If it is before the ARD, the acreage report can be revised to add the PP acres and reduce the planted acres; and (2) If it is after the ARD, no PP acres can be added.

**B. Document Distribution and Unit Numbers to be Retained**

Follow the AIP instructions for document distribution and for unit numbers to be retained when deleting a unit.

**55-60**(Reserved)

## SECTION 4 UNREPORTED ACREAGE

### 61. Unreported Acreage Discovered After Acreage Report Filed for the Crop

**A. The Following Procedure is:**

(1) Used when the:

(a) insured timely filed an acreage report for a crop but did not report ALL the acreage for the planted crop that could have been insured, and

(b) unreported acreage is discovered prior to harvest of the crop or prior to when harvest for the crop is general in the county.

(2) Not used when the insured has never filed an acreage report for the crop. Refer to Para. 37 B, Late-filed Acreage Reports and follow those procedures.

**B. AIP's Responsibilities. Inform the insured that:**

(1) it is his/her responsibility for reporting ALL insurable and uninsurable crop acreage planted in the county in which the insured has a share; and

(2) the AIP will handle the unreported acreage in accordance with the procedure in subparagraphs C and D below.

**C. For Acreage that Would be Insured as a Separate Unit**

(1) If such acreage AND ALL other reported unit(s) for the crop meet the requirements for accepting acreage as outlined in Para. 182, revise the acreage report to add the unreported unit acreage.

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(2) If such acreage OR ANY OTHER reported unit(s) for the crop DOES NOT meet the requirements for accepting acreage:

(a) the acreage report will not be revised, and

(b) the harvested or appraised production from the unreported unit acreage will be prorated to all insured units if an indemnity is claimed on any unit (refer to Para. 295).

(3) When there may be damage on other reported units and the unreported unit will not be added for this reason:

(a) APPRAISE the unreported unit acreage (that could have been insured) if it has not been harvested, and

(b) it appears that it will not be harvested. This appraisal will be used if a claim is filed on any insured unit as outlined in Para. 295.

**D. For Acreage that Would be Part of an Insured Unit (Under-reported Acreage in a Reported Unit)**

If such acreage (including the reported acreage for that unit):

(1) meets the requirements for accepting acreage as outline in Para. 182, revise the acreage report to add the under reported acreage to the unit.

(2) DOES NOT meet the requirement for accepting acreage as outlined in Para. 182, the:

(a) guarantee will be computed on the information reported, and
(b) production from the unreported acreage will count against the guarantee.

## 62. Unreported Acreage Which may be Late Planted

**A. General Information**

Acreage which the insured did not report or designate (even as uninsured acreage), and which the insured asserts was planted after the FPD (or LPD, if applicable) will be handled as follows:

**B. Acreage will be Considered INSURABLE (but NOT INSURED) If:**

(1) The acreage is insurable under the Actuarial Documents or by written agreement; i.e., rates and coverage are available for the acreage itself, or crop type, class, variety, or practice carried out; and

(2) The adjuster CANNOT verify to his/her satisfaction that such acreage was planted after the:

(a) FPD for the crop shown on the SP for the applicable county, or

(b) latest allowable date under the LP provisions found in the applicable CP, if applicable to the crop, and the acreage was not prevented from planting.

**C. Production to Count**

(1) When it is determined that there is **unreported insurable** acreage as part of a reported unit structure (i.e., under-reported acreage for a unit):

(a) all production from the insurable/unreported acreage will be counted against the production guarantee for that reported unit; or

(b) if the production is commingled with another unit, the procedures for commingled production must be applied; refer to Para 294.)

**C. Production to Count (continued)**

(2) If it is determined that the entire unreported insurable acreage could qualify as a separate unit in the same county:

(a) the production from the unreported unit acreage will be prorated to all other reported units as outlined in the procedure for unreported units (Para. 294); or

(b) if the production from an unreported unit in one county is commingled with the production from a reported unit in another county, follow the procedures in Para. 294. Because this involves two different counties, Para. 295 does not apply.

**D. Acreage will be Considered UNINSURABLE If:**

(1) The acreage is NOT insurable under the policy provisions, SP statements, Actuarial Documents, or by written agreement.

For example, acreage is not insurable if :

(a) the acreage was initially planted after the LPP (FPD if LPP is not applicable), unless late planting coverage is allowed by the policy; or

(b) rates and coverage are not available for the acreage itself or the crop practice, type, class, or variety or practice carried out.

(2) The adjuster CAN verify to his/her satisfaction that the unreported acreage has been planted after the:

(a) FPD for the crop shown on the SP for the applicable county, or

(b) Latest allowable date under the LP Provisions found in the applicable crop provisions and the acreage was not prevented from planting by an insurable cause of loss within the insurance period for prevented planting.

**E. Production to Count w**hen it is determined **there** is **unreported uninsurable** acreage:

(1) the production from the unreported uninsurable acreage will NOT be counted against the production guarantee for the unit or any other unit if the production is kept separate from the insurable acreage production; or

(2) if the production from the uninsurable acreage is commingled with production from insurable acreage, the procedures for commingled production in para. 284 must be applied.

**63-70** (Reserved)

# SECTION 5 ACTUARIAL DOCUMENTS AND VERIFICATION

## 71. Usage

### A. General Information

The actuarial documents provide the information necessary to establish the protection available for state and county programs. There are actuarial documents for each approved county crop program in each state. For each crop year, the actuarial documents list the insurable crop except for nursery, which lists **insurable plants** alphabetically. The SP are considered a part of the actuarial documents. The actuarial documents are located on RMA's website.

### B. Actuarial Documents Information.

The actuarial documents are the resource for the following information on a county and state basis by crop and crop year:

(1) Insurable types (or varieties) and practices. This may also include insurable classes, subclasses, intended uses of the crop, irrigation practices, cropping practices, and organic practices.

(2) Available unit structures: Optional units, basic units, enterprise units, or whole farm units.

(3) Available prices: The catastrophic coverage price, projected price, and harvest price. The harvest price will be posted upon release to RMA's Actuarial Documents website.

(4) Applicable T-yield and Yield Adjustment (YA) substitution tables.

(5) Applicable dates: Sales closing, cancellation, earliest planting, final planting, acreage reporting, premium billing, end of insurance, termination, contract change.

(6) Rates: Premium rates for the specific coverage, type, practice, unit structure, and land location, as applicable.

(7) SP statements that change policy provisions, specify quality adjustment provisions, or otherwise affect the insurability of a specific crop practice or type, etc.

(8) Subsidy factors indicating the portion of the premium paid by Federal subsidy.

(9) Maps that identify high risk land, transitional yield map areas, and land that is not rated for insurance coverage.

## 72. Using Actuarial Documents for Verification

**A. Information from the actuarial documents must be used during loss adjustment process to verify:**

(1) The actuarial classification recorded on the acreage report and/or Summary of Coverage is correct for the land location, etc.

(2) The insured's correct map area actuarial classification utilizing the actuarial maps mentioned in Para. 71 above. Verify if the location of the insured's land lies within a high risk area (e.g., AAA, BBB, etc.), or in an unrated area (URA) identified on the actuarial map.

(3) The insurability of the actual cropping practices performed, types, varieties, classes, or subclasses planted and the intended uses of the crop.

(4) The cause of loss is not excluded for this crop or county by the actuarial documents.

(5) The requirements of any SP statements regarding the types; varieties; classes, subclasses, or intended uses of the crop planted; any limitations on options; and if the cropping practices, crop rotation requirements, minimum production or age requirements for perennial crops, etc., have been followed for the crop and county being inspected.

**73-80** (Reserved)

# SECTION 6 INSURABLE FARMING PRACTICES

## 81. General Information

The BP, CP, and SP from the county actuarial documents may provide for or exclude from insurability certain farming practices. Refer to those documents for specific information. **Only for additional coverage policies:** When permitted by the policy, coverage by written agreement for unrated farming practices may be requested and approved.

### A. Where and How a Farming Practice is Listed

The county actuarial documents list rates and coverages for specific farming practices, by crop. When permitted by the policy, coverage by Written Agreement for unrated farming practices may be requested from the RMA RO. For some crops, instead of a specific farming practice, there is a practice designation of "no practice specified." This refers to established practices that are commonly used in the geographical area for the insured crop. There is a numerical code for each practice (including "no practice specified") shown on the actuarial documents. These numerical codes are used on such forms as the acreage report and/or claim form, as appropriate. If types or varieties are listed in the actuarial documents, insurable practices for each type or variety are listed. The following paragraphs in Section 6 address some of the farming practices found on the actuarial documents.

### B. Special farming practices, singly or in combination, determine the guarantee

(1) Verify that the insured has met all the requirements to qualify for the reported practice.

(2) If two or more requirements apply, failure to meet one requirement will disqualify the acreage.

(3) Make determinations in accordance with requirements provided in the applicable crop policy, crop endorsement, and/or Actuarial Documents and in the following paragraphs.

### C. A GFP determination is not a determination of insurability

Acreage must meet policy requirements for insured acreage before a GFP determination for the insured crop can be made. Refer to Para. 304 for more information on GFP determinations.

## 82. Continuous Cropping Practice

Definition. This distinguishes land that is continuously cropped from land that lies fallow (idle) in the prior crop year.

## 83. Summerfallow Practice

Summerfallow (SF) is an insurable practice in some counties.

### A. General Information

SF practice uses mechanical tillage or chemicals on uncropped land to control weeds and store moisture.

### B. Insurability

All of the following must be met to qualify as SF practice for the current crop year:

(1) The SF practices must be consistent with:

(a) NRCS soil erosion control measures; and
(b) recommended SF practices, such as method(s), frequency, adequate tillage and/or chemical controls, for the area.

(2) In addition to lying fallow for a full crop year, plant growth on the acreage must be terminated on or before the applicable plant growth termination date, followed by a continuous chemical and/or mechanical weed control program. Plant growth termination dates are:

(a) May 1 for California;
(b) June 15 for North Dakota, Montana, and South Dakota; and
(c) June 1 for all other states.

**Example:** Acreage in North Dakota was planted to a crop in 2012 crop year. To qualify for SF practice in the 2014 crop year, the land must lay fallow during the 2013 crop year and any plant growth on the acreage, including but not limited to weeds and volunteer crops must be:

(1) terminated by mechanical and/or chemical means on or before June 15, 2013; and

(2) continuously controlled weed control for the entire 2013 crop year.

(3) The land must not have been planted or devoted to a crop in the immediately preceding crop year and must lie fallow for a full crop year. For land devoted to a perennial crop, such as grasses, alfalfa, clover, or other perennial plants or forbs, including land previously enrolled in CRP, the perennial crop must be terminated by mechanical or chemical means a full crop year before planting of the crop qualifying for the SF practice.

**B. Insurability (Continued)**

**Exception 1:** Representative sample area left for loss adjustment purposes will qualify for a SF practice provided the:

(1) remainder of the field qualifies for the SF practice; and

(2) representative sample areas are destroyed within 30 days after the applicable plant termination date for the acreage.

If the representative sample areas are not destroyed within 30 days after the applicable plant termination date, such acreage will be considered sub-fields and will not qualify for the SF practice.

**Example 1:** Representative sample areas of a crop were left on acreage in North Dakota for loss adjustment purposes. All the representative sample areas were destroyed on June 29, 2013. All other plant growth on the acreage was terminated by mechanical and/or chemical means on or before June 15, 2013. All plant growth on the entire acreage was continuously controlled for the rest of the crop year, and all other SF practice requirements were met.

**Example 2:** Same as example 1, except the representative sample areas were not destroyed until July 29, 2013. The representative sample area acreage does not qualify for the SF practice for the 2014 crop year.

**Exception 2:** Acreage on which a crop was planted in the preceding crop year shall qualify for the SF practice in the current crop year, provided:

(1) the acreage qualified for the SF practice the crop year preceding the current crop year.

(2) the crop planted on the acreage in the crop year preceding the current crop year:

(a) was not harvested; and

(b) failed and/or was destroyed on or before the applicable plant termination date; or

(c) the AIP gives consent to put the acreage to another use and a different second crop is planted on the acreage in the current crop year, if SF is an applicable practice for the second crop; and

**B. Insurability (Continued)**

(3) all other SF practice requirements are carried out.

**Example 1:** Acreage in North Dakota was not planted and all SF practice requirements were met in 2012. Therefore, the acreage qualified for the SF practice for the 2013 crop year. A crop was planted on the acreage in the spring of 2013. The crop failed, was not harvested, and was destroyed on June 1, 2013. All plant growth on the entire acreage was continuously controlled for the rest of the year after the planted crop failed and was destroyed and all other SF practice requirements were met.

The acreage qualifies for the SF practice for the 2014 crop year.

**Example 2:** Acreage in North Dakota was not planted and all SF practice requirements were met in 2012. Therefore, the acreage qualified for the SF practice for the 2013 crop year. A crop was planted on the acreage in the spring of 2013. The crop failed, was not harvested, and was destroyed on June 1, 2013. All plant growth on the entire acreage was continuously controlled for the entire 2013 crop year and all other SF practice requirements were met.

A crop was planted on the acreage in the spring of 2014. The crop failed, was not harvested, and was destroyed on June 1, 2014. The AIP gave consent to put the acreage to another use, and the insured planted a different second crop on the acreage for the 2014 crop year.

The acreage qualifies for the SF practice for the second different crop planted for the 2014 crop year.

**Exception 3**: Acreage that did not qualify for the SF practice in the preceding crop year and on which a crop was planted in the preceding crop year shall qualify for the SF practice in the spring of the current crop year provided:

(1) the crop planted on the acreage in the crop year preceding the current crop year:

(a) was not harvested; and
(b) failed and/or was destroyed on or before the applicable plant termination date; and

(2) all other SF practice requirements are carried out.

**B. Insurability (Continued)**

**Example:** Acreage in North Dakota was planted and the crop was taken to harvest in 2012. Therefore, the acreage did not qualify for the SF practice for the 2013 crop year. A crop was planted on the acreage in the spring of 2013. The crop failed, was not harvested, and was destroyed on June 1, 2013. All plant growth on the entire acreage was continuously controlled for the entire 2013 crop year and all other SF practice requirements were met.

The acreage qualifies for the SF practice for the spring 2014 crop year.

## 84. Irrigated Practice

### A. Reporting an IRR Practice

(1) The crop insurance contract provides that insureds are to report as irrigated, and the AIP will insure as irrigated, only the acreage for which the insured has adequate facilities and adequate water or the reasonable expectation of receiving adequate water at the time coverage begins, to carry out a good irrigation practice for the insured crop.

(a) Insureds that knew or had reason to know prior to the time insurance attached that their irrigation water supply may be reduced before coverage begins or will be reduced or cut off during the irrigation season, have no reasonable expectation of adequate irrigation water.

(b) Therefore, insureds that have no reasonable expectation of receiving adequate irrigation water, must make decisions to:

(i) plant fewer irrigated acres,

(ii) plant and insure acreage for which adequate water is not available under a non-irrigated practice (if available), or

(iii) report acreage as PP (if PP is available for the crop), provided that all PP policy provisions have been met. Refer to the PP LASH for more details regarding eligibility of a PP payment under an irrigated practice.

(2) In general, for annually planted crops, insurance attaches at the time the crop is planted (except for first year applications received after planting) and on a specified date for perennial crops. (For crops with PP coverage, see the PP LASH.) It is the insured's responsibility to provide documentation, upon the AIP's request, of the information used to determine the adequacy of irrigation water and facilities for the acreage reported for insurance under the irrigated practice.

### B. IRR Practice Guidelines

In accordance with procedures in the CIH, prior to the time insurance generally attaches in an area, AIPs are to provide to insureds for whom the irrigated practice may apply, the "Irrigated Practice Guidelines" contained in the DSSH.

### C. Applicable Terms Used for IRR Practice

The following table provides terms and requirements to facilitate a uniform understanding of standards and guidelines for the irrigated practice.

| TERM | REQUIREMENT |
|---|---|
| Adequacy of Irrigation Facilities | Irrigation facilities are considered adequate if it is determined that, at the time insurance attaches to planted or perennial acreage, they will be available and usable at the times needed and have the capacity to timely deliver water in sufficient quantities to carry out a good irrigation practice for the acreage insured under the irrigated practice. |
| Adequacy of Water | The determination of the adequacy of water shall be based upon:<br><br>(1) the water available, at the time insurance attaches, from the irrigation water supply, soil moisture levels, and, as applicable, snow pack storage levels; and<br><br>(2) supplementary precipitation which would normally be received after insurance attaches, during the period that a good irrigation practice is normally carried out. Consideration will also be given to the factors identified in subparagraph D below, including the legal entitlement or rights to water. |
| Good Irrigation Practice | Application of adequate water in an acceptable manner, at the proper times, to allow production of a normal crop which is often identified as the approved APH yield for crops. |
| Irrigation Equipment and Facilities | The physical resources, other than water, used to regulate the flow of water from a water source to the acreage. This includes pumps, valves, sprinkler heads, and other control devices. It also includes pipes or pipelines which:<br><br>(1) are under the control of the insured; or<br>(2) routinely deliver water only to acreage which is owned or operated by the insured. A center pivot system is considered irrigation equipment and facilities. |

**C. Applicable Terms Used for IRR Practice (Continued)**

| TERM | REQUIREMENT |
|---|---|
| Irrigation Water Supply | The water source and means for supplying irrigation water, not including the equipment or facilities. This includes the water source and dams, canals, ditches, pipelines, etc., which contain the water for movement from the source to the acreage that:<br><br>(1) are not under the control of the insured; or<br>(2) routinely deliver water to acreage in addition to that which is owned or operated by the insured. It DOES NOT INCLUDE any irrigation equipment or facilities. |
| Reasonable Expectation of Adequate Water | The insured had no reason to know at the time coverage began that the amount of irrigation water may be limited or reduced. No reasonable expectation exists if the insured knew, or had reason to know, the amount of irrigation water may be reduced before coverage begins. |
| Water Source | The source from which water is made available. This includes wells, lakes, reservoirs, streams, aquifers, etc. |

**D. Factors to Consider for IRR Practice Reporting and Coverage**

Insureds must maintain, and provide upon request, documentation of the factors which were considered in reporting acreage under the IRR practice. Factors to consider in determining planted or perennial crop acreage reported and insured under an IRR practice include, but are not limited to:

(1) water source history, trends, and forecasting reliability;

(2) supplemental water supply availability and usage; including return flow;

(3) pumping plant efficiency and capacity;

(4) water distribution uniformity and flexibility of the system or district;

(5) water requirements, such as amount and timing, of all crops to be irrigated;

(6) water rights such as primary, secondary, urban versus agricultural use, etc.;

(7) contingency plans available to handle water shortages;

(8) number of acres to be irrigated, amount of water to be applied to acres, and expected yield;

(9) ownership of the water such as state, federal, landowner, or insured;

**D. Factors to Consider for IRR Practice Reporting and Coverage (Continued)**

(10) use of meters, measuring devices and methods used;

(11) soil types, soil moisture levels, and pre-plant irrigation needs;

(12) water conserving methods, devices, and plans utilized;

(13) past crop planting history, trends, and recommended local practices;

(14) prudent activities and practices utilized by non-insured producers;

(15) irrigation water supply, both quantity and quality, and facilities;

(16) recommendations from local CES, NRCS, and other sources recognized by CES or NRCS to be an expert in the area regarding irrigation and crop production; and

(17) information the insured knew (or should have known) and when the insured knew (or should have known) such information.

AIPs shall use these and any other appropriate factors necessary, to verify whether acreage was properly reported under the IRR practice.

**E. Coverage and Insured's Documentation of an IRR Practice**

(1) The following are covered for acreage insured under an irrigated practice, when due to an insured cause of loss listed in the CP, there is:

(a) failure of the irrigation water supply;

(b) failure or breakdown of the irrigation equipment or facilities, or

(c) an inability for the insured to prepare the land for irrigation using the insured's established irrigation method (e.g., furrow irrigation). The insured must make all reasonable efforts to restore the equipment or facilities to proper working order with a reasonable amount of time, unless the AIP determines it is not practical to do so. Cost will not be considered when determining whether it is practical to restore the equipment or facilities. Refer to the definitions of irrigation water supply and irrigation equipment in subparagraph C above.

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(2) Insured's documentation. Under the terms of the policy, the burden is on the insured to show that any loss on annually planted (or perennial) acreage was caused by an insured cause of loss. Insured's documentation must:

**E. Coverage and Insured's Documentation of an IRR Practice (Continued)**

(a) include any of the items covered under the irrigated practice in subparagraph (1) above;

(b) show that such failure was caused by an insured cause of loss that occurred during the insurance period, and

(c) demonstrate that the insured has the physical resources, other than water, used to regulate the flow of water from a water source to the acreage. This includes pumps, valves, sprinkler heads, and other control devices. It also includes pipes or pipelines which:

(i) are under the control of the insured, or
(ii) routinely deliver water only to acreage which is owned or operated by the insured. A center pivot system is considered irrigation equipment and facilities.

**F. Uninsurable Causes of Loss for an Irrigated Practice**

(1) Increased Costs for Water, Electricity, Fuel, Etc.

Increased costs for water, electricity, fuel, etc., from sources (reservoir, etc.) historically used by the insured are not considered insurable causes of loss under the policy. Any acreage for which the irrigation water supply has been reduced by the insured before insurance attached because of such increased costs is not insurable under an irrigated practice and no PP payment or indemnity payment may be made. The insured's reduction of irrigation water after insurance attaches because of increased costs is also an uninsured cause of loss.

However, an insured would not be denied a claim if the insured did not purchase high-cost water, electricity, fuel, etc., that was available to them from sources from which the insured **does not historically purchase** these products or services.

**Example of Increased Water Cost:**

A producer normally receives 100 units of water per year from two sources (50 units each) to irrigate 1,000 acres of land for a crop or crops for which failure of the irrigation water supply due to drought is a covered cause of loss. The producer receives notice that due to reduced carryover water in the reservoir and diversion to other uses, the normal allocation is being cut by 20 units. Ten of the units cut are due to an ongoing drought and an additional ten units are being diverted by the Bureau of Reclamation to support the flow of water downstream to provide improved fish habitat. At the same time, the producer learns that the other water sources are doubling the cost of water due to increased demand by urban users. The producer calculates that only 30 units will be purchased from this source based on the increased price.

**F. Uninsurable Causes of Loss for an Irrigated Practice (Continued)**

The producer will only have 60 units of available water for the year and must allocate or reduce the acreage accordingly. PP may only be reported and claimed for that acreage associated with the ten units of water decreased due to drought. Assuming 1 unit of water irrigates 10 acres, the producer would have enough water for 600 acres and be permitted to claim PP on 100 acres. The acreage associated with the 30 units of water lost due to the government diversion and increased cost is not insurable under an irrigated practice.

(2) Electricity Buy-back Programs or Water Rights Buy-back Programs

(a) Any reduction in the water supply due to participation in an electricity buy-back program or the sale of water under a water rights buy-back program (either before or after insurance attaches) is not considered an insurable cause of loss under the policy. However, if an insured cause of loss reduces the amount of irrigation water available, then subsequent participation in an electricity buy-back program (relative to the amount of water reduced by an insured cause of loss) will not reduce the insured loss.

(b) Insureds that elect to participate in electricity buy-back programs or water rights buy-back programs that result in a reduction of the irrigation supply before insurance attaches cannot insure any acreage affected by this reduction in the irrigation water supply as an irrigated practice or receive a PP payment on an irrigated basis for such acreage.

(c) Insureds that elect to participate in electricity buy-back programs or water rights buy-back programs that result in a reduction of the irrigation supply after insurance attaches may not receive an indemnity related to the reduction in the irrigation water supply.

(d) In those cases where an insured cause of loss reduced the irrigation water supply for a portion of the insured's acreage and the insured elects to participate in the electricity buy-back programs or water rights buy-back programs, the AIP must separately determine the amount of acreage for which:

(i) an insured cause reduced the irrigation water supply, and
(ii) participation in the electricity buy-back programs or water rights buy-back programs caused the reduced irrigation water supply. The insured may still be eligible for a PP payment or indemnity payment, as applicable, on the acreage where an insured cause of loss reduced the irrigation water supply, provided that all other requirements in the policy have been met.

**F. Uninsurable Causes of Loss for an Irrigated Practice (Continued)**

(3) Environmental Diversions

Decreased water allocation resulting from the diversion of water for environmental or other reasons is not an insurable cause of loss unless, the diversion is made necessary due to an insured cause of loss. Refer to subparagraph M (7) below.

(4) Transfer of Water Rights

Any reduction in water due to the insured transferring his/her water rights; e.g., transferring water right to another entity, even if the insured is involved in that entity, is not covered.

**G. Modification of Irrigation Equipment/Facilities Due to Decreased Surface Water Level**

| **If Due To An Insured Cause Of Loss. . .** | **Then . . .** |
|---|---|
| the surface water (e.g., river) level has decreased to the point that the insured's existing equipment cannot lift the amount of water historically lifted to adequately irrigate the crop even if the pumps run 24 hours per day: | The insured is not expected to place other equipment not normally used such as additional runs of irrigation pipe, purchase more expensive or larger motors, lift stations, or take extraordinary measures to modify their irrigation facilities to deliver adequate irrigation water to their crop(s). |

**H. Separate Production**

Insureds are required to keep separate production records for acreage insured under the irrigated practice from acreage insured under a practice other than irrigated (or with no practice applicable) and uninsured acreage.

**I. General Irrigation Data Specific For An Area**

The RMA RO Directors will compile data on water needs by crop in their region, normal precipitation figures, and other data considered appropriate to ensure uniform application of these irrigated practice standards. This task will be initiated first in those areas where irrigation problems are anticipated in the near future and/or have existed in the past.

**J. Regional Irrigation Information**

(1) The RMA ROs will assist in gathering information concerning areas, water districts, aquifers, reservoirs, and other water sources where there is concern regarding the amount of available irrigation water.

(2) The RMA RO Director will provide any information it obtains on the amount of available irrigation water to Insurance Services and post this information on the affected RMA RO's individual RO websites for the AIPs use and information. Refer to the RMA public website at www.rma.usda.gov and select Field Offices, then Regional Offices, the state you are interested in, and finally, Irrigation Information.

(3) If the AIP has any questions after reviewing the posted information, the AIP may contact the RMA RO serving the state of interest.

**K. Areas Suspected to Have Inadequate Irrigation Water**

(1) All AIPs are to notify the appropriate RMA RO immediately of any areas they suspect to have inadequate irrigation water quality or quantities, so RMA can develop, update, and distribute the information.

(2) Areas are to be identified by county, and if only a specific irrigation area or district is applicable, the identification should specify accordingly; e.g., Grant County (Nemaha Irrigation District only). Crops for which an irrigated practice is available that may be affected by suspected inadequate irrigation water should also be identified.

(3) Each AIP is responsible for assuring compliance with these standards.

**L. National Assessment of Irrigation Supply**

The Deputy Administrator for Insurance Services will coordinate a national assessment and issue further guidance if necessary.

**M. Determination and Administration Instructions**

The following instructions are to be applied in determining the adequacy of the irrigation water supply and facilities, properly classifying acreage, and administering the standards. AIPs are to determine the adequacy of the irrigation water and facilities.

(1) Adequate quantity of irrigation water

The adequate quantity of irrigation water will be considered to be adequate ONLY if the insured can demonstrate to the AIP's satisfaction that, at the time insurance attached, there was a REASONABLE EXPECTATION of receiving an adequate

**M. Determination and Administration Instructions (Continued)**

quantity of water at the times necessary to carry out a good irrigation practice on the acreage insured under the irrigated practice. Refer to subparagraphs C and D above.

(a) For the water quantity to be considered adequate, it also must be of sufficient QUALITY to be acceptable for irrigation purposes (e.g., water with high salt content or other yield-limiting properties may not be acceptable for irrigation or may be acceptable only if the amount used will not restrict the ability of the irrigated acreage to produce a normal crop). The local CES or NRCS should be utilized in making any necessary water quality determinations.

(b) Water quality is a characteristic of the water supply. Thus, failure of the water quality to be suitable for irrigation would be considered as failure of the water supply. However, to be insurable, such failure must be unavoidable and must occur during the insurance period (e.g., intrusion of saline water during the insurance period caused the irrigation water supply to be unsuitable for the crop). If the insured was or should have been aware of a water quality problem prior to the insurance period, the adequacy of the irrigation water at insurance attachment is suspect and must be determined in order for the irrigated practice to apply.

(2) Adequate Irrigation facilities

Irrigation facilities are considered adequate if it is determined that, at the time insurance attaches to planted or perennial acreage, they will be available and usable at the times needed and have the capacity to timely deliver water in sufficient quantities to carry out a good irrigation practice for the acreage insured under the irrigated practice.

(3) Acreage properly insured under an irrigated practice, which suffers a water shortage during the insurance period, must be managed consistent with good farming practices to produce the best possible yield under the circumstances. Insureds must take appropriate actions to seek the best possible yields by utilizing farming practices which mitigate, as much as possible, the adverse impacts of insufficient irrigation.

(4) Deny irrigated practice coverage on any acreage reported under the irrigated practice, which is not eligible for that practice. If no other appropriate practice is available for the acreage, insurance will not be considered to have attached on the acreage.

(5) If the insured has not followed a good irrigation practice by giving irrigation priority to uninsured acreage that results in a loss of production to the insured crop, an appraisal must be made for that uninsured loss of production. (This does not apply to PP. Refer to the PP LASH for situations where there is failure of the irrigation water and it involves insured and uninsured acres.)

**M. Determination and Administration Instructions (Continued)**

**EXCEPTION:** Producers may allocate life-sustaining amounts of water to their perennial crop acreage, from which crops are produced from trees, vines, or bushes, to avoid long term losses to their operations, regardless of whether or not the perennial crop acreage is insured. Forage crops (grown for seed, grazing, or production) are not included in this exception.

(a) Insure such acreage at appropriate practice other than irrigated if such a practice is available and the acreage qualifies for that practice. Otherwise, the acreage is not insurable.

(b) INSUREDS ARE TO BE INSTRUCTED to keep production separate for acreage insured under the irrigated practice, acreage insured under a practice other than irrigated (or with no practice applicable), and uninsured acreage.

(6) If the acreage reported for insurance under the irrigated practice exceeds the capacity of the irrigation facilities and/or water supply reasonably expected at the time of planting (or on the calendar date for the beginning of the insurance period for perennial crops), limit (reduce) the number of acres insured under the irrigated practice to an amount which could have been adequately irrigated.

**Example of reported insured acres exceeding the capacity of the irrigation facilities and/or water supply:** An insured reports 100 acres under the irrigated practice. It is later determined that, at the time insurance attached, the facilities or water supplies were adequate for only 75 acres but were used on the 100 acres.)

Proceed as follows:

(a) Document the number of acres that are insurable as irrigated (75 acres, in this case).

(b) Determine, to the extent practical, the highest yielding 75 acres to be the irrigated acres, appraise any reduction in production on the 75 acres caused by applying the available water to the 100 acres, and enter the appraisal on the claim as an uninsured-cause appraisal.

(c) If only irrigated acreage is insurable in the county for the crop, prepare a revised acreage report showing 75 acres insured under the irrigated practice. Enter the 25 acres as uninsured acres, and explain the 25 acres are uninsurable acreage due to inadequate facilities and/or water supplies.

(d) If both irrigated and non-irrigated acreage are insurable in the county for the crop, prepare any claim and/or revised acreage report in accordance with these procedures.

(e) If facts support misrepresentation of the reported practice by the insured, document the facts and handle the case under misrepresentation procedures.

**M. Determination and Administration Instructions (Continued)**

(7) Diversion of Water from Insured Crops

Although it is preferred that the insured notify the AIP in advance of any diversion, failure to do so will not, in itself, result in appraisals for failure to carry out a good irrigation practice. However, advance notification allows the AIP the opportunity to verify the appropriateness of such diversion at the same time that the insured makes the decision to divert the water.

This subsection is intended primarily to address the insured's actions intended or taken to divert water. There may be situations, however, in which the AIP determines that the insured should have, but did not, divert water or divert the recommended amount of water to acreage insured under the irrigated practice. In such cases it may be appropriate to assess an appraisal for uninsured causes, unless it can be documented that justifiable circumstances prevented such diversion (e.g., multiple water sources or great distances between acreage, made diversion of water impractical or impossible).

(a) Water Diversion within a Crop, When ALL Involved Acreage is for the Irrigated Practice:

(i) Verify that a water shortage exists or whether wind and extreme heat conditions have caused evaporation of the irrigation water before the water can reach all areas of the crop, thus, creating a need to irrigate only a portion of the crop that initially was being irrigated (e.g., instead of irrigating the entire pivot which is not receiving enough water to survive, irrigate only half of the crop so that at least this part will survive). Also, verify whether recommendations from local CES or NRCS (or other source recognized by CES, or NRCS to be an expert in this area) agree with the insured's intentions or actions taken.

Verification of water shortage is done by verifying the insured's water source and/or supplier (water district, etc.). Verify wind and extreme heat conditions by obtaining and documenting the data from the National Weather Bureau for the closest location to the insured acreage and/or other local sources that keep records of wind and temperatures. Based on this data obtain the recommendations of local CES or NRCS as stated above.

(ii) Determine that such diversion is appropriate. Recommendations from local CES or NRCS (or other source recognized by CES, or NRCS to be an expert in this area) should be used to document this determination.

(iii) Document (on an appropriate form) the insured's intention or action taken to divert water on the affected acreage. Include the circumstances affecting your determinations required by subparagraphs (i) and (ii) above.

**M. Determination and Administration Instructions (Continued)**

(iv) IF the requirement in (ii) above is not met, consider this as failure to carry out a good irrigation practice for the insured crop, and assess any appropriate appraisal(s) representing the additional indemnification anticipated as a result of the diversion. Use appraised and/or harvested production figures, APH yields, etc., of the acreage or units involved as a guide to establish any appropriate uninsured-cause appraisals that may be necessary to assess against the acreage or unit from which the water was diverted.

(v) Inspect any acreage involved in the diversion and appraise any insured acreage that is not to be harvested.

(vi) Defer final settlement of claims of this type until total production on all involved acreage can be verified or determined.

(b) Water Diversion from One Crop Properly Insured Under the Irrigated Practice to Another Crop(s) Properly Insured Under the Irrigated Practice:

**Note:** Document the circumstances as in (a) (iii) above.

(8) Termination or reduction of production on perennial crops (tree/vine crops only) due to failure of the irrigation water supply after insurance attached:

There is controversy over whether it is a recommended practice to terminate or reduce a developing perennial crop to enhance tree/vine survival. However, if an insured chooses to do so:

(a) Verify that a water shortage exists and that the local CES (or other source recognized by CES to be an expert in this area) has recommended that the insured terminate (remove) or reduce the crop on the affected acreage.

(b) Establish a zero per-acre appraisal on acreage for which the crop was completely removed as a recommended practice. If the crop is reduced, but not completely removed, the remaining production is counted in accordance with current procedures for the crop. That portion of the crop removed in accordance with recommendations from the local CES (or from other source recognized by CES to be an expert in this area) will not be production to count in determining any indemnity or for APH purposes.

(c) Verify crop termination or reduction at final inspection.

**M. Determination and Administration Instructions (Continued)**

(9) If the insured fails to carry out a good irrigation practice on acreage properly insured at the irrigated practice, assess an appraisal for uninsured causes representing:

(a) the loss of production due to failure to carry out a good irrigation practice, or
(b) not less than the guarantee for the acreage if the loss is due solely to uninsured causes.

(10) If a loss is evident, acreage reported as an irrigated practice and that qualified as an irrigated practice at the time insurance attached cannot be revised to a non-irrigated practice because the insured never applied any water. Refer to Para. 53 A (1) (c).

**N. When Insureds Are Aware of Water Restrictions, Reductions, Etc.**

Insureds who obtain evidence of decreased water allocation due to an insurable cause AFTER insurance begins may report losses due to failure of the irrigation water supply in accordance with the policy provisions. Refer to subparagraph F above for information regarding insurability of certain causes resulting in water reduction; e.g., environmental, increased costs, buy-back programs, etc.

Instructions regarding insureds that are advised of (or should otherwise have been aware of) water restrictions, reductions, or diversions by water districts, municipalities, or other water regulatory agencies:

(1) Annual Crops

(a) If announcement or knowledge of such restriction, reduction or diversion occurs PRIOR to insurance attachment, the insured will be expected to reduce planting accordingly, to plant other less-water-demanding crops, or to take other prudent actions necessary. However, if announcement or knowledge first occurs AFTER insurance attachment, the acreage will be considered as insurable under the irrigated practice, UNLESS information on the situation was such that the majority of producers took prudent actions necessary. In such cases, all insureds under similar circumstances will be expected to do likewise.

(b) PP Due to Decreased Water Allocations

Carryover policyholders (those with active policies prior to the current crop year) who have evidence of decreased water allocations due to an insurable cause PRIOR TO planting may report acreage for PP for crops eligible for PP provisions in accordance with the PP provisions in the BP. New policyholders are eligible for PP payments only if the peril insured against occurred after the SCD for the current year. For more information regarding PP, see the PP LASH.

**N. When Insureds Are Aware of Water Restrictions, Reductions, Etc. (Continued)**

(2) Perennial Crops

Perennial crop producers seldom have the option to respond to such announcements or knowledge by reducing plantings, other than refraining from planting additional acreage and removing less productive or less desirable plantings. Producers may allocate life-sustaining amounts of water to their perennial crops (except forage crops) to avoid long-term losses to their operations, regardless of whether or not a perennial crop is insured. However, all other standards herein are to be followed to safeguard against adverse selection and other unacceptable risk exposure.

**O. Pre-Acceptance Inspections**

Apply these irrigated practice standards to determine the adequacy of irrigation water and facilities when conducting pre-acceptance inspections that are required by current procedures. (Pre-acceptance inspections primarily affect perennial crop first-year policies and acreage increases exceeding 35 percent for a unit.) Refer to the CIH.

**P. Properly Identifying Cause of Loss**

(1) Drought CANNOT be a Cause of Loss Under an Irrigated Practice

AIPs are responsible for ensuring that damage and losses due to failure of the irrigation water supply are properly identified as such, and are not misidentified as drought, excessive heat, hot winds, etc. The AIP MUST NOT pay drought losses on acreage insured under the irrigated practice, except where drought has caused the failure of the irrigation water supply, and in that instance, the cause of loss code must be shown as failure of the irrigation water supply, not drought.

(2) Causes of Loss Under an Irrigated Practice that Normally Do Not Occur

(a) Heat, hot winds, poor pollination, etc., may be appropriate causes of loss on acreage insured under the irrigated practice, but the likelihood of such causes are less than for non-irrigated acreage. However, under the right climatic conditions, hot dry winds may cause the amount of evaporation of irrigation water to be so great that the irrigation equipment cannot deliver the water at a fast enough rate to benefit the crop. Also, there have been instances where hot dry winds have affected the ability of a drip irrigation system to deliver water to the seed zone area or enough water to enable the water to remain long enough for the seed to germinate and/or develop an adequate root system to survive. It may be possible that similar effects are experienced with other irrigation methods.

**P. Properly Identifying Cause of Loss**

(b) When such claims are made, the AIP must verify and document whether (If other producers with the same type of irrigation system did not experience the same problem, it may be a problem with the system rather than due to an insured cause of loss.):

(i) other producers using the same type of irrigation system had the same problem; and

(ii) the problem can be attributed to hot dry winds in the area for the dates in question by verifying:

(A) what the local weather conditions and sub-soil moisture levels were for the dates in question (also see subparagraph M (7) (a) (i), and

(B) with agricultural experts in the area, who are knowledgeable of the irrigated practice method and irrigation equipment used, what the expected results would be utilizing the irrigated practice method and irrigation equipment under the particular conditions and soil types for the dates in question.

(3) When Due to an Unavoidable Insured Cause of Loss, Insureds Are Unable to Prepare the Land for their Established Irrigation Method

(a) Drought preventing preparation of furrows for furrow irrigation. In some areas, it is a normal and recognized practice to prepare furrows for irrigation after the crop is planted and established. In some instances severe, prolonged drought may not allow a crop to mature to a height sufficient enough to allow furrows to be made without severe damage or destruction of the crop trying to establish the furrows.

Also, in some instances severe, prolonged drought may cause some soil types to collapse when trying to make the furrows. In either instance, without the furrows, irrigation water cannot be properly distributed to all areas of the field, which may lead to loss of production. If it is determined that the severe drought was the sole reason for the furrows not being made, the resulting loss of production is covered. Confer with the local NRCS and other similar sources knowledgeable in furrow type irrigation operations to help make these determinations.

(b) Besides drought preventing establishment of furrows for furrow irrigation as stated above, there may be other unavoidable insured causes of loss that prevent the insured from preparing the land for his/her established irrigation practice.

**P. Properly Identifying Cause of Loss (Continued)**

(c) The cause of loss code on the claim form would be as stated in Exhibit 3.

(d) Document in the Narrative of the claim or on a Special Report, at least the following:

(i) What the insured's established irrigated practice is;

(ii) What unavoidable insured cause prevented the insured from being able to prepare the land for the insured's established irrigation practice; and

(iii) Additional supporting documentation explaining why it has been determined that drought or another insured cause of loss was the sole reason the land could not be prepared for the established irrigation practice.

**Q. Notification and/or Reminder of Irrigation Policy Provisions and These Guidelines**

Agents, insureds, and adjusters are to be advised of the significance of this issue. It is recommended that documentation of any notification to insureds be placed in each insured's file, particularly in irrigation water shortage areas identified by the RMA RO.

**R. Center Pivot Irrigation System**

Reference. For information regarding center pivot irrigation systems and the corners of the field on which there is a center pivot irrigation system, refer to Para. 132 (Unit Structures).

**S. AIP/Adjuster Verification/Documentation**

(1) AIPs/adjusters must verify and document

(a) that the insured qualified for an IRR practice, using the information stated in subparagraphs C and D above.

(b) as applicable the:

(i) failure of the irrigation water supply and insured cause of loss listed in the CP causing the failure;

(ii) failure or breakdown of the irrigation equipment or facilities and insured cause of loss listed in the CP causing the failure or breakdown,

(iii) insured's inability to prepare the land for irrigation using the insured's established irrigation method (e.g., furrow irrigation) and the insured cause of loss listed in the CP causing this inability;

**S. AIP/Adjuster Verification/Documentation**

(c) any other documentation required above or that is pertinent to the case.

(2) Retain all documentation in the insured's loss file.

## 85. Non-Irrigated Practice

When the non-irrigated practice is listed as a practice on the county actuarial document, it is usually used in combination with irrigation practice (where insurance is offered on both practices) and distinguishes dry-land acreage from irrigated acreage.

## 86. Initial Planting Practice (Intertilled Between Rows (IBR), Not Intertilled Between Rows (NIBR), etc.)

**A. General Information.**

If the insured replants the acreage to a different planting practice, the crop will continue to be insured under the practice initially planted and reported even when the crop is replanted by a practice that was uninsurable as an initial planting. This is not applicable to practices such as irrigated, non-irrigated, staked tomatoes, ground tomatoes, etc.; these practices are considered to be production practices rather than planting practices.

**B. Claim Instructions.**

If the insured files a claim for indemnity, the **planting practice** initially reported will be entered in the "practice column" on the claim form and the replanted practice will be documented in the narrative.

## 87. Organic Farming Practice

**A. Insurance Availability**

Insurance coverage is available for certified organic acreage and transitional acreage; i.e., acreage transitioning to certified organic acreage in accordance with an organic system plan, or more commonly an organic plan if:

(1) a premium rate for an organic practice is specified on the actuarial documents;

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(2) no premium rate for an organic practice is specified on the actuarial documents, the insured may request insurance coverage by written agreement. If coverage is not requested and provided by written agreement, the acreage designated on the organic plan as certified organic or transitioning to organic is uninsurable and must be reported as uninsured acreage.

**B. When Organic Practices Do Not Apply**

Organic Practices do not apply to:

(1) acreage transitioned to certified organic acreage without an organic plan, or written documentation from a certifying agent indicating an organic plan is in effect, as defined in the BP.
In this situation:

(a) the same policy terms and conditions for conventional and sustainable farming practices will apply.

(b) appraisals for production lost due to uninsured causes may apply for not following weed or disease control measures or GFP recommendations for conventional practices; and.

(c) adjustments to the APH database for the conventional practices may be warranted due to the change in practice. Refer to the CIH for additional information.

(2) For information regarding "New Producers" and "Added Land" refer to the CIH.

**C. Deadlines for Documentation**

Section 21 of the BP gives AIP authority to request any records related to the insured crop, including insured crops grown under an organic practice.

Insureds must have, on the date the acreage is reported, a current organic plan, organic certificate (written certification), or documentation from a certifying agent indicating an organic plan is in effect.

(1) The insured is not required to have an organic certificate by the ARD when:

***

(a) the certifying agency has not, for the current crop, inspected the certified organic farming operation in order to issue an updated written certificate. Therefore, at the time of claim notice, the insured must provide the most current effective certificate; or

(b) the certifying agent did not reissue a certificate to the certified organic farming operation when the organic plan was updated. However, all crops and legal descriptions and additional updates such as changes in practices or production methods, procedures, and inputs from previous crop year's organic plan, must be identified on the current crop year's organic plan.

(2) If the insured:

**C. Deadlines for Documentation (Continued)**

(a) is a new insured and receives an organic certificate after the ARD, the acreage cannot be insured under the organic practice for the current crop year but can be insured under a conventional practice. However, the following crop year, the acreage can be insured under an organic practice.

(b) has certified organic acreage with an organic certificate, but the certifying agent did not reissue an organic certificate when the organic plan was updated, the most current organic certificate is considered valid.

**D. Certified Organic Acreage Requirements**

(1) Insureds that receive an organic certificate from a certifying agent must use organic (certified) practices on the certified organic acreage to produce or handle crops or other organic agricultural products intended to be sold, labeled, or presented as:

(a) 100 percent organic," "organic." or
(b) "made with organic," i.e., specified ingredients or food group(s), and
(c) "certified organic," according to the OFPA and NOP standards.

(2) The current organic plan and organic certificate in effect must be from a certifying agent. The documentation must show the:

(a) name of the person(s) certified (including business name);
(b) address;
(c) telephone number;
(d) effective date of certification (or certificate);
(e) certificate number;
(f) types of commodities certified (refer to Example below); and
(g) names and address of the certifying agent.

(3) The NOP standards on "Granting Certification" [7 CFR part 205.404(b)] provides: "the certifying agent must issue a certificate for the organic operation that identifies the . . . (3) "Categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation."

*** The "types of commodities" certified (as stated in section 37(c)(1) of the BP) are considered to be the "categories" mentioned in subparagraph (2) (e) above. To qualify (see the BP) for this portion of the requirements for the certified organic *** coverage, the certificate must list the name of the crops (not livestock, wild crops, or processed products) on the organic certificate. It does not have to list every crop the insured might plant.

**D. Certified Organic Acreage Requirements (Continued)**

(4) Since the certificate may not be issued every year, it is possible that the certificate may not list every insured crop the insured may plant and insure.

**Scenario:** An organic certificate was issued in 2013 and lists: corn, oats, dry beans, and wheat. The next crop year, the insured plants canola, flax, and dry peas, which are not listed on the organic certificate. The organic plan has not been updated for the current crop year to show these crops. In this case:

**Example 1:** The type of organic operation is still "crops," and as long as the canola, flax, and dry peas were grown on ground that had previously been identified in the organic plan to be certified organic, the crops would be insured under the organic practice, as "certified organic."

**Example 2**: Using the same scenario above, but the "Certificate" lists livestock or the type of livestock, such as hogs, sheep, cattle, etc. In this case, the type of organic operation cannot be identified as "crops" because the written "Certificate" lists livestock or the type of livestock, such as hogs, sheep cattle, etc. The commodity type would not be "crops" but "livestock." Therefore, the crops (e.g., canola, flax, and dry beans, etc.) cannot be considered certified organic under that "Certificate".

(5) An organic certificate issued to an operator/tenant may be used to qualify the same acreage for a landlord or other similar arrangement.

(6) The insured must immediately notify the AIP of any application of a prohibited substance (non-synthetic or synthetic), including drift, onto any certified organic field, production unit, site, facility or product that is part of the organic farming operation.

**E. Transitional Acreage Requirements**

In accordance with section 37 (d) of the BP, insureds converting their conventional acreage or transitional acreage to certified organic acreage must have on the date the acreage is reported, an organic plan or written documentation from a certifying agent indicating an organic plan is in effect. Although an organic plan and written documentation from a certifying agent indicating an organic plan is in effect is required for crop insurance purposes**,** the NOP does not consider transitional acreage as certified organic. The organic plan must:

(1) identify the acreage that is in transition for organic certification;
(2) list the crops grown on the acreage during the 36-month transitioning period;
(3) include all other acreage; e.g., conventional acreage in the farming operation.

An insured must give notification regarding the application of a prohibited substance or drift, as specified in subparagraph D (6) above.

**F Certification Exemption**

The National Organic Program (NOP) standards allow a grower whose annual gross agricultural income from organic sales totals $5,000 or less to be exempted from certification. Although NOP standards provides for this allowance, in order to receive crop insurance coverage under an organic farming practice, the insured must have an approved organic plan in effect by the date the acreage is reported as specified in subparagraph C above.

The organic farming practice does not apply when the exempt insured does not provide written documentation from a certifying agent indicating an organic plan is in effect for the acreage;

**G. Maintaining Organic Records**

(1) Production Records

An insured that grows a crop under the organic practice is:

(a) required to have separate acceptable acreage and production records to support acres, total production, and yields certified for the organic and transitional acreage. The data from acreage and production records is used for APH purposes.

(b) not required to have records of acreage and production if the new acreage initially qualified as certified organic or transitional acreage, or the acreage was farmed previously under an organic practice and the insured is not using the crop history from another person.

(2) Recordkeeping Requirements

(a) In accordance with the OFPA and the NOP standards, the insured must maintain records that pertain to an organic farming operation for a period of five years.

(b) An insured with a split farming operation must maintain and provide separate records for conventional, transitional, and certified organic acreage.

(3) Record Specifications

(a) At acreage reporting, the insured must have available an:

(i) organic plan and certificate, if a certified organic insured.

(ii) organic plan or documentation from a certifying agent that indicates an organic plan is in effect, if a transitional insured.

**G. Maintaining Organic Records (Continued)**

(b) The insured must provide to the AIP:

(i) records specific to an organic farming operation, which includes:

(A) receipts and invoices of seeds and transplants,
(B) material application records;
(C) production records;
(D) field history records;
(E) harvest and storage records, or
(F) sales records.

(ii) records (e.g., aerial or GPS maps) of the organic farming operation that show the exact location of each field for certified organic, transitional, buffer zone, and conventional acreage not maintained under an organic practice.

(iii) records of acreage and production applicable to the organic farming operation that:

(A) fully disclose all activities and transactions of the organic farming operation in sufficient detail as to be readily understood and audited;

(B) contain a current on-site inspection report completed by an inspector as defined in the NOP standards; and

(C) contain information for the certified organic transitional, and conventional acreage not in production.

**H. Organic Certification and Accreditation Issues**

A certifying agent can deny, suspend, or revoke certification when the insured is not able to comply with the standards set forth in the NOP standards.

(1) Denial of Certification

If certification is denied on:

(a) all of the certified organic farming operation, the insured does not qualify for the organic (certified) practice.

(b) a portion of the acreage. This portion does not qualify for the organic (certified) practice.

**H. Organic Certification and Accreditation Issues (Continued)**

(2) Suspension of Certification

If certification is suspended:

(a) before the ARD, the insured does not qualify for the organic (certified) practice; the acreage is uninsurable under this practice. The insured can insure acreage under the conventional practice.

(b) after the ARD, the insured will remain qualified for the organic (certified) practice and the acreage will continue to be insured under the organic (certified) practice for the remainder of the crop year. Any loss for not following GFP and organic standards will be considered an uninsured cause of loss (see section 37 (e) of the BP).

The following crop year, the insured cannot insure the acreage under an organic (certified) practice, unless the insured:

(i) receives an Eligibility for Reinstatement letter from the certifying agent, and

(ii) provide a copy of the Eligibility for Reinstatement letter to the AIP.

Refer to the NOP regulation for additional information regarding suspended certification.

(3) Revoked Certification

The insured or certified organic farming operation or person involved with the certified organic farming operation, whose certification is revoked:

(a) before the ARD, the insured does not qualify for the organic (certified) practice.

(b) after the ARD, the insured will remain qualified for the organic (certified) practice and the acreage will continue to be insured under the organic (certified) practice for the remainder of the crop year. The production from the acreage cannot be sold as organic and any loss for not following GFP and organic standards will be considered an uninsured cause of loss (see section 37(e) of the BP).

(c) before or after the ARD will be:

(i) ineligible to receive insurance coverage under an organic practice for a period of at least five years following the date of such revocation.

(ii) eligible to insure the acreage under a conventional practice the following crop year, if all applicable requirements of the BP are met.

**I. Accreditation of Certifying Agents**

The Program Manager of Agriculture Marketing Service oversees the accreditation of certifying agents (See NOP, 205.500, Subpart F-Accreditation of Certifying Agents). When the Program Manager has reason to believe a certifying agent is not able to comply with the requirements of the OFPA and the NOP standards and denies accreditation of a certifying agent, the insured must:

(1) within the timeframe allowed by the NOP, find another certifying agent, or

(2) contact a NOP representative for assistance in finding another certifying agent, if there is difficulty in finding another certifying agent.

**J. Additional Policy Elements for Organic Acreage**

(1) Insurance Guarantees, Coverage Levels and Premium Determination.

The production guarantee or amount of insurance, coverage level, and prices are available in the actuarial documents.

(a) If conventional, transitional and/or certified organic practices of a crop are insured, the plan of insurance, level of coverage, and price election percentage chosen for one practice must be the same percentage as the other practice(s)as provided in section 3(b)(1) of the BP.

**Example:** An insured with certified organic soybeans must use the projected prices, and harvest prices, for the certified organic soybeans shown in the actuarial documents for the applicable P/T and may not select the price available for non-organic soybeans.

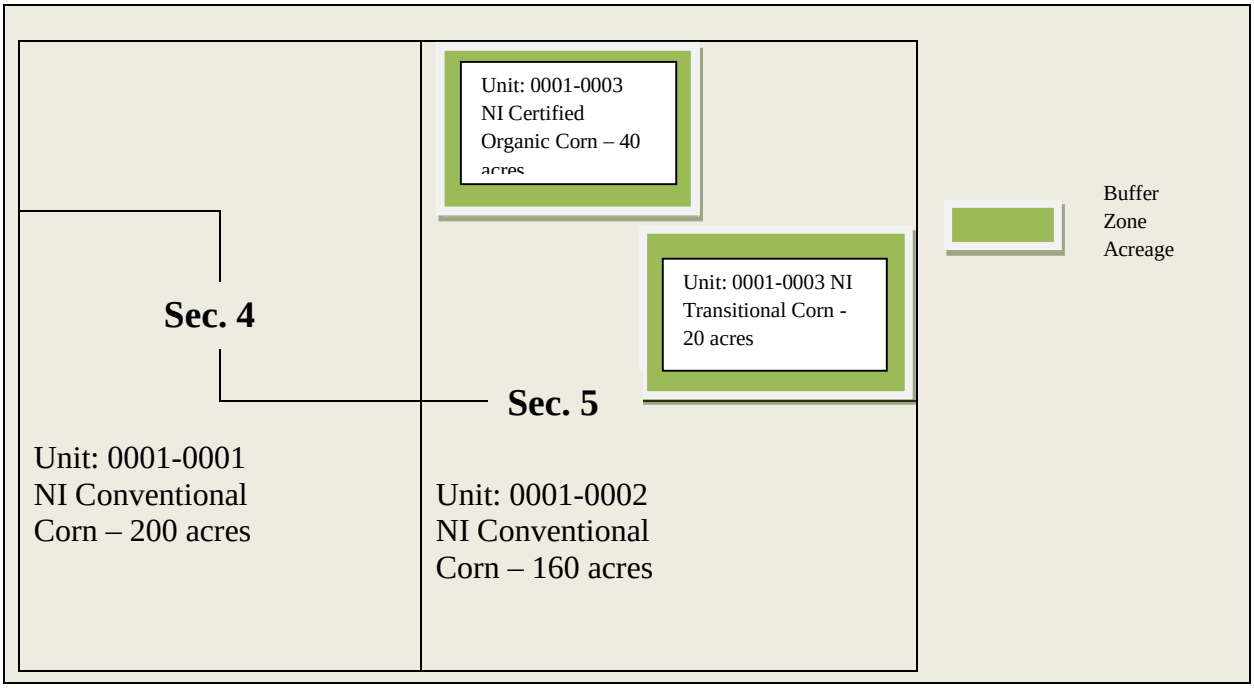
(b) Crops grown in the buffer zone will be insured using the applicable price elections, projected prices, harvest prices, plan of insurance, and level of coverage shown in the actuarial documents for the acreage it buffers.

(2) Unit Determination

In addition to, or instead of, establishing OUs by section, section equivalent or FSA FN, or irrigated and non-irrigated acreage, separate OUs may also be established for acreage of the insured crop grown and insured under an organic practice. The organic practice OU will include both certified organic and transitional acreage.

The example below illustrates the OUs for conventional, certified organic, transitional and buffer zone acreage. There are three OUs, unit 0001-0001 and 0001-0002 (are established for the conventional acreage) and unit 0001-0003 (is established for both the transitional and certified non-irrigated acreage).

**J. Additional Policy Elements for Organic Acreage (Continued)**




(3) Quality Adjustment

There is no additional quality adjustment for crops grown under the certified organic practice. If quality adjustment is available for a specific crop(s) produced under the conventional farming practices, the same quality adjustment procedures will also apply to the same crop(s) produced under the organic practice. Refer to the BP, CP and SP for information that pertains to quality adjustment.

(4) Prevented Planting if available, is identified in the CP or SP, if applicable. For eligible crops grown under an organic practice, PP coverage will:

(a) be provided, if such acreage is identified as acreage transitioning to organic, certified organic, or buffer zone acreage on the organic plan and as stated in the BP and applicable CP.

(b) not be provided for acreage in excess of the number of acres on the acreage report. This includes acres exceeding those identified on the organic plan.

Refer to the PP LASH for information pertaining to prevented planting.

**J. Additional Policy Elements for Organic Acreage (Continued)**

(5) Acreage Reporting

(a) The insured must submit the acreage report, by the ARD, for all acreage, insurable or uninsurable, within the organic farming operation. Separate lines entries must be used for all acreage; i.e., conventional, transitional and certified organic acreage and all other required information for the acreage report. Refer to the CIH for more information.

(b) The buffer zone acreagewill be included in the organic acreage of the unit that it buffers either transitional or certified organic acreage and reported on the same basis. For revised acreage reports, see subparagraph L(8) below.

(6) Also, review responses to frequently asked questions in subparagraph M below for more information.

**K. Causes of Loss When Insured Under an Organic Farming Practice**

All loss of production or amount of insurance due to insured causes of loss listed in the CP are applicable to the organic farming practice, unless specified otherwise in the SP, and provided the cause of loss was not due to the insured not following a good organic farming practice. The definition for "Good Farming Practice" in Exhibit 2 is also inclusive of a good organic farming practice. Section 37 (e) and (f) of the BP state the following:

(1) Any loss due to failure to comply with the organic standards will be considered an uninsured cause of loss.

(2) Contamination by application or drift of prohibited substances onto land on which crops are grown using organic farming practices will not be an insured peril on any certified organic, transitional, or buffer zone acreage.

**L. Loss Adjustment of Organic Farming Practices**

(1) In accordance with section 37(d) of the BP, the insured must provide the AIP with copies of the records required in subparagraph C for certified organic acreage and subparagraph E for transitional acreage;

If the AIP has not obtained the records from the insured prior to the loss adjustment inspection, request these records from the insured. In addition, obtain any recent field inspection reports submitted by an inspector to the certifying agent. Verify pertinent information from these records to aid in the determination of:

(a) insurability, practice, if applicable, and

**L. Loss Adjustment of Organic Farming Practices (continued)**

(b) whether acreages reported agree with the acreage shown on the certifier's records for certified acres and the organic plan or written documentation issued by a certifier if the insured has only transitional acreage; and

(c) whether the insured has been following good organic farming practices.

Organic Inspection Reports from the certifying agency can be used as an aid to indicate areas of possible concern.

However, because these organic field inspections completed by the certifying agency's inspector could have taken place far in advance of the time of the adjuster's inspection, this report alone cannot be used to indicate the insured did not follow GFPs for an organic practice. If the adjuster believes the noted area on the Organic Inspection Report is still of concern, follow the instructions in (6) below.

(2) Items to identify from the organic records are (but not limited to) the following:

(a) Exact field locations of certified organic, transitional, and buffer zone acreage,

(b) Exact field location of acreage not maintained under organic management (i.e., crops grown under conventional or sustainable farming practices),

(c) Rotation requirements, fertilization methods, insect, disease, and weed control methods, etc.

(3) Also, request any of the records described in subparagraph G above that are needed for other verification purposes to be performed during the loss adjustment inspection, as required in other areas of the LAM or crop LASH.

(4) If the insured produces the insured crop using both an organic and conventional practice, verify that separate records of acreage and production for each farming practice have been maintained.

(5) There is no additional quality adjustment for certified organic or transitional acreage as specified in subparagraph J (3) above.

(6) When a cause of loss is questionable for the organic farming practice, such as weed, disease, or insect control for organically grown production, verify the validity of the methods used by the insured with organic agricultural experts for the area, as defined in Exhibit 2. Request any applicable control records (e.g., receipts with names of inputs for disease or insect controls and dates applied and control measures for weeds and dates control measures were taken, etc.).

**L. Loss Adjustment of Organic Farming Practices (continued)**

(7) Use separate line entries on the claim form for certified organic, transitional acreage (buffer zone acreage planted to insured crop is included with the certified organic or transitional acreage of which it is a part), and acreage grown under conventional or sustainable farming practice when insured in the same unit.

(8) Revised acreage reports.

(a) If acreage was reported as organic, and there was no organic premium rate included in the actuarial documents for the crop and county and no written agreement was in effect to insure an organic farming practice**,** the acreage reported as an organic practice is uninsurable. The acreage report must be revised to show this acreage as uninsurable acreage.

(b) If acreage was reported with a conventional practice, but:

(i) such acreage has an organic plan from a certifying agent in effect, and
(ii) there is an organic premium rate on the actuarial documents for the crop and county, then the acreage report must be revised to show the acreage insured under the organic practices.

(c) If acreage was reported as organic, but:

(i) an organic plan was not in effect from a certifying agent (without an organic plan the acreage does not meet the BP definition of "organic farming practice") and there is an organic premium rate on the actuarial documents,

(ii) the acreage report must be revised to show the acreage insured under the conventional practice and uninsured causes may apply.

(d) All other rules for revised acreage reports apply. Refer to Para.'s 51-53 herein.

**M Frequent Questions and Answers**

**Question 1**: If an insured grows both conventional and organic practices, are they required to insure both if there are organic premium rates in the county?

**Answer 1:** YES, it is not an option; all insurable acreage must be insured.

**M Frequent Questions and Answers**

**Question 2:** Could insureds choose to insure everything under the conventional premium rates even though there are organic premium rates in the county? (Uninsured cause appraisals applied if appropriate.)

**Answer 2:** NO, if the acreage is grown using "organic farming practices" and under an organic plan in effect from a certifying agent, it must be insured as organic.

**Question 3**: Could insureds choose to insure the conventional crop under the conventional rate and decline coverage for the organic?

**Answer 3:** NO, it is not an option; all insurable acreage of the crop must be insured.

**Question 4**: Could insureds choose to decline coverage for the organic acreage if there weren't any organic premium rates in the county?

**Answer 4a:** If organic premium rates are not on the actuarial table, but the acreage is under an organic plan in effect from a certifying agent; such acreage would only be insured by an approved written agreement, which would provide for the organic premium rate. If a written agreement was NOT approved, the crop acreage would NOT be insured.

**Answer 4b:** If an organic plan was not in effect from a certifying agent for the acreage, such acreage does not meet the policy definition of "organic farming practice" and would, therefore, be insured under the conventional rates and uninsured causes may apply.

**Question 5**: Could insureds choose to insure everything under the conventional rate if there were no organic premium rates in the county? (Uninsured cause appraisals applied if appropriate.)

**Answer 5:** See answer 4 above.

**88-90 (Reserved)**

# SECTION 7 INSURABLE ACREAGE

## 91. Verifying Insurable Acreage

**A.** **The adjuster must verify that the acreage on which the crop is planted is insurable,** in accordance with the policy provisions, and if applicable, the SP. If uninsurable acreage is detected, notify your next level of supervision, and document on a Special Report the reason why the acreage is uninsurable.

**B.** **In accordance with the BP** (unless specified otherwise in the CP or SP), all acreage planted to the insured crop in which the insured has a share is insurable **except acreage**:

(1) That has not been planted and harvested or insured (including insured acreage that was prevented from being planted (NAP coverage is not considered insured acreage)) in at least 1 of the 3 previous crop years, **unless the insured can show that:**

(a) Such acreage was not planted:

(i) In at least 2 of the previous 3 crop years to comply with any other USDA program;

(ii) Because of crop rotation, (e.g., corn, soybean, alfalfa; and the alfalfa remained for 4 years before the acreage was planted to corn again);

(iii) Because a perennial tree, vine, or bush crop was grown on the acreage; or

(b) The CP, SP, or a Written Agreement specifically allow insurance for such acreage;

(c) Such acreage constitutes five percent or less of the insured planted acreage in the unit;

(d) Such acreage was not planted or harvested because it was pasture or rangeland, the crop to be insured is also pasture or rangeland, and the CP, SP, or a written agreement specifically allow insurance for such acreage;

(2) Uninsurable acreage includes acreage:

(a) On which the only crop that has been planted and harvested in the previous three crop years is a cover crop, hay (except wheat for hay) or a forage crop (except corn or sorghum silage). However, such acreage may be insurable if:

(i) The insured crop is a hay or forage crop; and
(ii) The CP, SP or a WA specifically allow for insurance on such acreage; or
(iii) The hay, or forage crop is used in a crop rotation.

**B. In accordance with the BP (unless specified otherwise in the CP or SP), all acreage planted to the insured crop in which the insured has a share is insurable except acreage: (continued)**

(b) That has been strip-mined, unless otherwise approved by written agreement, or unless an agricultural commodity other than a cover, hay (except wheat harvested as hay), or forage crop (except insurable silage), has been harvested from the acreage for at least 5 crop years after the strip-mined land was reclaimed.

(c) For which the actuarial documents do not provide the information necessary to determine the premium rate, unless insurance is allowed by a written agreement;

(d) On which the insured crop is damaged and it is practical to replant the insured crop, but the insured crop is not replanted;

(e) That is interplanted, unless allowed by the CP;

(f) That is otherwise restricted by the CP or SP;

(g) That is planted in any manner other than as specified in the policy provisions for the crop, unless a Written Agreement to such planting exists;

(h) Of a 2nd crop if the insured elects not to insure such acreage when an indemnity for a 1st insured crop may be subject to reduction in accordance with Section 15 of the BP and the insured intends to collect an indemnity payment that is equal to 100 percent of the insurable loss for the 1st insured crop acreage. This election must be made on a 1st insured crop unit basis. For example, if the 1st insured crop unit contains 40 planted acres that may be subject to an indemnity reduction, then no 2nd crop can be insured on any of the 40 acres. Refer to Section 9 of this handbook for additional information regarding 1st insured crop, 2nd and subsequent crops;

(i) Of a crop planted following a 2nd crop or following an insured crop that is prevented from being planted after a 1st insured crop, unless it is a practice that is generally recognized by agricultural experts or the organic agricultural experts for the area to plant 3 or more crops for harvest on the same acreage in the same crop year, and additional coverage insurance provided under the authority of the FCIC Act is offered for the 3rd or subsequent crop in the same crop year. For additional information regarding 3rd or subsequent crops, see Section 9; or

**B. In accordance with the BP (unless specified otherwise in the CP or SP), all acreage planted to the insured crop in which the insured has a share is insurable except acreage: (continued)**

(j) Notwithstanding the provisions in subparagraph B(1)-(8) above, if the Governor of a State designated within the Prairie Pothole National Priority Area elects to make section 508(o) of the Act effective for the State, any native sod acreage greater than five acres located in a county contained within the Prairie Pothole National Priority Area that has been tilled after May 22, 2008, is not insurable for the first five crop years of planting following the date the native sod acreage is tilled.

(i) If the Governor makes this election after the insured has received an indemnity or other payment for native sod acreage, the insured will be required to repay the amount received and any premium for such acreage will be refunded to the insured.

(ii) If the AIP determines the insured has tilled less than five acres of native sod a year for more than one crop year, the AIP will add all the native sod acreage tilled after May 22, 2008, and all such acreage will be ineligible for insurance for the first five crop years of planting following the date the cumulative native sod acreage tilled exceeds five acres.

(k) Items (a)-(f) listed in Para. 101 B (2) are also considered uninsurable acreage.

(l) Initially planted after the final planting date unless late planting coverage is provided by the CP. Refer to Part 5 herein for more information regarding late planting coverage.

**C. Refer to Para. 84** about restrictions regarding irrigated acreage.

**D. Insurable acreage may be restricted to the amount allowed under any acreage limitation program established by the United States Department of Agriculture** if USDA (RMA) notifies the AIP and in turn the AIP notifies the insured by the SCD.

**E. Acreage Under Contract With a Processor (APH CROPS ONLY)**

(1) General Information

Several CP (crop endorsements or options, if applicable) require that a processor contract be in effect for the crop to be eligible for insurance. There are three types of processor contracts, as follows:

**E. Acreage Under Contract With a Processor (APH CROPS ONLY) (continued)**

(a) Acreage contracts,

An acreage processor contract states the amount of acreage to be planted by the producer and that the processor agrees to purchase all production from this acreage meeting the requirements as stated in the contract.

(b) Production contracts, or

A production processor contract states a specific amount of production to be grown by the producer and that the processor agrees to purchase all production (up to the specified amount) meeting the requirements of the contract.

(c) A combination of acreage/production contracts.

An acreage/production processor contract specifies a combination of acreage and production requirements.

Most CP require all processor contracts to be executed not later than the ARD for the insured crop. Refer to the individual CP.

(2) Determining Insurable Acreage Under a Processor Contract

To determine insurable acreage under a processor contract, apply the following:

(a) For an acreage processor contract, specifying a minimum number of acres, maximum number of acres, or both, the insurable acreage will be:

(i) Zero, if the producer plants less than the minimum acreage stated in the contract and the contract contains no provision that makes the processor liable to accept the production and the producer cannot provide documentation confirming that the processor will accept the lesser amount; or

(ii) The lesser of the planted acres or maximum number of acres specified in the contract.

(b) For a production processor contract, the insurable acreage will be the planted acres.

(c) For an acreage/production processor contract, apply E (2) (a) above.

**E. Acreage Under Contract With a Processor (APH CROPS ONLY) (continued)**

(3) Total Production Guarantee on Insurable Acreage

To determine the total production guarantee, apply the lesser of the:

(a) Contracted acres multiplied by the production guarantee (per acre);
(b) Planted acres multiplied by the production guarantee (per acre);
(c) Total production stated in the contract; or
(d) For acreage/production contracts, the contracted acres multiplied by the contracted production per acre.

(4) Indemnity Payment Calculation

An indemnity payment will be made only if the total production to count for the insurable acreage falls below the Total Production Guarantee for the insurable acreage (as established above) for the respective unit.

**F. Examples of different situations.**

The following provides questions that describe different situations with answers of whether the acreage is insurable. These situations assume that the acreage otherwise is insurable under the terms of the crop insurance provisions and the actuarial material (e.g., there is no uninsurable land designated in the actuarial tables).

Q 1: What acreage is reported as insurable when the processor contract states that the processor will accept the production from a specific number of acres and the insured plants more than this amount?

A 1: The acreage reported as insurable will be the acreage stated in the processor contract. The remaining acreage must be reported as uninsurable. See question # 4 for instructions on processing a claim for indemnity.

Q 2: What acreage is insurable when the processor contract states a minimum or a maximum number of acres, or both?

A 2: If a minimum number of acres is specified and the insured fails to plant this amount, and the contract contains no provision that makes the processor liable to accept the production, there is no contract and thus no insurable acres. If a maximum number of acres is specified, the acreage to be reported as insurable is planted acres, not to exceed the maximum.

**F. Examples of different situations. (continued)**

Planted acres that exceed the maximum are to be reported as uninsurable. If both a minimum and a maximum are specified, the same rules as stated above apply. For prevented planting purposes, the minimum number of acres stated in the contract will be used if both a minimum and a maximum are specified.

Q 3: If the insured plants more acres than are stated in the processor contract and the processor is willing to accept the production from the additional acreage, can the processor amend the contract, and is the additional acreage insurable?

A 3: Unless otherwise specified in the CP, the contract can be amended to add the acres prior to or on the ARD, and the additional acreage will be insurable. If the contract is amended after this date, the additional acreage may not be reported as insurable.

Q 4: How will the production to count be determined in situations when the insured plants more acreage than what is insurable under the CP, and there is no way to distinguish prior to harvest what the insured acreage and what the uninsured acreage was? For example: The insured has a contract with a processor for 80 acres, but the insured plants 90 acres of the insured crop within the same field. At harvest time, the insured harvests 80 of the 90 acres. If the insured and uninsured acreage were in separate fields (same unit), this would not apply unless acreage from both fields were harvested to fulfill the 80 acres under contract.

A 4: The 10 uninsurable acres that were left unharvested will be appraised. Then the total production (harvested and appraised) from all planted acreage (whether reported as insurable or uninsurable within the unit will be divided by the number of planted acres to establish the average yield per acre. This yield per acre will then be multiplied by the insured acreage to determine the production to count for the claim and subsequently for APH purposes. This approach eliminates the need to determine which acreage is the insurable acreage (e.g., 40 acres specified in the processor contract and 45 acres planted).

Q 5: If the processor contract does not state the insured's name, is the crop considered as being under contract?

A 5: In most instances, the processor contract must contain the name or names of each individual whose production will be accepted under the processing contract. However, in some cases a person's name may not be listed on the contract even though their share of the production is considered to be under contract by the processor.

In these instances, if the AIP can verify that the production will be accepted under the processor contract, then the AIP can consider all production under this contract as insurable. Verification that the production is under contract should be documented and maintained in the insurance file.

**F. Examples of different situations. (continued)**

Q 6: If the processor contract stipulates both the number of acres to be planted and the amount of production to be delivered, which unit division guidelines are effective?

A 6: Acreage insured to fulfill a processor contract which provides that the processor will accept a designated amount of production or a combination of acreage and production will not be eligible for optional units, unless specified otherwise in the CP or SP; e.g., Green Pea Crop Provisions state that optional units for green peas may be established based on shell type and pod type. If the AIP verifies that the processor will take all of the production from the listed acres in the processor contract, the insured acreage would be eligible for optional units.

Q 7: If a producer contracts with more than one processor and plants the crop in one or more fields, how does the AIP know what acreage is covered by which processor contract?

A 7: The producer must designate on the acreage report on or before the ARD, what acreage is under which contract (i.e., the 10 acres in the south part of the field is covered under processor A, the 15 acres in the middle of the field is covered under processor C).

Q 8: What acreage is insurable when the contract contains both an acreage and production figure and the AIP verifies that the processor will take all of the production from the listed acres in the processor contract; particularly if harvested production exceeds the production figure listed in the contract?

A 8: All acreage specified in the contract will be insurable.

Q 9: What if the processor contract allows for an acreage tolerance of XX%? Is the insurable acreage still the stated acreage figure on the contract, or can it be increased not to exceed the acreage percentage tolerance?

A 9: The insurable acreage would be up to the amount stated with the tolerance applied. For example, if the stated acres were 100 acres with a tolerance of 5%, then the insurable acres could be up to 105 acres.

Q10: If the insured physically plants and reports (as insurable acres) more acres than are under contract (contract covers three different units), will LAF apply? For example, the insured has a contract with a processor for 160 acres across three units, but the insured has actually planted 166 acres in the three units. There is no way to distinguish prior to harvest what the insured and uninsured acreage for each of these three units will be. (The insured has no way of knowing what acres the processor will bypass. If the insured tries to guess which 6 acres the processor will bypass, it could mean the insured will have a LAF applied if the insured guessed wrong.)

**F. Examples of different situations. (continued)**

A 10: If the insured reports 166 acres as insurable among the three units, and 6 of those acres are bypassed because there is only 160 acres under contract, those 6 acres will be considered uninsurable and will be removed from the respective units on which the acreage was actually bypassed. Therefore, if any of the three units are going to be taken to harvest, claims cannot be finalized for any of the three units until harvest is complete. When part of the over-reported acreage within a field is bypassed, production to count for that field is determined as stated in A&Q 4. If all three units have claims based on unharvested acreage, then: (1) The entire acreage in each unit will be appraised to determine the per-acre appraisal for each unit; and (2) The 6 uninsurable acres will be removed across the three units in proportion to the acres in each unit. No LAF will apply since the acreage is uninsurable, just as any acreage physically planted that the AIP determines is uninsurable would be removed and no LAF applied (e.g., uninsurable because the acreage didn't meet rotation requirements, etc.).

**92-100** (Reserved)

# SECTION 8 INSURED CROP

## 101. Verifying Insured Crop

### A. Loss Adjustment Verification

(1) Verify whether the crop is insured in accordance with the policy as stated in B below.

(2) When the adaptability of the seed or plant type/variety to the area is questionable (e.g., varieties not commonly produced in the area), consult with agricultural experts or organic agricultural experts as applicable. Refer to Exhibit 2 for definition of "Agricultural expert" to determine who constitutes agricultural experts. Document your findings.

(3) If it is determined that the crop or part of the crop acreage is not insurable, the acreage report must be revised to show such acreage as uninsurable acreage.

### B. The BP states the following:

(1) The insured crop will be that shown on your accepted application and as specified in the CP or SP and must be grown on insurable acreage. Also refer to the applicable CP or SP for the crop and county for additional reasons why the crop may not be insured.

(2) A crop which will NOT be insured will include, but will not be limited to, any crop:

(a) That is not grown on planted acreage (except for the purposes of prevented planting coverage), or that is a type, class, or variety; or where the conditions under which the crop is planted are not generally recognized for the area (For example, where agricultural experts determine that planting a non-irrigated corn crop after a failed small grain crop on the same acreage in the same crop year is not appropriate for the area.);

(b) For which the information necessary for insurance (price election, amount of insurance, projected price, harvest price, as applicable, premium rate, etc.) is not included on the actuarial documents, unless such information is provided by a written agreement;

(c) That is a volunteer crop;

(d) Planted following the same crop (insured or not insured) on the same acreage and the first planting of the crop has been harvested in the same crop year unless specifically permitted by the CP or the SP;

**B. The BP states the following (continued)**

(e) That is planted for the development or production of hybrid seed or for experimental purposes, unless permitted by the CP or by written agreement to insure such crop (If experimental seed is planted, it would be considered planted for experimental purposes.); or

(f) That is used solely for wildlife protection or management. If the lease states that specific acreage must remain unharvested, only that acreage is uninsurable. If the lease specifies that a percentage of the crop must be left unharvested, the insured's share will be reduced by such percentage.

**Example 1:** The insured farms 100 acres and has 100 percent share. The lease specifies that 10 acres will be left unharvested for wildlife, but the location of the 10 acres is not specified in the lease and is not specified on the acreage report. In this situation the insurable acres is 100 acres at 90 percent share.

**Example 2:** The insured farms 100 acres and has 100 percent share. The lease does not specify the location of the 10 acres that will be left unharvested for wildlife but the insured specifies on the acreage report the specific location of the 10 acres in the field(s) that will be left for wildlife and reports these as uninsured acres. In this situation, the insurable share is 100 percent on 90 acres.

**Example 3**: The insured farms 100 acres and has 100 percent share. The lease specifies the exact location in the field(s) the 10 acres will be left unharvested for wildlife. The remaining 90 acres are the insured acres and the insurable interest is 100 percent. If the insured did not report this correctly on the acreage report, the acreage report is to be revised to reflect the correct acres and share of these acres.

(g) Although certain policy documents may state that a crop type, class, variety, or practice is not insurable, it does not mean all other crop types, classes, varieties, or practices are insurable. To be insurable, the crop type, class, variety, or practice must meet all the conditions as stated in B (2) (a) - (f) above.

**102-110** (Reserved)

# SECTION 9 FIRST (1ST), SECOND (2ND), AND SUBSEQUENT CROPS PLANTED ON SAME ACREAGE IN THE SAME CROP YEAR

In accordance with the Agricultural Risk Protection Act of 2000, Section 508a of the Federal Crop Insurance Act was amended and subsequently the BP were amended to limit indemnity payments on the same acreage in the same crop year, except as allowed for acreage that qualifies for double-cropped acreage, as defined in the BP.

The following definition applies ONLY to Para.'s 111-117 as they relate to first/insured crop acreage:

**Insurable loss:** For the purpose of determining whether payment reductions will apply to first insured crop acreage, an insurable loss is considered to have occurred for a second crop when the insured accepts an indemnity payment on the second crop.

## 111. First (1st) Insured Crop Planted and Second (2nd) Crop

If there is an insurable loss on the 1st insured crop acreage in the unit and an indemnity is due on the 1st crop unit, except in the case of double cropping as stated in Para. 114 below, the following applies:

### A. General Information

(1) A 2nd crop does not include replanting of 1st crop acreage to the same 1st crop, except as stated in Para. 174 D or G.

(2) Forage production and other insured perennial crops are considered a 1st insured crop. Although forage and other perennial crops may not be planted each year, they are the 1st insured crop.

(3) If an insured plants and insures skip-row cotton, it fails, and grain sorghum is planted in the rows that were not planted to cotton, the grain sorghum is still considered the 2nd crop for this acreage.

(4) The 1st insured/2nd crop rules apply to certified seed potatoes and malting barley the same as they do to other crops such as regular potatoes and feed barley.

(5) AIPs should make insureds aware that an insured's election not to insure acreage of a second crop may affect any linkage requirement for FSA program participation. Disaster payments are administered by FSA and they will determine the impact of not insuring a second crop. ARPI, AGR, and AGR-Lite are acceptable for meeting any linkage requirements.

(6) When a policyholder elects to not insure second crop acreage, the acreage and production from such acreage is not included for APH purposes for subsequent years except when it is commingled with production from insured acreage. Refer to the CIH for procedures regarding commingled production.

**A. General Information (Continued)**

(7) AIPs do not have the option of denying the additional first insured crop indemnity when no indemnity is paid for second crop acreage if all policy provisions are met. AIPs should handle late notices of loss in accordance with current policy and procedures.

(8) Some AIPs have developed forms that allow the insured to:

(a) elect to not plant an insured 2nd crop,
(b) plant an insured 2nd crop but not insure 2nd crop acreage, or
(c) plant an insured 2nd crop and waive the indemnity on the 2nd crop if the 1st crop indemnity is greater than the 2nd crop indemnity. If the 1st crop indemnity is not greater than the 2nd crop indemnity then the indemnity for the 2nd crop will not be waived.

**B. Insured's Options**

(1) **Not plant a 2nd crop** on the same acreage for harvest in the same crop year and receive 100 percent of indemnity due for the 1st insured crop acreage.

(2) **Plant but not insure a 2nd crop** planted on the same acreage as the 1st insured crop was planted for harvest in the same crop year**.** For this situation, the following applies:

(a) This decision is on a 1st insured crop unit basis. If the insured has multiple units of the 1st insured crop, the election to insure 2nd crop acreage is made separately for each of the 1st insured crop units and applies to ALL 2nd crop acreage in the unit, unless double-cropping provisions apply in which case, the 2nd crop acreage meeting the double-cropping-history requirements must be insured.

**For example**: Insured's Unit 0001-0201OU corn = 150 acres of 1st insured crop corn, 50 of which suffers an early loss and is released. Insured plans to plant 2nd crop on acreage. Unit 0001-0301OU soybeans = 250 acres of planted soybeans consisting of 200 1st insured crop acres and 50 2nd crop acres (same 50 acres that corn was planted in corn unit 0001-0201OU). The insured timely elects to **not insure the 50 acres of 2nd crop acreage in unit** 0001-0301OU **soybeans**. Insured's Corn Unit 0001-0202OU = 175 acres of 1st-insured crop corn, 20 of which suffers an early loss. Unit 0001-0302OU soybeans = 250 acres of planted soybeans consisting of 230 1st crop acres and 20 of 2nd crop acres (same 20 acres that corn was planted on in corn unit 0001-0202OU). However, the insured timely **elects to insure the 20 acres of 2nd crop acreage in unit** 0001-0302OU **soybeans**.

(b) Insured's must make their election to not insure 2nd crop acreage by the following deadline:

**B. Insured's Options (continued)**

(i) If the 1st insured crop is insured under the BP, at the time the 1st insured crop acreage is released (if no acreage is released, on the earlier of the ARD for the 2nd crop or when claim is signed for the 1st insured crop);

(ii) If the 1st insured crop and the 2nd crop are both insured under the ARPI BP, by the ARD for the 2nd crop; or

(iii) If the 1st insured crop is insured under the ARPI BP and the 2nd crop is insured under the BP, before the 2nd crop is planted.

(c) The insured will collect 100 percent of indemnity due for the 1st insured crop acreage, provided:

(i) **Written notice** [1/] **is provided**, **signed, and dated** by the insured to the AIP stating that the insured elects not to insure acreage of a 2nd crop by the deadline for the specific situation stated in subparagraphs B (2) (b) (i), (ii), or (iii) above.

[1/] A Written Notice can be considered a statement on: (1) the Production Worksheet (PW), (2) an attachment to the PW (e.g., Special Report), or (3) a form developed by the AIP for this purpose that states the insured elects to not insure the 2nd crop.

(ii) If the insured fails to provide notice of his or her election to not insure 2nd crop acreage by the deadline for the specific situation stated in subparagraphs B (2) (b) (i), (ii), or (iii) above, the 2nd crop acreage will be insured in accordance with policy provisions (the same as (3) below), and the insured must repay any overpaid indemnity for the 1st insured crop.

(A) Situation 1

| **IF:** | **AND:** | **THEN** |
|---|---|---|
| If the insured had control of the land (owns or leases the land for the entire crop year), | 1 timely elected in writing **not to** insure any 2nd crop acreage, and<br><br>2 subsequently plants and reports 2nd crop acreage as insured crop acreage, | the acreage report must be revised to designate the 2nd crop acreage as uninsured acreage instead of insured acreage.<br><br>This is because the insured had previously elected not to insure the 2nd -crop acreage. |

**B. Insured's Options (Continued)**

(B) Situation 2

| IF: | AND: | THEN |
|---|---|---|
| if insured A has elected in writing that a 2nd crop will not be insured on the same acreage as the 1st insured crop was planted, and does not own or have control of the land | 1 someone else (insured B) plants an insured crop (2nd crop) on that same acreage; and<br><br>2 the second crop acreage contributed to the losses on the units for both the 1st insured crop, and the 2nd crop, and<br><br>3 insured B receives an indemnity on the unit in which the 1st insured-crop acreage was planted, | insured A will be limited to 35% indemnity on the 1st crop acreage.<br><br>This is because a 2nd crop was planted on the 1st crop acreage on which insured B collected an indemnity. |

(d) The insured must designate the 2nd crop acreage planted on 1st insured-crop acreage (within the same crop year) that will not be insured as uninsured acreage on the acreage report. Explain in the designated area on the acreage report why the acreage is uninsured.

(3) **Plant and insure the 2nd crop** on the same acreage (as the 1st insured crop was planted) for harvest in the same crop year. For this situation, the following applies:

(a) If the 2nd crop acreage is planted and insured with a different AIP, the insured must provide written notice to each AIP that a 2nd crop was planted on acreage on which the insured had a 1st insured crop.

(b) If there is an insurable loss on the 2nd crop acreage and the insured has not waived the indemnity for the 2nd crop acreage, the insured will:

(i) Receive 100 percent of the indemnity due for the 2nd crop acreage. The insured will pay the full premium (producer-paid premium) for the 2nd crop acreage. Subsequent crops planted on the same acreage within the same crop year will not affect the indemnity of the 2nd crop acreage;

(ii) Collect an indemnity payment that is 35 percent of the insurable loss for the 1st insured-crop acreage;

(iii) Owe 35% of the premium (producer-paid premium) for the 1st insured-crop acreage having a 2nd crop planted on it.

**B. Insured's Options (Continued)**

(c) If the insured's option was to plant 2nd insured crop acreage but:

(i) no crop is planted,
(ii) the acreage is planted to a crop not insured, or
(iii) the insured 2nd crop acreage does not suffer an insurable loss,

the following applies:

(A) The insured should request to receive the remainder (65 percent) of the 1st insured-crop indemnity that was not previously paid. However, if the insured does not request such payment, the AIP should contact the insured for follow-up to determine the status of any 2nd crop. For most situations, this should be done on or before the billing date for the 1st insured crop.

(B) If the insured certifies there is no 2nd crop loss on the same acreage on the 1st insured-crop unit, or the AIP otherwise verifies there is no 2nd crop loss, then:

1 the remainder (65 percent) of the 1st insured-crop indemnity must be paid to the insured, and

2 if the entire premium is not offset by the indemnity, a bill for the remaining premium is sent.

Payment of the indemnity should be made in accordance with the 30-day provisions in the policy, unless the AIP is unable to verify whether an insured loss occurred to the 2nd crop. It is the insured's responsibility to provide sufficient documentation to the AIP.

(C) The insured does not have the option to avoid payment of the additional premium for the 1st insured crop by refusing the remaining 65 percent of the indemnity owed for the 1st insured crop.

(D) AIPs may make payment of the additional indemnity for the 1st insured crop before announcement of the harvest price for revenue plans of insurance, or they may choose to wait until after the announcement to avoid making two additional payments.

(d) If the 2nd crop acreage planted is insured and has an insurable loss:

(i) The AIP must perform loss adjustment on the 2nd crop (after receiving notice) unit, and give the insured the option to accept or reject the 2nd crop indemnity. It is possible for the insured to decline any 2nd crop loss indemnity without the AIP conducting loss adjustment. If the 2nd crop is

**B. Insured's Options (Continued)**

insured with a different AIP, the AIP for the 1st insured crop may use claim documents from the other AIP to show there was a loss for the 2nd crop acreage. It is the insured's responsibility to obtain copies of such documentation and provide it to the AIP for the 1st insured crop.

(ii) The insured may elect not to accept the 2nd crop indemnity payment up until the time they would cash the 2nd crop indemnity payment check, if one was issued.

(iii) AIPs may elect whether or not the adjuster will calculate indemnity payments for policyholders to assist them in determining whether to accept the additional 65% first crop indemnity (less 65% premium), or accept the 2nd crop indemnity.

(iv) And the insured waives the indemnity or does not cash the indemnity check for the 2nd crop acreage, the insured will:

(A) Collect an indemnity payment for the other 65 percent of insurable loss that was not previously paid for the 1st insured crop; and

(B) Be responsible for paying the remainder of the premium for the first insured crop.

(v) If an insured waives the 2nd crop indemnity, AIPs shall use normal procedures to show claim closure with an indemnity due but waived by the insured. The indemnity waiver is based on the unit structure for each individual 1st crop unit. Second crop indemnities must be waived on a first insured crop unit basis (for all second crop acreage on the same acreage where the first insured crop unit was located) except where double cropping history is applicable to a portion of the acreage in the unit, in which case the insured can accept the loss payment for acreage eligible for the double-cropping exemption and reject the loss on acreage not eligible for the exemption.

**Example 1: If there is one second crop unit located where there was one first insured crop unit:**

| | |
|---|---|
| **Unit 0001-0001BU Corn** | 1st ins. crop acreage – 250.0 acres |
| **Unit 0001-0003BU Soybeans** | 2nd ins. crop acreage – 250.0 acres |

In this case the insured waives the indemnity for the 2nd crop acreage (unit 0001-0003BU soybeans). Because the 2nd crop acreage (unit 0001-0003BU soybeans) is located where the 1st insured crop acreage was planted, the insured is preserving ALL of the 1st insured crop acreage indemnity for unit 0001-0001BU.

**B. Insured's Options (Continued)**

**Example 2: If there are two second crop units located where there was one first insured crop unit:**

Unit 0001-0001OU Corn 1st ins. crop acreage – 250.0 acres
Unit 0001-0003OU Soybeans 2nd ins. crop acreage – 100.0 acres
Unit 0001-0002OU Soybeans 2nd ins. crop acreage – 150.0 acres

In this case, if the insured wants to waive insurance on the 2nd crop acreage, the insured must waive the indemnity for BOTH units (0001-0003OU soybeans and 0001-0002OU soybeans) in order to preserve the indemnity for the 1st insured crop acreage. This is because there are two units (0001-0003OU and 0001-0002OU) of the 2nd crop located where there was one first insured crop unit.

**Example 3: If there is one second crop unit located where there are two first insured crop units.**

Unit 0001-0001OU Corn 1st ins. crop acreage 100.0 acres
Unit 0001-0002OU Corn 1st ins. crop acreage 100.0 acres
Unit 0001-0002OU Soybeans 2nd ins. crop acreage 200.0 acres

In this case, the insured may waive indemnity on the 100.0 acres of the 2nd insured crop acreage where unit 0001-0001OU 1st insured crop acreage was located to preserve the 1st insured crop indemnity on unit 0001-0001OU corn, but not waive the 100.0 acres of the second crop acreage located where the 1st insured crop unit 0001-0002OU corn was located or vice versa rather than waiving all of the 2nd crop acreage where the first insured crop acreage for corn units 0001-0001OU and unit 0001-0002OU were located. This is because the insured is electing to waive the 2nd crop acreage indemnity based on the individual 1st insured crop unit.

(e) Separate records of production

(i) If the 1st insured crop suffers a loss, the insured must provide separate records of production for all insured crops planted on the same acreage as the 1st insured crop. Those records acceptable for loss adjustment purposes are acceptable as documentation for separate production from acreage that is and is not planted to a 2nd crop.

**Example**: The insured has an insurable loss on 100 acres of wheat and subsequently plants cotton on 10 acres of that wheat acreage. The insured must provide records of the wheat **and** cotton production on those 10 acres separate from any other wheat and cotton production that may be planted in the same unit.

**B. Insured's Options (Continued)**

(ii) If the insured fails to provide separate records, the production of each crop will be allocated to the acreage in proportion to the liability of the acreage.

**C. Possible Impacts on Companion Contracts**

It is possible when different policyholders share an insurable interest on the same acreage that one policyholder might have a greater loss amount on the 1st insured-crop acreage, while the other policyholder has a greater loss amount on the insured 2nd-crop acreage. Different levels of coverage, different APHs, or different insurance plans, etc., between landlords, tenants or other sharing parties may cause this situation to occur. The following scenarios illustrate this.

**Scenario 1**: Both the landlord and the tenant have insurance policies in effect for both the 1st insured and 2nd crops and neither qualify for double-crop exemption. One insured has CAT level of coverage, while the other has additional coverage.

| **LANDLORD'S 1st INSURED CROP** | | **TENANT 1st INSURED'S CROP** | | |
|---|---|---|---|---|
| CAT Policy | No Loss | Buy-up Policy | $10,000 Loss | 35% = $3,500 |
| **LANDLORD INSURED 2nd CROP** | | **TENANT INSURED 2nd CROP** | | |
| Buy-up Policy | $10,000 Loss | CAT Policy | No Loss | |

The landlord did not have a 1st insured crop loss. Therefore, the landlord would not have the option to decline insurance on the 2nd crop. Even though the tenant did not have an insured 2nd crop loss, the landlord did. The tenant would be restricted to $3,500 (35% of the 1st insured crop loss) if the landlord accepted the $10,000 2nd crop indemnity.

**Scenario 2:**

| **LANDLORD'S FIRST 1st CROP** | | | **TENANT'S FIRST 1st CROP** | | |
|---|---|---|---|---|---|
| CAT Policy | $500 Loss | 35% = $175 | Buy-up Policy | $10,000 Loss | 35% = $3,500 |
| **LANDLORD INSURED 2nd CROP** | | | **TENANT INSURED 2nd CROP** | | |
| Buy-up Policy | $10,000 Loss | | CAT Policy | $500 Loss | |

The landlord and tenant will each receive at least 35% of their insured share of any 1st insured crop loss. Each would have the option to waive insurance on the 2nd crop acreage.

**C. Possible Impacts on Companion Contracts (Continued)**

Prior to knowing the outcome of the 2nd crop, each may have been given the opportunity to request the AIP to calculate and then pay the greatest possible indemnity for both crops as allowed by the policy provisions (refer to item A (8) above). In certain situations, this may mean waiving a 2nd crop indemnity in order to be eligible for the remaining 65% 1st insured crop indemnity.

However, once any entity is indemnified for an insured 2nd crop loss on the same acreage, all entities with an insurable interest in the1st insured crop will be limited to 35% of their insured share of any payable loss. PRECEDENCE IS BASED ON WHETHER ANY INSURED ACCEPTS A 2nd CROP INDEMNITY. If the landlord is indemnified ($10,000) for their 2nd crop loss, the greatest possible indemnity allowed by the policy provisions for the tenant from both crops would be $4,000 ($3,500 which is 35% of their insured share of the 1st insured crop loss plus $500 from the 2nd crop).

Thirty-five percent (35%) of any 1st insured crop indemnity plus any insured 2nd crop indemnity IS the greatest possible indemnity outcome allowed by the policy provisions for all insured entities sharing in the 1st insured crop if ANY entity accepts an indemnity on the 2nd crop acreage.

## 112. First (1st) Insured Crop Prevented from Planting and Second (2nd) Crop

Refer to the PP Handbook for additional 1st insured /2nd crop information relating specifically to PP claims.

## 113. Additional Information About Reduction of Payments and Premium due to 2nd Crop

Except in the case of double cropping as described in PAR. 114 below, the following applies:

**A. Another Person Plants Second Crop Acreage**

(1) Even if another person plants a 2nd crop on acreage where the **1st insured crop was planted and suffered a loss and the 2nd crop is insured and suffers an insurable loss,** the indemnity payment for the 1st insured crop acreage will be 35% of the indemnity due for the 1st insured crop acreage.

**For example**: Insured AA plants corn and receives an indemnity. Insured AA then cash rents this acreage to Insured ZZ who plants insured soybeans on this same acreage. Insured AA must notify his/her AIP and must notify Insured ZZ's AIP that a 2nd crop was planted on acreage on which he/she (Insured AA) had a 1st insured crop.

(2) If the 1st insured crop is planted, is shared with another person or other people, and the crop suffers a loss, each of the shareholders can decide whether they want to insure a 2nd crop that is planted on the same acreage independently of each other. However, if the 2nd crop suffers a loss and the person or any one of the people who chose to insure the 2nd crop accepts their indemnity check, the 1st insured crop indemnity will be limited to 35% for all shareholders.

## 113. Additional Information About Reduction of Payments and Premium due to 2nd Crop (Continued)

### A. Another Person Plants Second Crop Acreage (Continued)

(3) If the **1st insured crop acreage was planted acreage** and the 2nd crop acreage does not suffer a loss or is not insured, 100% of indemnity of the 1st insured crop acreage will be applicable.

(4) For prevented planting, refer to the Prevented Planting Handbook.

### B. First (1st) Insured Crop Acreage that is Cash Rented by Another Person Who Plants a Crop on this Acreage

(1) Cash rent, as used in this paragraph means cash renting for agricultural use (growing a crop, haying, grazing, etc.) This does not apply when the acreage is cash rented for a non-agricultural use; e.g., hunting**.**

(2) The crop that is planted by the person cash renting the acreage is considered the 2nd crop for both the person having the 1st insured crop, and is also considered the 2nd crop for the person that cash rented the acreage and planted a crop on this acreage.

(3) Another person planting the 2nd crop cannot choose not to insure the acreage if the 2nd crop is an insurable crop and that person has an active policy for this crop in the county. This is because **only** the insured that had the 1st crop indemnity may elect to not insure any 2nd crop acreage to preserve 100% of his/her 1st crop indemnity.

## 114. Indemnity Payment as it Relates to Double-cropping History

### A. Receiving a Full Indemnity Payment on Planted 1st Insured Crop Acreage

Refer to PP LASH when the first insured crop is PP.

The insured may receive a full indemnity payment on the 1st insured crop in the following scenarios IF ALL of the double cropping qualifications stated in section B below are met:

(1) The 1st insured crop is planted, suffers a loss, and an indemnity is due. Then in the same crop year, a 2nd insured crop is planted (on the same acreage as the 1st insured crop) suffers a loss, and an indemnity is paid to the insured;

(2) The 1st insured crop is planted and the subsequent insured crop is PP on the same acreage in the same crop year (cannot call the subsequent PP crop a 2nd crop since it is not a planted crop; refer to definition of "Second Crop"); or

(3) The 1st planted crop for the crop year is uninsured but insurance is available for the uninsured crop (refer to footnote in subparagraph B (2) below) and a subsequent insured crop is PP on the same acreage in the same crop year (the subsequent PP crop is the 1st insured crop).

**B. Double Cropping Criteria for Planted Acreage (Refer to PP LASH for Criteria for PP)**

IF all of the following conditions are met, the insured qualifies for double cropping history:

(1) It is a practice that is generally recognized by agricultural experts or the organic agricultural experts in the area to plant the second crop for harvest following harvest of the **1st insured crop**;

(2) Additional coverage insurance offered under the authority of the Act is available 1/ in the county for two or more crops that are double cropped;

(a) The insured is not required to have additional coverage to qualify for double-cropping.

(b) The two crops claimed as qualifying double-cropped acreage for the current crop year, must both be "insurable" in the current crop year in order to qualify as double-cropped acreage (i.e., insurance offered under the authorization of the ACT is AVAILABLE in the county for both crops.);

1/ Available means that a Federal crop insurance program is offered for the insured crop in the county by either having: (1) actuarial documents on file for the crop in the county (crop not required to be insured), or (2) if no actuarial documents are on file for the crop in the county, the crop is insured via a written agreement.

**Example**: Wheat planted for harvest as grain would have insurance available under the ACT, but wheat planted for haying purposes would not. For the purpose of determining double-crop history, both crops do not have to have been insurable or insured in prior years; e.g., for the current crop year, the 1st insured crop is wheat, and the 2nd crop is soybeans. Prior year records show wheat is followed by carrots in at least two of the last four crop years. If soybeans are planted following 1st insured wheat acres, the wheat qualifies for double-cropping (entitled to 100% indemnity payment) due to the fact that there was double-cropping history for carrots, which is not a crop for which insurance is available.

(3) The insured provides records as stated in (a) or (b); and

(a) **His/her own records** acceptable to the AIP of acreage and production that show the insured has double-cropped acreage in at least two of the last four crop years in which the **1st insured crop** was planted in the county for which the claim is being made, OR

(i) If the 1st insured crop is the subsequent crop planted on the same acreage in the same crop year as the uninsured crop, the double crop records are based on the subsequent crop (1st insured crop). Refer to examples in subparagraph D below.

**B. Double Cropping Criteria for Planted Acreage (Refer to PP LASH for Criteria for PP) (Continued)**

(ii) Refer to subparagraph C below for what constitutes acceptable records and the examples in subparagraph D below regarding the insured's own records of double-cropping. When the double-cropping history requirements have been based on the insured's own records, the double cropping exemption may be used anywhere in the county.

(b) **Someone else's records** acceptable to the AIP of acreage and production that show the exact same acreage in the county on which the claim is being made for the 1st insured crop was actually double cropped in at least two of the last four crop years in which the **1st insured crop** was grown by someone else, and the insured has acquired this exact same acreage.

(i) If the 1st insured crop is the subsequent crop planted on the same acreage in the same crop year as the uninsured crop, the double crop records are based on the subsequent crop (1st insured crop). Refer to examples in subparagraph D below.

(ii) Refer to subparagraph C below for what constitutes acceptable records and see example 4 in subparagraph D below for an example of using someone else's double-cropping records. When the double-cropping history requirements have been met based on someone else's records, the double-cropping exemption may only be used for the exact same acreage for which the double-cropping records were provided.

(4) The amount of acreage the insured is double cropping in the current crop year does not exceed the number of acres for which the insured provides records, as required in subparagraph B (3) above.

Refer to PP LASH for Acceptable PP Double-Cropping Records

**C. Acceptable Double-Cropping Records**

(1) Acceptable double-cropping records must include, but are not limited to:

(a) APH acreage and production records such as settlement sheets,
(b) bin measurements,
(c) FSA maps, and
(d) FSA 578s that identify the acreage, production, and location from which the production came.

**C. Acceptable Double-Cropping Records (continued)**

(2) For production from double-cropped acreage that was not kept separate from non-double cropped acreage, the AIP may allocate commingled first/second crop production to that acreage in proportion to the liability for the acreage that was not double cropped, provided the yields are representative as described in subparagraph (b) below.

(a) This allocation procedure applies to commingled production from the first crop that is double-cropped (i.e., wheat production from acreage planted to a second crop and not planted to a second crop) as well as the second crop that is double-cropped (i.e., soybean production from acreage planted after a first crop and not planted after a first crop). Refer to Para. 118. AIPs may divide total production by total acres to allocate commingled production when the:

(i) liability per acre is the same for the crop on the acreage that was and was not double cropped;

(ii) crop was not insured or was not an insurable crop; or

(iii) liability is not known or is not readily available to be obtained (e.g., year in question is 10 or 11 years ago and was insured with different AIP).

(b) The amount of allocated production must be representative of the yields per acre, for the particular year and area from both double cropped and non-double cropped acreage (e.g., the amount of allocated production is reasonable compared to the average yields per acre for the area and that all such production would not have reasonably came from only the first crop acreage or the second crop acreage).

**Clarification:** Potential production from appraised acreage (including acreage by-passed by a processor) of an insured crop would meet the requirement for records of acreage and production that show double-cropping history, provided it also meets the criteria in B above. Short-rated wheat acreage cannot be considered for double-cropping history since such acreage is not appraised and does not meet the criteria in subparagraph (B) above.

**D. Examples of Double-Cropping Eligibility for Planted Acreage**

Refer to PP LASH for PP Examples.

**Example 1:** A producer on Farm A had double cropped 300 acres of wheat and soybeans three years ago. This same producer on Farm B (same county) had double cropped 300 acres of wheat and soybeans the previous year. These are the only double cropping records this producer has for the last four crop years. This insured would be eligible for 300 acres of double cropping wheat and soybeans for the current crop year in this county.

**D. Examples of Double-Cropping Eligibility for Planted Acreage (continued)**

**Example 2:** A producer on Farm A double cropped 200 acres of wheat and soybeans for one year out of the last four crop years and for another year out of the last four crop years, the same producer double cropped 200 acres of wheat and sunflowers on Farm B (same county). The insured would be eligible for 200 acres of double cropping wheat in this county.

**Example 3:**

**Question**: If an insured double-cropped 50 acres somewhere in the county and the insured's unit structure is an Enterprise unit with different fields and different APHs, which 50 acres will be considered the double cropped acreage that the AIP pays 100% on the first insured crop acres on which a second crop is planted?

**Answer:** The insured has the choice of whichever 50 acres in the county he/she desires. If the insured is using someone else's double-cropping records, see Example 4 below.

**Example 4:** The insured had no double-cropping history of his/her own in the county in which the claim is being made. However, part of the land the insured is farming this crop year is land he/she acquired from another person.

Out of 10 fields of the 1st insured crop (wheat) planted in the county, 3 of those fields (fields A, B, C in tract 1044) of section 20 have a 2nd crop (soybeans) planted. Of those 10 fields, two of those fields were farmed by another person in previous crop years. The other person has double-cropping records for 5 fields of wheat followed by soybeans in the county for two of the last four crop years. These records show that two of these fields (fields A and C) are the exact same acreage on which the insured planted the wheat followed by soybeans. Field B is not the same exact acreage.

**Question:** Will the insured be able to receive a 100% wheat indemnity payment on fields, A, B, and C if the 1st and 2nd crop acreage in all three of these fields suffered a loss and an indemnity is due on both crops?

**Answer:** The insured will be able to receive a 100% indemnity payment on the wheat planted in field A and C. However, the insured will only be able to receive a 35% indemnity payment on field B since field B was not one of the fields for which the other person had double-cropping history.

## D. Examples of Double-Cropping Eligibility for Planted Acreage (Continued)

### Example 5:

| 1st insured Crop for 2014 crop year:<br>Wheat Planted<br><br>History:<br><br>2008 CY 100 acres of wheat harvested<br>2009 CY 200 acres of wheat harvested<br>2010 CY 0 acres of wheat planted<br>2011 CY 0 acres of wheat planted<br>2012 CY 300 acres of wheat; not harvested/not appraised.<br>2013 CY 0 acres of wheat planted. | 2nd insured crop for 2014 crop year is Soybeans Planted<br><br>History:<br><br>2008 CY 100 acres of soybeans planted on wheat acreage.<br>2009 CY 200 acres of soybeans planted on wheat acreage.<br>2010 CY 300 acres of soybeans planted<br>2011 CY 250 acres of soybeans planted<br>2012 CY 300 acres of soybeans planted on wheat acreage<br>2013 CY soybeans planted |
|---|---|
| Based on the 1st insured crop wheat, the insured has 100 acres of double cropping history in **two** out of the **past four crop years of the 1st insured crop**. You cannot count 2012 as a double cropping year because the unharvested wheat acreage was not appraised.<br><br>In the three years wheat was planted, there were two years in which wheat was followed by soybeans – 2008 and 2009, and out of those two years, only 100 acres were planted in both of those years. Two hundred acres could not qualify as the double-cropped acreage because 200 acres of soybeans were not planted in both years, but 100 acres were. | |

### Example 6:

| **1st Crop Planted for 2014 crop year:**<br><br>Wheat Planted but not insured<br>(insurance is available for wheat in this county.)<br><br>History:<br><br>2008 CY 100 acres of wheat harvested<br>2009 CY 200 acres of wheat harvested<br>2010 CY 0 acres of wheat planted<br>2011 CY 0 acres of wheat planted<br>2012 CY 300 acres of wheat; not harvested/not appraised.<br>2013 CY 0 acres of wheat planted. | **1st insured crop for 2014:**<br><br>Subsequent insured crop in the 2011 crop year is planted Soybeans and is the 1st insured crop.<br><br>History:<br><br>All soybean acreage planted below was harvested.<br><br>2008 CY 100 acres of soybeans planted on wheat acreage.<br>2009 CY 200 acres of soybeans planted on wheat acreage.<br>2010 CY 300 acres of soybeans planted<br>2011 CY 250 acres of soybeans planted<br>2012 CY 0 acres of soybeans planted on wheat acreage<br><br>2013 CY 0 acres of soybeans planted |
|---|---|
| Based on the 1st insured crop (soybeans), the insured has only 100 acres of soybean double-cropping history because there is only 100 acres of double cropping history in **two** out of the **past four crop years of the 1st insured crop, soybeans**.<br><br>In the last four years of the 1st insured crop soybeans, there were two years that soybeans were planted and harvested in the same crop year that wheat was planted and harvested – 2008 and 2009, and out of those two years, only 100 acres were planted in both of those years. Two hundred acres could not qualify as the double-cropped acreage because 200 acres of soybeans were not planted in both years. | |

**D. Examples of Double-Cropping Eligibility for Planted Acreage (Continued)**

**Example 7:**

**Total cropland 2545.9:**

In 2011, the insured planted, reported, and harvested 399.9 acres of insured winter (fall-planted) wheat.

**Question:** Based on the following history, what amount of soybean acreage would be eligible for a 100% payment due to the double-cropping history?

| CROP HISTORY FROM INSURED'S RECORDS OR APH RECORD | | | | | | |
|---|---|---|---|---|---|---|
| **CROP YEAR** | **OATS** | **CORN** | **SOYBEANS** | | | **WHEAT** |
| | | | **NFAC PRACTICE** | **FAC PRACTICE** | **TOTAL SB ACRES** | |
| 2013 | 0.0 | 793.4 | 816.7 | 341.3 | 1158.0 | 349.6 |
| 2012 | 0.0 | 805.3 | 954.8 | 106.9 | 1061.7 | 106.9 |
| 2011 | 0.0 | 909.4 | 950.9 | 50.9 | 1001.8 | 200.8 |
| 2010 | 20.0 | 979.3 | 979.1 | 0.0 | 979.1 | 0.0 |
| 2009 | 30.0 | 0.0 | 1079.1 | 0.0 | 1079.1 | 0.0 |
| 2008 | 0.0 | 0.0 | 885.7 | 191.6 | 1077.3 | 268.7 |

**Answer:** 191.6 acres would be the maximum acreage that could be claimed for double-cropping in 2014 crop year. Assume no soybeans in the NFAC column followed wheat.

| **CROP YEAR** | **WHEAT (1st Insured crop in 2014 Crop Year)** | **1st CROP PLANTED (Yes/No)** | **FAC Soybeans in the last 4 crop years the 1st insured crop was planted** |
|---|---|---|---|
| 2013 | 349.6 | YES | 341.3 |
| 2012 | 106.9 | YES | 106.9 |
| 2011 | 200.8 | YES | 50.9 |
| 2010 | 0.0 | NO | n/a |
| 2009 | 0.0 | NO | n/a |
| 2008 | 268.7 | YES | 191.6 |
| **Maximum FAC acres based on at least two of the last four crop years that the first insured crop was planted** | | | **191.6** |

**D. Examples of Double-Cropping Eligibility for Planted Acreage (Continued)**

**Reason:** Per the double crop history (FAC) above, 191.6 FAC acres is the maximum number of soybean acres that have been double cropped in at least 2 of the last four crop years that the 1st insured crop was planted (wheat). Out of the years there were double-cropping records on wheat acreage (2013, 2012, 2011, and 2008 crop years), 191.6 acres in 2008 would constitute the maximum number of double-cropped soybean acres. Since there was no wheat planted in 2009 or 2010, those years have to be eliminated (i.e., another crop did not follow wheat since wheat was not planted in those years). Policy provisions require two years of double cropping in at least two of the last four crop years in which the first insured crop was planted. Therefore, it cannot be 341.3 acres because 341.3 acres have not been double-cropped for two of those last four crop years, but 191.6 acres have; i.e., 191.6 of the 341.3 acres were double cropped in 2013; and in 2008, 191.6 acres were double cropped.

**E. Limitations of Number of Double-Cropped Acres**

The receipt of a full indemnity payment on both crops that are double cropped is limited to the number of acres for which the insured can demonstrate he/she has double cropped or that have been historically double cropped as specified in subparagraph (B) (3) above.

Refer to the PP LASH for information on double cropping limitations as it relates to PP.

## 115. Subsequent Planted Crops

**A. General Information**

A subsequent crop is a crop following a 2nd crop (i.e., 3rd, 4th, etc.) or following an insured crop that is prevented from being planted after a 1st insured crop.

**B. When Insurance Is or Is Not Provided for Subsequent Crops**

(1) Insurance is not provided for subsequent crops unless:

(a) it is a practice that is generally recognized by agricultural experts or the organic agricultural experts for the area to plant three or more crops for harvest on the same acreage in the same crop year, and

(b) additional coverage insurance provided under the authority of the Act is offered for the 3rd or subsequent crop in the same crop year.

(2) Insurance will only be provided for a subsequent crop if the criteria in both items (a) and (b) below are met.

(a) The insured must provide records acceptable to the AIP that show:

**B. When Insurance Is or Is Not Provided for Subsequent Crops (continued)**

(i) The insured has produced and harvested the insured crop following two other crops that were harvested on the same acreage in the same crop year in at least two of the last four years in which the insured produced the insured crop; or

(ii) The applicable acreage has had three or more crops produced and harvested on it in at least two of the last four years in which the insured crop was grown on it; and

(b) The amount of insurable acreage must not exceed 100 percent of the greatest number of acres for which the insured provides the records required in subparagraph B (2) (a) above.

## 116. Loss Adjustment

**A. Be familiar with and understand** the policy provisions for 1st insured crop, 2nd crop and subsequent crops, as outlined above.

**B. Adjuster's Inspection of 1st Insured Crop**

(1) On an inspection for the 1st insured crop, the adjuster must obtain a certification from the insured certifying to the following or ask the insured the following whether the insured plans:

(a) to plant a 2nd crop on any of the acreage released, or

(b) to cash rent the acreage to another person who plans to plant an insured crop on such acreage.

Refer to Para. 113 for more information regarding cash renting 1st insured crop acreage and also Para. 111 B (2) (c) regarding the insured's written notice requirements. The election to not insure the 2nd crop must be made as specified in Para. 111 B (2).

(2) The insured can elect not to insure a 2nd crop on a 1st insured crop unit, when only a portion of the 1st insured planted crop unit is being released for another use and it is unknown whether there will be a loss on the 1st insured crop unit. The election applies to all 2nd crop acreage on the unit of the 1st insured crop.

(3) If the insured 1st crop is insured under the BP, and the insured does not plan to insure the 2nd crop acreage, the AIP must obtain a signed written notice (signed certification) from the insured at this time so stating, unless it is for a ARPI crop policy. (Refer to Para. 111 B (2) (b) (ii) if a 1st or 2nd crop or both crops are insured under ARPI policies.)

**B. Adjuster's Inspection of 1st Insured Crop (continued)**

Follow the individual AIP's instructions regarding the document to use in the completion of the written notice (certification). Refer to Para. 111 A (8) and Para. 111 B (2) (c) above for information pertaining to written notices.

(4) If the insured plans to plant and insure a 2nd crop, explain the insured's requirements about keeping separate production records and the consequences if the insured cannot provide the required records, as explained in Para.111 B (3) (e) above. Refer to Para. 117 below for instructions for recording the separate production on the Production Worksheet.

**C. Appraisal of 1st Insured Crop Acreage**

When it is known that some acreage of the 1st insured crop will be planted to a 2nd crop, and this acreage is going to be appraised, it needs to be appraised separately from the acreage that will not be planted to a 2nd crop. Refer to Para. 213 I for information pertaining to when it is known that a specific part of the 1st insured crop acreage in a field will be or probably will be planted to a 2nd crop.

**D. Inspection of 2nd Crop Acreage that is Insured**

(1) If the insured has any other insured crops, there is the potential of having 2nd crop acreage that is insured. Verify whether the crop being inspected is insured 2nd crop acreage.

(2) When there is 1st and 2nd crop acreage within the same unit, obtain the insured's separate records of production of the 2nd crop acreage. Refer to Para. 111 B (3) (e) for the record requirements. If the required records have not been kept, the production to count for the 1st and 2nd crop must include the allocation of production as stated in subparagraph E below. For PP payments involving 2nd crop acreage, refer to the PP LASH.

**E. How to Prorate Production**

When separate records of crop production have not been kept for 1st insured crop acreage and 2nd crop acreage, the production must be prorated. Use the same formula as is used for commingled production in Para. 294. Also, refer to the example in the first Q&A in Para. 118.

## 117. Claim Form Entries Relative to 1st Insured and 2nd Insured Crops

### A. Codes for 1st and 2nd Crops

(1) The following codes apply to all policies except clams and nursery, and apply to all insurance plans, except AGR and Livestock. More than one code may apply to a claim unit, but only one code per loss line.

(2) The multiple cropping code(s), as shown below:

(a) must be entered on the claim form (except replant claims), by the adjuster or any other person authorized to handle the claim, based on the insured's certified elected option; unless:

(b) the AIP generates through their computer system the appropriate multiple cropping codes correlating with the insured's certified elected option for 1st or 2nd crop acreage; e.g., option to plant a 2nd crop but not insure it would generate a WI code on a line of 1st insured planted crop acreage, or option to plant and insure a 2nd crop would generate an IR code on a line of 1st insured planted crop acreage, etc.

The insured's certified elected option, and when applicable, the adjuster's verification of the insured's actual actions, must be maintained in the insured's loss file.

(3) When insureds refuse to certify or are uncertain of their elected option for the 1st crop acreage, the AIP shall limit the indemnity or PP payment to 35%. However, if an insured's certification limits him/her to a 35% payment, the appropriate codes would be used; i.e., respective code to reinstate the remaining 65% (indemnity or PP payment), if 35% had already been paid; or 100% if 35% had not already been paid. The reverse would also apply; i.e., certification indicates the insured is entitled to 100% payment but actions limit insured to 35%.

**A. Codes for 1st and 2nd Crops (Continued)**

(4) Multiple Cropping Code Table

| CODES FOR 1st INSURED CROP LOSS LINES | DEFINITION | USE ONLY ON LINES OF 1st INSURED CROP ACREAGE WHEN. . . |
|---|---|---|
| **WI** (on planted acres) | **Waive insurance** on 2nd insured crop acreage<br><br>100% Indemnity on 1st insured crop acreage | The insured waives insurance on 2nd crop acreage contained in unit of a 1st insured planted crop.<br><br>(1) This waiver is based on the unit structure for each individual 1st insured planted crop unit that contains 2nd crop acreage; e.g., 100.0 acres of failed wheat, 1st insured crop (unit 0001-0001BU). Soybeans (2nd crop) are insured and planted on 10 acres (unit 0001-0003BU soybeans) of the failed wheat acres (unit 0001-0001BU). The insured **waives** insurance on the 10.0 acres of soybeans (2nd crop acres). Soybeans, 2nd crop acres (also unit 0001-0003BU) are planted on 150 acres of the failed wheat (unit 0001-0002BU), but the insured **elects NOT to waive** insurance on the 150.0 acres of soybeans (2nd crop acres) in unit 0001-0003BU soybeans.<br><br>(2) The waiver must be done by the time specified in PAR. 111 and cannot be accepted at a later date. Once the waiver is signed, it cannot be retracted at a later date.<br><br>(3) Insurance cannot be waived on 2nd crop acreage when the 1st insured crop acreage was prevented from planting. |
| **NS** (on planted acres) | **NO 2nd** INSURED **CROP** PLANTED ON 1st INSURED CROP ACRES<br><br>100% Indemnity on 1st insured planted crop acreage<br><br>If insurance is waived for 2nd crop, use WI code above. | (1) The 2nd crop planted is not insurable;<br><br>(2) At the time of the final inspection for the 1st insured crop acres, the AIP accepts the insured's certification that no 2nd crop will be planted; **or**<br><br>(3) The insured did not waive insurance on the 2nd crop, the indemnity for the 1st insured crop has not been processed yet, and the adjuster has verified after it is too late to plant a 2nd crop that a 2nd crop was not planted.<br><br>If an indemnity payment of 35% has already been made on the 1st insured crop acreage and it is determined that a 2nd insured crop was not insured, or if insured, was not planted, the RI code would be used rather than the NS code. Refer to the RI code.<br><br>If someone other than the insured plants a 2nd crop on any of the 1st insured crop acreage, policy provisions require the insured to notify their AIP of this. |

**A. Codes for 1st and 2nd Crops (Continued)**

(4) Multiple Cropping Code Table

| CODES FOR 1st INSURED CROP LOSS LINES | DEFINITION | USE ONLY ON LINES OF 1st INSURED CROP ACREAGE WHEN. . . |
|---|---|---|
| **NS**<br>(on PP acres) | **NO 2nd CROP** ON PP 1st INSURED CROP ACRES<br><br>100% PP payment on first insured crop acreage | The AIP, in accordance with Section 5 E of the Prevented Planting Handbook, allows and accepts the insured's certification that no 2nd crop will be planted for harvest, or an approved planted cover crop or volunteer crop will not be hayed (including swathed or windrowed) or grazed from the PP acreage prior to November 1, or harvested (for other than haying or grazing) at any time.<br><br>(1) If the AIP cannot or does not allow the insured's certification, an initial PP payment of 35% will be made as stated in Para. 41 of the Prevented Planting Handbook.<br><br>(2) AIPs should require insureds to sign a statement certifying they will notify them if another person plants a second crop for harvest on the PP acreage (1st insured crop) or if another person hays (including swaths or windrows) or grazes an approved cover crop or volunteer crop prior to November 1st, or otherwise harvests (for other than haying or grazing) a cover crop or volunteer crop at any time.<br><br>(3) If 35% of the PP payment has been made and it is determined the insured is entitled to the remaining 65% of the PP payment, the RI code rather than the NS code will be used. Refer to the RI code for PP. |
| **DC** | Meets **Double-Cropping** requirement<br><br>100 % Indemnity or PP payment on 1st insured crop | It has been verified the insured meets all double-cropping requirements as stated in Para. 114 above. |

**A. Codes for 1st and 2nd Crops (Continued)**

(4) Multiple Cropping Code Table

| | | |
|---|---|---|
| **IR** | 65% **Indemnity Reduction** of the 1st insured crop **(planted acreage)** | **Double cropping eligibility does not apply, and insurance was not waived on the 2nd crop acreage.**<br>(1) The insured is unsure if a 2nd crop will be planted;<br>(2) The insured states a 2nd crop will be planted and insured;<br>(3) A 2nd crop is insured and has been planted;<br>(4) The AIP does not allow or does not accept the insured's certification that a 2nd crop will not be planted; or<br>(5) The AIP accepts the insured's certification that a 2nd crop would NOT be planted and 100% of the indemnity was paid. However, it subsequently is planted, suffers an insurable loss, and the insured accepts the 2nd crop indemnity. |
| **RP** | 65% **Reduction of PP payment** of the 1st insured crop **(PP acreage)** | It is determined that a PP payment is payable on the 1st insured crop and double cropping eligibility does not apply but:<br>(1) At the time of final inspection for the PP payment, the insured is unsure if any of the following will occur, or the insured states or certifies that one of the following will occur:<br>▪ 2nd crop will be planted for harvest after the FPD (or after the LPP, if applicable) for the 1st insured crop;<br>▪ Cover crop will be planted and hayed (including swathed or windrowed) or grazed after the LP period (FPD if LP period does not apply) but prior to November 1;<br>▪ Volunteer crop will be hayed (including swathed or windrowed) or grazed after the LP period (FPD if LP period does not apply) but prior to November 1; or<br>▪ A cover crop or volunteer crop will be harvested (other than haying or grazing) at any time.<br>(2) The insured or someone else actually carries out one of the items in (1) above.<br>(3) The AIP accepted the insured's certification that any of the items in (1) above would not occur and 100 % of the PP payment was made. However, subsequent to the certification and payment of 100% of the PP payment, the insured or another person carries out one of the items in (1) above. |

## A. Codes for 1st and 2nd Crops (Continued)

(4) Multiple Cropping Code Table (Continued)

| CODES FOR 1st INSURED CROP LOSS LINES | DEFINITION | USE ONLY ON LINES OF 1st INSURED CROP ACREAGE WHEN. . . |
|---|---|---|
| **RI** (for planted acres indemnity) | **Restore Indemnity** of 1st insured crop to 100% **(planted acres)** | The 1st insured crop's indemnity was reduced to 35%, and the:<br><br>(1) Insured 2nd crop did not suffer a loss; or<br><br>(2) Adjuster verified a 2nd crop was not insured, or if insured, was not planted; or<br><br>(3) Indemnity of 1st insured crop was erroneously reduced; or<br><br>(4) Insured waives indemnity on the 2nd crop acreage.<br><br>Adjusters will only use this code on corrected claims they prepare that also need the indemnity restored. If no corrected claim is required, the AIP will use this code internally in the computer program. Refer to Para. 299 for the reasons that corrected claims are prepared. Documentation must be placed in the insured's loss file that explains why the indemnity is being restored. |
| **RI** (for PP Payment) | **Restore PP Payment** of 1st insured crop to 100% | **The first insured crop PP Payment was reduced to 35% and the:**<br><br>**(**1) Adjuster verified a 2nd crop was not planted, a volunteer or cover crop was not hayed (including swathed or windrowed) or grazed prior to Nov. 1, or a volunteer or cover crop was not otherwise harvested.<br><br>(2) Insured stated or certified a 2nd crop would be planted, or a volunteer or cover crop would be hayed (including swathed or windrowed), grazed, or otherwise harvested. However, subsequent to the statement or certification, the adjuster verifies that a 2nd crop was not planted, or a volunteer or cover crop was not hayed (including swathed or windrowed), or grazed prior to November 1, or otherwise harvested.<br><br>If a cover crop or volunteer crop that still exists November 1 or later appears to be harvestable, the PP payment cannot be restored until the final disposition of the cover crop or volunteer crop is determined.<br><br>**(CONTINUED ON THE NEXT PAGE)** |

**A. Codes for 1st and 2nd Crops (Continued)**

(4) Multiple Cropping Code Table (Continued)

| CODES FOR 1st INSURED CROP LOSS LINES | DEFINITION | USE ONLY ON LINES OF 1st INSURED CROP ACREAGE WHEN. . . |
|---|---|---|
| **RI** (for PP Payment) **(Continued)** | **Restore PP Payment** of 1st insured crop to 100% | **The first insured crop PP Payment was reduced to 35% and the: (Continued)**<br><br>(3) PP payment of 1st insured crop was erroneously reduced.<br><br>Adjusters will only use this code on corrected claims they prepare that also need the PP payment restored. If no corrected claim is required, the AIP will use this code internally in the computer program. Refer to Para. 299 for the reasons that corrected claims are prepared. Documentation must be placed in the insured's loss file that explains why the indemnity was restored. |
| **FC** | **1st** *insured* **Crop** acreage for which no other multiple cropping code applies and 100% indemnity is applicable | **Example:** First insured crop unit 0001-0001BU is 80.0 acres of wheat (Field A, 30.0 acres and Field B, 50.0 acres.) The unit suffers a loss. However, only Field B contributed to the unit loss. The acres in Field A did not. The AIP accepts the insured's certification that no 2nd crop will be planted on Field B and that soybeans (2nd crop) will be planted on Field A. Even if the soybeans (2nd crop) planted in Field A suffers an insurable loss, the 1st crop acreage on these 30.0 acres would receive 100% indemnity. Therefore, at the time unit 0001-0001BU wheat indemnity is paid, 50.0 acres would be coded as NS, and the 30.0 acres would be coded as FC, indicating the insured is paid 100% on the entire unit. The FC code cannot be used when all of the first crop acres were planted to a second crop, unless some of the 1st crop acres were not subject to an indemnity reduction. |

**A. Codes for 1st and 2nd Crops (Continued)**

(4) Multiple Cropping Code Table

| CODES FOR 2nd CROP LOSS LINES | DEFINTION | USE ONLY ON LINES OF 2nd CROP ACREAGE WHEN . . . |
|---|---|---|
| **SC** | **2nd Crop** Acreage that is **Insured** | This insured crop was planted on the same acreage of the 1st insured crop (planted or prevented from planting) within the same crop year, and if the 1st insured crop acreage was planted acreage, the indemnity for the 2nd crop acreage was not waived. This also applies to the 2nd crop acreage that is double crop PP acreage.<br><br>The indemnity for 2nd crop acreage cannot be waived if the insurable loss on the 1st insured crop was prevented planting. |
| **SW** | **Second Crop** Acreage Insured - Indemnity **Waived**<br><br>Indemnity cannot be waived when the first insured crop has payable PP Payment. | (1) The acreage for the entire unit is 2nd crop acreage for which the indemnity is waived.<br><br>(2) The acreage on this claim unit has both 1st insured crop planted acreage and the 2nd crop acreage indemnity is waived, or<br><br>(3) The acreage on this claim unit has 2nd crop acreage on which part of the 2nd crop acreage indemnity is waived and some of it is not.<br><br>The indemnity waiver is based on the unit structure for each individual 1st insured crop unit that contains 2nd crop acreage.<br><br>Waiver of the 2nd crop acreage indemnity **can** be allowed when acreage of a 2nd crop unit lies in two different units of the 1st insured crop acreage. For example: 100.0 acres of failed wheat, 1st insured crop (unit 0001-0001BU). Soybeans, 2nd crop (unit 0001-0003BU), is insured and planted on 10.0 acres of Field A, the failed wheat acres (unit 0001-0001BU). The insured **waives** the payable indemnity on the 10.0 acres of soybeans (second crop acres). Soybeans (second crop) is insured and planted on 150.0 acres of the failed wheat (unit 0001-0002BU), but the insured **elects NOT to waive** the payable indemnity on the 150.0 acres of soybeans (2nd insured crop acres) that are also part of unit 0001-0003BU soybeans.<br><br>**(CONTINUED ON THE NEXT PAGE)** |

**A. Codes for 1st and 2nd Crops (Continued)**

(4) Multiple Cropping Code Table

| CODES FOR 2nd CROP LOSS LINES | DEFINTION | USE ONLY ON LINES OF 2nd CROP ACREAGE WHEN . . . |
|---|---|---|
| **SW (Continued)** | **Second Crop** Acreage Insured - Indemnity **Waived**<br><br>Indemnity cannot be waived when the first insured crop has payable PP Payment. | **(Continued)**<br><br>Waiver of the 2nd crop acreage indemnity **cannot** be allowed when acreage of a 2nd crop unit lies in only one unit of the 1st insured crop acreage. For example: Unit 0001-0001OU consisted of 100.0 acres of failed wheat acres – 50 acres, Field A and 50 acres, Field B. Unit 0001-0002OU soybeans is the same legal description as unit 0001-0001OU wheat. Field A and B are planted to soybeans; i.e., total of 100.0 acres soybeans (2nd crop). In this situation, the insured cannot waive only a portion of the 100.0 acres since the acreage lies in the unit structure of the 1st insured crop. The insured can either waive indemnity on all 100.0 acres, or none. Exception to this would be if part of the 100.0 acres qualifies for double cropping; e.g., Field A (50.0 acres) qualifies for double cropping acreage. Then the indemnity on the remaining 50.0 acres in Field B that did not qualify for double cropping acres could be waived. |

**B. Multiple-Cropping Exception Flag (Field 41 of P-21 Record in the PASS)**

(1) General Information.

(a) Multiple-Cropping codes (M-C codes) are required to be transmitted for each line of the Production Worksheet that is transmitted on the record entitled "Production Loss Detail-P 21 Record" (hereafter called the P 21 Record) through the Risk Management Agency's PASS. The M-C code identifies whether the indemnity amount due for the line is 100% or as applicable, reduced by 65% due to a 1st and 2nd insured crop on the same acreage in the same crop year.

(b) However, current PASS processing methods may not calculate indemnities properly when there is a net negative indemnity (production exceeds guarantee) on some acreage (loss lines) not subject to the 65 percent reduction. The PASS uses a negative (-) and positive (+) type calculation to determine the indemnity amount for all loss lines in the unit. This can result in no indemnity due when the 65% reduction is applicable on some acreage in a unit even though the overall unit is in a loss situation and an indemnity, although reduced, should be paid. It can also result in the indemnity not being as much as it should be. In these cases, the usual calculation must be modified and an exception flag will be used.

**B. Multiple-Cropping Exception Flag (Field 41 of P-21 Record in the PASS) (Continued)**

(c) It is expected that AIPs will automate the calculation needed to determine whether the exception flag will be used and the modification of the indemnity calculation. **However, for the purpose of understanding the steps used in making this determination and the modified indemnity calculation, the following is provided:**

**Step 1** - Determine if any of the lines on the PW and P-21 Record within a unit has an M-C Code of "IR" and there are other lines on the PW and P-21 Record with any of the following codes (DC, FC, WI, SC, NS, RI).

**Step 2** - For any of the loss lines having one of the codes in the parenthesis in Step 1, determine the "Unit Deficiency Quantity" (UDQ) or "Loss" for each of these loss lines. (Loss guarantee minus the production to count) e.g., loss guarantee of 1200 bu. minus 1300 production to count = -100 bu. (negative farm unit deficiency).

**Step 3** - Determine the positive and negative dollar "Payable Indemnity" for each of the loss lines determined in Step 2. (Unit Deficiency Quantity) X price election).

**Step 4** – Sum the results of step 3 (sum of "Payable Indemnity" lines).

**Step 5** - If the results of step 4 is less than or equal to "0," then .35 is multiplied by the indemnity for all the lines in the unit, except any line with a M-C Code of "SW" or any line with a Guarantee Reduction flag of *"P" or *"E."

*"P" = prevented planting and "E" = prevented planting when there are no remaining eligible acres for the crop claimed as prevented planting and remaining eligible acres from another unit or crop are used to pay the prevented planting payment for the crop claimed.

**Step 6** – If the M-C Exception Flag is applicable, a "Y" is transmitted in Field 41 (M-C Exception Flag) of the P-21 record for the lines with a M-C Code of DC, FC, WI, SC, NS, and RI.

(d) The lines with DC, FC, WI, SC, NS, and RI will be calculated at 100% indemnity unless this exception exists.

(e) Examples of indemnity showing exceptions are needed.

(i) Example 1 indemnity has been calculated without the exception to illustrate how there is a loss payable but due to summing negative and positive lines and then applying the multi-cropping percentage, it results in a no indemnity due claim.

**B. Multiple-Cropping Exception Flag (Field 41 of P-21 Record in the PASS) Continued**

(ii) Example 2 indemnity has been calculated without the exception to illustrate how there is a positive loss payable, and the indemnity amount calculated out in this instance is a positive indemnity. However, when the indemnities for all lines (only 1 line in this example) with M-C Codes of DC, FC, WI, SC, NS, and RI are summed, there is a negative figure, which means the exception applies. In this instance although the calculated indemnity is a positive indemnity, the indemnity is not as much as it should be. When the indemnity is calculated with the Exception flag, the indemnity is increased.

**Example 1 without exception:**

Assume the insured has 1.000 share.

| Loss Line | Stage Guar. | Acres | Line Guar. | PTC | Loss (UDQ) | PE | Idem. Before M-C Code | MC Code | % of Indem. | Payable Indem. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 40 | 25.0 | 1000.0 | 1200.0 | -200.0 | $3.35 | -$670.00 | NS | 100% | -$670.00 |
| 2 | 40 | 25.0 | 1000.0 | 900.0 | +100.0 | $3.35 | +$335.00 | IR | 35% | +$117.25 |
| 3 | 20 | 25.0 | 500.0 | 350.0 | +150.0 | $3.35 | +$502.50 | DC | 100% | +$502.50 |
| | | | 2500.0 | 2450.0 | +50.0 | | | | | -$50.25 |

No indemnity due even though the unit loss UDQ is 50 bushels.

**Example 1 of the same indemnity calculated using the M-C exception**.

Assume the insured has 1.000 share.

| Loss Line | Stage Guar. | Acres | Line Guar. | PTC | Loss (UDQ) | PE | Idem. Before M-C Code | MC Code | MC Exc. Flag | % of Indem. With Except | Payable Indem. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 40 | 25.0 | 1000.0 | 1200.0 | -200.0 | $3.35 | -$670.00 | NS | X | =35% | -$234.50 |
| 2 | 40 | 25.0 | 1000.0 | 900.0 | +100.0 | $3.35 | +$335.00 | IR | | =35% | +$117.25 |
| 3 | 20 | 25.0 | 500.0 | 350.0 | +150.0 | $3.35 | +$502.50 | DC | X | =35% | +$175.88 |
| | | | 2500.0 | 2450.0 | +50.0 | | | | | | $58.63 |

**B. Multiple-Cropping Exception Flag (Field 41 of P-21 Record in the PASS (Continued)**

**Example 2 without exception:**

Assume the insured has 1.000 share.

| Loss Line | Stage Guar. | Acres | Line Guar. | PTC | Loss (UDQ) | PE | Idem. Before M-C Code | MC Code | MC Exc. Flag | % of Indem. With Except | Payable Indem. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 26.7 | 40.0 | 1068.0 | 1449.0 | -381.0 | $4.83 | -$1840 | NS | X | 100% | -$1840.00 |
| 2 | 26.7 | 91.8 | 2451.0 | 936.4 | +1514.6 | $4.83 | +$7316 | IR | | 35% | +$2561.00 |
| | | | | | | | | | | | |
| | | | 3519.0 | 2385.4 | +1136 | | | | | | +$721.00 |

In this instance, the only line to total is the NS loss, line. Since $-1840.00 is less than $0.0, this indemnity calculation qualifies for the M-C Exception.

**Example 2 of the same indemnity calculated ising the M-C exception**.

Assume the insured has 1.000 share.

| Loss Line | Stage Guar. | Acres | Line Guar. | PTC | Loss (UDQ) | PE | Idem. Before M-C Code | MC Code | MC Exc. Flag | % of Indem. With Except | Payable Indem. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 26.7 | 40.0 | 1068.0 | 1449.0 | -381.0 | $4.83 | -$1840 | NS | X | =35% | -$644.00 |
| 2 | 26.7 | 91.8 | 2451.0 | 936.4 | +1514.6 | $4.83 | +$7316 | IR | | =35% | +$2561.00 |
| | | | | | | | | | | | |
| | | | 3519.0 | 2385.4 | +1136 | | | | | | +$1917.00 |

In this instance, the indemnity is increased due to the MC-Exception being applied.

**C. Entry Instructions in Section I of the Production Worksheet (ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS)**

**Item No.** **Information Required**

**FOR ALL CROPS EXCEPT Raisins and Florida Fruit Trees:**

16. **Field ID:** For each line entry for which there is a multi-crop code, enter the Field identification symbol from a sketch map or an aerial photo.

17. **Multi-Crop Code:** Enter the applicable two-digit multi-crop code (refer to Para. 117 A (4) above for the applicable multi-crop codes and additional instructions regarding situations where a second crop will be planted on first (original) crop acreage within the same crop year). For any 3rd (subsequent or additional) crop, enter only the field identification symbol in item 16.

**C. Entry Instructions in Section I of the Production Worksheet (ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS) (Continued)**

**Entry Instructions for Narrative:**

Document if 2nd crop acreage is involved with this crop unit, the name of the 1st insured crop planted within the crop year on the 2nd crop acreage. Enter the field identification symbol, the unit number, and policy number (if known) if different than this claim.

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

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

**D. Entry Instructions for Section II of the Production Worksheet (HARVESTED PRODUCTION)**

**FOR ALL CROPS FOR WHICH 1st/2nd CROP APPLY:**

**GENERAL INFORMATION**

SEPARATE LINES ARE REQURIED: (1) for production from 1st and 2nd crop acreage, or (2) when a 2nd crop will be or is planted on the 1st crop acreage within the same crop year. If production has not been kept separate, there must be separate lines of pro-rated production as stated in Para. 111 B (3) (e) (ii).

**FOR ALL CROPS EXCEPT: Raisins and Florida Fruit Trees.**

| Item No. | Information Required |
|---|---|
| 47b. | **Field ID:**<br><br>If the claim is for a 1st or 2nd crop and the 2nd crop is or will be planted on 1st crop acreage within the same crop year, enter the field identification symbol. For any 3rd (subsequent or additional) crop, enter only the field identification symbol. (Refer to the Narrative instructions.) |
| 48. | **Multi-Crop Code:**<br><br>Enter the applicable two-digit multi-crop code (refer to Para. 117 A (4) above for the applicable multi-crop codes and additional instructions regarding situations where a second crop will be planted on first (original) crop acreage within the same crop year). For any 3rd (subsequent or additional) crop, enter only the field identification symbol in item 16. |

**D. Entry Instructions for Section II of the Production Worksheet (HARVESTED PRODUCTION) (Continued)**

49.-52.B.-E. When production from 1st and 2nd crop acreage was not kept separate, prorate the production as stated in Para. 111 B (3) (e) (ii), and enter the following: " Prorated Production –1st and 2nd crop."

56. Enter the calculated number of prorated bushels, tons, lbs., or CWT (units of measure as appropriate for the crop) due to commingling production from 1st and 2nd crop acreage.

## 118. First (1st) and Second (2nd) Crop Questions and Answers

The 1st insured crop is 130 acres of winter wheat on unit 0001-0001OU. The share is 100%, the price election is $3.35, and the level of coverage is 65%. Field A has 100 acres of irrigated winter wheat with a 50-bushel per-acre guarantee. Field B has 30 acres of non-irrigated winter wheat with a 25 bushel per acre guarantee. The total guarantee for unit 0001-0001OU wheat is 5,750 bushels.

All wheat acreage is harvested and an indemnity is due. Total harvested production to count from the 130 acres is 3,000.0 bushels. However, separate production records for fields A and B were not kept.

After completion of wheat harvest, fields B and C are timely planted to insured soybeans. The insured does not qualify for the double cropping exception. Therefore, the reduction specified in section 15 of the BP will apply to the wheat acreage in field B.

| Field A | Field B | Field C |
|---|---|---|
| 100 acres IRR wheat<br>1st insured crop | 30 acres NI Wheat<br>1st insured crop | 30 acres Fallow |
| Unit 0001-0001OU Wheat | Unit 0001-0001OU Wheat | Unit 0001-0001OU |
| No insured 2nd crop | 2nd Crop = 30 acres of Soybeans –<br>Unit 0001-0001OU | 1st insured Crop = 30 acres of Soybeans –<br>Unit 0001-0001OU |

Q 1. After appropriately applying the reduction, what would the initial wheat loss indemnity be?

A 1. The following answer is given under the assumption that it is known, at the time the initial payment is made, that no insured 2nd crop will be planted in field A:
Since separate records were not kept on the wheat acres subject to reduction, prorate wheat production based on the total bushel liability, as follows:

The Total Wheat Guarantee is 5,750 bu.
(Field A = 100 ac. X 50 bu. = 5,000 bu. guar + Field B = 30 ac. X 25 bu. = 750 bu.)

Liability for Field B (30 acres of NI wheat) 30 x 25 = 750 bushels
750 bu. (NI wheat guarantee in field B) ÷ 5,750 bu. Total Wheat Guarantee = .1304 Proration Factor.

In this case, production to count for the non-irrigated acreage (field B) is 391.2 bushels (3,000 bu. total production to count x .1304 Proration Factor) which is 358.8 bushels less than the guarantee for the acreage (750.0 - 391.2 = 358.8).

The initial payment for fields A and B is $8,432 and is calculated as follows:

358.8 bushels X $3.35 per bushel X 1.000 share = $1,201.98
$1,201.98 X .65 indemnity reduction factor = $781.29 reduced indemnity rounded to $781 indemnity for field B.

$9213 total indemnity for fields A & B (5,750 bu. – 3,000 bu. = 2,750 bu. X $3.35 price election X 1.000 share) – $781. = $8,432 = indemnity for fields A and B.

Q 2. Same scenario as question 1 except this time separate wheat production records were kept for fields A and B. 2,200 bushels were harvested from the 100 acres in field A and 800 bushels were harvested from the 30 acres in field B. What would the initial wheat indemnity be?

A 2. Since there is no loss attributable to the 30 acres (field B) of non-irrigated wheat (800 bushels of production to count exceeds the 750-bushel guarantee for the acreage, the wheat loss would not be limited. The wheat indemnity would be $9,212.50 and rounded to $9,213.

The 2nd crop is soybeans. Unit 0002-0001BU contains 60.0 insured acres of which (field B) 30 acres are NI-FAC 2nd insured crop and (field C) 30 acres are NI-NFAC 1st insured crop. The NI-FAC guarantee (field B) is 25 bushels per acre and the NI-NFAC guarantee (field C) is 35 bushels per acre. Total guarantee for unit 0002-0001BU soybeans is 1,800 bushels. The share is 100%.

2nd CROP

| Field A | Field B | Field C |
|---|---|---|
| 100 Wheat acres<br>(1st insured crop)<br><br>Unit 0001-0001BU Wheat<br><br>No insured 2nd crop | 1st insured crop is<br>30 acres of Winter Wheat,<br>Unit 0001-0001BU<br><br>2nd insured Crop<br>NI-FAC Soybeans<br>Unit 0002-0001BU Soybeans | 1st Insured Crop is 30 acres<br>of NI-NFAC Soybeans<br><br>Unit 0002-0001BU Soybeans |

The entire soybean acreage is harvested and the insured accepts an indemnity based on a claim indicating the harvested production to count from the 60 acres is 1,500 bushels. However, separate production records for fields B and C were not kept. For questions 3-5, assume the 1st crop wheat (unit 0001-0001BU – fields A and B) has an indemnity due.

Using the scenario above:

Q 3. Is an indemnity payment for the other 65% of the wheat loss due the insured?

Total soybean guarantee is 1,800 bu. (30 ac. X 25 bu. + 30 ac. X 35 bu.)
Guarantee for Field B = 750 bu.

750 bu. guarantee for field B ÷ 1,800 bu. = .41666 rounded to .4167 proration factor

A 3. Production to count allocated to 2nd crop soybeans in field B would be 625.1 bushels (.4167 proration factor X 1,500 bu. total production from fields B and C). Since a soybean unit indemnity is accepted by the insured and since 625.1 bushels is less than the production guarantee for the 2nd crop soybeans acreage (750 bushels), the remaining 65% loss on Field B wheat would not be paid.

Q 4. Same scenario as question 3 except this time assume separate soybean production records were kept for field B and C. 800 bushels were harvested from the 30 acres in Field B and 700 bushels were harvested from the 30 acres in field C. Is an indemnity payment for the other 65% of the wheat loss due the insured?

A 4. Since 800 bushels of soybeans were harvested from field B and this amount exceeds the 750-bushel guarantee for the acreage, the remaining 65% loss on Field B wheat would be paid.

Q 5. Assume separate soybean production records were kept for fields B and C except this time, the total harvested production from the 60 acres is 2,000 bushels. However, only 500 bushels were harvested from the 30 acres in field B and 1,500 bushels were harvested from the 30 acres in Field C. Is an indemnity payment for the other 65% of the wheat loss due the insured?

A 5. Since there is no loss for the soybean unit, the wheat loss would not be limited and the remaining 65% loss on field B wheat would be paid.

**119-130** (Reserved)

# SECTION 10 UNIT DETERMINATION

## 131. Unit Verification

Unit verification will be made by the adjuster during an on-the-farm inspection; however, no further division of optional units will be made after the ARD. Basic units will be corrected when found to be in error.

### A. Verifying Unit Structure

(1) Be knowledgeable with (and as needed refer to) unit provisions in the applicable policy provisions or endorsement/options (or if applicable, unit division provisions in the SP).

(2) Use the procedure in Para. 132 (Unit Structures) below.

(3) More than one basic unit. Verify with the insured that the reported shareholders have an interest in the crop. If you suspect or question whether there is an interest or that there are separate insurable interests (such as spouse, children or other household members), contact the AIP.

(4) Enterprise Units (EU).

(a) Verify the qualifications for an EU as stated in Para. 132 D.
(b) If it is determined that the insured does not qualify for an EU during the loss adjustment inspection, follow the instructions in subparagraph 132 D (6).

(5) Whole Farm Units (WFU)

(a) Verify that the WFU contains all of the insurable acreage of at least two crops; and at least two of the insured crops must each have planted acreage that constitutes 10 percent or more of the total planted acreage liability of all insured crops in the whole-farm unit.

(b) If it is determined the insured does not qualify for a whole-farm unit, follow the instructions in subparagraph 132 E (6).

(6) Optional Units

Determine that all field requirements [1/] are met for qualification of the unit structure (other AIP personnel will verify record (APH) requirements unless delegated to you):

1/ Field requirements refer to items that can be determined from a field visit or a review of an aerial photo; e.g., determine if the planted crop crosses section lines, determine if the irrigated/non-irrigated acreage is planted in a manner that meets the requirements to qualify for separate optional units.

**A. Verifying Unit Structure (continued)**

(a) Optional units by section, section equivalent, or FSA FN

(i) Locate fields and verify that there is acreage planted in separate legally identifiable sections or other applicable optional unit separators allowed by the crop policy.

(ii) Visit fields and determine whether planting patterns have crossed optional unit boundaries; e.g., section lines, FSA FN lines, or other section equivalent boundary lines.

(b) Optional units by irrigated and non-irrigated practice

Visit the fields and determine if planting patterns and other requirements outlined in this procedure qualify the unit as separate optional units by irrigated and non-irrigated practices.

(c) Optional units for acreage insured under an organic farming practice

Verify the acreage qualifies as organic farming practice acreage. Verify the acreage specified for the optional unit under the organic farming practice is correct by visiting the fields and verifying against organic records required under the policy provisions for organic farming practices. Refer to Para. 87 for additional information regarding organic farming practices.

(d) Optional Units by Unit Division Option

If a Unit Division Option is in effect, the section for the optional unit will be identified by the legal description of the parcels of land aggregated to form the "section." To verify the "section" qualifies for an optional unit, use the same procedure used to verify other optional units divided out by section; e.g., planting pattern does not cross section lines, production is kept separate, etc.

(e) Optional Units by Written Unit Agreement (WUA) must be approved by the RMA RO. WUA may be completed for any Category B or C insured crop in the county. Refer to the WAH for more information.

**B. Incorrect Unit Structure**

Basic units will be corrected at loss time (or any other time they are found to be incorrect); however, no further division of optional units will be made after the ARD. Refer to Para. 53.

## A. General Information

Each insured crop has its own unit structure defined in the Basic Provisions and/or crop provisions, endorsement or option, or Special Provisions.

## B. Basic Unit (BU)

The insured automatically qualifies for a BU.

(1) Availability. A BU is all insurable acreage of the insured crop in the county on the date coverage begins for the crop year in which the insured has:

(a) 100 percent share in the crop. This includes share as owner/operator and/or land that is rented for cash, a fixed commodity payment or any consideration other than a share in the crop.

(b) Less than 100 percent share in the crop (i.e., land owned by one person and operated by another person on a share basis). A crop shared with each different landlord, tenant or sharecropper is a separate BU. Reversed roles do qualify for separate BUs. (Example: The insured is a landlord on part of the farming operation and a tenant on another part of the farming operation.) Varying percentages of shares within a BU do not qualify for separate BUs. Refer to Para. 24 for various examples of crop share arrangements.

**Example:** An insured owns land and rents land from five landlords, three on a crop share basis and two on a cash basis. The insured would be entitled to four BUs, one for each crop share arrangement and one that combines the two cash leases and the land owned by the insured.

(2) Premium Discount. A BU premium discount may be applicable as provided in the actuarial documents for certain crops when BUs are not divided into OUs. Refer to the CIH for additional information.

(3) Tobacco. For Tobacco policies, the BU consists of all insurable acreage of an insurable type of tobacco in the county in which the insured has a share on the date of planting for the crop year and that is identified by a single FSA FN (without regard to state or county lines) at the time insurance attaches. Other unit arrangements (EU/OU) must be authorized by the SP.

(4) CAT Endorsement. The CAT Endorsement generally limits the units available for each insured crop to BUs determined only by the crop share arrangement on the date coverage begins for the crop year. Refer to B (1) above.

(a) Undivided Interest Policy Exception. A policy covering all landowners with an undivided interest in the land upon which an insured crop is planted is limited to one BU. Refer to Para. 25.

**B. Basic Unit (BU) (continued)**

(b) OUs or further BUs (e.g., type, non-contiguous land, FSA FN, etc.) defined in the applicable CP or SP are not allowed for CAT coverage. Refer to the CAT Endorsement for the unit definition.

(5) Refer to the CIH for information pertaining to APH databases for BUs and maintaining APH databases below the BU level.

(6) Commingled acres and production. If the insured has a loss for the current crop year, the insured is required to maintain production evidence to support the current crop year's unit arrangement as shown on the acreage report. If at loss time, production is discovered to be commingled between BUs (including high-risk land excluded from additional coverage and insured under a CAT policy or HR-ACE endorsement) the production MUST be allocated in proportion to the liability for the harvested acreage from the commingled BUs to the appropriate BUs. The apportioned production is used to process both the current year's claim and the following crop year's APH production reports. Refer to Para. 294 for specific instructions for commingled production of BUs.

**C. Optional Unit (OU)**

Land that would otherwise be one BU may be divided into OUs according to the OU definition contained in the BP, CP, and/or SP.

(1) Availability. Separate OUs are available for additional coverage policies only and are determined by:

(a) Section.

(b) Section equivalents, or other unit division arrangements provided by RMA approved procedures such as Written Unit Agreement (WUA) or Unit Division Option (UDO).

(c) Separate FSA FNs:

(i) In the absence of sections, section equivalents, or other unit division arrangements provided by RMA approved procedures, such as WUA or UDO (see the WAH for information regarding WUAs and UDOs);

(ii) In areas where survey boundaries are not readily discernible;

(iii) In Alabama, Arkansas, Florida, Louisiana, and Mississippi for Barley, Corn, Cotton, Grain Sorghum, Oats, Rice, Rye, Soybeans, and Wheat as provided in the SP.

**C. Optional Unit (OU) (continued)**

The boundaries of the section, section equivalent, or FSA FN must be readily discernible by the AIP without using survey instruments or locating survey markers. Refer to subparagraph F below for further explanation and illustrations.

(d) IRR and NI practices. IRR and NI practices within a single section, section equivalent, FSA FN, WUA, or UDO, provided all requirements below and in subparagraph C (5) (a) below are met.

(i) To qualify as separate IRR and NI OUs:

(A) Division of OUs by IRR and NI, if allowed by the CP;

(B) The NI acreage may not continue into the IRR acreage in the same rows or planting pattern; and

(C) The IRR acreage may not extend beyond the point at which the irrigation system can deliver the quantity of water needed to produce the yield on which the guarantee is based, except the NI corners of a field in which a center-pivot irrigation system is used may be considered as IRR acreage:

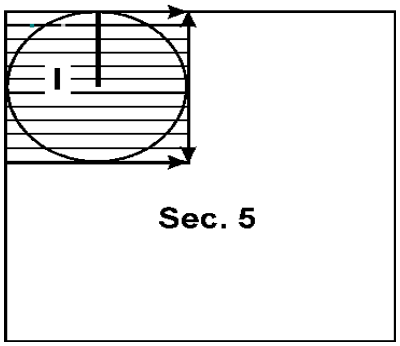
1 If the NI corners of a field in which a center-pivot irrigation system is used do not qualify as a separate NI OU, and

2 Production from both practices will be used to determine the IRR approved yield.

(ii) Additional center pivot instructions:

(A) If the crop's planting pattern/rows continue into one or more NI corners of the field and the portion of the field IRR by a center pivot irrigation system (circle), the acreage within intersecting lines drawn at right angles to the radius of the center pivot is not eligible for a separate optional NI unit (refer to (ii) (C) below for exception).

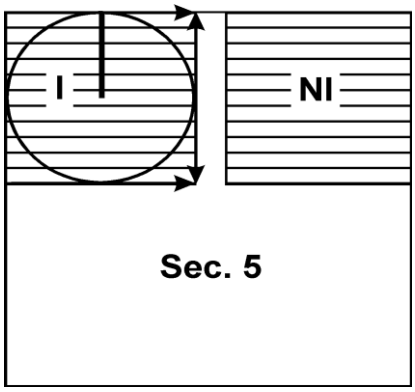
(One Unit)



**C. Optional Unit (OU) (continued)**

(B) If the crop's planting pattern/rows continue between the NI corners of the field and the portion of the field IRR by a center pivot irrigation system (circle), but do NOT extend into other NI acreage in the same section, section equivalent, or FSA FN; other NI acreage can qualify as a separate NI OU if the requirements are met.

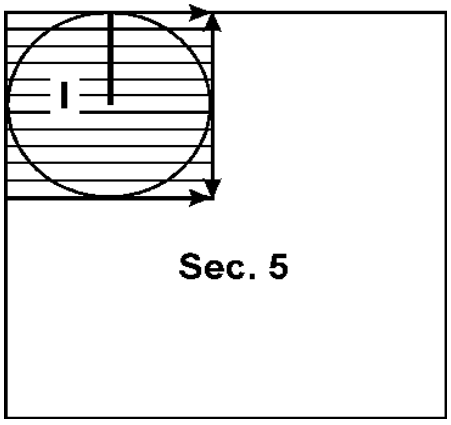
(May qualify for two units.)




(C) If the crop's planting pattern/rows continue between the NI corners of the field and the portion of the field IRR by a center pivot irrigation system (circle):

1 The insured has yield monitor data separating IRR production from NI production; and

2 Is practicing precision farming techniques (may qualify for two units using yield monitors and precision farming).

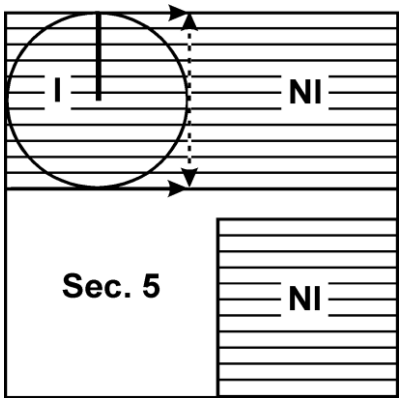



See subparagraph 201 I, for more information regarding yield monitor data and precision farming.

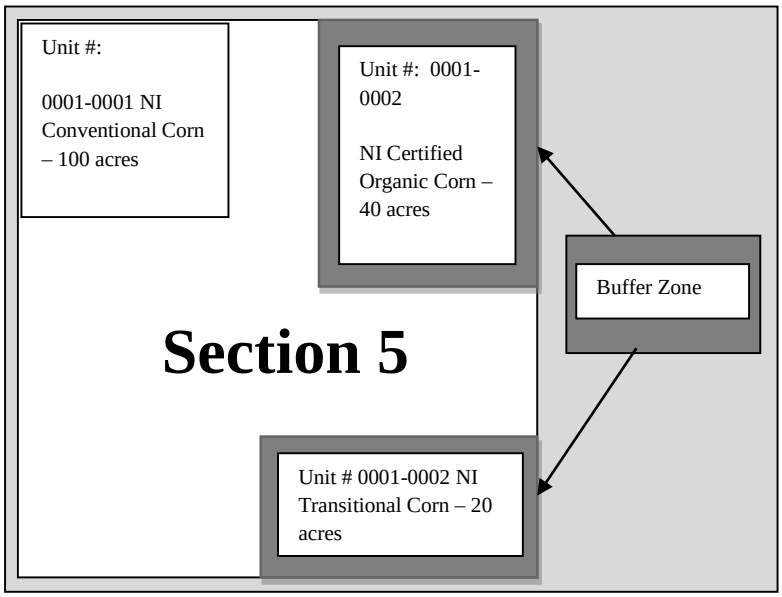
**C. Optional Unit (OU) (continued)**

(D) If the crop's planting pattern/rows extend beyond intersecting lines drawn at right angles to the radius of a center pivot into other NI acreage of the crop in the same section, section equivalent, FSA FN; the insured is not eligible for a NI OU.

(One Unit)




(e) Organic Farming Practice. In addition to establishing OUs by section, section equivalent, FSA FN, or IRR and NI acreage; separate OUs may be established for acreage of the insured crop grown and insured under an organic farming practice. However, certified organic, transitional and buffer zone acreages do not individually qualify as separate units (would be contained in the same OU). Refer to Para. 87 for additional procedures regarding acreage insured under an organic farming practice.



**C. Optional Unit (OU) (continued)**

(f) Policy Authorization. Some perennial CPs allow OUs on non-contiguous land. Other CPs may allow OUs based on different types or planting periods. For example, Apple CP allows OU on non-contiguous land; Dry Beans CP allows OU by processor contract. For Tobacco, OUs must be authorized in the SP, otherwise OUs are not applicable.

(2) Refer to the CIH for information regarding maintaining APH databases for OUs.

(3) Availability Under CAT. OUs are not available for crops insured under a Catastrophic Risk Protection Endorsement.

(4) Combination of OUs. OUs will be combined into the BU from which they were formed if insured does not comply with OU requirements.

(5) Qualifications. To qualify for OUs, all of the following must be met:

(a) Production Report Requirements.

(i) Acceptable production reports must be filed by the PRD for all planted insurable acreage for at least the most recent APH crop year in the base period according to the OUs that are requested for the current crop year. For additional information, refer to the CIH.

Exceptions:

(A) The insured is a new producer who has not produced the crop, is not providing records from another person sharing in the crop, and intends to keep separate acreage and production records by P/T according to the OU division requirements. Refer to the CIH for additional information.

(B) New land or a new practice (IRR or NI) or type is added to the operation for the current crop year which meets all OU requirements; and the insured has not produced the crop, is not providing records from another person sharing in the crop on that acreage, and intends to keep separate acreage and production records according to OU provisions; or

(C) A person (or any member of the insured person) has NOT produced or shared in the crop for more than two APH crop years in the county in the last 10 calendar years preceding the current crop year (11 calendar years for crops with a lag year) if approved by the RMA RO and intends to keep separate acreage and production records according to OU requirements. Refer to the CIH for additional information.

**C. Optional Unit (OU) (continued)**

(ii) OUs are determined on or before the ARD, provided production reports were properly reported on an OU basis on or before the PRD. However, OUs may be changed to BUs on or before the ARD at insured's discretion. OUs may be converted to BUs after the ARD if the AIP determines the requirements for OUs are not met.

(iii) The insured is required to maintain production evidence to support the current crop year's unit arrangement as shown on the acreage report. If, at loss time, production is discovered to be commingled between OUs, the units with commingled production must be combined on the current crop year's claim for indemnity. Refer to the CIH for additional information on APH history when production has been commingled for a crop year due to the insured's failure to keep production separate for each OU.

(b) Clear and Discernible Break in Planting Pattern

(i) The crop must be planted in a manner that results in a clear and discernible break in the planting pattern at the boundaries of each OU.

Exception: If a geographic or topographic feature causes an insured to plant across section/section equivalent lines, the insured may qualify for a WUA. Refer to the WAH for additional information about WUA's.

(ii) Planted means the original planting, including any reseeding, or replanting. Cultivating, discing, mowing, etc., between sections, section equivalents, FSA FNs, etc., after planting or harvesting does not qualify the acreage for OUs.

(iii) Exception to (b) (ii) above for center pivot irrigation systems only:

(A) Planting end rows either before or after planting the crop or cultivating, disking, mowing, etc., after the crop was planted between the IRR acreage and the NI corners of a center pivot system may be used to establish breaks between IRR and NI planting patterns for OU purposes. Such breaks will be acceptable only if completed on or before the ARD for the crop and are clearly discernible if a subsequent inspection is required during the crop year (appraisal, claim for indemnity, APH review, etc.).

**C. Optional Unit (OU) (continued)**

(B) Producers using precision farming technology, identifying the boundaries (between the IRR and NI acreage of the center pivot) and GPS yield monitors that document the production separately, are considered to meet the discernible break requirements between the IRR and NI acreage, provided the requirements in subparagraph 201 I are met.

(iv) In addition, if IRR and NI practices are carried out within a single section, section equivalent, or FSA FN:

(A) Proper planting and fertilization practices must be carried out for each respective practice; and

(B) Records of harvested production must also be maintained separately for each practice.

**D. Enterprise Unit (EU)**

An EU consists of all insurable acreage of the same insured crop in the county in which the insured has a share on the date coverage begins for the crop year.

(1) Availability. EUs are available for:

(a) Crops for which revenue protection is available. EUs are available whether yield protection or revenue protection is elected, or

(b) Crops for which revenue protection is not available. EUs are available only if allowed by the SP.

(2) EU Election. EUs must be elected by the insured, in writing on an application or policy change, on or before the earliest SCD for the insured crop(s) in the county insured. EU unit structure must be reported on the acreage report.

(a) Fall or winter SCD and spring SCD. For counties with actuarial documents specifying a fall or winter SCD and a spring SCD, the unit election may be changed on or before the spring SCD if there is not any insured fall planted acreage of the insured crop.

(b) EU Election is Continuous. EU election remains in effect from year to year unless written notification requesting cancellation of the EU is provided to the AIP by the earliest cancellation date for the crop year. If the insured has an EU in effect and does not qualify for the current crop year the election will continue to apply in subsequent crop years. Refer to subparagraph D (3) below.

**D. Enterprise Unit (EU) (continued)**

(c) Further Division. EUs may not be further divided except as specified in this procedure. However, the unit structure may be changed based on information determined to be correct when adjusting a loss or at any other time.

(3) Qualifications. To qualify for EUs:

(a) The EU must contain all of the insurable acreage of the same insured crop in:

(i) Two or more sections, if OUs are available by sections;

(ii) Two or more section equivalents, if OUs are available by section equivalents;

(iii) Two or more FSA FNs, if OUs are available by FSA FNs;

(iv) Any combination of two or more sections, section equivalents, or FSA FNs, if more than one of these is the basis for OUs;

(v) Two or more units as established by a WUA or UDO; or

(vi) One section, section equivalent, or FSA FN that contains at least 660 planted acres, based on the type of parcel that is utilized to establish OUs.

(b) Each of the above subparagraphs (a) (i) – (vi) used to qualify for the EU must have planted acreage (unless specified otherwise in the SP) that constitutes at least the lesser of 20 acres or 20 percent of the insured crop acreage in the EU. If there is planted acreage in more than two sections, section equivalents, FSA FNs or units established by written agreement, these can be aggregated to form at least two parcels to meet this requirement (see example below).

**Example:** If sections are the basis for OUs and the insured has 80 planted acres in section 15, 10 planted acres in section 34, and 10 planted acres in section 35, sections 34 and 35 may be aggregated to meet the 20 acres/20percent requirement.

(c) The crop must be insured under revenue protection or yield protection, unless otherwise specified in the SP; and

(d) Must be an additional coverage policy.

(4) Reporting Requirements

(a) Separate Record Requirement. Each BU for each crop in the EU must be designated separately on the acreage report. Separate production reports must be provided for APH purposes for each crop by P/T/TMA in the EU. Separate

**D. Enterprise Unit (EU) (continued)**

records of acreage and production for BUs/OUs must be maintained if the insured wants to change unit structure from EUs to BUs or OUs in any subsequent crop year. For additional information, refer to the CIH.

(b) EU Acreage Report Requirement. Each BU, each section, or other basis used to qualify for an EU (refer to subparagraph (a) above) must be separately designated by BU on the acreage report;

(c) EU Claim Requirement. It is the AIP's choice of whether to have the adjuster enter each BU or OUs (or each section, or other basis used to qualify for an EU) on separate line entries on the claim form; however, it is strongly recommended that the AIP do so.

(d) Qualification Determination. Qualification for the EU will be determined at acreage reporting time when the insured reports all insurable acreage of the insured crop in the county for all BUs and/or OUs comprising the EU.

(5) Discounts. Only planted acres (unless specified otherwise in the SP) are used when determining the appropriate EU discount factor contained in the actuarial documents. Any applicable EU discount factor applies to planted and PP acres, if applicable, in the EU when determining premium.

(6) Assigned Unit Structure. If it is discovered the insured does not qualify for an EU, the unit structure will be assigned as follows:

(a) On or before the ARD, the unit division will be based upon BUs or OUs whichever is reported on the acreage report and for which the insured qualifies, if the production reporting requirements are met by the PRD; or

(b) After the ARD a BU structure will apply any time (including at time of loss adjustment).

(7) For information regarding assigned yields, cups, new insureds, etc., as they relate to EUs, refer to the CIH.

**E. Whole-Farm Unit (WU)**

A WU consists of all insurable acreage of all insured crops planted in the county in which the insured has a share on the date coverage begins for each crop for the crop year and for which the WU structure is available.

(1) Availability. WUs are available for:

(a) Crops with revenue protection available, only if revenue protection is elected, or
(b) Crops without revenue protection, only if allowed by the SP.

**E. Whole-Farm Unit (WU) (continued)**

(2) Election. WU must be elected by the insured, in writing, on an application or policy change on or before the earliest SCD for the insured crop(s) and county insured and unit structure must be reported on the acreage report:

*** (a) For counties with a fall/winter SCD and a spring SCD, the WU election may be changed on or before the earliest spring SCD for crops in the unit, if there is not any insured fall/winter planted acreage of the insured crop;

(b) WU Election is Continuous. WU election remains in effect from year to year unless written notification requesting cancellation of the WU is provided to the AIP by the earliest SCD for the crop year. If the insured has a WU in effect and does not qualify for the current crop year below, the election will continue to apply in subsequent crop years. Refer to E (3), below; and

(c) Further Division. WUs may not be further divided except as specified in this procedure.

(3) Qualifications. To qualify for WUs:

(a) All insured crops eligible for WUs must be insured:

(i) Under revenue protection (if the Harvest Price Exclusion is elected for any crop, it must be elected for all crops in the WU), unless the SP allow WU for another plan of insurance and all crops are insured under such a plan. Any insured crop with WUs available under the SP (even if revenue protection is not available) must also be included in the WU.

**Example:** If the insured plants corn and soybeans for which revenue protection has been elected and the insured plants canola for which yield protection was elected (revenue protection is available), the corn, soybeans and canola do not qualify for WU and would be assigned separate BUs unless production reports were filed on an OU basis and ARD has not passed.

(ii) With the same AIP.

**Example:** If corn and canola are insured with an AIP and soybeans are insured with a different AIP; the corn, soybeans and canola do not qualify for WU and would be assigned separate BUs; and

(iii) At the same coverage level.

**E. Whole-Farm Unit (WU) (continued)**

**Example:** If corn and canola are insured at the 65 percent coverage level and soybeans are insured at the 75 percent coverage level; the corn, soybeans and canola do not qualify for WU and would be assigned separate BUs.

(b) The WU must contain all of the insurable acreage of at least two crops;

(c) At least two of the insured crops must each have planted acreage that constitutes 10 percent or more of the total planted acreage liability of all insured crops in the WU. (For crops for which revenue protection is available, liability will be based on the applicable projected price only for the purpose of this paragraph); and

(d) Additional coverage must be elected.

(4) Separate Administrative Fees Required. The insured is required to pay the separate administrative fees for each crop included in the WU.

(5) Reporting Requirements.

(a) Acreage Report. Each BU for each crop in the WU must be designated separately on the acreage report.

(b) Production Report. Separate production reports must be provided for APH purposes for each crop by P/T/TMA for the WU. If the insured wants to change unit structure from a WU to BU or OUs in any subsequent crop year, separate records of acreage and production for each crop must be maintained by P/T/TMA. For additional information regarding changing from WU to BU or OUs, refer to the CIH.

Any liability, premium and indemnity payments will be based on the WU structure, regardless of any APH databases that may be established below that level.

(6) Unit Structure Assignment. If it is discovered that the insured does not qualify for a WU for at least one insured crop, even though revenue protection was elected for all crops, and

(a) The insured does not meet all of the requirements for a WU:

(i) On or before the ARD, the unit division for all crops for which a WU was elected, will be based on BU or OUs (provided the production reporting requirements are met by the PRD), whichever is reported on the acreage report and for which the insured qualifies; or

**E. Whole-Farm Unit (WU) (continued)**

(ii) At any time after the ARD (including during loss adjustment), a BU structure will be assigned for all crops for which a WU was elected.

(b) It was not possible to establish a projected price for at least one of the insured's crops, the unit structure will be based on the unit structure reported on the acreage report and will qualify for only the crop for which a projected price could not be established unless the remaining crops in the unit would no longer qualify for a WU. In such case, the unit division for the remaining crops will be based on the unit structure reported on the acreage report for which the insured qualifies.

**F. Unit Numbering**

The unit number is assigned by the AIP and identifies the unit. The unit number consists of an eight-position number and a two-position alpha-character field to designate unit structure.

(1) Structure Code. The unit structure code is a two-position alpha character field to designate the unit structure for which the insured elects and qualifies.

Exception: When an insured elects and qualifies for OUs, unit numbers may be coded with the OU (including UD or UA if OU established by UDO or WUA) or BU structure code. A unit number is coded with the BU structure code if an insured elects and qualifies for OUs, and a BU is not further divided into OUs or only one OU (including UD or UA if OU established by UDO or WUA) within a BU, that contains multiple OUs, is planted.

(a) Applicable Unit Structure Codes:

(i) BU – Basic Unit;
(ii) OU – Optional Unit;
(iii) EU – Enterprise Unit;
(iv) WU – Whole-farm Unit;
(v) UD – OU established by UDO; and
(vi) UA – OU established by a WUA.

(b) The Unit Structure Code will not be required on the production report or APH database. However, the Unit Structure Code must be reported on the acreage report.

**F. Unit Numbering (continued)**

(2) Number. The unit number is an eight-position number divided into two separate fields. The unit structure code will identify the insured's unit structure, not the unit number. For example, an insured elects an EU and reports acreage and production on an OU or BU basis, an AIP must assign unit numbers on the basis the APH database is established and the unit structure code (EU) will designate the unit structure.

(a) The first four digits are the BU number and may be any number between 0001-9999. However, BUs for an insured should start with 0001, if possible.

(b) The last four digits are the OU number and may be any number between 0000-9999.

(c) **Example 1:** An insured elects OUs and has two OUs within one BU.

(i) The unit numbers are as follows:

(A) 0001-0001OU; and
(B) 0001-0002OU.

(ii) Same scenario as in (c) (i) above, but in the subsequent year, the insured elects BUs, no other changes. The unit number does not change; only the unit structure code (OU changed to BU) does change:

(A) 0001-0001BU; and
(B) 0001-0002BU.

(d) **Example 2**: An insured has three BUs and elects OUs: The first BU has two planted OUs, the second BU contains multiple OUs but only one OU is planted in the current crop year, and the third BU is not further divided into OUs. The unit numbers are as follows:

(i) 0001-0001OU;
(ii) 0001-0002OU;
(iii) 0002-0001BU; and
(iv) 0003-0000BU.

(3) Unit Numbers Should Remain Constant. The unit number for a particular unit should remain the same from year to year, to the extent possible, even when a policy transfers to a different AIP. Unit numbers do not change when a different unit structure is elected (i.e., an insured with OUs elects EUs); the two-character unit structure code indicates unit election qualification. AIPs may change unit numbers due to unit combination/division.

**F. Unit Numbering (continued)**

(a) Numbering When Units are combined. When units are combined, unit numbering should be handled as follows:

(i) When BUs are combined, the unit number for the resulting BU should be the lowest unit number of the BUs which were combined. The first set of four characters of the combined unit designate the BU (0001).

(ii) When OUs are combined, the unit number of the resulting OU should be the lowest unit number of the OUs which were combined. The second set of four characters designate the OUs.

**Example:** Original units are 0001-0001OU, 0001-0002OU, and 0001-0003OU. If 0001-0001OU and 0001-0002OU are combined due to commingled production, the revised acreage report and unit numbers would be 0001-0001OU and 0001-0003OU.

(b) Numbering When Units Are Divided. When units are divided, unit numbering should be as follows:

(i) When BU(s) are divided, the unit numbers for the resulting BUs will be the original unit number and the lowest next available BU number.

(ii) When BU(s) are divided into OUs, the unit numbers for the resulting OUs will be the lowest available OU numbers for that BU.

(iii) When OUs are divided, the unit numbers of the resulting OU will be the original unit number and the lowest next available OU number.

**Example:** Original unit is 0001-0001OU. If 0001-0001OU is divided, the resulting unit numbers will be 0001-0001OU and 0001-0002OU (if 0001-0002OU is not already in use).

(4) Unit Numbers Should Be Consistent. Unit numbers should correspond for each crop as much as possible (i.e., wheat unit 0001-0001BU should match with the location of the corn unit 0001-0001), if possible.

***

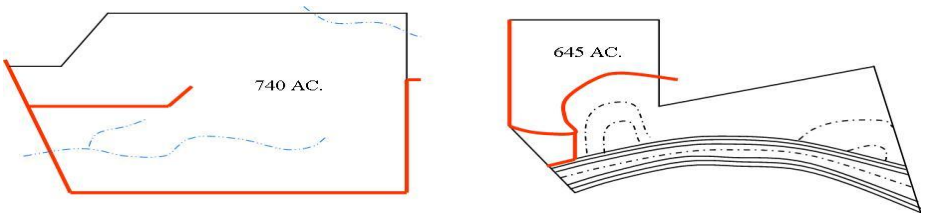
**G Sections, Section Equivalents, and FSA FNs**

(1) Sections. In regards to unit structure, a section is a unit of measure under a rectangular survey system describing a tract of land usually one mile square and usually containing approximately 640 acres.

(2) Section Equivalents. In some areas of some states (e.g., Illinois, Indiana, Louisiana, New Mexico, Ohio and Texas), other methods of measure (i.e., Spanish grants, railroad surveys, leagues, labors, Virginia Military Lands etc.) are employed. If these units of measure are legally recorded and consist of at least 640 acres, they will be considered a section equivalent.

See examples of section equivalent on the next pages.

Examples of section equivalents:




(3) FSA Farm Numbers. FSA assigns a FSA FN to farms owned or operated by a person.

(4) Order of Precedence. The order of precedence to determine whether sections, section equivalents, or FSA FNs are used to determine OUs is:

(a) Section;

(b) Section equivalent, containing at least 640 acres; and

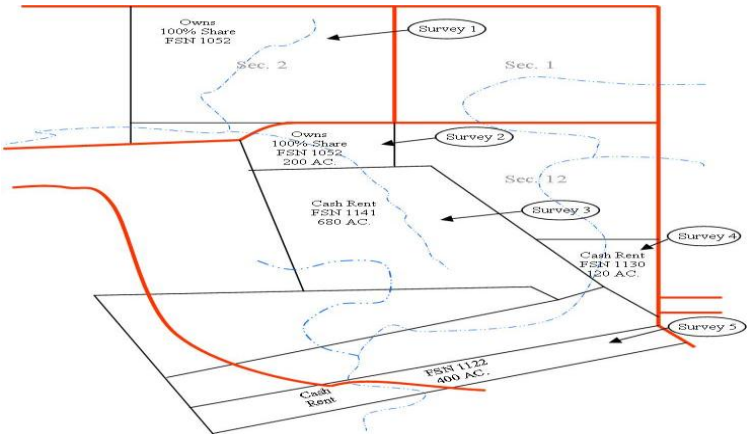
(c) FSA FNs in the absence of section descriptions, section equivalents.

(5) Examples:

Assume that for each survey identified, the insured has kept separate records of acreage and production, the survey boundaries are clearly visible, and that the planting pattern does not cross the survey boundaries.

**G Sections, Section Equivalents, FSA FNs (continued)**

**Example 1:** The County is primarily surveyed in sections one-mile square containing approximately 640 acres. However, some of the land is surveyed using methods other than sections.



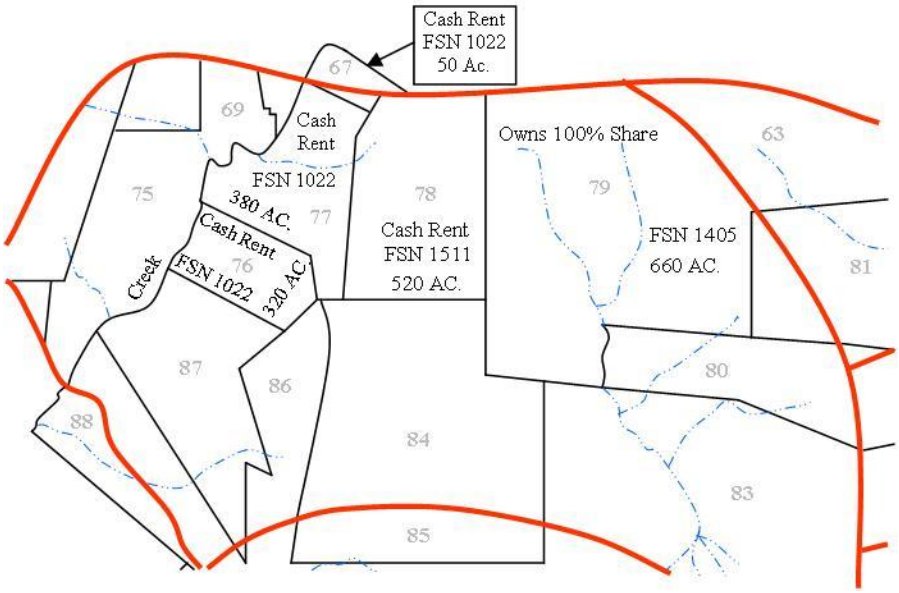

Units are determined by precedence as follows:

Survey #1 is a separate OU (section) – 0001-0001;

Survey #3 is a separate OU (section equivalent survey containing 640 acres or more) – 0001-0002; and

Survey #2, #4 and #5 are each FSA FN OUs (FSA FN units in the absence of section and section equivalent descriptions) – 0001-0003, 0001-0004 and 0001-0005.

**Example 2:** Spanish Land Grant



**G Sections, Section Equivalents, FSA FNs (continued)**

Units are determined by precedence as follows:

Survey #79 is a separate OU (section equivalent) – 0001-0001

Survey #78 is an OU (FSA FN unit in absence of section equivalent description) – 0001-0002

Surveys #76, and #77 is one OU (FSA FN unit in absence of section equivalent descriptions because each survey contains less than 640 acres and is a single FSA FN.) – 0001-0003.

(6) Unit Division Option (UDO) – Illinois, Indiana, Ohio, and Texas

In areas of Indiana, Illinois, Ohio, and Texas not surveyed under the U.S. Rectangular Survey System or a similar surveys allowing for sections or "section equivalent", (see subparagraph C (1) (b) above) insureds may request the UDO to aggregate two or more (any shape) legally identifiable parcels of land less than 640 acres into "section equivalents" for OU division purposes in lieu of FSA FNs. (Also see the CIH for additional information on UDOs.)

(a) For the purpose of this option, if a survey is required to identify the parcels of land, the parcels are not legally identified. A unit cannot be divided by a physical boundary (i.e., road, creek, drainage ditch, fence, etc.) which is not identified by a legal survey.

(b) Establish the Same Aggregated OUs. The insured must establish the same aggregated OUs for all crops insured by all AIPs. The purpose of the option is to provide aggregated OUs on the same basis as those determined by section under the Rectangular Survey System.

(i) More than one UDO. If it is discovered that the insured has more than one UDO, the one with the earliest signature date will apply.

(ii) Limited to BUs. If the insured does not have acreage and production records or does not file required production to support the aggregated OUs, the insured will be limited to BUs for the crop(s). Refer to the CIH for exceptions.

(iii) Bona fide landlord - tenant arrangements (companion policies) are not required to have the same aggregated OUs. If a landlord and a tenant have different aggregated OUs, each entity or policy will have its own approved APH yield and unit arrangement.

**G Sections, Section Equivalents, FSA FNs (continued)**

(c) Continuous Option. The option is a continuous option and applies (until canceled) to any crop for which OUs are chosen. Written documentation must be completed on the UDO and filed in the insured's crop insurance file folder by the applicable ARD.

(i) OUs. If the insured chooses OUs for any crop(s), the aggregated OUs established on the option apply to all insured crop(s) permitted OUs by section.

(ii) OUs not elected. If the insured does not want OUs for a crop(s), the option is not effective for that crop(s).

(iii) Identifiable. All parcels of the aggregated OU MUST be legally identified by number or name of each parcel (donation, section, labor, block, tract, etc.), and identified on the option.

(iv) Contiguous. All parcels of land in an aggregated OU must be contiguous (lie adjacent to each other). It is not required that the aggregated OU be of a rectangular shape. Aggregated acreage may or may not be classified as cropland.

(v) Ownership or control of all land in the aggregate by the insured is not required.

(d) OUs. OUs determined by sections or "Section equivalents" (single parcels containing at least 640 acres) are not required to be entered on the option.

(e) Loss Adjustment Verification. The adjuster will use the UDO and the parcels of land in the OU that are identified as being part of the OU to verify the location and size of the optional unit(s), and whether the unit harvested production has been kept separate by aggregated OU. If the harvested production has not been kept separate by aggregated OU, the OU must be collapsed to a BU as stated in (6) (b) (ii) above.

**H Written Unit Agreements for Optional Units**

(1) Land located in a high-risk area is not eligible for written unit agreements.

(2) Written unit agreements authorized for unit division purposes may be continued in subsequent crop years without re-approval or re-issuance by an AIP. However, written agreements do not transfer to a new AIP and would require a new written agreement be executed through the new AIP.

**H Written Unit Agreements for Optional Units (continued)**

(3) Each optional unit will be delineated on a map or photo, showing and identifying the boundaries of the optional unit and the sections, section equivalent or FSA FN and other information needed. The FSA FN, track, or multi-track and field number for each parcel contained in the optional unit will be noted on a map or photo, GIS maps, other legible map issued by a State or Federal agency. The map or photo will be specifically referenced in the Written Unit Agreement and will be attached to the Agreement. The optional unit will be referenced on the map in a manner that can be easily coordinated with the insured's acreage report.

(4) Loss Adjustment Verification. The adjuster will use the Written Unit Agreement and attached maps and information described in (3) above to verify the insured's qualification for optional units, the location and size of the optional unit(s), and unit production.

*** (5) Refer to the Written Agreement Handbook (FCIC 24020) for information regarding optional unit Written Agreements for:

(a) Oversized sections, section equivalents, and FSA FNs;
(b) Annual crops with topographic/irrigation features;
(c) Perennial tree, vine, and bush crops with topographic/irrigation features; and
(d) Annual crops with geographic dispersion features.

**133-140 (Reserved)**

# SECTION 11 USDA FARM PROGRAM COMPLIANCE

## 141. Controlled Substance Violation

Under the Food Security Act of 1985, as amended, any person who is convicted under Federal or state law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance in any crop year will be ineligible for USDA benefits from the beginning of the crop year of conviction and the four subsequent consecutive crop years.

**142-150** (Reserved)

# SECTION 12 HAZARDS CONNECTED WITH PESTICIDES OR OTHER CHEMICAL SUBSTANCES

## 151. Pesticide or Other Chemical Substance Hazards

(1) **General Information**. Most pesticides have a period of time that must lapse after they have been applied before it is safe to enter the treated field without wearing protective clothing and equipment. Normally, this is at least the time necessary for sprays to dry and dusts to settle (8-48 hours). Material Safety Data Sheets (MSDS) contain pertinent detailed information about specific chemicals including health hazards, emergency and first-aid, and the safe re-entry period after a chemical has been applied. Some USDA field offices such as FSA and NRCS house MSDSs. Other local agencies may have these data sheets for possible use. In addition, each state has a poison control center, which normally carries a toll-free number and maintains a 24-hour consultant service in the diagnosis and treatment of human illnesses resulting from toxic substances. Check with NRCS or FSA for MSDSs or other literature pertaining to pesticide or chemical hazards.

(2) **Prior to Inspection.** At the time the appointment is set up, ask the insured or the insured's representative if the field, orchard, or vineyard to be entered has been treated with pesticides or other chemicals. If the field, orchard, or vineyard is to be treated or has been treated within this time period, reschedule the appointment(s) and document the visit accordingly.

**152-160** (Reserved)

# SECTION 13 FSA OFFICE

## 161. FSA Information

### A. General Information.

Although insured producers are not required to certify acreage to FSA, AIPs may use certain information or documents from the FSA office as one option to verify and/or determine data for loss adjustment inspections if it has not already been done by a previous inspection for the crop year.

### B. FSA Responsibilities for Releasing Producer Information

(1) FSA offices are required to ensure that anyone requesting information on another person is authorized.

(2) FSA will not release documents to adjusters, AIP employees, or RMA employees unless they can provide proof that they are authorized to access the producer's records. The adjuster, AIP employees, or RMA employees should start by identifying themselves to FSA and stating the AIP that the adjuster or AIP employee is representing. They must provide FSA with at least one of the items listed in (3) below:

(3) Acceptable proof includes one or more of the following for the current crop year:

(a) A producer-signed form (meeting FCIC-form standards) showing request for cancellation and transfer of the insured's MPCI insurance to the AIP for which you are working;

(b) A claim form completed or partially completed indicating loss adjustment work will be performed for the producer;

(c) Summary of Insurance Protection (or Schedule of Insurance);

(d) Notice of Acceptance; and

(e) Notice of Damage or Loss;

(4) FSA may require AIP employees who are NOT officially titled a loss adjuster to provide some type of proof that shows the AIP employee is authorized to perform loss adjustment activities, quality control, or compliance-related activities (with or without a loss notice being filed) for the AIP and may be asked to provide some type of documents/printouts showing the producer is insured with the AIP being represented. Likewise, FSA may require RMA employees to provide a document/card that authorizes the employee to be involved in compliance-related activities for RMA.

## A. General Information

(1) The following information applies only to requests for carrying out loss adjustment activities and related compliance activities.

(2) Do not make requests on the FSA-426-A for normal loss adjustment activities and compliance-related activities. Refer to FCIC Program Integrity Handbook (4-RM) for requests that are in conjunction with discrepancy reviews assigned by RMA, and suspected program abuse, misuse, or fraud reviews that have been assigned to the AIP by the RMA compliance office.

(3) FSA will NOT honor requests for information from adjuster's, AIP employees, or RMA employees carrying out loss adjustment activities unless a notice of damage or loss has been filed or they can provide evidence to FSA that they are authorized to be involved in quality adjustment activities or compliance activities for producers who have not filed a notice of damage or loss; e.g., Acreage Report Reviews, Growing Season Reviews, APH reviews, etc. Refer to 58 B (4) above.

(4) FSA information provided to adjusters, AIP employees, or RMA employees carrying out loss adjustment, quality control, or compliance-related activities shall be used solely for the purpose of completing loss adjustment, quality control, or compliance related activities.

## B. Requesting Information on the FSA-426

FSA offices require that requests are made on an FSA-426, MPCI/FCIC Information Request Worksheet (Exhibit 7). The FSA-426 is a self-explanatory form that was designed to provide uniformity for processing crop insurance information and as a measurement tool to record the number of requests.

(1) FSA will not accept requests on AIP-created request forms.

(2) If adjusters, AIP employees, or RMA employees who are involved in loss adjustment, quality control, or compliance-related activities are requesting documents for previous crop years, the years for which the information is requested MUST be noted in the remarks section of the FSA-426.

(3) FSA requires that item 6 of the FSA-426 be completed with ONLY the last 4 digits of the producer's tax ID number.

(4) FSA offices have been instructed to strikeout (black out) any personal information that does not apply to the specific producer identified on the FSA-426.

**C. How and When the FSA-426 should be submitted**

The FSA-426 may be mailed, faxed, or submitted in person. Most FSA offices will require that the FSA-426 be submitted in advance of filling the request. Because of this, it is best to submit the request as soon as possible after receiving the notice of damage.

**D. Who submits the FSA-426**

ONLY the adjuster, AIP claim's supervisor, or RMA employee may submit the FSA-426. Agents CANNOT submit requests on the FSA-426 nor can they obtain requests for the purpose of loss adjustment activities.

**E. Untimely Filled Requests or Refusal to Fill Requests**

FSA offices in most cases will have the request filled within 3 workdays of the receipt of the request. If an FSA office continually takes longer than this, or if an FSA office refuses to fill properly completed and filed requests for insureds' FSA-426s made by the AIP adjusters, loss adjustment or quality control personnel for the reasons outlined in Para. 162, notify the AIP. The AIP will then notify Insurance Services of the situation. Insurance Services will then coordinate with FSA to resolve the problem.

## 163. Obtaining the Requested Documents from FSA

Requested documents are obtained in the following ways:

(1) The FSA county office may mail or fax the documents requested on the FSA-426 to the adjuster, authorized AIP employee or RMA employee; HOWEVER, the adjuster, AIP employee, or RMA employee MUST request that the information is mailed or faxed; or

(2) The adjuster, AIP or RMA employee may pick the documents up at the applicable FSA county office. To avoid delays in obtaining copies, the adjuster AIP or RMA employee will work with FSA county office personnel during busy periods, program sign-up, etc., to determine the best times to come into the office to obtain the forms and aerial photographs.

## 164. Verification Materials/Information

**A. Materials/Information.**

If available, the following FSA office material and information can be used to verify data and to make determinations.

(1) Aerial photographs and other required forms or data.

(2) Existing acreage figures.

**A. Materials/Information (continued)**

(a) Identification of permanent fields.

(b) FSA measurements which the insured obtained through FSA-measurement service. (Measurements may be used as "Determined Acres" for loss adjustment purposes as outlined in Para. 201.)

(c) Identification and measurements obtained from large-scale aerial photographs. Refer to Para. 201 regarding "Determined Acres."

(d) Cropland acres from the FSA-578 (Producer Print) to use in calculating eligible prevented planted acreage. Refer to the prevented-planting procedures in the Prevented Planting Handbook.

(3) Insured's entity recorded with FSA to compare against entity recorded with the AIP for crop insurance purposes. (The entities should agree; if they do not, further research is needed to establish the correct entity.) Also refer to Para. 25.

(4) Insured's share reported on the FSA-578 (Producer Print) (used to compare with share reported to the AIP for insurance purposes). Refer to Para. 24.

(5) The FSA FN and/or legal description of land (used to compare FSA FN and legal descriptions recorded on the insured's acreage report and any other crop insurance document where it is pertinent, such as APH forms, etc.).

(6) Any other information that may be helpful or is needed or required in procedures for determinations or verification purposes.

**165-170** (Reserved)

# PART 3 ON-THE-FARM INSPECTION

# SECTION 1 TYPES OF INSPECTIONS

## 171. General Information

All inspections will fall into one of three types: (1) Indemnity Inspections (including Prevented Planting Payment Inspection), (2) Replant Payment Inspections, and (3) Special Contract Services Inspections, such as Crop Inspections, Growing Season Inspections, etc.

## 172. Indemnity Inspection - Preliminary

### A. When Required

(1) Preliminary inspections are required when insureds give notice of damage before the time of harvest to: (1) replant, (2) obtain consent to put acreage to another use, (3) abandon the crop, or (4) destroy any of the insured crop that is not harvested. Unless specified otherwise in these procedures, policy provisions, or SP, the AIP must provide written consent (not verbal) to the insured when releasing acreage for any of the aforementioned actions. If the insured takes any of these actions prior to the date the AIP released the acreage, the acreage is considered destroyed without consent except as allowed for replanted acreage as outlined in Para. 174 H (3).

(2) The insured and the adjuster's signature shown on a completed appraisal worksheet and Production Worksheet as the result of the Preliminary Inspection or Final Inspection is considered the AIP's written consent to the insured. The date of verbal consent, if allowed by these procedures, must be documented and filed in the insured's loss file.

### B. Written consent must not be given until the AIP is satisfied:

(1) It is no longer practical to replant to the same initially planted crop when consent is being given to go to another crop and to finalize the claim. AIPs must be cautious about prematurely releasing acreage to go to a second crop, especially in situations where there is a thinner stand, there are dry soil conditions, there is the possibility that precipitation may occur, or there is sufficient time to produce a crop before the calendar date for the EOIP. Winter and spring types are considered the same crop - see exception for spring crop planted in counties having only winter types in Para. 174 D. Refer to Para. 174 B for definition for "Practical to Replant" and for crop policy/provisions requiring processor contracts.

(2) It is possible to make an accurate appraisal of potential production. Certain types of damage or conditions require delays in appraisals; e.g. frost, freeze, hail, crop is still in dormancy, etc. Refer to Para.'s 213 and 216 for details. Appraisals must represent the maximum potential production that could be expected with normal weather conditions and proper crop care from the time of the appraisal through the completion of harvest.

**C. Written Consent Provided To Destroy; Put to Another Use or Crop; or Abandon; but Insured Does Not Do So**

(1) When the AIP has given written consent to destroy the unharvested acreage, put the acreage to another use or crop, or abandon the acreage, and the insured has not done so, the following applies:

(For acreage released for replanting that the insured has not replanted, refer to Para. 174 K.)

(a) If the insured continues to care for such acreage and such acreage is harvested, the AIP will use the harvested production.

(b) The acreage can be re-appraised if harvest becomes general in the county (area) or additional damage occurs.

(c) For some crops, such as table grapes, the CP indicate that the insured must not destroy the damaged crop (or take it to another use) until the EARLIER of 15 days from the date the insured gave notice or the AIP gives written consent to do so. For this reason AIPs should make every effort to inspect and appraise the potential production within 15 days of the insured's notice of loss. Refer to the applicable CP.

(2) During the preliminary inspection inform the insured that:

(a) If acreage is put to another use without written consent, an appraisal will be assigned for such acreage of not less than the amount of the production guarantee. This may result in no indemnities being paid, but premium will be charged.

(b) When prior written consent is given and the acreage is not put to another use before harvest, or the acreage is harvested, the indemnity will be determined without regard to the written consent or appraisal made. (Replanting to the same crop under any practice is not putting the acreage to another use or a second crop except as stated in Para. 174 D or Para. 174 G.)

**D. Claim Completion Instructions**.

Refer to individual LASHs for completion instructions for a preliminary claim for indemnity.

**E. Prevented Planting or Late Planting Instructions**.

For specific instructions regarding preliminary inspections involving late planted acreage refer to PART 5 of this handbook. For specific instructions regarding prevented planting acreage, refer to the Prevented Planting Handbook.

## 173. Replant Payment Inspection

### A General Information

(1) There are two types of replant inspections - on-the-farm replant inspections and self-certification replant inspections. At the discretion of the AIP, the self-certification replant inspection may be used for certain crops with 50 gross acres (before considering share) per unit or less to be replanted. The self-certification replant program provides an insured with consent to replant and allows the AIP to complete replanting payment claims without the adjuster making a Replant Payment Inspection. If there is any reason to suspect that the insured will misrepresent information regarding the replanting claim, an on-the-farm replant inspection should be conducted.

(2) For specific replanting questions general to replanting requirements (also includes crops to which a replanting payment is not applicable) refer to Para. 174.

### B. On-the-Farm Replant Inspection

(1) The AIP, upon receiving the notice of damage, will assign the claim as a Preliminary Inspection. The adjuster will determine at the time of inspection if it is a final inspection.

(2) The adjuster upon field inspection will determine if the unit qualifies for a replanting payment based on the provisions of the individual crop policy or endorsement.

(3) Refer to individual LASHs for completion instructions for preliminary and final replant claims.

(4) Decisions regarding whether or not the unit qualifies for a replant payment will be made on the basis of:

(a) The Date of the Initial Planting

(i) Crop acreage planted earlier than the Earliest Planting Date specified in the SP for the applicable crop and county is not eligible for a replanting payment. However, if acreage is replanted after the Earliest Planting Date, and then this acreage is replanted a second time, the acreage replanted a second time may be eligible for a replant payment.

(ii) If an Earliest Planting Date for the crop/county is not listed in the SP, the Earliest Planting Date provision is not applicable.

**B. On-the-Farm Replant Inspection** (continued)

(b) The Acreage Damaged

(i) The acreage to be 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. (This is not applicable to forage seeding.)

(A) Acreage planted after the final planting date for crops not having late planting periods or after the late planting period for crops having late planting periods, will not be considered in determining the 20 acres or 20 percent of insured planted acres to qualify for a replanting payment.

(B) For Enterprise and Whole Farm Units, the 20 acres or 20 percent rule applies to the total acreage for the damaged crop (e.g., corn) in the Enterprise or Whole Farm Unit.

(ii) If this determination cannot be made because additional insured acreage on the unit is to be planted and the minimum may not be met, consent to replant may be given, but the replant claim is to be handled as a preliminary replant inspection as instructed in the appropriate crop LASH and below.

(iii) A previous replanting payment must not have been made on the same acreage for the same crop year.

(c) An appraisal of potential production. To qualify for a replant payment, the appraised potential production cannot exceed the amount stated in the crop policy. Refer to the individual CP for specific amount. If crop damage is due to hail, blowing sandy soils, frost, or freeze, the appraisal must be deferred as stated in Para. 213 C.

(5) Replanting payments do not apply to crops insured under the Small Grains Crop Provisions that have been initially planted to a winter type of the insured crop (including rye) in any county for which the SP has ONLY a fall final planting date (including final planting dates in December, January, and February.)

(6) If the unit qualifies for a replant payment, the notice will be changed from a preliminary notice to a FINAL notice (Final replant claim) utilizing a Certification Form (Exhibit 9).

(7) An acreage report must be submitted with the final replant claim, if not previously submitted. If the acreage report is revised for the replant units after submission of a replanting payment (final) claim, a corrected claim must be submitted with the revised acreage report.

**B. On-the-Farm Replant Inspection** (continued)

(8) A Certification Form cannot be accepted until the ENTIRE unit has been INITIALLY PLANTED. The adjuster must have the completed Certification Form (by personal contact or otherwise) prior to signing the claim form.

(9) Certification Form spot-checks should be conducted regularly. The AIP will determine the number of reviews to be conducted. Any questionable Certification Form should always be reviewed.

(10) If the unit did not qualify for a replant payment but later has a routine final claim filed, the original preliminary inspection entries should be reviewed and corrected as necessary.

(11) Unless specified otherwise in the individual CP or SP (Small Grains, Coarse Grains, Sunflowers, and Peanut CPs specify otherwise), replant payments will be based on the insured's actual cost per acre not to exceed the amount specified by the individual crop policy, endorsement, or CP.

(12) If the insured replants the acreage to a different planting practice, the crop will continue to be insured under the practice originally planted and reported even when the crop is replanted by a practice that was uninsurable as an original planting. (This is not applicable to such practices as irrigated, non-irrigated, staked tomatoes, ground tomatoes, etc.; they are considered production practices rather than planting practices. This is also not applicable to skip-row planting patterns for cotton or grain sorghum.) If the insured files a claim for indemnity, the practice originally reported will be entered in the appropriate column for practice on the claim form, and the replanted practice will be documented in the narrative.

(13) Some CP have a liability limitation when the crop is replanted by a practice that was uninsurable as an original planting. Specific claim preparation instructions will be found in the applicable LASHs.

(14) If the crop is replanted to a different type than initially planted, the acreage report must be revised to reflect the new type and amount of acres replanted. Replant payments will be based on the new type replanted, unless specified otherwise in the CP or SP.

(15) Replanting payments will be calculated using the price election and production guarantee for the crop type that is replanted and insured, unless specified otherwise in the CP or SP. For example: The Small Grains CP indicates: A replanting payment will be based on the guarantee and projected price for the crop type initially planted when: (1) A damaged winter crop type is replanted to a spring crop type, and retains insurance based on the winter crop type guarantee and projected price, and (2) Acreage replanted at a reduced seeding rate into a partially damaged stand of the insured crop.

**B. On-the-Farm Replant Inspection** (continued)

(16) When acreage being claimed for a replant payment was initially timely planted (after the earliest planting date (if applicable) and before the final planting date) and then is replanted during the late planting period, the timely-planted guarantee will apply to the replanted acreage and will be used to determine the replant payment. If the acreage being claimed for a replant payment was initially planted in the late planting period, then the initial late planting guarantee would be used to determine the replant payment.

**C. Self-Certification Replant Inspections**

(1) General Information

(a) If authorized by the AIP, the self-certification replant inspection can be used on the following crops provided replanted acreage will be 50 gross acres (before share) or less on a unit and the unit acreage qualifies for a replanting payment in accordance with policy/endorsement replanting provisions. Authorized crops: barley (spring-seeded only), buckwheat, canola and rapeseed, corn, dry beans, flax (spring-seeded only), grain sorghum, mustard, oats (spring-seeded only), popcorn (including popcorn revenue), peanuts, safflowers, soybeans, sugar beets, sunflower seed, and spring wheat (if replant payment allowed by CP and/or effective endorsement).

(b) No provisions of the contract are waived. As outlined below, the Self-Certification Replant Worksheet (Exhibit 12) will be used in lieu of the on- the-farm-visit and in place of the Certification Form. The APPROVED Self-Certification Replant Worksheet constitutes the AIP's determination that all replanting payment requirements are considered to have been met.

(c) To claim a replanting payment, the insured must give notice of damage to his/her AIP prior to obtaining consent to replant without an inspection. (The agent CANNOT give consent to replant without an inspection.) The AIP upon receiving the notice of damage will prepare the claim form as a Preliminary Notice.

(d) A Self-Certification Replant Worksheet is mailed to the insured when AIP consent is given to replant. A form letter provided by the AIP, which highlights the insured's requirements, will be attached to the worksheet.

(2) Prior to mailing the Self-Certification Replant Worksheet to the insured, the adjuster will:

**C. Self-Certification Replant Inspections** (continued)

(a) Contact the insured to determine if the insured's damaged acreage to be replanted is 50 gross acres or less per unit and if the unit acreage will qualify for a replanting payment.

(i) Unit replanting acreage qualifications are based on the same qualifications as in subparagraph B (4) (a)-(c) above.

(ii) If this determination cannot be made because additional insured acreage on the unit is to be planted and the minimum may not be met, consent to replant may be given, but handle as a preliminary replant inspection with an on-the-farm visit.

(iii) Refer to subparagraph B (8) and (10) above if the unit does not qualify for a replanting payment at this time.

(iv) Damaged acreage appraisals will be based on the insured's judgment that the potential production from the damaged acreage will not exceed the amount stated in the applicable policy. Obtain the insured's estimated yield per acre to determine this, and enter in item 18 of the worksheet. If the damage is due to hail, blowing sandy soils, frost or freeze, the insured must defer making estimate of yields for the length of time stated in Para. 213 C and AIPs must not approve release of acreage to replant until this time has elapsed. The insured must certify to this information by completing and signing the worksheet.

(b) Complete as many items as possible from information obtained from the insured's file folder information and/or from the insured. Circle the uncompleted items that are to be completed by the insured. (Completion instructions are included in Exhibit 10.)

(3) The insured is to be advised:

(a) To review the Self-Certification Replant Worksheet items completed by the adjuster, line through any incorrect information, insert the correct information, and initial any changes;

(b) To complete the circled uncompleted items on the worksheet (upon replanting the acreage), sign and date, and immediately return the completed worksheet to the person/office instructed by the AIP;

(c) To submit a copy of receipts to support his/her actual replanting cost (not applicable to support replanting costs for crops that do not consider actual costs if so stated in the individual CP but is required to verify that the crop was replanted);

**C. Self-Certification Replant Inspections** (continued)

(d) That further notification is required if additional acreage will need to be replanted;

(e) An adjuster must make an on-the-farm inspection and appraisal any time the total (cumulative) replanting payment acreage will exceed 50 gross acres for a unit;

(f) That the acreage replanted in EXCESS of 50 gross acres for a unit WITHOUT the adjuster making an on-the-farm inspection and crop appraisal, WILL NOT be eligible for a replanting payment;

(g) That a random review may be conducted on self-certification replants;

(h) That the replant payment cannot be processed until ALL acreage for the unit has been planted, and the insured reports the unit acreage to his/her agent; and

(i) That it is the insured's responsibility to report ALL other acreage planted for all insured crops to his/her agent prior to the ARD for the crop and county.

(4) A Self-Certification Replant Worksheet cannot be approved until the entire unit has been initially planted.

(5) The adjuster (or other authorized employee) will review the insured's completed worksheet and attached receipts to verify eligibility for a replanting payment in accordance with policy/endorsement provisions (refer to subparagraph B (4) above and B (7)-(8) and any procedural restrictions for self-certification before signing and dating the completed worksheet.

(6) For the applicable replant unit(s), compare the reported acres, practice, etc., shown on the acreage report against the acres, practice, etc., shown on the replant worksheet.

(a) If there is a discrepancy in acres and/or practice, which would result in a lower premium when the replant claim is processed, contact the insured to clear up the discrepancy or make an on-the-farm visit to determine the acres and/or practice. If an on-the-farm visit is not made, the insured must be in agreement with the reduction in premium as a result of the reduced acres or different practice. If it is before the ARD, the acreage report can be revised by the insured without the AIP's approval.

**C. Self-Certification Replant Inspections** (continued)

(b) The insured should understand that if the liability is reduced as a result of the information on the replant worksheet and the acres/practice determined at final loss time results in a greater liability than the unit liability established by the insured on the replant worksheet, the unit liability at time of final loss will be held to the unit liability reported for the replant claim. Any production from any under reported and/or unreported acreage will count against the adjusted guarantee.

(7) If an initial acreage report has not been previously submitted and processed by the AIP, it must be submitted and processed before the replant claim can be processed.

(8) If the acreage report HAS NOT been received by the agent by the ARD, but the Self Certification Replant Worksheet was received prior to that date; the acreage on the replant worksheet will be considered the timely reported acres for the crop. Contact the insured and do a field inspection.

(a) Determine all insured and uninsured acreage for the unit(s) for which a replant payment has been claimed, and prepare an acreage report accordingly.

(b) Any insurable acreage not reported on the replant worksheet at this time is considered late filed and will require a crop inspection to determine if such acreage will be accepted or rejected, as outlined in Para. 182.

If crop(s) other than the crop reported on the worksheet has not been reported by the final ARD, the AIP will determine whether the inspection will include determinations for a late-filed acreage report for the unreported crop(s). For example, the acreage reported on the Self-Certification Replant Worksheet was for soybeans; however, the insured has a policy for corn and grain sorghum but failed to timely report the acres for these two crops.

(9) If the acreage report is revised after submission of a replanting payment (final) claim, a corrected claim must be submitted with the revised acreage report if it affects the replant unit.

(10) After confirming that the insured acreage for the unit is eligible for a replanting payment, and any discrepancy on the acreage report and replant worksheet have been resolved:

(a) Change the notice from a Preliminary to a Final Replant Claim.

**C. Self-Certification Replant Inspections** (continued)

(b) Transfer the information from the worksheet to the claim form in accordance with completion instructions in the LASH for replanting payments, with the exception of obtaining the insured's signature. Enter "See attached" on the line for the insured's signature, and enter the same date the insured signed the worksheet.

(c) Attach the worksheet original and receipts to the AIP's copy of the claim form.

(d) Attach a copy of the worksheet to the insured's copy of the claim form.

(11) If there is any reason to suspect misrepresentation by the insured for this type of inspection, do not allow the insured to self-certify a replant claim. An actual field inspection must be completed in this situation.

**D. Replant Payments Offsetting Amounts Due**

Replant payments are not to be used to offset amounts due (i.e., premium, interest, or overpayments), unless the insured agrees in writing to this.

## 174. Replanting Provision Issues

This section applies to CP that have replanting provisions regardless of whether the CP also include replanting payment provisions.

**A. When an Insured Must Replant** (Annual Crops)

The section in the BP entitled Insurable Acreage provides that when the crop is damaged and it is "Practical to Replant," the crop must be replanted in order to maintain insurability. Therefore, acreage damaged after the final planting date must not be released for other use UNTIL it is no longer practical to replant.

**B. Practical To Replant**

(1) The definition of Practical to Replant in the BP is as follows:

"The AIPs determination after loss or damage to the insured crop based on all factors, including, but not limited to moisture availability, marketing window, condition of the field, and time to crop maturity, that replanting the insured crop will allow the crop to attain crop maturity prior to the calendar date for the EOIP. It will be considered to be practical to replant regardless of availability of seed or plants or the input costs necessary to produce the insured crop such as those that would be incurred for seed or plants, or irrigation water."

**B. Practical To Replant** (continued)

(2) In regard to the definition of Practical to Replant in (1) above:

Some CP may provide additional or modified requirements/factors in order for it to be considered "practical to replant," such as, availability of seeds or plants. Refer to some examples in item (3) below.

(a) Irrigation water is from sources (reservoirs, etc.) historically obtained by the insured. (If water is only available from non-traditional sources and cost is excessive, replanting may not be practical.)

(b) The specific CP or SP may have different provisions regarding "practical to replant."

(3) **Examples**:

**Example 1**:

Some CP, for which processor or seed contracts apply, contain language stating that it is not practical to replant if the production from the

replanted acreage cannot be delivered under the terms of the contract or the processor/seed contractor does not agree in writing to accept the production from the replanted acreage. Some CP for which processor contracts apply, state it is not practical to replant if the replanted acreage cannot produce at least the specified percentage of the approved yield and the processor agrees in writing to accept the production from the replanted acreage (e.g., processing sweet corn, processing beans, processing tomatoes, and green peas).

**Example 2**:

The Sugar Beet Crop Provisions state it will not be considered practical to replant 30 days after the initial planting date for all counties where a late planting period is not applicable unless replanting is generally occurring in the area.

**C. Replanting to a Different Practice, Type, or Variety**

Replanting to a different practice, type, or variety is not planting to another crop, unless the actuarial distinguishes the type or variety as a different crop, except as stated in (D) below.

**D. Spring Wheat Replanted in Counties Having Only Fall Planting Dates**

If the insured's planted winter wheat is damaged to the point there is a loss situation and the insured wishes to plant the winter wheat acreage to a spring variety, the claim will be finalized based on the AIP's appraisal of the winter wheat crop. The spring-planted variety would not be considered replanted to the first crop (wheat).

**D. Spring Wheat Replanted In Counties Having Only Fall Planting Dates** (continued)

It would be considered an uninsurable second crop since spring wheat is not insurable in these counties. HOWEVER, if the insured inter-seeds the spring variety into the existing winter variety, DO NOT finalize the claim. The winter wheat will continue to be insured. Refer to subparagraph J below.

**E. Replant Provision/Herbicide Usage**

(1) When an herbicide has been properly applied as a recommended farming practice, and the label restrictions prohibit replanting the crop by the final planting date, it will generally be considered not practical to replant the acreage. The individual circumstances should be documented using label restrictions and local CES information to make individual determinations.

(2) Advise the insureds that to protect their interest in determining it is not practical to replant they should notify the AIP of the circumstances in order to provide timely documentation of the facts.

(3) No standard response can be given as to the practicality to replant in this situation. Every case may have varied conditions that will affect the decision. Included in these conditions are the following:

(a) Label restrictions for herbicide used;
(b) Crop variety;
(c) Planting date;
(d) Soil, moisture, and temperature conditions; and
(e) Stage of plant growth;

**F. When It Is Practical to Replant**

If the AIP determines it is practical to replant any acreage (subparagraphs A-E above), it cannot be released to go to another crop. If the insured does not replant or plants another crop; the AIP:

(1) WILL NOT pay an indemnity on such acreage; and
(2) WILL revise the acreage report to designate such acreage as uninsurable.

**G. When the AIP Determines It Is (Was) Not PRACTICAL to Replant**

(1) AIPs must be cautious to not prematurely determine that it is not practical to replant, especially in situations where there is a lighter stand, dry soil conditions, and the possibility that precipitation may occur or there is sufficient time to produce a crop before the calendar date for the EOIP.

**G. When the AIP Determines It Is (Was) Not PRACTICAL to Replant** (continued)

(2) Insured notifies AIP of intent to replant, but the AIP determines it is NOT PRACTICAL TO REPLANT

(a) During the farm visit, appraise the acreage. Inform the insured that it is not practical to replant the crop (subparagraph B above), but the AIP will release the acreage for ANOTHER USE if the insured desires. (Replanting to the same crop under any practice is not putting the acreage to another use and is not considered a second crop except as stated in Para. 174 D or UNLESS the AIP determines it is NOT PRACTICAL TO REPLANT).

(b) If the entire unit acreage is damaged and the AIP determines it is NOT PRACTICAL TO REPLANT, the claim can be finalized AFTER the insured certifies that the entire unit acreage was put to another use or a second crop. (If the entire unit is released to go to another use or a second crop, a Certification Form must be left with the insured, refer to Para. 175.) Insurability of the second crop is determined in accordance with the applicable policy provisions and as outlined in Para. 111, First (1st) Insured Crop Planted and Second (2nd) Crop.

(c) Documentation of Determination that It is Not Practical to Replant

AIPs must document all sources of information used to make the determination that it was not practical to replant. This documentation must be retained in the insured's file folder.

**H. Insured Replanted Without Notifying AIP of Intent to Replant or Replants without AIP's Consent**

(1) Insured's must provide all notices required under the policy provisions. This includes notices when the insured wants to destroy any acreage of an initially planted crop and replant it. Section 14 of the BP require these notices. The AIP must provide consent in advance of replanting. Exceptions may not be made even when the original stand remained intact because the insured inter-seeded, replanted alongside the original damaged rows, or left representative sample areas at the insured's discretion. When the insured crop is destroyed without consent, the CP provide for an amount of production to count that is not less than the production guarantee. When an insured crop is destroyed without consent and then replanted, no replanting payment can be made (if replant payment provisions are applicable to the crop) and no indemnity payment associated with the acreage initially planted can be made.

(2) Additional policy provisions provide guidance regarding replanting, determination of the first insured crop, the second crop and crops which may be planted subsequent to a second crop. A first insured crop includes acreage that is replanted when replanting is practical.

**H. Insured Replanted Without Notifying AIP of Intent to Replant or Replants without AIP's Consent (continued)**

(3) For any acreage where notice of damage was not given prior to the insured destroying any portion of the remaining stand and then replanting it, and the AIP determines replanting:

(a) Was NOT practical (for example, conditions were such that there was not adequate moisture, there was no marketing window, the condition of the field was not appropriate, etc.), no replant payment will be paid (if replant payment provisions applicable to the crop), and not less than the production guarantee per acre will be included as production to count. The subsequent planting will be the appropriate subsequent crop; e.g., second crop. Insurability of the second crop is determined in accordance with applicable policy provisions.

(b) Was practical and the insured crop was replanted, insurance may be provided for the replanted crop. However, no replant payment can be made (if replant payment provisions applicable to the crop) in this instance, and the AIP will apply uninsured cause of loss appraisals for any reduction in yield that may have occurred due to replanting after the final planting date.

**I. Planting Other Acreage in Lieu of Replanting the Acreage Initially Planted**

(1) Susceptibility to plant disease, susceptibility to damage due to soil borne insects or herbicides, blowing ground, or other soil conditions may make it impractical to replant on the initially-planted acreage. The insured IS NOT allowed to receive a replanting payment on other acreage planted to replace the initially-planted and subsequently destroyed acreage. Any such "replacement" acreage is treated as any other initially-planted acreage.

(2) If it is not practical to replant the crop on the initially planted acreage, the insured must elect whether to carry the crop to harvest or receive consent for other use. Follow all instructions for the appropriate preliminary or final inspections as outlined in the LASHs.

**J. Replanting on Interplanted Acreage**

(1) There is no specification in the endorsement/policy as to how a crop is to be replanted. However, if a replanting method contributes to any subsequent loss of production, such loss should be reflected in an appraisal for production lost due to uninsured causes.

(2) An existing stand does not have to be destroyed prior to replanting in order to qualify for a replanting payment as long as the acreage being replanted meets the minimum requirements in the policy/endorsement.

**J. Replanting on Interplanted Acreage** (continued)

If the insured chooses to interplant a spring variety with a winter variety, for example, the insured's inability to market or loss of value of the production because of the mixed classes is not insured against. If subsequent damage occurs which lowers the quality of the crop due to insurable causes, a determination of the value of the grain WITHOUT consideration of its mixed status must be made to determine the extent of any quality adjustment.

(3) The actual cost of replanting must be considered when making the replant payment if the CP for the particular crop specify that the replant payment cannot exceed the actual cost of replanting. In cases of interplanting for such crops, it is even more important to ascertain the actual cost of the replant operation to assure that the replant payment claimed does not exceed this cost.

**K. Inability of Insured to Replant**

No potential production will be assessed to acreage the insured has destroyed with consent to replant if, due to weather and/or soil conditions, the insured is unable to replant. However, if it is determined that the insured could have replanted within the timeframe that it was still practical, prepare a revised acreage report designating the acreage as uninsurable (refer to Para.'s 52-53 for revised acreage report instructions).

**L. Inspection to Release Acreage to be Replanted for Crops Not Having Replant Payment Provisions**

Even though a crop or crop coverage may not be eligible for replanting payments, a majority of the crops still have replanting requirements, and the insured must provide notice of damage as described in preceding paragraphs.

(1) In all cases, the AIP representative, or other party responsible for recording notices, will record the notice of damage or loss and forward the notice to the person or office designated by the AIP to assign losses to adjusters.

(2) The adjuster will contact the insured to determine the insured's intent for handling the damaged crop and to determine whether a field inspection is required. The insured will be informed that if a field inspection is not performed, the insured should be prepared to show original seed receipts/tickets and other supporting receipts/tickets to support that the crop was initially planted and replanted in case of an audit or final loss to this unit.

(3) Determinations that field inspections are not required, must be fully supported by information documented in the insured's loss claim file, based on contact with the insured or the insured's authorized representative. Notices of damage MAY NOT require a field inspection when the CP do not provide for replanting payments (or replant payments are not applicable because the policy has CAT coverage) for the crop and crop damage is consistent with other producers' crop damage in the area, and the other producers are replanting. Refer to (5) below.

**L. Inspection to Release Acreage to be Replanted for Crops Not Having Replant Payment Provisions (continued)**

(4) When the notice of damage is cleared without a field inspection, consent to replant will be considered given to the insured when the adjuster documents in the insured's claim file why a field inspection is not required and closes the notice of damage.

(5) A field inspection MUST be completed WHEN:

(a) Policy provisions provide for replant payments (except self-certification replant inspections and policies with CAT coverage);

(b) An insured requests consent to put insured acreage to another use;

(c) There is reason to suspect the insured did not follow good farming practices or uninsured causes of loss;

(d) Damage is inconsistent with other crops in the insured's area;

(e) There is any need to document actual field crop conditions; or

(f) It becomes evident (from contact with the insured or general crop conditions) that these insured crops have been damaged to the extent that replanting would be required, but the insured does not intend to replant the insured acreage. An inspection is required in order to determine practicability to replant and therefore insurability of the damaged acreage.

(6) No potential production will be assessed to acreage the insured has destroyed with consent to replant (with or without a field inspection if, due to weather and/or soil conditions, the insured is unable to replant). However, if the insured could have replanted within the timeframe that it was still practical, the acreage must be considered uninsured and the acreage report revised accordingly.

**M. Replanted During the Late Planting Period Due to an Uninsured Cause**

(1) If the insured crop is replanted during the late planting period due to the crop being destroyed by an uninsured cause (e.g., chemical damage), it will not be considered to be late planted and no reduction in the guarantee will apply. The replanted crop will be handled as any other replanted crop (i.e., the AIP's consent is required before the insured can replant as stated in subparagraph K below, the earliest planting date, initial planting practice, applies, etc.), except the insured is not eligible for a replanting payment on such acreage, if it is a crop that has replanting provisions.

**M. Replanted During the Late Planting Period Due to an Uninsured Cause (continued)**

(2) During final loss adjustment of a unit containing such acreage:

(a) Determine if there is any reduction of yield that can be directly attributed to replanting the crop acreage in the LP period. If there is, show the per-acre amount of reduced yield as an uninsured cause appraisal.

(b) To determine whether there is a reduction in yield, compare the subject replanted acreage yields to yields of timely planted acreage of the same crop in the surrounding area. If such acreage did not suffer any loss of yield due to an insured cause, then this should indicate the loss of yield can be contributed to planting in the late planting period. On the other hand, if timely planted acreage of the same crop in the same surrounding area shows the subject replanted acreage and timely planted acreage both had similar losses of yield due to insured causes, an appraisal for uninsured causes may be applicable.

## 175. Purpose of the Certification Form

A certification form is used when the insured is unsure of the intended use of the insured crop, or has agreed to take a certain action, and a claim cannot be completed until the actual use of the crop can be verified, or the insured has completed the agreed upon action.

**A. Complete a Certification Form for:**

(1) A replant inspection (for a replant payment). The insured will complete and submit the certification form to report the date replanting was completed, the number of acres replanted, and the replanting cost per acre if applicable; or

(2) A "Final" inspection when any of the following apply:

(a) For an Immature Crop:

(i) All the Immature crop acreage in the unit has been appraised to be put to another use or to be planted to second crop, the AIP may provide the insured with a certification form to notify the AIP that the appraised acreage has been destroyed, put to another use, or planted to second crop. When the insured has completed and submitted the certification form to the AIP reporting the date the immature crop was destroyed, put to another use, or planted to second crop, the claim can be finalized.

(ii) If only a portion of the unit acreage is to be put to another use, the AIP may provide the insured with a certification form, however the claim cannot be finalized until the adjuster makes another farm visit to determine the number of acres destroyed, put to another use, or planted to a second crop.

(iii) The adjuster must verify and document any zero appraisal on this acreage, as described in Para. 213 J.

**A. Complete a Certification Form for: (continued)**

(iv) If the immature crop is a spring-seeded crop and insufficient soil moisture affected seed emergence (refer to Para. 213 C (1) (d) for spring-seeded crops), insureds may request, and the AIP may authorize planting a second crop in rows adjacent to the first crop prior to destroying the seedbed of the first crop. The first insured crop claim cannot be finalized until the insured completes the certification form stating the dates the second crop was planted and the first crop seedbed was destroyed.

(b) For a Mature Crop:

(i) Prior to the time harvest is general in the area, ALL of the mature crop acreage on the unit has been appraised for release to another use.

(ii) During or after harvest is general in the area, the mature appraised crop acreage on the unit is to be released to go to another use or is to be destroyed (as stated A and C below) ONLY WHEN ALL OF THE FOLLOWING APPLY:

(A) The CP allow the mature crop production to be quality adjusted to zero production to count AFTER such production is destroyed, as outlined in Para. 232.

(B) Unharvested, mature production is appraised at greater than zero,

(C) The mature crop production has ZMV and such production is required to be destroyed as stated in Para. 232 J (2), AND

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(c) The adjuster has not witnessed (or will not witness) destruction of production (disposal of nursery plants) and there is the requirement to destroy mature appraised or harvested production that (due to an insured cause of loss) is to be considered zero production to count (or zero value to count, if applicable) due to: (1) applicable quality adjustment (e.g., ZMV) or (2) in accordance with the applicable CP (or applicable crop endorsement, if applicable due to extent of damage to the crop (e.g., freeze damage to potatoes insured under Quality Endorsement). Refer to Para. 232 J for ZMV production.

(d) Production records are not readily available, for certain crops (or unavailability of price information to determine production value, if required to complete a claim; e.g., the quality of the cotton is not known to complete the claim). Refer to Para. 178 F (2) for the adjuster's instructions for completing the Certification Form and the instructions to provide the insured for returning the form.

**A. Uses of the Certification Form (continued)**

(e) The crop can never be mechanically harvested. The insured must sign a certification statement on this form as instructed in Para. 213.

(f) The requirement to destroy an immature or mature crop or put an immature crop to another use on the entire unit before indemnification is waived due to wind and soil conditions as indicated in Para. 302. The insured must sign a certification statement on this form as stated in Para.302 B (2).

(g) The insured wishes to allow gleaning of the crop or remaining crop. The insured must sign a certification statement on this form as stated in Para. 222 G (2).

(h) For damaged nursery plants that will not recover to a saleable quality at ANY time after the loss occurrence will have a zero market value.

(3) Refer to Exhibit 9 for Certification Form completion instructions.

**B. When destruction of the production is required, as stated in A (2) (b) above or for nursery with damaged plants that will not recover any time after the loss occurrence:**

Before leaving the Certification Form, the adjuster must:

(1) Provide the insured with the methods of destruction that are considered acceptable to the AIP;

(2) Instruct the insured to enter the date the production was destroyed (disposal of nursery plants) and document in the "Remarks" section of the Certification Form, the destruction/ disposal method; and

(3) Advise the insured that when the AIP receives the Certification Form back showing the insured's certification of the destruction (disposal of nursery plants) of the production (or nursery plants), that another on-the-farm inspection will be made to verify destruction/disposal of the production (nursery plants) and the destruction method.

**C. When Insured is to Return Certification Form.** The insured must sign and date the Certification Form and return it to the person or office designated by the AIP when:

(1) The acreage has been replanted,

(2) The acreage has been put to another use or planted to a second crop (if non-emerged seed of first insured crop due to insufficient moisture and A (2) (a) (iv), are applicable, the certification as stated therein),

**C. When Insured is to Return Certification Form (continued)**

(3) The production has been destroyed (disposal of nursery plants) as required in A (2) (c);

(4) The production records have been received as indicated in A (2) (d) above; or

(5) The damaged nursery plants have been destroyed, or will not recover any time after the loss occurrence.

**D. Adjuster Review of Returned Certification Form**. When the insured signs and returns the Certification Form with a proper indication of "Replanted," "Destroyed," or "Other Use" of the acreage, review all data on the Certification Form and claim.

(1) Destroyed mature unharvested production appraised at greater than zero to be quality adjusted to zero production to count or destroyed harvested production to be quality adjusted to zero production to count (as described in A (2) (b) above), or damaged nursery plants that will not recover any time after the loss occurrence require the adjuster to make another on-the-farm inspection to verify destruction and whether the destruction method was acceptable, as described in (a) below. Also, refer to Para. 232 J (2) (a) 2.

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(2) Acceptable Destruction Methods and Documentation:

(a) An acceptable destruction/ disposal method is a method that will result in the production (or nursery plants) having no possibility of being marketed or of a salvage use that could result in any type of compensation to the insured. The insured should follow any method prescribed by State or Federal regulations or guidelines.

(b) Documentation of Destruction Method. The adjuster must document on the claim form or on a Special Report the method of destruction, whether destruction was an acceptable method, the date the verification and on-the-farm visit took place, and any other pertinent information.

(3) When crop is replanted, put to another use (disked, plowed, planted, etc.) or planted to a second crop:

**D. Adjuster Review of Returned Certification Form (continued)**

(a) If all data on the Certification Form and the claim agree, the adjuster signs and dates the claim form. (The claim will have been prepared as a "Final" during the appraisal inspection, and signed by the insured.) After receiving the Certification Form, the adjuster must review the Certification Form and the claim. If the data on the Certification Form and the claim agree, the adjuster may sign the claim form and send both documents to the AIP within the time frame designated by the AIP. No follow-up inspection is required.

(b) If any data on the Certification Form and the claim do not agree, the adjuster MUST NOT sign the claim form. The adjuster will make another farm visit. If, during the subsequent farm visit, the adjuster still does not agree with the information on the claim, the claim will be voided and a new claim prepared based upon the facts found on the farm visit.

**E. Claim Form Completion Instructions.** Refer to the individual LASHs.

## 176. Indemnity Inspection - Final (Including No Indemnity Due Claims or Denied Claims)

A final inspection must be made in order to document production, acreage, insured and uninsured causes of loss, and all other pertinent entries to determine the amount of indemnity, unless the notice has been withdrawn or cleared.

**A. Field Visit.** To make adequate determination, actual visits to the field(s) where the crop is/was grown must be made.

**B. Information to Consider.** Consider information from preliminary inspections, and review the determinations of any previous inspection(s), if any.

**C. Additional Determinations.** Make additional determinations as required to establish the amount of production and loss, if any.

**D. Procedures.** Refer to specific areas of this handbook and the individual LASH for more information regarding determinations of total production, acreage, appraisals, insured/uninsured causes, shares, etc. Refer to PART 5 for claims involving late planted acreage or the Prevented Planting Handbook for prevented planting acreage.

**E. Comparison of Representative Strip Production to Harvested Production**

Use representative strips the insured has left at harvest time, as required by the policy provisions, to determine whether harvested production is comparable to production in the strips. These representative strips are not the same as representative sample areas used for appraisal purposes, as described in Para. 216.

**E. Comparison of Representative Strip Production to Harvested Production (continued)**

(1) If there is a large discrepancy between harvested production and production within the strips, obtain all pertinent information needed; however, DO NOT sign the claim(s) at this time. Contact the AIP for assistance in completing these cases. If necessary, controversial claims will be prepared (some AIPs use Non-Waiver Agreements rather than controversial claims). Refer to Para. 274.

(2) In the event representative strips are comparable to harvested production and the representative strips do not represent a significant portion of the insured acreage, the acreage strips will be considered as harvested; however, no production from the strips will be counted. IF the portion of the insured acreage involved for representative strips represent a "significant" amount of the acreage, the production from the amount of acreage that is excessive must be included in the production to count. The AIP has the authority to develop guidelines for determining the portion of the insured acreage which would be considered "significant."

(3) If the representative strips have not been left or have been destroyed prior to the inspection, determine if production is reflective of crop residue and conditions in the area. If you are satisfied the production to count is reasonable, prepare the claim accordingly. If production to count is not reflective of crop residue and area conditions, refer the case to the AIP for assistance in handling. (In some cases, this may be grounds for rejection of the claim by the AIP in accordance with the applicable BP and CP.

**F. Review Prior Determinations.** Review the determinations of any inspection giving written consent for other use of a part of the total acreage in a unit. If the earlier inspection was incomplete or the information is incorrect, explain in narrative of the claim form or submit documentation on a Special Report.

**G. Claims of Persons Affiliated With MPCI Program**

If the claim is filed by any FCIC employee or AIP employee; or loss adjustment contractor, agent, or anyone directly affiliated with FCIC, or an AIP; the claim must be reviewed by the AIP (or other disinterested party assigned by the AIP) prior to payment of the claim. Generally, the AIP will accompany the adjuster on the initial loss adjustment inspection and will conduct the review at the same time. If it is not known prior to the loss adjustment inspection that the claim is for an employee or any other person described herein, the adjuster is to notify the AIP immediately so that an AIP representative has the opportunity to accompany the adjuster during the inspection.

**H. DO NOT finalize claims until you are satisfied with all determinations,** including but not limited to:

(1) Total disposition of the crop;

**H. DO NOT finalize claims until you are satisfied with all determinations, including but not limited to: (continued)**

(2) Value (or reduction in value (RIV), if applicable) of the crop needed for quality adjustment purposes. Special care must be given when there are ZMV (1.000 RIV offers (or non-marketability) in a local area or extremely low market price (or extremely high RIV, if applicable) for the crop in the local marketing area (Refer to Paras. 232 H (1) and (7) regarding reasonable RIVs and Para. 232 J regarding ZMV production – ZMV plants for nursery); and

(3) The insured's Certification Form, if applicable, has been received and verified. Refer to Para. 175.

**I. Indemnity Due.** If an indemnity is due, refer to the individual LASHs for procedure in completing the claim.

**J. "No Indemnity Due Claims"**

(1) No Indemnity Due claims may be due to production exceeding the guarantee.

(a) This type of "No Indemnity Due claim must be verified by an APPRAISAL or NOTIFICATION from the insured that the production exceeded the production guarantee (or value of crop exceeded the dollar guarantee, if applicable); i.e., damage/amount of loss (or revenue) was not great enough to generate a loss.

(b) If it is determined that NO INDEMNITY IS DUE during an inspection:

(i) Complete the inspection;
(ii) Record all pertinent information on either of the following:

(A) the claim as instructed in the LASH, OR
(B) if directed by the AIP, complete and have the insured sign a "Withdrawal of Claim" form (meeting the FCIC-form standards) rather than prepare a "No Indemnity Due;" and

(iii) If inspection determinations indicate a reduction in premium is applicable, follow the AIP's instructions.

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**K. Denied Claims[1/] (Including Stage Code for Denied Claim)**

Anytime a loss adjustment inspection takes place and the claim is denied1/ by the AIP, a PW must be completed with at least the following information: Claim Number; Policy Number; Crop Year; Crop Code; Unit Number; Type, Class, or Variety; Practice; Stage Code "DC" (means denied claim); Acres [2/] or number of trees[2/] for tree crops; First Notice of Loss Date; Adjuster's signature; Adjuster's code number; and Adjuster's signature date.

[1/] For the purpose of this procedure a denied claim is any claim for which the insured believes they should be paid an indemnity, replant payment, or prevented planting payment but results in the AIP denying such a claim.

[2/] The number of acres or of trees do not have to be determined for a denied claim; they can be the number of acres or of trees reported on the insured's acreage report.

**L. Final Claims Settled on Appraised Production and Appraised Acreage Is Later Harvested**

(1) If a claim is settled on the basis of appraised production, the insured must notify the AIP if the appraised acreage is later harvested. Claims settled on appraised acreage that is subsequently harvested will be handled as follows:

(a) If the adjusted[1/] amount of harvested production EXCEEDS the appraised production, a corrected claim will be prepared and processed using the harvested production. The insured will be required to repay any overpaid indemnity.

(b) If the adjusted[1/] amount of harvested production is LESS than the appraised production, AND the insured harvests:

(i) After the EOIP, the appraised production will be used to adjust the loss UNLESS the insured can prove that no additional causes of loss or deterioration of the crop occurred after the EOIP;

(ii) Before the EOIP, a corrected claim will be prepared and processed using the harvested production, and any additional indemnity amount due will be paid to the insured.

[1/] Adjusted amount of harvested production is harvested production AFTER applicable adjustments; i.e., test weight, moisture, FM, and/or quality adjustment.

(2) The standard corrected claim tolerances apply to these procedures. Refer to Para. 299.

**A. When the calendar date for the EOIP has been reached,** and the crop has not been harvested, appraised production will be used to adjust the loss if the crop will not be harvested. A final inspection is required as soon as practical unless the AIP determines that insured perils (listed in the policy) delayed and prevented harvest of the crop.

(1) AIPs may settle claims based on harvested production by authorizing additional time to harvest on a case-by-case basis if:

(a) The AIP determines and documents that the delay in harvest was due to an insured cause of loss; and

(b) The insured proves that harvest was not possible; and

(c) The delay in harvest was not due to uninsured causes of loss or because the insured did not have sufficient equipment or manpower to harvest the crop by the calendar date for the EOIP.

(2) If additional time is not granted because it is determined that an insured peril was not the cause for the crop not being harvested; and there is significant snow cover, the crop is under water, or extreme wet conditions exists, AIPs should not, and are not required to, perform final inspections when such conditions make it impossible to obtain appraisals accurately according to procedures.

(3) AIPs are expected to perform appraisals and close out any open claims after the calendar date for the EOIP once conditions improve sufficiently to do so.

(4) When an appraisal is deferred for immature crop acreage that has been released to go to another crop or use, the end of insurance period does not occur for such acreage until the representative areas left for the deferred appraisal have been appraised or harvested (within time frame specified in procedures or CP where there is a disagreement of appraisal amount), unless the insured failed to care for the representative areas (i.e., abandons the acreage in the representative areas). Refer to Para.'s 213 C and 216 for more information about deferred appraisals.

**B. When the AIP authorizes additional time (for annual crops only) to complete loss adjustment due to an insured peril preventing harvest by the calendar date for the EOIP (as stated above), follow the instructions below:**

(1) Notify RMA's Risk Management Services Division (RMSD) via e-mail at RMA.RMSD@rma.usda.gov when authorization is being provided to an insured or insureds, list the number of units by crop, county, and state for which the authorization was given, the reason authorization is being given. If it is anticipated that there may be additional authorizations needed for crop units, provide approximates of the preceding information (i.e., number of units by crop, etc.) and note that the information is based on approximations. RMSD will notify the other AIPs, PASD, Risk Compliance, RMA ROs, and CFOs that service the counties/states where the authorizations have been provided.

**B. When the AIP authorizes additional time (for annual crops only) to complete loss adjustment due to an insured peril preventing harvest by the calendar date for the EOIP (as stated above) follow the instructions below (continued)**

(2) If harvest completion was delayed due to an insurable cause occurring within the insurance period, any subsequent damage to the crop, due to the insurable causes specified in the contract, is covered provided that it is determined on a case-by-case basis that the insured has:

(a) Complied with the notice of damage or loss requirements identified in the policies and administered in accordance with the loss adjustment procedures, and

(b) Made every reasonable attempt to harvest the crop timely and properly.

(3) This does not include a mature crop that could have been harvested by the calendar date for the EOIP but was not because the insured was waiting for the moisture to decrease to avoid drying costs. In such cases, appraise the crop and finalize the claim as soon as possible after the calendar date for the EOIP.

(4) The calendar date for the EOIP is NOT extended. Rather, the insured is given additional time to attempt to harvest the crop in order to settle any loss on the basis of harvested production.

(5) In the above circumstances, any subsequent and unavoidable loss of production caused by insurable causes is to be considered as an unavoidable loss resulting from the original insurable cause, which prevented the timely harvest of the crop. Any avoidable loss of production is to be charged as an appraisal against the guarantee.

(6) The insured is expected to harvest the crop if a window of harvest opportunity arises. If the insured had the opportunity to harvest and failed to do so, AIPs are to appraise the acreage and finalize the claim based on the appraisal. Damage occurring after the producer had an opportunity to harvest is uninsurable.

(7) Verify and document that damage resulted from insured causes occurring during the insurance period (as clarified in B (2) and (3) above). Items to verify include (but are not limited to) the following:

(a) Specific variety planted.
(b) Planting date.
(c) Length of normal growing season needed for the insured crop variety.
(d) Insurable causes preventing timely harvest and dates of occurrence.

**B. When the AIP authorizes additional time (for annual crops only) to complete loss adjustment due to an insured peril preventing harvest by the calendar date for the EOIP (as stated above) follow the instructions below (continued)**

(e) Area conditions, surrounding producers' situations, percent of harvest completion in the area, the adequacy of the insured's harvest equipment and efforts to harvest, and windows of harvest opportunity.

(f) The rationale for establishing the portion of the loss resulting from causes which occurred during the insurance period and any appraisals for uninsured causes.

(g) If AIPs wish to further document that the insured was informed of the above, they should retain in the insured's file folder, a copy of the document sent or given to the insured that outlines the insured's responsibility to mitigate the damage by harvesting at first opportunity, and informing the insured that if a window of harvest opportunity occurs and harvest does not occur, appraisals will be assessed for failure to follow recognized good farming practices. The date the document was mailed or given to the insured should be noted on the copy.

(h) Photographs, video, etc., if they will conclusively verify the reasons that the crop could not be harvested by the EOIP.

(8) If a loss is anticipated and acreage remains unharvested, perform an inspection on the unharvested acreage in the unit as soon as possible after the calendar date for the EOIP. Although it is preferred to provide the insured reasonable opportunity to harvest the crop and to settle losses on the basis of harvested production, very few claims should remain to be finalized beyond 60 days after the calendar date for the EOIP. Such cases will require extensive documentation to support proper payment of the affected claims.

(9) All applicable instructions in Para. 176 also apply.

## 178. Indemnity Inspection (Final) - Delayed Notice of Damage or Loss and/or Delayed Claim

**A. Delayed Notice and Delayed Claim Definition.**

(1) A DELAYED NOTICE is a notice that the insured files after the time specified in the policy provisions. The specified time to submit a notice:

(a) For a planted crop (for production losses and dollar losses under dollar plans of insurance) is "within 72 hours of initial discovery of damage or loss of production but not later than 15 days after the EOIP [1/], even if crop has not been harvested [by unit, for each insured crop" in a county].

[1/] The BP state the EOIP is the earlier of: (1) The total destruction of the insured crop on the unit; (2) Abandonment; (3) Harvest of the unit; (4) Final adjustment of a loss on a unit; (5) The calendar date for the EOIP; or (6) As otherwise specified in the CP.

**A. Delayed Notice and Delayed Claim Definition (continued)**

(b) For crops for which revenue protection is elected, if there is no damage or loss of production, not later than 45 days after the latest date the harvest price is released for any crop in the unit where there is a revenue loss.

(c) For PP notices, the notice must be filed within 72 hours:

(i) After the final planting date if the insured does not intend to plant during the LP period, or if a LP is not applicable; or

(ii) When the insured determines the crop will not be able to be planted within any applicable LP period.

(d) For perennial crops and other plans of insurance, the specified timeframe for filing notices may differ from the preceding information; refer to the specific policy provisions for these crops.

(2) A DELAYED CLAIM is when the insured submits a claim (signs a final claim) later than the following, unless (3) below applies (refer to subparagraph A (3) (b) below for exception to delayed claim procedure when extension of time to measure farm stored production has been granted by the AIP.):

(a) For policies other than revenue protection, 60 days after the date of the EOIP for all acreage in the unit (when there is acreage in the unit where the insurance period ended on different date, it is the last date the insurance period ends on the unit).

Example: If a unit has corn acreage that was put to another use on July 1, and corn acreage where harvest was completed on Sept. 30, the claim must be submitted not later than 60 days after September 30; or

(b) For revenue protection, the later of:

(i) 60 days after the last date the harvest price is released for any crop in the unit; or

(ii) The date determined in accordance with (a) above; i.e., 60 days after the date of the EOIP for all acreage in the unit.

(3) EXTENSION OF TIME FOR SUBMITTING CLAIMS

(a) The insured must submit a claim within the timeframe stated in (2) above, unless the insured requests an extension in writing and the AIP agrees to such request (Extensions will only be granted if the amount of loss cannot be determined within such time period because the information needed to determine the amount of the loss is not available); or

**A. Delayed Notice and Delayed Claim Definition (continued)**

**→Applicable only for grain crops**

(b) Has harvested farm-stored grain production and elects, in writing, to delay measurement of the farm-stored production and settlement of any potential associated claim for indemnity (Extensions will be granted for this purpose up to 180 days after the EOIP[1/]). This will not be considered a delayed claim for which the procedures in subparagraph B-I below are applicable..

(4) When an insured requests delayed measurement of his or her farm-stored grain production for up to 180 days after the EOIP1/, the following procedures will apply:

(a) If all or part of the landlord's and tenants' share of the grain crop is in the same farm-storage structure and if one of the entities requests 180-day delayed measurement of their farm stored production, then the associated claims for the unit(s) of the tenant or landlord can be settled based on:

(i) Measurements of stored production on the date of final inspection if the insured does not elect the 180 delay in measurement;

(ii) Measurements of stored production at the end of the 180-day period if the insured elects the 180 delay in measurement, or

(iii) Sold production if sold prior to the end of the 180-day period.

Refer to subparagraph (c) below.

(b) The insured may submit a written request to delay measurement of his or her farm-stored grain production by unit, crop, or county basis. However, if an insured requests the 180-day delayed measurement for all units of a grain crop having farm-stored production or for all units of all grain crops insured in the county that has farm-stored production, then all of the associated claim units must be held open up to 180 days after the EOIP1/. When multiple units are stored in a single structure with different EOIPs, the latest EOIP1/ date that applies to the stored grain will be used to determine the 180-day time period.

(c) If an election to delay measurement of the farm-stored grain production is in effect and the insured:

(i) Sells all of the grain production prior to the end of the 180-day period, the adjuster will use the settlement sheets from the buyer to settle the claim, However, any applicable quality determinations will be as described in subparagraph (4) (d) below. **Applicable only for grain crops ←**

1/ The BP state the EOIP is the earlier of: (1) The total destruction of the insured crop on the unit; (2) Abandonment; (3) Harvest of the unit; (4) Final adjustment of a loss on a unit; (5) The calendar date for the EOIP; or (6) As otherwise specified in the CP.

**A. Delayed Notice and Delayed Claim Definition (continued)**

**→Applicable only for grain crops**

(ii) Delivers the grain production to commercial storage prior to the end of the 180 day period, the adjuster will use the Commercial Storage Records provided to the insured to determine the amount of production in storage. However, any applicable quality determinations will be as described in subparagraph (3) (d) below.

(iii) Sells only a portion of the grain production prior to the end of the 180-day period and the balance of the grain is still in the structure at the end of the 180-day period, the adjuster will determine the gross production from the settlement sheet for the sold production plus the adjuster's measurements of the grain left in the storage structure at the end of the 180-day period. Any applicable quality determinations will be as described in subparagraph (3) (d) below.

(iv) Feeds some of the grain production that was in the farm storage structure prior to the end of the 180-day period and has acceptable feed records in accordance with Para. 220, the adjuster will use those records, plus the calculated grain production based on the adjuster's measurements of any remaining stored grain production at the end of the 180-day period. If the total grain production for the unit cannot be established and verified as stated herein, the adjuster will handle in accordance with the procedures in section 4 herein. Any applicable quality determinations will be as described in subparagraph (3) (d) below.

(v) Has acceptable weight tickets for the grain production in the on-farm-storage structure, in accordance with Para. 252, the adjuster will follow the procedures in Para. 252 to determine at the end of the 180-day period whether the weight tickets or the grain production determined from the adjuster-measured production will be used. Any applicable quality determinations will be as described in subparagraph (3) (d) below.

(d) All quality deficiencies must be determined no later than 60 days after the EOIP[1/]. Damage that occurs after the EOIP[1/] is not covered; e.g., quality or additional quality damage occurring while in storage).

(i) Samples to determine all substances or conditions injurious to human or animal health must be obtained prior to grain production going into storage except for Vomitoxin; otherwise, no quality adjustment will be allowed for such deficiencies – refer to Para. 238 for more information.

1/ The BP state the EOIP is the earlier of: (1) The total destruction of the insured crop on the unit; (2) Abandonment; (3) Harvest of the unit; (4) Final adjustment of a loss on a unit; (5) The calendar date for the EOIP; or (6) As otherwise specified in the CP.

**A. Delayed Notice and Delayed Claim Definition (continued)**

(ii) The AIP will use the quality deficiencies and levels of quality deficiencies determined on the initial inspection (for example, test weight, kernel damage, or Vomitoxin) to settle the claim, unless prior to the deadline dates specified in (d) above, the production is: (1) delivered to a buyer or (2) put in commercial storage. If the production is delivered to a buyer or put into commercial storage prior to the deadline dates specified in (d) above, the quality deficiencies determined by a licensed grain grader from the samples taken at time of the delivery can be used, EXCEPT for Aflatoxin or other mycotoxin that must be determined prior to storage, as stated in Para. 238.

Caution: Only Aflatoxin levels determined from samples taken prior to on-farm-storage can be used to settle a claim. Copies of grade sheets must be retained in the insured's loss file.

(e) If the insured has a 180-day delayed measurement request in effect, the insured may request that the AIP settle the claim at any time prior to the end of the 180-day period. When the insured makes the request to settle the claim prior to 180 days after the EOIP[1/], the AIP will settle the claim as soon as possible after the date the insured made this request. The insured's signature on the Production Worksheet (claim form) will indicate the insured's intent to settle prior to the end of the 180-day period.

(f) For APH based policies: If the 180-day measurement delay continues beyond the date the insured is required to submit his/her production report, the insured will be assigned the previous year's approved yield as a temporary yield in accordance with applicable CIH procedures.

(g) The 180-day measurement delay does not extend any dates specified in the policy by which premiums, administrative fees, or other debts owed must be paid.

(h) At the end of 180 days, the adjuster will measure the production as soon as possible so the claim can be completed and submitted (signed by the insured) no later than 30 days after the 180th day.

**Applicable only for grain crops ←**

1/ The BP state the EOIP is the earlier of: (1) The total destruction of the insured crop on the unit; (2) Abandonment; (3) Harvest of the unit; (4) Final adjustment of a loss on a unit; (5) The calendar date for the EOIP; or (6) As otherwise specified in the CP.

**B. Acceptance of a Delayed Notice.**

(1) The AIP may accept the insured's notice only if the notice was provided within the timeframe stated in the policy provisions for submitting (signing) final claims (replant, prevented planting, or indemnity) unless excepted as stated in (2) below. A notice submitted later than the timeframe in the policy provisions for submitting claims must be denied, unless excepted as stated in (2) below.

Example of an Acceptable Delayed Notice for Corn Production Loss: The insured finished harvest of the loss unit on October 1. (In accordance with the policy provisions, the insurance period ended upon harvest.) The insured mailed the notice on October 30, and the AIP received it on Nov 3. In order to meet the policy requirements, the notice would have to be received by the AIP by October 16. The notice is 18 days delayed but within the time required to submit (sign) a final claim specified in the policy provisions and the AIP is able to satisfactorily make all loss determinations.

(2) The following are exceptions for which the AIP may accept the insured's notice for a crop unit(s) filed later than the time specified in the policy provisions for submitting claims; however, accepting this notice does not constitute acceptance of the insured's claim. Acceptance of the insured's claim is still dependent upon whether all loss determinations can be satisfactorily made.

(a) When there is a companion policy that has a timely notice or accepted delayed notice for the same unit/crop, the information from the companion claim may be used to complete the insured's claim (refer to subparagraph D for further information regarding the use of the companion contract information).

(b) The insured has other units of the same crop in the county having a timely notice or an accepted delayed notice that is not past the time specified for submitting claims.

(3) The AIP will perform any necessary inspections, including the Delayed Notice Report outlined in subparagraph G below (Delayed Notice Report is not required when a companion contract is involved - see subparagraph D below). When the insured submits a delayed notice, remind the insured of:

(a) The requirement for filing timely notice of damage, by unit for each insured crop in a county.

(b) The right of the AIP to reject any claim if the insured's failure to give timely notice affects the AIP's ability to SATISFACTORILY establish ALL data needed to properly adjust the claim, including notice for which B (2) applies.

**C. Delayed Claims**

(1) Delayed claims can only be accepted when:

(a) The insured has received an extension from the AIP as explained in subparagraph (2) below;

(b) Through no fault of the insured, the AIP was unable to complete the final claim within the required timeframe; or

(c) The AIP has granted an extension for a delayed notice due to one of the reasons stated in subparagraph B (2).

(2) The insured's failure to submit (sign) the final claim within the time specified in the policy provisions for the applicable plan of insurance, or to provide the required information will result in a mandatory denial of the claim, unless:

(a) The insured has requested and the AIP has granted the insured an extension (AIPs can only grant extensions if the amount of the loss cannot be determined within such time period because the information needed to determine the amount of the loss was not available.)

(b) The insured acquired all information necessary to complete and sign their claim within the required timeframe, but through no fault of the insured, the AIP was unable to complete and obtain the insured's (or authorized representative's) signature on the claim form within that time frame. This would be when circumstances beyond the AIP's control prevent the AIP from completing and obtaining the insured's signature on the claim form by the required time frame; e.g., unusually large numbers of loss adjustment inspections due all at the same time. When such circumstances arise, RMA expects AIPs to handle all losses as expeditiously as possible while still staying within the confines of FCIC-issued policy provisions and procedures. The AIP must document on the claim form or on a Special Report the reason they were unable to complete and obtain the insured's (or authorized representative's) signature on the claim form within the required time frame.

**D. Delayed Notices Which Have Companion Contracts that Have Been Finalized**

(1) Unless the adjuster disagrees with the findings, the adjuster will use the information from the companion contract to make his/her determinations. (The information from a withdrawn companion contract claim may be used if all the determinations needed to complete a final claim have been made). The adjuster shall not make his/her determinations until the adjuster has reviewed the companion contract and all respective documentation. The adjuster will enter the date and code number on the claim form, but WILL NOT sign the claim.

**D. Delayed Notices Which Have Companion Contracts that Have Been Finalized (continued)**

(2) The adjuster will submit a Special Report with the following information and any other information relevant to the case: The items in subparagraph G below are not to be included, except as stated in D (4).

(3) The adjuster will state whether he/she agrees with the companion-contract findings. If the adjuster disagrees, the adjuster will identify any findings that he/she disagrees with and why.

(4) If the companion contract was a delayed notice, the adjuster will determine if all the items listed in subparagraph G were addressed in the report for the companion contract. The adjuster will document his/her findings on any pertinent items omitted. Include a copy of the report initially prepared for the finalized companion contract as part of the documentation.

(5) If a companion contract has not been finalized, the adjuster will follow the procedures pertaining to companion contracts found in the LASHs; and if applicable, subparagraphs E, F, and G below. If the companion contract is with another AIP, the adjuster will follow the instructions regarding companion contracts in Para. 41 (4).

**E. Caution.** For an inspection involving a delayed notice or a delayed claim, the adjuster DOES NOT have the authority to bind the AIP to any particular course of action, UNLESS authorized as outlined. If this inspection IS NOT authorized under C (1) (a) and (b) above, do not make statements to the insured which could be construed as admitting or denying liability. The adjuster will inform the insured of the following:

(1) The adjuster's responsibility is limited to establishing the facts and assisting in the preparation of the delayed notice or delayed claim for consideration by the AIP.

(2) The AIP will inform the insured in writing of the approval or rejection of the claim.

**F. Delayed Notice and/or Delayed Claim Inspection**

(1) For all claims involving accepted delayed notices, the adjuster will:

(a) Follow the loss adjustment procedures for making appraisals, acreage determinations, acreage report information verifications, uninsured causes, etc.

(b) Complete all claim form entries for which the determination CAN satisfactorily be made, but DO NOT SIGN the claim. If there is any determination that cannot be satisfactorily determined, do not make an entry on the claim form for that information. Document it as indicated in subparagraph G below.

**F. Delayed Notice and/or Delayed Claim Inspection (continued)**

(2) For all claims involving the AIP granting an extension to submit the claim later than the time specified in the policy provisions for submitting claims (Delayed Claims - No Delayed Notice Involved), the adjuster will:

(a) Make a preliminary inspection and make all determinations possible and complete the claim form without the production records or settlement price information.

(b) Enter "Certification Form – Delayed Claim Extension" in the heading of the claim form or note in the narrative that a Certification Form-Delayed Claim Extension was used.

(c) Obtain the insured's signature and date.

(d) NOT sign or date the claim form during the initial inspection.

(e) Complete a Certification Form and notate in the remarks "AIP approved Delayed Claim Extension." In the remarks (Refer to Exhibit 9.)

(f) Instruct the insured to do the following when the production records or settlement price(s) are available:

(i) Enter "Production Records Available" or "Settlement Price Available" in the "remarks" section of the Certification Form;

(ii) Sign and date the Certification Form; and

(iii) Return it to the person/location indicated on the Certification Form or as instructed by the AIP.

(g) Upon receipt of the completed Certification Form; sign, date, and mark the Certification Form indicating a farm visit is required to obtain the production records (or settlement price, if applicable) and for completion of the claim.

(h) For this type of delayed claim: The AIP will file the insured's request for an extension and the AIP's approval of the extension in the insureds claim file. The Certification Form will be all the documentation required; the instructions in the following subparagraphs will not apply unless the claim is also a delayed notice.

**F. Delayed Notice and/or Delayed Claim Inspection (continued)**

(3) If a claim involves an acceptable delayed notice (as stated in B above) and the AIP has also extended the time for submitting claims, with the exception of claims involving companion contracts as stated in D above, the Delayed Notice Report in G below must be completed by the adjuster, and the claim cannot be paid unless it meets the approval criteria in H below.

**G. Delayed Notice Report**

The adjuster will:

(1) Document on a Special Report whether or not information necessary to accurately determine the amount of loss is available by addressing the items listed below, and any other pertinent information. Attach the completed Special Report to the claim form and forward to your AIP. For delayed notices involving PP claims, adapt this report to address whether all the information necessary to verify whether the crop was prevented due to an insured cause still exists. The report for planted acres will document the following:

(2) The number of acres of the insured crop, by unit, practice, and type that had been plowed, pastured, or otherwise used after the time the insured was required to give notice of loss under policy provisions.

(2) Whether all acreage could be accurately identified and whether such acreage was measured or estimated.

(3) How the actual production was determined, including information as to whether the records of anyone buying production from the insured were examined.

(4) The cause of loss and how it was possible to establish that all of the loss occurred within the insurance period.

(5) How appraisals of unharvested, mature production were determined.

(6) Whether any uninsured causes contributed to the loss, and if so, the methods used in making per-acre appraisals for such causes. (See Para. 281.)

(7) How production on the unit compared with that of other farms in the community; include a statement as to whether other insureds or producers on nearby farms incurred similar losses.

**G. Delayed Notice Report**

(8) If the insured's reason for delay was inability to harvest timely because of unfavorable weather during the normal harvest period, include the following information:

(a) The date when the insured started harvesting this crop, and the date harvest was started on this unit.

(b) To what extent neighboring farmers (both insured and uninsured) were able to complete harvest by the calendar date for the EOIP specified in the crop policy or endorsement.

(c) Whether the insured owns harvesting equipment and if it was adequate to complete harvest timely under normal conditions. Whether the insured performed custom work in lieu of timely harvesting his/her insured crop.

(d) If the insured does not own adequate equipment, document whether:

(i) There were firm, advance custom arrangements, assuring prompt harvest of the crop upon maturity,

(ii) The insured deferred making arrangements until harvest time, or

(iii) The insured depended upon equipment that would not be available until the custom operator completed his/her own harvest or that of other farmers.

(e) With readily available equipment and other necessary facilities, the earliest date harvest could have been completed under the weather and soil conditions that existed.

**H. AIP Approval/Rejection Guidelines for Delayed Notice of Loss**

Generally, the amount of loss CANNOT be accurately determined if the insured failed to give the AIP the opportunity to examine the unharvested crop potential or the harvested crop residue. Therefore, usually a claim will be rejected if the crop and crop residue have been removed from the fields prior to loss adjustment inspection. However, if such a claim is approved, it will require extensive documentation to support satisfactory determinations of planting practices, production, etc.

**I. AIP Approval or Rejection of a Claim Having a Delayed Notice**

(1) The AIP's approving official will:

(a) Approve only claims for which the adjuster was able to satisfactorily establish all of the data needed to properly adjust the claim; and

(b) Reject claims for which the adjuster was not able to satisfactorily establish all of the data needed to properly adjust the claim.

(2) Provide written notification to the insured of approval or rejection of the claim.

## 179. Production Pre-measurement Service Inspection

**A. General Information.** In order to keep production separate by unit when there is a probable loss situation for a crop, ADJUSTERS, not insureds (unless the AIP's authorization is given – refer to Para. 253), are to measure existing production in a single storage structure when an insured is going to add production from another unit, crop year, or production harvested from acreage which has been identified as uninsurable and such production will not be weighed before placing in the storage structure. Refer to Para. 252.

**B. Measurements from FSA.**

Insureds are not to request or be told to request FSA measurements of production in a storage structure for the purpose of a crop insurance claim(s). However, if FSA has already made recent measurements for the purpose of a FSA program and such measurements meet the qualifications stated in A for keeping production separate, the FSA measurements for each unit, crop year, and/or production from uninsurable acreage stored in the same structure may be used, UNLESS:

(1) The AIP has supportable reasons to believe the measurements are incorrect (or moisture determinations made at the time of measurement were incorrect);

(2) The paperwork upon which the measurements are recorded DOES NOT contain all of the following:

(a) Insured's name,
(b) For each structure measured:

(i) Date of each measurement that shows that the measurements were done just prior to production being added to the existing production from another unit, crop year, or uninsured acreage or vice versa;

**B. Measurements from FSA (continued)**

(ii) Dimensions of the structure and depth of production in each structure for: (1) preceding crop year's production (if applicable) with crop year(s) identified, (2) each unit for current crop year with crop year identified (if unit number is not shown, the field(s) the production was from, production from uninsured acreage (if applicable), and (3) measurements of space displaced by chutes, vents, etc.; and

(iii) Location of the structure with some type of alpha/numeric or other type identifier for each structure.

**C. Insured's Notification to AIP for Production Pre-Measurement from the AIP**

Prior to adding such production, the insured will notify his/her AIP that measurements are needed for this reason. The AIP will immediately forward this information on to the appropriate personnel who sets up the adjuster assignments so that the insured can be contacted for an appointment or as otherwise described in Para. 253, provided all parts of the criteria for authorization in Para. 253 have been met.

**D. Recording Production Pre-Measurement for AIP**

The Pre-Measurement Service will be recorded on a claim form or other form used for this purpose. At least the following information must be recorded when performing a Pre-Measurement Service Inspection:

(1) Insured's Name (as shown on the most recent Policy Confirmation).

(2) Policy Number from the Policy Confirmation.

(3) County and State if it cannot be identified within the policy number.

(4) Unit Number.

(5) Crop Year (crop year in which the production pre-measurement service is conducted.

(6) Specific location identifier of the storage structures being measured.

(7) Date the insured requested the production pre-measurement service. (This date can be considered as a notice of loss for follow-up purposes.)

(8) Measurement of each structure being measured and depth of production in each structure, and if applicable, measurements of space displaced by chutes, vents, etc. Use separate line entries to identify each structure and varying share(s).

(9) If measurement is for corn, indicate whether the corn is shelled, ear, silage, etc.

**D. Recording Production Pre-Measurement for AIP (continued)**

(10) Indicate, by structure, from what crop year the production was harvested.

(11) Sketch map showing structure design of the storage facility(ies). (Identify each structure with a numeric or alpha designation. Correlate the numeric/alpha identification of each structure with the line entry for the measurement or calculation of each structure.)

**E. Distribution of AIP's Pre-Measurement Documents is, as follows:**

(1) Copy to insured, and
(2) Original to office that the AIP has designated to maintain insureds' files of original documents.

## 180. Growing Season Inspection

Growing Season Inspections (GSIs) are done as a part of quality assurance and may be done in conjunction with a Pre-Harvest Inspection (refer to Para. 181).

**A. Recording Inspection**

Record the GSI on the following:

(1) GSI Report (Refer to D below.);

(2) Aerial photocopy (Refer to E below.);

(3) Appraisal Worksheets for each unit of the crop being inspected. Refer to "Exception" for completing appraisals in B (2) below. (Follow the appraisal and Appraisal Worksheet instructions (including insured and adjuster's signatures) in the applicable crop loss adjustment handbook for the crop being inspected); and

(4) GSI Form, which can be one of the following:

(a) A PW form with the required standard entries completed as identified in C below; or

(b) A GS I form with the required standard entries completed as identified in C below.

(5) Photos and/or video. Refer to Para. 273 B for instructions on the use of photos and/or videos for documentation purposes.

## B. Appraisals

(1) Appraisals must be performed during the inspection, and recorded on the appropriate appraisal worksheet for each unit. Refer to the appropriate LASH for appraisal instructions.

(2) EXCEPTION: If an inspection is being done shortly after the final planting date to determine if the crop has been planted by the final planting date and/or within the late planting period (if applicable), appraisals are not expected for this early inspection. However, the adjuster must obtain and record as much information as possible.

## C. GSI Form Standards and Completion Instructions

The following are the minimum items required for this form:

(1) Title of Form, "Growing Season Inspection." If using a PW to record this inspection, mark out "Production Worksheet" and write in "Growing Season Inspection."

(2) Insured. Name of insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.

(3) Unit Number. Unit number from the Summary of Coverage after it is verified to be correct (e.g., 0001-0001BU).

(4) Crop. Name of the crop.

(5) Policy Number. Insured's policy number.

(6) Crop Year. Crop year, as defined in the policy, for which the claim is filed.

(7) Companion Contract. If no other person has a share in the unit (insured has 100 percent share of a loss affected unit), MAKE NO ENTRY. If there is another person sharing in the crop that has a multiple-peril crop insurance contract, enter the name of the other person. If the contract is with the same AIP, enter same. If a different AIP insures the other person, enter the name of the AIP, if known.

(8) Field ID. The field identification symbol from the sketch map or aerial photo.

(9) Acres. The number of acres, to tenths (unless specified otherwise in the specific LASH) for the unit.

(10) Share. Insured's share in the crop, to three decimal places.

**C. GSI Form Standards and Completion Instructions (continued)**

(11) Practice. Three-digit code number entered exactly as specified on the actuarial documents, for the practice carried out by the insured. If "No Practice Specified," enter the appropriate 3-digit code number from the actuarial documents.

(12) Appraised Potential. Per-acre appraisal of POTENTIAL production for the acreage appraised. Refer to the appropriate appraisal instructions in the applicable crop loss adjustment handbook.

(13) Narrative. Enter, "See attached GSI Report" and "aerial photo."

(14) Adjuster's Signature, Code #, and Date. Signature of adjuster, code number, and date of inspection.

(15) Certification Statement. Directly above the insured's signature block, the Certification Statement EXACTLY as shown in the most current DSSH, FCIC-24040.

(16) 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. If the insured refuses to provide his/her signature, enter "Refuses to provide signature" and further explain insured's refusal on a Special Report, if needed.

(17) Form Number. The form number assigned for this particular form (may include alpha characters in the form number.)

(18) Privacy Act and Non-Discrimination statements. These statements are required statements that must be printed on the form or provided as a separate document. 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.

Refer to the DSSH, FCIC-24040 for other crop insurance form requirements (e.g., point size of font, etc.)

**D. GSI Report Form Standards and Completion Instruction**

The following are the minimum items required for this form:

(1) Title of the form. Show the title as "GSI Report."

**D. GSI Report Form Standards and Completion Instruction (continued)**

(2) Planting date (and replanting date, if replanted). The date(s) the crop was planted and date(s) replanted, if the crop was replanted. If dates differ for fields, identify field and date field was planted and replanted, if replanted. When there is a reason to doubt the time of planting, (examples: (1) if the insured says the crop was replanted and you question whether it was replanted or whether this is actually the initial planting; or (2) when there is a poor stand and there appears to be no cause of loss that would have reduced the stand) obtain receipts for seed/plants and custom planting, if applicable. If all of the information cannot be obtained, explain why.

(3) What kind of tillage methods has the insured carried out? Record the tillage methods used and dates tillage was done. Obtain documentation. If all of the information cannot be obtained, explain why.

(4) What kind of weed control practices are being carried out? Record the methods, and if chemical control was used the name of the product used, the number of times used, and dates used. Obtain receipts and documentation for weed control and application when there is a weed problem. If all of the information cannot be obtained, explain why.

(5) Has a current soil test(s) been taken on any of the insured acreage? If yes, record the date of test and test results. If all of the information cannot be obtained, explain why.

(6) How does the crop inspected compare with those in the general area? If the condition of the crop being inspected differs from those in the general area, document differences.

(7) What fertilizer program is being followed? Record the type of program used. Record product names used and dates used. If a product was applied by a commercial firm, obtain the name of the firm. Obtain receipts for products and dates the product was applied if there is a poor stand or there are other signs of no or under fertilization of the crop. If all of the information cannot be obtained, explain why.

(8) What insecticide/pesticide program is being followed? Record the type of program used. Record production names used and dates used. If a product was applied by a commercial firm, obtain the name of the firm. Obtain receipts for products and application when there is an insect or pesticide problem. If all of the information cannot be obtained, explain why.

(9) Weather conditions. Briefly explain the weather in the past 4 to 6 weeks, the current conditions, and the long-range forecast for the area.

**D. GSI Report Form Standards and Completion Instruction (continued)**

(10) Is an irrigated practice insured on the crop unit being inspected? If yes, record the type of irrigation equipment in place, whether equipment is functional and adequate, whether adequate irrigation water is available, and the amount of irrigation water applied and times applied to the crop, to date. If equipment or water is not adequate, explain why not. If all of the information cannot be obtained, explain why.

(11) Should the producer's farming operation be reviewed at a later date? Answer yes or no, and explain why or why not.

(12) Remarks: Briefly enter any other pertinent remarks; e.g., for perennial crops, whether practices necessary to protect the crop and/or move the crop toward maturity and yield upon which the guarantee is based has been carried out.

(13) Adjuster's Signature, Code Number, and Date. Signature of adjuster, code number, and date of inspection.

**E. Documentation on Aerial Photo Copy**

On the aerial photocopy, clearly identify the following:

(1) Insured's name and contract number,
(2) Insured's farm and the field(s) inspected,
(3) Area in the field where the appraisals were taken,
(4) Any problem areas within the field(s), and
(5) Any field(s) of the same crop that border (a neighbor's field and the condition of that neighbor's field).

**F. GSI Report Package and Distribution**

Attach together completed aerial-photo documentation, GSI Report, appraisal worksheet, GSI Form, and photo and/or video documentation. Distribute originals to the office designated by the AIP to maintain insureds' files of original documents and as otherwise instructed by the AIP.

## A. General Information

Pre-harvest Inspections are done as a quality assurance/control function to deter insureds from shifting or hiding production in order to create losses or create larger losses. It also serves to discover producers who are attempting to do this. By appraising all fields prior to harvest, the appraised production can be compared against the harvested production. If there are large discrepancies, it may be possible to use the appraisals to establish misrepresentation or as a key that further investigation is needed to establish the misrepresentation.

## B. Insured Entity is Broker, Packer, or Processor or SBI affiliated with Broker, Packer, or Processor

PRIOR TO HARVEST when a loss situation is probable or a notice of loss is filed, it is recommended the AIP complete a PRE-HARVEST inspection if it is determined the insured entity is affiliated with a broker, packer, or processor. If the insured entity has a SBI that is affiliated or in common with the broker, packer, or processor, a pre-harvest inspection is recommended.

## C. How to Complete the Pre-harvest Inspection

(1) Do appraisals on all units of the crop.

(2) Record the inspection on a claim form and appropriate appraisal worksheets using the same instructions as for a preliminary inspection. Final claims can also be prepared during this inspection, if appropriate, by using the instructions for final claims in this handbook and appropriate LASH. Prepare one claim form for each unit.

(3) Identify somewhere in the heading of the claim form that this is a Pre-harvest Inspection, unless the unit is going to be finalized on this visit. Document any pertinent information in the narrative of the claim or on a Special Report.

(4) Post-Audit of Inspections

Any loss units submitted for payment that has harvested acreage will be compared against the pre-harvest appraisals. When there are significant discrepancies, the AIP will try to resolve these discrepancies with the insured. If these discrepancies cannot be resolved, AIPs may forward such cases to the appropriate FCIC Compliance Office for further review, action, or assistance.

## 182. Crop Inspection to Determine Acceptance of Misreported Acreage Report Information for Insurance

### A. This inspection can be initiated when the:

(1) Insured files a late-filed application and/or acreage report or wishes to add acreage that the insured had a share in at the time insurance attached but was initially not reported on the timely filed acreage report for the crop(s);

(2) AIP discovers that acreage in which the insured had an insurable share at the time insurance attached was under-reported, a unit(s) was not reported, or no acreage was reported by the insured or for the crop. (Refer to Para. 61)

### B. Additional Information

Acreage, for which the insured did not have a share until after the time insurance would have attached, cannot be insured under the insured's policy, unless specified otherwise in the BP, CP, or SP.

### C. Crop Inspection

(1) The crop inspection will consist of an on-the-farm visit to determine the number of planted acres and to perform crop appraisals and make observations of the current general crop, soil, and weather conditions to determine if the planted crop acreage for the unit will produce at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based.

(2) Refer to the Florida Fruit Tree Loss Adjustment Standards Handbook for specific instructions for crop inspections to accept or reject a revised acreage report to change the number of trees or other acreage information initially reported on the acreage report. (The liability for this crop is based on the number of insurable trees rather than insurable acres).

### D. Approval/Rejection

(1) If no cause of loss that could potentially create a loss situation has occurred (i.e., excess precipitation may have occurred but it did not create or has the potential to create a loss situation) and the unit appraisal meets the appraisal requirements for accepting the unreported acreage or misreported information:

The approving official may accept (with the exception of subparagraph E below) or reject, by UNIT, at his/her discretion (based upon crop, soil, weather conditions, etc.) the unreported acreage when appraisals indicate that the crop acreage for the unit would produce at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based. Unit acreage appraising below 90% of the yield will be rejected. The unit acreage for the purpose of crop-inspection appraisals includes the reported acreage and unreported insurable acreage. Refer to exception in subparagraph E below. Also, refer to B above.

**D. Approval/Rejection (continued)**

For example: if the reported acreage for unit 0001-0001BU was 90.0 acres but a field consisting of 80.0 insurable acres was omitted from this unit, the appraisal would be conducted for all 170.0 acres to determine if the unit acreage appraised at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance was based. For unreported units, the individual unit acreage is comprised of all the acreage that could have been insured under the particular unreported unit. However, when there are unreported units involved, all units of the crop must be appraised until one unit fails or all units pass the criteria for accepting an unreported unit; refer to subparagraph E below.

(2) When there are insured shareholders involved, approval/rejection determinations are made independently of one another based on each policyholder's individual yield upon which their individual per-acre guarantee or per-acre dollar amount of insurance is based (e.g., approved APH yield) and whether the corresponding appraisal of each policyholder was at least 90% of their individual yield upon which their individual per-acre guarantee or per-acre amount of insurance is based. Therefore, it may be possible, if the insured shareholders have different APHs or different amounts of insurance, for one policyholder to meet the approval criteria and for one not to meet the criteria for approval.

**E. Unreported Units**

(1) Units that the insured omitted from his/her timely submitted acreage report for the crop.

Unreported units CANNOT be added IF ANY reported insured unit for the crop at this time WILL NOT produce at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based. When unreported units are rejected, the unreported unit procedure in Para. 295 must be followed.

(2) Insured did not timely submit an acreage report for the crop, or timely reported insurable acres as zero for the crop when there were actually planted acres, which would be considered unreported unit (s). In these situations, since there were no reported planted acre units:

(a) The units that pass the crop inspection may be added, and
(b) Any unit of the crop that is rejected during the crop inspection is considered an unreported unit, and the unreported unit procedure in Para. 295 must be applied.

**F. Recording the Appraisal.** Record the appraisal on the appropriate Appraisal Worksheets for each unit of the crop being inspected. (Follow the appraisal and Appraisal Worksheet instructions (including insured and adjuster's signatures) in the applicable crop LASH for the crop being inspected);

## 182. Crop Inspection to Determine Acceptance of Misreported Acreage Report Information for Insurance (Continued)

**G. Inspection Report/Documents Submitted to AIP.** Submit to the AIP, the original or revised acreage report prepared during the inspection, the appraisal worksheet, and a Special Report with the following information:

(1) Whether any significant damage has occurred on the unit, and
(2) Whether the appraisal for the unit acreage (reported and insurable unreported acreage) was at least 90% of the yield upon which the per-acre guarantee or per-acre amount of insurance is based can be expected under the current crop, moisture, and weather conditions.

**H. Notification of Approval/Rejection.** Inform the insured that he/she will be notified in writing by the AIP of approval or rejection of the acreage.

## 183. Interest Payment on Claims

### A. Policy Provisions

Unless otherwise specified, the BP (or as applicable, CP) state that simple interest will be paid from the 61st day on the net indemnity after the insured signs, dates, and submits the properly completed claim, if the reason for failure to pay within 60 days is not due to the insured's failure to provide information.

### B. Interest Determined from Adjuster's or Approving Official's Signature

FCIC has identified the following types of claim situations on which interest should be paid from the 61st day of the adjuster or approving officer's signature date rather than the insured's signature date. The claim situations are as follows:

(1) Certification Form has been used on the unit.

(2) The insured is an absentee insured (adjuster will enter the date when the claim form was mailed to insured for signature in the narrative).

(3) Controversial or other unusual type of claim.

**184-190 (Reserved)**

## SECTION 2 VERIFYING THE CAUSE OF LOSS

### 191. General Information

**A.** **The causes of loss insured against are clearly identified in the individual CP.** Coverage of insured causes of loss must be due to drought, flood, or other natural disasters (as determined by the Secretary of Agriculture). Insured causes of loss, by crop, are listed in Exhibit 3.

**B.** **Adverse Weather.** Many individual CP list "Adverse Weather" as a cause of loss. Adverse weather consists of the following causes of loss: "drought," "heat," "hail," "excess moisture/precipitation," "frost," "freeze," "cold winter," "cold wet weather," "flood," "wind/excess wind," "hot wind," "cyclone," "tornado," "hurricane/tropical depression," and "other; e.g., snow, lightening." However, (when adverse weather is the applicable cause of loss) for analysis and statistical purposes, RMA requires that the claim form show what the specific adverse weather event was; e.g., "excess precipitation," "freeze," "hail," etc., would be listed rather than "adverse weather." Exhibit 3 provides the codes for each of these causes of loss.

**C.** **Flooding caused by water contained by structures that are designed to contain** a specific amount of water, such as dams, locks, etc., is not an insurable cause of loss as explained in Para. 193 A (6). However, if flooding is a named insured peril in the CP and due to excess precipitation, water spills over a containment structure (such as a dam) or there are controlled releases of water from the containment structure in order to mitigate flooding, any flooding downstream is an insurable cause of loss. For example, due to excess precipitation, the Army Corps of Engineers implements a controlled release of water from dams to relieve additional flooding.

**D.** **The insured must establish the cause of loss; the adjuster will:**

(1) Verify the cause of loss during the on-the-farm inspection.

(2) Be satisfied that the damage or loss is due to one or more insured causes(s) of loss; e.g., drought CANNOT be an insured cause of loss for acreage with an irrigated practice; however, failure of the irrigation water supply due to drought would be an insured cause of loss under an irrigated practice. Each inspection must be an individual determination. If the cause of loss appears to be different from what the insured has stated, document the facts on a Special Report. For more information see Unusual/Controversial Cases in Part 4.

### 192. Hail and Fire Exclusion

When hail and fire have been excluded as insurable causes of loss and hail or fire is determined to be the sole cause of loss, there generally will be no indemnity. Refer to the individual LASHs for instructions. Refer to verification requirements in Para. 38.

## A. Causes of Loss Not Covered

As specified in the BP, only unavoidable loss directly caused by specific causes of loss contained in the CP are covered. All other causes of loss, except where the CP specifically cover loss of revenue due to a reduced price in the marketplace, must be due to a naturally occurring event. All other causes of loss, including, but not limited to the following are NOT covered and are considered uninsured causes:

(1) Any act by any person that affects the yield, quality or price of the insured crop (e.g., chemical drift, fire, terrorism, etc.);

(2) Failure to follow recognized good farming practices for the insured crop (for additional information, refer to Para. 281 K);

(3) Failure or breakdown of the irrigation equipment or facilities, or the inability to prepare the land for irrigation using the insured's established irrigation method (e.g., furrow irrigation), unless the failure, breakdown, or inability is due to a cause of loss specified in the CP. The insured must make all reasonable efforts to restore the equipment or facilities to proper working order within a reasonable amount of time unless the AIP determines it is not practical to do so. Cost will not be considered when determining whether it is practical to restore the equipment or facilities;

(4) Failure to carry out a good irrigation practice for the insured crop, if applicable;

(5) Any cause of loss that results in damage that is not evident or would not have been evident during the insurance period, including, but not limited to damage that only becomes evident after the EOIP unless expressly authorized in the CP. Even though the AIP may not inspect the damaged crop until after the EOIP, damage due to insured causes that would have been evident during the insurance period will be covered; and

(6) Flooding. Flood damage from water that is contained by or within structures that are designed to contain a specific amount of water, such as dams, locks or reservoir projects, etc., on any acreage when such water stays within the designed limits. (For example, a dam is designed to contain water to an elevation of 1,200 feet but the insured plants a crop on acreage at an elevation of 1,100 feet. A storm causes the water behind the dam to rise to an elevation of 1,200 feet. Under such circumstances, the resulting damage would not be caused by an insurable cause of loss. However, if the insured planted on acreage that was above 1,200 feet elevation, any flood damage caused by water that exceeded that elevation would be caused by an insurable cause of loss.)

**A. Causes of Loss Not Covered** (continued)

(a) Some SP specify the particular lake containing such water and require measurement by the Corps of Engineers (e.g., Marion county Iowa). Also, prevented planting coverage is not available on such acreage if the elevation of the contained water reaches or exceeds the land elevation (or denies access to) of the insured acreage between the Sales Closing Date and the Final Planting Date shown on the SP for the crop. Refer to the Maps section of the actuarial for additional information affecting the insurability of the land, if applicable.

(b) Verification Documentation

The adjuster must document the elevation of the contained water at the time of loss, as measured by the Corps of Engineers and/or other reliable public or governmental sources that measure such water elevations. The water elevations during the period of loss are to be obtained. (Some SP require measurements be from Corps of Engineers). The adjuster/AIP must also document the elevation of the subject land for use as a comparison to the elevation of the contained water. To determine the elevation of the subject land, the AIP is responsible for obtaining maps or data containing the elevations for the acreage.

(c) There are several web sites offering topographical maps that provide land elevations. One such source is the United States Geographic Survey web site. There are also many other commercial sites that sell CD's containing topographical maps.

**B. Verification that cause of loss is uninsurable**

During the on-the farm inspection, verification of whether the cause of loss is insurable or uninsurable must be made. When it has been verified that there is an uninsurable cause of loss it must be documented. Refer to Para. 281 for additional details about verifying whether there are uninsured causes of loss.

## 194. Abandon Versus not Following a Good Farming Practice

There is a definite distinction between "not following a good farming practice" and "abandon."

**A. Abandon**

(1) Basic Provision Definition of Abandon. "Failure to continue to care for the crop, providing care so insignificant as to provide no benefit to the crop, or failure to harvest in a timely manner, unless an insured cause of loss prevents the insured from properly caring for or harvesting the crop or causes damage to it to the extent that most producers of the crop on acreage with similar characteristics in the area would not normally further care for or harvest it.

**A. Abandon (continued)**

(2) Acreage where the producer has stopped caring for the crop, at whatever stage, is considered to have been abandoned, regardless of whether the crop was otherwise damaged by an insurable cause of loss. There does not need to be an express intent to abandon the crop. The producer must simply have stopped all care for the crop, or the care provided must be so insignificant as to provide no benefit to the crop. An appraisal as stated in Para. 213 (B) (11) below must be assessed when the crop is abandoned.

(3) Although rare, the insured may decide to harvest the abandoned acreage if there is production that can be harvested. If this happens, and the harvested production from the abandoned acreage is commingled with the harvested production from the acreage not abandoned, all of the harvested production from the abandoned acreage will be included in the production to count.

(4) A crop damaged to the extent that harvest is not practicable will not be considered as abandoned because the producer fails to harvest the crop. In these cases, the producer should provide a notice of loss and the acreage should be appraised. For "failure to timely harvest" to be considered as abandonment, the crop must be in a condition where harvest would be considered as a good farming practice and no condition exists which would make it physically impossible to harvest the crop, such as the ground is too wet.

(5) Insured turns in a notice of damage or loss after the act of abandonment

It must be considered abandonment if the insured stops caring for the crop PRIOR to providing notice of damage or loss and the time elapsed is such that the AIP cannot satisfactorily distinguish whether damage is solely from the insured cause or a combination of the insured cause and the abandonment.

(6) Insured abandons the crop for a length of time and then begins caring for the crop. If enough time has elapsed that the care is untimely and will not benefit the crop or the care is so insignificant that it does not benefit the crop, it is still considered abandonment as stated in (2) above.

**B. Not Following A Good Farming Practice**

Acreage where the producer continues to care for the crop by performing all the practices needed to produce a mature crop, but does so inadequately, such as the application of an insufficient amount of fertilizer or herbicides, topping only a portion of the tobacco acreage, etc., will be considered not following a good farming practice. The amount of loss attributed to not following a good farming practice will be included as the production to count; i.e., an uninsured cause of loss appraisal. These determinations must be on a case-by-case basis. The AIP must first determine whether the necessary farming and cultural practices have been carried out by the producer and, if they have, whether they were adequate. Refer to Para.'s 281 K and R for additional information.

**195-200 (Reserved)**

## SECTION 3 ACREAGE DETERMINATION

### 201. General Information and Methods

Determined acres are required on some preliminary claims and all final claims as specified in the LASHs. Determined acres must consist of ONLY insurable crop acres. Non-crop acres must also be measured so that this measurement can be deducted from the total measurement of the field, orchard, etc. Refer to illustrated example in 202 C (6).

For producers utilizing precision farming technology systems, electronic record outputs for planted and harvested acreage may be acceptable provided all requirements in paragraph I, below are met. Acreage measurements must only be made by (1) the AIP (AIP approved precision farming technology system planter monitor records shall be considered to be equivalent to AIP measured acres. Refer to Para. 201 I (2)(b)); (2) FSA; (3) or a disinterested third-party firm whose primary function is land measurement (i.e., measurement service). Use the following procedures for determining acreage:

**A. FSA Measured Acres**

(1) Acres measured by FSA through or during a spot check of the insured's certified acres for the current crop year, may be used as the determined acres for claim purposes if they are available at the time the claim is worked. If the AIP has reason to believe the FSA measured acres are incorrect, the AIP must re-measure the acres and use the re-measured acres for the claim.

(2) Permanent FSA-Crop Field Measurement Re-measured by FSA

If FSA re-measures a previously measured field solely because of obtaining new measurement equipment (or application of new measurement methods) and they are re-measuring all producers' fields, and the insured's field is re-measured after the time the insured reported the previously FSA-measured acres on his/her crop insurance acreage report, then: (1) The previous FSA-crop field measurement the insured reported will remain in effect for that crop year and will be the determined acres used by the adjuster to settle the claim, if any; (2) No corrected claim will be prepared when this situation occurs; and (3) The results of FSA re-measured acres, if different, will not be used until the subsequent crop year, unless Para. 53 B (8) is applicable.

**B. Measurement Service**

(1) If the insured has provided documentation to the AIP that they have requested acreage measurement from FSA or a firm whose primary function is land measurement services prior to the ARD and has submitted the documentation of the measurements as described in Para. 53 E (1), the acres measured by the measurement service will be used as the determined acres, provided the measurement was performed by a person that has no conflict of interest as described in the SRA and provided it is acreage to be used when irreconcilable differences occur, as stated in C below. If an acreage measurement is only

**B. Measurement Service (continued)**

requested for a portion of the acreage within a unit, the insured must separately designate the acreage for which an acreage measurement has been requested. If the AIP remeasures, follow the direction in Para. 201 E (2) for acreage report revisions.

(2) A measurement service may include those operated by sales agents or firms in which the sales agent is associated. However, for loss adjustment purposes, acreage measurements performed by a measurement service operated by a sales agent or in which the sales agent is associated are not considered "measured acres" to use as the "determined acres" on the PW. Therefore, if the acreage has not been measured by FSA or the AIP and none of the items (reasons acreage must be measured) in subparagraph F apply, follow the procedures in subparagraph E "Acres not Measured." If the criteria in subparagraph E (1) have not been met and the acreage measured by the AIP or FSA is different than the reported acres, an LAF will not apply if the insured fulfilled all of their policy requirements for measurement service.

(3) If the measurement service has not provided the insured with the completed acreage measurements by the ARD, the insured must submit estimated acres to the agent for the acreage report. As soon as the insured has received the acreage measurement, the insured must submit it to the agent. The acreage report will then be revised to reflect the measured acres, unless the AIP or FSA has made a measurement of the acreage and there is a discrepancy. Refer to Para. 53 E (1) for more information on discrepancies.

(4) If the insured fails to provide the measurement to the AIP:

(a) By the time a notice of loss has been filed with the AIP, the AIP must determine the acreage and make whatever adjustments are required by the BP if the estimated acres reported are incorrect, UNLESS the insured and the AIP agree in writing to wait for the Measurement Service's measurement. No LAF will apply.

(b) By the premium billing date and there was no notice of loss filed (AIP made no acreage determinations), the AIP will base the premium on the estimated acreage reported by the insured. If the acreage measurement is later provided, the premium must be adjusted to reflect the actual acreage.

(c) For the crop(s) that was/were to be measured, then in subsequent crop years, acreage measurements for ANY crop CANNOT be accepted after the ARD from this insured. For example, in 2011, this insured requested acreage measurements for corn and soybeans but never provided the measurements to the AIP, then in 2012 the insured requests measurements for grain sorghum and dry beans. Even though the request was for different crops, the measurements CANNOT be accepted after the ARD because the insured failed to provide acreage measurements for a crop(s) in prior years. It also does not matter whether it is the same or a different AIP.

**C. Differences In Acreage Measurements Between the AIP, FSA, or a Measurement Service**

Regardless of whether a measurement service is requested (e.g., difference is discovered during reconciliation process), the following applies:

(1) If there is a difference in measurements between or among the AIP, FSA, or a measurement service, an effort shall be made to reconcile these differences.

(2) If there is an irreconcilable difference between:

(a) The acreage measured by the AIP, FSA, or a measurement service, the AIP's measurement will be used.

(b) The acreage measured by FSA or measurement service, the FSA measurement will be used.

**D. Previously Measured Acreage**

(1) Use acres that have been previously measured for the current crop year by:

(a) FSA as described in A or B above unless the AIP chooses to measure the acres for the current crop year or believes the measurement is incorrect, or by other measurement service as described in B above.

(b) Another AIP (measurement of a companion contract) unless it is felt that measurement is incorrect.

(c) Because discrepancies between FSA's and AIP's acreage measurements may have to be reconciled at a later date, it is recommended that AIPs verify with the FSA whether actual measurements of the acreage being inspected have been made, and if actual measurements have been made, to use those measurements. HOWEVER, if the AIP believes the FSA measurement is incorrect and re-measures the acreage or chooses to make their own measurement and finds that their measurement is not in agreement with FSA's, the AIP should try to resolve the difference with FSA.

(2) Prior year(s) measurements of a field that was measured by an AIP, local FSA office, or a measurement service, will be used if the acres have not been measured for the current crop year, provided the:

(a) entire field is planted to a single crop (same practices or types if there are separate guarantees), and

**D. Previously Measured Acreage (continued)**

(b) field boundaries have not changed.

If there is reason to suspect that the measurements are not accurate, the acres must be re-measured as described in F below.

**E. Acres Not Measured**

If measured acres as described in subparagraphs A or D are not available, acreage has been measured by a measurement service owned or operated by the sales agent or in which the agent is affiliated, or no measurement service has been requested as stated in subparagraph B, then the following applies:

(1) The acres reported on the Crop Insurance Acreage Report may be considered "determined acres" for claim purposes, IF the:

(a) insured has signed the acreage report indicating certification of the reported information; AND

(b) adjuster can determine through visual inspection of the acreage and with the use of FSA certified acreage reports or aerial photo copies obtained from the local FSA office or other acceptable sources (e.g., providers of aerial maps or satellite imagery that clearly depicts the field boundaries, landmarks, etc.), that the acreage would measure within 5 percent of the acreage reported on the acreage report.

(2) If the information in (1) (b) above is not available or is unacceptable, the adjuster must measure the acreage as described in F below.

(3) If the adjuster measures the acres because the adjuster does not believe the reported acres would be within the 5 percent tolerance, the measured acres must be used even when the measured acres are within the 5 percent tolerance.

**Example 1**: The insured reports and certifies100 acres planted. The adjuster believes the acreage would measure more than 105 acres. The adjuster measures the acreage to be 104 acres. The 104 acres must be used as the determined acres even though it is within the 5 % tolerance. Therefore, the insured has under-reported acres and all production from the 104 acres will be applied to the liability for the 100 acres the insured reported. A LAF will apply.

**E. Acres Not Measured (continued)**

**Example 2:** The following is an example of a situation where the reported acreage is within the 5 percent tolerance, but cannot be used as the determined acreage:

- Previous measurement = 80 acres (field boundaries have not changed).
- Crop insurance acreage report = 80 acres of corn.
- Entire field planted to boundaries, but about 2 acres are oats.

In this instance, the reported acres cannot be used as the determined acres. Either an actual measurement must be made (e.g., wheeled) OR because the reported acreage is within the 5 percent tolerance, the acreage can be determined as follows: estimate the oat acreage and deduct from the reported corn acreage. Determined corn acres = 78 acres (80 - 2 = 78).

**F. When AIP Must Measure Acreage**

Acreage must be measured (or re-measured, as applicable) IF it fails to meet the criteria described in subparagraphs A, B, C, D or E above OR if any of the following apply:

(1) Part of a unit is released and that part released will lose its field identity (i.e., there will be no way to establish the amount of acres at the time of a final loss inspection because of the loss of field identity) unless the AIP has approved the precision farming technology system records;

(2) Part of a field has been harvested and the rest of the field has not. In this case, the acres of the harvested and unharvested portions of the field must be determined by the adjuster's actual measurement [1/] unless the AIP has approved the precision farming technology system records;

(3) Precision farming system technology records have not been approved. Part of the fields in the unit has been harvested, and part of the fields in the unit has not been harvested. Measurements of each field are not available for the crop year. In this case, the acres of the harvested and unharvested fields must be determined by the adjuster's actual measurement [1/];

(4) Part of the field is planted and part of the field is claimed as PP acres. The acreage available for planting (total field acres minus non-cropland acres) in the field is not known and must be determined. If there are non-cropland acres within the field boundaries, the non-cropland acres and the planted or PP acres must be measured [1/];

**1/** Measuring the entire field and the non-cropland acres to determine the acres available for planting, then measuring either the harvested or unharvested portion (or planted, unplanted, or PP portion, if applicable) of the field and subtracting that amount from the acres available for planting is acceptable. Additionally, if the field has a permanent measurement, after deducting non-cropland acres, only one of the portions of the field need be measured.

**F. When AIP Must Measure Acreage (continued)**

(5) The AIP or the insured has reason to question the accuracy of the measurement or does not agree with the previously measured acres;

(6) Field boundaries have changed unless the AIP has approved the precision farming system technology records;

(7) Only a portion of a field is planted and measurements for determining the planted portion are unavailable[1/]. The total field acres are unknown and a precision farming technology system was not used;

(8) Acreages of varying practices, types, appraisals, etc., (as appropriate to separate on the claim) are not separated; or

(9) When the field boundaries are not known and there are non-cropland acres, so that this measurement can be deducted from the determined acres in the field, orchard, etc.

**G. Acreage Measurement of Perennial Crops**

(1) General Information

(a) Refer to Para. 201, herein, for information on determining acreage for preliminary and final claims.

(b) When the adjuster inspects damaged acreage and discovers inspected acreage differs from the acreage report, if necessary, refer to the Producer's Pre-acceptance Worksheet (PAW). Also refer to the SP, CP, and/or LASH, as applicable, for information on added/reduced acreage.

(c) Measure perennial crop acreage using land acres (i.e., planimetered, wheeled/taped, GPS, etc.) with deductions for non-crop areas. Non-crop acreage must be determined in the same manner as when land-acre measurements are employed.

(d) Measure perennial crop acreage using tree/vine/bush acreage in limited situations as described below.

(e) When blocks/groups of trees/vines/bushes are removed, measure acreage using land acres or tree/vine/bush acre method, as applicable, and deduct such removed blocks from the determined acreage.

[1] Measuring the entire field and and the non-cropland acres to determine the acres available for planting, then measuring either the harvested or unharvested portion (or planted, unplanted, or PP portion, if applicable) of the field and subtracting that amount from the acres available for planting is acceptable. Additionally, if the field has a permanent measurement, after deducting non-cropland acres, only one of the portions of the field need be measured.

**G. Acreage Measurement of Perennial Crops (continued)**

(f) For insured cranberry acreage only, bog maps developed by marketing organizations may be used for AIP acreage determination in lieu of the measuring methods listed in subparagraph G (1) (a) and (b).

(g) Measure acreage of insured native stands or randomly planted pecan trees in accordance with the CIH.

(2) How to Make Land-Acre Measurements

(a) When an AIP elects to use this method, measure around the outside of each block/plot of trees/vines/bushes based on the spacing within row and between rows as described below.

(b) For the length, measurements should extend beyond the end of the rows, by ½ the within-row spacing, from the center of the outside plants on the end of the rows. However, where a road forms an orchard boundary, the measuring point will be ½ the spacing between tree rows not to extend past the center of the road.

(c) For the width, measurements should extend past the outside row of each block/plot by ½ the distance between rows.

**Example**: An orchard has 15’ x 25’ spacing, or an average of 15 feet between trees (center of tree to center of tree) within row and 25 feet between rows (center of tree to center of tree). Measurements would begin ½ of 15' (7.5’) from the middle of the trunk of the end tree in the outside row extend ½ of 25' (12.5’) from the outside row, using the same spacing and around the entire block (7.5 feet beyond the ends of the rows and 12.5 feet beyond the outside rows, referred to as the drip line).

(3) Use of Tree/vine/bush Acreage Determination Rather Than Land-Acre Measurements

(a) An AIP may elect to use the tree/vine/bush measurement method instead of land acre measurement method for the specific situations listed below.

(i) A particular tract of measured acreage contains different plant densities, ages, types, varieties, or other characteristics that have different T-Yields, or where crops are interplanted. The sum of the parts must be equal to the measured acreage.

**G. Acreage Measurement of Perennial Crops (continued)**

(ii) Acreage reduction due to stand reduction caused by disease, natural occurring weather-related events, or man-made events that occur prior to insurance attaching (e.g., buckhorning, dehorning, stumping, or grafting, etc.). Such acreage reduction is made WHEN the reduction was NOT made prior to the acreage being reported for the current crop year, and:

(A) It is required by the SP;

(B) When the AIP determines the reduction in stand is significant (refer to CIH for more information), or

(C) For claims purposes, an acreage reduction is not made for the current crop year when the reduction in stand occurred after insurance attached.

(iii) The acreage is irregularly shaped. Such acreage has not been previously measured, and there is no FSA aerial photograph for such acreage at the local FSA office.

(iv) The acreage is composed of irregular terrain. Such acreage cannot be accurately wheel/tape measured, has not been previously measured, and there is no FSA aerial photograph for such acreage at the local FSA office.

(b) When the AIP elects to measure tree/vine/bush acreage using one of the methods in subparagraphs (a) (i) through (iv) above, any such measured acreage must not exceed the total measured acreage (i.e., unit acreage).

(c) Refer to Exhibit 17 for instructions and calculation formulas for making tree/vine/bush acreage determinations on acreage with various planting patterns, acreage interplanted with more than one perennial crop, and acreage with missing or various size/age trees.

**H. Measurement Methods**

Acreage measurement for loss adjustment purposes must be performed by using:

(1) The measuring wheel, surveying devices, or global positioning systems (GPS), remote sensing devices used in conjunction with aerial photos or satellite imagery;

(2) FSA-accepted measuring methods or devices used with aerial photos that are to scale (such as: polar planimeter, digitizer, or scale rule);

**H. Measurement Methods (continued)**

(3) A measurement service; or

(4) AIP approved precision farming technology system planter monitor records.

**I. Acceptable Farm Management Records from Producers Using Precision Farming Technology Systems**

This section will apply if the insured is utilizing the full Precision Farming Technology System from planting through harvesting.

(1) Acceptable Precision Farming Technology Systems must include at least the following components:

(a) GPS technology integrated with planter monitors, combine monitors, yield mapping software;

(b) The capability of producing summary reports that reflect planted acres, harvested acres, and harvested production; and

(c) Report of calibrations performed per manufacturer's requirements. Refer to Para. 218 C (4).

(2) Planted acreage records from precision farming technology systems used as determined acres:

(a) The AIP must inform the insured in writing of the automated planter monitoring system record requirements prior to planting.

(b) For planted acreage records from automated planter monitoring systems to be acceptable as determined acres, the insured must provide the following information:

(i) Insured's name;
(ii) Unit number;
(iii) FSA farm/tract/field ID number (optional);
(iv) Legal description of acreage; and
(v) A print out from the precision farming technology system with the following information:
(A) Crop name;
(B) Acres planted; and
(C) Electronically produced maps of planted acreage and acreage summary records. These records must show required discernable breaks between units or practices except as stated in (3) below.

**I. Acceptable Farm Management Records from Producers Using Precision Farming Technology Systems (continued)**

(vi) If the insured planted overlapping rows within the planted acreage, the AIP must determine if the automated planter monitor records adjusted for overlapping planted rows. If the system did not adjust for the overlapping planted rows, the AIP must determine the acreage in accordance with Para. 201 A-F, H and J, as applicable.

(3) AIP approved precision farming technology system automated planter records may be used to separate optional units on center pivots irrigation systems for irrigated circles and non-irrigated corners (refer to Para. 132 C (5) (b) (iii) (B) without discernable breaks in the planting pattern provided the insured can:

(a) provide records of variable rate planting populations if recommended by ag experts;
(b) document the automated planter monitoring system used;
(c) provide the acres planted and practice for each optional unit;
(d) provide production records by optional unit and practice; and
(e) provide the required information in (1) above.

(4) If the automated planter monitor acreage records provided by the insured are not reasonable, or the AIP has reason to question the records, the insured must provide the precision farming technology system's raw data, and any additional records requested by the AIP. If the AIP determines the planted acreage records are not acceptable, the AIP must determine planted acreage in accordance with Para. 201 A-F, H and J, as applicable. However, the production records from the precision farming technology system's yield monitor may still be used.

**J. When Measurement Estimates Are Allowed**

Acreage breakdowns WITHIN a UNIT or field may be estimated if a determination is impractical. (Some situations where acreage might be considered impractical to measure (but not limited to) are the following: flooded portion of a field; numerous potholes within a field; a levy breaking and resulting in removal/destruction of border(s) of the field or delineation of portion of the field planted and portion prevented from planting.) Document why acreages could not be measured, and also explain how the estimated acres were determined in the Narrative of the claim form or on a Special Report. Total acreage for the field or unit however, must be determined in accordance with the procedures in subparagraph A-H above.

**K. Documentation.**

Document, in the narrative of the claim or on a Special Report, the method of acreage determination and any calculations used to arrive at the determined acres; e.g., "Acreage wheel measured - Field A - 215.0 W X 180.0 W = 38.7 acres; Field C - 220.0 W X 185.0 W = 40.7 acres; Total unit acreage - 38.7 + 40.7 = 79.4 acres, or in the case of determined acres via the acreage the insured certified to on his/her MPCI acreage report; "Determined acres using MPCI acreage report-would measure within 5 percent."

**A. When measuring with a measuring wheel:**

(1) Determine the basic lines of linear measurements needed to calculate the acreage. Refer to subparagraph C below for examples of basic measurements (and Combinations) required.

(2) Begin each linear measurement with the revolution counter turned to indicate all "0's." If the wheel has a white spoke, start with the white spoke on the ground and the counter at "0."

(3) Walk in a straight and direct line. Do not lift the wheel off the ground or allow the wheel to skip or bounce. If an obstacle (to the wheel) is encountered directly in the path, grasp the wheel with the handle shaft (so that the wheel will not turn in relationship to the handle), and move at a right angle to clear the obstacle. Place the wheel on the ground and wheel forward enough to clear the obstacle. Again, grasp the wheel and the handle shaft to immobilize the rotation, walk at a right angle again in order to be directly in line with the original path of measurement, and continue making the measurement.

(4) Note the position of the handle. It must be in the same position when being set to zero, as it is when it is read, at the end of the linear measurement. Additionally, at the end of the linear measurement, if the wheel has a white spoke, count the number of spokes past the last whole revolution of the white spoke, and add to the counter reading. If the wheel has ten spokes, each spoke past the white spoke is one-tenth of a wheel. Round according to procedure for the crop being measured.

(5) Non-crop acres must also be measured so that this measurement can be deducted from the total determined acres, provided they have not already been deducted from the determined acres; e.g., the measurement of a permanent field is with the deductions for non-crop acres. Refer to C (6) below.

**B. Converting Square Wheels to Acres.**

When converting square wheels to acres, move the decimal three places to the left; i.e., 38700 square wheels = 38.7 acres. (1000 square wheels equals one acre.)

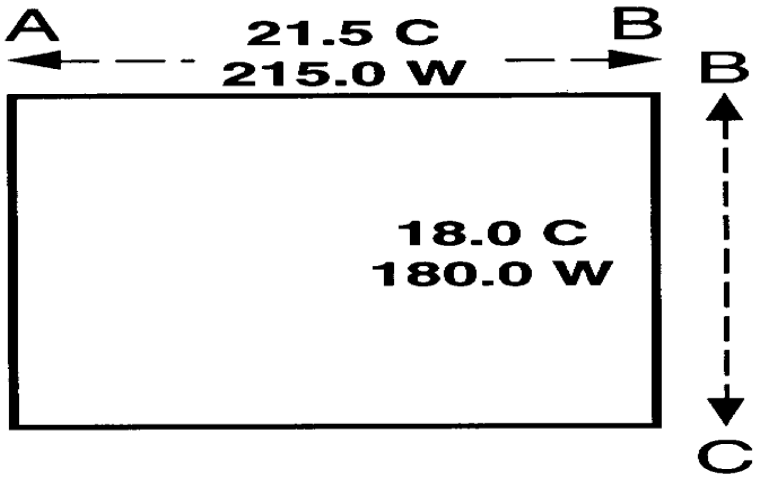
**Example**: 1.0 chain = 10.0 wheels = 66.0 feet
1.0 wheel = 6.6 feet

**C. Wheel Measuring Formulas**

For any of the following field formulas, if the crop acreage being measured is for Fresh Market Peppers, Fresh Market Tomatoes (Dollar Plan), Fresh Market Tomatoes (Guaranteed Production Plan), or Processing Tomatoes, see the applicable crop LASH for additional measurement instructions.

**C. Wheel Measuring Formulas (continued)**

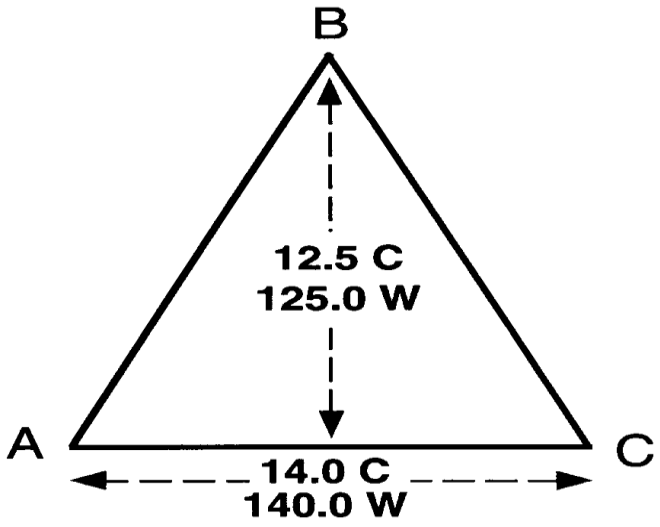
(1) Square or Rectangular Field Formula: Length (wheels) x Width (wheels) = Square wheels. (Move the decimal point three (3) places to the left to determine the acres).




LENGTH X WIDTH

215.0 X 180.0 =38700
38.7 ACRES

(2) Triangular Field Formula: Base (Wheels) x Height (Wheels) ÷ by 2 = Square Wheels. (Move the decimal point three places (3) to the left to determine the acres)



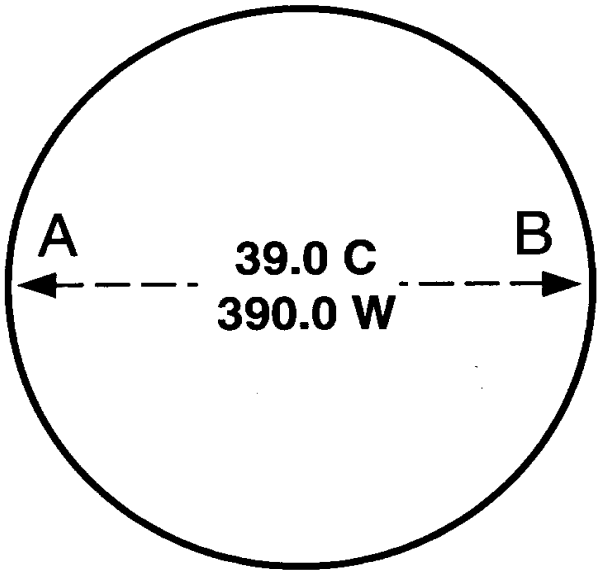

$$\frac{140.0 \times 125.0}{2}$$

= 8750
8.8 ACRES

BASE X HEIGHT

**C. Wheel Measuring Formulas (continued)**

(3) Circular Field Formula: Diameter (Wheels) x Diameter (Wheels) x .7854 = Square Wheels (Move the decimal point three (3) places to the left to determine the acres).




390.0 X 390.0 = 152100
152100 X .7854 =119459.34
119.5 ACRES

DIAMETER

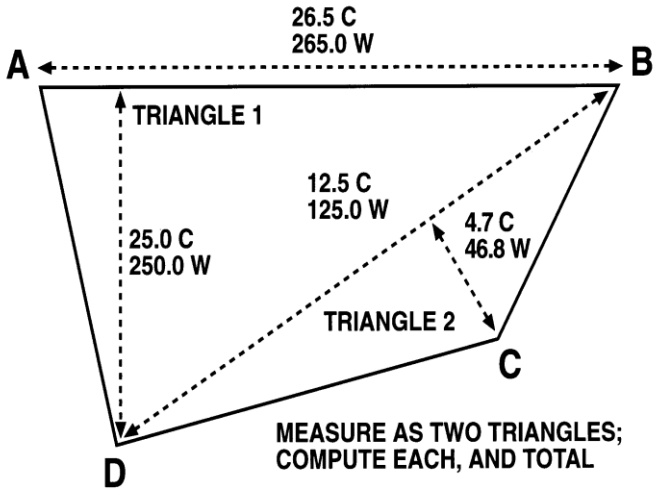
(4) Irregular Field Formula: Length (Wheels) x Average Width (Wheels) = Square Wheels (Move the decimal point three (3) places to the left to determine the acres).

AVERAGE WIDTHS X LENGTH 40.0 + 35.0 + 60.0 + 50.0 =

185.0 ÷ 4 = 46.25
46.3 X 200.0 = 9260
9.3 ACRES

**C. Wheel Measuring Formulas (continued)**

(5) Combination Field Formula: When a field will not conform to any regular formula, measure the field into regular pieces to determine the acreage.




TRIANGLE 1

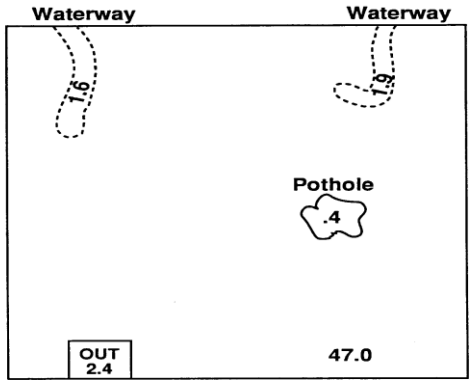
$\frac{265.0 \times 250.0}{2} = 33125 = 33.1$ ACRES

TRIANGLE 2

$\frac{125.0 \times 46.8}{2} = 2925 = 2.9$ ACRES

TOTAL ACREAGE = 33.1 + 2.9 = 36.0 ACRES

(6) Deductions From Acreage: If any amount of acreage in a field is not planted to the crop it must be deducted from the total acreage in the field.




Field 47.0 acres MINUS deduction of 6.3 acres = 40.7 insurable acres.

**A. Skip-Row Planted Crops.**

(1) Skip-row planted crops are not insurable unless:

(a) Authorized by the CP;
(b) Authorized by the actuarial documents; or
(c) Insured under an Unrated Practice, Type or Variety (TP) WA. Refer to the WAH for additional information.

(2) Skip-row Planted Corn

The SP for NI corn for grain in certain counties provide specific criteria, including specific skip-row planting patterns, that must be met to insure skip-row planted NI corn for grain without a TP WA. A TP WA is required to insure skip-row planted corn for any specific types, practices or planting patterns not addressed in the SP, and any counties that do not identify skip-row planted corn as insurable.

(a) Determining Planted Acreage. The following table provides instructions for determining the number of acres considered planted to corn when acreage is planted on a skip-row basis.

| IF the skip-row planted corn is insured … | THEN the number of acres considered planted to corn is … |
|---|---|
| Without a TP WA<br><br>Note: To be insured without a WA, skip-row planted corn must meet all the requirements of the SP. | Based on the number of physical land acres planted to the crop. A FSA percent planted factor is not used to determine the number of acres considered planted. |
| under a TP WA | Determined by the terms of the TP WA, which may include the use of a FSA percent planted factor. |

**Example 1:** A 100-acre field in Phillips County, Colorado is planted to NI corn for grain in a two rows planted one row skipped planting pattern with a 30-inch row width. All the requirements contained in the SP are met; therefore, a FSA percent planted factor is not used to determine the number of acres planted. Accordingly, the total number of acres planted to the crop is 100 acres.

**A. Skip-Row Planted Crops (continued)**

**Example 2:** A 100-acre field in Jefferson County, Kansas is planted to NI corn for grain in a two rows planted one row skipped planting pattern with a 30-inch row width. Skip-row planted corn is not insurable in Jefferson County, Kansas unless insured under a TP WA. The terms of the TP WA will determine whether a FSA percent planted factor will be used to determine the number of acres planted the crop.

(3) Skip-Row Planted Grain Sorghum

Skip-row planted grain sorghum is uninsurable unless authorized by the SP or insured under a TP WA.

(a) Determining Planted Acreage. AIPs shall use the applicable FSA percent planted factor to determine the number of planted acres of grain sorghum planted on a skip-row basis. To determine the number of planted acres, multiply the number of physical land acres planted to the crop times the applicable FSA percent planted factor. Refer to Exhibit 8 of the CIH for FSA percent planted factors.]

(b) The number of planted acres determined using the applicable FSA percent planted factor is number of acres to be recorded on the insured's acreage report and claim form.

(c) The skip-row planting pattern and row width established on the FPD is the planting pattern and row width that will be used to determine the number of planted acres.

(4) Skip Row Planted Cotton

Skip-row planted cotton and ELS cotton is insurable in accordance with the applicable CP. For cotton planted in skip-row planting patterns, refer to the Cotton Loss Adjustment Standards Handbook and Exhibit 8 of the CIH for the procedures.

**204-210 (Reserved)**

# SECTION 4 ESTABLISHING PRODUCTION

## 211. General Information

### A. Insured's Requirements.

The insured is required, by the policy, to keep complete records of planting, replanting, inputs, production, harvesting, and disposition of the insured crop on each unit for three years after the end of the crop year (This requirement also applies to all such records for acreage that is not insured). The insured must make these records available to the AIP, any employee of USDA authorized to investigate or review any matter relating to crop insurance.

Production records from precision farming technology systems are acceptable provided they meet ALL of the requirements in Para. 218 C. Records of production from combine monitors that are not part of a precision farming technology system are not acceptable for production records for loss purposes except as stated in Para. 253.

### B. Establishing Total Production on Damaged Units

The adjuster establishes total production for each damaged unit from appraisals of unharvested production, appraisals for uninsured causes, prorated production from unreported units, measuring farm-stored production, and from verifying harvested production from the insured's records, as described in the following subparagraphs for the type of disposition. The TOTAL production for the entire damaged unit is the insured's production share plus the production share of each person sharing in the unit. If the insured has not kept acceptable records separate by unit (whether stored, fed, or sold), the production is considered commingled. Refer to Para. 294.

### C. Establishing Total Production from Non-Loss Units

Obtain and document an estimate of production per acre for each undamaged unit of the indemnified crop from the insured or the insured's authorized representative and record as instructed in the LASH.

### D. Insured's Request of Measurement of Stored Production When Crop Damaged

The insured is responsible for providing separate records of production for each unit and for notifying the AIP for measurement of production when production from another unit, crop year, or uninsured acreage is to be added to existing production in a single storage structure. (Refer to Para. 179.) If the inspection indicates that separate records have not been kept for each unit, refer to Para. 294 for commingled production. Also, refer to Para. 294 if production from more than one practice/type, which has separate APH yields, has been commingled.

### E. Determining and Recording Production

Accurately determine and enter in the appropriate column(s) of the claim the amount of established production for the entire damaged unit including production from unreported unit(s) if applicable (refer to subparagraph F below). Enter the unit number and estimated production for each undamaged unit on the claim (Refer to the individual LASH for specific instructions).

### F. Accounting for Production from Unreported Units

Production from unreported units discovered at loss time will be counted. Refer to Para. 295 for specific instructions.

## 212. Verifying Total Production - Appraised or Harvested

### A. General Instructions

Be aware and watch for certain problems while on the farm verifying the information you have collected, such as (but not limited to), the following:

(1) Unreported production or acreage. If when measuring a bin, you notice another bin containing the same type of grain and the insured has not informed you of this fact, question the insured to determine where this grain was produced. If the explanation does not seem reasonable, document the facts and notify your supervisor.

(2) Unjustified difference in production. If one farm produced 30 bushels of corn per acre and across the road, a neighboring farm produced 100 bushels per acre, determine if there is a justifiable explanation. Refer to Para's. 272 and 273 regarding written and pictorial documentation.

(3) Unjustified difference in quality. If there are differences in the quality of the insured's production from other units of the crop or from other producer's that cannot be justified considering the insured cause of loss, document and contact your immediate loss supervisor for further instructions. Retain such documentation in the insured's loss file.

### B. Determining if total HARVESTED production is correct

DO NOT CONFUSE procedures in this paragraph and Section 14 (c) of the BP with Para. 216. Para. 216 allows the AIP to authorize the insured to leave RSAs of the unharvested crop when the insured wants immediate release of a field to go to another use, replant, etc., but the appraisal cannot be made at the time because of reasons stated in Para. 216 B.

(1) Representative samples of (unharvested) crop (RSCs):

**B. Determining if total HARVESTED production is correct (continued):**

(a) Left intact in a harvested field for evidence of yield cause of loss, whether good farming practices were employed, quality of mature crop released to go to other use, etc.; i.e., stand, number of bolls or burrs, stage of maturity, size of stalk, plant population, etc. (Insured's may be required to leave RSCs, as specified in section 14 (c) of the BP and CP).

(b) If required intact RSCs were not left by the insured or were harvested before the field was inspected, examine the stubble, size of the stalk, amount of straw stubble, etc., to judge whether the amount of production turned in by the insured is reasonable.

(2) When the amount of crop production submitted by the insured for the unit appears questionable (e.g., from visual inspection of RSCs, it appears the per-acre appraisal would be significantly higher than the production records submitted by the insured or the per-acre production is not comparable or reasonable for the area and/or acreage, etc.):

(a) Question the insured to determine if there could be missing tickets, fed production, production from this unit that was sold in another person's name, missing production records for commercially stored production, forgotten farm-stored production in another location, etc.

(b) If the insured cannot provide missing tickets, other records, or clarifying information as stated in (2) (a) above and there are RSCs intact, complete a per-acre production appraisal from the RSCs and/or compare the per-acre production amount submitted by the insured to other comparable acreage production. To compare comparable acreage, use comparable acreage from the insured's farming operation. However, if there is no comparable acreage available in the insured's farming operation, use comparable acreage from other neighboring farms. Comparable acreage is acreage that is planted to the same crop, following the same farming practices, management practices, similar planting dates, etc. If comparable acreage is not available from the insured's operation or from neighboring farms, refer to Para. 281 L (2) (c). If production is still questionable, refer to subparagraphs C and D.

(3) Do a visual inspection of the harvested fields to determine whether there is an excessive amount of production remaining on the stalk, stem, ground (cracked, fallen, or discarded by the harvest equipment) etc., due to malfunctioning or improperly adjusted harvesting equipment, rather than due to an insured cause of loss (such as lodging due to storm damage). Any excessive amount of production that is left in the field that could have been harvested and would have been counted as production to count if harvested, must be included on the claim form as an uninsured cause appraisal.

**B. Determining if total HARVESTED production is correct:**

(4) Other farming operations of the insured.

(5) Determine the productive capacity of the land (i.e., is the land in a low swamp area or is the land highly fertile and dry?).

(6) For the presence of livestock or poultry to determine whether any of the current year's production has been fed. Also, refer to Para. 220 for more information pertaining to fed production.

(7) For the location and quantity of a crop retained for seed, or which has been sold for seed.

(8) Where the production is stored or sold, when production is questionable and the insured farms in surrounding counties.

(9) Whether the insured shares with a tenant/landlord. Refer to detailed information in subparagraph C below.

**C. Another Person Sharing in the Crop**

The CP specify the production guarantee and production to count are determined on a total unit basis. Therefore, all production to count for the unit (including all the production owned by the various shareholders and quality that applies to the individual shareholder's production dependent upon its disposition) must be included when calculating the unit indemnity with the share applied at the end of the calculation.

When another person is sharing in the crop:

(1) The adjsuter must verify that all of the actual production for the entire unit(s) has been reported, (i.e., all production owed by the insured and various shareholders).

(2) The adjuster must verify and make production determinations of the other person's production share as you would the insured's production share; i.e., if the other person's production is farm stored, storage measurements must be made as specified in Para's 252, 253, or 258, whichever is applicable for the situation.

When the other person sharing in the unit is uninsured, do not establish the total production for the unit by establishing the uninsured shareholder's production share based on the insured's production amount and share percentage, unless you are unable to establish it by any other means and the resulting total production for the unit is reasonable. If this should happen, document the circumstances preventing the measurement of the uninsured shareholder's share of the production, if farm-stored, or the reason the insured cannot obtain copies of the settlement sheets of the uninsured shareholders sold production along with other needed information/documents of the uninsured shareholder's sold production.

**C. Another Person Sharing in the Crop (continued)**

Generally, the fact that the uninsured shareholder's share of farm-stored production is located in another storage structure at some other location is not a justifiable reason for determining the total unit production as stated above without making an attempt to obtain permission to make actual determinations of the uninsured's shareholder's share.

(3) A claim for indemnity may be completed once the final disposition of the crop and any applicable quality adjustment factors (refer to (4) below for information regarding uninsured shareholders) are determined for all production to count within the unit, EXCEPT:

(a) In the case where the quality provisions are in the SP and the production falls under Section C 3e of the quality adjustment provisions in the SP, the claim cannot be processed until the adjuster can verify that all shares of the unit production is sold, used, fed, or destroyed by the shareholders.

(b) In the case where the quality provisions are in the CP and the production falls under section 15 (j) of the BP, the claim cannot be processed until the adjuster can verify that all shares of any unsold production is destroyed by all the shareholders.

(4) When the other shareholder is uninsured and the insured producer is unable to obtain the necessary information from the uninsured shareholder regarding the disposition of the production (e.g., if sold or not sold. If shareholder's production is sold, the shareholder's settlement sheet for the share unit(s) showing the reduction in value applied by the buyers), to determine the QAF for the shareholder's share of the production, such production is considered undamaged.

(5) If the other person(s) share is insured through another AIP, refer to the procedure for companion contracts in Para. 41.

(6) Refer to Para. 232 for more detailed information and examples. Also refer to Exhibit 18 for examples involving crops with quality provisions in the SP.

**D. Amount of Production Reported for Unit(s) is Questionable**

Anytime the actual production reported is in question and you are going to meet with the insured about the questionable reported production follow the individual AIP's instructions regarding the meeting.

**E. Documentation. Prepare a Special Report if there:**

(1) is unreported production, or
(2) are unjustified differences in production between different shares or different units.

**F. Adjuster's Signature.**

DO NOT sign a claim if there is any evidence of additional production that has not been accounted for.

## 213. Appraisals

**A. General Information**

Appraisals must not be made until an accurate appraisal of potential production can be made.

(1) If during an inspection any crop acreage is not going to be carried to harvest and an accurate appraisal of potential production CANNOT be made, do not release acreage to another use or to replant when replant payment is applicable until an accurate appraisal can be made OR representative sample areas are left for later appraisals as described in subparagraph C below and Para. 216.

(2) If the inspection is performed at a time when production can be determined accurately by appraisal and the crop is not being carried to harvest (except when Pre-harvest Appraisals are required), appraise the production by unit, and grant written consent to put insured acreage to another use. Record this production on an appraisal worksheet and a Special Report, if needed. Refer to applicable LASH for appraisal methods.

**B. Appraisals are made when:**

(1) The insured requests consent to put acreage to another use or to replant to the same crop originally planted if a replant payment will be claimed.

(2) The insured chooses not to harvest all of the acreage.

(3) The insured plans to use a crop in such a way that it will not be possible to determine production after harvest. Some examples, but not limited to, are:

(a) High-moisture grain that will be mechanically packed in an open pit;

(b) A crop insured as grain (e.g., grain sorghum or corn) that will be partially or all cut for silage;

(c) Corn that will be cut and ground for corn and cob meal or cut for earlage. Earlage is high moisture corn grain, cobs, husks, and in some cases, a portion of the stalk that is cut and ensiled; and

(d) Silage that will be packed in ag bags. This is because there are no acceptable measurement calculation formulas to determine the amount of silage packed in ag bags.

**B. Appraisals are made when (continued):**

(e) Forage stored in ag bags that have a diameter greater than the maximum diameter of horizontal plastic tubes listed in the Forage LASH. This is because there are no acceptable measurement formulas to determine the amount of forage packed in these larger diameter ag bags.

(4) In the situations listed in (3) (a)-(e) above, if a pre-harvest appraisal is not done before the crop is utilized in a manner that does not allow an accurate determination of the amount of production, the full guarantee must be assessed on any acreage from which this production was harvested.

(5) The crop will be stored in such a manner that production cannot be measured, (e.g., high-moisture corn or silage stored in an airtight structure). If a pre-harvest appraisal is not done to determine the production-to-count, the claim must be denied because the insured does not have verifiable records of the stored production in the absence of the AIP being able to verify the actual harvested production in the structure by measuring the production in the structure.

(6) The insurance period ends for a crop. The appraisal will establish the potential production of the unharvested acreage at the time the insurance period ceases.

(7) Late-filed acreage is requested or unreported acreage is discovered (to determine acceptance or rejection of such acreage).

(8) An unreported unit (not reported on the acreage report) is discovered, and it is suspected or known that it will not be harvested or harvested and stored in such a manner that production cannot be accounted for. Refer to Para 295 for more information on unreported units.

(9) The insured insists on replanting, but it is determined it is too late to replant. See Para. 174 for more information.

(10) When the insured notifies the AIP that production is going to be stored in an oversized storage structure (a size larger than used in normal farming operations, such as commercial sized structures), the AIP may choose to do a pre-harvest appraisal to determine the production to count for the units of production that will be stored in the structure rather than determining the production to count after the production is put into the storage structure, provided the insured agrees to this. If the AIP does not perform a pre-harvest appraisal, the production stored in such a structure must be measured. (Also, refer to Para. 252.)

(11) Uninsured causes of loss are determined if acreage is destroyed without consent, abandoned, or if the insured has failed to provide production records that are acceptable. Acreage damaged solely from uninsured causes or if any of the other aforementioned reasons exist in this item, not less than the per-acre production guarantee for the acreage involved will be assessed.

**B. Appraisals are made when (continued):**

(12) The definition for abandon in the BP indicate that when the crop is not timely harvested, it is abandoned; however, exercise good judgment in establishing that a crop that has not been timely harvested is truly abandoned. Refer to Para. 194.

(13) An unharvested portion of the insured field or subfield (or orchard or sub-orchard, etc.) remains after harvest or production that could have been removed from a harvested insured field or subfield (or orchard or sub-orchard, etc.) that was not removed due to improperly functioning harvesting equipment, windrows of crop not all picked up; cherry picking (refer to definition in Exhibit 2) an orchard, etc.

This does not include unharvested representative sample area of the crop the insured has left in accordance with policy requirements, unless the areas represent a significant portion of the acreage. Refer to Para. 176 E (2).

(14) If the policy provisions, SP, or a Written Agreement authorizes direct marketing, conduct an appraisal within the timeframe stated in the applicable policy that will be used to determine production to count for production that will be sold by direct marketing.

**C. Deferred Appraisals**

Deferred appraisals are appraisals that are deferred to a later date in order to assess crop recovery and/or obtain more accurate appraisals.

(1) Appraisals must be deferred when:

(a) Hail damage or damage from blowing sand has occurred on IMMATURE crops. Defer appraisals 7-10 days from the date damage occurred, unless specified otherwise by agricultural experts in the area for the crop or as otherwise specified in the individual LASH. If agricultural experts in the area specify less days are needed to determine damage to the particular crop, written documentation of this must be retained in the insured's loss file; i.e., name of agricultural expert, date, written statement from the agricultural expert specifying the number of days to defer appraisal, etc. Refer to Exhibit 2 for definition of agricultural expert.

(b) Frost/freeze damage has occurred on immature crop. Defer appraisals at least 7-10 days from the date of frost/freeze, unless specified otherwise by agricultural experts in the area for the crop or as otherwise specified in the individual LASH. If agricultural experts in the area specify less days are needed to determine damage to the particular crop, written documentation of this must be retained in the insured's loss file; i.e., name of agricultural expert, date, written statement from the agricultural expert specifying the number of days to defer appraisal, etc. Refer to Exhibit 2 for definition of agricultural expert.

**C. Deferred Appraisals (continued)**

(c) A crop is in dormancy. Defer appraisal until at least the time the crop is out of dormancy. Refer to (3) below.

(d) For spring-seeded crops where insufficient soil moisture has affected seed emergence and the insured requests acreage to go to another use, appraisals must be deferred until at least 8 days after the late planting period (15 days after the final planting date if no late planting period applies.) None of the acreage in the field(s) can be released until the appraisals are completed. The seed must have been planted at least 15 days prior to release for a final indemnity. Use the stand reduction appraisal method.

**Example:** The final planting date for the crop is May 31. There is a 25 day LPP (June 1 through June 25). The crop is planted on June 17. With the 8 day deferral period (June 26 through July 3), appraisal can be made beginning on July 4.

(2) Defer appraisals anytime a more accurate appraisal can be made at a later date due to type of damage or circumstances; e.g., extent of damage or recovery of crop after flooding, pollination problems, freeze, etc. Refer to (3) below.

(3) Utilize agricultural experts for the crop for the length of time appraisals should be deferred for the particular crop and situation. Include a copy of these recommendations with the paperwork pertaining to the inspection to support the AIP's actions. Refer to exhibit 2 for the definition of agricultural expert.

(4) Unless specified elsewhere (as in (1) (d) above), the deferred appraisal may be made from RSAs (as specified in Para. 216) when (a) or (b) below are applicable and provided the insured agrees to leave and maintain the representative sample areas as described in Para. 216.

(a) The insured needs immediate release of the crop acreage in order to be able to put it to the other use the insured intends to put it, or to replant it; or

(b) Due to heavy workload the AIP has no adjusters available to make a field inspection to release the acreage within the timeframe needed to replant it or put the acreage to another use (such as planting to another crop).

(5) In widespread deferral situations, all AIPs should maintain coordination through Insurance Services so that uniform guidance can be provided to all AIPs regarding the length of deferral time necessary to allow accurate appraisals to be made for the circumstances.

**D. When appraisals are made, the AIP will inform the insured of the following:**

(1) The method used to determine potential production and how the appraisal will be used if an indemnity is claimed. If at all possible, the insured or an authorized representative of the insured should accompany you on the entire appraisal. Encourage the insured or authorized representative to participate in determining the appraisal.

(2) Appraisals on acreage for which the AIP has given consent to be put to another use are final when the claim is signed by the insured or insured's authorized representative and the adjuster, unless such acreage is:

(a) not put to another use before harvest becomes general in the county and is reappraised by the AIP,

(b) further damaged by an insured cause and is reappraised by the AIP, or

(c) harvested.

For this reason, DO NOT finalize a claim until you are satisfied with all determinations. Refer to Para. 176 H.

(3) The appraisal determination. (Never advise the insured whether or not to harvest the crop; this must be the insured's decision.)

**E. Approved Methods.**

The appraisal methods for the crop are identified in the individual LASHs.

**F. Harvested Representative Sample Appraisals**

Refer to the individual crop loss adjustment handbooks for exceptions to the following procedure.

(1) Appraise mature production by arranging with the insured to harvest representative areas, if possible. The representative areas are selected by the adjuster, harvested, and appraised at the same time rather than being appraised at a later date, as discussed in Para. 216. Adjusters can use Para. 216 D (1) (a) as a guide for the number and location of representative areas. Adjusters must be present when the representative areas are harvested, and the harvested production from these areas will be used to determine the unharvested appraised yield per acre.

**F. Harvested Representative Sample Appraisals (continued)**

(2) Record the appraised yield per acre in Section I of the column entitled "Appraised Potential" of the PW, as "UH" stage for the number of acres of unharvested acres this appraisal represents; e.g., if the appraisal from the harvested representative samples represents an appraisal for 80 acres, the stage code for the 80 acres is "UH," not "H." Or, the PW may show the actual acreage harvested with an "H" stage code; e.g., 80 acres were to be appraised, and out of the 80 acres, the insured harvested 1.0 acre for appraisal purposes, the PW could be completed showing 79.0 acres with "UH" stage code, and 1.0 acre with "H" stage code.

**G. New Appraisals for Additional Damage**

If an insured notifies the AIP of additional damage after consent to put acreage to other use and requests re-inspection, a new appraisal may be made provided the additional damage was due to an insured cause of loss and the acreage has NOT been put to another use.

**H. Unable to Mechanically Harvest**

(1) General Procedure.

(a) When crop acreage which is routinely mechanically harvested is damaged by INSURED cause(s) to the extent that it can NEVER be mechanically harvested with normal harvest methods/equipment, no production will be counted for such acreage. If mechanical harvest is feasible with normal harvest methods/equipment on any portion of the unharvested acreage, appraise and count only the production that you determine could have been mechanically harvested. However, if the insured elects to hand harvest, such as handpick corn, or use specialized harvesting methods/equipment, the harvested production will be counted.

(b) Wet field conditions or snow covered fields that prevent harvest of the crop by the EOIP does not mean it can NEVER be mechanically harvested with normal harvest methods/equipment. This is only a temporary condition. Likewise, the fact that it would cost more to harvest the crop than the crop is worth does not constitute that the insured is unable to mechanically harvest the crop.

(c) Examples of insured causes that could result in the insured being unable to mechanically harvest the crop. Hurricane, tropical depression, or tornado damage has rendered the crop unharvestable with normal harvesting methods/equipment or small grain that has been drought-stressed may be so short that it cannot be mechanically harvested with the normal harvest methods/equipment in the area. For grain height too short to harvest with normal harvesting methods/equipment, the adjuster must establish and document the individual cutting height based on the terrain (rocky soil, level field, terraces, slopes, etc.) and the insured's farming practices (type of harvesting methods/equipment, swathed grain, etc.). Remember, insureds employing good farming practices will lower the combine headers or swather bars to recover a short crop to the maximum extent possible.

**H. Unable to Mechanically Harvest (continued)**

(2) Determination and documentation

(a) Determine (on an individual basis) whether any portion of the acreage can ever be mechanically harvested with normal harvest methods/equipment and if the reason is due to an insured cause. Consider what other insured and noninsured growers in the area are doing with the same crop, similar soil and terrain, or equipment (whether owned or otherwise available to the insured).

(b) Determine whether the insured did or could have made every reasonable effort to harvest such acreage, and whether the insured plans to hand harvest or use specialized harvesting equipment.

(c) If it is difficult to determine what potential is machine harvestable, arrange with the insured to harvest representative areas of the crop. Use this production to determine the production to count.

(d) Document your determinations that the crop cannot be mechanically harvested including documentation requirements shown in subparagraph J. Photographs or videos showing the condition of the crop, terrain, etc., are a necessary part of the documentation to support determinations of zero ("0") appraisals which are made under these procedures.

(e) If it is determined the insured crop cannot be harvested with normal harvesting methods/equipment, or only a portion of the production can be harvested with normal harvesting methods/equipment, and the insured does not elect to hand pick or use specialized harvesting methods/equipment, a Certification Form must be signed by the insured with the following statement in the body of the Certification Form:

*"As indicated by my signature below, I certify the damaged acreage that cannot be mechanically harvested with normal harvest methods/equipment will not be harvested. If the crop is harvested by any means after I sign this certification, I understand and agree a corrected claim may be prepared to include the additional production, and I may also be subject to the misrepresentation provisions in the crop insurance policy."*

Provide a copy to the insured and attach the original signed Certification Form to the claim. (Refer to Para. 175 and Exhibit 9 for more information on the use of a Certification Form.)

**I. Number of Samples Needed When Appraising 1st Crop Acreage in a Field and It Is Known that Part of the Field Will Be Planted to Second Crop**

If it is known a certain part of a field will be or will probably be planted to a second crop, sub-divide the field into the area that will be planted to a second crop and that which will not. Use the number of samples required by the applicable LASH based on the number of acres in the subfield.

**J. Zero Appraisal Documentation**

All acreage that has zero yield appraisals or areas of non-emerged seed in the field (not just skips of non-emerged seed between emerged seed), regardless of the reason of the zero yield appraisal (e.g., unable to mechanically harvest as stated in subparagraph H above, no potential production is on the plants, etc.), must be thoroughly documented with a completed appraisal form as instructed in the LASHs, along with photographs, and/or videos of such acreage. When the reason for the zero appraisal is non-emerged seed, the adjuster must verify that the crop seed was initially planted through visual subsoil inspection). Refer to Para. 273 for instructions on proper documentation of the photos or videos.

## 214. Appraisal Method Variations

**A. Appraisal Modifications**

The AIP's authorizing official may authorize the use of any appraisal modifications listed in the LASHs without prior approval from RMA. However, the use of the modification cannot begin until the AIP has notified RMA's Risk Management Services Division (RMSD). AIP's are to notify RMSD via e-mail at RMA.RMSD@rma.usda.gov and provide the following in the e-mail: A copy of the written authorization stating the modification, documentation of the field condition that warrants an appraisal modification, effective crop year, area affected, and effective beginning and ending dates. RMSD will then in turn notify other AIPs, RMA PASD, RMA Risk Compliance, and the affected RMA ROs and CFOs.

**B. Appraisal Deviations**

(1) Appraisal deviations require the RMA's written authorization after receiving approval from RMA's PASD and/or RMSD, and consist of deviations that are necessary to apply to the standard appraisal method in order to provide an accurate determination of crop potential under the circumstances.

(2) The AIP will immediately notify RMA's PASD and/or RMSD of the situation with a recommendation and justification, before proceeding. Notify RMSD via e-mail at RMA.RMSD@rma.usda.gov and PASD at DirectorPDD@rma.usda.gov with the following: the deviation recommended, the effective crop year, area affected, and beginning and ending dates for which the deviation is to be applied.

**B. Appraisal Deviations (continued)**

(3) RMSD will:

(a) Immediately advise the affected RMA RO of the situation;
(b) Coordinate the recommendation with the appropriate AIPs; and
(c) Assess the need for and impact of the deviation.

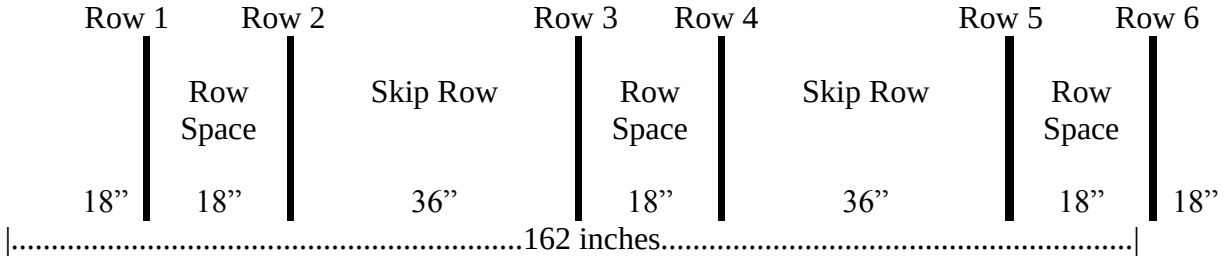
(4) Upon receiving written authorization from RMA, the AIP will issue written authorization to use the approved deviation, and ensure the proper implementation and monitoring of the deviation.

## 215. Appraisals Involving Average Row-width Measurements

When appraisal instructions in a specific LASH require an average row-width measurement to be used in determining sample selections AND where rows are skipped to form a skip-row planting pattern or for tractor and planter tires (except for cotton, use the respective cotton handbook instructions for skip-row patterns), determine the "average row width" as follows:

(1) Measure across one entire pattern;
(2) Count the number of planted rows; and
(3) Divide the total distance measured by the number of rows measured across.

**Example**:




162 inches ÷ 6 rows = 27 in. average row width

For other types of row-width measurement instructions, see the individual LASH.

DO NOT CONFUSE procedures in this paragraph with Section 14 (c) of the BP and Para. 212 B. Para. 212 B requires the insured to leave RSCs of the unharvested crop if the insured reports damage less than 15 days before the time the insured begins harvest or during harvest.

**A. General Information**

(1) RSAs are areas of a field that the AIP authorizes the insured to leave when the insured wants immediate release of the field to go to another use, replant, etc., but the appraisal cannot be made at this time for one of the reasons stated in subparagraph B below. Appraisals from the RSAs of the unharvested crop acreage is made at a later date to determine the per-acre appraisal for the entire unharvested acreage.

(2) If the insured put acreage to another use and left RSAs prior to notifying and receiving approval from the AIP to put the acreage to another use and to leave RSAs, the acreage put to another use is considered destroyed without consent, and the AIP must assess an uninsured cause appraisal of at least the per-acre guarantee for such acreage. There are no exceptions for not assessing an uninsured cause for at least the per-acre guarantee in this situation.

**B. RSAs are used when any of the following apply:**

(1) Heavy workload situations exist and timing is critical to give consent to put acreage to other use or replant.

(2) Deferred appraisals are required, as stated in Para. 213 and the insured desires immediate release of the acreage in order to put acreage to another use or to replant acreage.

(3) Insured's disagreement with the initial appraisal of the acreage to be released, and the AIP agrees to allow the insured to leave RSAs, as described herein. When this is done, some CP state that the RSAs must be left and properly cared for until the crop has matured. However, if the AIP determines there is no insured cause of loss present when the producer requests acreage to be released to be put to another use (e.g., grazing), then no deferred appraisal will be allowed. The insured must decide whether to take the appraisal, carry the crop to harvest, or in the case of short-rated wheat or barley, take the short rate and graze or destroy the acreage by mechanical means as stated in the SP.

(4) Such sample areas are otherwise required by the policy (e.g., for grain deficient corn.

**C. General RSA Requirements**

(1) Before AIPs can authorize insureds to leave RSAs of production for appraisal purposes, the AIP must have received the insured's agreement to the items in D (1)-(2) below. The agreement must be:

**C. General RSA Requirements (continued)**

(a) In writing for IMMATURE production (except the agreement may be a verbal agreement when the insured is requesting to replant acreage and subparagraph C (3) below applies).

(b) Either verbally or in writing for MATURE production. However, if the adjuster selects the RSAs while on the first on-the-farm inspection, the agreement in writing must be obtained. (Corn insured as grain to be cut for silage can be considered mature production for the purpose of granting the insured authorization to leave RSAs.).

(2) The adjuster must select the RSAs during the adjuster's first on-the-farm inspection of the field(s) to be released, unless it is EXCEPTED, as outlined in (3) below.

(3) EXCEPTION to Adjuster's First on-the-farm Inspection:

(a) General Information

This exception is to be authorized only when there is a heavy workload and the insured cannot afford to wait until the time an adjuster can make an on-the-farm inspection to make appraisals before the insured can replant or put the acreage to another use or crop. AIPs must not authorize this exception on a routine basis and are not to authorize this exception unless there is a known cause of loss in the area that could have damaged the crop acreage. If there is not a known cause of loss, an adjuster must make an on-the-farm inspection.

(b) THE EXCEPTION

AFTER the insured has agreed (verbally or in writing as stated in C (1) above) to all the criteria in D (1) below:

AIPs, on an insured-by-insured basis, may authorize the insured verbally to leave RSAs and to authorize the insured to:

(i) Replant damaged acreage or

(ii) Take acreage of crop production (immature or mature) to another use.

Authorization shall ONLY be provided by individuals authorized by the AIP to do so. AIPs cannot authorize sales agents, agency employees, or sales supervisors to provide this authorization to the insured.

**D. Insured's Agreement**

(1) The insured must agree to the following:

(a) To leave at least the minimum number of representative RSAs (as stated below) of the minimum size and specified locations, per field, as stated in subparagraph E below;

| Minimum Number of Representative Sample Areas (RSAs) Table | |
|---|---|
| ACRES IN FIELD OR SUBFIELD | MINIMUM NUMBER OF RSAs |
| .1-10.0 | 1 |
| One additional RSA is required for each additional 40.0 acres (or fraction thereof) in field or subfield. | |

(b) To not move the selected RSAs;

(c) To LOCATE the RSAs IN REPRESENTATIVE AREAS of the field with the beginning side of the RSA NOT less than 20 feet from the edge of the field;

Refer to example below.

Example: RSAs (10 ft. wide, length of field). RSA on the left is the 20 ft. minimum a RSA can begin from the edge of the field. The RSA on the right is greater than the 20 ft. minimum the RSA can begin from the edge of field

| | | | | |
|---|---|---|---|---|
| ↔ 20 ft. from edge of field | ↔ RSA 10 ft. | 20 acre field NOT TO SCALE | ↔ RSA 10 ft. | ↔ 40 ft. from edge of field |

(Exception: If in the case of contour or strip farming (subparagraph E (1) (a)), the minimum 20 ft. that the RSA can begin from the edge of the field is not practical because of the narrow width of the strip or contour, the AIP may allow less than the 20 ft. minimum, with proper documentation).

(d) To care for the RSAs in the same manner as if they were to be harvested and this care must continue until the areas are appraised;

(e) When released acreage is to be grazed, to protect the RSAs from livestock by fencing or an equally effective barrier that is acceptable to the AIP. The fencing or effective barriers must remain in place until completion of the appraisal; and

**D. Insured's Agreement (continued)**

(f) That production for the acreage released will be determined from appraisals from the RSAs (without adjustments for quality if at the time the crop acreage is released, the crop is immature), unless the insured fails to comply with the agreement.

(2) In addition to the items in D above, the agreement must also contain:

(a) What the consequences will be if the insured fails to comply with the agreement, as follows:

(i) When the reason the RSAs are established is OTHER THAN the AIP allowing the insured to leave RSAs because the insured disagrees with the initial appraisal:

(A) If the insured fails to meet the criteria in subparagraph D (1) (a)-(e), then an uninsured cause appraisal of at least per-acre guarantee of the crop released will be assessed.

(B) If the insured satisfies the requirement for the location of minimum number of samples in subparagraph D (1) (c) above, but fails to leave an RSA or RSAs the minimum size as stated in subparagraph E, (e.g., the RSA did not extend the entire length of the field as required in E (1) (b) (i) (A), then an uninsured cause appraisal of up to at least the per-acre guarantee of the crop released will be assessed.

(ii) When the reason the RSAs were established is because the AIP allowed the insured to leave RSAs when the insured disagreed with the initial appraisal:

The initial appraisal will be used.

(b) If the acreage is released for grazing, the type of fencing or other effective barrier with which the insured agrees to surround the RSA until the completion of the appraisal has taken place;

(c) The locations and size of the RSAs to be left in each field either on a sketch map or aerial photos;

(d) The signature and adjuster code number of adjuster authorizing the agreement.

(e) The date the adjuster released the acreage and authorized the RSAs.

(f) Phone number(s) of adjuster (or adjuster's claim supervisor) that the insured can easily reach if they have questions regarding the preparation and maintenance of the RSAs;

**D. Insured's Agreement (continued)**

(g) Signature date and signatures. If the insured is allowed to leave RSAs without the adjuster physically selecting the RSAs during an on-the-farm visit, as allowed in subparagraph E, and a signed agreement is still required (i.e., immature production), follow these instructions for signatures:

(i) Signed Agreement via E-mail.

(A) Insured (or insured's representative) is to type his/her name in the signature block followed by "signed via e-mail" (e.g., John Jones signed via e-mail) and fill in the date signed.

(B) Instruct the insured (or insured's representative) after he/she has filled out the signature block to save the document and e-mail back to the e-mail address provided by the adjuster.

(C) If the adjuster is in agreement with the signed version the insured (or insured's representative) has e-mailed back, the adjuster will fill in the signature, signature date, and adjuster's assigned code number, save, and e-mail this version back to the insured. Refer to (4) below for instructions regarding insured's and AIP's copies.

(ii) Signed Agreement via Fax or mail

Insured signs and dates in signature block and faxes back to the fax number provided by the adjuster. If the adjuster agrees with the information the insured has provided on the form, he/she signs, dates, and enters his/her assigned adjuster code and faxes or mails back to the insured. If the adjuster is sending the approved copy to the insured via U.S. Postal Service, notify the insured of the approval via e-mail or telephone, and that the signed hard copy of the agreement will follow. Refer to (4) below for instructions regarding insured's and AIP's copies.

(3) Adjuster Documentation

When the Exception in subparagraph C (3) applies because of workload and verbal agreements are executed as allowed in C (1), the adjuster must document the following information and retain in the insured's file folder:

(a) The insured's verbal agreement to the items for which the insured must agree and any information required to be provided to the adjuster, as listed in D above,

(b) The insured's understanding of the consequences (stated in D (2) (a) above) if the insured should fail to comply with the items in D (1).

(c) The reason for the immediacy of the release,

**D. Insured's Agreement (continued)**

(d) Authorization method (by phone, fax, etc.),

(e) Date the adjuster released acreage and authorized insured to leave RSAs.

(f) The signature and code number of the adjuster providing the authorization.

AIPs cannot authorize their sales agents, agency employees, or sales supervisors to provide this authorization to the insured.

(4) Insured's and AIP's Copies

(a) When an agreement in writing is done, provide the insured with a written copy of the agreement in writing (including any attachments and e-mails) signed by the insured and AIP representative, and leave the original in the insured's file folder.

(b) When a verbal agreement is done, provide (via mail, e-mail or fax) the insured with a copy of the information to which the insured agreed, as shown in subparagraphs D and E, as well as the information provided to the adjuster, as outlined in (3) above.

**E. Required Size and Location of RSAs**

Unless stated otherwise in an individual LASH, the size and location of RSAs for all crops except perennial crops are stated below. For perennial crops, use the instructions in the respective perennial LASH.

(1) Select at least the minimum number of representative RSAs of the crop (per field) as required in D (1) (a) above and that:

(a) The beginning side of the each RSA is located not less than 20 feet from the edge of the field and RSAs are representative of the acreage to be appraised (Refer to D (1) (c) above);

(b) Are at least the size described in (i) or (ii) below. The AIP may choose either the method shown in (i) or (ii) below:

(i) Each RSA is a strip that follows the entire length of the field and that is at least 10 feet wide. The RSA must be wide enough to ensure that the potential appraisal areas from which the appraisal will be extracted will not be exposed to damage in excess of what would be experienced had the crop around the RSAs remained intact (e.g., excessive drying, insect, or weed infestation, grazing, etc.). Appraisal samples must not be taken in the same area within the RSA; move down or up the strip for each sample.

**E. Required Size and Location of RSAs (continued)**

(A) If acreage is in a center pivot, use (ii) below so that irrigation can continue without wasting irrigation water or power to operate the equipment; i.e., the RSA is as wide as the irrigation boom so it will allow an ample RSA without wasting irrigation water or power as would happen if a 10 foot strip following the entire circumference of the circle was irrigated.

**Example**: A 125.7 acre center pivot irrigation circle would require 4 RSAs (1 RSA for the first 10 acres and an additional RSA for each additional 40.0 acres for a total of 4 RSA's) which could be combined into a single RSA that is a pie shaped area contained within the center pivot circle. Assume the diameter of the irrigation circle is 2,640 ft. The RSA must be equivalent to an area that is at least 10ft wide and the entire length of the field (10.0 ft. x 2,640 ft. = 26,400 sq. ft. in each RSA). 26,400 sq. ft. divided by 43,560 sq. ft. in an acre = 0.6 of an acre occupied by for each RSA. Using 4 RSAs requires an area equal to 2.4 acres for the combined RSA (0.6 acre x 4 RSAs)). This combined RSA will be located within the pivot irrigation circle extending from the center of the pivot irrigation circle to the outer edge of the circle forming a pie shaped area. To determine the size of the pie shaped area, refer to the following example:

The pie shaped area must be at least 2.4 acres.

2.4 acres X 43,560 sq. ft./acre = 104,544 sq. ft.

The radius of the circle is 1,320 ft. (2,640/2)

Use the formula for calculating the area of a triangle:
(Base x Height) ÷ 2 = Area

- $\frac{\text{Base x } 1{,}320}{2} = 104{,}544$ sq. ft.

To determine the base:

- 104,544 x 2 = 209,088 ÷ 1,320 = 158.4 width of the base

The base of the pie shape (along the outer edge of the center pivot circle) will be 158.4 ft.

To verify the calculations:

$\frac{158.4 \text{ ft. x } 1{,}320 \text{ ft.}}{2} = 104{,}544$ sq. ft. ÷ 43,560 sq. ft. / acre = 2.4 acres

**E. Required Size and Location of RSAs (continued)**

(B) When acreage has been released for grazing and the only access the livestock has to a permanent structure containing water (e.g., pond, lake, etc.) is through the field, a small break (no more than a 30-foot break) in the length of the RSA may be left for the livestock to pass through, provided the ends of the break are also fenced.

(ii) The width and length of each separate RSA must accumulatively reflect the minimum size stated in (1) (b) (i) above (i.e., the square feet of each RSA is equivalent to the square feet of 10 feet wide X length of field). Each RSA must be:

(A) Wide enough to accommodate the equipment that will be used to maintain the crop (i.e., sprayer with a 30-foot boom, six- row cultivator, etc.) with the equipment used to care for the crop up to the time the crop would be appraised; and

(B) Large enough to ensure that all sides of the potential areas from which the appraisal will be extracted will not be exposed to damage in excess of what would be experienced had the crop around the RSAs remained intact (e.g.; excessive drying, insect or weed infestation, grazing, etc.)

(c) Will enable, at least, the minimum recommended number of samples stated in the LASH to be selected on a proportional basis to the acreage represented. Refer to example below for an explanation of what samples to be selected on a proportional basis means.

**Example:** The minimum RSAs required are five for the acreage being appraised. The adjuster has determined that splitting the field into subfields is inappropriate because although one-third of the field is in uniformly satisfactory condition and two-thirds of the field is in uniformly poor condition, the respective portions are randomly scattered across the field. To maintain the proper proportionate sampling as it relates to damage, six RSAs are to be utilized instead of five, two in the satisfactory areas and four in the poor areas. The number of samples to maintain a proportionate sampling may be taken from less than six RSAs if four samples of the sample size stated in the appropriate handbook can be obtained in the poor areas and two from the satisfactory areas.

**F. Adjuster's Instructions for First On-the-Farm Inspection**

(1) Select the RSAs in accordance with subparagraphs D (1) (a) and E above. Identify for the insured the selected RSAs by flags, physical markings, or sketch map to protect the integrity of the RSAs. In all cases, document the location of the selected RSAs in the field(s) on an aerial photo or on a sketch map and the agreed upon fencing or protective barrier that the insured intends to use.

**F. Adjuster's Instructions for First On-the-Farm Inspection (continued)**

(2) Explain to the insured all items in the insured's agreement, as shown in D (1)-(2), and the consequences if the insured failed to meet these requirements as explained in D (2) above.

(3) Provide the insured a copy of the agreement as stated in subparagraph D (4). Leave the original in the insured's file folder.

**G. Appraisals of RSAs**

(1) When the adjuster makes the on-the-farm inspection to make the appraisal, the adjuster must verify that the insured has complied with the agreed upon provisions, as described above. If the insured has failed to comply with any of the criteria outlined in D (1) (a)-(e), apply the applicable appraisal as stated in subparagraph D (2) (a).

(2) Obtaining appraisal samples from the RSAs: Samples must not be taken in the same area within the RSA and must not be taken on the outer edges of the RSA. For example: (1) If the RSAs are strips as outlined in E (1) (b) (i) above, move down or up the strip for each sample; or (2) If RSAs are areas as outlined in E (1) (b) (ii) above, take the samples from random areas of the RSA.

(3) RSAs of IMMATURE Production Left for Deferred Appraisals Solely for the Initial Appraisal of Released Acreage:

(a) Appraisals MUST be completed as soon as the production to count can be ACCURATELY determined (no earlier than 7-10 days after damage due to hail or frost/freeze, or the number of days specified by an agricultural expert if it differs from the 7-10 days.

(b) The following is not applicable to crops having stages, such as onions or to (3) below:

(i) At the time the RSAs are appraised, any production damage due to an insured cause that has occurred must be considered, including losses due to revenue (if applicable for the crop), but NOT quality for the acreage released.

(ii) There would be very few circumstances that would justify allowing the crop in the RSAs to become fully mature prior to completing the appraisal. If there was a justifiable reason to allow the crop in the RSAs to become fully mature prior to completing the appraisal:

(A) Document the reason why the crop was allowed to become fully mature and keep a copy in the insured's loss file.

**G. Appraisals of RSAs (continued)**

(B) If there was quality damage to the crop in the RSAs, quality adjustment of appraised or harvested production from the acreage in the RSAs can be applied, but cannot be applied to the appraised production for the released acreage.

(4) RSAs of Corn INSURED AS SILAGE Established To Determine Grain Deficient Silage When Appraisals Cannot Be Made Before Corn Is Cut for Silage Due to AIP Workload

Appraise these areas as soon as possible. Additional production damage after the date the corn was harvested as silage will not be considered an insured cause of loss even if the damage was from a named peril in the policy. This is because the crop was harvested for the use for which it was insured (silage), and the insurance period ended at the time the crop was harvested; i.e., the corn was cut for silage. The appraisal of the RSAs will determine whether the corn met the criteria for grain-deficient silage. If the silage was put in an airtight structure, the RSAs can also be used to determine the production to count. Apply uninsured cause appraisals as if RSAs were not properly cared for in accordance with subparagraph D (2) (a), and for any damage that occurred after the corn was harvested as silage.

(5) RSAs Established Solely Because Insured Disagreed With Initial Appraisal of Immature Crop Acreage to be Released:

Several CP, including canola, coarse grains, cotton, dry beans, ELS cotton, small grains, sugar beets, and sunflower seed CP state that when the insured disagrees with the initial appraisal of the crop acreage the insured wishes to be released, the AIP may agree to release the acreage and use RSAs for appraisal purposes. The appraisal of the RSAs will be deferred until the time harvest would have occurred.

(a) If the insured has complied with the criteria outlined in D (1) (a)–(e):

(i) Any additional production damage to the RSAs due to a named peril in the policy will be considered an insured cause of loss, including revenue losses. However, damage due to quality will only be allowed as stated in (ii) below.

(ii) The per-acre production appraisal will be used for all the acreage released, including RSAs. Adjustments for quality cannot be applied to the appraised production for the released acreage. However, adjustments for quality can be applied to the amount of MATURE production specifically from the RSAs since the RSAs have to be left intact until harvest time. If this is applicable, a two line entry is required on the claim form; i.e., one line for the acreage of the released acreage and one line for the acreage of the RSAs.

**G. Appraisals of RSAs (continued)**

(b) If the insured did not comply with the criteria outlined in D (1) (a)-(e):

(i) Use the initial per-acre production appraisal (without adjustments for quality) made prior to giving consent to put the acreage to another use.

(ii) Apply this per-acre production appraisal (without adjustments for quality) to all of the released acreage as well as the acreage in the RSAs.

(6) RSAs of a Mature Crop for Initial Appraisal When Insured Requests Release of Acreage to Put To Other Use or Crop and Due to Heavy Workload, the AIP Cannot Appraise the Acreage Prior to the Time the Acreage Needs to Be Released

(a) AIPs are to allow RSAs for this use prudently. This procedure is ONLY to be used when for the other use to which the insured wishes to put the crop or acreage, it is essential the acreage is released prior to the time the AIP can appraise the acreage. The insured still must agree to all of the criteria in 216 D above before RSAs can be used.

(b) Appraise the RSAs as soon as possible. If the insured has complied with the criteria in D (1) (a)-(e), the per-acre appraisal from the harvested production will be used. Since the crop was mature at the time the RSAs were established, quality can be applied. If the insured did not comply with the criteria in D (1) (a)-(e), then follow the procedures in D (2) (a).

## 217. Bypassed Acreage

**A. General Information**

Bypassed acreage procedures are applicable only to crops under a processor contract that must be harvested within a certain timeframe to be acceptable by the processor; and have the definition of "Bypassed Acreage" within their CP; e.g., green peas, processing beans, processing pumpkins, processing tomatoes, and processing sweet corn. Sometimes such acreage is bypassed by the processor for reasons that have nothing to do with an insurable cause of loss that is preventing or delaying harvest.

**B. Definition of Bypassed Acreage**

Bypassed acreage is defined as "Land on which production is ready for harvest but the processor elects not to accept such production so it is not harvested."

(1) Inspections must be made by the AIP on all unharvested acreage of insured crop to verify the cause of loss and the reason the acreage was bypassed by the processor.

**B. Definition of Bypassed Acreage**

(2) Appraisals are not required on acreage bypassed due only to an insurable cause of loss. Appraisals will be made on all unharvested acreage when any uninsurable cause of loss prevented timely harvest of the crop.

**C. Documentation From Insured of Why Acreage Was Bypassed.**

The insured must provide acceptable documentation of the reason the acreage was bypassed. Failure to provide such documentation will result in the AIP's determination that the acreage was bypassed due to an uninsured cause of loss.

**D. Bypassed or Not Timely Harvested Due to Insured Cause.**

Production losses from unharvested, not timely harvested, or bypassed acreage of the insured crop are insurable if the losses are due to an insurable cause of loss (as stated in the CP), such as adverse weather conditions. Adverse weather includes, but is not limited to:

(1) Excessive moisture that prevents harvesting equipment from entering the field or that prevents the timely operation of harvesting equipment; and

(2) Abnormally hot or cold temperatures that cause an unexpected number of acres over a large producing area to be ready for harvest at the same time, affecting the timely harvest of a large number of such acres or the processing of such production is beyond the capacity of the processor, either of which causes the acreage to be bypassed.

Refer to the applicable CP for notice of damage requirements. The insured should contact the AIP immediately upon being notified that acreage will be bypassed so an inspection by the AIP can be made, but not later than the time specified in the CP.

**E. Bypassed or Not Timely harvested Acreage Due to Uninsured Cause.**

Insurance coverage is not provided on any loss of production if acreage is not timely harvested (unless such delay in harvesting is solely and directly due to an insured cause of loss) or is bypassed due to:

(1) breakdown or non-operation of equipment or facilities;

(2) the availability of a crop insurance payment;

(3) failure to follow the requirements contained in the processor contract; or

(4) for some CP, bypassed acreage would not be insured if the following apply (Check the applicable CP to see if either (a) or (b) or both (a) and (b) apply):

(a) The insured and the processor are the same or related persons, or Insured acreage was NOT harvested first, or

**E. Bypassed or Not Timely harvested Acreage Due to Uninsured Cause (continued)**

(b) Acreage insured under the terms of the applicable CP was bypassed and acreage not insured under the applicable CP was harvested instead.

**F. Claim Entries When Bypassed Acreage Due to Insured Cause of Loss.**

The stage column on the claim form will show "UB" for unharvested acreage that is bypassed or not timely harvested by the processor because the insured crop was damaged due to INSURED causes of loss. The potential production per acre shown on the claim form in the column for appraised potential will be zero ("0"). Consistent with the claim form, no production from the bypassed acreage will be counted for APH purposes.

**G. Damaged and Undamaged Acreage in the Same Field.**

When there is damaged and undamaged insured crop acreage in the same field (and can be identified as such) and the processor chooses to bypass the entire field instead of accepting the harvested production or the processor harvesting the undamaged acreage, the damaged and undamaged acreage will be divided into separate subfields.

(1) An appraisal is not required on the damaged acres, provided the AIP can verify the damage was due to an insurable cause of loss.

(2) The undamaged acreage will be appraised, and the production will be counted as production to count for claim purposes.

**H. Claim Entries When Bypassed Acreage Due to Uninsured Cause of Loss.**

The stage column on the claim form will show "PB" for unharvested (bypassed) acreage when insured cause(s) of loss did not prevent the processor or producer from timely harvesting (e.g., the processor over-contracted, equipment breakdown, etc.). The potential production per acre (as of the date the crop should have been harvested) shown on the claim form in the column for appraised potential will be the appraised amount and will be counted as production against the guarantee for claim purposes and for APH purposes.

(1) A separate appraisal is required to assess production lost on acreage damaged by uninsured causes of loss (i.e., livestock damage, failure to follow good farming practices, etc.). The appraised per acre production from such acreage will be shown on the claim form in the item for uninsured causes. This appraisal for uninsured causes will not be counted for APH purposes.

(2) Although acreage may have been bypassed and an insured cause of loss did not prevent harvest (e.g., the processor over-contracted, equipment breakdown, etc.), an appraisal which shows production below the unit guarantee due to insurable causes (e.g., drought reduced the potential PRIOR to bypass) may result in an indemnity.

**I. Production to Count When NO Insured Cause of Loss Prevented Timely Harvest.**

When an insured cause of loss DID NOT prevent timely harvest of the crop, the production to count for the insured crop acreage that is bypassed or not timely harvested will include:

(1) The appraised production on unharvested acreage;

(2) Any production or value lost due to uninsured cause(s), whether harvested or unharvested acreage; or

(3) For green peas, processing beans, processing pumpkins, processing sweet corn, and processing tomatoes: The harvested/delivered production from any acreage not timely harvested. The amount of harvested production to count will be determined by dividing the dollar amount paid, payable, or which should have been paid under the terms of the processor contract for the quality and quantity of the insured crop delivered to the processor, by the base contract price per tons (pounds for green peas). If the price paid for the harvested production has been reduced because of quality deficiencies resulting from not timely harvesting (when an insured cause of loss did not prevent timely harvest of the insured crop), an appraisal for uninsured cause will be required. Subtract the amount paid from the amount that would have been paid before the price reduction. Divide this amount by the contract price and enter the result in the column on the claim form for uninsured cause appraisals.

**J. Processor Payments For "Bypassed Acreage"-**

Do NOT include such payments in any appraisal OR as production to count.

## 218. Verifying Harvested Production

**A. Harvested production will be verified or determined by the following:**

(1) Acceptable evidence of third-party sales and/or commercial storage.

(2) Measuring farm-stored harvested production (refer to Part 3, Section 6).

(3) Comparing harvested production to appraisals made from the unharvested areas of the fields left under the terms of the policy when the amount of reported harvested production is questionable.

(4) Comparing reported production to appraisals and production in the area when there is reason to question the reported harvested production.

(5) Weighed and farm-stored records. Refer to Para. 252. Insured's records from prior years weighed and stored production CANNOT be used.

(6) Verifiable farm management records from producers using precision farming technology systems,.

**A. Harvested production will be verified or determined by the following (continued)**

(7) If the insured claims the entire unit has been harvested, verify that all fields and areas of the field (orchards or vineyards, if applicable) have been harvested. Also, verify that all of the production that could be harvested has been harvested (i. e., if only the best acreage or best fruit (cherry picked) from the trees or vines has been harvested, the remaining unharvested crop must be considered production to count unless such crop is not considered production to count in accordance with Para. 213 H of this handbook) with procedures in the respective crop loss adjustment handbook, CP or if applicable, SP.

**B. Caution.**

DO NOT rely solely on statements or evidence of sales to represent all of the production. Review all production evidence CLOSELY when the insured controls the transportation (e.g., trucking or handling company); manufacturing (processing plant); farm scales; or sales (warehouse) of a particular crop. If there is evidence that suggests the insured has misrepresented production, DO NOT (adjuster) sign the claim. Notify the AIP of the situation.

**C. Acceptable harvested production records from producers using precision farming technology systems to establish total production**

(1) Acceptable Precision Farming Technology Systems must include at least the following components:

(a) GPS technology integrated with planter monitors, combine monitors, yield mapping software;

(b) The capability of producing summary reports that reflect planted acres, harvested acres, and harvested production; and

(c) Report of calibrations performed per manufacturer's requirements.

(2) If the AIP determines the precision farming technology system production records are not acceptable, production must be determined in accordance with Para. 252 and Para. 253. The planter monitor acreage record can still be used as determined acres.

(3) Production records from precision farming technology systems

(a) The AIP must inform the insured in writing of the precision farming technology system record requirements prior to harvest.

(b) Production records from precisions farming technology systems may be used in lieu of settlement sheets and bin measurements provided all of the requirements under Para. 201 I, 218 C, and 218 D are met.

(c) The insured should be advised to maintain alternate production records by unit in the event the precision farming production records are determined to be unacceptable.

**C. Acceptable harvested production records from producers using precision farming technology systems to establish total production (continued)**

(d) If acreage is not harvested, production will be appraised.

(4) For the production records to be acceptable, the insured must provide the following information:

(a) Calibration of the automated yield monitoring system.

(i) The insured must have calibrated the yield monitoring system for each insured crop and crop year, in accordance with the owner's manual specifications. The sensor calibrations must not exceed three percent when compared to the actual weighed production harvested from the acreage used to calibrate the sensor (refer to Para. 252 C for acceptable scale types). If the initial sensor calibration difference exceeds three percent when compared to the actual weighed production harvested from the acreage used to calibrate the sensor, additional calibration samples must have been taken until the results were within tolerance (see (ii) below for an exception).

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(ii) If after calibrating the yield monitoring system as stated in (i) above, the average sensor calibrations for the crop and crop year still exceed three percent when compared to the actual production harvested from the acreage used to calibrate the sensor, the insured may utilize the precision farming technology system post-harvest calibration of yield maps created by the system. The insured must provide documentation of the actual production based on acceptable weight records used to post calibrate the system and yield maps.

(iii) The insured must provide documentation showing the sensor calibrations for the crop and crop year. The annual calibration report, from the yield monitor system or documentation from the insured, must include all calibrations and adjustments performed, by crop, for the crop year, including the date each calibration/adjustment was performed and the difference from the previous setting. The annual calibration report must be provided to the AIP or RMA.

(b) Insured's name;

(c) Unit number;

(d) FSA farm/tract/field ID number;

(e) Legal description of acreage; and

(f) A print out, by unit, of the following precision farming technology information:

**C. Acceptable harvested production records from producers using precision farming technology systems to establish total production (continued)**

(i) Crop name;

(ii) Acres harvested;

(iii) Date harvested;

(iv) Total production (unadjusted for moisture);

(v) Average moisture content (moisture must be adjusted in accordance with the CP); and

(vi) Yield maps and acreage/production summary records. These records, generated from the system, must show separate production records were maintained by unit and/or practice. These maps must be reviewed to identify harvested and unharvested acreage. If the map indicates unharvested acreage, a visual inspection is required to determine if crop appraisals are needed.

(5) If the production and yield map records provided by the insured are not reasonable or the AIP has reason to question the production and/or yield map records, the insured must provide the precision farming technology system or yield monitor systems raw data and any additional production records requested by the AIP. If after reviewing the systems raw data, the precision farming technology system production records are determined to be not acceptable, production must be determined in accordance with Para. 252 and Para. 253.

(6) All quality determinations must be made in accordance with Para. 232 and Para. 238 as applicable.

## 219. Verifying Sold or Commercially Stored Production

### A. Names in which Production Was Sold.

Verify with the insured the names(s) in which production has been sold on insured acreage under the contract.

### B. Harvested Production Records and Receipts

(1) Follow up and verify harvested production records against third-party summary/settlement sheets or storage receipts/summary from but not limited to:

(a) Commerical Elevators
(b) Seed Companies
(c) Packing Houses
(d) Carketing Cooperatives
(e) Mills
(f) Warehouses
(g) Gins
(h) Processors

(2) Acceptable Third-Party Summary/Settlement Sheets or Storage Sheets:

(a) For all crops, the third-party records must contain at least the following:

(i) Name and address of the buyer or the commercial storage facility,

(ii) Insured's name,

(iii) Load number or ticket number,

(iv) Crop,

(v) Gross weight (for most crops this includes weight of conveyance delivering the production),

(vi) Tare weight (conveyance weight, may also include dirt, rocks, etc., and may include for some fresh produce fruit, cull weight of produce), and

(vii) Date weighed.

(b) Unit and/or field identification from which the production was harvested that can be correlated to the unit numbers. The insured (or insured's authorized representative) must handwrite this information on the third party record. If only a field identification is shown, the adjuster must be able to verify that the field identification can be correlated with the unit numbers for the crop/county for the current crop year. If the adjuster cannot correlate the field identification to a unit number for the crop/county, the production must be considered commingled and the procedures in Para. 294 apply.

**B. Harvested Production Records and Receipts (continued)**

(3) In addition to (2) above, grain-crop-third-party sales or storage records should also contain at least the following:

(a) FM (or dockage, if applicable) Percentage (Refer to Para. 234 for acceptable reduction for FM or dockage.),

(b) Moisture Percentage (Refer to Para. 233 for allowed adjustments for moisture.), and

(c) Test Weight.

The records can be accepted if this information is not contained on the records; however, no adjustments can be made for any of these items since the information is unknown. Also, if this information is contained on the records for some loads but not all of the loads, only the loads for which the information is provided and for which adjustments would be allowed can be adjusted.

(4) Adjustments to the delivered Gross Production (after deduction of tare weight of conveyance).

(a) Third-party sales and storage records may contain adjustments to the gross production that may or may not be able to be used for loss adjustment purposes. Most CP (quality endorsement, if applicable), require that quality deficiencies (except test weight can be determined by the adjuster) are determined by graders licensed to grade the commodity and that are licensed by the entity specified in the CP. For some types of conditions or damage, policy provisions may require approved labs make the determinations. In these cases, a grade certificate or other acceptable document from the licensed grader/entity (or lab, if applicable) must support these adjustments. Warehouses that have licensed graders in accordance with policy provisions may not have a formal grade certificate. In some cases, some grade deficiencies may be shown on the individual load slips, etc. Refer to Para's. 231 and 232 and applicable CP, endorsements, and crop LASHs for more detailed information.

(b) For some crops and types of damage, adjustments to gross production must be based on the deficiencies determined by the authorized grader PRIOR to the crop being delivered for sale or prior to being placed in commercial storage. These requirements can be found in one or more of the following: CP, Special Provisions, crop LASHs, or these procedures.

**C. Verification of Third-Party Summary/Settlement Sheets or Summary of Commercial Storage Sheets**

Verify load records/weight tickets or storage receipts from the buyer or commercial storage facility against the entries on the summary/settlement sheets of the buyer or Summary of Storage of the commercial-storage facility. Obtain GROSS PRODUCTION for the unit from the summary of storage and/or settlement sheets after verification. Refer to the Forage Loss Adjustment Handbook for specific information regarding requirements for forage production records.

**D. Claim Entry**

Enter the GROSS PRODUCTION (before deductions are made for dockage, moisture, percent of shell or sugar, or quality adjustment) in the appropriate column for gross production on the claim form.

(1) If the gross production of the commodity (before adjustments) on the settlement sheet is in scale weight rather than the unit of measure for the crop (e.g., settlement sheet is in pounds and unit of measure for the crop is in bushels), the adjuster must convert the scale weight to the applicable unit of measure for the crop, as stated in (2) below.

(2) Converting Scale Weight to Applicable Unit of Measure. To convert gross scale weight to units of measure, divide the weight by the standard weight per unit of measure. Refer to Exhibit 4 for standard weights.

Example: The standard weight for a bushel of wheat is 60 lbs.
The settlement sheet shows the gross production of wheat (before adjustments) is 10,256 pounds (10256 lbs. ÷ 60 lbs. = 170.9 bushels).
This bushel amount would be entered in the column for gross production on the claim form.

Refer to Exhibit 4, Unit of Measure of Production, by Crop for the specific unit of measure for each crop.

**E. Individual Weight Tickets or Load Slips**

(1) DO NOT use individual weight tickets or load slips without supporting documentation of total production such as third-party produced ledger sheet(s) or settlement sheet(s) from the buyer or commercial storage facility to determine harvested production for an individual unit unless the storage facility or buyer will not provide ledger or settlement sheets. When the buyer or storage facilities will not provide ledger or settlement sheets, document the facts in the narrative of the claim or on a Special Report.

(2) Loads cannot be split between units because this constitutes commingled production and must be handled as such, unless the insured has verifiable load records as noted in Para. 253 D and the insured fulfills all requirements in Para. 253 D. Refer to Para. 294 for commingled production procedures. This does not apply to crops using containers, bins, boxes, crates, etc., if each container, bin, etc., is labeled for the unit where production was obtained.

**F. Production Sold Directly To End Users or Other Producers**

Production sold directly from the insured to end-users such as feed lots (commercial and individual) or another producer must be verified by additional weight documentation from either the buyer or a disinterested third party, e.g., elevator or commercial scale.

**G. Verification of Direct Marketed Production**

When CP allow the crop to be insured when the crop is grown for direct marketing (or the CP allow coverage by SP or Written Agreement), the CP also require in the "Duties in the Event of Damage or Loss" section for the insured to notify the AIP by at least the number of days specified in the CP (SP or Written Agreement, if applicable) before any production from any unit will be harvested and sold by direct marketing. The AIP will conduct a timely pre-harvest appraisal that will be used to determine the insured's production to count for production that is sold by direct marketing. These appraisals and any acceptable records provided by the insured will be used to determine the insured's production to count. If the AIP is unable to perform the appraisal due to the insured's failure to provide timely notice, an appraisal of not less than the per-acre guarantee will apply.

Acceptable records of harvested and sold production are as follows:

(1) Acceptable Pick Records

(a) To be acceptable pick records, it cannot be a summary of the pick records, and must:

(i) Include the names of the individuals paid by the grower (crew leader or picker).

(ii) Show the actual running tallies of production harvested by the pickers.

(iii) Be legible, understandable, and reasonable when explained by the insured.

(iv) Be accompanied by verifiable receipts such as a photocopy of the canceled check(s) showing the banking institution's stamp of payment. The insured must identify the price paid per volume of production picked (converted to the insurable unit of measure for the commodity (bushels, lugs, or boxes)), and the average weight per bushel, lug, or box.

(b) When verifying the pick records, the complete pick record for the entire crop must be reviewed.

(c) Copies of acceptable pick records with any explanation must be retained in the insured's loss-file folder.

**G. Verification of Direct Marketed Production (continued)**

(2) Other Acceptable Records

(a) A daily accounting of sales records showing amount of production and price received in a ledger or log.

(b) Daily cash receipts.

**H. When some of the production used to fulfill an insured's speculative contract was obtained from another entity**

When, due to insured causes, an insured claims he/she did not produce enough production to fulfill a speculative contract and part of the production the insured used to fulfill the contract was obtained from another entity and the production records show it was all marketed in the insured's name, then the following documentation is considered acceptable to separate the insured's production from the production grown by the other entity, provided the amount of production the insured is claiming he/she produced for the unit is reasonable[1/]:

[1/] Reasonable is when the yield loss for this unit is similar to the yield losses for other producers in the area and is consistent with the insured's other unit production for the crop/crop year, unless the inconsistency of production among the insured's units is explainable and verifiable; e.g., hail damaged on one of the insured's units but none of the others. Explainable and verifiable inconsistencies must also be documented in the statement above.

(1) A copy of a cancelled check or other credible payment receipts if the insured has already paid for the production;

(2) If the other entity did not deliver the production directly to the insured's buyers, a copy of weight ticket(s) (from commercial elevator scales or non-portable farm scales) of the production obtained from the other entity that shows the other entity's name, crop name, weight of the production, and date weighed; and

(3) A statement, signed by the insured and the entity who furnished the other production, which explains the transaction. The statement must include at least the following:

(a) Insured's full name and policy number,
(b) Crop name,
(c) Amount of the production purchased/obtained from other entity,
(d) Payment arrangement if this was not a cash sale prior to delivery; e.g., loan, etc.,

**H. When some of the production used to fulfill an insured's speculative contract was obtained from another entity**

(e) Date the production was purchased/received from the other entity or date other entity delivered the production directly to the insured's buyer,

(f) If the other entity delivered the production directly to the insured's buyer, the load numbers delivered so the amount of production from the other entity can be verified against the insured's settlement sheet,

(g) The other entity's full name, address, and telephone number;

(h) Whether the other entity also had Federal crop insurance and if so, the policy number, unit number, and the name of the AIP servicing the other entity's policy; and

(i) Date the statement was signed.

## 220. Verifying Fed Production

**A. Include in Production to Count.**

Fed production must be counted as production when determining total production on a unit.

**B. Insured's Responsibilities**

AIPs are to encourage producers to have any quantity of production intended for feed measured (by the AIP, FSA, or other party acceptable to the AIP) or appraised by the AIP to determine the amount of production/moisture and quality before feeding. Otherwise, the insured is responsible for maintaining a formal written record system (e.g., similar to that shown in FCIC's Guidelines for a Production Record Management System) of fed production and to have those records available at the time the claim is prepared. If production is not measured or appraised by AIP prior to feeding, follow the procedure in Para. C, D, E, and F below.

**C. Review Records**

Review the fed production records for reasonableness and if written records are questionable, document the reasons and notify your next level of supervision. Also, use the following guidelines when determining reasonableness: If feeding from a previous year's inventory, to which current year's production will be added, the amount of previous year's production must be measured prior to adding current year's production. For acceptable records of fed production, the following information is needed:

(1) Amount of grain fed each day,
(2) Bin ID from which the production was taken, if applicable,
(3) Number and kind of livestock,

**C. Review Records (continued)**

(4) Estimated average weight of livestock per head and location or pen number,
(5) The unit number from which the fed production was taken, and
(6) Whether fed production was from previous year's production or fed directly from the field or truck.

**D. Refer to the Forage Loss Adjustment Handbook for specific record requirements for fed and sold forage production.**

**E. Claim Entry**

If fed production records are reasonable, enter fed production on the claim form as gross production. (See the LASH for entry instructions for harvested production.) Adjustments for moisture, dockage, or quality will be allowed ONLY if acceptable records are available to support the deductions or a sample for grading is available; i.e., settlement sheets from a landlord who has a share in the same crop acreage or adjuster obtained samples from the landlord's stored production can be obtained for grading.

**F. Documentation**

Document the fed production records in the narrative of the claim form or on a Special Report. If a Special Report is used, it must be signed by the adjuster and the insured.

## 221. Verifying and Accounting for Production Not to Count

There are times when production may not be counted as part of the total production of a unit. In order to enter production not to count on the claim form, ACCURATE RECORDS of such production must have been kept; i.e., it must have been measured or weighed (with available satisfactory scale records), unless load records or combine monitoring records as allowed by Para. 253 are applicable, before other production is added.

**A. Examples.** Some common examples of production that should not be counted when accurate records of such production are provided.

(1) Previous or prior crop year's production when stored with the current crop year's production,

(2) Harvested production from uninsured acreage whether stored or sold;

(3) Harvested production from acreage damaged solely by uninsured causes (appraisal for solely uninsured causes has been applied to such acreage in the "Uninsured Cause" column of the claim form),

(4) Harvested production from multiple units or contracts when stored within one storage facility, and

**A. Examples.** (continued)

(5) Purchased grain that is stored with harvested grain.

(6) Harvested production from other entities when stored with the insured's production within one storage facility, and acceptable records (bin markings are not considered acceptable records) are provided that identifies the production not to count for the other entities.

**B. Verification**

Substantiate production not to count from current year's production with farm management records (settlement sheets, sales receipts, load counts, weight slips, feeding records, etc.) to assure that the adjuster is COMPLETELY satisfied that such production should be considered production not to count. If the production not to count is prior year's production, the only acceptable record is the AIP's or another USDA agency's measurement of the prior year's production just prior to current year's production being added. This measurement must be kept in the insured's loss file. Otherwise, the production must be considered production to count. Refer to (2) in subparagraph C below.

**C. Accounting for Production Not to Count on the Claim Form**

(1) There are two ways to account for production not to count on the claim form. Either method outlined below can be used unless the AIP specifies that only one of the particular methods listed below will be used.

(a) For production with storage measurements that are to be recorded in the columns for recording such measurements on the claim form, the depth measurement of the production not to count may be subtracted from the total bin measurement depth. The resulting depth measurement (production to count) will be entered in the appropriate column for depth measurements as instructed in the LASH. Although no specific entry for production not to count is required, document the depth measurement for the production not to count in the narrative of the claim form and explain why it is production not to count. Refer to Para. 261 E for detailed example; OR

(b) Calculate all production not to count to net production, and enter in the "Production not to Count" column as instructed in the LASH.

(2) AIPs CANNOT accept insured's weight records/tickets for current year's production stored in a structure (refer to Para. 252) with prior year's production to separate the current and prior year's production, and CANNOT authorize insured's to make structure markings to separate production from the current and prior year(s) stored in the same storage structure, as described in Para. 253, UNLESS the AIP or another USDA agency measures the prior year's production just prior to current year's production being added (a copy of the other USDA agency's measurements must be kept in the loss file).

## 222. Gleaned Acreage

### A. General Information

Gleaning is the collection of crops from farmers' fields that have already been harvested or fields where it is not economically profitable to harvest. FCIC encourages and promotes gleaning efforts of insureds. AIPs are encouraged to allow gleaning in situations where a crop or portion of a crop may otherwise go unused or be destroyed. Refer to the definition of "Gleaner" in Exhibit 2.

### B. Gleaning Allowed Only If Done By a Charitable Organization

(1) FCIC will allow gleaning only when the crop will be gleaned by a charitable organization defined as a 501 (c) 3[1/] (nonprofit organization) and the insured has not received compensation from such organization (refer to D below).

[1/] A 501(c)(3) organization is a charity or public service entity that qualifies for tax exemption under Internal Revenue Code Section 501(c)(3).

(2) Pertinent information to protect the insured (the donor) for liability issues can be found in:

The Bill Emerson Good Samaritan Food Donation Act
(http://www.gpo.gov/fdsys/pkg/PLAW-104publ210/pdf/PLAW-104publ210.pdf)

The Volunteer Protection Act of 1997
(http://www.doi.ne.gov/shiip/volunteer/pl_105.19.pdf)

(3) Documentation of Charitable Organization

The charitable organization's name and address will be shown on the claim form in the Narrative section, or on a Special Report.

### C. Gleaning will be allowed for all insured crops as follows:

(1) Harvested Acreage

(a) Gleaning will be allowed on crop acreage that has been harvested as long as any remaining crop production on the harvested acreage cannot be harvested using normal and proper harvest methods (e.g., production from lodged corn that can only be hand harvested).

(b) Some CP (e.g., tomatoes, peppers) state that production not meeting the specific requirements of the CP will not be considered production to count; other CP may contain similar provisions. Producers should be encouraged to permit such production to be gleaned.

**C. Gleaning will be allowed for all insured crops as follows: (continued)**

(c) For harvested production declared zero market value (quality adjusted to zero value or zero production to count) and that is required to be destroyed (e.g., corn with quality adjustment factor of .000); gleaning or food recovery of any salvageable production will be allowed (except as limited by subparagraph D below) and such production will not be considered as production to count.

(2) Unharvested Acreage

(a) If the crop can be harvested, but the insured elects not to harvest, the acreage must be appraised before gleaning is allowed and such appraisal will be used as production to count.

(b) On crop acreage that is routinely mechanically harvested and is damaged by insured causes (e.g., wind, hurricane, etc.) to the extent that it cannot be mechanically harvested with normal harvest equipment, no production is currently counted. However, if the insured elects to hand harvest or use specialized harvesting equipment, the production is counted. If the insured elects to allow gleaning in these situations, production on this acreage will not be considered production to count.

(c) For unharvested production declared zero value (quality adjusted to zero value or zero production to count) and that is required to be destroyed (e.g., unharvested potatoes in excess of 5.1 percent tuber rot that could not be sold); gleaning or food recovery of any salvageable production will be allowed (except as limited by subparagraph D below) and such production will not be considered as production to count.

(3) When gleaning is allowed for acreage qualifying as unharvested acreage, the acreage that is gleaned will not be considered harvested.

**D. Waiving Requirement to Destroy Zero-Value Production**

In cases where FCIC normally requires destruction of harvested or unharvested zero-value production (quality adjusted to zero value or zero production to count), gleaning can be allowed as long as the crop does not contain substances or conditions identified by the Food and Drug Administration or other public health organizations of the United States as injurious to human or animal health.

**E. No Compensation Can Be Received For the Gleaned Crop**

If any compensation is received by the insured for the gleaned crop from any qualified charitable organization, it will not be considered gleaning for crop insurance purposes. Compensation for non-crop items, services, labor, etc., as described in (1) below is not considered compensation for the crop.

**E. No Compensation Can Be Received For the Gleaned Crop** (continued)

(1) Situations not to be considered compensation for the crop:

(a) States tax credits and other state and federal tax advantages for donating gleaned commodities.

(b) Reasonable compensation from a qualified charitable organization to the insured for harvest and/or transportation of the gleaned (donated) crop:

(i) the qualified charitable organization indicates in writing the amount of compensation and that the compensation is solely for reimbursement of harvest and/or transportation costs incurred by the insured, and

(ii) the insured certifies in writing that the compensation is solely for harvest and/or transportation costs.

(2) Situations considered to be compensation for the crop:

(a) When the qualified charitable organization and/or insured have not provided the required information in writing as specified in (1) above, the compensation received will be considered to be for the crop.

(b) When the AIP determines that the compensation for harvest and/or transportation as allowed in (1) above is excessive (i.e., not reflective of the associated costs) and/or that part of the compensation is for the crop, the AIP will consider the compensation received to be compensation for the crop.

(3) Do the following when compensation is considered to be compensation for the crop:

(a) If the claim has already been processed, a corrected claim will be prepared for the types of claims described in the above subparagraphs C (1) (a), C (1) (c), C (2) (b) and C (2) (c). The harvested production will be used as production to count. In cases where production records are not available, the amount received for gleaning will be divided by the elected price election to determine production to count. For dollar amount crops, the dollar amount received will be used to determine the amount of production or value to count.

(b) For the types of claims described in above subparagraphs C (1) (b) and C (2) (a); the claim will not be corrected.

**F. Gleaning Codes For the Claim Form**

In the "Intended Use" column on the claim form (Production Worksheet for most crops), code acreage that is released to be gleaned as shown in the table below:

| GLEANING CODE | USE WHEN. . . |
|---|---|
| "HG" | it is the type of claims described in subparagraph C (1) above. |
| "UG" | it is the type of claims described in subparagraph C (2) above. |

**G. Signed Certification of Gleaning**

A Certification Form will be prepared, as follows:

(1) For the type of claim described in above subparagraph C (2) (b), the certification on the Certification Form as required in Para. 213 H (2) (e) is still required except the statement must be modified as follows:

"As indicated by the insured's signature below, the insured certifies that the damaged acreage that cannot be mechanically harvested with normal harvest equipment will not be harvested and if the acreage is gleaned it will be gleaned by the organization shown in the narrative of the claim form (or other USDA approved charitable organizations) and the insured will not receive any compensation from the organization. If the insured harvests the crop after this certification or receives compensation from the charitable organization, the insured understands he/she may be subject to the misrepresentation provisions in the crop insurance policy."

(2) For the type of claim described in above subparagraph C (1) (c) and C (2) (c):

Before a claim can be finalized, the AIP must receive a completed Certification Form from the insured showing the insured's certification of the name and address of the approved charitable organization that gleaned the acreage and/or production released for gleaning, that all such acreage and production was gleaned, and that the insured received no compensation from the charitable organization. Refer to the Para. 175 for procedures regarding the Certification Form.

When the entire production is not gleaned on any acreage as indicated by the insured on the Certification Form, then the adjuster must make a farm visit to verify that the balance of the production has been destroyed or a completed Certification Form will need to be signed for destruction of the balance of the production.

**223-230 (Reserved)**

# SECTION 5 ADJUSTMENTS TO PRODUCTION

## 231. General Information

### A. Reasons Why Production May Be Adjusted

Adjustments are allowed for the following:

(1) Moisture when the moisture percentage meets the requirements stated in the CP or endorsement (unless specified otherwise in the SP). Refer to Para. 233 for more information.

(2) Foreign-material (FM) or Conspicuous Admixture or Admixture and/or dockage, as defined by FGIS, if due to insurable causes. Adjustment for any of these items can only be made if they meet all of the criteria specified in Para. 234.

(3) If there is a conflict about FM and /or dockage instructions between the LAM and the individual LASH, the LAM will prevail. Refer to Para. 3 D.

(4) Low quality caused by an insurable cause of damage. Adjustment for quality is made only when deficiencies and conditions of the crop meet the requirements stated in the CP or endorsement to the crop (unless specified otherwise in the SP). Refer to Para. 232 for more information.

### B. Who Makes Adjustment Determinations

(1) Moisture and FM and/or dockage (if allowed in Para. 234) determinations may be made by:

(a) Grain handlers at commercial facilities that buy or store grain,
(b) FGIS Field Offices or FGIS-designated or delegated entities; or
(c) The adjuster. (Refer to Para. 233 and 234 for more information.)

(2) All deficiencies and conditions of the crop for which quality adjustment applies MUST have been graded or determined by the entity specified in the CP (SP or endorsement, if applicable). Test weights of farm-stored production may be determined by the adjuster as specified in Para. 237. Samples to make determinations CANNOT be obtained by the insured or insured's representative. Samples must be obtained by an adjuster or AIP-approved disinterested third party who is trained to take samples, unless excepted for moisture, as stated in Para's 252 and 253.

### C. Production Disposed of Before Determinations Are Made

(1) When the insured's interest is 100 percent in the crop:

Adjustments in production for moisture, FM and/or dockage (as specified in Para. 234), or quality (quality adjustment) cannot be allowed for production disposed of before necessary determinations are made, unless sales or weight tickets show gross weight, moisture content, FM and/or dockage, and any other applicable deficiency (deficiency for which quality adjustment applies, must be graded by the entity specified in the CP before deductions for deficiencies or conditions can be made; refer to Para. 232.)

(2) When the insured's interest is LESS than 100 percent in the crop (applicable ONLY when the other production is representative of the insured's share):

(a) Moisture or FM and/or dockage (as specified in Para. 234) can be allowed if:

(i) The production belonging to the other person sharing in the crop is available to make determinations, or

(ii) Weight tickets are available which show gross weight, FM, and/or dockage, and moisture content.

(b) Quality adjustment can be allowed ONLY if:

(i) The production belonging to the other person is available for the adjuster to pull samples to be sent to an entity allowed in the applicable CP, SP, or endorsement to make determinations of deficiencies and/or substances or conditions injurious to human or animal health. Refer to Para. 232 for more information concerning quality adjustment; or

(ii) A copy of records (tickets, slips, receipts or other records) from the other person's share of the crop is furnished and the records specify the deficiencies (and deficiency amounts) for which quality is allowed under the insurance contract. These records are only acceptable if the crop was delivered to a buying point where samples were pulled by a disinterested third party and were graded by an entity specified in the applicable CP, SP, or quality endorsement or option to the crop.

## A. Policy/Endorsement Provisions

Some policies/endorsements provide for a reduction in the mature production to count when the quality of the appraised and/or harvested mature production is reduced due to insurable causes. The quantity of mature production to count is reduced when it meets the requirements stated in the crop policy/endorsement (SP, if applicable). This adjusted production is used for the indemnity and the APH Report for the same crop year, unless specified otherwise for the crop in the CIH procedures; e.g., an exception to this is potatoes.

## B. Who Can Obtain and Submit Samples for Grading/Analyzing

Samples can be obtained and submitted for grading/analyzing ONLY by the adjuster or a person who is:

(1) A disinterested third party (The insured or insured's authorized representative are not considered disinterested third parties. Elevator or processor personnel at the buying point that are trained to pull samples are considered disinterested third parties.);

(2) Trained to the AIP's satisfaction in how to extract representative samples (AIPs may assume that the person pulling samples at an elevator, processor, etc., is trained); and

(3) Approved by the AIP to obtain and submit the samples for grading.

For claims involving mycotoxins or other conditions or substances injurious to human or animal health, refer to Para. 238.

## C. Sample Requirements for Adjuster Obtained Samples

The following applies, unless samples involve production containing mycotoxins or other conditions or substances injurious to human or animal health. Refer to Para. 238 for sample requirements for mycotoxin-infected production.

(1) Adjuster-Obtained Samples from Unharvested Production

(a) The minimum number of representative samples and size of the representative areas to be harvested must be at least the required number and size stated for appraisals in the applicable LASH.

(b) Encourage insureds to harvest the representative areas in your presence. However, if an insured is unwilling or unable to harvest the selected representative areas in your presence, you must hand harvest the representative areas of the production to obtain the samples.

**C. Sample Requirements for Adjuster-Obtained Samples (continued)**

(c) Identify the sample from each RSA, by unit number and field I.D. or subfield I.D., if applicable. Refer to (3) below for information about sample size and transportation of samples.

(d) Similar or Dissimilar Quality

(i) Similar Quality

(A) If the quality of the production in the field or subfield of a unit appears similar, for the following crops only, the AIP may use a blended sample of all samples collected; however, the AIP may not have less than one graded blended sample per unit. This will apply to the following crops:

barley, buckwheat, canola, corn, dry beans, dry peas, flax, grain sorghum, malting barley, millet, mustard, oats, peanuts, popcorn, rice, rye, safflowers, soybeans, sunflowers, wheat, and wild rice.

(B) For all other crops, the AIP must have each sample graded (i.e., the use of blended samples is not an option), unless specified otherwise in the applicable crop LASH.

(ii) Dissimilar Quality

If the quality in the field or subfield is not similar, then blended samples are not allowed. A grade is needed for each sample.

(2) Adjuster-Obtained Samples From Undelivered, Harvested Production

(a) Adjuster-Obtained Samples from Conveyances

If the insured has harvested the production and samples are taken from trucks, wagons, etc., prior to delivery, the adjuster should probe in different areas of the trucks, wagons, etc., to obtain a sample from each load. Each sample must be submitted for grading. However, when it is known or suspected that the production contains mycotoxins or other substances or conditions injurious to human or animal health, refer to Para. 238 G (2) (d) for instructions specific to obtaining a representative sample from a conveyance for the purpose of submitting for testing for mycotoxins or other substances or conditions.

**C. Sample Requirements for Adjuster-Obtained Samples (continued)**

(b) Adjuster-Obtained Samples from Stored Production

If the production is stored, obtain the sample from the storage structure for all QA factors other than mycotoxins (refer to Vomitoxin exception in following sentence) or other substances or conditions injurious to human or animal health, or any other type of damage specified in the individual Crop LASHs. (Vomitoxin Exception: The AIP may obtain samples from the storage structure to determine Vomitoxin levels – refer to Para. 238 for additional information.) Identify samples by bin ID and unit number. If the production has been commingled between units, refer to Para. 294. Use a probe (may need an extension) or other means to extract samples from various depths and areas of the storage structure and combine into one sample. Extract enough samples to ensure the combined sample will be representative of all production in the storage structure. A sample from each storage structure must be submitted for grading.

(3) Sample size and transportation

Follow the instructions provided by the entity specified in the CP to grade samples in regards to sample size, container, and transportation to ensure the integrity of the sample(s).

(4) For crops administered under the United States Grain Standards Act (USGSA) or the Agricultural Marketing Act, adjuster-obtained samples can ONLY be submitted to FGIS, AMS, or their designee, as applicable for the crop, OR a grain grader as noted in Para. 232 E who can grade submitted samples. For state licensed graders, this can vary from state to state. Inquire at the individual warehouse or at the appropriate State office for this information.

(a) USGSA. Crops administered under USGSA are, as follows: barley, canola, corn, flaxseed, oats, rye, grain sorghum, soybeans, sunflower seed, and wheat.

(b) Agricultural Marketing Act. Insurable crops administered under the Agricultural Marketing Act include but not limited to the following: dry beans, lentils, dry peas, rice, safflowers; (check individual CP).

(c) Locations of Facilities Contact the nearest FGIS field office for the location of the nearest facility that can give a grade for submitted samples for the applicable crop.

**C. Sample Requirements for Adjuster-Obtained Samples (continued)**

A list of FGIS Field Offices (listing the locations of the official service providers/official inspection sites) can be found at the GIPSA Internet site or a link can be found on the RMA website, located where the loss adjustment standards handbooks are located. Not all listed facilities are licensed to grade all commodities. If you are unsure of whether the facility is licensed to grade the crop, check with the facility before submitting the sample.

**D. Samples from Harvested and Delivered Production**

(1) Unblended Samples: Samples are to be pulled from each conveyance If each sample is graded, these are considered unblended samples. For unblended samples, separately determine the quality adjustment factors for each conveyance. Refer to Exhibit 2 for the definition of conveyance.

(2) Blended Samples:

(a) Blended samples may be accepted for the following crops, unless specified otherwise in the individual LASHs: barley, buckwheat, canola, corn, dry beans, dry peas, flax, grain sorghum, malting barley, millet, mustard, oats, peanuts, popcorn, rice, rye, safflowers, soybeans, sunflowers, wheat, and wild rice.

(b) Grades from blended samples, by unit, for non-mycotoxin quality adjustment, (for mycotoxin quality adjustment, refer to Para. 238), may be accepted from USWA licensed warehouses and warehouses holding a storage agreement with CCC ONLY if all of the following apply:

(i) The commodity is sold on the same basis as the blended samples used to determine the grading factors for quality adjustment.

(ii) Proof of the sale, sale amount and grades, or signed written certification of pending sale from the buyer including the quantity and quality is provided and is acceptable to the AIP.

(iii) The blended sample is representative of all the loads for which it applies, and it is determined acceptable by the AIP.

(c) In no circumstances will grades from improper blending methods such as the following be accepted:

(i) A sample from each conveyance, regardless of producer, is put into one container and then a sample is taken from the container at the end of the day or the week. The grade from that sample is applied to each producer's production who delivered grain during that time.

**D. Samples from Harvested and Delivered Production (continued)**

(ii) On a basis greater than the unit structure on which the insurance is based (optional, basic, enterprise, or whole farm, as applicable), all samples from a single producer are put into a container and then a single sample is taken from this producer's container when harvest for the crop is completed or when otherwise directed by the producer. The grade from that sample is applied to all of that producer's production.

(iii) A single sample is taken from one conveyance for the producer. The grade from that sample is applied to all of that producer's production.

**E. Who Can Determine the Quality of Most Crops for Quality Adjustment Purposes**

If the crop qualifies for quality adjustment based solely on a test weight determination made by the adjuster, AIPs are highly encouraged to obtain additional quality determinations from the entity specified in E (1) or (2) for the respective crop.

(1) For canola, coarse grains (corn, grain sorghum, and soybeans), small grains crops (barley, buckwheat, flax, oats, rye, and wheat), and sunflowers, deficiencies in quality (test weight may be determined by the adjuster, including the use of the test weight to determine the grade, if applicable) must be analyzed by a:

(a) Grain grader licensed under the USGSA or the USWA;

(b) Grain grader licensed under State law and employed by a warehouse operator who has a storage agreement with the CCC; or

(c) Grain grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the CCC and is in compliance with State law regarding warehouses.

(2) For dry beans, dry peas, rice, and safflowers, deficiencies in quality (test weight may be determined by the adjuster, including the use of the test weight to determine the grade, if applicable) must be made by a grader:

(a) Licensed under the United States Agricultural Marketing Act or the USWA,

(b) Licensed under State law and employed by a warehouse operator who has a storage agreement with the CCC; or

(c) Not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the CCC and is in compliance with State law regarding warehouses.

**E. Who Can Determine the Quality of Most Crops for Quality Adjustment Purposes (continued)**

(3) In regards to substances or conditions injurious to human or animal health, production samples of the crop must be analyzed by a laboratory that meets the required criteria for an AIP-approved testing facility (laboratory) as outlined in Para. 238 I.

(4) Information About USWA and Location of USWA Licensed Warehouses

(a) A facility licensed under the USWA must have individuals on site who are licensed to weigh, inspect, or grade specific commodities, and may only give a grade for production that is delivered to that warehouse for storage or handling. Warehouse employees licensed to grade specific commodities under the auspices of the USWA cannot provide grades for samples submitted for grading purposes only. A link to a listing of licensed warehouses, the city and the applicable crops can be found on the FSA website or on the RMA website, located with the loss adjustment standards handbooks.

(b) Each warehouse is only licensed for certain types of commodities. For example, a warehouse licensed for grain only cannot inspect, weigh, or grade dry beans.

Refer to the applicable individual LASH, CP, endorsement or option (if applicable), or SP for specific quality adjustment qualifications and provisions.

(5) A link to the locations of warehouses with a CCC, Uniform Grain and Rice Storage Agreement (UGRSA) can be found on the RMA website with the loss adjustment standards handbooks.

**F. Who Can Determine the Quality of Other Crops**

(1) For crops other than those specified in subparagraph E above that have quality adjustment provisions, the CP (or endorsement, if applicable) may allow various factors of quality to be determined by the processor, State grader, or USDA grader, or may not specify who grades the crop but only requires that the crop be graded in accordance with specified U.S. standards for fresh fruit, dried fruit, standards set forth in Marketing Orders, or standards set up by other industry standards, etc. For example: Samples of mustard must be analyzed in accordance with the Directive for Inspection of Mustard Seed, provided by the Federal Grain Inspection Service or such other directive or standards that may be issued by FCIC, or by a laboratory approved by the AIP.

**F. Who Can Determine the Quality of Other Crops (continued)**

(2) When CP (or endorsement, if applicable) do not specify a specific entity to grade the crop but only specifies that the crop meet or not meet certain standards in order to qualify for quality adjustment, the AIP must assure that the entity grading the crop is qualified to do so (i.e., if an adjuster is making quality determinations for the crop, the adjuster must have received adequate training to make such determinations). A licensed State or Federal grader is qualified to make grade determinations. If the CP specify the deficiencies identified by the processor are acceptable, the entity that grades for the processor is assumed to be adequately trained. Refer to the applicable LASH and/or crop policy/endorsement for specific quality adjustment qualifications and provisions.

(3) When there is farm-stored production or unharvested mature production, only adjusters can obtain samples for quality determination purposes, unless specified otherwise in the CP or SP.

**G. Actual Test Weights to Tenths of Pound**

In most cases, grain handlers determine test weight to tenths of a pound. Unless specified otherwise in a LASH, test weights are recorded to tenths on the claim form. If the grain handler does not determine the test weight to tenths of a pound, the test weight is still entered to tenths on the claim form (e.g., if the weight is shown as 42 pounds, enter the test weight as "42.0"). Pounds rounded to whole pounds can cause grain to appear to be ineligible for quality adjustment; e.g., oats having an actual test weight of 26.5 would be eligible for quality adjustment, but when the weight is entered on the claim form as a rounded weight (27 pounds), it does not appear to qualify. Therefore, if quality is an issue and the grain buyer has shown test weight in whole pounds, determine if the buyer has the weight in tenths of a pound.

**H. Crops with Quality Adjustment Charts in the SP**

(1) On the date of final inspection for the unit, if unsold[1/] production qualifies for quality adjustment under sections B or C1 or C2 of the SP, claims will be settled using the applicable Discount Factors (DFs) for unsold production unless the insured has elected in writing to delay settlement of the claim for up to 60 days after the calendar date for the EOIP. If the grain is sold[2/] during this delay, the claim will be settled using the Reduction In Value (RIV). (Refer to definition in Exhibit 1.) The insured may request at any time during this delay in settlement, to settle the claim using the applicable DFs for any unsold production. For any production sold to other than a disinterested third party[3/], or that is not sold 60 days after the calendar date for the

[1/] Unsold – Grain that does not meet the definition of "sold."

2/ Sold – Grain is considered sold on the date that final settlement between the buyer and seller has occurred and title of the grain has passed from the seller to the buyer.

[3/] Disinterested third party – as defined in the applicable Basic, Crop, or SP. In addition to the definition of "Disinterested third party", a person or business who does not routinely purchase production for resale or for feed will not be considered a disinterested third party if the RIVs applied by the buyer are not reflective of the RIVs in the local market.

**H. Crops with Quality Adjustment Charts in the SP (continued)**

EOIP, the claim will be settled using the applicable DFs. If the insured does not elect to delay settlement of the claim for unsold production, the AIP may settle the claim for any sold and/or unsold production on the date of final inspection for the unit using the applicable DFs. If the time to harvest has been extended, the option to delay settlement of the claim will not apply beyond 60 days after the calendar date for the EOIP.

(2) If it is determined that an insured was prevented from harvesting by the calendar date for the EOIP due to an insurable cause of damage that occurred during the insurance period, and an extension of time to harvest was allowed, the time to determine insurable quality deficiencies will also be extended. If the crop was harvested prior to 60 days after the calendar date for the EOIP, the claim will be settled in accordance with sections A, B, or C of the SP, as applicable, unless the insured elected to delay settlement of the claim, in which case, refer to (1) above. If the insured was unable to harvest the crop until AFTER 60 days after the calendar date for the EOIP, and the production qualifies for quality adjustment under sections B1, C1a or C2ai of the SP, the insured will be allowed 30 days after harvest to market the grain and receive an RIV. If the production qualifies solely under section A of the SP, only the DF(s) in section A will be used. If the production is not sold within this 30-day period, the claim will be settled using the applicable pre-established DFs. The insured must complete and submit a claim for indemnity not later than the earlier of 60 days after harvest, or 60 days after the date the AIP determines the crop could have been harvested and the insured did not harvest. If the production qualifies under section C3 of the SP, the claim will be settled as specified in section C3.

(3) If the insured elected to delay measurement of farm stored production as provided in the Basic Provisions, all samples of farm stored production used to determine insurable quality deficiencies must be obtained in accordance with the Quality Adjustment Statements of the SP, but not later than 60 days after the EOIP, otherwise such production will not be adjusted for quality. All samples obtained to test for substances or conditions injurious to human or animal health (other than Vomitoxin) must be taken prior to production entering storage. The gross amount of production will be determined by the AIP not later than 180 days after the EOIP. The claim will be completed and submitted no later than 30 days after the 180th day.

**H. Crops with Quality Adjustment Charts in the SP (continued)**

(4) For barley[1/], canola, corn, flax, grain sorghum, oats, rye, safflowers, soybeans, sunflowers, and wheat production that is eligible for quality adjustment, the quality adjustment factor (QAF) is determined by subtracting from 1.000, the sum of all applicable DFs expressed as three-place decimals. DFs are either:

(1) pre-established DFs shown in the SP, or

(2) when there are no pre-established DFs for the types/levels of damage on a chart in the SP, the DFs are derived from reasonable Reduction in Values (RIVs) applied by the buyers of the sold production only if the production is sold prior to 60 days after the calendar date for the EOIP, except production with the type/level of damage shown in Section C3 of the SP and as stated in Para. 238 P (4) (b) herein, and production described in subparagraph H (2) above.

The QAF (not less than 0.000) is multiplied by the number of bushels or pounds remaining AFTER any reduction due to excess moisture (in accordance with the CP).

(5) RIVs

(a) If the reasonable RIV applied by the buyer can be decreased by conditioning the production, the RIV after conditioning may be increased by the cost of such conditioning provided the resulting RIV does not exceed the RIV before conditioning.

(b) The RIV and local market price are determined on the date such quality adjusted production is sold to a disinterested third party.

(6) Zero Market Value (ZMV.)

Zero market value - occurs when no buyers in the local area are willing to purchase the production and fair consideration [1/] to deliver production to a market outside the local marketing area (distant market) is equal to or greater than the production's value at the distant market.

(a) If on the date of final inspection for the unit, any production, which due to insurable causes, has ZMV will not be considered production to count if the production is destroyed in a manner acceptable to the AIP. Refer to sub paragraph J regarding steps for making final inspection determinations of ZMV.

(b) In lieu of destruction of ZMV production, the ZMV production may be gleaned provided the criteria stated in Para. 222 are met. The method of destruction must result in the production having no possibility of being marketed or fed or any possibility of a salvage use that could result in any type of compensation to the insured. Refer to subparagraph J for exceptions to the requirement to destroy the ZMV crop.

1/Not applicable to Malting Barley. For quality adjustment provisions, refer to the applicable Malting Barley Price and Quality Endorsement.

**H. Crops with Quality Adjustment Charts in the SP (continued)**

(7) Fair consideration to deliver sold production to a distant market is allowed only for the types and levels of damaged production included in Sections B1, C1a, C2a, C3a, and C3b of the SP and is not allowed for production fed or used in a manner other than feed. Applicable fair consideration is added to the RIV.

(8) Section A of the SP and other applicable SP Sections

Section A contains pre-established DFs. Additional DFs due to substances or conditions identified as injurious to human or animal health as stated in Section C of the SP may apply if applicable. Refer to Para. 238 for procedure pertaining to Section C of the SP.

(a) Other than to consider whether the damaged production is ZMV, as described in (6) above, fair consideration to deliver the production to a market outside the insured's local marketing area (distant market) is not considered, regardless of the market value of the grain; (i.e., the pre-established DF cannot be adjusted for the amount of fair consideration to deliver the production to a distant market). Additionally, conditioning costs are not allowed when the only types and/or levels of damage or grade are ones for which there are pre-established DFs on Section A charts.

(b) ZMV and Fair Consideration. When due to insured deficiencies, there are no buyers in the insured's local market area but there are buyers in distant markets and after fair consideration, the AIP determines by using the steps in subparagraph H that the production is:

(i) ZMV (Section D of SP) and the insured:

(A) Destroys the production in a manner acceptable to the AIP, the DF will be 1.000, resulting in zero production to count.

(B) Destroys the production in a manner NOT acceptable to the AIP or makes no attempt (or refuses) to destroy the production, then such production is no longer considered ZMV and the applicable pre-established DFs on the charts in Section A for the level or type of damage (without adjustments for fair consideration) will be used to determine the QAF to adjust the production to count.

(ii) Greater than ZMV, the applicable pre-established DFs for the level or type of damage in Section A of the SP (without adjustments for fair consideration) will be used to determine the QAF to adjust the production to count.

1/ Fair Consideration – is the additional transportation costs to deliver the grain to a market outside the insured's local marketing area (distant market). Additional transportation costs means: Cost in excess of costs to transport to the local marketing area. Transportation costs to be used in this determination must be usual, reasonable, and customary.

**H. Crops with Quality Adjustment Charts in the SP (continued)**

(9) Pre-established DFs from the Chart in Section A of the SP

(a) When there is a pre-established DF for the individual type/level of damage (such as, test weight, kernel damage, etc., or grade (refer to (b) below)) shown on the chart in Section A of the SP, the pre-established DF must be used to establish the QAF, unless ZMV applies.

(b) Pre-established DFs for Grade in Section A of the SP

(i) General Information

(A) Besides DFs for the individual type/level of damage (e.g., test weight, kernel damage, etc.) there may also be a DF for grade. The individual type/level of DFs should be added to the DF for grade (if the grain qualifies for the grade DF). The grade DF factor is NOT used in combination with RIVs.

(B) DFs for Grade Designations

1 DFs for U.S. NO. 5 Grade

The DF for the U.S. NO. 5 grade DF is applicable to wheat and barley only. Use this DF plus any applicable pre-established DFs for wheat Falling Numbers and wheat and barley Special Grade Discounts contained in the SP. The DFs for US No. 5 and U.S. Sample grade cannot be added together.

2 DFs for U.S. Sample Grade

The DF for Sample Grade is applicable to barley, canola, corn, flax, grain sorghum, oats, rye, soybeans (test weight is not a grading factor for soybeans), sunflowers (oil-type only), and wheat. Safflowers do not have a DF for Sample Grade. Use the DF for Sample Grade plus any applicable pre-established DFs for other quality deficiencies. The DFs for U.S. No 5 and U. S. Sample grade cannot be added together.

3 DFs for Allowable Special Grades or Specific Allowable Sample Grade Defects

a Special grade (as shown on the grade certificate) of light smutty (wheat), smutty (wheat, oats) or garlicky (barley, oats, wheat) DFs may be used separately or in addition to U.S. NO. 5 or Sample Grade DF.

**H. Crops with Quality Adjustment Charts in the SP (continued)**

b DFs for specific allowable Sample Grade defects such as musty, sour, or commercially objectionable foreign odors (barley, canola, corn, flax, grain sorghum, oats, rye, soybean, sunflower, safflower, and wheat) will be used in addition to the Sample Grade DF.

(ii) DFs for grade can be used in combination with DFs for Mycotoxins or other substances or conditions that are injurious to human or animal health (Refer to Section C of the SP and Para. 238 below).

When there are types/levels of damage or grade for which there are pre-established DFs, a type/level of damage for which there is NO pre-established DFs, or a combination of a pre-established DFs from Section A with a DF from Section C of the SP, refer to subparagraph H (14) below for various examples determining the total DF.

(c) If there is a type/level of damage or grade for which there are pre-established DFs shown in Section A of the SP AND at least one type/level of damage for which Section B of the SP would be applicable do not use the pre-established DF (s) on the chart in Section A of the SP. In this case, the QA factor is established as stated in Section B.

(10) Section B of the SP and other applicable SP Sections:

For a type or level of deficiency not shown in Section A, DFs will be determined from Section B, or Section C if the production contains Mycotoxins or other substances or conditions injurious to human or animal health as follows:

(a) For production that is sold (bids cannot be used) to a disinterested third party (as verified by the AIP), the DF will be the reasonable RIV applied by the buyer due to all insurable quality deficiencies and that value divided by the local market price. If the RIV is determined to not be reasonable, the AIP must determine a reasonable RIV based on discounts applied by other buyers in the area (or a distant market, if necessary) for similar types and levels of damage.

(b) The DF will be .500 (plus applicable DFs from Section C of SP) for all production not sold prior to 60 days after the calendar date for the EOIP (or sold to other than a disinterested third party), unless the insured elected to delay settlement of the claim. If the insured sells the production during this delay, the claim will be settled based on the RIV. During the delay, the insured may elect to settle the claim based on the RIV for sold production and/or the applicable DF for unsold production.

**H. Crops with Quality Adjustment Charts in the SP (continued)**

(c) Production remaining unsold 60 days after the calendar date for the EOIP

(i) A DF of .500 (plus applicable DFs from Section C of SP) will be used to settle the claim for indemnity.

(ii) An automatic extension of time will be allowed for the insured to submit the claim for indemnity, not to exceed 90 days after the calendar date for the EOIP. (This does not limit the insured's ability to request an additional extension of time to submit a claim for indemnity in accordance with section 14 of the BP.)

(d) Determining DFs for Production with ZMV Production (Section D of SP)

(i) Use a DF of 1.000 for production determined by the AIP to have a ZMV, provided the production is destroyed in a manner acceptable to the AIP.

(ii) Use a DF of .500 for production the AIP determines has ZMV value but the insured did NOT destroy the production in a manner acceptable to the AIP or the insured makes no attempt (or refuses) to destroy the production.

(11) DFs Derived From RIVs (Section B1, C1a, C2ai, C3ai, C3ai, and C3bi of the SP

(a) DFs are derived from RIVs by dividing the total RIVs (dollars and cents) by the Local Market Price (LMP), and rounding the result to three decimal places.

(b) The LMP is defined in the applicable CP. In extenuating circumstances, the LMP may be difficult to determine or appears to be unreasonable because of unusual market conditions in the region; e.g., wide-spread high levels of Aflatoxin. Under these circumstances, the daily Posted County Price for the applicable commodity issued by FSA may be used as a tool to assist in establishing the LMP along with LMPs from areas outside the local market area.

(c) If the RIV for each qualifying deficiency cannot be established from the buyer, the RIV will be the difference in the price the insured has received and the LMP (excluding any RIV as stated in (12) (f) below. When determining allowable RIVs, it is not necessary to determine the actual price of the production if the buyer is able to specifically provide the reduction in value (RIVs) to the adjuster's satisfaction.

**H. Crops with Quality Adjustment Charts in the SP (continued)**

(12) Establishing RIVs (Section B1, C1a, C2a. C4a. and C4b of the SP.)

Use all of the following when establishing RIVs:

(a) RIVs and LMPs will be those in effect on the date the production was sold to a disinterested third party as verified by the AIP. Bids cannot be used. Production must have been sold prior to 60 days after the calendar date for the EOIP for the crop, except for production as stated in Para. 238 P (4) (b). Refer to Para. 238, for QA procedures when grain contains mycotoxins or other substances or conditions injurious to human or animal health.

(b) The RIV is based on the same kind and class of crop that is insured.

(c) RIV's DO NOT APPLY TO:

(i) Production remaining unsold 60 days after the calendar date for the EOIP (Commercially Stored, Farm Stored, or Appraised Mature Production) except for production as stated in Para. 238 P (4) (h) (iii) and (iv), and production described in subparagraph H (2) above.

(ii) Production fed or used in a manner other than feed.

(iii) Production that is determined to be ZMV.

Production not qualifying for an RIV will be quality adjusted using pre-established DFs.

(d) Conditioning Costs (subparagraph 7c in the General Statements of the Quality Statements in the SP: If an RIV can be decreased by conditioning the production, the RIV after conditioning may be increased by the cost of conditioning, provided the result does not exceed the RIV before conditioning (Refer to Para. I (5) below).

(e) Fair Consideration to deliver production qualifying under the Quality Statements of the SP (Section B1, C1a, C2ai, C3ai, C3bi of the SP), and if a lower RIV is available at a market outside the insured's local marketing area (distant market), the RIV may be increased by the additional costs to deliver and sell the production to a distant market; provided the result does not exceed the RIV in the insured's local marketing area. The additional costs must be usual, reasonable, and customary. In accordance with the General Statements of the Quality Provisions in the SP, fair consideration is not allowed for production fed or used in a manner other than feed or when a pre-established DF is applicable.

**H. Crops with Quality Adjustment Charts in the SP (continued)**

(f) No RIV is allowed if it is due to:

(i) moisture content,
(ii) damage due to uninsured causes, or
(iii) drying,
(iv) handling,
(v) processing, or
(vi) any other costs associated with normal harvesting, handling, and marketing of the production.

(g) Contracted Production

Contracted production as used in the context of this procedure refers to speculative-type contracts not processor contracts, except for specialty use barley and soybean types. These procedures relating to specialty use barley or soybean types apply to either speculative or a processor contracts (A processor contract for specialty barley and soybean types must be in place in order to insure production using the contract price). For specialty use barley or soybean types, quality adjustment will be provided as specified in the CP and SP. No additional quality adjustment will be made for any specialty type.

(i) If the contracted production has been sold (contract fulfilled) prior to 60 days after the calendar date for the EOIP and the buyer was a disinterested third party:

(A) The RIV will be the RIV applied by the buyer (who had the contract with the insured) unless the RIV is not usual, reasonable, and customary. If the RIV is not usual, reasonable, and customary, the RIV will be determined from the LMP[1/] as shown below.

[1/]The applicable CP defines local market price as the cash grain price offered by buyers in the area in which the insured normally markets the insured crops.

**Example:** Assume the base price for the contracted wheat is $4.50, and the LMP in the local market area is $3.00. The $3.00 will be used to determine the QAF.

Contracted wheat - RIV: Production delivered October 1, and the buyer applied a RIV of $2.00 to the contracted wheat due to the 43-pound (low) test weight. There were no other RIVs applied by the buyer.

**H. Crops with Quality Adjustment Charts in the SP (continued)**

Non-contracted wheat RIV - Production is delivered October 1 and the same buyer applied an RIV of $1.00 to non-contracted wheat due to the 43-pound (low) test weight. There were no other RIVs applied by the buyer.

In this case, the $2.00 RIV for the low test weight wheat was applied by the buyer for the contracted and delivered grain. The $2.00 RIV for contracted grain was not comparable to the $1.00 RIV in the local market area for non-contracted wheat with the same test weight. The CP defines local market price as the cash grain price offered by buyers in the area in which the insured normally markets the insured crops. The $1.00 RIV will be used to compute the QA factor since it is usual, reasonable, and customary. $1.00 (RIV) ÷ $3.00 (LMP) = .334 (DF). 1.000 - .334 = .666 QAF.

(B) For contracted crops with production that has been sold prior to 60 days after the calendar date for the EOIP:

In accordance with the definition of Sold in the SP for crops, production is considered sold on the date that final settlement between the buyer and seller has occurred and title of the grain has passed from the seller to the buyer. Use the RIV applied by the buyer at the time of final compensation.

(ii) No RIV can be used for any portion of the contracted production that was sold 60 days after the calendar date for the EOIP or that remains unsold. The pre-established DF of .500 must be used, as stated in section B (Refer to Para. 238 for production covered under Section C of the SP.)

(13) Refer to Para. 238 for claims involving mycotoxin infected production or production containing other substances or conditions injurious to human or animal health that exceed the maximum amounts allowed by the FDA or other public health organization of the United States or agency of the applicable State (Also, refer to Section C of the SP).

(14) Examples of determining QAFs with Pre-established DFs for types/levels of damage on the chart in the SP and established DFs derived from RIVs. (QAFs cannot be less than zero.)

**H. Crops with Quality Adjustment Charts in the SP (continued)**

**Example 1:** Crop only qualifies for the pre-established DF for grade on the chart (Section A of the SP)

Soft Red Wheat with a test weight of 54 pounds and 15% defects is designated as U.S. No. 5 wheat. There is no pre-established DF on the chart for a 54 pound test weight or 15% defects for soft red wheat (this test weight exceeds the point at which pre-established DFs begin for test weight), and there is no pre-established DF for 15% defects (15% defects exceed the point at which pre-established DFs begin for defects); however, the 15% defects do cause the wheat to grade U.S. No. 5 which qualifies the wheat for quality adjustment. The grade DF for U.S. No. 5 wheat is .320.

(a) .320 (DF for U.S. No. 5 Soft Red Wheat)

(b) 1.000 - .320 = .680 QAF

**Example 2:** Type/level of damage with a pre-established DF on the chart

Wheat has been sold prior to 60 days after the calendar date for the EOIP and only one type/level of damage (garlicky grade) qualified for quality adjustment. Since this type of damage has a pre-established DF on the chart (Section A of the SP, the QAF is determined as follows:

(a) .051 DF (for garlicky grade)

(b) 1.000 - .051 = .949 QAF

The following examples assume the insured did not elect to delay settlement of the claim for any unsold production and an extension of time to harvest and RIVs was not applicable as described in subparagraph H (2) above.

**Example 3:** Individual pre-established DFs are applied. The crop does not qualify for a grade discount under Section A of the SP. Corn was sold prior to 60 days after the calendar date for the EOIP. Corn has kernel damage (12%) and test weight (47 pounds) per bushel and is designated as U.S. No. 5 corn. The test weight and kernel damage DFs would only be applied to arrive at the QAF. Grade discounts do not begin until the corn grades U.S. No. Sample grade.

**H. Crops with Quality Adjustment Charts in the SP (continued)**

(a) .072 (DF for 12% kernel damage)
.051 (DF for 47 lbs. test weight)
.123 Total DFs

(b) 1.000 − .123 = .877 QAF

The QAF is .877 because ALL quality deficiencies fall under Section A of the SP, and it does not matter when the grain was sold (i.e. before or on or after the 60 days of calendar date for the EOIP) since it did not have ZMV.

**Example 4:** Same scenario for corn as in example 3, except the corn remains unsold 60 days after the calendar date for the EOIP and the production did not have ZMV.

The answer is the same as in example 3 because ALL quality deficiencies fall under Section A of the SP; i.e., pre-established DFs on the chart for the type/levels of damage.

**Example 5:** Same scenario for corn as example 3, except corn was sold to the insured's father.

The answer is the same as in example 3 because ALL quality deficiencies fall under Section A of the SP (i.e., pre-established DFs on the chart for the type/levels of damage.

**Example 6:** Corn has 12% kernel damage (Pre-established DF on chart – Section A of SP) and a test weight of 39 pounds (No pre-established DF for 39 pound test weight- Section B of SP). The insured's production remains unsold on the 60th day or later after the calendar date for the EOIP; therefore, a .500 DF is applicable. The QAF is determined as follows:

(a) DF is .500
(b) 1.000 − .500 = .500 QAF

The QAF is .500 because the quality deficiencies fall under Section B of the SP, and Section B requires a DF of .500 when the production remains unsold 60 days after the calendar date for the EOIP.

**H. Crops with Quality Adjustment Charts in the SP (continued)**

**Example 7:** Same scenario for corn as in example 5, except the insured feeds the damaged corn prior to 60 days after the calendar date for the EOIP. Therefore, the production was unsold production. A .500 DF is applicable.

(a) DF is .500
(b) 1.000 − .500 = .500 QAF

The QAF is .500 because the production is fed (unsold) and quality deficiencies fall under Section B of the SP.

**Example 8:** Same scenario for corn as in example 5, except the insured sells the corn prior to the 60 days after the calendar date for the EOIP to his neighbor. The LMP is $2.40 per bushel.

(a) Scenario 1 – The neighbor pays the insured $0.25 for the corn. This would equate to a RIV of $2.15 ($2.40 - $0.25). The AIP determines the neighbor meets the definition of disinterested third party as found in the BP. However, the AIP determines the $2.15 RIV applied by the neighbor is not reflective of the RIV applied by other buyers in the local market. Since the RIV applied by the neighbor is not reflective of the RIV in the local market, the AIP must deem the neighbor as NOT a disinterested third party in accordance with the definition for "disinterested third party" contained in the SP. A .500 DF is applicable. Therefore, the QAF is as follows:

(i) DF is .500
(ii) 1.000 - .500 = .500 QAF

The QAF is .500 because the quality deficiencies fall under Section B of the SP and the buyer is NOT a disinterested third party.

(b) Scenario 2 – In this scenario, the neighbor buys the corn for $.75 per bushel. The AIP determines the neighbor is a disinterested third party because:

(i) The neighbor meets the definition for a disinterested third party in the SP.

(ii) The $1.65 RIV ($2.40 - $.75) applied by the neighbor is reflective of the RIVs applied by buyers in the local market. Therefore, the QAF is as follows:

**H. Crops with Quality Adjustment Charts in the SP (continued)**

(A) $1.65 (Total RIV) ÷ $2.40 LMP = . 688 DF

(B) 1.000 ─ .688 = .312 QAF

The QAF is .312 because the quality deficiencies fall under Section B of the SP and the buyer IS a disinterested third party. Therefore, the DF used to determine the QAF is derived from the actual RIV applied by the buyer.

**Example 9:** Individual pre-established DFs applied in combination with pre-established DF for grade (Section A of the SP)

Corn with kernel damage (25%) and test weight (47 pounds) is designated as U.S. Sample Grade (kernel damage qualifies). The individual kernel damage DF's and test weight DFs would be applied in combination with the U.S. Sample Grade DFs. The corn was sold to a disinterested third party (as verified by the AIP) prior to 60 days after the calendar date for the EOIP. The QAF is determined as follows:

(a) .255 (DF for 25% kernel damage)
.051 (DF for 47 lbs. test weight)
+ .077 (DF for Sample Grade)
.383 Total DFs

(b) 1.000 ─ .383 = .617 QAF

**Example 10:**

Same quality deficiencies as Example 9, except during the period prior to 60 days after the calendar date for the EOIP, the corn is determined to have ZMV. At the time of inspection, the insured does not want to destroy the production at that time. There are three possibilities that can occur, as follows:

(1) If the insured destroys the corn in a manner acceptable to the AIP, the QAF is determined as follows:

(a) DF is 1.000

(b) 1.000 ─ 1.000 = .000 QAF

**H. Crops with Quality Adjustment Charts in the SP (continued)**

(2) If the insured destroys the corn but does not destroy it in a manner acceptable to the AIP or refuses to destroy the corn, the corn must be determined not to be ZMV, and the claim is settled in the same manner as in Example 9 above.

(3) A buyer for the corn has been found. Because there is a market, the corn is determined not to be ZMV. The claim is settled the same as in Example 9 above:

**Example 11:** Combination of type/level of damage with pre-established DFs (Section A in SP) and type/level of damage with no pre-established DF on the chart for the level of damage (Section B in SP)

Corn with kernel damage (25%) and test weight (39 pounds) is designated as U.S. Sample Grade. Since the test weight has no pre-established DF, the pre-established DF for kernel damage and the DF for Sample Grade will not be used. The LMP for corn is $2.20 per bushel. The corn was sold to a disinterested third party (as verified by the AIP) prior to 60 days after the calendar date for the EOIP. The QAF is determined as follows:

(a) $ .65 (RIV for 39 lbs. test weight)
+$.75 (RIV for 25% kernel damage)
$1.40 Total RIV

(b) $1.40 (Total RIV) ÷ $ 2.20 (LMP) = .636 (DF)

(c) 1.000 - .636 = .364 QAF

**I. Crops Without Quality Adjustment Charts in the SP**

For some crops, there are no quality adjustment charts in the SP, and the CP provide that the actual dollar-and-cents value of the damaged crop is used in establishing the QAF (value of the damaged production divided by the Local Market Price as defined in the specific CP) or as otherwise specified in the CP; e.g., price election. Check the applicable CP for applicable crops. This does not apply to barley, corn, canola, flax, grain sorghum, oats, rye, safflowers, soybeans, sunflowers, and wheat; refer to subparagraph H above for these crops. Quality provisions in specific crop options or endorsements may differ from the following procedures. Therefore, refer to the individual crop endorsement or option for specific quality adjustment provisions.

**I. Crops Without Quality Adjustment Charts in the SP (continued)**

(1) The dollar-and-cent value of the damaged production is the local market value for the same quality as the damaged production. (Refer to allowances for conditioning costs in (5) below.) When determining the value of production, consideration must be given to the test weight, damaged kernels, moisture content, substances or conditions injurious to human or animal health, and other factors which (due to insurable causes) affected the value of the production. In regards to moisture, refer to subparagraph I (4) below.

(2) The dollar-and-cents value shall NOT REFLECT ANY REDUCTION due to uninsured causes.

(3) The Actual Dollar-and-Cents Value of Damaged Production

(a) Unsold Production (Commercially Stored, Stored on Farm, or Appraised Mature Production)

The actual value of damaged production is the value of the damaged production obtained in the local market area on the date of final inspection. Local market is the area in which the insured normally markets the crop, to the extent possible. If the production has ZMV, refer to subparagraph J for additional information.

(b) Transportation costs. If the insured sells damaged production at a market outside the local market area, (distant market) transportation costs to the distant market in excess of the costs to transport the production to the local market may be deducted from the price at the distant market. The resulting price cannot be less than the price that would be received in the local market area. Transportation costs to be used in this determination must be usual, reasonable, and customary.

(c) Fed to Livestock

(i) The value used for fed production will be the value at the local market on the date of final inspection PROVIDED the:

(A) Adjuster can obtain a representative sample of the grain being fed and from which the adjuster can obtain the test weight or a sample is submitted to a licensed grader to determine the grade and any allowable quality defects, or

**I. Crops Without Quality Adjustment Charts in the SP (continued)**

(B) Insured can provide weight tickets and/or grading slips from an elevator who has a licensed grader who has obtained samples from EACH load of production to be fed.

(ii) If production to be fed has ZMV, refer to subparagraph J below for additional information. Samples submitted by the insured cannot be used to determine test weight or grade. Only the adjuster or a licensed grader can extract samples for quality adjustment purposes.

(d) Sold or Otherwise Disposed of

(i) The actual value (per unit of measure) of the damaged production is the dollar amount received or the local market value, by load on the date of disposition; whichever is higher taking into consideration the other procedures in subparagraph I. This value must be determined for each load.

(ii) The adjuster MUST verify the value received from the settlement sheet. If the final settlement has NOT been made, the adjuster MUST verify with the commodity buyer what value will be paid for the damaged production. DO NOT USE LOAD TICKETS.

(iii) When grain qualifies for quality adjustment and the grain dealer has applied additional dockage to dock high moisture grain:

(A) In addition to normal shrinkage for excess moisture, grain buyers sometimes further reduce production for high moisture grain. When the production shown on warehouse or elevator tickets has been reduced by applying such additional reductions, the gross units of wet production must be determined before the production can be adjusted for quality.

(B) If the grain buyer reduces the pounds or bushels rather than reducing the value of the damaged production, the price per bushel or pound must be adjusted to reflect the price of the delivered production without consideration of high moisture. In such situations, do the following:

**I. Crops Without Quality Adjustment Charts in the SP (continued)**

1 Adjust the gross production for moisture in accordance with the CP.

2 Document the calculation for the corrected moisture deduction in the narrative of the claim form.

3 Divide the total value received from the buyer by the number of bushels determined 1 above. The result will be the value per bushel or pounds for the damaged crop. This value will not be further adjusted unless there are uninsured causes of loss.

4 The value per bushel or pounds determined in 3 above divided by the appropriate local market price gives the applicable QAF that will be used to calculate the production to count.

5 The LASH will provide additional information and specific claim form entry instructions.

(e) Contracted Production

Contracted production as used in the context of this procedure refers to speculative-type contracts, not processor contracts.

(i) Contracted production has been delivered/sold (contract has been fulfilled):

The actual dollar and cents value is the price received for the damaged production provided the discounts used to establish the price received are usual, reasonable, and customary.

(ii) Contracted production has not been delivered/sold (contract has not been fulfilled):

Since settlement has not been made, there is no way to establish the value of the damaged production with any certainty; therefore, the production will be considered to be unsold. Establish the value as instructed in I (3) (a) above.

**I. Crops Without Quality Adjustment Charts in the SP (continued)**

(iii) In some cases, contracts will be set up with minimum prices (minimum price contract), which can be adjusted to a higher price after delivery of the damaged production and receipt of the minimum price. In these cases, if the contract has been fulfilled by the date of final inspection, the price the insured has received by this date is the value used (either the minimum price adjusted for quality or the minimum price adjusted for quality plus any additional value received after delivery.

(iv) Disregard the fact that the insured may receive additional money after the claim has been finalized. The only value that can be considered is the actual value the insured has received by the date of final inspection. (Refer to examples below.)

**Example 1**

At the time of loss adjustment, the insured had fulfilled the contract (delivered all contracted grain) and had received the minimum price (less discounts for the damage) $4.00 per bushel. The value used to determine the QAF is $4.00.

**Example 2**

Prior to loss adjustment, the insured fulfilled the contract and received the minimum value (less discounts due to the damaged grain) of $4.00. However, by the time loss adjustment was done, the insured had received an additional 25 cents per bushel, due to the adjusted minimum price. In this case, the value received is $4.25 not $4.00. Thus, the $4.25 is used to determine the QAF.

**Example 3**

At the time of final inspection, the insured has signed a contract with the elevator giving the elevator title to the grain in exchange for a delayed settlement. Until the insured triggers the date that settlement is to be made, no price has been agreed upon nor no money received by the insured. In such cases, the production is considered unsold stored production and adjustment will be made based on the value of the damaged production that is quoted in the local market area on the date of final inspection.

**I. Crops Without Quality Adjustment Charts in the SP (continued)**

(f) The affected price (value) of the damaged crop may reflect other insurable factors besides the factor(s) that qualified the crop for quality adjustment. When the price does reflect other factors, make sure double credit is not given for such factors; e.g., price reduced due to moisture. Refer to subparagraph I (4) below.

(4) Drying Charges and Moisture Discounts

(a) Drying Charges: No drying charges are allowed in establishing the value of the damaged crop.

(b) Moisture Discounts

(i) Adjustments for excess moisture adjustments must be made separate from and prior to quality adjustment and can only be made if allowed for in the CP or SP.

(ii) Allow ONLY the moisture adjustments (essentially representing standard shrink for the particular grain) provided in the CP or SP, if applicable.

(5) Conditioning Charges

(a) If conditioning charges are incurred to obtain a higher value for the production, reduce the price of the production after it has been conditioned by the cost of conditioning to obtain its value (unless otherwise specified in the CP or SP); but the established value is not to be lower than the value of the production before conditioning. This adjusted value will be considered the value of the damaged production for quality adjustment purposes.

(b) Drying charges for reducing the moisture content of the production are not considered conditioning charges.

(6) Refer to the individual LASHs for specific information.

**J. ZMV Production**

These procedures apply to crops having quality provisions in the CP unless specified otherwise in the SP, and to those CP that direct the quality provisions will be contained in the SP. This procedure does not apply to production that cannot be mechanically harvested as described in Para. 213 H.

**J. ZMV Production (continued)**

(1) Every reasonable effort should be made by the insured and AIP to find a market for the production before it is declared ZMV. It is essential that AIPs communicate with the RMA RO to ensure AIPs are aware of available markets for damaged production. There should be very few instances, if any, where a market and value cannot be found for grain with types/levels of damage or grade for which there are pre-established DFs in Section A of the SP. The following items are to be followed when trying to find a market for the damaged production.

(a) Determine if there are buyers outside of the insured's local marketing area (within a reasonable distance) willing to buy the damaged grain. Transportation costs (in excess of transportation costs to the insured's local market area) that would be incurred as a result of transporting production outside the insured's local marketing area will be considered for crops:

(i) Using actual value received to determine the value of the damaged production, or

(ii) With quality adjustment provisions in the SP and that have a type or level of damage for which there are NO pre-established DFs. Refer to subparagraph H above (or the SP for the specific crop), or

(iii) With quality provisions in the SP and for which there is a pre-established DF for the type and level of damage, to determine whether there is a ZMV; i.e., value minus transportation cost (in excess of cost to local market) equals zero or negative value. If after the consideration of the transportation cost there is a positive value, the grain must be adjusted in accordance with the pre-established DFs. The DF will not be adjusted for the transportation cost.

(b) Determine if livestock feeding operations or other types of buyers are willing to buy the damaged production.

(c) Determine if the damaged production can be conditioned and sold.

(i) Conditioning costs will be considered in determining the value of the damaged production; or as applicable, for some crops, the RIV of the damaged production.

**J. ZMV Production (continued)**

(ii) Conditioning costs are not allowed if there are pre-established DFs shown on the charts in the SP for the types and levels of damage(s).

(d) If a market still cannot be found for the damaged production after the determinations in subparagraph J (1) (a)-(c) above have been made, the AIPs shall delay finalization of a claim if there is a reasonable probability that there will be a market for the damaged production within the next few weeks, (but not later than 60 days after the calendar date for the EOIP). This may happen if the markets have bought enough higher quality grain to enable them to buy the lower quality grain to blend with the higher quality grain.

(e) For crops having QA provisions in the SP

If the AIP has determined the production to be ZMV because there are no buyers in the insured's local market area and any distant market (with fair consideration of transportation and conditioning), and the insured opts to not destroy the production:

(i) For types and levels of damage that fall under Section A of the SP, production will be quality adjusted based on the DFs in section A.

(ii) For types and levels of damage that fall under Section B of the SP that remains unsold 60 days after the calendar date for the EOIP, claims will be settled based on .500 as outlined in subparagraph H (10).

(iii) For types and levels of damage that fall under Section C of the SP, refer to Para. 238.

(f) Document all determinations made in subparagraph J (1) (a)-(e) above, including names and locations of marketing outlets, values (RIVs if applicable for the crop) quoted for the damaged production, any information pertinent to possible conditioning of the damaged production, any allowable fair consideration for transportation costs of the damaged production, etc. Use the highest obtainable value (after allowable adjustments for conditioning or fair consideration of transportation costs, if applicable) or if RIVs are applicable for the crop, use the lowest RIV.

**J. ZMV Production (continued)**

(2) Destruction

(a) When the AIP has determined the production to be ZMV or any Federal or State agency requires destruction, as stated in section 15 (j) of the BP) and the insured destroys the production, the following must occur before the claim can be quality adjusted to zero production to count:

(i) Prior to the insured destroying the production:

(A) The adjuster must communicate the acceptable methods of destruction as stated in (2) (c) below; and

(B) The insured must agree, in writing, upon an acceptable method of destruction that would meet the definition in (2) (c) below.

(ii) The adjuster must either:

(A) Witness the destruction and document the destruction method (refer to (2) (c) below) of the production during an on-the-farm inspection; or

(B) Leave a Certification Form as described in (3) below, and follow-up with an on-the-farm inspection to verify destruction and whether the destruction method was an acceptable method as described in (2) (c) below.

(b) Exceptions to Requirement for Destruction:

THERE IS NO EXCEPTION TO DESTRUCTION WHEN PRODUCTION IS INFECTED BY A TYPE AND LEVEL OF MYCOTOXIN (OR OTHER SUBSTANCES OR CONDITIONS INJURIOUS TO HUMAN OR ANIMAL HEALTH) FOR WHICH STATE AND/OR FEDERAL REGULATIONS OR GUIDELINES REQUIRE DESTRUCTION OF THE INFECTED PRODUCTION.

**J. ZMV Production (continued)**

**Exception 1:**

(i) In cases of:

(A) Mature unharvested production that in itself is destroyed (i.e., the unharvested production is of such poor quality that it could never be used for feed or in another manner which would provide any type of value to the insured); or

(B) There is no crop production on the stems/stalks, only vegetation from the stems/stalks of the plant on which the crop was growing remains.

(ii) The requirement to destroy the crop prior to indemnification can be waived by having the insured (or insured's representative) sign a Certification Form containing a statement indicating that the crop will not be harvested and will be destroyed.

(iii) Documentation. AIPs must take pictures of the crop demonstrating that the production is in itself destroyed (e.g., only plant vegetation from which the crop was growing or should have grown remains) along with any other documentation, and this documentation must be referenced in the Narrative of the claim form or on a Special Report attached to the claim form. This documentation must be retained in the insured loss file folder.

(iv) When there is no crop production, only plant vegetation, the vegetation does not have to be destroyed. Insureds may hay, bale, or graze the vegetation.

**Exception 2:** When the criteria in Para. 302 are met, immature and mature unharvested production are exempt from the destruction requirement when destruction of the crop acreage would cause wind erosion problems. AIPs must include such documentation as described in Para. 302 in the insured's loss file folder and note this in the Narrative of the claim form or on a Special Report attached to the claim.

**Exception 3:** Production can be gleaned by an approved charitable organization rather than destroyed, provided all the criteria stated in Para. 222 are met. AIPs must place such documentation as described in Para. 222 in the insured's loss file folder and note this in the Narrative of the claim or on a Special Report attached to the claim.

**J. ZMV Production (continued)**

(c) Acceptable Destruction Method

An acceptable destruction method is a method that will result in the production having no possibility of being marketed or possibility of salvage use that could result in any type of compensation to the insured. Grazing and haying (even for the insured's own use) is still considered a salvage use because it results in compensation (value) to the insured; therefore, it is not an acceptable destruction method except as stated in subparagraph J (2) (b) above. Destruction of such production should be done in accordance with any applicable method prescribed by State or Federal regulations.

(3) Use of Certification Form for Destruction of Production

(a) When the adjuster will not witness destruction, a Certification Form shall be used to record the insured's certification that the production has been destroyed.

(i) In lieu of or in addition to the instructions for completing a Certification Form, refer to the required completion instructions in Exhibit 9.

(ii) Before leaving the Certification Form, the adjuster and insured must agree on an acceptable method of destruction as described in (2).

(iii) The adjuster must:

(A) Instruct the insured to enter the date the production was destroyed and document the destruction method in the "Remarks" section of the Certification Form.

(B) Advise the insured that when the AIP receives the Certification Form back from the insured, the claim cannot be finalized until the adjuster makes another on-the-farm inspection to verify destruction and the destruction method of the ZMV production, unless one of the exceptions in subparagraph J (2) (b) above apply.

**J. ZMV Production (continued)**

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(b) The adjuster must document on the claim form or on a Special Report, the following:

(i) The date and method of destruction,

(ii) The documentation method, and whether the destruction method was acceptable,

(iii) The date the verification and on-the-farm visit took place, and

(iv) Any other pertinent information.

**K. Consolidating QAF Entries**

If there are multiple loads of production with the same QAFs, these loads can be consolidated on one line in the part II of the Production Worksheet only if the other information (such as, FM and/or dockage, and moisture) is the same.

**L. Waiving Quality Adjustment**

(1) There may be times when the insured wants to waive the quality adjustment portion of the claim on a loss unit (The waiver is applicable only to loss units; refer to L (2) (c) below.) because of an expected delay in the determination of values or RIV's for the damaged production. Except for the situation stated in (2) below, AIPs may allow an insured to choose to waive the quality portion of the claim for indemnity on a loss unit to facilitate earlier payment of indemnities, PROVIDED:

(a) The AIP obtains a signed waiver from insureds who choose to waive quality.

(b) All loss units of the crop are waived for an eligible crop insurance contract; i.e., crop/state/county. The insured will not have the choice of waiving quality by unit.

**L. Waiving Quality Adjustment (continued)**

(c) Insureds who waive quality on a crop, shall not be allowed to reconsider at a later date and request his/her claim be re-opened and adjusted for quality. The production to count on the claim will be used for the APH report for that unit.

(d) The documentation of the election to waive quality must be completed and made a part of the loss file. A statement regarding the waving of quality adjustment should be entered on each Production Worksheet for each loss unit and this statement signed by the insured in addition to the insured's regular signature on the claim form.

(2) A Quality Waiver Will Not Apply:

(a) For Crops that contain quality provisions in the SP that are determined to contain Aflatoxin exceeding 300 ppb, Vomitoxin in excess of 10 ppm, or contains substances or conditions that are injurious to human or animal health because the SP require that the claim will not be completed until such crop production is sold, fed, used in any manner, or destroyed.

(b) If any Federal or State agency requires destruction of the crop or crop production, as applicable, because it contains levels of a substance, or has a condition that is injurious to human or animal health in excess of the maximum amounts allowed by the FDA or an agency of the applicable State in accordance with section 15 (j) of the BP.

(c) To Non-Loss units. Production to count for APH purposes on Non-Loss units will be determined in accordance with procedures in the CIH.

## 233. Adjustments for Moisture

**A. Policy or Endorsement Provisions**

(1) Mature production will be reduced when it meets the requirement stated in the crop policy/endorsement. Apply moisture adjustment, as specified in the LASH, prior to any quality adjustment.

(2) Hybrid Corn Seed Crop Provisions and Hybrid Sorghum Seed Crop Provisions provide for adjustments for excess and deficient moisture percentages. Refer to the specific CP and LASHs.

(3) Moisture adjustment charts are in the Reference Material Section contained in applicable LASHs. Use these charts only when computing net production.

**B. Moisture Determinations from Sold Production**

Moisture percentages are established from the individual load slips or settlement sheets, as explained in this subparagraph. Grain buyers use various methods to discount high moisture grain. One method reduces the price in relation to the amount of moisture on the basis of currently established standards (charts). Another method applies additional dockage, relative to the amount of moisture. Another method applies additional discounts relative to the amount of moisture percentage. (Refer to Para. 232 I (3) (d) (iii).) In both cases, the gross production of wet production and the actual moisture percentage must be determined before the crop can be considered for a moisture adjustment.

**C. Moisture Tests of Farm-Stored or Unharvested Mature Production**

(1) Moisture tests can be performed by:

(a) Grain handlers at commercial facilities that buys or stores grain,

(b) FGIS Field Offices or FGIS-designated or FGIS-delegated entities, or

(c) Adjusters; provided the adjuster has a properly maintained, functioning, and calibrated moisture tester.

(d) Insured's are permitted to adjust their contemporaneous load records for excess moisture (refer to Para. 253 D).

(2) Samples for Moisture Tests

(a) The adjuster is responsible for ensuring that any sample used to make a moisture determination is representative of the production in the entire storage structure. This is done by using a grain probe (may need an extension on the probe) to take samples from various depths and areas of the bin or other various means to derive a moisture percentage that is representative of the entire storage structure.

(b) Only the adjuster can take samples of farm-stored or mature unharvested production for moisture determinations, unless excepted as stated in Para.'s 252 or 253.

**D. Consolidating and Averaging Moisture Percentages.** For consolidating and averaging moisture percentages on the claim form, refer to Para.'s 235 and 236.

**E. Claim Form Entries.** Entries for moisture factors (and/or moisture percentages) on the claim form are made as instructed in the individual LASH.

## 234. Adjustments for Foreign Material (FM) and Dockage

### A. General Information

(1) For the purpose of determining:

(a) Production to count for the crops listed in Exhibit 15, adjustments of gross production due to FM and/or dockage (there may be other items such as stones, conspicuous admixture, or admixture for which gross production may be adjusted) will be allowed unless it is due to uninsured causes of loss. Adjustments for the FM and/or dockage will not be made if the insured is not discounted for FM and/or dockage.

(b) The actual percentage of FM and/or dockage will be deducted regardless of grade. Enter the percent of FM and/or dockage in the column for FM% (column 58a) on the claim form. Enter the FM factor as determined in Para. 234 F in column 58b on the PW.

(2) The CP specify whether to use FGIS grading standards, or the State or other entity grading standards when determining FM or dockage. Adjustments for material found in production are only allowed if it meets the definitions for FM and/or dockage (shown in Exhibit 15) as defined by FGIS or the applicable grading standards of the State or other entity for the insured crop. If such material is not included in the definitions, it cannot be deducted from gross production as FM or dockage.

(3) Because the definitions of FM and dockage are subject to change by FGIS, the AIP should verify the definitions in Exhibit 15 are current by checking the FGIS website or via a link on the RMA website where the LASHs are located.

(4) Normal Dockage. The FM and/or dockage determinations made by the buyer may be accepted for claims purposes if the adjuster verifies the amount of dockage is normal for the crop, crop year, and the area. The adjuster will not be required to document the cause of loss for normal dockage.

(5) Excessive Dockage. If the amount of FM and/or dockage is in excess of normal for the crop, crop year, and the area; the adjuster must verify whether or not the cause of damage for the FM and/or dockage is insurable. Document such cause in the narrative of the claim form or on a Special Report. If the cause of damage is insurable, the FM and/or dockage determinations made by the buyer may be accepted for claims purposes.

**B. Dockage and/or FM terms used by buyers**

(1) The term "FM" or "dockage" is sometimes used by buyers differently than the FGIS definition The adjuster must determine that the buyer's determination of FM and/or dockage is made in accordance with the FGIS definitions in the grading standards, or of the applicable State or other entity.

(2) When the term(s) for "FM" or "dockage" used by the buyer is not consistent with the FGIS definitions (or definitions in the grading standards of a State or other entity specified in the CP for the respective crop), the adjuster must work with the buyer to determine the percentage of FM and/or dockage deducted by the buyer that is consistent with FGIS' (or of the applicable State or other entity) definition for FM and dockage for the insured crop; otherwise, FM and/or dockage will not be allowed.

**C. Commercially Stored or Sold Production**

(1) When a FM and/or dockage percentage(s) is shown on producers' records (i.e., warehouse receipts, summaries, settlement sheets, individual load slips), enter in the FM column of the claim form the FM factor as determined in Para. 234 F that the buyer or storage facility has actually deducted from the gross production. Refer to Para.'s 235 and 236 for consolidating or averaging FM and/or dockage percentage entries on the claim form.

(2) When FM and /or dockage is shown as a price discount and not as a percentage, contact the elevator either by phone or visit and determine the percentage that was actually deducted. Make no entry in the FM column of the claim form if this percentage cannot be determined.

(3) Do not include any adjustments for moisture in the FM% entry on the claim form.

**D. Farm - Stored Production**

(1) FM and/or dockage as defined by FGIS, (Exhibit 15) can be determined by the adjuster if the adjuster has the proper equipment and follows FGIS instructions (refer to E below) and the adjuster and the insured agree there are no quality deficiencies other than test weight.

(2) When the adjuster performs FM or dockage tests for crops using FGIS grading or inspection standards, the grain must be measured, and weighed as described in subparagraph E below or from the FGIS publication "Practical Procedures for Grain Handlers." This publication can be downloaded and printed from the FGIS website or via a link from the RMA website, located in the same location as the loss adjustment standards handbooks. If the crop is not included in this handbook, contact FGIS to determine where this information can be obtained. For crops for which the CP require grading standards of a State or other entity, obtain instructions from the applicable State or entity. If the State or other entity will not provide such instructions, samples must be transported or mailed to a facility designated by the State or other entity.

**D. Farm - Stored Production (continued)**

(3) The adjuster may take samples to a local elevator to obtain the percentage of FM and/or dockage provided the insured agrees that there is no quality deficiencies other than test weight.

(4) If the adjuster and the insured are unsure if the production qualifies for quality adjustment, the adjuster must obtain a sample of the farm-stored production and transport or mail it to an FGIS office (AMS, if applicable, or if the CP for the respective crop require grading standards of a State or other entity, the applicable sites specified by the State or other entity) for these determinations. (Refer to Para. 232.)

**E. Determining Dockage and FM on the Farm**

The following materials and instructions are to be used when determining dockage and FM on the farm for wheat and barley. For a large portion of the crops, screen sizes and procedures can be obtained from the FGIS publication "Practical Procedures for Grain Handlers." This is the same publication referred to in D (2) above. If the crop is not listed in this publication, contact FGIS to obtain this information or submit the adjuster-obtained samples to FGIS. For crops for which CP require grading standards for a State or other entity, obtain the instructions from the applicable State or entity.

If the State or other entity will not provide such instructions, the samples must be transported or mailed to a facility designated by the State to grade.

(1) Materials

(a) Screen "A" - 12/64" round aperture (for wheat).
(b) Screen "B" - 8/64" triangular aperture (for wheat).
(c) Screen "C" – 5/64" or 4.5/64" round aperture (for wheat).
(d) Screen "D" – 5/64" triangular aperture (for barley).
(e) Pan - round non-perforated (610-E).
(f) Funnel.
(g) One-pint or one-quart grain measuring bucket.
(h) One-pint or one-quart grain measuring scale (each scale must be calibrated to the respective bucket).
(i) Leveling stick.

(2) Weight and FM

(a) Measure and weigh grain as outlined in Para. 237 B and C, except the samples will not be "clean" (free of FM and/or dockage (as defined by FGIS)).

Determine the weight of one pint or one quart of grain by use of the "lbs. & ozs." Line on the scale. (One pint = one pound.)

**E. Determining Dockage and FM on the Farm (continued)**

(b) Refer to subparagraph (1) above: screens "B" and "C" are both wheat screens. Use screen "B" in the presence of buckwheat infestation. Use screen "C" under normal conditions.

(c) For wheat, place screen "B" or "C," whichever is needed, in the non-perforated pan, insert screen "A" next and spread weighed grain over screen "A". Use a circular shaking motion to cause all dockage to pass through the screens into the pan. For barley, follow all the same instructions, except only screen "D" is used. (See subparagraph (1) above for screens A, B, C, and D.)

(d) The screenings in the pan along with anything remaining in the top screen is dockage.

(e) From the dockage-free sample, remove all the matter other than wheat that remains in the sample by hand picking. The matter that is handpicked is FM.

Establish the amount of FM by weighing the handpicked matter with the bucket and scale. Use the "% of lbs." line on the scale to make the final determination of the FM percentage.

**F. FM Factor**

The FM% factor is one minus the sum of the percent of dockage and the full-sample FM equivalent percent. The full-sample FM equivalent percent is needed to convert the percent of FM to the equivalent percent that it would be if determined based on the entire sample as a whole, before the removal of dockage (FGIS grading procedures require the percent of FM be determined after the removal of dockage, and is based on the dockage-free sample weight). It is computed by multiplying the percent of FM by one minus the percent of dockage. Example: The grade certificate shows dockage of 3.0% and FM of 2.0%. The FM factor is: $1 - [0.03 + (0.020 \times (1 - 0.03))] = 0.951$.

**G. Unhusked Cribbed Corn** - (Husk factor is NOT TO BE ENTERED in the FM % column of the claim form.

Unhusked cribbed ear corn on which none of the husks have been removed is unusual, but when it occurs, determine the husk factor and apply this factor to the calculated gross bushels to determine the production to be entered in "Gross Production (column 55) on the claim. Determine the husk factor as follows:

(1) Fill a straight-sided container (wooden box 24" X 24" X 12") with a representative sample packed to the same density as the crib.

(2) Remove husks. Put husked ears in the box. Pack and measure depth.

## 234. Adjustments for Foreign Material (FM) and Dockage (Continued)

### G. Unhusked Cribbed Corn (continued)

(3) Divide the depth of the husked corn by the depth of the unhusked sample. Round to two decimal places. Multiply this factor by the calculated gross bushels, and enter the result in column 55. Retain a copy of all calculations in the insured's contract folder.

## 235. Consolidating Moisture OR FM and/or Dockage Percentage Entries on the Claim Form

### A. General Information and Instructions

(1) Adjusters may consolidate loads containing the same moisture or FM and/or dockage percentages (if allowed by Para. 234 A) on a single line of the claim form (as listed below) unless separate lines are required for reasons other than FM and/or dockage or moisture differences. This applies to the crops listed in Para. 232 C (1)(d) (i) (A), except:

(a) For dry peas. FM and dockage are applicable; however, a moisture percentage is not applicable. Refer to Para. 234 and the Pea LASH for FM entries.

(b) For rice, only moisture is applicable; FM and dockage are not applicable).

(c) Moisture adjustment is not allowed for flax in accordance with the Small Grains Crop Provisions.

(2) When quality adjustment applies, list quality-adjusted production on separate lines.

(3) When there are two or more individual settlements sheets or summaries, list each on a separate line.

(4) To consolidate percentages, total the production of the loads with the same percentages, and make a single entry for such loads.

## 236. Averaging Moisture or FM Percentage Entries on the Claim Form

### A. General Information and Instructions

(1) Moisture adjustment applies to the crops listed in Para. 232 C (1) (d) (i) (A), except as stated in Para. 235 A (1) (a), (b), or (c) above.

(2) When the elevator has averaged the FM and/or dockage (if allowed by Para. 234 A) or moisture percentages on the settlement sheet or summary sheet, adjusters may average moisture or FM and/or dockage (as stated in Para. 234 A) percentage entries on a single line of the claim form (as listed below) unless separate lines are required for reasons other than moisture, FM and/or dockage (if allowed as stated above) differences.

**B. Entering Averaged Moisture on the Claim Form (continued)**

(1) Averaged Moisture percentages are entered on one line on the claim form except when:

(a) Quality adjustment applies. List quality-adjusted production on separate lines.
(b) Elevator settlements sheets or summary sheets are based on consolidated or averaged FM and/or dockage, and there are two or more individual settlement sheets or summary sheets, list each on a separate line.

(2) To enter averaged percentages, use the same average provided on the elevator settlement sheet or summary sheet, after verifying its acceptability. Use of averaged percentages is authorized ONLY when the elevator has calculated and settled on the basis of an average on the settlement sheet or summary sheet and the determined average is acceptable to the adjuster. Exercise caution in determining the acceptability of averages because of the potential for significant impact on indemnities (e.g., one 20,000# load @ 15% moisture and one 4000# load @ 25% moisture (Simple avg. = 20%; Weighted avg. = 16.7%). In this case, use of the simple average is not acceptable.

## 237. Test Weight and Test-weight Factor

**A. Test Weight of Sold Production**

The test weight may be taken from the settlement sheet or load slips. If quality is involved, the TW from the settlement sheet or load slips can only be used if the TW has been determined by a licensed grader.

**B. Test Weight for Farm-stored Production**

(1) For crops having a unit of measurement other than pounds, the test weight and test-weight factor (TWF) must be used to determine the number of bushels on the basis of gross weight. For those crops using pounds as a unit of measurement, the test weight is used to determine the number of pounds. (Farm-stored crops that use pounds as their unit of measurement include: canola/rapeseed, dry beans, dry peas, mustard seed, popcorn, rice, safflowers, and sunflowers.)

(2) For grain storage structures, the test weight must be taken before dockage and FM are removed. FM and/or dockage (if allowed by Para. 234) will be accounted for in the column specified for FM% on the claim form).

**B. Test Weight for Farm-stored Production (continued)**

(3) If samples of farm-stored production of barley, canola, flax, rye, non-oil type (confectionary) sunflowers, and wheat are going to be submitted to FGIS, a test weight must be taken during the farm inspection, unless a special request is made to FGIS for a test weight prior to removal of dockage or FM. Test weight is not a grading factor under the U.S. grading standards for canola or as a factor for quality adjustment. FGIS determines the test weight for the crops listed in this subparagraph from a dockage-free sample (FM-free for oil-type sunflowers). The test weight entered on the claim form, as instructed above, is the test weight prior to removal of dockage or FM.

(4) If test weight is measured in tenths of a pound, record weight to tenths in Section II of the Production Worksheet, unless the AIP has specified otherwise.

(5) For quality adjustment (QA):

(a) In addition to the test weight determination in subparagraph B (2) above, a test-weight determination for barley, flax, rye, non-oil type (confectionary) sunflowers, and wheat must also be determined from a dockage-free sample. For oil-type sunflowers, test weight must be determined from an FM-free sample.

(b) Enter the test weight determined for QA purposes in the Narrative section of the claim form. The test-weight determined for QA purposes may differ from the test weight entered in the test-weight column on the Production Worksheet since the test-weight determinations specified in B (2) above must be made before the removal of dockage and/or FM.

(c) Test-weight determinations for quality adjustment must be performed by the adjuster or by a grader licensed under the authority specified in the CP in accordance with the applicable FGIS official standards.

**C. Determine Test Weight by**:

(1) Mixing and pouring samples of the stored grain into the test bucket from a height of approximately four inches (a normal hand width) above the bucket to simulate natural fall.

(2) Filling the test bucket to overflowing and leveling with prescribed leveling stick. Unless the test-bucket manufacturer's instructions specify otherwise, level by using THREE zigzag motions across the rim of the grain bucket with the leveling stick held at a 90 degree angle to the top of the bucket (do not use scale bar to level the grain in the bucket and do not pack).

**C. Determine Test Weight by: (continued)**

(3) Weighing the leveled bucket of grain using a calibrated scale. Determine the weight by using the "pound per bushel" line from the scale (to tenth of a pound if the test weight bucket shows pounds to tenth).

**D. Test Weight for Ear Corn**

For ear corn, a representative sample must be shelled to make the test weight determination (refer to corn handbook for specific instructions).

**E. Test Weight and Test Weight Factor for Corn Silage and Sorghum Silage**

To determine the test weight and test weight factor for corn silage and sorghum silage, refer to the specific instructions in the Corn LASH for corn silage or the Silage Sorghum LASH, as applicable.

**F. Test Weight Factor**

(1) Determine the test-weight factor by dividing the determined actual test weight by standard test weight for the crop, and round the result to three decimal places. Refer to Exhibit 4 for a list of standard weights (standard test weights) by crop.

(2) Do not use a Test-Weight Factor for the following pound crops:

Canola/rapeseed, dry beans, dry peas, mustard seed, popcorn, rice, safflowers, or sunflowers; use actual test weight entered on the claim form.

(3) For unweighed farm-stored barley, corn, grain sorghum, hybrid corn seed, hybrid sorghum seed, oats, popcorn, soybeans, and wheat that is:

(a) Shelled or threshed whole grain, USE the combination test-weight pack factor as specified in Para. 258 C and the applicable crop LASHs.

(b) Ear corn or ear popcorn, use the test-weight factor (see F (1) above) instead of the combination test-weight pack factor as specified in Para. 258 C and the applicable crop LASH.

**F. Test Weight Factor (continued)**

(4) A pre-harvest appraisal is required to establish the production for corn insured as grain that will be harvested and ground for corn and cob meal (ground ear corn) or chopped for earlage. (Refer to Para. 213.)

## 238. Quality Adjustment when Production Contains Mycotoxins or Other Substances or Conditions at Levels Injurious to Human or Animal Health

AIPs MUST INFORM INSURED TO NOT COMMINGLE UNITS IN ACCORDANCE WITH Para. 253 B (1) IF MYCOTOXINS OTHER THAN VOMITOXIN ARE SUSPECTED.

### A. Required Destruction

If any Federal or State agency requires destruction of any insured crop or crop production, as applicable, because it contains levels of a substance, or has a condition, that is injurious to human or animal health in excess of the maximum amounts allowed by the Food and Drug Administration, other public health organizations of the United States or an agency of the applicable State, the insured must destroy the insured crop or crop production, as applicable, and certify that such insured crop or crop production has been destroyed prior to receiving an indemnity payment (Refer to Para. 232 J (2)). NO ADDITIONAL QUALITY ADJUSTMENT WILL BE APPLICABLE. Failure to destroy the insured crop or crop production, as applicable, will result in the insured having to repay any indemnity paid, and may be subject to administrative sanctions in accordance with section 515(h) of the Act and 7 CFR part 400, subpart R, and any applicable civil or criminal sanctions.

### B. General Mycotoxin Information

(1) Due to improved testing procedures, availability of test kits, animal and human health concerns, and general awareness of grain quality, the presence of mycotoxins in grain is becoming an ever-increasing factor in its sale.

(2) Mycotoxins are the by-products of fungal activity promoted by environmental conditions, which are stressful to the affected host plant. Actual production yields may or may not be adversely affected by the presence of the organism, but harvestability and production quality (hence market value) may be adversely affected. Although over 200 mycotoxins have been identified, Aflatoxin Fumonisin, and Vomitoxin have specifically caused insured grain to be unmarketable.

(3) Mycotoxins at high enough levels in production are considered a substance or condition that can be injurious to human or animal health. FDA has identified specific mycotoxins (such as Aflatoxin, Vomitoxin, and Fumonisin) at the levels at which they are injurious to animal and human health. Of all the substances/conditions identified as injurious to human or animal health, Aflatoxin and Vomitoxin have been the most common ones affecting quality adjustment of insured grain.

### C. The Level of Substance or Condition May Qualify the Production for QA

If the level of the substance or condition in the production is at a high enough level to qualify the production for QA (refer to the applicable SP, CP or quality endorsement), the production to count will be adjusted for quality in accordance with the applicable policy provisions or SP, provided ALL of the following criteria are met:

**C. The Level of Substance or Condition May Qualify the Production for QA (continued)**

(1) For production that will be stored on the farm or in commercial storage, the appropriate samples must be obtained by the adjuster (or a trained disinterested third party approved by the AIP) prior to the production entering storage (other than the exception in (2) below) because mycotoxins have the potential to increase in stored production. Other substances or conditions may also have the potential to increase in storage. If appropriate samples are not obtained prior to storage, such production will not be adjusted for quality due to a substance or condition injurious to human or animal health (refer to exception in (2) below). Therefore, it is important that AIPs inform agents and insureds of the need to notify the AIP anytime that the insured suspects that a mycotoxin or other substances or conditions could be present in the production so the AIP can inspect the crop prior to storage.

(2) Exception for obtaining samples prior to storage: ONLY for Crops which contain VOMITOXIN:

Because the potential for Vomitoxin to increase in farm- or commercially-stored production is very slight, samples to determine Vomitoxin levels may be obtained after production is stored on the farm. Refer to subparagraph H for sample requirements.

(3) Analysis of the samples pulled by the adjuster (or a trained disinterested third party approved by the AIP) MUST be performed by an approved laboratory. Refer to subparagraph I below for Criteria for AIP-Approved Testing Facilities (laboratories).

(4) The presence and level of the condition/substance injurious to human/animal health must be due to insured causes. For example: Factors contributing to plant stress and subsequent mycotoxin presence such as insufficient irrigation (under an irrigated practice), the use of marginally adapted varieties, non-weather related delayed harvest, inappropriately high plant populations, etc., will result in the determination that the mycotoxin was the result of uninsured causes.

**D. Flooded Crop May Be Contaminated With Sewage, Pathogenic Organisms, Pesticides, Chemical Wastes, Heavy Metals, or Other Toxic Substances**

(1) Even if a mature crop can be mechanically harvested, if the FDA or other State or Federal Agency issues a written statement that crops in a certain geographical area cannot be marketed even for animal feed because of contaminants, the crop will be declared zero production to count, provided the production is destroyed in a manner acceptable to the AIP prior to finalizing the claim. Refer to Para. 232 J (2) for requirement for destruction and verification of destruction.

**D. Flooded Crop May Be Contaminated With Sewage, Pathogenic Organisms, Pesticides, Chemical Wastes, Heavy Metals, or Other Toxic Substances (continued)**

(2) If the State or Federal Agency indicates the crop can be marketed even for animal usage, the insured will be expected to harvest the crop, unless the costs of conditioning results in ZMV. If the crop is harvested and conditioned, and testing determines the crop contains levels of contaminants that are in excess of the levels the State or Federal Agency declares as safe for animal usage, such production will be declared zero provided the crop is destroyed in a manner acceptable to the AIP prior to finalizing the claim. Refer to Para. 232 J (2) for requirements for destruction and verification of destruction. Follow the procedures below for samples, testing, etc.

(3) Documentation Requirements. Document on a Special Report and attach: (a) The copy of the Federal or State agency-issuance which specifically states the crops prohibited from being marketed due to level/type substance/condition, and the specific geographical areas that are prohibited from marketing the crop for human or animal use; and (b) The copy of the test results from an approved lab, ONLY IF the Federal or State agency-issuance states a type and level of substance/condition that would be in excess of the levels considered safe for animal usage. If the issuance does not state a level of substance/condition considered to be in excess of what is safe for animal usage, only (a) is required.

**E. Coded Cause of Loss for Substance/Condition injurious to Human/Animal Health**

When the level of substance/condition qualifies the production for QA, the insured cause of loss is considered due to disease or adverse weather; e.g., mycotoxins are considered due to disease and production covered in flood waters that is contaminated with sewage, pathogens, pesticides, etc., contained in the flood water as described in D above is due to adverse weather; however, the cause of loss recorded on the claim form will be "Mycotoxins or “other condition/substance" (cause of loss code 82) in both cases.

**F. Requirements for Samples Required Prior to Storage**

Except for Vomitoxin-contaminated crop production, any production contaminated with any other mycotoxin, substance, or condition injurious to human or animal health, must have samples obtained prior to the production going into storage. (For farm-stored production that is contaminated with Vomitoxin, subparagraph H below will apply.)

(1) When production will be harvested and farm-stored:

(a) AIPs can allow insureds to leave the number of RSAs as stated in Para. 216 D (1) (a) and the location described in Para. 216 E (1) in their fields from which the adjuster can take representative samples. The size of the representative sample areas must be at least the size needed in order to obtain the size of sample to forward to the approved testing facility; or

**F. Requirements for Samples Required Prior to Storage (continued)**

(b) The adjuster or a trained disinterested third party approved by the AIP can obtain samples from harvested production before it goes into farm-storage. Samples pulled by anyone other than the adjuster or a trained disinterested third party approved by the AIP cannot be used for quality adjustment.

(2) When the insured is not going to harvest, is uncertain of whether to harvest, or has discontinued harvest due to mycotoxin levels (or other condition or substance) levels in the harvested production, the adjuster must obtain samples for mycotoxins (or other condition or substance) from samples taken from representative sample areas of the standing crop in the field if the standing crop is representative of the acreage. ONLY the adjuster is authorized to obtain samples from the standing crop.

(3) Adjuster-selected representative samples from unharvested RSAs of the field:

(a) Select at least the minimum number of representative samples required by the applicable crop LASH for appraisals (e.g., minimum number of samples shown in Table A of "Reference Material" section of the crop LASH) from the minimum number of RSAs specified in Para. 216). If the minimum number of representative samples does not result in the needed sample size (e.g., 10 pound sample) required by the approved testing facility, select enough additional samples to meet the required sample size (e.g., 10 pounds).

(b) The representative samples of production from the representative areas of the field are to be used for determining the appraised production as well as the samples needed for the mycotoxin (or other substance or condition) testing and any other quality considerations.

(c) Refer to (4) and (5) below for instructions regarding samples for testing.

(4) Adjusters are to obtain samples for mycotoxin testing (or testing for other substance or conditions injurious to human or animal health) from the selected representative sample areas of the field(s) or subfield(s) utilizing the Hand Sample Method, or if the insured will agree, the Harvested Sample Method (Refer to G below).

(5) For mycotoxin (or other substance or conditions injurious to human or animal health) testing:

(a) For the crops listed in Para. 232 D, one blended sample of all the hand harvested or harvested samples obtained from the appraised representative areas of all fields or subfields for the unit appraised is permitted if the damage appears similar and the insured agrees with using one blended sample. However, since mycotoxin (or other substance or condition) levels can vary from field to field (or subfield to subfield), the insured and AIP can agree to obtain a sample for testing for each field or each subfield (e.g., three fields in a unit (no subfields used) would equal three separate samples for testing for the unit). Also, if the

**F. Requirements for Samples Required Prior to Storage (continued)**

AIP and insured agree to take and submit multiple samples for testing from a field or subfield, then the test results from the multiple samples from the field or subfield must be averaged to represent the mycotoxin (or other substance or condition) level of the entire acreage in the field, subfield, or unit.

(b) Do not blend samples suspected of containing levels of mycotoxins (or other substance or condition) with less than the minimum action or advisory levels from FDA, State, or other Federal agency for the particular mycotoxin (or condition or substance) with samples exceeding the minimum levels. Refer to the table in subparagraph P (6) or Q (5) below.

(6) Refer to subparagraph J for requirements for sample size for testing, maintenance of sample until shipment, and the required timeframe for transporting or shipping the sample to the approved testing facility.

(7) MYCOTOXIN CAUTION: RMA has been advised by grain specialists that adjusters should wear protective clothing, including protective gloves and dust mask when handling mycotoxin infected grains. If a dust mask is not used, adjusters should at least position themselves so they are NOT downwind of any grain dust coming from the harvesting equipment or from any grain dust that might occur during the collection of the required representative samples.

(8) Testing must be done by a testing facility that meets the criteria for an AIP-approved testing facility as outlined in subparagraph I.

**G. Representative Sampling Methods for Samples Required Prior to Storage**

(1) Hand-Harvested Method

(a) If the insured is not willing to harvest the selected representative areas, the adjuster must hand harvest representative samples from the selected representative areas of the production.

(b) After the representative samples have been taken, the sample for testing (refer to required size in subparagraph J (1) below) must be obtained and must be identified by unit number if one blended sample for a unit is used (or field I.D. and/or subfield I.D. (if applicable) and unit number if a sample was taken for each field or subfield). The samples must be transported or sent to the approved testing facility within the timeframe specified in subparagraph J (3) and maintained in accordance with subparagraph J (3).

**G. Representative Sampling Methods for Samples Required Prior to Storage (continued)**

(2) Harvested Method

(a) If the insured will agree, have the insured harvest the selected representative areas of the field(s) or subfield(s) in the adjuster's presence and to the adjuster's satisfaction.

(b) After the representative areas have been harvested, the adjuster MAY obtain the samples by either of the following methods:

(i) If the adjuster has a hand probe, the adjuster can extract grain from the combine hopper, wagon, or other temporary holding structure used for the harvested production from the representative area. Obtain the required sample size (refer to subparagraph J (1) below) by using the hand probe and the FGIS sampling patterns as shown in (d) below as a guide to collect samples. Refer to the Grain Inspection Handbook- Book I – Grade Sampling, Chapter 2, Probe Sampling published by GIPSA.

(ii) If the adjuster does NOT have a hand probe, have the insured unload the combine hopper into a wagon, truck, or other temporary holding structure used for the harvested production from the representative area, and collect the required sample size (see subparagraph J (1) below) from the stream of production at the beginning, at the end, and periodically in between as the production is being emptied from the combine.

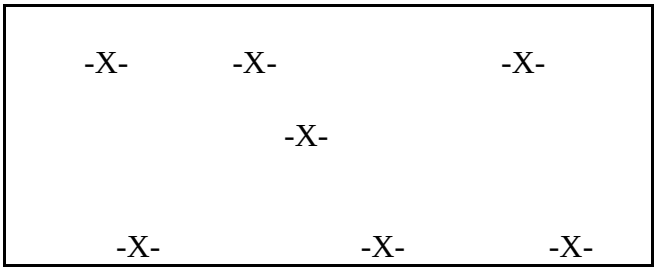
(c) After the sample(s) have been taken, the sample for testing must be identified by unit number if one blended sample for a unit is taken (or field I.D. and/or subfield I.D. (if applicable) and unit number if a sample was taken for each field or subfield). Because of the possible increase in mycotoxins due to high humidity, heat, and moisture content of the grain, the adjuster is to take samples for mycotoxins immediately after harvest. (Do not have the insured harvest and leave the grain in a wagon, combine hopper, or other structure, then return the next day to obtain the samples). Samples must be transported or sent to an approved testing facility within the timeframe stated in subparagraph J (3) and maintained in accordance with subparagraph J (3).

**G. Representative Sampling Methods for Samples Required Prior to Storage (continued)**

(d) Representative Sampling Pattern Guidelines

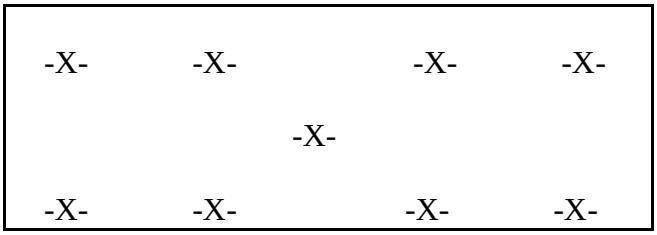
The following examples are standard sampling patterns recommended by FGIS, and are to be used as a guide for locations of extraction when extractions are made with a probe. Insert the probe at the points marked, with the tip of the probe angled ten degrees. (FGIS indicates that nearly 90 percent of error associated with Aflatoxin testing can be attributed to how the original sample was extracted[1/].)

**Example 1:**




Seven-probe pattern flat-bottom truck or trailer containing grain more than four feet deep.[1/]

**Example 2:**




Nine probe pattern for flat-bottom trucks or trailers containing grain less than four feet deep.[1/]

**Example 3:**

Probing Combine Hoppers. From the top of the combine hopper, insert the probe slightly off-center at a ten-degree angle, and probe the entire depth of the hopper. [1/]

**H. Sample Requirements for Farm-stored Production Contaminated with Vomitoxin**

Samples may be obtained from the storage structure. When samples are obtained from storage, refer to subparagraph J for the required sample size and transportation requirements.

[1/] Grain Inspection Handbook- Book I – Grade Sampling, Chapter 2, Probe Sampling published by GIPSA

**I. Criteria for AIP Approved Testing Facilities**

To be an approved testing facility, the testing facility must meet all of the following criteria:

(1) Perform Quantitative Tests

(a) For mycotoxins: The test results on the production must itemize results in parts per million (ppm) or parts per billion (ppb) of mycotoxin present. The quantitative test kits used to perform the test must be verified by FGIS and must have a test-kit range of 5-300 ppb. A list containing quantitative test kits certified by FGIS can be found in a document entitled "GIPSA Performance Verified Rapid Test Kits for Analysis of Mycotoxins at the following link or successor link: http://archive.gipsa.usda.gov/tech-servsup/metheqp/testkits.pdf

(b) For other types of substances or conditions: The test results on the production must itemize the results in the same unit of measurement (e.g., ppm or ppb or some other amount) as is stated in the Advisory or Action level (e.g., action levels for Aflatoxin is in ppb) issued by FDA or other public health organizations of the United States or public health agency of the applicable State in which the insured crop is grown.

(2) Be a recognized commercial, governmental, or university testing laboratory (including approved testing facilities on site at the delivery point of the buyer; i.e., elevators) that uses industry recognized sample sizes, equipment, and procedures for testing the specific type of mycotoxin (or some other condition or substance injurious to human or animal health);

(3) Be a disinterested testing facility. A disinterested testing facility is a facility not involved in buying or selling the production in question. A facility which buys production is not restricted if it does not buy or had no intention of buying the production from the insured for whom it is doing the testing. If a test was made by a facility that was a potential buyer but refused the production because of the mycotoxin (or if applicable other condition or substance injurious to human or animal health), the test performed by the potential buyer is still considered an interested party since they were interested at the time the production was delivered.

**J. Sample Size and Transportation of Samples**

(1) Sample size to be submitted for testing will be dictated by the approved testing facility. (For Aflatoxin, most facilities will likely require at least a ten-pound sample).

**J. Sample Size and Transportation of Samples (continued)**

(2) Follow the approved testing facilities recommendations for storage and transportation, including required container composition, provisions for maintaining proper temperatures of the sample, any special requirements for high-moisture production, and any other specific information pertaining to handling and transporting the sample to ensure and maintain the integrity of the sample.

(3) Samples submitted for testing by the insured (or insured's authorized representative) cannot be used for quality adjustment. Also, adjusters shall not pull samples and then allow the insured (or insured's authorized representative) to maintain the samples until the adjuster can pick them at a later time to submit to an approved laboratory for testing. Only the adjuster or a person who is a disinterested third party approved by the AIP can maintain and submit the samples for testing. AIPs are responsible for seeing that SAMPLES ARE:

(a) Mailed or transported to the approved testing facility WITHIN 4 days of the time the sample(s) were taken OR within the timeframe specified by the approved testing facility (if less than 4 days), and

(b) Stored in a breathable container (container composition type specified by the approved testing facility) in a cool, climate controlled place (at the temperatures recommended by the approved testing facility for the particular substance or condition) until shipping.

**K. Harvested Production Delivered to Elevator or other Facility**

If the insured harvests and delivers production to an elevator, processor, or other facility, any mycotoxin (or other substance or condition) testing done by the elevator, processor, or other facility cannot be accepted for insurance purposes unless the elevator, processor, or other facility has a testing facility that meets the criteria for an approved testing facility for testing mycotoxins (or other conditions or substances that are injurious to human or animal health).

(1) Who Pulls Samples:

(a) If the elevator (or other facility) to which the insured delivers production does not meet the criteria for an approved testing facility (refer to subparagraph I above), the adjuster (using the criteria in (2) below) must obtain the samples for testing prior to the production being transported to the elevator, processor, or other facility; or

**K. Harvested Production Delivered to Elevator or other Facility (continued)**

(b) If the AIP agrees, the elevator, processor, or other facility can be advised to extract an additional sample per load (samples per load can be blended into one sample per unit) that can be sent to an approved testing facility in order for the damage from the mycotoxin (or other condition or substance) to be considered for quality adjustment purposes. However, before the AIP agrees to use the sample pulled by the elevator, processor, or other facility, the AIP/adjuster must assure that the elevator, processor, or other facility is following the criteria below.

(2) Samples

(a) For sample size, see subparagraph J (1) above.

(b) The sample must be tagged in a way that will identify the insured's name, load number and unit from which the sample was obtained, and any other pertinent information.

(c) The requirements in subparagraphs J (2) and (3) above for maintaining and transporting the sample are applicable.

(d) When the elevator, processor, or other facility is willing to pull the samples and the AIP agrees to use the samples pulled by the elevator for quality adjustment:

(i) The AIP can agree to allow the elevator to submit the samples directly to an approved testing facility. When the elevator receives the test results for the insured's samples and notifies the insured, the insured must notify the AIP that the test results have been received.

(ii) If the elevator is NOT going to submit samples to approved testing facilities, the adjuster or other authorized AIP representative must pick the samples up from the elevator in time to mail or transport the sample to the approved testing facility within 4 days of the time the elevator obtained the sample. NO ONE OTHER THAN THE ADJUSTER OR OTHER AIP-AUTHORIZED REPRESENTATIVE IS ALLOWED TO PICK THE SAMPLE UP FROM THE ELEVATOR AND MAINTAIN THE SAMPLE UNTIL IT CAN BE MAILED OR TRANSPORTED TO THE APPROVED TESTING FACILITY.

**K. Harvested Production Delivered to Elevator or other Facility (continued)**

(3) If the elevator has a testing facility that meets the criteria for an approved testing facility (refer to Para. 238 I (3)) for the mycotoxin (or other substance or condition), and there is a test result for each load, use the test results of each load to determine the RIV for quality adjustment (value of damaged grain for crops that use value of damaged production instead of RIVs for quality adjustment purposes).

(4) Loads having the same quality adjustment factors can be combined and entered on one line on the claim form as stated in the LASHs.

**L. Discrepancy Between Test Results**

AIPs shall only use test results from approved testing facilities to determine if the production is eligible for quality adjustment under Section D. When there is a discrepancy between the test result of a sample from an approved lab used by the AIP and the one used by the disinterested third party buyer or commercial storage facility:

(1) For crops having QA provisions in the SP (not applicable to Malting Barley – refer to applicable Malting Barley Price and Quality Endorsement:

(a) For sold production for which RIVs are applicable, the test results of the approved lab used by the disinterested third party who bought the production will be used, unless there is substantial reason to believe that the samples taken by the buyer were not done in accordance with approved industry standards for obtaining samples for the particular substance or condition. If the samples taken by the buyer were not done in accordance with approved industry standards, the AIP test result will be used.

(b) For unharvested production or for farm-stored production containing mycotoxins other than Vomitoxin (e.g., Aflatoxin), the only test results used will be those from samples obtained by the adjuster prior to entering storage and submitted to the approved lab.

(c) For unharvested production or for farm-stored production containing Vomitoxin only if there is a discrepancy between the test results of the sample taken on the farm by the adjuster and the test results from a commercial facility where the production has been delivered and sold or stored, the test results from the buyer or commercial storage facility test will be used.

**L. Discrepancy Between Test Results (continued)**

(2) For crops using Actual Value to Determine QA (QA provisions only in the Policy Provisions – does not apply to Malting Barley – refer to Malting Barley Price and Quality Endorsement):

(a) For harvested SOLD production, the test results of the approved lab used by the buyer will be used if the production is sold at the time of final settlement of the claim.

(b) For unharvested production or farm-stored production, only the test results from samples obtained by the adjuster and sent to the approved lab will be used.

**M. Documentation of Mycotoxins or Other Substances or Conditions Injurious to Human or Animal Health**

Document in the narrative of the claim form or on a Special Report, the following:

(1) Name of condition or substance (e.g., Aflatoxin) for which the production is being tested, and the level of contamination if the Federal or State agency-issuance states a type and level of substance/condition that would be in excess of the levels considered safe for animal usage. Refer to Para. 238 D (3);

(2) Test type - qualitative or quantitative;

(3) Name and location of approved testing facility;

(4) Type of testing facility;

(5) Test date; and

A copy of the test results from the approved testing facility may be attached to the claim form in lieu of writing in the Narrative of the claim form if items (1)–(5) above are included in the test results. If applicable, a photocopy of the Federal or State destruction order must also be attached to the claim form. Note in the narrative that that the copies are attached to the claim form.

**N. Potential Markets for Infected Production**

Since various mycotoxins affect animal species differently, document by name which potential markets were contacted in establishing a fair grain market price. Take into account use for feed for tolerant animal species, value for blending with other grain (when allowed), and commercial (alcohol fuel plant or other product) uses. Likewise, document and take these same things into account for other substance or conditions that FDA or other State or Federal Health Agency has identified. Take steps to safeguard against any vulnerability involving claims of insureds who are directly involved in the buying or testing of damaged production.

**O. Verification of ZMV Production**

(1) For crops having QA provisions in the SP:

(a) If production is eligible for QA provisions in the SP, and:

The insured is claiming that his/her production has no value, the AIP, using the steps in Para. 232 J, must determine if there are buyers in the insured's local marketing area and distant markets (if there are no buyers in the insured's local marketing area) with a value greater than ZMV buying grain of the same types/levels of damage before the AIP can authorize the insured to destroy the production in a manner acceptable to the AIP and settle the claim on zero production to count. Refer to additional procedures in Para. 232 J regarding steps for making final inspection determinations of ZMV.

(b) If production is eligible for QA under (Section C3 of the SP) the QA section in the SP that exceeds the maximum levels of mycotoxins allowed:

The AIP does not need to determine whether the production has ZMV before the AIP:

(i) Authorizes the insured to destroy the production,

(ii) Verifies destruction was done in a manner acceptable to the AIP, and

(iii) Settles the claim based on zero production to count.

(2) For crops not having QA provisions in the SP, refer to the procedures in Para. 232 J.

**P. Settlement of Claims for Crops Having QA Provisions in Section C of the SP (Not applicable to Malting Barley – See Malting Barley Price and Quality Endorsement)**

(1) General Information

(a) The QAF is 1.000 minus the sum of the applicable DFs, expressed as three-place decimals. The production to count remaining after any reduction due to excessive moisture (in accordance with the applicable CP) is multiplied by the QAF (not less than zero) to determine net production to count.

(b) Zero Market Value (Section D of the SP).

**P. Settlement of Claims for Crops Having QA Provisions in Section C of the SP (Not applicable to Malting Barley – See Malting Barley Price and Quality Endorsement) (continued)**

When no buyers in the insured's local area are willing to purchase the production AND AFTER fair consideration to deliver production to a market outside the insured's local marketing area ZMV occurs AND the insured:

(i) Destroys the production in a manner acceptable to the AIP, the DF will be 1.000 for such production, resulting in zero production to count. The method of destruction must result in the production having no possibility of being marketed or possibility of any salvage use that could result in any type of compensation to the insured. Refer to Para. 232 J (2) (b) for exceptions to the requirement to destroy the ZMV crop.

(ii) Does not destroy the production in a manner acceptable to the AIP, makes no attempt to destroy the production, or refuses to destroy the production, such production cannot be quality adjusted for any deficiencies listed in Section C of the SP. However, if such production also qualifies for DF's under Section A or B2 of the SP, such production will be quality adjusted with ONLY those DFs.

(c) In accordance with the General Statements of the QA Statement(s) in the SP, fair consideration is allowed for sold production that falls under (Section C1a, C2ai, C3ai, and C3bi of the SP) but it is not allowed for production fed or used in a manner other than feed.

(2) QA will be allowed for substances or conditions injurious to human or animal health WHEN levels of substances or conditions are in excess of the lower of the following amount allowed by:

(a) FDA's action or advisory level for the crop;
(b) Another public health organization of the United States; or
(c) A public health agency of the applicable State in which the insured crop is grown.

**P. Settlement of Claims for Crops Having QA Provisions in Section C of the SP (Not applicable to Malting Barley – See Malting Barley Price and Quality Endorsement) (continued)**

(3) QA for Sold Production containing:

(a) Vomitoxin that has been sold prior to 60 days after the calendar date for the EOIP, the DF will be the RIV applied by a disinterested third party buyer (as verified by the AIP) due to all insurable QA deficiencies described in the SP divided by the local market price in effect on the date the production was sold. Because the RIV is for all insurable QA factors, do not add additional DFs from Sections A or B of the SP.

(b) Mycotoxins (other than Vomitoxin),that has been sold prior to 60 days after the calendar date for the EOIP and was transported directly from the field to the buyer or transported directly from the field and put into commercial storage without going into farm-storage, the DF will be the RIV applied by a disinterested third party buyer (as verified by the AIP) due to all insurable QA deficiencies described in the SP divided by the local market price in effect on the date the production was sold. Because the RIV is for all insurable QA factors, do not add additional DFs from Sections A or B of the SP.

If the level of Aflatoxin or Vomitoxin is at the level shown in (4) (f) below, the 60 day time limit does not apply. The claim cannot be completed until such production is sold and the RIV applied by the buyer is known. The claim will be completed in accordance with Section C3 of the SP.

(c) RIVs applied by the buyer may be increased for:

(i) Cost of conditioning the production when the RIV that would have been applied by the buyer is reduced for conditioning, provided the resulting RIV does not exceed the original RIV plus the conditioning costs.

(ii) Fair consideration to deliver sold production qualifying under Section C1a, C2ai, C3ai, and C3bi of the SP to the buyer outside the insured's local marketing area (distant market) if a lower RIV is available at the distant market, PROVIDED the resulting RIV does not exceed the RIV in the insured's local marketing area and the amount of the fair consideration is usual, reasonable, and customary.

*** (4) Use the applicable pre-established DFs in Section C1b, C1c, C2aii, and C2aiii, C2aiv, C2av, and C2b of the SP, (the DFs are described in the SP for production qualifying for QA under Section C) in addition to any applicable DFs from Section A or B2 of the SP for production containing:

**P. Settlement of Claims for Crops Having QA Provisions in Section C of the SP (Not applicable to Malting Barley – See Malting Barley Price and Quality Endorsement) (continued)**

(a) Vomitoxin only that is unsold or sold to other than a disinterested third party prior to 60 days after the calendar date for the EOIP.

(b) Vomitoxin that is unsold 60 days after the calendar date for the EOIP, fed, utilized in any other manner, or is sold to other than a disinterested third party.

(c) Aflatoxin that is unsold and that is in commercial storage (transported directly from the field and put into commercial storage, without going into on-farm storage) prior to 60 days after the calendar date for the EOIP.

(d) Aflatoxin that is unsold 60 days after the calendar date for the EOIP.

(e) Aflatoxin, that is not sold prior to 60 days after the calendar date for the EOIP and that is unharvested, stored on-farm or initially put in on-farm storage and later transported to commercial storage, fed, used in manner other than feed, or sold to other than a disinterested third party.

(f) The applicable DFs in Section C1b, C1c, C2aii, C2aiiii and C2b of the SP are used for the following:

Aflatoxin with levels of 20.1-300 ppb or Vomitoxin with levels from 5.1-10.0 ppm (2.1-10.0 ppm for Wheat).

When the level for the specific mycotoxin exceeds the maximum level shown above, use the DF shown in (h) below.

(g) Substances or conditions other than Aflatoxin or Vomitoxin that are injurious to human or animal health (Section C2aiv and C2av of the SP), use a DF of 500.

(h) For production that has Aflatoxin levels in excess of 300 ppb, Vomitoxin levels in excess of 10 ppm, or any other substance or condition that exceeds the maximum amount allowed, a claim cannot be completed (i.e., will be held open) until such production (including unharvested production) is sold, fed, used, or destroyed. The DFs are as follows:

(i) 1.000 for production destroyed in a manner acceptable to the AIP.
(ii) .500 for production containing:

**P. Settlement of Claims for Crops Having QA Provisions in Section C of the SP (Not applicable to Malting Barley – See Malting Barley Price and Quality Endorsement) (continued)**

(A) Aflatoxin or any other substance or condition (except for Vomitoxin), that was in on-farm storage, fed, utilized in any other manner, put in on-farm storage and then transported to commercial storage and sold, or sold to other than a disinterested third party; or

(B) Vomitoxin only, that was fed, utilized in any other manner or sold to other than a disinterested third party.

(iii) For sold production containing Vomitoxin, determine the DF from the RIV applied by the buyer (a disinterested third party as verified by the AIP).

(iv) For sold production containing Aflatoxin or any other substance or condition (except for Vomitoxin), determine the DF from the RIV applied by the buyer (a disinterested third party as verified by the AIP) for production transported directly from the field to the buyer or transported directly from the field and put into commercial storage and later sold without going into on-farm storage.

No other quality factors contained in Sections A or B of the SP will be considered.

(5) For production qualifying under subparagraphs (4) above, an automatic extension of time will be allowed for the insured to submit their claim for indemnity, not to exceed 90 days after the calendar date for the end of the insurance period. This does not limit the insured's ability to request an additional extension of time to submit a claim for indemnity in accordance with section 14 of the BP. For production that contains mycotoxins or any other substance or condition that exceeds the maximum amount allowed, the claim cannot be completed (i.e., will be held open) until the production is sold, fed, used, or destroyed. See Para. 178 for additional information.

(6) Following is a table of FDA-issued recommended, advisory, or action levels for the most common mycotoxins found in production and the section in the SP for the level of mycotoxin. The advisory and action levels used in this table are current as of the issuance of this handbook. Always verify what the current FDA action or advisory levels are. These action levels are subject to change.

**P. Settlement of Claims for Crops Having QA Provisions in Section C of the SP (Not applicable to Malting Barley – See Malting Barley Price and Quality Endorsement) (continued)**

| Category | FDA Recommended, Advisory, or Action Levels | Aflatoxin (FDA Action Levels) | Fumonisin (FDA Recommended Levels) | Vomitoxin (FDA Advisory Levels) |
|---|---|---|---|---|
| Category 1 (No Quality Adjustment (QA)) | No FDA recommended, advisory, or action levels for this category; i.e., it is safe for humans and animals. | 0.0 ppb - 20.0 ppb | 0.0 ppm – 3.0 ppm | 0.0 ppm – 2.0 ppm (Wheat only) |
| Category 2 (QA applied, but no FDA recommended advisory or action level) | No FDA recommended advisory, or action levels. | | | 2.1 ppm – 5.0 ppm (Wheat only) |
| Category 3 (Injurious to human and some animal health.) | FDA-recommended, advisory, or action levels for this category | 20.1 ppb – 300.0 ppb | 3.1 ppm – 100.0 ppm | 5.1 ppm – 10.0 ppm (For Wheat and all other crops) |
| Category 4 (Exceeds the maximum level FDA has found safe for humans or animals use). | Exceeds maximum FDA-recommended, advisory, or action level | 300.1 ppb and above | 100.1 ppm and above | 10.1 ppm and above |

(7) Examples of DF and QAF determinations for claims containing substances or conditions under Section C of the SP

**Example 1:** Combination of type/level of damage with pre-established DF and type/level of mycotoxin (Aflatoxin) damage and disposition of the damaged production for which an RIV can be used.

**P. Settlement of Claims for Crops Having QA Provisions in Section C of the SP (Not applicable to Malting Barley – See Malting Barley Price and Quality Endorsement) (continued)**

The corn was sold without going into farm-storage to a disinterested third party prior to 60 days after the calendar date for the EOIP. Corn had a low-test weight of 46 pounds and had Aflatoxin damage of 150 ppb. It was determined that there was a 65 cents per bushel RIV for Aflatoxin and a 16 cents per bushel RIV for low test weight. There is a DF of .062 for 46-pound test weight listed in Section A of the corn SP and there is a .300 DF for 150 ppb Aflatoxin listed in the corn SP. Because the Aflatoxin damaged production was sold[1/] without going into farm-storage to a disinterested third party, prior to 60 days after the calendar date for the EOIP, the pre-established DFs in Section A and C of the corn SP will be ignored. In this example, the RIV for the low-test weight and the RIV for the Aflatoxin applied by the buyer will be used to establish a DF for each of these types of damage.

The LMP for corn is $2.20. The QAF for the damaged corn is determined as shown in the following three steps:

(a) .65 (RIV for mycotoxin)
+.16 (RIV for test weight)
$ .81 Total RIV

(b) .81 (Total RIV) ÷ 2.20 (LMP) = .368 (DF)

(c) 1.000 - .368 = .632 QAF

**Example 2:** Same scenario as Example 1 above except the Aflatoxin level in the corn is 450 ppb. If the production was transported directly from the field to the buyer or put into commercial storage without going into on-farm storage and later sold [1/], the DF will be determined from the RIV applied by the buyer.

**Example 3** Same scenario as Example 1 above except the Aflatoxin level in the corn is 450 ppb and the insured opts to destroy the production. The AIP verifies the production is destroyed in a manner acceptable to the AIP. Since the Aflatoxin level exceeds the FDA maximum of 300 ppb for Aflatoxin and the insured opted to destroy the production, the pre-established DF will be 1.000. The resulting QAF will adjust the damaged production to zero production to count.

(a) DF is 1.000
(b) 1.000 ─ 1.000 = .000 QAF

**P. Settlement of Claims for Crops Having QA Provisions in Section C of the SP (Not applicable to Malting Barley – See Malting Barley Price and Quality Endorsement) (continued)**

**Example 4:** Same scenario as Example 1 above, except the Aflatoxin level is 450 ppb and the insured farm-stored the production and then sold [1/] it. The buyer applied a total RIV of $1.75 for the 450 ppb of Aflatoxin and 46 pound test weight.

Because the Aflatoxin level exceeds 300 ppb and the production was in on-farm storage, the pre-established DF of .500 listed in the SP applies. No other quality factors contained in Sections A or B of the SP will apply.

**Example 5:** Same scenario as Example 1 except the production was farm-stored and the AIP determines the production has ZMV. The insured did not or will not destroy the production in a manner acceptable to the AIP. The only DF that can be applied is the .062 DF for the 46 pound test weight. The DF for the 150 ppb Aflatoxin cannot be applied. This is because Section D6 of the SP indicates that if production having ZMV has a quality deficiency listed in Section C is not destroyed in a manner acceptable to the AIP or the insured makes no attempt (or refuses) to destroy the production, such production will not be adjusted for any quality deficiencies listed in Section C.

**Example 6:** Same scenario as Example 5 except the production is farm-stored and the production is not ZMV. The .062 DF for 46 pounds test weight listed in Section A of the SP and the .300 DF for 150 ppb Aflatoxin listed in Section C are added together (.062 +.300) for a total DF of .362 and a resulting QAF of .638.

**Example 7:** For Vomitoxin there are no advisory levels for human consumption for raw grain, just finished production. FDA states the reason there are no advisory levels for Vomitoxin in raw grains destined for human consumption is because most of the Vomitoxin is removed during the milling process. The maximum level FDA lists for any animal use is 5 ppm (for swine and most animals); however, for some animals it is less. Therefore, the FDA advisory level is 5 ppm.

However, for Wheat ONLY, QA is allowed when the approved lab results show Vomitoxin in excess of 2.0 ppm. For unsold production, the Wheat SP contains pre-established DFs for Vomitoxin from 2.1 to 10.0 ppm. Refer to Malting Barley Price and Quality Endorsement for malting barley. For all other crops, Vomitoxin must be in excess of 5.0 ppm before QA applies.

P. **Settlement of Claims for Crops Having QA Provisions in Section C of the SP (Not applicable to Malting Barley – See Malting Barley Price and Quality Endorsement) (continued)**

**Example 7A**

The following example is for UNSOLD wheat in excess of 2.0 ppm of Vomitoxin but not greater than 10.0 ppm (applicable to Section C of the SP plus any applicable DFs from Section A or B2 of the SP).

| SITUATION 1 | IF Elevator Discounts: | THEN DF is: | IF Elevator Discounts | THEN DF is: |
|---|---|---|---|---|
| 54 # of Hard Red Spring Wheat | $.30 | N/A | $0.30 | N/A |
| 8% damage | $0.50 | N/A | $0.90 | N/A |
| 3.1ppm Vomitoxin | $0.40 | .329 | No Discount | .329 |
| TOTAL DF | | .329 | | .329 |

Test weight or kernel damage has not reached a level for which quality would apply for the wheat as described in the Small Grains Crop Provisions. No DF for test weight or damage is shown in Section A of the SP, even though the elevator has applied a discount.

**Example 7B**

The following example is for wheat in excess of 2.0 ppm of Vomitoxin but not greater than10.0 ppm. The wheat was sold to a disinterested 3rd party, prior to 60 days after calendar date for EOIP (applicable to Section C1 of the SP.)

| SITUATION 2 | IF Elevator Discounts: | THEN RIV is: | IF Elevator Discounts | THEN RIV is: |
|---|---|---|---|---|
| 54 # of Hard Red Spring Wheat | $0.10 | N/A | $0.10 | N/A |
| 11% Damage | $0.50 | $0.50 | $0.50 | $0.50 |
| 5.1 ppm Vomitoxin | $0.40 | $0.40 | No Discount | N/A |
| TOTAL RIV | | $0.90 | | $0.50 |

5.1 ppm of Vomitoxin and 11% damage (grades U.S. # 5) both qualify the grain for quality. Even though there are DFs. RIVs are used for ALL insurable deficiencies to determine the applicable DFs because the grain is sold and does not exceed 10.0 Vomitoxin. However, if the 11% damage is the only damage that the buyer discounts, as in the example on the right-hand side, then there is no adjustment for the Vomitoxin damage.

**P. Settlement of Claims for Crops Having QA Provisions in Section C of the SP (Not applicable to Malting Barley – See Malting Barley Price and Quality Endorsement) (continued)**

**Example 7C**

The following example is for SOLD wheat in excess of 2.0 ppm of Vomitoxin but not greater than 10.0 ppm. The wheat was sold to a disinterested 3rd party, prior to 60 days after calendar date for EOIP (applicable to Section C1 of the SP.

| SITUATION 3 | IF Elevator Discounts: | THEN RIV is: | IF Elevator Discounts | THEN RIV is: |
|---|---|---|---|---|
| 52# of Hard Red Spring Wheat | $0.40 | $0.40 | $0.40 | $0.40 |
| 18% Damage | $0.60 | $0.60 | $0.80 | $0.80 |
| 5.1 ppm Vomitoxin | $0.50 | $0.50 | No Discount | N/A |
| TOTAL RIV | | $1.50 | | $1.20 |

The 52 # test weight, 18% damage (causes grain to grade # 5) and 5.1 ppm Vomitoxin all qualify the grain for quality. However, if the 52# test weight and 18% damage are the only types of damage that the buyer discounts, as in the example on the right-hand side, then there is no adjustment for the Vomitoxin damage. RIVs applicable for same reasons as in Example 7 B above.

**Example:** The insured commingles 3 units of farm-stored corn having Aflatoxin but no other quality deficiencies. The insured has acceptable weight records for each of the 3 units. The total production in the storage structure is in within 3% of the total weight records for the 3 units. (Refer to Para. 252 for weighed and farm-stored production procedures.) The insured sells all of the grain prior to 60 days after the calendar date for the EOIP. The quality adjustment is handled as illustrated in this example:

1. First determine what section of the quality adjustment section of the SP the corn qualifies under.

   Unit 0001-0001OU 3,000 bushels of corn with 10 ppb Aflatoxin

   With this amount of Aflatoxin, this corn does not qualify for quality adjustment.

   Unit 0001-0002BU 5,000 bushels of corn with 500 ppb Aflatoxin

   With this amount of Aflatoxin and other quality deficiencies, this corn falls under section C3 of the quality adjustment section of the SP.

   Unit 0001-0003BU 7,000 bushels of corn with 50 ppb Aflatoxin

   With this amount of Aflatoxin and other quality deficiencies, this corn falls under C2 of the SP.

**P. Settlement of Claims for Crops Having QA Provisions in Section C of the SP (Not applicable to Malting Barley – See Malting Barley Price and Quality Endorsement) (continued)**

2. The claims cannot be settled until ALL production is sold, fed, used, or destroyed since SOME of the production falls under Section C3 of the SP.

3. Determining quality for Unit 0001-0001BU

   Since unit 0001-0001BU does not qualify for quality adjustment due to Aflatoxin, no quality will be allowed for this deficiency.

4. Determining quality for Units 0001-0002BU and 0001-0003BU

   Unit 0001-0002BU will be adjusted using a DF of .500 since the production exceeds the 300 ppb of Aflatoxin and was in on farm-storage.

   Unit 0001-0003BU – the 7,000 bushels will be adjusted using the pre-established DF of .100 for 50 ppb of Aflatoxin listed in chart table in section C2c of the SP.

**Q. Settlement of Claims Involving Mycotoxins (or Other Condition or Substance) for Crops Having QA provisions in the CP:**

This does not apply to barley, buckwheat, corn, canola, flax, grain sorghum, oats, rye, safflowers, soybeans, sunflowers, and wheat. Check the CP for applicable crops.

(1) A sample of unharvested or harvested production from each unit, field, or subfield must be taken and submitted for mycotoxin testing. Quality adjustment will be based on the test results of each sample, the actual value of the damaged production and any other type/level of insurable damage qualifying for quality adjustment that affected the value of the production. No other dollar and cent discounts are allowed in the value of the damaged production as stated in Para. 232 I (3) (f) and (4). Also, refer to Para. 232 for more quality adjustment information.

(2) The QAF is determined by dividing the Local Market Value (actual dollar and cents value (or salvage value for some crops)) of the damaged production by the Local Market Price (Base Contract Price for some crops) as defined in the specific crop provisions or as otherwise specified in the CP; e.g., price election.

(a) The actual dollar and cents value for the damaged production also includes the reduced value for other damage qualifying for quality adjustment (e.g., kernel damage, low-test weight, etc.) but shall not reflect a reduction due to uninsured causes or drying charges. The actual value of the damaged production is the amount:

**Q. Settlement of Claims Involving Mycotoxins (or Other Condition or Substance) for Crops Having QA provisions in the CP: (continued)**

(i) Applied by the buyer for sold production (see exception in subparagraph J); or

(ii) As determined by the AIP for unsold production:

(b) The QAF is rounded to three (3) decimal places. The production to count remaining after any reduction due to excessive moisture (in accordance with the applicable CP) is multiplied by the QAF (not less than zero) to determine net production to count.

(c) Refer to Para. 232 I for information regarding damage other than mycotoxin or substances injurious to human or animal health.

(3) Follow the procedures in Para. 232 J when there is no dollar-and-cents value (ZMV) for the damaged production in the local market and fair consideration to deliver such production to a distant market is applicable.

(4) Refer to Para. 232 I for additional procedures regarding

(a) Determination of the actual dollar-and cents value of the damaged production when production is unsold, fed, sold or otherwise disposed of, or when the production is under a speculative-type contract, not a processing contract.

(b) Reducing the dollar and cents value of the damaged production when a higher value for the production can be obtained due to:

(i) Conditioning costs of the damaged production, or
(ii) Transportation costs.

(5) A claim for indemnity will not be finalized until all determinations as stated in Para. 176 H are met.

(6) Following is a table for crops that do not have QA provisions in the SP. The table contains FDA-issued recommended, advisory, or action levels for the most common mycotoxins found in production. The advisory and action levels used in this table are current as of the issuance of this handbook. Always verify the current FDA action or advisory levels. These action levels are subject to change.

**Q. Settlement of Claims Involving Mycotoxins (or Other Condition or Substance) for Crops Having QA provisions in the CP: (continued)**

| Category | FDA Recommend, Advisory, or Action Levels | Aflatoxin (FDA Action Levels) | Fumonisin FDA Recommended Levels | Vomitoxin (FDA Advisory Levels) |
|---|---|---|---|---|
| Category 1 (No Quality Adjustment) | No FDA-recommended, advisory, or action levels for this category; i.e., it is safe for humans and animals | 0.0 ppb - 20.0 ppb | 0.0 ppm –3.0 ppm | 0.0 ppm – 5.0 ppm |
| Category 2 (Qualifies for quality adjustment) | FDA-recommended, advisory or action levels for this category – safe for some types of animals. | 20.1 ppb – 300.0 ppb | 3.1 ppm – 100.0 ppm | 5.1 ppm-10.0 |
| Category 3 | Exceeds maximum FDA-recommended, advisory, or action levels | 300.1 ppb and up | 100.1 ppm and up | 10.1 and up |

(7) If any Federal or State agency requires destruction of any insured crop or crop production, as applicable, because it contains levels of a substance, or has a condition that is injurious to human or animal health in excess of the maximum amounts allowed by the Food and Drug Administration, other public health organizations of the United States or an agency of the applicable State, the insured must destroy the insured crop or crop production in a manner acceptable to the AIP and zero production will be counted. Refer to Para. 232 J (2) for a definition of Acceptable Destruction Methods and other information about destruction and verification of destruction.

239-250 (Reserved)

# SECTION 6 RECORDING AND DETERMINING THE QUANTITY OF FARM-STORED PRODUCTION

## 251. Determining and Recording Farm-stored Production that Requires Measurements

### A. Accurate Measurements

Accurately measure storage structure(s). If possible, the measurements must be INSIDE measurements. If inside measurements are not possible, the measurements must reflect the wall-thickness of the structure. The circumference range on the Round Bin Conversion Chart (Exhibit 12) reflects the wall-thickness of a steel bin.

### B. Recording Measurements

**Recording Measurements**. Record measurements in feet to tenths.

Inches are converted to tenths of a FOOT as follows:

| INCHES | TENTHS | | INCHES | TENTHS |
|---|---|---|---|---|
| 1 | .1 | | 7 | .6 |
| 2 | .2 | | 8 | .7 |
| 3 | .3 | | 9 | .8 |
| 4 | .3 | | 10 | .8 |
| 5 | .4 | | 11 | .9 |
| 6 | .5 | | 12 | 1.0 |

### C. Claim Form Entries

**Claim Form Entries**. Entries on the claim form must be legible and printed in ink.

### D. Deductions for Obstructions

**Deductions for Obstructions**. All obstructions must be found and deducted from the volume of the grain or silage.

### E. Insured/Adjuster Cooperation

**Insured/Adjuster Cooperation**. Cooperate with the insured while working in and around his/her property.

### F. Caution

DO NOT ENTER storage structures:

(1) That are air tight (the result could be FATAL).
(2) Without someone there to assist.
(3) If the stored production has been treated with any chemicals and the re-entry time has not elapsed.

### G. Stirring Device

If a stirring device is being used in stored grain, advise the insured that accurate measurements cannot be made unless stirring is stopped at least 4 to 6 days prior to the inspection.

## 251. Determining and Recording Farm-stored Production that Requires Measurements (Continued)

### H. Accounting for all Farm-stored Production

Working with the insured, ensure that all storage structures containing production for the units being inspected have been accounted for and measured. AIPs must include storage-structure location charts and measurement calculations for all farm-stored measured and calculated production in the insured's claim folder. DO NOT finalize the claim until the insured has confirmed that all structures have been accounted for and that production for ALL entities sharing in the crop(s) has been included (for all units being inspected). Refer to Para. 211 for information about establishing total production for the crop. Current FSA measurements of storage structures, depth of production for each unit, crop year, etc., in each structure are acceptable if all the criteria shown in Para. 179 have been met.

## 252. Production Weighed and Farm-Stored

If the insured meets the requirements for acceptable harvested production from a precision farming technology system as outlined in Para. 218 C the following procedures do not apply. Conversely, if the insured does not meet the requirement for acceptable harvested production from a precision farming technology system, but the insured has weight tickets that can be used in accordance with the following procedures, then these procedures are applicable.

### A. Use of Procedure

Use this procedure if there is a possibility that the insured may weigh and farm-store his/her production to keep records of separate production for optional units, basic units, and separate production from insured and uninsured acreage. AIPs must (prior to harvest) provide insureds (in writing) with the criteria for acceptable scales and acceptable scale weight/records outlined in subparagraphs C and D below. Non-compliance with these instructions may result in the production being considered commingled as stated in Para. 294.

### B. Insured's Weighed Production for the Current Crop Year

Adjusters must measure and calculate all farm-stored production for the unit and current crop year unless production to count is determined from pre-harvest appraisals as required or permitted in subparagraph G below. If the insured provides acceptable weight records for the current crop year adjusters may:

(1) Use the insured's weighed production[1/] for the current crop year PROVIDED the:

(a) Insured's weighed production[1/] is within 3% of the adjuster-measured and calculated production, (adjusted for any excess moisture and pack factor (if applicable).

1/ Convert the weight (refer to E below) to the applicable unit of measure, if needed, and adjusted for any excess moisture based on the insured's recorded moisture determination for EACH load at the time production was weighed. Refer to CP for what is considered excess moisture. Any conveyance load for which there is not excess moisture or the insured has no records of moisture determinations for the conveyance load cannot be adjusted for excess moisture.

**B. Insured's Weighed Production for the Current Crop Year (continued)**

(b) The insured's weighed production[1/] records are from a grain cart as described in subparagraph C (4) below (adjusted for any excess moisture). **The adjuster will not be required to verify the production records from such a grain cart by other means (i.e., bin measurements, sales records, etc.), unless there is reason to question the accuracy of the records provided by the insured**.

If the insured's weighed production records are in question, the adjuster must verify the production by other means (i.e., bin measurements, sales records, etc.). If the weighed production is within 3% of the adjuster-measured and calculated production, (adjusted for any excess moisture and pack factor (if applicable)), the weight records may be accepted.

(c) Insured has met the criteria for acceptable scale types, as stated in C below and provides the verifiable location of the scales used to weigh the production;

(d) Insured has met the criteria for acceptable weight tickets/records as stated in D below);

(2) If the insured's weighed production (adjusted as stated in (1) (a) footnote) for the current crop year is NOT within 3% of the adjuster-measured production and calculated production (with adjustments for moisture (if applicable) and pack factor (if applicable), the AIP will use the GREATER of the:

(a) Insured's weighed and adjusted production (as stated above) for the current crop year, OR

(b) Adjuster-measured and calculated production (adjusted as stated above) for the current crop year.

(3) Prorating production when there are multiple units in the storage structure

When the insured's weighed production is NOT within 3% of the adjuster measured and calculated production:

(a) If the insured's weighed production (adjusted as stated in (1) (a) footnote above) for these units is greater than the adjuster's measured and calculated production, no proration is needed.

(b) If the adjuster's measured and calculated production (adjusted as stated in (2) above) is greater than the insured's weighed production (adjusted as stated in (1) (a) footnote above), then the adjuster measured and calculated production must be prorated to each unit, as follows:

1/ Convert the weight (refer to E below) to the applicable unit of measure, if needed, and adjusted for any excess moisture based on the insured's recorded moisture determination for EACH load at the time production was weighed. Refer to CP for what is considered excess moisture. Any conveyance load for which there is not excess moisture or the insured has no records of moisture determinations for the conveyance load cannot be adjusted for excess moisture.

**B. Insured's Weighed Production for the Current Crop Year (continued)**

Step 1: Total the weight tickets, per unit.

For example, the storage structure contained corn from units 0001-0001OU, 0001-0002OU, and 0001-0003OU. Based on the total weights (converted to bushels) for each of these units, the production for each of these units were as follows: unit 0001-0001OU =3,019.5 bu., 0001-0002OU = 5,685.4 bu., and unit 0001-0003OU = 2,789.3 bu.

Step 2: Sum the totals for all units in the storage structure.

For example, assume the total weight records for each were as follows:

Unit 0001-0001OU = 3,019.5 bu.
Unit 0001-0002OU = 5,685.4 bu.
Unit 0001-0003OU = 2,789.3 bu.
Total = 11,494.2 bu.

Step 3: Proration of Each Unit Based on Total Weight of all Units (rounded to 6 decimal places)

For example, using the same figures in Step 2:

3,019.5 ÷ 11,494.2 bu. = .262698
5,685.4 ÷ 11,494.2 bu. = .494632
2,789.3 ÷ 11,494.2 bu. = .242670
Total = 1.000000
If the total of these factors do not equal 1, as shown in this example, adjust one or more of these factors so the total equals 1.

Step 4: Total Measured and Calculated Production

For example, assume the adjuster measured and calculated production in the storage structure as: 12,564.7 bu.

Step 5: Proration of production to each unit

For example, using the figures from Steps 2, 3, and 4, the per-unit proration of the total weighed production for all units in the structure is:

12,564.7 X .262698 = 3,300.7 bu. unit 0001-0001OU production to count
12,564.7 X .494632 = 6,214.9 bu. unit 0001-0002OU production to count
12,564.7 X .242670 = 3,049.1 bu. unit 0001-0003OU production to count

**B. Insured's Weighed Production for the Current Crop Year (continued)**

(4) If either or both of the insured's scale or weight tickets/records are unacceptable, the insured's records of weighed production cannot be used. The adjuster measured and calculated production will be used and the procedures for commingled production in Para. 294 will apply.

(5) Insured's weight tickets/records for previous year's production CANNOT be used to separate prior year's production from current year's production stored in the same storage structure, UNLESS the AIP or another USDA agency measures the prior year's production just prior to current year's production being added (a copy of the other USDA agency's measurements must be kept in the loss file). Also, refer to Para. 221 C (2).

**C. Acceptable Scale Types**

To inform the insured prior to harvest of what is needed to have acceptable scale weight tickets/records for loss adjustment purposes, the AIP must provide the following information (in writing) to the insured.

Acceptable scale types are, as follows:

(1) Non-portable on-farm scales,
(2) Commercial elevator scales, or
(3) Grain carts provided the grain cart:

(a) Can produce printed tickets showing the weight,
(b) Has an integrated display panel to show the weight of the production in the cart, provided the cart is available so the capacity of the cart can be determined; or

(4) Is equipped with scales integrated with Bluetooth (or other wired or wireless) interface that is capable of electronically recording and storing weight records on a field-by-field basis from which the insured can print all individual load tickets and detailed summary, including all of the required information listed in subparagraph D below. If a producer used multiple grain carts, but not all were equipped with the system described herein, the adjuster must verify the production by other means (i.e., bin measurements, sales records, etc.).

**D. Acceptable Scale Weight Tickets or Records**

(1) General Information

*** (a) A summary record of all scale weight tickets/records is not acceptable.
(b) The insured must hand-write any of the required information listed in (2) below if the scale used is not capable of printing a ticket or the required information.

**D. Acceptable Scale Weight Tickets or Records**

(2) To be acceptable, each individual scale weight ticket or record[1/] for each load must be available and must provide at least the following information:

(a) Insured's name;

(b) Crop;

(c) The gross weight, per load, of the conveyance with production and the gross weight of the conveyance without production, except as stated in (i) below;

(i) Only the gross weight, per conveyance, of the production is required if the production is weighed using a grain cart that:

(A) prints out weight tickets showing the gross weight of production;

(B) has an integrated display panel showing the gross weight of the production from which the insured documents the weight; **or**

(C) is equipped with scales integrated with Bluetooth (or other wired or wireless) interface that is capable of electronically recording and storing weight records on a load by load basis from which the insured can print all individual load tickets and detailed summary, by unit, which includes all of the required information.

(ii) Scale Weight tickets/records printed from grain carts should be photo copied since the print can disappear with time.

(d) Date weighed;

(e) Load Number (if the scale used does not print a number, the insured must apply a number);

(f) Unit and/or field identification from which the production was harvested that can be correlated to the unit numbers for the crop stored. To be acceptable, the adjuster must verify that the field identification can be correlated with the unit numbers for the crop for the current crop year. If a field identification cannot be correlated to a unit number for the crop, the production must be considered commingled, and the procedures in Para. 294 apply.

(g) Identification and location of farm-storage structure in which the load(s) from each field are stored and/or satisfactory explanation of disposition of the production if any or all of the production is no longer stored at the time of inspection; and

[1/] When scale weights are from a grain cart that cannot produce printed electronic records or weight tickets, but the grain cart has an integrated display panel, a record is considered a handwritten contemporaneous log if the insured has recorded all of the information requied below for each grain cart load weighed.

**E. Converting Scale Weights to Unit of Measure and Standard Weight Per Unit Used for the Crop**

To convert scale weight to units of measure, divide the weight by the standard weight per unit of measure. (Refer to Exhibit 4 for standard weights). Example: The standard weight for a bushel of wheat is 60 lbs. (10,256 lbs. ÷ 60 lbs. = 170.9 bushels). This bushel amount would be entered in the column for gross production on the claim form. Refer to Exhibit 4, Unit of Measure of Production, by Crop.

**F. Quality Adjustment**

For farm-stored production, samples for quality adjustment can only be taken by the adjuster, UNLESS the:

(1) Load(s) were weighed at a commercial facility and at the same time load samples were extracted by authorized personnel (not the insured) at the commercial facility;

(2) Samples were analyzed by a grain grader licensed as stated in Para. 232 E (for mycotoxin damage, refer to Para. 238 I for acceptable testing facility); AND

(3) Adjuster is able to verify the preceding with the elevator.

See Section 5 for more information regarding adjustments to production and who is authorized to take samples of production.

**G. Pre-harvest Appraisal is required or permitted in lieu of the adjuster measuring and accepting the insured's weight tickets, WHEN:**

(1) Production will be stored (or used (processed) and stored) in such a manner that the production cannot be measured (refer to Para.'s 213 B (3) and (4)) to determine whether the weighed production was within the 3% tolerance as stated in B (1) (a) above (e.g., high-moisture corn stored in airtight structures). If a pre-harvest appraisal is not done to determine the production-to-count, the claim must be denied because the insured does not have verifiable records of the stored production in the absence of the AIP being able to verify the actual harvested production in the structure by measuring the production in the structure.

(2) As stated in Para. 213 B (10), when the insured intends to farm-store production in commercial-sized storage structures (size larger than is used in normal farming operations) and when the insured agrees, pre-harvest appraisals may be done to determine the insured's production to count. HOWEVER, if a pre-harvest appraisal is NOT done, the AIP MUST measure the stored production or have the stored production measured at their expense. When loss adjustment inspections are required for such units, the insured CANNOT be charged or told by the AIP that they have to pay for such measurements.

### H. Adjuster-Determined Weight of Harvested Farm-stored Forage Production

Adjusters are also allowed to use portable suspended scales to determine the average weight 1/ of representative bales of forage production to determine harvested production. The scales must be calibrated for accuracy and verified by the AIP. The adjuster can accept the insured's record of the average weight 1/ of the farm-stored bales the insured has weighed on commercial elevator scales or the insured has weighed on his/her own portable suspended scales but ONLY if the adjuster can verify the accuracy of the scale and determine if the weights appear to be representative of the farm-stored bales.

1/ average the weight of at least 2 large bales and/or 3-4 small bales.

### I Verification and Documentation of the Weighed Production

Verify and document that the insured's scales and weight tickets/records met the criteria stated in subparagraphs C and D above. Copies of the following must be retained in the insured's claim folder:

(1) Insured's weight tickets/records;
(2) Insured's moisture records (if applicable);
(3) Location of on-farm scales used;
(4) Number and type of grain carts used to weigh the production;
(5) Storage-structure location maps;
(6) Adjuster's bin measurement production calculations, and moisture determinations if applicable;
(7) Tolerance comparison of production as stated in subparagraph B (1) above;
(8) Fed production records;
(9) Proration calculations if adjuster prorated production among multiple units in a bin; and
(10) Any other pertinent information.

## 253. Authorization to Accept Insured's Structure Markings, Load Records, and Combine Monitor Records

If the insured meets the requirements for acceptable harvested production from a precision farming technology system as outlined in Para. 218 C, the following procedures do not apply. Conversely, if the insured does not meet the requirement for acceptable harvested production from a precision farming technology system, but the insured has load records, combine monitor records, or bin markings that meet the criteria for the following procedures, then these procedures are applicable.

### A. Measurements Prior to Insured Commingling Production

(1) For purpose of indemnities, AIPs generally cannot accept the insured's determinations of separate unit production when production has been commingled with other units, uninsured acreage production, or different crop years (Para. 294), unless one of the exceptions in (2) below applies. When a loss situation is probable and the insured plans to store production from multiple units, (or production from uninsured and/insured acreage or multiple crop years) within the same storage structure, PRIOR

**A. Measurements Prior to Insured Commingling Production (continued)**

TO doing so, the insured should request the AIP measure the production. Refer to PRODUCTION PRE-MEASUREMENT SERVICE, Para. 179.

(2) POSSIBLE EXCEPTIONS to AIP Production Pre-Measurement When AIP Cannot Timely Perform Production Pre-measurement Service:

(a) Weighed production, as stated in Para. 252. Insured's weight records (adjusted with insured's moisture determination records, if applicable and acceptable to the AIP) for production from each unit, from uninsured/insured acreage, etc. The AIP may accept such records provided the AIP is satisfied that all the criteria in Para. 252 is met; refer to Para. 252 for more detailed information.

(b) Authorization of insureds load records, structure markings, or combine monitor records as stated in Para. 253 B. If A (2) (a) above does not apply, but the conditions and requirements in subparagraph B do apply, the AIP may allow the insured to use one of the preceding methods (e.g., load records) to keep the unit production (or production from insured/uninsured acreage, if applicable) separate. The AIP may accept such records, provided the AIP is satisfied the insured's records or structure markings, etc., meets the criteria set forth in Para. 253.

**B. Authorization of Insureds' Load Records, Structure Markings, or Combine Monitor Records Used in Lieu of AIP Pre-Measurement of Production that is to be Kept Separate**

(1) Sometimes the AIP may not be able to timely perform Pre-Measurement Services due to the large number of requests. Also, insureds do not believe they need a measurement of the commingled production because they do not have a production loss (inclusive of quality adjustment) but they have revenue protection plan of insurance coverage and later have a revenue loss due to the announcement of a harvest price lower than the base price (projected harvest price). In these cases, in lieu of AIP pre-measurements of the separated production within a storage structure, the AIP may authorize (orally or in writing) insureds to use their bin (or other structure) markings, contemporaneous load records from conveyances (definition on next page), or combine monitor (printed) records to keep the production separate, provided:

(a) The AIP must annually provide insureds with the criteria and instructions in subparagraphs C and D below (in writing). Non-compliance with these instructions will result in the production being considered commingled as stated in Para. 294;

(b) There is no reason to suspect that the grain is infected with a mycotoxin, other than Vomitoxin;

**B. Authorization of Insureds' Load Records, Structure Markings, or Combine Monitor Records Used in Lieu of AIP Pre-Measurement of Production that is to be Kept Separate (continued)**

(c) The AIP does not suspect the insured will fail to follow the instructions or will misrepresent the production from each unit or from uninsured and insured acreage;

(d) AIPs document the names and contract numbers of any insured for which this procedure is not allowed; and

(e) All of the conditions in C below are met.

(2) Also, AIPs may allow insureds to follow this same procedure when they may have the need to add multiple units of production or production from insured and uninsured acreage within the same conveyance (definition in D below). If the production within the conveyance is not farm-stored, it must be conveyed to a buying point and all applicable records must be acceptable to the AIP.

(3) Adjusters must document in the Narrative section of the PW or on an attached Special Report whether the:

(a) Insured's records or structure markings were used to keep production from multiple units separate or to keep production from insured and uninsured acreage separate; or

(b) Adjuster measured the production in the storage structure prior to another unit of production being added, or production from insured acreage added to production from uninsured acreage or vice versa. If the adjuster measured such production, the adjuster must document his/her name and the dates that such production was measured.

**C. Criteria Needed to Accept Insured's Production Records or Storage-structure Markings Used in Lieu of AIP Pre-measurement of Production that is to be Kept Separate**

(1) If load records or combine monitor records are used to keep production separate, the loads are recorded as outlined in D below.

(2) If structure markings are used, the structure is marked and identified as outlined in subparagraph D below.

(3) There is no production from prior years in the structure, unless the production has been measured by the AIP or another USDA agency just prior to the current year's production being added. If another USDA agency's measurements are used, you must determine whether the grain was leveled.

(4) The total production within the structure must be accounted for; i.e., all production stored in the storage structure can be identified separately by unit number or field I.D., uninsured acreage, etc.

**D. Insured's Instructions for Load Records, Storage Structure Markings, Printed Records from Combine Monitors Used in Lieu of AIP Pre-Measurement of Production that is to be Kept Separate**

Contemporaneous and Conveyance, as used in the following paragraphs, are defined as follows:

Contemporaneous - Occurring or originating during the same time.

Conveyance - Anything in which agricultural commodities are transported. This may include combine hoppers, commodity bins, grain carts, grain wagons, farm truck, semi-trailer, railcar, or barge. The term "transported" does not include all forms of grain movement; e.g., the following are not conveyances: grain augers, grain dryers, elevator legs, or picking lines.

(1) Loads

Maintain a contemporaneous ledger, by crop, recording loads of production for the crop identified by unit and/or field identification, date of harvest, identity of the conveyance used to transport the grain to the bin and the estimated bushel volume per conveyance. The adjuster must verify that the field identification can be correlated with the unit numbers for the crop for the current crop year. If a field identification cannot be correlated to a unit number for the crop, the production must be considered commingled, and the procedures in Para. 294 apply. Insured's are permitted to adjust their load records for excess moisture, and if they have done so, this is what will be used to compare against the adjuster measured and calculated production (including adjustments for moisture if the adjuster's moisture test shows excess moisture).

(2) Storage Structure Markings

Identify the depth of such production by marking the storage structure with a permanent marker. Write the unit number(s) and/or field identification from which the production was harvested, and date and initial the mark. Also, on the storage structure, identify and mark the depth of uninsured-acreage production separately from insured-acreage production when the storage structure will contain both. The adjuster must verify that the field identification numbers can be correlated with the unit numbers for the crop for the current crop year. If a field identification cannot be correlated to a unit number for the crop, the production must be considered commingled, and the procedures in Para. 294 apply.

(3) Records from Non-Precision Farming Technology System Combine Monitors

(a) For combines equipped with precision farming technology systems, refer to Para. 218 C.

**D. Insured's Instructions for Load Records, Storage Structure Markings, Printed Records from Combine Monitors Used in Lieu of AIP Pre-Measurement of Production that is to be Kept Separate (continued)**

(b) Combine monitor records used to separate comingled production:

Printed records from combine monitors must show the location of field (field identification), name of crop, date, and number of pounds or bushels of the crop. Insureds must also, identify the unit number that correlates with the field identification on the records. The adjuster must verify that the field identification can be correlated with the unit numbers for the crop for the current crop year. If a field identification cannot be correlated to a unit number for the crop, the production must be considered commingled, and the procedures in Para. 294 apply. If production from the combine monitor records has been adjusted for moisture by the insured or automatically by the combine monitor, this recorded amount will be the amount compared against the adjuster's measured and calculated production, (including adjustments for moisture if the adjuster's moisture test shows excess moisture).

**E. Adjuster Verification of Insured's Records or Storage-Structure Markings and Production Determination From These Records**

(1) Load Records or Combine Monitor Records

(a) Verification

(i) Verify whether the load records from the conveyance appear to be recorded contemporaneously.

(ii) Verify whether the insured meets the criteria to accept records as stated in subparagraph C.

(iii) Measure empty conveyance to verify reasonableness of the recorded loads, unless conveyance is not available; e.g., custom harvester's conveyances. If conveyance is not available try to determine from the insured (or other reliable source) the capacity of the conveyance used.

(iv) If the insured has not met the criteria in subparagraph C and/or followed the instructions in subparagraph D, or the recorded loads are not reasonable, the production must be considered commingled and the procedures for commingled production in Para. 294 will apply.

**E. Adjuster Verification of Insured's Records or Storage-Structure Markings and Production Determination From These Records (continued)**

(b) Production Determination from Records

Follow the steps below to determine the production to be recorded on the claim form for the unit if there are multiple units in the same structure:

Step 1 Adjuster-determined Production. The adjuster must measure the total production in the structure and determine the gross amount of production in the storage structure in the appropriate unit of measure for the crop (e.g., bushels or pounds) and add any production fed to obtain the total adjuster-determined production.

Step 2 Insured-recorded Production. Sum the bushels/pounds from the insured's load records (inclusive of any production fed) or combine monitor records for each unit (and/or production from uninsured acreage). Sum the totals of all unit(s) (including the total sum of production from uninsured acreage, if applicable) in the storage structure. If necessary, convert the insured's recorded production to the appropriate unit of measure for the crop; e.g., bushels or pounds (Refer to Exhibit 4).

Step 3 Comparison. Compare the results of Step 1 (Adjuster-determined Production) against Step 2 (Insured-recorded Production). If Step 1 and Step 2 results are exactly the same, then no further calculation is required. If they do not match proceed to Step 4.

Step 4 Proration. If the results of Step 1 (Adjuster-determined Production) and Step 2 (Insured-recorded Production) are not exactly the same the production must be prorated by using the load records of a conveyance or combine monitor records to prorate the commingled production contained in adjuster-measured structure (i.e., grain bin, semi-hopper, etc.) on a percentage basis. (Refer to example below.).

**Proration Example**: Insured's load records for a conveyance (or combine monitor records) indicate six 250.0 bu. loads in bin "A" from unit 0001-0001OU and four 250.0 bu. loads also in bin "A" from unit 0001-0002OU. The adjuster measures bin "A" and determines a total of 2,618.0 bu. in bin "A."

**E. Adjuster Verification of Insured's Records or Storage-Structure Markings and Production Determination From These Records (continued)**

Percentage of each Unit in Structure Based on Insured's Load Records:

6 loads X 250.0 bu./load = 1,500.0 bu. unit 0001-0001OU ÷ 2,500.0 total = .600000
4 loads X 250.0 bu./load = 1,000.0 bu. unit 0001-0002OU. ÷ 2,500.0 total = .400000
2,500.0 bu. total (in bin based on insured's records)

Proration of Measured Production to Each Unit in Bin:

2,618.0 bu. (total measured and calculated production in bin) X .600000 = 1,570.8 bu. production to count for unit 0001-0001OU

2,618.0 bu. (total measured and calculated production in bin) X .400000 = 1,047.2 bu. production to count for unit 0001-0002OU

(2) Storage Structure Markings

(a) Verification

Verify whether the insured meets the criteria to accept records as stated in subparagraph C. Verify with the insured whether the production in the structure was leveled prior to the addition of production from another unit (from uninsured acreage, if applicable), and whether the structure marking was made at the base of the cone or height of the cone. If the insured has not met the criteria in subparagraph C and/or followed the instructions in subparagraph D, the production must be considered commingled and the procedures for commingled production in Para. 294 will apply.

(b) Production Determination from Individual Unit Production From Markings (and/or production from insured/uninsured acreage, if applicable)

Determine production for each unit or for production from insured and uninsured acreage by using the insured's markings for each. If the insured has not leveled the production before adding additional production from another unit (uninsured acreage, if applicable), the adjuster must measure the cone at the top of the structure and use this measurement for the cone measurement for the bottom unit of production in the structure. For any unit atop of the bottom unit of production in the structure, no cone measurement will be used for these upper units of production (uninsured acreage, if applicable). This is because the cone of the lower unit protrudes into the upper unit and offsets the cone that is atop of that unit. The volume of the grain in all cones in the structure is considered to be the same.

**E. Adjuster Verification of Insured's Records or Storage-Structure Markings and Production Determination From These Records (continued)**

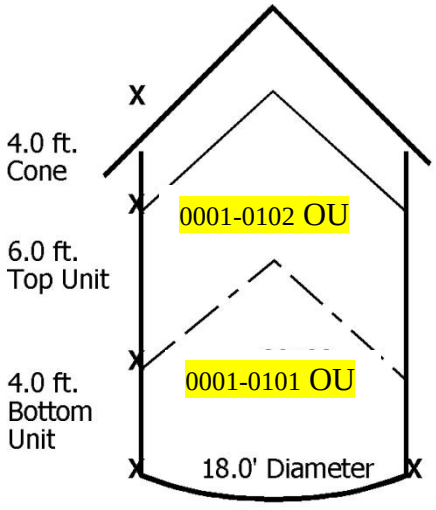
(c) Testing the Accuracy of the Calculated Individual Unit Production

(i) To test the accuracy of the calculated individual unit production, the total production in the bin and the sum of the calculated production for the two individual units should be the same. Using the example below the total bin production calculates to be 2,307.2 bu. (182 X .7854 X 10.0' X .8 = 2,035.8 + cone measurement 182 X .2618 X 4.0' X .8 = 271.4). The production for the two units stated above calculates to be the same amount; i.e., unit 0001-0101OU production, 1,085.7 + unit 0001-0102OU production, 1,221.5 = 2,307.2.

(ii) If the bin marking was made at the height of the cone, the depth of the unit must be adjusted for the height of the cone by using the height of the cone for the top unit (uninsured acreage, if applicable) in the bin.

(iii) If the measured and calculated production is exactly the same, no further action is needed. However, if total measured production in the bin did not match the sum of each marked unit in the bin, then the total measured production in the bin must be prorated proportionately to each unit based on a percentage basis.

Example of Accuracy Test:




The diameter of the bin is 18 feet. The depth of the cone at the top of the bin is 4 feet. There are two units of corn in the bin. Unit 0001-0101 OU is the unit at the bottom of the bin, and unit 00200 is the unit at the top of the bin. (The depth measurements for each unit marked on the bin did not include the height of the cone.) The depth of unit 0001-0101 OU is 4 feet, and the depth of unit 0001-0102 OU is 6 feet.

Unit 0001-0101 OU gross stored production: (bottom unit in bin)
182 X .7854 X 4.0' X .8 = 814.3 bu.
Cone - 182 X .2618 X 4.0' X .8 = 271.4 bu.
Total 1,085.7 bu.

Unit 0001-0102 OU gross stored production (top unit in bin):
182 X .7854 X 6.0' X.8 = 1,221.5 bu.

Total Production from Unit 0001-0101 OU, Cone, and Unit 0001-0102 OU = 2,307.2 (1,085.7 + 1,221.5)

**E. Adjuster Verification of Insured's Records or Storage-Structure Markings and Production Determination From These Records (continued)**

See Example of Proration Instructions below

Example of Proration:

Calculated Production Using the bin markings from example above:

Unit 0001-0101 OU = 1,085.7 bu. ÷ 2,307.2 bu. (total of unit 0001-0101 OU and 0001-0102 OU = .470570
Unit 0001-0102 OU = 1,221.5 bu. ÷ 2,307.2 bu. (total of unit 0001-0101 OU and 0001-0102 OU = .529430
Total 2,307.2 bu.

Total measured and calculated production = 2,485.4 bu.

Proration of Measured Production to Each Unit in Bin:

2,485.4 (total measured production in bin) X .470570 = 1,169.6 bu. production to count to unit 0001-0101 OU

2,485.4 (total measured production in bin) X .529430 = 1,315.8 bu. production to count to unit 0001-0102 OU

**F. Quality Adjustment Determinations**

Quality adjustment is allowed if the production qualifies as provided in the policy and/or SP and if the samples are extracted from the storage structure by the AIP's representative (samples cannot be taken by the insured). Samples for any mycotoxin other than Vomitoxin must be taken by the adjuster prior to the production entering storage.

(1) Quality will be determined from the samples extracted from the bin by the adjuster.

(2) If significant differences in grain quality between (or among) units are indicated on the truck ledger, storage structure, or a storage structure ledger these significant differences (by individual unit) can be allowed only if the adjuster can assure that a sample can be extracted from the structure for each unit in the structure, and that the tested samples reflect the significant differences recorded on the truck ledger, storage structure, etc. Otherwise, the average sample of what is in the bin should be used/applied to all units in the bin; i.e., one test weight, one moisture percentage, one Vomitoxin sample, etc.

(3) Document in the narrative of the claim or on a Special Report any significant differences in grain quality.

### G. Non-quality Adjustment Determinations

Moisture percentages, FM/dockage percentages, and non-quality levels of test weight would be handled the same way as stated in F above.

### H. When Claims Cannot Be Finalized

DO NOT finalize claims on units with production in such structures until all production from all units, uninsured acreage, prior crop year(s), etc., within the structure can be accounted for (Refer to subparagraph E above).

### I. Additional Information

Authorization to accept insureds' structure markings, load records, and combine monitor records is to be used prudently and is not to be considered as a routine means to satisfy the insured's responsibility to keep production separate by units and uninsured acreage, etc. The insured is still responsible for giving timely notice to the AIP that production from the unit needs to be measured so that the AIP has the opportunity to do so, rather than rely upon the insured's structure markings, load records, or combine monitor records.

### J. Adjuster Determination

The adjuster must be satisfied that the insured has met all the requirements of this procedure and the structure markings, load records, or combine monitor records are reasonable between units, uninsured acreage production, or crop years. Follow the procedures in subparagraph E above and Para. 212 to determine reasonableness of the unit production. If the adjuster is not satisfied with reasonableness of the production determinations for a unit(s) based on the storage structure markings, load records, or combine monitor records such production will be considered commingled. Production for such units will be determined based on the procedure in Para. 294.

## 254. When Grain is Stored in Grain Bags

### A. AIPs May Determine Grain Stored in Grain Bags

Using the unusual-shaped-structure procedures in Para. 261 to determine the gross cubic feet of grain in the bags; i.e., measuring the component parts as stated in Para. 258 A (3) (e). A Combined Test Weight and Pack Factor are applicable to the crops listed in Para. 258 C (1). Gross cubic feet and Combined Test Weight and Pack Factor are part of the farm-stored Production-to count-formula, as stated in Para. 259. When making measurements, the adjuster must:

**A. AIPs May Determine Grain Stored in Grain Bags (continued)**

(1) Determine the Combined Test Weight and Pack Factor as stated in Steps 1-3 of Para. 258 C (7). For grain bags, calculate the square feet needed to determine the Combined Test Weight Pack Factor, as follows:

(a) Determine the length of the grain bag;
(b) Divide the width the grain bag;
(c) Multiply length by the width = square feet.

(2) Obtain the required test weight sample (plus applicable samples for quality, etc.). If the required test weight samples cannot be obtained, the production determination cannot be completed. AIPs should caution adjusters to not cut or otherwise attempt to open the bag to obtain the samples. Only the insured should open or authorize the opening of the bag so the adjuster can obtain samples for test weight and quality purposes. Samples for quality must be taken no later than 60 days after the EOIP. If the adjuster cannot obtain samples prior to this date for the purpose of determining grain quality, including samples to determine Vomitoxin, no quality adjustment will be allowed.

CAUTION: Except for Vomitoxin, samples to determine Aflatoxin or other mycotoxins, substances, or conditions injurious to human or animal health must be obtained by the adjuster prior to the grain entering the bag. Refer Para. 238 for additional information.

**B. Delayed Measurement of Farm-Stored Grain in Bags**

The insured is allowed to request, in writing, to delay measurement of farm-stored grain and settlement of any potentially associated claim for indemnity up to 180 days after the end of the insured period. Refer to subparagraph A (2) above for when samples for quality must be obtained, and also refer to Para. 178 A (4) (d). This request can also be used when the insured does not agree with AIPs determination of the volume of grain in the bag(s) to allow the insured additional time to remove the grain from the bags to deliver to a buyer or move to permanent farm-storage structure for the AIP's redetermination of the amount of production prior to completion of the claim.

If prior to the inspection of final settlement of the claim the insured delays measurement of the grain up to 180 days after the end of the insurance period:

(1) If ALL of the grain from the bag(s) has been removed and delivered to the buyer, the AIP may determine the amount of production to count from the settlement sheet(s) to settle the claim, provided the production from the units delivered from the grain bags can be identified. For quality adjustment of grain, refer to subparagraph A (2) above and Para. 178 A (4) (d).

**B. Delayed Measurement of Farm-Stored Grain in Bags (continued)**

(2) The AIP may determine the production in the grain bag, as specified in item A (1) above, to settle the claim, provided the amount of production for each separated unit contained in the grain bag can be identified when:

(a) A single unit or multiple units have been weighed prior to being placed in a grain bag, the weight tickets may be used if all of the criteria in Para. 252 have been met.

(b) Multiple units have been placed in a grain bag and the unit production for each unit has been separated by one of the methods allowed in Para. 253 (e.g., load records) and all of the criteria in Para. 253 have been met, such production may be used to settle the claims.

(c) Part of the grain stored in the bag(s) has been removed and sold, and part of the grain remains in the grain bag(s), settle the claim based on the settlement sheets for the sold production and measurement of production remaining in the grain bags. For quality adjustment of grain, refer to subparagraph A (2) above.

(3) The AIP may determine production from acceptable feed records as outlined in Para. 220 to settle the claim when all or part of the grain in the grain bags has been fed. However, if there are no acceptable feed records, the full per-acre guarantee must be applied to the applicable acres.

(4) If by the time the adjuster makes the farm visit to determine the amount of production in the grain bags, the grain in the bags has been moved to a permanent farm storage structure (e.g., bin), the AIP may determine the production in the permanent farm storage structure, provided the unit(s) from which the production was harvested can be identified and the AIP is satisfied that all production for the unit has been established. For quality adjustment of grain, refer to subparagraph A (2) above and Para. 178 A (4) (d) if the insured requested to delay measurement of the grain for up to 180 days after the EOIP.

## 255. Rounding Rules

**A. Rounding Computations**

Carry out computations to one digit beyond the digit to be rounded.

**B. Rounding Rules**

If the last digit is 4 or less, disregard; if 5 or more, round upward. (Refer to example below.)

**Example:** Bushel fractions are to be rounded to tenths:

100.04 bushels - Record as 100.0 bushels
100.66 bushels - Record as 100.7 bushels

## C. General Rounding Applications – Round

| Item | Form | Rounding Rules | | | |
|---|---|---|---|---|---|
| Acres** | Production Report, APH Database, Acreage Report, All Loss Forms. . | Tobacco Round to (0.01)<br>Other Crops Round to (0.10) | | | |
| | | **Unit of Measure** | | | |
| | | Bushels, Boxes, Cartons, Lugs, Hundredweight (cwt.) | Tons | Barrels | Dollars, Pounds |
| APH Yields (Per Acre) | Production Report, APH Database, Acreage Report. | Round To:<br>1.00 | 0.10 | 0.10 | 1.00 |
| Total Production | Production Report, APH Database, Acreage Report | Round To:<br>1.00 | 0.10 | 0.10 | 1.00 |
| Production To Count | All Loss Forms | Round To:<br>.10 | 0.10 | 0.10 | 1.00 |
| Insured (Share) | Acreage Report Notice, Loss Pmt., All Loss Forms | Round To:<br>0.001 for all crops. | | | |

**[Refer to SRA Appendix III for line/record rounding rules regarding indemnity calculations.]

"Round to (1.00)" Indicates rounding to whole numbers in a 2-position decimal field.
"Round to (0.10)" Indicates rounding to tenths in a 2-position decimal field.
"Round to (0.01)" Indicates rounding to hundredths in a 2-position decimal field.
"Round to (0.001)" Indicates rounding to thousandths in a 3-position decimal field.

For all other Raisin rounding rules, refer to the Raisin LASH.

For all other rounding rules for loss calculations (appraisals, cubic feet, moisture percentage, foreign material or dockage, test weight, etc.) are found in the LAM or individual crop LASHs.

## 256. Table to Convert Fractions to Percent Figures

| TABLE TO CONVERT FRACTIONS TO PERCENT FIGURES | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 3rd | 4th | 5th | 6th | 7th | 8th | 9th | 10th | 11th | 12th | 13th | 14th | 15th | 16th | 17th | 18th | 19th |
| 1 | .333 | .250 | .200 | .167 | .143 | .125 | .111 | .100 | .091 | .083 | .077 | .071 | .067 | .063 | .059 | .056 | .053 |
| 2 | .667 | .500 | .400 | .333 | .286 | .250 | .222 | .200 | .182 | .167 | .154 | .143 | .133 | .125 | .118 | .111 | .105 |
| 3 | | .750 | .600 | .500 | .429 | .375 | .333 | .300 | .273 | .250 | .231 | .214 | .200 | .188 | .176 | .167 | .158 |
| 4 | | | .800 | .667 | .571 | .500 | .444 | .400 | .364 | .333 | .308 | .286 | .267 | .250 | .235 | .222 | .211 |
| 5 | | | | .833 | .714 | .625 | .556 | .500 | .455 | .417 | .385 | .357 | .333 | .313 | .294 | .278 | .263 |
| 6 | | | | | .857 | .750 | .667 | .600 | .545 | .500 | .462 | .429 | .400 | .375 | .353 | .333 | .316 |
| 7 | | | | | | .875 | .778 | .700 | .636 | .583 | 538 | .500 | .467 | 438 | .412 | .389 | .368 |
| 8 | | | | | | | .889 | .800 | .727 | .667 | .615 | .571 | .533 | .500 | .471 | .444 | .421 |
| 9 | | | | | | | | .900 | .818 | .750 | .692 | .643 | .600 | .563 | .529 | .500 | .474 |
| 10 | | | | | | | | | .909 | .833 | .769 | .714 | .667 | .625 | .588 | .556 | .526 |
| 11 | | | | | | | | | | 917 | .846 | .786 | .733 | .688 | .647 | .611 | .579 |
| 12 | | | | | | | | | | | .923 | .857 | .800 | .750 | .706 | .667 | .632 |
| 13 | | | | | | | | | | | | .929 | .867 | .813 | .765 | .722 | .684 |
| 14 | | | | | | | | | | | | | .933 | .875 | .824 | .778 | .737 |
| 15 | | | | | | | | | | | | | | .938 | .882 | .833 | .789 |
| 16 | | | | | | | | | | | | | | | .941 | .889 | .842 |
| 17 | | | | | | | | | | | | | | | | .944 | .895 |
| 18 | | | | | | | | | | | | | | | | | .947 |

## 257. Metric Conversion Table

| FROM METRIC TO BRITISH UNITS OF MEASUREMENT | | | | |
|---|---|---|---|---|
| **LENGTH** | SYMBOL | WHEN YOU KNOW | MULTIPLY BY: | TO FIND: |
| | mm | Millimeters | 0.04 | inches |
| | Cm | Centimeters | 0.4 | inches |
| | M | Meters | 3.3 | feet |
| | M | Meters | 1.1 | yards |
| | Km | Kilometers | 0.6 | miles |
| AREA | Cm2 | square centimeters | 0.16 | square inches |
| | m2 | square meters | 1.2 | square yards |
| | Km2 | square kilometers | 0.4 | square miles |
| | ha | Hectares | 2.5 | acres |
| VOLUME | m2 | cubic meters | 35 | cubic feet |
| | m2 | cubic meters | 1.3 | cubic yards |
| MASS (Weight) | G | Grams | 0.035 | ounces |
| | Kg | Kilograms | 2.2 | pounds |
| | T | Tones | 1.1 | tons |

**A. For production for which the insured's weighed production is not allowed as stated in Para. 252 and when Para. 253 does not apply, the procedures in this paragraph applies**:

(1) For square, rectangular, and round storage structures:

Entries for internal measurements of structural space occupied by the crop, test weight, and any entries for moisture, dockage, production not to count, and/or quality will be entered in the appropriate columns on the claim form as instructed in the LASH. From these entries the net production-to-count will be calculated for the storage structure(s).

(2) Outside measurements of storage structures may be used when internal measurements cannot be obtained; however, the dimension used should reflect the internal space occupied by the crop taking the wall-thickness into consideration. Do not adjust circumference measurements of steel bins for the wall-thickness of the structure because the circumference range on the Round Bin Conversion Chart (Exhibit 12) accommodates varying wall-thickness.

(3) ALL OTHER STRUCTURES (Hexagon, Octagon, Odd Shaped, etc.

(a) If the AIP's Production Worksheet requires calculation of gross production for odd-shaped structures, hand calculate gross production adjusted by test weight from these structures, and enter in the column used for gross production on the claim form.

(b) If the AIP's Production Worksheet requires calculation of net cubic feet, hand calculate the net cubic feet from these structures, and enter in the column used for net cubic feet on the claim form UNLESS component parts from an odd shape structure are square, rectangular, or round as explained in (e) below.

(c) Enter any applicable entries for moisture, dockage, quality, test weight (conversion factor, if applicable per AIP's Production Worksheet) or production not to count, etc., in the appropriate columns on the claim form as instructed in the LASH and from these entries, make further adjustments to the production entered in the column for gross production to determine the net production.

(d) Para. 259 shows the steps to calculate gross production adjusted for test weight, pack factor (if applicable) and Para. 260 provides gross cubic feet formulas for these structures.

**A. For production for which the insured's weighed production is not allowed as stated in Para. 252 and when Para. 253 does not apply, the procedures in this paragraph applies: (continued)**

(e) If the odd-shaped structure consists of component parts that are square, rectangular, or round, the individual component-part-measurement for each square, rectangular, conical, or round part in the odd-shaped structure may be entered on the claim as stated in subparagraph B below. Refer to Para. 261 for unusual (odd-shaped) storage configurations for measurement and computations.

**B. Documentation**

Document any calculations you have made, on a Special Report or other form provided by the AIP, for storage structures requiring entries in the column used for gross production on the claim form or calculations used to obtain square, round, or rectangular component part measurements for odd shaped structure that were entered on the claim form. Copies of calculations are to remain in the contract folder.

**C. Pack Factors**

(1) Pack factors are applicable for the following crops: Barley, corn, grain sorghum, hybrid corn seed, hybrid sorghum seed, oats, popcorn, rice, soybeans, and wheat. The pack factor tables and instructions can be found in the applicable LASHs.

(2) For unweighed farm-stored barley, corn, grain sorghum, hybrid corn seed, hybrid sorghum seed, oats, popcorn, soybeans, and wheat that is:

(a) Shelled or threshed whole grain, USE the combination test-weight pack factor as specified in Para. 258 C and the applicable crop LASHs.

(b) Other than shelled or threshed whole grain; e.g., ear corn, ground grain, cracked grain, etc., use the test-weight factor (see Para. 237 F (1)) instead of the combination test-weight pack factor as specified in Para. 258 C and the applicable crop LASH.

(3) Although there are pack factor tables for canola, chick peas, dry peas, flaxseed, lentils, mustard, safflower, and sunflower seed, RMA is not including them because the factors are merely a test weight conversion (Actual TW/Standard TW) with no adjustment for pack in the factors:

(4) Pack factors are applied to all farm-stored production for crops listed in (1) above that are stored within a structure or conveyance; i.e., production stored in all shapes of structures and conveyances, including cones, inverted cones and conical piles of production within the structure or conveyance.

**C. Pack Factors (continued)**

(5) Pack factor are NOT applied to farm-stored production not stored in a structure or conveyance; i.e., ground-stored, for example, a conical pile on ground and not having sidewalls.

(6) For production in cones and inverted cones that are stored within a structure or conveyance, apply the same pack factor that is applicable to the greatest portion of the structure; e.g., the same pack factor applied to the cylindrical portion would be applied to the cone in the same structure,

When the production does not touch the sidewalls (e.g., stored in a structure or conveyance not touching sidewalls, or stored in a structure in a pile with no sidewalls), the square feet of floor space will differ and could result in a different pack factor. Refer to subparagraph (8) (b) (ii) below for the square feet of floor space calculation for production not touching sidewalls.

(7) Steps in Determining Pack Factor for all storage structures:

Step 1: Go to the Combination Test Weight and Pack Factor Table in the appropriate Handbook.

Step 2: Find the column for "Test Weight" and find column having the range of square feet of floor space for the stored grain.

Step 3. From the line showing the correct test weight move across the line to the appropriate column of square feet to find the correct pack factor. To determine square feet, refer to subparagraph (8) below.

**Example**: Suppose corn has a test weight of 56 pounds and is stored in a structure with 254 square feet of floor space (refer to (8) below for determining square feet of floor space). For a test-weight of 56 pounds and 254 square feet of floor space, the Table for Combined Test Weight and Pack Factor shown in the Corn LASH shows the correct pack factor would be 1.018. This factor is placed in the entry space for the test-weight factor on the Production Worksheet as shown in the examples in Para. 261 E. Refer to Para. 259 below for the formula for calculating farm-stored production.

(8) Calculating Square Footage of Floor Space to be Used to Determine Combination Test Weight/Pack Factor for all storage structures, except grain bags. Refer to Para. 254 above for grain bag procedures.

(a) Floor space of a round structure is determined by multiplying diameter X diameter X .7854.

**C. Pack Factors (continued)**

(b) When production in a cone, conical pile, and inverted cone and is:

(i) Touching the sidewalls of structure, the floor space is determined by multiplying structure diameter [1/] X structure diameter X .7854.

[1/] The diameter of the cone, conical pile, or the inverted base is the same as the structure diameter since the production in the cone, conical pile, or inverted cone is touching the sidewalls of the structure.)

(ii) NOT touching sidewalls, the floor space is determined by multiplying diameter of the base of cone X diameter of base of cone X .7854.

(c) Square footage of floor space in a square or rectangular structure, or a grain bag is determined by length X width.

(d) For other structure shapes, refer to Para. 260, and use the formula for the specific shape without applying the step for depth.

(e) When the structure has to be broken down into component parts, the square footage of the floor space is the total square feet of all component parts.

(f) When determining the square footage of inverted cones, semi- hoppers, gravity wagons, etc., determine the largest portion of the component part, then if there are multiple component parts, sum the total square feet as stated in (d) above.

(g) Refer to the applicable LASHs for instructions on determining the pack factor from the Combination Test Weight and Pack Factor Table.

**259. Farm-stored Production-to-count Formula**

BASED ON THE AIP'S INSTRUCTIONS, ADJUSTERS ARE TO ROUND AFTER EACH STEP OR AT THE END OF THE CALCULATION.

**A. Regular structures - Round, Square, Hexagon, Octagon, Conical Pile, etc.**

The step-by-step process used to determine production for these structures is:

**A. Regular structures (continued)**

(1) Record measurements accurately.

(2) Determine gross cubic feet (Refer to Para. 260).

(3) Gross cubic feet minus deductions in cubic feet equal net cubic feet (Refer to Para. 263).

(4) Net cubic feet times Conversion Factor equals unadjusted gross production (Refer to Para. 264).

(5) Unadjusted Gross Production times shell factor or sugar factor, if applicable for the crop, equals Adjusted Gross Production for Shell or Sugar Factor. Shell factor is for ear corn. Procedures to determine the shell factor are in the Corn LASH. Refer to the applicable LASHs for procedures regarding Sugar Factor. If Shell or Sugar Factor is not applicable, skip to step (6).

(6) Unadjusted Gross Production (Adjusted Gross Production for Shell or Sugar Factor) times FM factor (if applicable) equals Adjusted Gross Production for FM (refer to Para. 234).

(7) Adjusted Gross Production for FM times moisture adjustment factor (if applicable) equals Adjusted Gross Production for Moisture (refer to Para. 233).

(8) Adjusted Gross Production

(a) For crops not having a pack factor: Adjusted Gross Production for Moisture X actual test weight divided by standard test weight equals Adjusted Gross Production (refer to Para. 251). Actual test weight will be used for canola/rapeseed, dry beans, rice, dry peas, mustard, safflowers, and sunflowers. Refer to the Cultivated Wild Rice Handbook for specific test weight to be used.

(b) For crops having pack factors (refer to the list in Para. 258 C above): Adjusted Gross Production for Moisture X Pack Factor for the applicable crop equals Adjusted Production. Refer to Para. 258 C (8) above for calculating square footage of floor space, which is needed to determine the pack factor.

(c) For Popcorn, the adjusted production is multiplied by the standard test weight of 56 pounds.

(9) Adjusted Production minus Production Not to Count, if applicable. Refer to Para. 221.

## 259. Farm-stored Production-to-count Formula (Continued)

### A. Regular structures (continued)

(10) Production equals the results of last applicable step; i.e., either step (8) or (9).

(11) Production times quality adjustment factor (if CP allow for quality adjustment and production qualifies for quality adjustment) equals Production to Count.

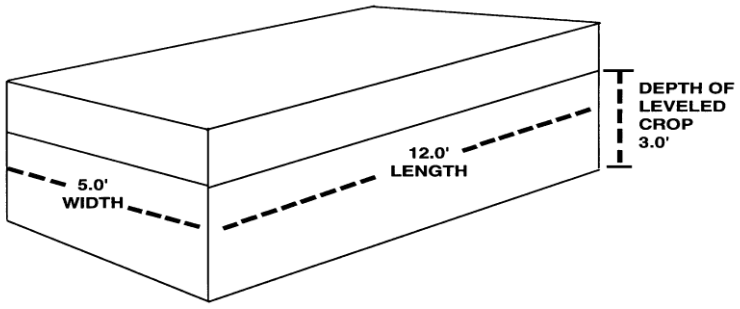
(12) Production to count (refer to Para.'s 231 and 232) equals the results of step (10) or (11), whichever is applicable.

## 260. Gross Cubic Feet Formulas by Structure

All of the following measurements are made in feet, to tenths. Round at the end of the calculation unless instructed otherwise by the AIP.

### A. Square or Rectangular Structure

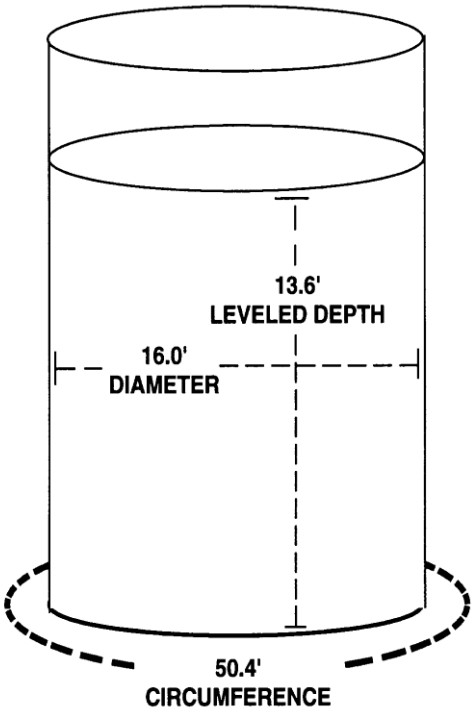
Length times Width times Leveled Depth equals Gross Cubic Feet.




12.0' X 5.0' X 3.0'
GROSS CUBIC FEET=180.0

**B. Round Structure**

(1) Diameter squared times .7854 times Leveled Depth equals Gross Cubic Feet.




$16.0^2$ = 256.0 X .7854 X 13.6 =
2734.4 GROSS CUBIC FEET

(2) The circumference measurement can be used to determine the diameter of the bin. Use the Round Bin Chart (Exhibit 12) to determine the diameter of the bin from the circumference measurement. The Round Bin Chart also provides the square foot factor for each size of bin.

(3) The adjuster can mathematically compute the diameter of a round bin by multiplying the circumference measurement by .31831.

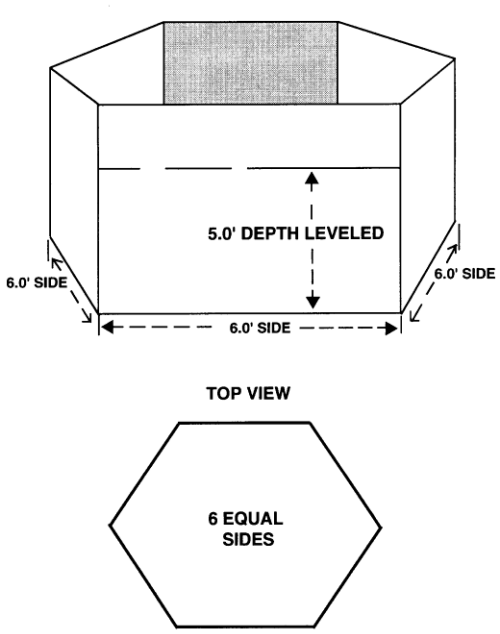
The square foot factor (Round Bin Chart, Exhibit 12) times the level crop depth will also determine the gross cubic feet of a round bin.

**C. Pentagon Structure (5 sides)**

Length of Side squared times 1.720 times Leveled Depth equals Gross Cubic Feet.

**D. Hexagon Structure (6 sides)**

Length of Side squared times 2.598 times Leveled Depth equals Gross Cubic Feet.



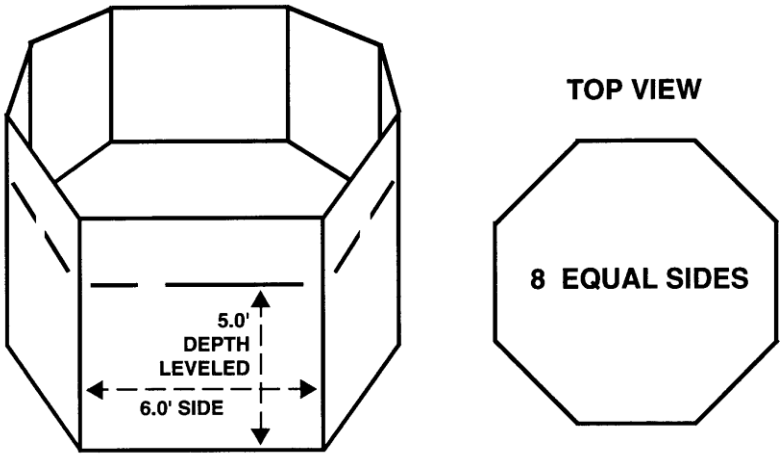

$6.0^2$ X 2.598 X 5.0 =
467.6 GROSS CUBIC FEET

**E. Heptagon Structure (7 sides)**

Length of Side squared times 3.634 times Leveled Depth = Gross Cubic Feet.

**F. Octagon Structure (8 sides)**

Length of Side squared times 4.828 times Leveled Depth equals Gross Cubic Feet.




$6.0^2$ X 4.828 X 5.0 = 869.0 GROSS CUBIC FEET

**G. Nonagon Structure (9 sides)**

Length of Side squared times 6.182 times Leveled Depth equals Gross Cubic Feet.

**H. Decagon Structure (10 sides)**

Length of Side squared times 7.694 times Leveled Depth equals Gross Cubic Feet.

**I. Undecagon (11 sides)**

Length of Side squared times 9.36 times Leveled Depth equals Gross Cubic Feet.

**J. Dodecagon (12 sides)**

Length of Side squared times 11.196 times Leveled Depth equals Gross Cubic Feet.

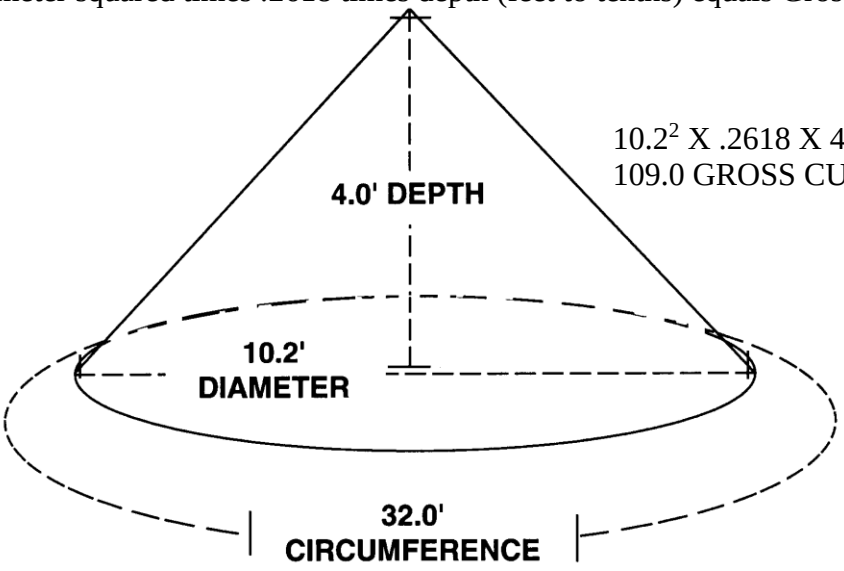
**K. Any Structure with More than 12 Sides**

Use the formula for a circle for any structure with more than 12 sides.

GO TO NEXT PAGE

**L. Conical Pile**

Diameter squared times .2618 times depth (feet to tenths) equals Gross Cubic Feet.

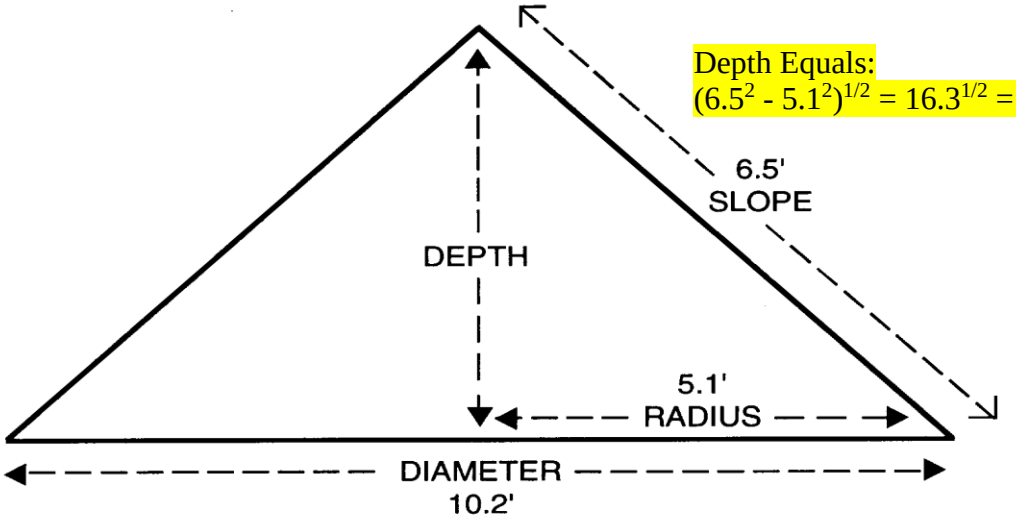



$10.2^2$ X .2618 X 4.0 =
109.0 GROSS CUBIC FEET

When it is not possible to accurately measure the depth of a conical pile of grain the formula below may be used.

**M. Formula for determining depth of a conical pile.**

The length of the slope$^2$ - the radius (1/2 the diameter)$^2$ = the height$^2$. Determine the square root of the result to determine the height of the cone in feet to tenths. (Refer to Exhibit 11 for square root table.)




Depth Equals:
$(6.5^2 - 5.1^2)^{1/2} = 16.3^{1/2} = 4.0$ FT.

## A. Inverted Cone

(1) The dimensions of an inverted cone are recorded on the claim form in the items used for recording structure measurements. "Cone" is entered in the column entitled "width" on the claim form.

(2) If the inverted cone is a permanent part of a storage structure, record the measurements on a Special Report or other form used for measurement purposes, prior to harvest to be retained permanently with the insured's file folder. To record this information, ask the insured if any of the storage structures have an inverted cone while on a pre-harvest appraisal, acreage report review, growing season inspection, etc. The manufacturer's or builder's specifications may be used if it is not possible to measure the inverted cone during the inspection. If these are not available, FSA may have measurements on record for the particular storage structure in question.

(3) To determine the amount of grain in an inverted cone, obtain these measurements:

(a) Diameter if round; width and length if square or rectangular.
(b) Depth - by actual measurement.

(4) To determine the unadjusted gross production of grain in an inverted cone, follow this formula:

(a) For the following structure shapes:

(i) Square. Length times width times 1/3 recorded depth equals gross cubic feet.

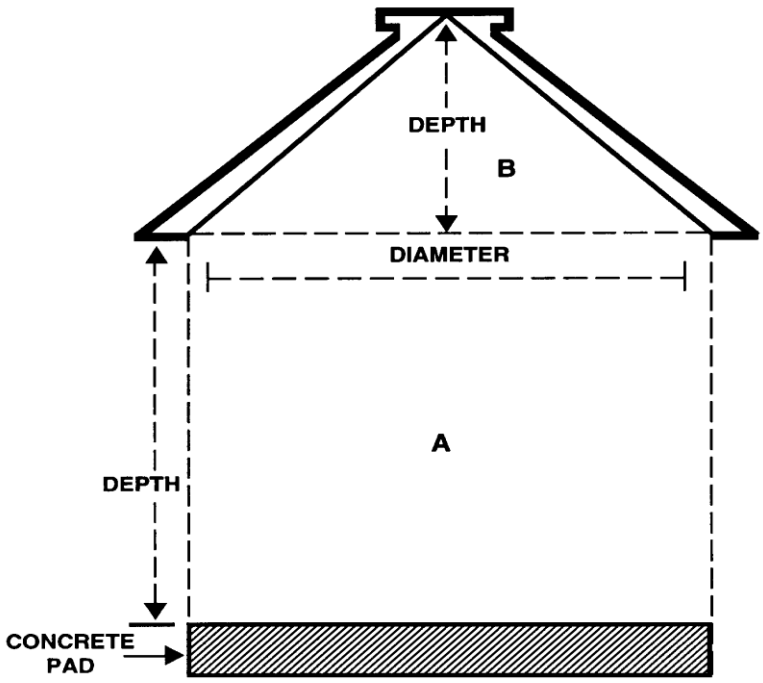
(ii) Round. Diameter squared times .2618 times x recorded depth equals gross cubic feet.

(b) Gross cubic feet minus deductions in cubic feet equal Net cubic feet
(c) Net cubic feet times Conversion factor equals unadjusted gross production.

(5) To determine adjusted gross production (by test weight), follow this formula: Multiply the unadjusted gross production by the test weight factor (refer to Test Weight and Test-Weight Factor, Para. 237) equals adjusted gross production (by test weight).

(6) Enter on the claim-form-line entry any adjustments necessary for correct computation of production; i.e., entries for FM, moisture, or quality if applicable.

**B Cone on a cylinder**



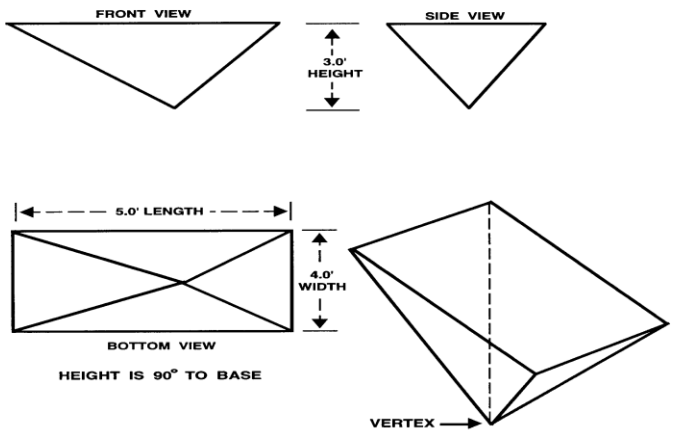

There will be two (2) line entries in the part of the claim form used to record structure measurements.

(1) One line will be identified by "RND" (for production in A) with all determined measurements and adjustments entered for that line.

(2) One line will be identified as "Cone" (for production in B) with all determined measurements and adjustments entered for that line on the Production Worksheet.

**C Pyramid**

Length X width X height X one-third = gross cubic feet.

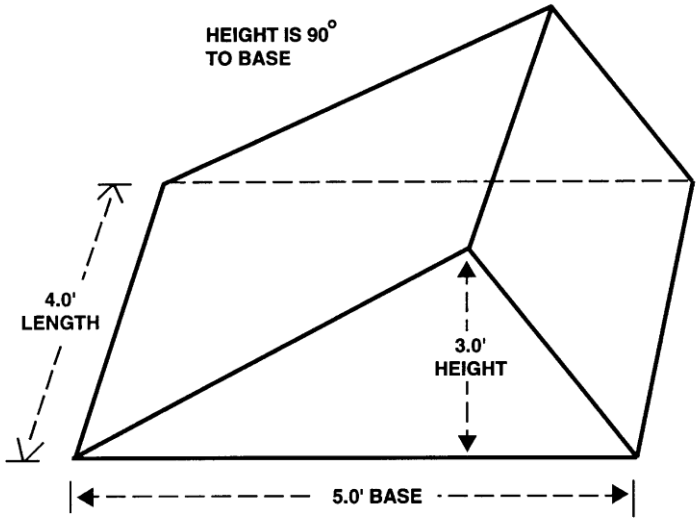



5.0 X 4.0 X 3.0 x .333 =
20.0 GROSS CUBIC FEET

**D Triangle Box**

Area of triangle (base X height X 1/2) X length of box = gross cubic feet.

5.0 X 3.0 X .5000 X 4.0 =
30.0 GROSS CUBIC FEET

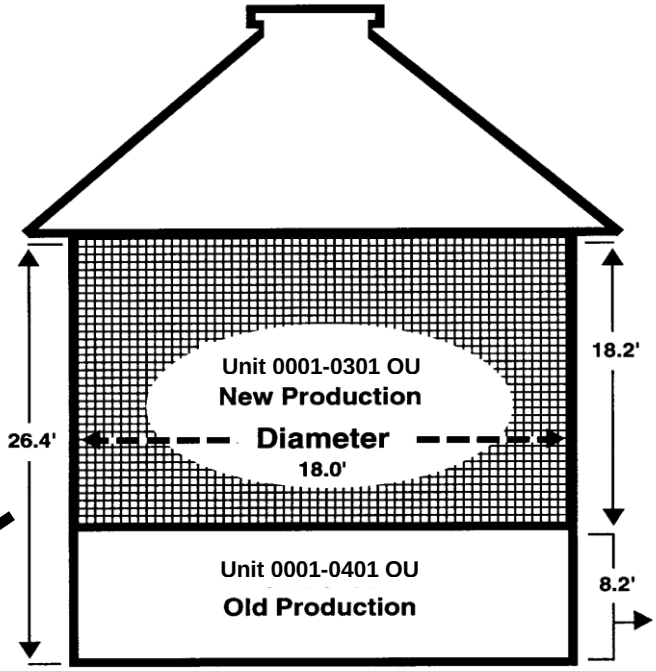


## E. Production-Not-to-Count in a Storage Structure

Example 1: This example shows structural measurements for the total production in the storage structure in the appropriate columns of the claim form and the calculated adjusted gross production by test weight (BEFORE deductions for moisture, dockage, etc.) in the "Production Not to Count" column. The calculated production-not-to-count will be deducted and the test weight entered in the "Test Weight" column and any other applicable entries for moisture, dockage, or quality will be used to calculate the remaining grain contained in the structure to arrive at the unit production-to-count in the storage structure.

Corn is in the structure.

These measurements are recorded on the claim form as shown below.




This production is calculated and entered as shown below.

| Harvested Production | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Length or Dia. | | Width | Depth | | Deduction | | Net Cubic Feet | Conver- Factor | Gross Prod. | Bu. Ton. Lbs., CWT. |
| 18 | 0 | RND | 26 | 4 | | | 6718.0 | .8 | 5374.4 | |

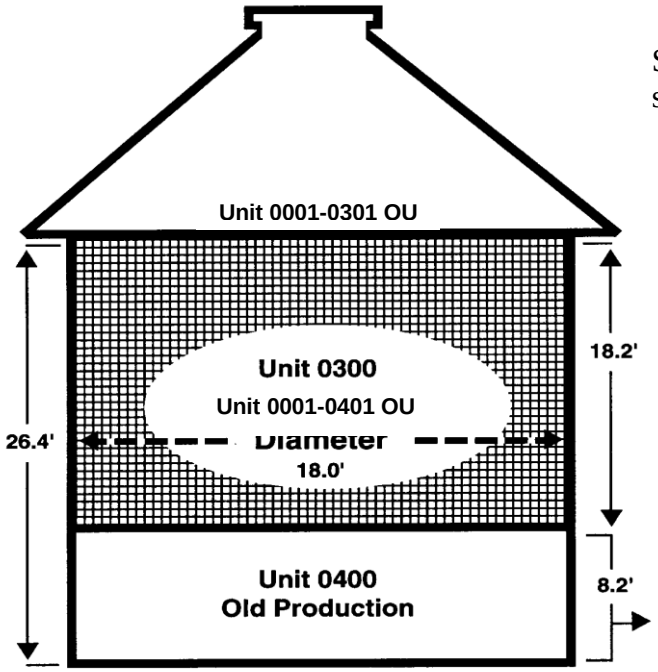
| Adjustments to Harvested Production | | | | | |
|---|---|---|---|---|---|
| Shell/ Sugar Factor | FM % Factor | Moisture % Factor | Test WT Factor | Adjusted Production | Production Not To Count |
| | | | 56.0 | 5471.1 | 1699.4 |
| | | | 1.018 | | |

Narrative: Production not to count is from unit 0001-0401OU production. Unit 0001-0401OU production has a depth measurement of 8.2 ft. Bin measurements for unit 0001-0401OU attached.

## E. Production-Not-to-Count in a Storage Structure

Production-Not-to-Count in a Storage Structure (continued.)

Example 2: This example shows that the production-not-to-count and production-to-count are determined separately. The depth measurement of only the production-to-count is entered in the "Depth" column. The measurement for the production-not-to count is entered in the narrative of the claim form.




Shelled corn is in the structure.

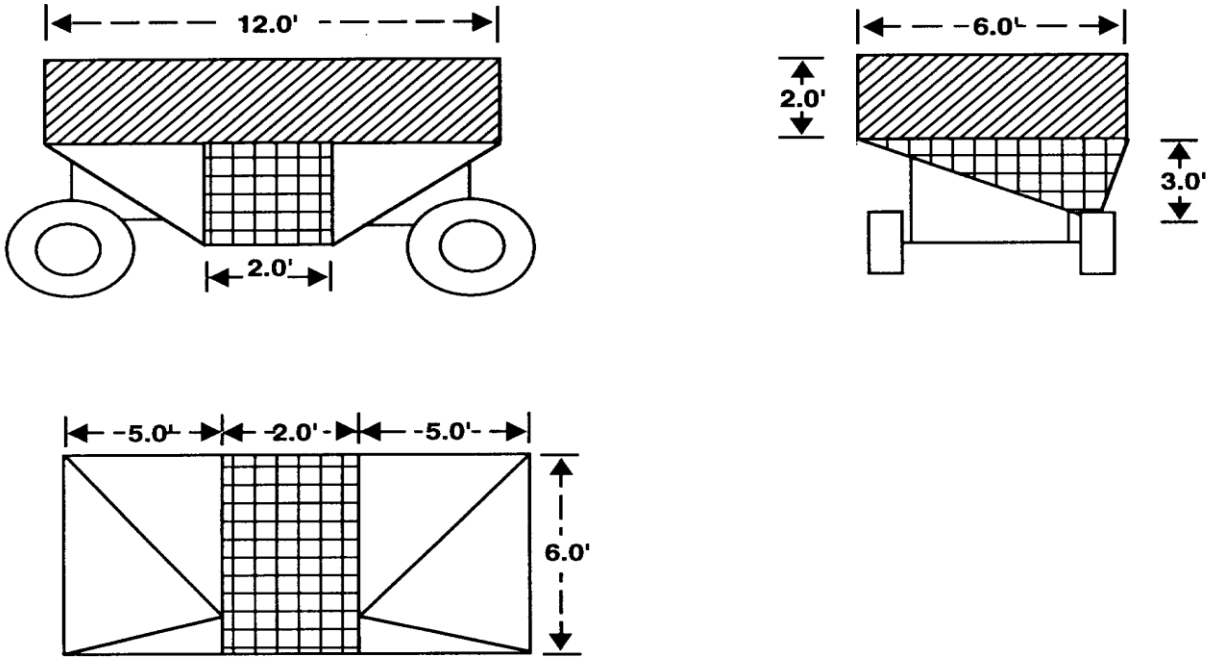
| Harvested Production | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Length or Dia. | | Width | Depth | | Deduction | | Net Cubic Feet | Conver -sion Factor | Gross Prod. | Bu. Ton. Lbs., CWT. |
| 18 | 0 | RND | 18 | 2 | | | 4631.3 | .8 | 3705.0 | |

| Adjustments to Harvested Production | | | | | |
|---|---|---|---|---|---|
| Shell/ Sugar Factor | FM % Factor | Moisture % Factor | Test WT Factor | Adjusted Production | Production Not To Count |
| | | | 56.0 | 3771.7 | |
| | | | 1.018 | | |

NARRATIVE: Production not to count from unit 0001-0401OU, depth 8.2 ft. Previous bin measurements for unit 0001-0401OU attached.

**F Gravity Flow Wagon**

Break the gravity flow wagon into volume components which can be accurately measured, and use the existing formulas to determine the production in each component.




TOP RECTANGLE BOX= 12.0 X 6.0 X 2.0 = 144.0 GROSS CUBIC FEET
(LINED AREA)

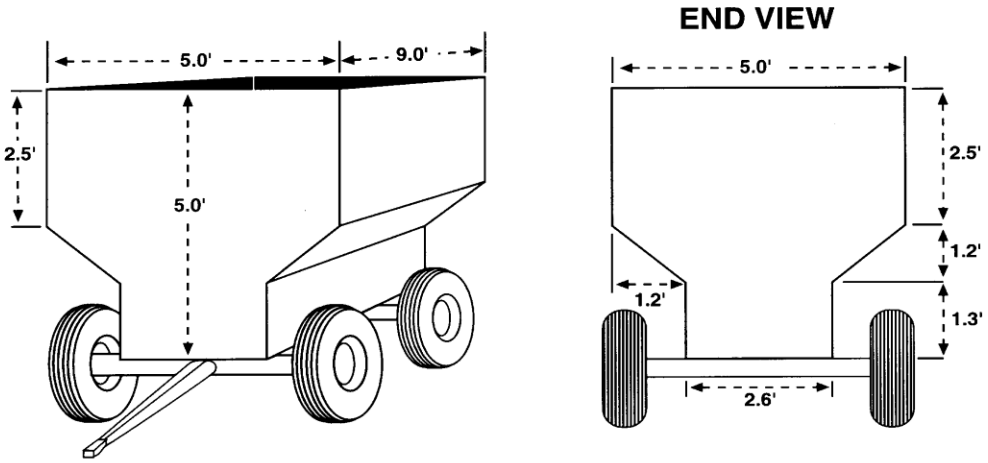
MIDDLE TRIANGLE BOX = 6.0 X 3.0 X 2.0 X .5000 = 18.0 GROSS CUBIC FEET
(CHECKERED AREA)

2 PYRAMIDS = 2 X (5.0 X 6.0 X 3.0 X .3333) = 60.0 GROSS CUBIC FEET
(UNMARKED AREA)

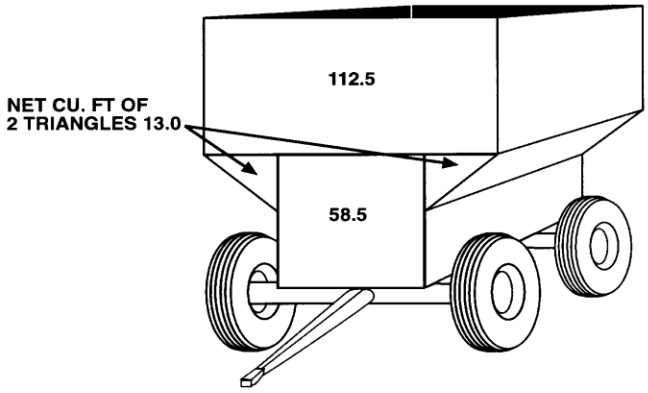
TOTAL GROSS CUBIC FEET OF WAGON = (144.0 +18.0 + 60.0) = 222.0

**G Flare box wagon**

Break the flare box wagon into component parts which can be accurately measured and use the existing formulas to determine the production in each component.




**CU. FT OF COMPONENT PARTS**

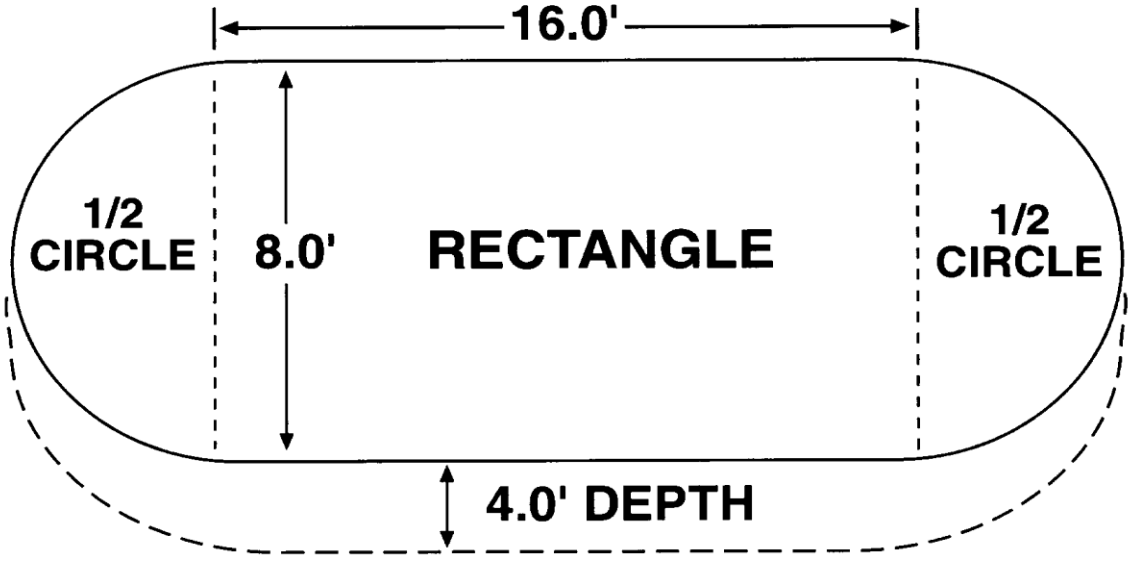



NET CUBIC FEET OF COMPONENT PARTS

| | |
|---|---|
| 9.0 X 5.0 X 2.5 | = 112.5 CUBIC FEET |
| 9.0 X 2.6 X 2.5 | = 58.5 CUBIC FEET |
| 9.0 x 1.2 x 1.2 X .5000 + 9.0 x 1.2 x 1.2 X .5000 | = + 13.0 CUBIC FEET |
| | TOTAL 184.0 NET CUBIC FEET |

**H. Oval Storage Structure**

Break the oval storage structure into component parts which can be accurately measured and use the existing formulas to determine the production in each component.




RECTANGLE 16.0' X 8.0' X 4.0' = 512.0 CUBIC FEET

TWO 1/2 CIRCLES - $8.0^2$ X .7854 x 4.0 = 201.1 CUBIC FEET
(100.6 cubic feet for each)

TOTAL CUBIC FEET = 713.1

## 262. Round Bin Chart

Refer to Exhibit 12 for converting circumference to diameter and square feet.

## 263. Net Cubic Feet Formula (Cubic Feet Deductions)

**A. Net Cubic Feet Calculation**. Gross cubic feet minus cubic feet of deductions equals net cubic feet.

**B. Determining Deductions**. Calculate net cubic feet by computing the cubic feet of studs, vents, etc., which displace the crop inside the structure and deducting that amount from the gross cubic feet.

**C. Deductions for Regular Type Structures**. For regular type structures (round augers, square air vents, etc.) use the formulas given in Para. 259 and in D below to determine cubic feet deductions.

**D. To compute studs and joists which displace the crop:**

(1) 2" x 4" - multiply the number of studs times depth of the stored crop and divide by 18.

(2) 2" x 6" - multiply the number of studs times depth of the stored crop and divide by 12.

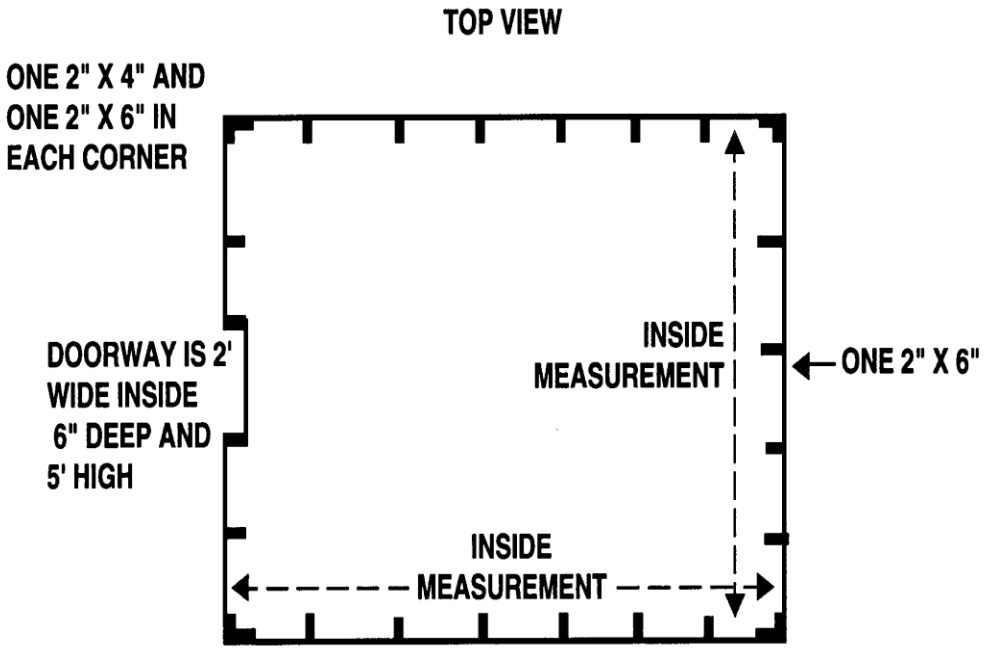
(3) 2" x 8" - multiply the number of studs times depth of the stored crop and divide by 9.

**Example**: A bin with 30 studs (2" x 6") with a depth of 5 feet in the crop:

$$\frac{30 \times 5}{12} = 12.5 \text{ cu. ft.}$$

(4) Angled (diagonal, etc.) support studs should be calculated by dividing the total length of the studs by the appropriate factor.

OBSTACLE DEDUCTION


TOP VIEW
ONE 2" X 4" AND
ONE 2" X 6" IN
EACH CORNER
DOORWAY IS 2'
WIDE INSIDE
6" DEEP AND
5' HIGH
INSIDE
MEASUREMENT
ONE 2" X 6"
INSIDE
MEASUREMENT

## 264. Converting Volume to Bushels, Hundredweight, or Pounds

Net cubic feet times conversion factor, hundredweight, or pounds shown in the chart below results in unadjusted gross production (before adjustments for weight, moisture, and dockage).

**CONVERSION FACTOR CHART**

| CROPS | FOR BUSHELS | FOR HUNDREDWEIGHT | FOR POUNDS |
|---|---|---|---|
| Barley | 0.8 | | |
| Beans (Dry) | 0.8 | | 1/ |
| Buckwheat | 0.8 | | |
| Camelina | 0.8 | | 1/ |
| Canola/rapeseed | 0.8 | | 1/ |
| Corn (Shelled) | 0.8 | | |
| Corn (ear) | 0.4 | | |
| Corn (Ground Shelled) | 0.7 | | |
| Corn (Ground Ear) | 0.6 | | |
| Corn (Hybrid Seed) | 0.8 | | |
| Flaxseed | 0.8 | | |
| Grain Sorghum | 0.8 | | |
| Hybrid Seed Sorghum | 0.8 | | |
| Millet | 0.8 | | |
| Mustard | 0.8 | | 1/ |
| Oats | 0.8 | | |
| Peanuts (Spanish SW & SE) | | | 19.7 1/ |
| Peanuts (Runner) | | | 16.9 1/ |
| Peanuts (Virginia) | | | 13.5 1/ |
| Peanuts (Valencia) | | | 17.5 1/ |
| Peas (Dry) | 0.8 | | 1/ |
| Popcorn (Shelled) | 0.8 | | 1/ |
| Popcorn (Ear) | 0.4 | | 1/ |
| Potatoes | | 0.4167 | |
| Rice | 0.8 | | 1/ |
| Rye | 0.8 | | 1/ |
| Safflowers | 0.8 | | 1/ |
| Soybeans | 0.8 | | |
| Sesame | 0.8 | | 1/ |
| Sunflower (oil and non-oil) | 0.8 | | 1/ |
| Louisiana Sweet Potatoes (Pilot) | | 0.4283 | |
| Wheat | 0.8 | | |
| Wild Rice (Cultivated) | 0.8 | | 2/ |

1/ To convert to pounds: Net cubic feet x Conversion Factor x Actual Test Weight = adjusted Gross Production for test weight.

2/ Refer to the Cultivated Wild Rice Handbook for specific weight to use for calculations.

**265-270** (Reserved)

# PART 4 UNUSUAL/CONTROVERSIAL CASES AND SPECIAL CLAIMS PROCEDURES

## SECTION 1 GENERAL INFORMATION

### 271. General Procedures to Follow When Involved with Unusual or Controversial Cases

There will come a time when you will run into controversial cases. Whenever you are on an inspection and you suspect problems in the information given to you by the insured or in previous contract information reported to the AIP (e.g., entity, APH, etc.), follow the procedures listed in PART 4 below that are applicable to the situation.

**A.** **Inspection.** Complete the inspection according to procedure.

**B.** **Documentation.** Document what you find during the on-the-farm inspection, on the claim (MPCI Non-Waiver Agreement (NA) if your AIP uses a MPCI NA rather than a claim) and on a Special Report. (Refer to Para. 272 for instructions on how to document your findings).

**C.** **Insured's Signature**. Obtain the insured's signature on the claim (or MPCI NA). Obtain the insured's signature on the Special Report, if possible.

**D.** **Adjuster's Signature.** If a claim form is used, DO NOT sign the claim. If a MPCI NA is used, the adjuster's signature is required.

**E.** **Document Potential Need For Growing Season or Pre-Harvest Inspection**

Document on a Special Report the potential need for growing season inspections or pre-harvest appraisals, whenever the need appears, to protect the AIP's position in the case of a controversial claim due to uninsured causes of loss or not following recognized good farming practices. Send a copy of the Special Report to the supervisor designated by the AIP.

### 272. Report Writing - How to Document Findings

**A.** **Principles of Report Writing**

A report is written to convey concisely what you have found while on an inspection, the reason for the inspection, what problems, if any, you have encountered, and to indicate follow-up actions that may be necessary.

(1) The report should be in a standard form but should be sufficiently flexible to fit the special requirements of the subject matter and the individual(s) to whom it is submitted.

(2) The report should be simple, concise, and as brief as possible.

(3) The tone of the report should be dispassionate, impersonal, and factual.

**A. Principles of Report Writing (continued)**

(4) The report should be legible and devoid of smudges; or crossed-out words, sentences, or sections of the report.

(5) Illustrations such as sketch maps, bin locations, etc., should be used whenever they will promote a better understanding of the report.

(6) Documentation should be reviewed with the next level of supervision at the time the formal report is submitted.

(7) Do not make recommendations.

**B. Report Arrangement.** There are many acceptable arrangements for reports as indicated below:

(1) The title and the report should be short and descriptive.

(2) If the report is lengthy or detailed, a table of contents should list the location of major sections and subsections.

(3) The report should have an introduction that tells why the report was written.

(4) The body should clearly explain the facts or findings presented in the introduction.

(5) The summary is the most important element of the report since many people read only this section thoroughly. State the problem simply, along with any significant findings. Remember, keep the summary brief to maximize its impact. Ideas should be presented in short paragraphs or numbered sentences. State your conclusions without elaboration.

## 273. Points to Remember While Dealing with Problem Cases

When dealing with any controversial case, adjusters should NEVER WORK ALONE. As instructed by your AIP, a supervisor, another adjuster, or other AIP representative may ACCOMPANY you on any field or farm inspection involving a problem case.

**A. Potential Use of Information**

Although the potential use of information for legal action cannot be denied, do not voluntarily discuss any possible legal action, as it will discourage a candid discussion. If the insured is prepared to make a statement, it should be submitted in the insured's own handwriting, if possible, and signed and dated by the insured. Do not assist the insured with the contents or wording of the statement. It does not have to be grammatically correct. If you prepare a statement, have the insured dictate it word for word to you. The insured should read it and agree to its contents by signing and dating the statement. If a minor error is made in the body, it should be corrected and then initialed by the insured. This is very

**A. Potential Use of Information (continued)**

strong evidence that the statement was read and understood. It is also helpful if the statement explains its purpose, but not in a manner to exclude other uses the statement may have.

**B. Use of Photography or Videoing**

(1) It is often helpful on a farm review to have a camera available, in particular a GPS camera that can document on the photograph the exact GPS land location where the photo was taken. Certain conditions detected during reviews may be substantiated and documented very clearly in color photographs. Use of color photographs in reports is encouraged. (In some cases the use of video filming can be even more precise and advantageous for documentation purposes.) Photographs or video filming of neighboring fields of the same crop, type, variety, grown on same soil type, etc., should be used as comparison. Their use can:

(a) Reduce the volume of writing necessary to explain certain situations.
(b) Substantiate crop conditions, field or stubble conditions, and hidden production.
(c) Reduce very complex situations to easily understood images.
(d) Increase comprehension of the report.
(e) Document the exact date, time and GPS location of the field depicted in the photo.

(2) Take photographs or video in a straightforward, open manner to avoid giving the appearance of being secretive or suspicious. There may be occasions when resentment or disapproval of the use of photographs or videos is expressed. In such cases, contact your next level of supervision for a decision on whether to proceed with the photographs or videos.

(3) Document photographs and video using a log to show the following pertinent information (also narrate on videotape): Date/time taken, the location where taken (legal description, GPS location, etc.) and by whom, the subject matter depicted, direction of view, contract and unit number, etc. The log should be initiated at the time the photograph or video are taken, and the photo, and the photo number should correspond with the print number. PHOTOGRAPHS AND VIDEOS SHOULD ALWAYS DEPICT A REFERENCE of the nearest identifiable intersection (document estimated distance to subject field), an integrity picture of the entire field or concerned area, and then close-up photographs (video) identifying the condition. Reference and integrity photographs should always include permanent landmarks when possible. If any individual appears in photographs, identify each individual. Make every attempt to include the insured (or representative) in the photograph, in the field.

**C. Insured Deception or Misrepresentation.** On occasion, an insured will attempt to misinform the AIP with respect to insurability or losses. The purpose of the misinformation is usually to qualify for or enhance an indemnity payment; however, there have been situations in which the insured deceives the AIP in order to be consistent with an erroneous position taken with another agency. A search must be made to discover the facts upon which the AIP should act.

**D. Evidence Admissible and Not Admissible.** An AIP employee or a loss adjustment contractor (adjuster) is NOT a law enforcement agent. In the ordinary course of duty, a statement or fact obtained by an AIP employee or adjuster may be admissible in a court of law. The same statement or fact obtained by law enforcement officials may be admissible only if prescribed procedures are followed. This distinction is based on the purpose of the inquiry. As long as reviews are conducted for the sole purpose of obtaining information necessary for the contractual operation of the insurance program, the information obtained is not considered an illegal search or seizure.

**E. Purpose of Farm Visit.** In actuality, questionable claims may be investigated when there is some indication that legal action may occur. This is still a legitimate function as long as the information is intended for AIP use. Consideration must not be given as to the eventual evidentiary value of the information. If it is discovered upon cross examination that a particular farm visit was for the purpose of obtaining evidence for criminal or civil prosecution, that visit could be considered to have a law enforcement purpose. The absence of prescribed law enforcement procedures would render the information inadmissible.

**F. Promises to Insured for Cooperation.** It should be kept in mind that any promises made to an insured for cooperation may render the information inadmissible, and possibly impose civil liability on the person(s) who made such an offer. Any evidence, no matter how small, indicating that the information supplied by the insured was in consideration of a waiver of civil or criminal charges can void a successful prosecution or, at the least, devalue the evidentiary weight of such evidence.

## 274. Controversial Claim Procedure

If the insured will not agree with the adjustment data, refer the case to the AIP. The AIP representative and the adjuster will review the case with the insured and make every effort to resolve it.

If an agreement cannot be reached with the insured, AIPs may follow the procedure in A and B below or may use a MPCI Non-Waiver Agreement. If a MPCI Non-Waiver Agreement is used, follow the instructions provided by the AIP for completing this form, and follow the documentation procedures in C below. However, if neither the procedures in subparagraph A and B or a MPCI Non-Waiver Agreement is not used, the AIP still must use the procedures for documenting the controversial situation as stated in subparagraph C below.

**A. Prepare Two Claims**

(1) One claim showing the data submitted by the insured, signed only by the insured. (The insured should be provided a copy of the claim and any appraisal worksheets or other documents signed by the insured at the time of this inspection.)

(2) The other claim showing the data determined and the date signed by the AIP representative(s).

**B. Submission of Claims.** Submit both sets of the claims to the person or office designated by your AIP along with complete documentation. Refer to C below.

**C. Documentation.** To the extent possible, the documentation will include the following:

(1) Interviews with the insured, the insured's employees, neighbors, and other persons recommended by the insured as having knowledge of the facts in the case, and additional individuals the insurance-provider-representative determines to have information relevant to the case. The insurance-provider-representative conducting the interview should be accompanied by another individual represented by the AIP.

(2) Signed statements by the insured and other persons interviewed. The insured should personally prepare a detailed Special Report to document the points of disagreement in support of the claim as submitted.

(3) Field Observations

(a) Appraisals of potential production and uninsured cause(s) of loss in the insured field(s) and neighboring fields. Make appraisals explicit as to potential production and uninsured causes i.e., "16-bushel-per-acre potential, 86 weed plants in 36-square-foot area." Any neighboring field used for comparison purposes should be of similar soil type, farmed with similar cultural practices, and planted to the same crop as the insured field.

(b) Properly documented photographs showing the damaged crop and identifiable landmarks of both insured and neighboring fields documenting damage.

(4) Production data

(a) Harvested production data from insured field(s).
(b) Harvested production data from neighboring field(s).
(c) Photographs, if pertinent to the case.

(5) Signed statements by AIP representatives involved in the case. Do not include any evidence, insinuations or opinions which do not have complete supporting facts in the statements, nor references to the insured's personal habits or traits. Prepare the statements in a manner that will lead the reader to a logical conclusion based upon the facts presented.

**275-280** (Reserved)

# SECTION 2 UNUSUAL/CONTROVERSIAL CASES

## 281. Controversial Claim: Uninsured Causes of Loss

### A. General Information

The contract provides protection only against unavoidable loss of production due to the named insured causes that occur during the insurance period. It is specific as to what causes of loss are insured against; therefore, all other causes of loss are not insured. Moreover, any loss from the cause(s) named is not insured if it was avoidable. For example, loss due to failure of the insured to take adequate measures to control insects, plant disease, or weeds when such measures are practical and have proven effective in the area is AVOIDABLE and is an UNINSURED cause of loss. However, if the insured carried out recognized and accepted measures to control insects or plant disease (if provided as insured causes) or weeds, these causes are considered UNAVOIDABLE INSURED CAUSES. Although weeds are not a stated insured cause, the FCIC will consider damage caused by them as insured IF recognized and accepted control measures were used, and if adverse weather directly caused the control measures to be less effective.

### B. Uninsured causes of loss may be determined at the time of:

(1) Preliminary inspections.

(2) Final inspections.

(3) Quality assurance reviews.

(4) Farm visits made to obtain an original acreage report, to revise an acreage report, or to complete a growing season inspection.

(5) Making appraisals for APH record-keeping purposes.

(6) Driving by an insured farm on other assignments. Such observations will be documented on a Special Report and provided to the insured, putting the insured on notice that the AIP is aware of the damage by livestock, herbicide drift, etc.

### C. The named uninsured causes of loss can be found in the BP, individual CP, and actuarial documents.

Causes of loss not listed as an insured peril, or that are not due to a naturally occurring event are also considered uninsured causes of loss. For example, theft of a crop is an uninsured cause of loss. Also, refer to Para. 193 for list of uninsured causes of loss that are specified in the BP.

### D. Included in Total Production to Count

Most policy provisions require that total production to count include all of the following:

(1) An appraisal for potential production lost due to uninsured causes. (Uninsured cause appraisals are not included in APH determinations.)

**D. Included in Total Production to Count (continued)**

(2) An appraisal of

- not less than the per-acre guarantee (per-acre dollar amount of insurance for dollar crops) or

- not less than the amount of production that when multiplied by the harvest price equals the revenue protection guarantee per acre for crops under revenue protection, for any acreage:

(a) Abandoned,
(b) put to another use without the AIP's prior written consent,
(c) damaged solely by an uninsured cause, and
(d) for some crops, for which the insured failed to provide records of production that are acceptable to the AIP.

See examples below for crops under revenue protection:

Examples for determining the amount of production to count (PTC) for crops under revenue protection

Acres = 50
Production guarantee per acre = 115 bushels
Production to count (PTC) always valued at Harvest Price

1. Projected price ($3) greater than Harvest price ($2)

   50 x 115 x $3 = $17,250 revenue protection guarantee
   $17,250 ÷ $2 = 8,625 bushels PTC

2. Projected price ($3) less than Harvest Price ($4)

   50 x 115 x $4 = $23,000 revenue protection guarantee
   $23,000 ÷ $4 = 5,750 bushels PTC

With Harvest Price Exclusion

50 x 115 x $3 = $17,250 revenue protection guarantee
$17,250 ÷ $4 = 4,312.5 bushels PTC

**D. Included in Total Production to Count (continued)**

(3) Some CP may also require notification to the AIP when the crop will be direct marketed and failure to provide such notification may result in at least an appraisal of the per-acre guarantee or per-acre dollar amount of insurance.

**E. Contained Water**

In accordance with the BP, flooding from water contained by any governmental, public, or private dam or reservoir project is an uninsurable cause of loss. When flooding has occurred, if the elevation of the contained water (e.g. subject reservoir), as measured by the Corps of Engineers or other public source, exceeds the elevation of the insured acreage at the time of loss, the flooding will be considered to have been caused by the contained water (uninsured cause) unless the insured can prove otherwise. Refer toPara. 193 A (6) for more information, including details on verification and documentation.

**F. Chemicals.** Any loss of marketability of crops due to misapplication of chemicals or application of chemicals which are controversial, withdrawn from sale, etc., IS NOT INSURED under the insurance contract unless provided specifically as a condition of the contract.

**G. Loss Due Solely to Uninsured Causes**

The AIP cannot indemnify an insured when all of the loss is due solely to uninsured cause(s). In such cases, the appraisal must not be less than the production guarantee or amount of insurance. When the appraisal is more than the production guarantee, use the actual appraisal.

**H. Determining the Amount of Loss Due to Uninsured Cause(s):**

(1) Use a visual inspection of production on same or similar crop(s) on other farms in the area, to identify the possible presence of an uninsured cause of loss, and if needed, compare productivity and yields of surrounding farms. Refer to paragraphs L and M.

(2) Verify the cause(s) of loss (e.g. apparent loss may be poor weed control; however, the damage may have been indirectly caused by insufficient rainfall to activate a properly applied herbicide).

(3) Determine and document on separate appraisal worksheets, the amount of damage attributed to uninsured and insured causes of damage. Such determinations may be based on (a) and/or (b):

**H. Determining the Amount of Loss Due to Uninsured Cause(s): (continued)**

(a) Agricultural expert's published materials or written opinion as to the yield loss attributable to the insurable and uninsurable cause(s) of loss; or

(b) Comparison of productivity and yields of surrounding farms. The suggested comparison processes are found in subparagraphs L and M below.

(4) If an uninsured cause(s) of loss has been identified (such as: failure to apply adequate fertilizer, herbicide, fungicide, etc.), it should be supported by agricultural publications, fact sheets, chemical labels, other research, or agricultural experts written opinion.

(5) Conduct a separate appraisal for any potential production remaining. Discuss appraisals with insured. Retain all appraisals as part of the claim file.

(6) Ask the insured to document his/her efforts to prevent or control the situation (chemical used and/or methods followed, etc.) Record the number of applications and dates they were applied, supported by receipts or other verifiable third party records. Obtain copies of all supporting documents and retain as part of the claim file.

(7) Obtain and retain agricultural expert's written or published materials and/or recommendations on production methods to prevent, control, mitigate or manage the crop given the agronomic situation of the producer, including weather conditions, disease, pest risks, etc. to further support uninsured cause determinations.

(8) Photograph the evidence of the crop in question and surrounding farms, with identifying landmarks in each photograph.

(9) Aerial photographs, satellite imagery, soil maps, and/or topography maps (used as a basis to determine crop productivity potential) may also be used to support the determinations of uninsured causes and, if used, are to be retained as part of the claim file. For example, satellite imagery (and digital aerial photographs, highway, map, etc.) with Arc map may be used to develop a real time 3 dimensional image of the farm as it would have appeared prior to the uninsured cause of loss.

**I. In every case, establish whether the damage or loss is due:**

(1) Solely to one or more unavoidable insured causes(s).
(2) To both unavoidable insured cause(s) and uninsured cause(s).
(3) Solely to one or more uninsured causes, (including avoidable insured causes).

**J. Contacting the AIP.** If during the initial inspection it is determined that the loss adjustment will involve uninsured cause(s) of loss: (1) immediately contact the AIP and advise them of the situation, and (2) request assistance with the adjustment. Circumstances may warrant that an AIP claim's supervisor accompany the adjuster.

**K. Failure To Follow Good Farming Practices**

The contract does not cover any loss that is due to the insured's failure to follow recognized good farming practices (also refer to Para. 304 for good farming practice determinations). Such farming practices vary by crops and by areas. Some of the more common uninsured causes of loss due to failure to follow recognized good farming practices are:

(1) Failure to plant the recommended quantity of seed or transplants.

(2) Improper seedbed preparation.

(3) Failure to properly plant, care for, or harvest the insured crop.

(4) Failure to timely or properly apply the amounts of fertilizer for the crop and soil needs, as recommended by agricultural experts.

(5) Failure to timely or properly apply control measures recommended by agricultural experts for the control of insects, plant diseases or weeds.

(6) Failure to apply adequate water under an irrigated practice, failure to timely apply irrigation water, and/or failure to apply the recommended quality of irrigation water.

(7) Interplanting another crop (except winter legumes) into a growing insured cotton crop or other insured crop for which the policy provisions do not provide coverage to do so.

(8) The use of chemicals resulting in damage to the insured crop.

(9) Adherence to land lease restrictions (e.g., Leases for land owned by the State used primarily for wildlife conservation purposes which restrict the use of certain chemicals, restricts access to the land, etc.) result in failure to follow the recognized good farming practices for the insured crop(s) and area.

**L. Use of Comparable Acreage to Determine Uninsured and/or Insured Cause(s) of Loss**

(1) When insured cause(s) of loss are present in the area, the yield potential of the crop, prior to the occurrence of any uninsured cause(s), must be determined if possible.

**L. Use of Comparable Acreage to Determine Uninsured and/or Insured Cause(s) of Loss (continued)**

(2) Yield potential of the crop prior to the occurrence of any uninsured cause is determined with the use of comparable[1/] acreage as the basis for determining the per-acre yield due to uninsured cause(s) of loss.

(a) If the insured has comparable acreage, this acreage should be used to determine the per-acre yield basis for uninsured cause(s) of loss. The per-acre yield difference between the comparable acreage and the acreage with damage from an uninsured cause(s) is the per-acre uninsured cause appraisal.

(b) When comparable acreage is not available on the insured's farming operation, refer to subparagraph M.

(c) When comparable acreage is not available on the insured's farm or other producer's farming operations in the area, refer to subparagraph M (2).

(3) Appraisals for uninsured cause(s) must always be discussed and the impact on the loss explained to the insured. Always include full information in the report as to the uninsured cause(s) of loss and the basis used for determining the amount of production lost by such causes.

**M. Using Other Farms to Determine Production Lost Due to Uninsured Cause(s)**

Give proper consideration to what other producers, who did not have uninsured causes of loss present, produced in the area. For crops which require cultivation or other care during the growing period, it is not unusual for an insured to allege that because of some insured cause, such as excessive rain, it was not possible to care for the crop in a proper manner. While this may be true, consider what other producers in the surrounding area accomplished under similar conditions. The following formula may be used to determine yields to use for an uninsured cause(s) of loss.

(1) When comparable acreage is not available on the insured's operation, but is available on those of other producers in the area, try to get permission to appraise the other producers' fields to use as a comparison.

1/ Comparable acreage is acreage on the insured's farm or on another farm in the area that is planted to the same crop following the same farming practices, management practices, similar planting dates, etc., and that has not been damaged by uninsured cause(s) of loss.

**M. Using Other Farms to Determine Production Lost Due to Uninsured Cause(s) (continued)**

For example: The insured's acreage, which has been damaged by uninsured causes of loss. appraised at 60.0 bushels per-acre. You obtain permission to appraise the fields of two neighboring producers who have comparable acreage (comparable as described in subparagraph L (2) above) that has NOT been damaged by uninsured cause(s) of loss. The appraisals are as follows:

Producer No. 1: Field appraisals indicate 105.0 bushels per acre.

Producer No. 2: Field appraisals indicate 99.0 bushels per acre.
The average yield produced in the area would be 102.0 bushels per acre, as determined from the average of producer 1's and 2's appraisals. (105.0 + 99.0 ÷ 2 =102.0). Use the insured's 60.0 bushel per-acre appraisal compared against the 102.0 bushel average area yield as a basis to determine the per-acre amount of production the insured lost due to uninsured causes. (e.g., 102.0 bushels – 60.0 bushels = 42.0 bushels for uninsured cause appraisal).

(2) When comparable acreage is not available on the insured's farm or other producers' farming operations in the area, the following may be used as a method to determine a yield to use for uninsured cause(s):

For example:

Insureds' approved APH Yield: 90.0 bushels
Producer No. 1: APH yield: 85.0 bushels
Producer No. 2: APH yield: 83.0 bushels
Total of 258.0 bushels ÷ 3 = 86.0 bushel average estimated yield.

Deduct any per-acre potential production lost in the area due to insured causes of loss from the average estimated yield. For example, it is determined that due to an insured cause of loss an average of 20.0 bushels per acre has occurred in the area.

Under normal conditions the AIP estimates the crop will produce 86.0 bushels per acre in the area (based on an average of the yields located on 3 farms of similar productivity in the area). However, because there is also an insured cause of loss of 20.0 bushels per acre, it must be deducted from the 86.0 bushels resulting in an estimated yield of 66.0 bushels per acre without uninsured causes.

The appraisal completed on the insured's damaged acreage with the uninsured cause of loss was 27.5 bushels per acre. The difference between the estimated yield for the area and the appraisal of the acreage with the uninsured cause of loss would be used as the per-acre uninsured cause of loss appraisal:

**M. Using Other Farms to Determine Production Lost Due to Uninsured Cause(s) (continued)**

66.0 bu. (estimated yield for area) minus
−27.5 bu. (appraisal of insured's damaged acreage with uninsured causes)
= 38.5 bu. uninsured cause of loss appraisal.

**N. Judgment**

Judgment is extremely important for establishing production lost due to uninsurable cause(s). A working knowledge of cultural practices and technical aspects of growing the crop in the area as well as scientifically sound research and publications from agricultural experts is essential. Refer to the definition of agricultural experts in Exhibit 2.

**O. Documentation**

Document on a Special Report the circumstances involved, bearing in mind that any individual reviewing the claim generally knows nothing about the circumstance beyond the information conveyed on a Special Report. The documentation should also include what method in subparagraph L or M was used to determine the yield potential of the crop before any uninsured cause(s). Retain copies in the insured's file folder of all documentation and records that support the determination of failure to follow good farming practices or the presence of uninsured causes of damage.

**P. Insured's or Insured's Authorized Representative's Presence During Appraisals**

If at all possible, the insured or the authorized representative should be present for appraisals involving uninsured cause(s) of loss. All aspects of the appraisal must be thoroughly discussed and explained to the insured. Mutual agreement is imperative if the insured is to be expected to sign the claim for indemnity and Special Report.

**Q. Other Causes of Loss Not Insured Against:**

(1) Damage caused by water contained by any governmental, public, or private dam or reservoir project. Refer to subparagraph D above for more information.

(2) Chemical damage as listed in subparagraph R (2) below.

(3) Quarantine (e.g., Karnal Bunt in wheat or Plum Pox Virus in Peaches), unless the CP or SP insure loss of production (or trees) due to required destruction of the crop under a State or Federal quarantine.

**Q. Other Causes of Loss Not Insured Against (continued)**

(4) Any cause not specified as an insured cause in the crop policy or endorsement as limited by the County Actuarial Documents.

(5) For policies listing fire as an insured peril: Fire when ignition source of the fire was not due to a natural cause or natural disaster. Refer to FAD-35, dated September 3, 2004.

(6) Inability to obtain labor, seed, machinery, repairs or pesticides.

(7) Breakdown of machinery or failure of equipment due to mechanical defects.

(8) Damage by domestic animals or poultry.

(9) Neglect by the insured or by any person in the insured's household connected with the farming operation.

(10) Theft of crop.

**R. Partial Investigating Guide**

Use the following to help detect any failure to follow recognized good farming practices (uninsured cause(s) of loss).

(1) Livestock damage as indicated by tracks in the field, leaves stripped from stem or stalk, stem or stalk severed, grain head absent, or ears separated from the stalk. Percent of damage due to missing heads or ears can be determined as follows:

(a) Count missing heads or severed ear shanks and remaining heads or ears from a sample of 100 consecutive stalks.

(b) Divide the number of missing heads or ears by the determined original number of heads or ears to obtain the percent of damage.

(c) Divide the field into subfields if damage is limited to a specific area(s) or if damage is not uniform.

(2) Chemical damage caused by:

(a) Use of improper chemical;
(b) Residual (toxic) effect of chemicals used in the previous crop year(s) as a result of not following the label specifications and restrictions when the chemical was applied;

**R. Partial Investigating Guide (continued)**

(c) Improper application (rates, methods, timeliness, label restrictions, etc.); and/or

(d) Chemical drift from spraying of adjoining field(s). This can be identified by an irregular pattern of damage showing leaf droppage or wilted, stunted, pale colored, dying, or dead plants.

(3) Failure to follow recognized good farming practices adapted to the area, which have been successfully carried out by other producers in the area, following recommendations of agricultural experts as defined in Exhibit 2. Some of these are:

(a) Seeding method, variety, timeliness, depth, and rate.
(b) Fertilization timing and rates.
(c) Row spacing.
(d) Cultivation timing and depth.
(e) Chemical application (application rate, appropriateness, method, and timeliness).
(f) Seed treatment and germination potential (not use of old or damaged seed).
(g) Irrigation rates, number of times irrigated, and time of irrigation for the soil type, crop, climatic conditions, and irrigation equipment.

## 282. Claims for Indemnity Involving Suspected Concealment or Misrepresentation

If concealment or misrepresentation is suspected, do the following:

**A. Inspection/Documentation**

(1) If the inspection is a result of the insured's notice of loss, make all field verifications and/or determinations necessary to complete a final inspection, but advise the insured that further assistance will be needed before the claim can be finalized. Record information from the field inspection on appropriate appraisal forms (if applicable) and any other necessary worksheets needed to complete a final inspection. The information from the field inspection may be recorded on a claim form or MPCI Non-Waiver Agreement, whichever the AIP prefers to use for this type of case. If a claim form is used, the adjuster and the insured will NOT sign the claim form at this time.

(2) A copy of any form signed by insured and adjuster at this time should be provided to the insured (e.g., appraisal worksheets, MPCI Non-Waiver Agreement, etc., PRIOR to signatures, review all data with the insured.

(3) If the inspection is a Growing Season Inspection or Pre-harvest Inspection, record the information as described in the Para.'s 180 and 181.

**B. AIP's Review of Case.** The AIP will review all forms and documentation completed as a result of the field inspection and will provide any further assistance necessary for additional follow-up. After final evaluation of the case, the AIP will handle in accordance with the instructions in Appendix IV of the Standard Reinsurance Agreement for reporting suspected misrepresentation, fraud, waste, and abuse.

**283-290** (Reserved)

# SECTION 3 SPECIAL CLAIMS PROCEDURES

## 291. Third Party Cause of Loss

### A. General Information

The insurance contract does not cover loss from any cause which is due to neglect or wrongdoing of the insured, any member of the insured's household, tenants, sharecroppers, employees, nor uninsured damage caused by a third party.

### B. If Part of a Loss is Due to Actions of a Third Party Not Connected with the Insured

Inform the insured that any claim settlement made under this policy will be limited to the insured amount of damage and it is the insured's responsibility to file any claim for the uninsured portion against any third party.

## 292. Mediation, Arbitration, and Judicial Reviews of AIP Determinations

*** Refer to PART 3, Paragraphs 301 – 304 of the CIH for further information.

## 293. Claims Involving Fire Damage

### A. General Information

(1) Fire damage must be due to an insurable cause of loss. To be an insurable cause, the fire must be due to a naturally occurring event.

(2) The insured must report and document the cause of loss. The AIP must determine whether the loss is insurable. If the AIP determines the cause of loss is insurable, damage due to the fire is covered.

(3) When the AIP verifies the insured's documentation of the fire, the AIP must verify that the documentation establishes the ignition source of the fire was due to a natural cause or natural disaster (refer to FAD-35, dated 9/3/2004 and FAD-60, dated November 1, 2006), and whether the fire damaged or destroyed the insured crop WITHIN THE INSURANCE PERIOD.

(4) Any damage resulting from fire when the insured cannot establish that the ignition source of the fire was due to a natural cause or natural disaster is uninsurable.

(5) Tobacco Fire Damage in the Barn.

(a) General Information.

Fire, flue or air-cured tobacco are recognized cultural practices used to cure tobacco.

**A. General Information (continued)**

(i) Fire cured tobacco is cured with the use of man-made controlled smoldering hardwood fires built on the barn floor. However, even with good management practices, an unavoidable naturally occurring insured peril (e.g., hurricane, tornado, or other abnormally excessive winds) can cause the smoldering fires to uncontrollably ignite unintended areas of the barn (e.g., timbers) that quickly spreads and damages or destroys the tobacco in the barn.

(ii) Flue cured tobacco is cured in a closed building with furnace driven heat directed from flues or pipes that extend from a furnace into the barn. Lightening is an example of a naturally occurring insured peril that could cause a barn fire that could result in fire-damage to the tobacco. However, fire-damage due to a malfunctioning furnace is NOT covered, unless the malfunction is directly due to an unavoidable naturally occurring event.

(iii) Air-cured tobacco is cured hanging from rafters in the barn with sides that open to allow air to freely circulate to cure the tobacco leaves. This curing process is the longest and most natural. However, for dark-air cured tobacco, when the air is very humid (i.e., during the night), producers may have to heat the barn with smokeless gas burners (pods) to avoid tobacco rot and to accelerate the curing process. Lightening or excessive winds are examples of naturally occurring insured perils that could cause a barn fire to unavoidably spread and damage or destroy the tobacco in the barn.

(b) Consistent with FAD-080, in the case of tobacco, (and specifically including fire cured tobacco) fire damage to the curing tobacco can be covered IF the insured can establish, with verifiable documentation, that the fire igniting the curing tobacco WAS caused:

(i) By a naturally occurring unavoidable insured peril, and
(ii) In no way was due to negligence, mismanagement or wrongdoing by the insured or member of the insured's family or household, insured's tenants, or employees.

(c) Verifiable documentation includes, but is not limited to, the following:

Verifiable documentation must include at a minimum, item (i) and item (ii) or (iii):

**A. General Information (continued)**

(i) Local weather information collected by sources whose business it is to record and study the weather including but not limited to local weather reporting stations of the National Weather Service or documented local news reports, newspapers, television news reports, etc. that clearly establishes there was a hurricane, tornado, abnormally excessive winds, earthquake, or other naturally occurring insured peril in the area;

(ii) If applicable, a report from Property and Casualty Insurance Company who paid the fire claim on the barn stating there was no arson or malfeasance on the insured's part; and/or

(iii) Reports from the local fire department and/or law enforcement agency indicating the cause of the fire was due to a natural event.

(6) Wildfires that are not due to a naturally occurring event, such as lightning, are not insurable. Therefore, wildfires started by arson, burning of trash, third parties, or undetermined causes are not insurable causes of loss. However, in accordance with FAD-080, "This does not mean that losses as a result of fires that started as arson, or other man-made causes can never be covered. It is possible that fire experts may be able to establish that an arson or other man-made fire can eventually become a natural disaster because naturally occurring events, such as excessive wind or drought conditions, may cause the fire to spread much farther than it would without such naturally occurring events. If the fire experts determine that at some geographical point, a fire started by arson can be considered a naturally occurring fire, then those losses in the area where the expert has determined the ignition source of the fire is considered naturally occurring would be covered. However, those losses in the area where the ignition source of the fire remains attributable to arson or other man-made causes cannot be covered." If the fire is a naturally occurring fire, insured crop acres required to be destroyed (e.g., plow to create fire break) by state or local authorities who's responsibility involves fighting fires to prevent the fire from spreading even further will be considered damaged due to insurable causes of loss. Attach to the claim form verifiable documentation for insurable causes and, if applicable, uninsurable causes.

(7) When the AIP establishes to their satisfaction that the fire damage to the insured crop was from a naturally occurring event that took place within the insurance period, the adjuster must establish whether or not the insured has other fire insurance ON THE CROP IN THE FIELD (on the tobacco in the barn if tobacco is in the barn); and whether fire has been excluded from the FCI policy.

(8) The following subparagraphs provide instructions on how to handle when there is:

(a) other fire coverage and fire coverage from the FCI policy has not been excluded (double fire coverage),

**A. General Information (continued)**

(b) other fire coverage but fire coverage has been excluded from the FCI policy, and
(c) no other fire coverage.

**B. No Other Fire Insurance**

If the insured does NOT have other fire insurance, prepare a claim and state in the narrative that there is no other insurance. The claim is worked on a unit basis. When only a portion of the unit acreage is destroyed by fire and the harvested/appraised production exceeds the unit guarantee, ALL OF THE FOLLOWING INSTRUCTIONS MAY BE DISREGARDED.

**C. Other Fire Insurance but Hail and Fire Excluded**

If there is other fire insurance and hail and fire coverage has been excluded from the FCI policy, follow the instructions given in Para. 38.

**D. Other Fire Insurance and FCI Policy Fire Coverage (Double-Fire Coverage)**

If the insured has other fire insurance and FCI fire coverage:

(1) The AIP will be liable only for loss due to fire for the smaller of, the amount:

(a) of indemnity computed, or
(b) by which the loss from fire exceeds the indemnity paid or payable under the other insurance. The amount of loss from fire is the difference between the total value of the production of the insured crop on the unit involved BEFORE and AFTER the fire.

(2) Determining Total Value Per Acre Before and After the Loss

(a) For crops for which revenue protection is NOT available and if the insured has an:

(i) Approved yield, the total value of the crop:

(A) Before the loss is the insured's approved yield times the highest price election for the crop; and

(B) After the loss is the insured's production to count times the highest price election for the crop; or

**D. Other Fire Insurance and FCI Policy Fire Coverage (Double-Fire Coverage) (continued)**

(ii) Amount of insurance, the total value of the crop

(A) Before the loss is the highest amount of insurance available for the crop; and

(B) After the loss is the insured's production to count times the price contained in the CP for valuing production to count.

(b) For crops for which revenue protection IS available and the insured elects:

(i) Yield protection, the total value for the crop:

(A) Before the loss is the insured's approved yield times the applicable projected price (at the 100 percent price level) for the crop; and

(B) After the loss is the insured's production to count times the applicable projected price (at the 100 percent price level) for the crop; or

(ii) Revenue protection, the total value for the crop:

(A) Before the loss is the insured's approved yield times the higher of the applicable projected price or harvest price for the crop (If the insured has elected the harvest price exclusion, the applicable projected price for the crop will be used); and

(B) After the loss is the insured's production to count times the harvest price for the crop.

(3) Prepare documentation on a Special Report in the following manner:

(a) Name and address of other insurance company and the name of their adjuster.
(b) The other insurance policy number.
(c) The applicant's issue date and the termination date of the other policy.
(d) Whether the loss was total or partial (all or part of the unit).
(e) Divide the determined acreage for the unit by the total acreage for all units involved and round the resulting factor to three decimal places.

**D. Other Fire Insurance and FCI Policy Fire Coverage (Double-Fire Coverage) (continued)**

(i) Multiply the amount of fire coverage by this factor.
(ii) The result thus obtained will be used as the amount of fire coverage applicable to the unit.

(f) The amount of indemnity paid or payable to the insured by the other insurer with respect to:

(i) the entire loss, and
(ii) that part of the loss applicable to the unit in question.

(g) The quantity of the crop (expressed in bushels, tons, pounds, etc.) from the unit damaged or destroyed by fire. Include:

(i) The total VALUE per unit of measure (e.g., pounds, bushel, etc.) AND the total value on the date of the fire BEFORE fire damage.

(ii) The total VALUE per unit of measure (e.g., pounds, bushel, etc.) (if any) on the date of the fire AFTER fire damage from the "Value" column in the Harvested Production portion of the claim form.

(h) If the crop from two or more units was damaged or destroyed by the same fire, show the total unit of measure (e.g., pounds, bushel, etc.) and total value and the bushels and total value applicable to the unit for which the loss is being adjusted.

(i) Indicate if an agreement with the other insurance adjuster has been reached as to the quantity and value per unit of production destroyed. If there is disagreement, explain what caused the difference and how the quantity and value of the crop destroyed were determined.

(j) A statement of all known facts as to how the fire originated (including location of the field(s)), and if the fire resulted from the act of any person, the name and address of such person, and the name and address of person(s) having knowledge of the origin of the fire.

(k) Damage from fire is only covered if the fire is the result of an unavoidable naturally occurring event. If it is found that fire was NOT caused by unavoidable naturally occurring event, follow the instructions for uninsured causes of damage.

## 294. Commingled Production

This procedure applies to commingled production in storage structures or conveyances used to transport the harvest production. It also applies to sold production shown on settlement sheets that has not been or cannot be separated by unit.

Production from the landlord's and tenant's share of the crop unit that is stored in the same structure is not considered commingled production. Refer to Para. 212 C.

### A. Different Types of Commingled Production

(1) Harvested production from insured acreage commingled with harvested production from uninsured acreage;

(2) Harvested production from more than one crop year is commingled;

(3) Harvested production from acreage of a reported unit and from acreage of an unreported unit is commingled;

(4) Harvested production from two or more optional units is commingled;

(5) Harvested production from basic units and/or from different policies/counties is commingled; or

(6) Harvested production from different practices/types having separate APH yields within a unit is commingled.

### B. Separated Commingled Production

If the AIP is satisfied the insured has complied with Para. 253 instructions for the method selected by the insured to separate commingled production stored within the same storage structure or within the same truck load (or other conveyance; refer to definition in Exhibit 2), the following procedures do not apply.

### C. Unsatisfactory Records or No Records

This procedure does not apply when there are unacceptable records of multiple entities that have stored their production in the same storage structure with one or more uninsured entities. In this instance, there is no way of applying the following procedures since uninsured producers do not have liability. Therefore, because there were no acceptable records to separate the production, the insureds failed to prove their losses and the indemnities on these units must be denied.

When subparagraph B above does not apply and the insured does not have satisfactory records or no records are available (Satisfactory records would include weighed production as detailed in Para. 252 and records of each weighed load of production sold or commercially stored, identified by unit.), handle as instructed below:

**C. Unsatisfactory Records or No Records (continued)**

(1) Production from insured and uninsured acreage. Prepare the claim to show all production as being from the insured acreage. In the narrative section, explain that the reported production is commingled production from insured and uninsured acreage.

(2) Production from current and prior crop year. Prepare the claim to show all production as being from the current crop year acreage. In the narrative section of the claim explain that the reported production is commingled from current crop year and prior crop year production.

(3) Production from acreage of a reported unit and from acreage of an unreported unit. If it is determined that the unreported unit and the reported units were optional units, then allocate the amount of production from the commingled reported unit and unreported unit in accordance with (5) below.

Once the amount of production for the unreported unit has been determined, follow the procedures for allocating the harvested allocated production from the unreported unit to the reported units, as stated in Para. 295 below.

(4) Production from two or more optional units. If production from two or more separate optional units is commingled, such commingling renders any such unit determination void for the current and succeeding crop year (refer to the CIH). The approved APH yields for each commingled unit are retained for the current crop year and succeeding crop year but will be processed on the acreage report and claim form (Production Worksheet) under the same unit. Any remaining optional units that were not commingled will retain their optional unit structure.

(a) Determine which optional units were commingled. If there were other optional units that were not commingled, combine only the commingled optional units into one optional unit. If ALL optional units were commingled, combine all optional units into applicable basic unit structure(s).

*** (b) The claim form will be prepared with separate lines representing the guarantees, approved yields, and production to count for each of the units commingled.

(c) The CIH outlines the eligibility of commingled optional units for the next crop year.

(d) The revised APH form and revised acreage report must be approved or rejected by the AIP's approving official for these forms.

**C. Unsatisfactory Records or No Records (continued)**

(5) Commingled harvested production from basic units and or from different policies/counties. The total commingled production will be allocated to each basic unit in proportion to the liability (do not include share) for the harvested insured acreage of the commingled units. Prepare separate claims for each basic unit that has been commingled. This may involve more than one policy; e.g., basic units from two different policies (policy for each county or policy for the landlord and tenant). Liability is hereafter called dollar coverage or coverage (cov.).

(a) Use the following formula to allocate production to each commingled basic unit in proportion to the dollar liability for the harvested insured acreage:

(i) For each basic unit, multiply the per-acre dollar coverage for the insured acreage X the number of harvested acres = unit dollar coverage for harvested acres (U Coverage.) (Refer to (b) below for dollar coverage calculation instructions.

(ii) Total the unit coverage's for only harvested acreage from all commingled units to obtain the Total Commingled Unit Coverage (TCU Cov. for only harvested acres from all commingled units).

(iii) Divide the unit coverage's for only the harvested acres by the TCU Cov. for only the harvested acres from all commingled units to obtain the Commingled Production Factor (CPF) (four-place factor).

(iv) For each commingled unit: multiply the total harvested production (insured's and shareholder's share) from all commingled units times the CPF to obtain the apportioned production for each commingled basic unit.

(b) Determine Per-acre Dollar Coverage, as follows:

(i) For APH crops with insurance plan codes 01 and 90: Alfalfa seed, almonds, avocados (FL), barley, buckwheat, canola, corn, cotton (AUP and ELS), cranberries, cultivated wild rice, dry beans, dry peas, flax, forage production, grain sorghum, Hawaii Tropical Fruit (bananas, coffee, papaya), millet, mint, mustard, oats, olives, peaches, peanuts, pistachios, popcorn, potatoes, rice, rye, safflowers, soybeans, sugar beets, sugarcane, sunflowers, processing sweet corn, tobacco (all crop codes), FM tomatoes, canning & processing tomatoes, and wheat:

(A) Approved APH yield X insured's coverage level (if certified seed potatoes with 125% acreage limitation or with the 110T acreage limitation take the preceding result X Yield Conversion Factor.) = Per-acre Guarantee.

**C. Unsatisfactory Records or No Records (continued)**

(B) Per-acre guarantee (X Guarantee Reduction Factor, if acreage late planted) X price election (projected price if applicable) = Per-acre Coverage.

(ii) For APH crops with insurance plan code 90: blueberries, cabbage, AZ citrus fruit, all CA citrus crops (except navel oranges), TX citrus fruit, dry beans, dry peas, figs, grapes, green peas, macadamia nuts, onions, pears, plums, potatoes, processing beans, prunes, stonefruit, table grapes, and walnuts:

(A) Approved Yield X insured's coverage level X Option Historical Packout Factor (X Guarantee Reduction Factor, if acreage late planted) = Per-Acre Guarantee (all listed crops except cabbage and potatoes (certified seed).

(B) For cabbage (except processing) and potatoes (certified seed) with the 125 % acreage limitations: Approved APH Yield X insured's coverage level X Yield Conversion Factor = Per-Acre Guarantee.

(C) Per-acre guarantee X insured's price election = Per-acre Coverage.

(iii) For crops with dollar plan of insurance (plan code 50): Florida citrus, forage seeding, peppers, raisins, fresh market sweet corn, and fresh market tomatoes:

(A) The Reference Maximum Amount from the actuarial documents X the insured's coverage level (X the insured's elected price election factor for Florida Citrus only) = the Per-acre Dollar Amount of Insurance.

(B) Per-acre Dollar Amount of Insurance X price election = Per-acre Coverage.

(iv) For crops with fixed dollar amount of insurance (insurance plan code 51): chile peppers:

(A) Actuarial document dollar amount X Guarantee Reduction Factor = Per-acre Dollar Amount of Insurance

(B) Per-acre Dollar Amount of Insurance = Per-acre Coverage.

(v) For crops with Dollar Amount of Insurance (Insurance plan code 46): California avocados:

**C. Unsatisfactory Records or No Records (continued)**

(A) Farmer Approved Average Revenue X insured's coverage level = Per-acre Dollar amount of Insurance.

(B) Per-acre Dollar Amount of Insurance = Per-acre Coverage.

(vi) For crops with Dollar Amount of Insurance (insurance plan code 41): pecans:

(A) Approved average revenue per acre X insured's elected coverage level = Per-acre Dollar Amount of Insurance.

(B) Per-acre Dollar Amount of Insurance = Per-acre Coverage.

(vii) For crops with Yield Base Dollar Amount of Insurance (insurance plan code 55): hybrid seed corn and hybrid seed sorghum:

(A) County Yield from FCI-35 X insured coverage level – minimum payment (in bushels) = Yield.

(B) Yield X insured's elected price election (if late planted, X Guarantee Reduction Factor due to late planting) = Dollar per-acre Guarantee.

(C) Dollar per-acre Guarantee = Per-acre Coverage.

(viii) For crops with ARPI (insurance plan code 04,05,and 06)

(A) Must be ≥ 60% of the Maximum Protection per Acre and ≤ 100% of the Maximum Protection per Acre = Dollar Per-Acre Guarantee.

(B) Dollar Per-Acre Guarantee = Per-acre Coverage.

(ix) For crops with Actual Revenue History (insurance plan code 47): citrus (navel oranges), cherries, and strawberries:

The approved revenue X expected revenue factor = Value per Acre X coverage level X the payment factor = Amount of Insurance Per acre (Guarantee).

(x) For APH crops with Revenue Protection with Harvest Price (insurance plan code 02): barley, canola/rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat:

**C. Unsatisfactory Records or No Records (continued)**

(A) Approved APH Yield X insured's coverage level (X Guarantee Reduction Factor if acreage late planted) = Per-acre Guarantee.

(B) Per-acre Guarantee X higher of insured's projected price or harvest price) = Per-acre Coverage

(xi) For APH crops with Revenue Protection with Harvest Price Exclusion (insurance plan code 03): barley, canola/rapeseed, corn, cotton, grain sorghum, rice, soybeans, sunflowers, and wheat:

(A) Approved APH Yield X insured's coverage level (X Guarantee Reduction Factor if acreage late planted) = Per-acre Guarantee.

(B) Per-acre Guarantee X insured's projected price = Per-acre Coverage

**Example of commingled production from three basic units from different policies:**

Step 1: Unit 0001-0001BU: 10.0 harvested acres X 69.0 bu. (harvest guarantee) X $2.00 (PE) = $1380 (Line Cov.)

15.0 harvested acres X 78.0 (harvest Guar.) X $2.00 (PE) = $2340. (Line Cov.)

$1380 (Line Cov.) + $2340 (Line Cov.) = $3720 (U Cov. for only the harvested acres in the unit)

Unit 0001-0002BU: 20.0 acres harvested X 104.0 bu. (harvest Guar.) X $2.00 (PE) = $4160 (U Cov. for only the harvested acres in the unit)

Unit 0001-0003BU: 25.0 harvested acres X 96.0 bu. (harvest Guar.) = X $2.00 (PE) = $4800 (U Cov. for only the harvested acres in the unit)

Step 2: $3720 (0001-0001BU U Cov.) + $4160 (0001-0002BU U Cov.) + $4800 (0001-0003 BU U Cov.) = $12,680 (TCU Cov. for only the harvested acres from all commingled units.)

Step 3: Unit 0001-0001BU: $3720 (U Cov. for only the harvested acres in the unit) ÷ $12,680 (TCU Cov. for only the harvested acres from all commingled units) = .2934 (CPF)

**C. Unsatisfactory Records or No Records (continued)**

Unit 0001-0002BU: $4160 (U Cov. for only the harvested acres in the unit) ÷ $12,680 (TCU Cov. for only the harvested acres from all commingled units) = .3281 (CPF)

Unit 0001-0003BU: $4800 (U Cov. for only the harvested acres in the unit) ÷ $12,680 (TCU Cov. for only the harvested acres from all commingled units) = .3785 (CPF)

Step 4: Unit 0001-0001BU: 5000.0 bu. (TOTAL of only harvested Prod. from all commingled units) X .2934 (CPF)
= 1467.0 bu. to be allocated to unit 0001-0001BU.

Unit 0001-0002BU: 5000.0 bu. (TOTAL of only harvested Prod. from all commingled units) X .3281 (CPF)
= 1640.5 bu. to be allocated to unit 0001-0002BU.

Unit 0001-0003BU: 5000.0 bu. (TOTAL of only harvested Prod. from all commingled units) X .3785 (CPF)
= 1892.5 bu. to be allocated to unit 0001-0003BU.

(c) Completing the Claim Form for Basic Units that Are Commingled:

(i) Enter "Commingled Production" in the heading.

(ii) Prepare Parts I and II in the usual manner, except for farm-stored production; enter the allocated gross production for the unit in the column for gross production.

(iii) Enter the following in the narrative of each commingled unit claim or on a Special Report attached to the claim form:

(A) Total the harvested production from all commingled basic units and the calculations used to arrive at the allocated production for each commingled unit.

(B) Explain the reasons given by the insured for the commingling of production.

(6) **Commingled production from different practices/types having separate APH yields within a unit:** Prorate commingled production which cannot be separated with satisfactory records to each practice/type in proportion to the liability on the harvested acreage for each practice/type. (Separate line entries are required on the claim form in the harvest production part of the claim. (See applicable crop handbook.) **Refer to example below for formula to prorate production in proportion to the unit liability**.

**C. Unsatisfactory Records or No Records (continued)**

(a) **Example**: Unit 0001-0001BU having practices with different APHs

**Step 1**: LINE 1: 10 acres of harvested production (003 dryland practice) X 45.0 bu. (harvest Guar.) = 450.0 bu. (line guarantee (Line Guar.))

LINE 2: 15.0 acres of harvested production (002 irrigated practice) X 80.0 bu. (harvest guarantee) = 1,200.0 bu. (Line Guar.)

**Step 2**: 450.0 bu. (Line 1 Guar.) + 1200.0 bu. (Line 2 Guar.) = 1650.0 bu. unit guarantee (U Guar. for the harvested production from more than one practice having different APHs commingled for the unit)

**Step 3**: 450.0 bu. (Line 1 Guar.) ÷1650.0 bu. (U Guar. for the harvested production from more than one practice having different APHs commingled for the unit) = .2727 Commingled Production (CP) Factor.

1200.0 bu. (Line 2 Guar.) ÷ 1650.0 bu. (U Guar. for the harvested production from more than one practice having different APHs commingled for the unit) = .7273 CP Factor.

**Step 4** 1500.0 bu. (TOTAL the harvested production for practices commingled) X .2727 (Line 1 CP factor) = 409.0 harvested bu. to be allocated for line 1 (003 dryland practice).

1500.0 (TOTAL harvested prod.) X .7273 (Line 2 CP factor) = 1091.0 harvested bu. to be allocated for line 2 (002 irrigated practice).

(b) Completing the Claim Form:

(i) Enter "Commingled Production" in the heading.

(ii) Prepare Parts I and II in the usual manner, except for farm-stored production; enter the allocated gross production for each practices/types on separate lines in Part II of the claim form as instructed in the individual crop handbooks.

(iii) Enter the following in the narrative of each commingled unit claim or on a Special Report attached to the claim form:

(A) Total the harvested production from all commingled practices/types and the calculations used to arrive at the allocated production for each commingled unit.

**C. Unsatisfactory Records or No Records (continued)**

(B) Explain the reasons given by the insured for the commingling of production.

## 295. Unreported Units

### A. General Instructions

(1) If the insured fails to report all units (acreage that could have been established as a separate unit), the insured's share of production from the acreage in the unreported unit will be allocated to the acreage in the REPORTED unit(s) in proportion to the liability (do not include share) on the insured acreage on each reported unit.

(2) If an insured reports zero acres for a unit and it is determined that there are insurable acres, it will be considered to be an unreported unit. If an insured reports uninsured acreage on the acreage report that is determined to have been a unit of insurable acreage, the unreported unit procedure will apply.

(3) No production from unreported units will be allocated to prevented planting acreage or otherwise affect any prevented planting payment. The calculation examples in subparagraph D below show how the production is proportioned to the liability. No premium will be charged for the acreage on the unreported unit (s).

(4) Production from the unreported unit (s) is allocated to reported units of the same crop in the SAME county, unless the "county" definition in the policy/endorsement or a Written Agreement specifies otherwise.

(5) Production from the unreported unit (s) can only be established from harvested and/or appraised production. If no production has been harvested and/or appraised from an unreported insurable unit and this unit is destroyed prior to the adjuster's knowledge of its existence, potential production cannot be assessed for this unreported unit. At the time an unreported unit is discovered, appraise unreported unit acreage any time it is suspected or known that the crop will not be harvested or production will be harvested and stored in such a manner that the production cannot be established at a later date. The appraised production from the unreported unit will be allocated to the reported unit(s).

**B. Inform the Insured**

Advise the insured that production from the unreported unit WILL NOT be counted for APH purposes for the reported unit even though it will be apportioned to it; however, the unreported unit production will be counted for APH purposes for the unreported unit.

**C. When Claim Can Be Finalized**

Claims CANNOT be finalized until the production (preferably harvested rather than appraised) from unreported units is established for allocation.

**D. Calculation Instructions**

Calculate the production from the unreported acreage unit, as follows:

(1) Before calculating production as instructed in (2) or (3) below:

If there is an unreported unit of an insurable type that has a different unit of measure (harvested with that unit of measure) than the reported unit, convert the harvested production from the unreported unit to the unit of measure of the reported unit types. For example: There is an unreported unit of corn silage type (harvested silage production) and reported units of corn grain type (both types insurable in the county). In this case, follow the calculation instructions in the CIH for converting harvested corn silage production unit of measure (tons) to corn grain unit of measure (bushels).

(2) If only one unit is reported, the insured's share of the net production[1/], from the unreported unit divided by the insured's share of the reported unit will be the amount allocated to the reported unit.

[1/] Gross production, adjusted for all applicable adjustments; e.g., moisture, test weight (if farm-stored), FM, and quality if applicable.

**Example**: An unreported unit consisting of 50 acres with 1500.0 bushels of harvested production was found when completing a final loss inspection. It was determined that the insured had a 50 percent share in the unreported unit. The insured's share in the reported unit was 75 percent.

Step 1 - 1500.0 bu. X .500 = 750.0 bu. share of unreported unit.

Step 2 - 750.0 bu. (insured's production share of unreported unit) ÷ .750 (share percent of reported unit) = 1000.0 bu. to be allocated to the reported unit.

**D. Calculation Instructions (continued)**

Although the allocated production to the reported unit was increased in this example, it will be reduced to the correct share of production (750.0 bushels) when the indemnity amount is multiplied by the reported unit share (.750).

(3) If more than one unit was reported, calculate the allocation of production from the unreported unit to each reported unit in proportion to the liability on the insured acreage as follows (liability as stated in A (1) above is called coverage):

(a) For each reported unit, calculate the coverage for the insured acreage (insured acres X per-acre guarantee X price [1/] (P) = Unit Cov.).

[1/] Price is the applicable harvest price, projected price for revenue protection plan, insured's elected percentage of projected price for yield protection plan, insured's elected percentage of amount of insurance or price election, or price adjusted when the CP specify a reduced price for unharvested production.

(b) Total the unit coverage for the insured acreage on all reported units to obtain the contract Cov.

(c) Divide the Unit Cov. by the contract Cov. to obtain the unit Cov. Factor (four-place factor).

(d) Multiply the insured's share of unreported unit (s) production (appraised and harvested) by the Unit Cov. Factor and divide the result by the share on the reported unit to obtain the apportioned unreported production for each reported unit. See example below

.

**Example**: Unreported acreage of 200.0 acres of wheat with 6000.0 bushels of harvested production was found when completing a final loss inspection. It was determined that the insured had a 50% share in this acreage with the harvest price. The insured's share of production to be allocated would be 3000.0 bu. Unit 0001-0001OU had 140.0 insured acres; unit 0001-0002OU had 100.0 insured acres; and unit 0001-0002BU had 200.0 insured acres.

Step 1: Unit 0001-0001OU:140.0 acres X 30.4 bu. guarantee X $2.00 harvest price (P) = $8512 Unit Cov. for unit 0001-0001OU

Unit 0001-0002OU:100.0 acres X 22.2 bu. guarantee X $2.00 harvest price (P) = $4440 Unit Cov. for unit Unit 0001-0002OU

Unit 0001-0002BU:200.0 acres X 24.8 bu. guarantee X $2.00 harvest price (P) = $9920 Unit Cov. for unit 0001-0002BU

**D. Calculation Instructions (continued)**

Step 2: Unit 0001-0001OU Cov. $8512
Unit 0001-0002OU Cov. $4440
Unit 0001-0002BU Cov. + $9920
Contract Cov. $22872

Step 3: $8512 ÷ $22872 = .3722 unit 0001-0001OU Coverage Factor
$4440 ÷ $22872 = .1941 unit 0001-0002OU Coverage Factor
$9920 ÷ $22872 = .4337 unit 0001-0002BU Coverage Factor

Step 4: 3000.0 bu. = insured's share from the unreported unit (6000.0 X .500 = 3000.0)

3000.0 bu. X .3722 = 1116.6 ÷ 1.000 = 1116.6 bu. to be allocated to unit 0001-0001OU

3000.0 bu. X .1941 = 582.3 ÷ 1.000 = 582.3 bu. to be allocated to unit 0001-0002OU

3000.0 bu. X .4337 = 1301.1 ÷ .500 = 2602.2 bu. to be allocated to unit 0001-0002BU

The allocated production for unit 0001-0002BU was increased to 2602.2 because it will be reduced to the correct share of production (1301.1) when the indemnity amount is multiplied by the reported unit share (.500).

**E. Entering Allocated Production from Unreported Unit(s) on the Claim Form**

(1) For Claims Having a Harvested (H) Stage and/or (P) (Destroyed without Consent) Stage:

Enter the apportioned net production on a separate line in the "Bu. Lbs. Cwt. or Tons" column. Identify this line as such by entering the words "Unreported Unit Production" in the "Length" and "Width, Depth, and Deduction" columns. If production is stored on the farm, enter net production in the "Bu. Lbs. Cwt. or Tons" column. Refer to (3) below for documentation requirements.

(2) For Claims Having ONLY an Unharvested (UH) Stage:

In the "Uninsured Causes" column, using only one line, enter a per-acre amount of production (total allocated production ÷ number of acres for the line) that will equal the total allocated production or come as close as possible to the total allocated production without exceeding it when the per-acre amount is multiplied by the acres on that line.

**E. Entering Allocated Production from Unreported Unit(s) on the Claim Form (continued)**

If possible, choose a line that does not have an actual uninsured-cause appraisal in the "Uninsured Causes" column. However, if you must use a line that will have an actual uninsured-cause appraisal in the "Uninsured Causes" column, add the per-acre amount of net production 1/ calculated for the allocated production to the uninsured-cause appraisal. Refer to (5) below for documentation requirements.

**Example**: On the claim form, the line selected to make the entry in the "Uninsured Causes" column showed 50.3 acres in the "Final Acres" column. 743.7 (Total Allocated Production) ÷ 50.3 acres = 14.785 bushels. This would be entered as 14.7 in the "Uninsured Causes" column) rather than 14.8 since 14.8 bushels x 50.3 acres = 744.4 bushels, which would exceed 743.7 bushels (the Total Allocated Production).

(3) Enter the allocated net production in item 71 of the Production Worksheet as instructed in the Claim Form Entries and Completion Procedures for the applicable crop LASH.

(4) Document the following in the narrative of the claim or on a Special Report: (If a Special Report is used, attach a copy to each claim.)

(a) Actual production from the reported and unreported units. Identify the location of the unreported unit by legal description and field I.D. number;

(b) The calculations used to arrive at the production allocated to the reported unit(s); and

(c) If the "Uninsured Causes" column has been used for the unreported-unit production, identify which line was used; e.g., line 2. Also, if any actual uninsured-cause appraisal has been included with the allocated production in the "Uninsured Causes" column, separately identify the amount of each.

## 296. Claims Involving Severe Wildlife Damage,[1/] Insect, Disease, or Weed Infestation

### A. General Information

(1) The first crop year damage resulting from severe wildlife damage[1/], insect, disease, or weed infestations (such as cheat grass) will generally be considered unavoidable if the insured was unaware of the conditions at planting time. However, if:

[1/] Only CPs which mentions control measures for wildlife.

**A. General Information (continued)**

(a) It is determined that the insured was (or should have been) aware of the wildlife presence[1/], insect, disease, or weed infestation at planting time or later but did not follow appropriate recognized good farming practices (e.g., crop rotation or soil treatment practices), or recognized wildlife control measures[1/] that could be effectively used on agricultural acreages, some or all of the loss will be considered an avoidable (uninsured) cause of loss.

(b) A disease resistant variety exists for a disease that agriculture experts in the local area are recommending be planted, and the insured does not plant such a variety, the disease is considered to be an avoidable cause of loss, even in the first year.

(2) Disease is not an insured cause of loss, even when the first crop year damage is considered unavoidable, if the sole loss of production is due to a Federal or State quarantine that required destruction of the diseased crop, unless otherwise stated in the CP or SP. Refer to Para. 281 Q (3).

**B. Inform Insured**

Advise the insured that some or all of the damage due to the same cause in subsequent years on the same acreage will be considered avoidable (uninsured) unless recognized good farming practices or recognized wildlife control measures[1/] have been followed. Suggest that the insured contact the local county extension office to obtain their recommendations for treating and eradicating the infestation, or the state conservation department to determine if there are any recommended control measures for the wildlife on agricultural crop acreage.

**C. Documentation**

Record the details of the case and identify the cause and name of weed, disease, or other pest in the narrative section of the claim or on a Special Report.

**D. Documenting Location of Infested Fields**

Identify the infested field(s) on an aerial photomap and the claim form or on a Special Report.

**E. Appraisal**

Appraise and record loss of production from avoidable causes according to applicable procedure (Refer to Para. 281).

[1/] Only CPs which mentions control measures for wildlife.

## 297. Airplane or Broadcast-seeded Barley, Oats, Rye, or Wheat

### A. General Information

Insurance generally attaches at the time of seeding. The BP provide that the contract will not cover any loss of production due to failure to follow recognized good farming practices.

### B. Protection for Airplane- or Broadcast-Seeded Barley, Canola, Oats, Rye, or Wheat

(1) Some SP for small grain crops state the following: Any fall planted acreage on which seed is spread onto the soil surface by any method (e.g., airplane or otherwise broadcast seeded) and is subsequently mechanically incorporated into the soil, will be insurable ONLY IF the insured requests an inspection for the acreage within 72 hours after the final planting date or within 72 hours after the insured completed incorporating the seed in the late planting period, and the AIP agrees in writing that the acreage has an adequate stand to produce the yield used to determine the insured's production guarantee. No coverage will be provided if an adequate stand is not established within 30 days after the end of the late planting period or within 30 days after the final planting date if no late planting period is applicable. Insurance will attach to such acreage with adequate stand on the date the AIP inspects the acreage.

(2) Subparagraph D below provides instructions for when the insured is prevented from mechanically incorporating the seed due to an insured cause of loss. Mechanical incorporation is required unless excepted by the county actuarial documents.

(3) All other insurability provisions of the contract are met.

This subparagraph is not applicable to an air seeder implement that applies the seed to the soil surface and incorporates it into rows in a single operation. Application of seed with an air seeder implement is considered planted and insurance would attach at that time.

### C. Improperly Prepared Seedbed

Failure to properly prepare the seed bed will be considered failure to follow recognized good farming practices, and when it results in a loss of potential production, it will necessitate an appraisal for uninsured causes on any subsequent claim.

### D. If Seed Not Mechanically Incorporated

If the insured did not mechanically incorporate (and lack of incorporation was not due to an insured cause of loss) the barley, canola, oats, rye, or wheat seed into the soil and mechanical incorporation is not excepted in the county actuarial document, show such acreage in the "Remarks" section of the acreage report as uninsured. If the original acreage report showed such acreage as insurable acreage, prepare a revised acreage report to delete such acreage.

## A. General Guidance

(1) In some geographical areas, emergency tillage to control wind erosion in order to conserve the soil and minimize further damage to planted crops is a recognized good farming practice. Such emergency tillage usually begins in strips, but under extreme conditions may progress to the point of solid tillage. Implements used for this purpose vary, although a chisel plow is preferred in many areas. In geographical areas where emergency tillage is a recognized good farming practice to control severe wind erosion, appraisals are NOT TO BE CHARGED as production to count for acreage insureds have tilled to control severe soil erosion when the AIP can document that such tillage was necessary.

(2) This procedure applies to the ACTUAL acreage of the crop being physically destroyed by the tillage process; i.e., this would not apply to acreage between tilled rows.

(3) Apply the following procedures when the crop is to be tilled to control severe wind erosion.

## B. Specific Instructions

(1) Replanting Payment Provisions

Crops WITH policy or endorsement provisions for replanting payments will be subject to their particular rules and regulations, including the requirement that the AIP must have the opportunity to inspect the acreage prior to destruction to determine eligibility for a replanting payment. Representative areas of the crop are to remain intact for appraisal purposes to verify the eligibility of the acreage for a replanting payment. This requirement can be waived by the AIP ONLY under extremely unusual conditions that necessitate solid-tilling prior to appraisal opportunity. Also refer to Para.'s 173 and 174 or additional replanting information.

(2) Insureds' Notification Requirements

IN ALL CASES, insureds are to notify their AIP immediately of their intention to till acreage for the purpose of controlling soil erosion. If the urgency to till is such that AIP notification is impossible prior to such action, the efforts of the insured to provide immediate notification of the tillage undertaken will be considered in determining the insured's compliance with this requirement.

**B. Specific Instructions (continued)**

(a) 25 percent or less. If the insured intends to till 25 percent or less of the field or subfield, (accumulative rather than single event) the insured can immediately begin tilling upon notifying the agent of such intentions.

(b) More than 25 percent. If the insured intends to till more than 25 percent of a field or subfield, or finds that after tilling is started, more than 25 percent of a field or subfield needs to be tilled, the AIP must be notified immediately so that such acreage can be inspected prior to tilling. The AIP may waive this requirement for inspection prior to tilling ONLY under extremely unusual conditions that necessitate tilling prior to inspection opportunity; however, the AIP will make every attempt to give such cases priority attention to inspect the field(s) prior to solid tillage completion.

(3) Documentation of inspections

(a) Upon the receipt of notices involving tillage of more than 25% of the acreage in a field or subfield, adjusters are to make on-the-farm inspections as soon as possible. The AIP has the authority to expand this inspection requirement to include notices under 25 percent or to include all notices; i.e., 100 percent of notices inspected. For each inspection, document on a Special Report, the following:

(i) The need for emergency tillage (to the extent tilled).

(ii) The amount and percent of acreage ACTUALLY tilled or to be ACTUALLY tilled in each field or subfield.

(iii) Whether the crop was ever initially planted.

(iv) Any uninsured causes.

(v) A statement of the crop stand and condition (prior to tillage) as good, fair, poor, very poor, or destroyed.

(vi) General weather and moisture conditions.

(vii) Variability of crop within the subfield, field, and unit.

(viii) Other pertinent information needed to make future determination of any loss.

(b) If you have any reason to doubt the need for emergency tillage to the extent tilled (or to be tilled), then:

**B. Specific Instructions (continued)**

(i) Prepare a crop appraisal; and
(ii) Support your documentation with recommendations from agricultural experts. Refer to Exhibit 2 for the definition of agricultural experts.

## 299. Corrected Claims

**A. General Information**

(1) Once a claim is processed, the claim cannot be corrected unless:

(a) One or more entries on the claim form is incorrect due to an incorrect factor, an incorrect appraisal amount due to an error in calculating the appraisal on the appraisal worksheet (e.g., an incorrect factor was used or error in calculation), an incorrect measurement of a storage structure that can be verified to be incorrect, the insured failed to report all of the production from the unit, not all of stated production was accounted for, under the provisions of the misreported information, current and/or prior year's claims would have to be corrected, etc.

(b) Entries of information that affect the indemnity were erroneously omitted; e.g., excess moisture percentage.

(c) A decision from an arbitration, appeal, or administrative review requires a corrected claim.

(d) A decision from a reconciliation review (including reviews for FSA SURE program) that the RMA is incorrect and the FSA data is correct. The $250 tolerance described in subparagraph B below is not applicable.

(e) Part or all of the claim is settled on appraised production and the insured later harvests the appraised production; or part or all of the production on the acreage is harvested using normal harvesting methods/equipment and the insured later harvests additional production from the same acreage using specialized harvesting methods/equipment. Depending on the circumstances, the claim may or may not be corrected. Refer to Para. 176 L for details;

(f) The individual crop LASH specifies a corrected claim may be done for a specific situation;

**A. General Information (continued)**

(g) The value received for damaged production has been increased after the claim was settled (e.g., after claim was settled, the buyer decreased the discounts for the damaged production and reimbursed the insured producers the difference) and this would result in an overpayment of at least $250 for the policyholder's indemnity as described in subparagraph B (2) below; or

(h) A basic unit structure is determined to be incorrect.

(2) Corrected claims cannot be made solely because the insured subsequently sells more or less production than was determined from measurements of production in a storage structure(s) at the time of final settlement of the claim, unless the dimensions of the structure or obstacle deductions (studs, vents, etc.) or other details or circumstances can be verified to be in error.

(3) Reprocessing claim information along with the proper codes to reduce or restore an indemnity or prevented planting payment due to first and second crop acreage is not considered a corrected claim for the purpose of this paragraph. This type of administrative action does not require a (claim) Production Worksheet to be completed. However, the claim information is processed through PASS with the proper codes to reduce or restore the indemnity or prevented planting payment, as applicable. Documentation of why the indemnity or preventing planting payment was required must be kept in the insured's loss file.

**B. When to Prepare a Corrected Claim**

Prepare a corrected claim only when you are authorized by your AIP to do so, and in accordance with the following tolerances below. (For types of corrected claims for which dollar tolerance apply, AIPs are not required to correct claims that are below the dollar tolerances but they may if they wish to do so.) There is no time limit for when a corrected claim can be prepared. Even though the reason for the corrected claim is not discovered until the subsequent crop year(s), the corrected claim will be prepared if it is to be corrected in accordance with the procedures in Para. 299.

(1) There are no dollar tolerances for preparing corrected claims due to items A (1) (c) (d) and (h) above.

**B. When to Prepare a Corrected Claim (continued)**

(2) When errors as stated in subparagraph A (1) (a), (b), and (g) are discovered, a corrected claim will be prepared if the underpayment or overpayment is in excess of the FCIC-approved tolerance ($250). This tolerance applies on a policyholder basis (refer to the applicable RI or VI Insurance Standards Handbook for dollar-tolerance procedures for RI and VI products). The results of a review on multiple policies held by a single policyholder within a county will be combined to determine the applicability of the tolerance.

**C. Labeling Claim as "Corrected Claim."**

Write "CORRECTED CLAIM" in the heading on all copies of the claim and prepare it in accordance to the applicable LASH.

**D. Documentation**

Document on a Special Report why the corrected claim was prepared. The insured and adjuster shall sign all documents prepared. If the insured refuses to sign, document the reason for the refusal on a Special Report. Submit the corrected claim and Special Report to the person or office designated by the AIP. Document on the Special Report at least the following:

(1) The circumstance(s) which resulted in erroneous data (production, acreage, share, etc.) on the original claim;

(2) Insured's explanation for reporting incorrectly;

(3) The name of the person finding the error and the manner used to establish the correct information. Determine if the insured was deliberately withholding or concealing production or other information;

(4) Calculations of indemnity from original and corrected claim in narrative or on a Special Report. Include documentation of contract indemnity to show that the corrected claim was prepared in accordance to the FCIC approved tolerances for a policyholder within a county; and

(5) All other pertinent information.

## 300. Documenting Insured's Death after Insurance Attached and There is a Claim

If the insured is deceased after insurance attached (i.e., for annual crops, planted by the final planting date or within the late planting period (if applicable); or for perennial crops, the calendar date insurance attaches) for any insured crop, transmit the claim form to the next level of supervision with an attached Special Report showing the following:

(a) Date of death.

(b) Beneficiary. If an indemnity is due, the beneficiary entitled to the indemnity must be determined and documented in the contract file folder. The documentation must include the name, mailing address, capacity of person entitled to indemnities, policy number, crop, crop year, unit, and circumstances requiring the naming of the beneficiary.

(c) The contract will remain in force for the crop year for those crops. A crop inspection is not required if the acreage report is filed by the ARD.

## 301. Bankruptcy

### A. General Information

It is important that the AIP be notified promptly when an insured has filed for bankruptcy or is in bankruptcy.

### B. Adjuster Responsibilities

If the adjuster first gains knowledge of the insured filing or being in bankruptcy during a loss adjustment inspection, the adjuster will obtain the following information and promptly relay to the AIP.

(1) Insured's Name,
(2) Contract Number,
(3) Insured's Social Security or TAX I.D. Number,
(4) If possible, the bankruptcy number assigned by the court, and
(5) If possible, the court or district court in which the bankruptcy has been filed.

### C. Loss Inspection

The adjuster will complete the loss inspection in its entirety, and will attach a Special Report with the information stated in B above.

## 302. Modification of Requirement to Destroy Crop Before Indemnification

### A. General Information

When crops are planted in low-level soil moisture that continues to stay low, it often results in extremely poor germination of the crop with very little or no survival of what did germinate. When areas of the country that are subject to wind erosion experience this situation, it is unlikely that producers in those areas can establish any cover crop to keep the topsoil from blowing. To deter wind erosion in these areas, the county NRCS, soil specialists from the local CES, etc., may recommend that the existing soil surfaces NOT be disced, plowed, etc., in order to preserve existing soil surfaces and existing plants and plant residue.

**B. Modification of Requirement to Destroy Crop Before Indemnification**

(1) If conditions exist as described in subparagraph A above and the county NRCS, County Food & Agriculture Council, and/or a soil specialist from the CES recommend that existing soil surfaces, plants and plant residue NOT be disturbed by discing, plowing, etc., in order to deter wind erosion, the AIP may authorize finalization of claims prior to destruction of the crop. This authorization is to be used only if the insured certifies that the crop will not be harvested and the acreage will be put to its intended other use when there is sufficient moisture. These procedures apply to immature and mature unharvested crop acreage.

(2) Obtain the insured's certification that the crop will not be harvested on the Certification Form at the time the claim is signed. Complete the Certification Form as instructed in this handbook, with these exceptions:

Column Names

| | | |
|---|---|---|
| (a) | Intended Use | Enter the insured's intended future use. |
| (b) | Actual Use | Enter N/A. |
| (c) | Date | Enter N/A. |
| (d) | Remarks | Enter any pertinent information. |
| (e) | Insured's Signature & Date | Obtain insured's signature and date of signature. (The form should be signed on the same day that the claim is signed.) |
| (f) | Accepted or Rejected | Mark "Accepted" or "Rejected," as appropriate. |
| (g) | Code No. and Field Person's Signature | Adjuster's signature, code and date of signature. (The form should be signed on the same day that the insured signed the claim.) |

(3) If this authority is utilized, the AIP will monitor the insured's certified disposition of the crop by implementing a random review of not less than 10 percent of such claims after sufficient moisture is received to allow destruction of the crop.

(4) In the event that it is found that a crop has been harvested from the released acreage and the harvested production is greater than the appraised production, a corrected claim will be prepared using the harvested production if the amount of indemnity will be reduced.

**B. Modification of Requirement to Destroy Crop Before Indemnification (continued)**

(5) Documentation: Include in the insured's loss file folder the following (but not limited to): the written recommendation from the NRCS, soil specialist from CES, or other acceptable entity to not disturb the soil surface, crop, or crop residue, pictures documenting this condition, the Certification Form signed by the insured and adjuster, and paperwork from any random review of this unit.

## 303. Chemical Damage due to Adverse Weather Condition

**A. Damage From Chemical Carryover Due to An Extended Adverse Weather Condition**

(1) Although chemical carryover is NOT a named insured peril under the insurance contract, any loss of production caused by chemical-carryover damage resulting from a named peril is covered, provided the insured followed good farming practices.

**Example**: Drought extending from one crop year into another crop year caused chemical- carryover damage to the next year's crop. Such damage is covered provided the insured followed recognized good farming practices (i.e., the chemical was appropriate for the crop, applied at the proper times, the proper amount applied in accordance with the manufacturer's instructions, and the insured adhered to any manufacturer warnings about planting under certain conditions, etc.

(2) Any payments or replacement product value(s) from chemical companies or suppliers as compensation for loss of production must be converted to an uninsured cause of loss appraisal as instructed in C below.

**B. Chemical Damage Due to Excess Precipitation**

Any loss of production caused by chemical damage resulting from excess precipitation causing the chemical previously applied to the crop to prematurely release all at once, is covered provided the insured followed recognized good farming practices (i.e., the chemical was appropriate for the crop, applied at the proper times, the proper amount applied in accordance with the manufacturer's instructions, the insured adhered to any manufacturing warnings about planting under certain conditions, etc.). However, any payments or replacement product value(s) from chemical companies or suppliers as compensation for loss of production must be converted to an uninsured cause of loss appraisal as instructed in C below.

**C. Calculation**

Calculate the uninsured cause appraisal by dividing the payment (or replacement product value) by the insured's price election for the insured crop. Include, as an uninsured cause of loss appraisal, any payments or replacement product values:

(1) Provided to the insured,
(2) Pending,
(3) Offered to the insured (even if such offer has been rejected by the insured), and/or
(4) For which the insured might be eligible if a claim to the chemical company or supplier had been filed.

**D. Documentation**

Explain your calculations in the narrative of the claim or on a Special Report.

## 304. AIP Good Farming Practice (GFP) Determinations

*** Refer to PART 3, Paragraph 305 of the CIH for further information.

Refer to Para. 321 for information about GFP Administrative Reviews conducted by FCIC/RMA.

## 305. Simplified Claim Process (SCP)

AIP and producer participation in SCP is voluntary.

**A. The crops and criteria for claims to qualify for SCP are as follows:**

(1) Eligible crops are:

Almonds, buckwheat, barley, canning and processing sweet corn, canola, corn, cotton, dry beans, dry peas, flax, grain sorghum, green peas, oats, peanuts, popcorn, rapeseed, rice, rye, soybeans, sugar beets, sunflowers, and wheat.

(2) Eligible crop policies may be designated in any risk-sharing fund of the Standard Reinsurance Agreement.

(3) Crop policies with basic, optional, whole farm, or enterprise units are eligible, provided all other SCP criteria are met.

(4) SCP can be used on a unit containing both planted and prevented planted acreage provided a prevented planting claim has been finalized prior to submission of the SCP claim on the planted portion of the unit. However, SCP cannot be used on a unit containing only PP acreage.

**A. The crops and criteria for claims to qualify for SCP are as follows: (continued)**

(5) Dollar Tolerances for SCP

(a) The gross indemnity (insured's share prior to any dollar amount due the insurance provider) must not be greater than $20,000 for any optional unit. The gross indemnity must not be greater than $40,000 for any basic, whole farm, or enterprise crop unit.

When calculating the gross indemnity, replanting payments and PP payments shall be excluded. PP Payments are not considered in the SCP dollar tolerance because they are a separate payment from the payment for the planted acres.

(b) SCP dollar tolerances are based on dollar amount of the production loss; therefore, if the insured crop is insured under the revenue protection plan and the harvest price causes the dollar indemnity to exceed the SCP limit, the claim is still eligible for SCP.

(6) All planted acreage in the unit must be harvested and the production must be sold or in commercial storage. **Exception**: Claims with an on-site preliminary inspection where acreage was determined, appraised, and an acreage release executed for the unit may be finalized under SCP, provided none of the appraised acres have been harvested.

(a) Third-party, written verification[1/] must be available and the insured must submit these with the completed SCP form that accounts for all production from all indemnified units. The insured must write beside each load on the settlement sheet or warehouse receipt, the unit numbers and or field identification from which this production came. If only a field identification is shown, the adjuster must be able to verify that the field identification can be correlated with the unit numbers for the crop/county for the current crop year. If the field identification cannot be correlated to a unit number for the crop/county, the settlement sheet or storage records are not considered acceptable.

[1/] Settlement sheets or summary sheets for sold production or warehouse receipts for production in commercial storage are acceptable; however, individual load weight tickets are not acceptable.

(b) No portion of the crop may be left in the field except appraisals made on preliminary inspections as outlined in the "Exception" in (6) above.

**A. The crops and criteria for claims to qualify for SCP are as follows: (continued)**

(c) Copies of either Farm Service Agency (FSA) acreage measurements or third-party measurements as allowed by Para. 201, must also be provided by the insured, if available. Otherwise, copies of aerial photos identifying each field, crop planted in each field, and number of acres in each field must be provided with the completed SCP form. In all cases, the applicable indemnified unit acreage must be identified. If the insured does not have acceptable acreage measurements available, but acceptable previous measurements (as defined in paragraph 80 of the LAM) are available to the AIP, the AIP must use these measurements.

(7) Crops eligible for SCP if quality adjustment is involved. Not all crops listed in A (1) above are eligible for SCP if quality adjustment is involved. Only the following crops involving quality adjustment are eligible for SCP and only if they meet the criteria listed below:

(a) Any crops listed in A (1) having quality provisions in the SP and that have claims involving quality adjustment other than for a substance or condition injurious to human or animal health, may qualify for SCP when the pre-established DF (to determine the QAF) for the level and type of damage (except DFs for substances or conditions injurious to human or animal health) are contained in the actuarial documents.

(b) Cotton claims with quality adjustment may also qualify for SCP as cotton quality adjustment factors are developed from the loan rates published by FSA.

(c) Factors that affect quality must be determined by a licensed grain grader as specified in Para. 232 E. A verifiable document (e.g., grade certificate) from a licensed grader must be included with the SCP form. The grade slip must include insured's name, the applicable crop, and crop year.

(8) Claims involving any of the following conditions are not eligible.

(a) Farm-stored production, even if weighed and returned to farm.

(b) Claims with only prevented planting, and prevented planting claims that have not been finalized prior to the submission of the SCP claim for the planted portion of the unit.

(c) Corrected claims.

(d) Claims with delayed notices or delayed claims.

**A. The crops and criteria for claims to qualify for SCP are as follows: (continued)**

(e) Claims requiring a revised acreage report unless it is a downward revision in liability, that results from third-party verified documentation agreed to, and supplied by the insured.

(f) AIP employees, loss adjusters, agents, or FCIC/RMA employees or any spouse or family member residing in the same household as any such person.

(g) Zero production is reported.

(h) Production fed to livestock.

(i) Crops covered under a pilot program that has been in effect for 2 or fewer crop years.

(j) Claims for crops other than cotton involving quality adjustment if:

(i) One of the qualifying quality deficiencies is due to a substance or condition injurious to human or animal health; e.g., Aflatoxin.

(ii) There are no pre-established discount factors (to determine quality adjustment factors) contained in the actuarial documents for the level or type of damage.

(9) AIPs must not allow their agents to complete or become involved in SCP claims other than the following:

Agents are allowed to mail, e-mail scanned documents, or fax the SCP claim form and supporting documents to the designated AIP representative/office but cannot in anyway, help the insured complete the SCP form paperwork.

(10) The AIP must instruct the insured to submit the SCP claim form within the time frame specified in the CP or timeframe specified in the quality provisions section of the SP, if applicable. (Also refer to Para. 177 if the AIP has extended the time the insured has to harvest the crop due to adverse weather preventing harvest by the calendar date for the EOIP). SCP claim forms and required documentation (e.g., maps, settlement sheets, etc.) received after this timeframe (SP, if applicable), must be denied in accordance with section 14 of the BP.

**A. The crops and criteria for claims to qualify for SCP are as follows: (continued)**

(11) If FCIC determines that an AIP or managing general agent does not have a satisfactory performance record as defined in the Standard Reinsurance Agreement, use of this procedure by such AIP or managing general agent shall be suspended until such time that a satisfactory performance record has been restored.

**B. The AIP shall not use SCP for a policyholder if the AIP suspects misrepresentation of any material fact.**

**C. SCP Data Through PASS**

(1) SCP claims data must be processed through PASS in accordance with Appendix III requirements.

(2) The AIP is responsible for administering the SCP in a manner that assures accurate information is collected and submitted through PASS.

**D. SCP Forms and Completion Instructions**

All SCP claims must be completed on a form developed by the AIP that captures all the required loss information from the insured as contained in the DSSH. The AIP is also responsible for providing the insured the comprehensive completion instructions as shown in Exhibit 19 of the LAM to complete the SCP form. If the item numbers are not the same for a required form item, the AIP may change to the correct item number for the AIP's SCP Form.

**306-310** (Reserved)

## PART 5 LATE PLANTING COVERAGE

### 311. General Information

This part covers late planting (LP) provisions that are contained in the BP. These provisions provide automatic LP coverage, unless the specific CP or SP specifies otherwise.

### 312. Late Planting Coverage

#### A. General Information

(1) LP Period

For applicable crops planted during the LP period (regardless of the reason for the delayed planting), the per-acre production guarantee for those acres will be reduced as stated in C below, unless otherwise specified in the CP. The LP period, as specified in the BP, is 1-25 days after the final planting date unless specified otherwise in the CP or SP. (CP for millet and tobacco specify less than 25 days).

(2) After the LP Period

If the insured crop was prevented from being planted, due to an insurable cause, by the final planting date or during the LP period by an insurable cause occurring within the insurance period for PP coverage AND PP provisions are applicable to the insured crop (not applicable to tobacco), coverage may be provided for acreage planted to the insured crop after the LP period (or after the final planting date for crops that do not have a LP period). Refer to Para. 312 C (2) for more information.

#### B. Crops having automatic LP coverage are:

Barley [3/], buckwheat, canola/rapeseed, corn, cotton, ELS cotton, dry beans, dry peas, flax, grain sorghum, green peas [1/], hybrid seed corn, hybrid sorghum seed, millet, oats, onions, peanuts, popcorn [1/], mustard, central and southern potatoes, northern potatoes, processing sweet corn [1/], processing beans [1/], rice, rye [1/], silage sorghum, safflowers, soybeans, sugar beets [2/], sunflower seed, tobacco (Guaranteed Production (GP)), tobacco, and wheat [3/].

[1/] Late planting period allowed ONLY if provided in the SP, and the insured provides written approval from the processor by the ARD that it will accept the production from the late planted acres when it is expected to be ready for harvest.

[2/] LP is not available in California Counties with an April 30 CCD and a July 15 cancellation date.

[3/] LP period is applicable to small grains, except to any barley or wheat acreage covered under the terms of the Wheat or Barley Winter Coverage Endorsement.

**B. Crops having automatic LP coverage are: (continued)**

Barley or wheat covered under the terms of the Winter Coverage Endorsement must be planted on or prior to the applicable final planting date specified in the SP. In counties having one fall final planting date for acreage covered under the Wheat or Barley Winter Coverage Endorsement and another fall final planting date for acreage not covered under the endorsement, the fall late planting period will begin after the final planting date for acreage NOT covered under the endorsement.

**C. Guarantee**

(1) Planted within the LP period

(a) For all the crops except AUP cotton, millet, tobacco that are listed in subparagraph B above, the per-acre production guarantee or per-acre amount of insurance will be reduced by one (1) percent per day for each day planted after the final planting date, unless otherwise specified in the SP.

The per-acre production guarantee is reduced a maximum of 25 percent for planting 25 days after the final planting date.

(b) For Millet:

In accordance with the Millet Crop Provisions the following applies, unless stated otherwise in the SP:

For the first 10 days after the final planting date, the per-acre production guarantee for those acres will be reduced 1 percent for each day delay in planting.

For the 11th day through the 20th day after the final planting date, the per-acre production guarantee for those acres will be reduced an additional 3 percent for each day delay in planting.

The per-acre production guarantee is reduced a maximum of 40 percent for planting 20 days after the final planting date.

(c) For Tobacco:

In accordance with the Tobacco Crop Provisions the following applies, unless stated otherwise in the SP:

For the first 10 days after the final planting date, the per-acre production guarantee for those acres will be reduced 1 percent for each day delay in planting.

C. Guarantee (continued)

For the 11th day through the 15th day after the final planting date, the per-acre production guarantee for those acres will be reduced an additional 2 percent for each day delay in planting.

The per-acre production guarantee is reduced a maximum of 20 percent for planting 15 days after the final planting date.

(d) For AUP Cotton:

In lieu of the AUP Cotton Provisions and in accordance with most of the AUP Cotton SP, the per-acre production guarantee will be reduced by one (1) percent per day for each day planted after the final planting date, up to a maximum of 15 days. However, for Texas counties, the SP specifies a maximum of 7 days.

The maximum reduction of the per-acre production guarantee is 15 percent for planting 15 days after the final planting date. For Texas counties, the maximum reduction of the per-acre production guarantee is 7 percent for planting 7 days after the final planting date.

(2) Planted to the insured crop AFTER the LP period (after the final planting date for crops not having a LP period). Provided the crop was prevented from being planted, due to an insurable cause, as stated in Para. 312 A (2) above and PP coverage is available for the crop (this is not allowed for tobacco even though PP coverage is available for tobacco), the insured may choose to insure such acreage. Insureds must report the date acreage is late planted if they decide to report it as insured acreage. The per-acre production guarantee or per-acre amount of insurance for such acreage will be the same as for the insured's PP guarantee for the insured crop.

**Example:** The insured has 60 percent PP coverage level with a 100 bu. per-acre guarantee for timely planted acres. The guarantee for the LP acres will be 60 bu. (.60 X 100.0).

(3) The definition of "planted acreage" was not met due to an insurable cause

For acreage on which an insurable cause of loss prevents completion of planting as specified in the policy definition of "planted acreage" (e.g., seed is broadcast on the soil surface but cannot be incorporated and it would have been insurable had the seed been incorporated), is covered at a reduced guarantee provided that PP coverage is available for the crop. Such acreage will be considered as acreage planted after the final planting date (or after the LP period, if one applies), and the per-acre production guarantee will be the same as the PP guarantee for the crop; e.g., the insured has 60 percent PP coverage level with a 100 bu. per-acre guarantee for timely planted acres. The guarantee for these acres will be 60 bu. (.60 X 100.0).

C. Guarantee (continued)

(4) Replanted during the late planting period due to an uninsured cause

If the insured crop is replanted during the late planting period due to the crop being destroyed by an uninsured cause (e.g., chemical damage), no reduction in the guarantee will apply. However, refer to Para. 174 for additional details.

**333-320** (Reserved)

# PART 6 FCIC REVIEWS, DETERMINATIONS, AND INTERPRETATIONS AND APPEALS

## 321. Good Farming Practice (GFP) Administrative Review

*** Refer to PART 3, Paragraph 305 of the CIH for further information.

## 322. Large Claim Reviews and FCIC Participation

(1) In accordance with Section IV, Large Claims of Appendix I of the SRA, it states:

As a condition of reinsurance and prior to commencing any loss adjustment activity, the Company agrees to comply with all provisions of FCIC's Large Claims Procedures, as applicable.

(2) Refer to the Large Claims Handbook, FCIC-14040 (http://www.rma.usda.gov/handbooks/14000/2010/14040.pdf) for detailed procedures for RMA participation in Large Claim Reviews.

## 323. FCIC Policy and Procedural Interpretations

Pursuant to 7 CFR part 400 and section 20 (a) (1) of the BP, if a dispute in any way involves a policy or procedure interpretation, regarding whether a specific policy provision or procedure interpretation is applicable to the situation, how it is applicable or the meaning of any policy provision or procedure, either the AIP or the insured must obtain an interpretation from FCIC in accordance with 7 CFR part 400, subpart X or such other procedures as established by FCIC.

### A. Items Applicable to Only Interpretations of Policy Provisions:

(1) An interpretation by FCIC of a policy provision is considered a rule of general applicability and is not appealable. If the insured disagrees with an interpretation of a policy provision by FCIC, the insured must obtain a Director's review from the National Appeals Division in accordance with 7 CFR 11.6 before obtaining judicial review.

(2) Subpart X provides information on how to request policy provision interpretations. Also, the RMA website provides the same information at the following URL: http://www.rma.usda.gov/regs/533/section533.html

### B. Items Applicable to Both FCIC Interpretation of Policy Provisions and Interpretation of Procedures

(1) Any interpretation by FCIC will be binding in any mediation or arbitration.
(2) Failure to obtain any required interpretation from FCIC will result in the nullification of any agreement or award.

### C. Items Applicable to Only FCIC Interpretation of Procedures

(1) A FCIC interpretation of a procedure may be appealed to the National Appeals Division in accordance with 7 CFR part 11.

(2) For information on how to request procedural interpretations, refer to Manager's Bulletin 05-018 on the RMA website at the following URL: http://www.rma.usda.gov/news/managers/2005/PDF/mgr-05-018.pdf

## 324. Administrative Reviews or Appeals

### A. Administrative Reviews or Appeals of FCIC Determinations

(1) Except as provided in sections 18(n) or (o), or 20(d) or (k) of the BP, if the insured disagrees with any other determination made by FCIC or any claim where FCIC is directly involved in the claims process or directs the AIP in the resolution of the claim, the insured may request either administrative review or appeal, in accordance with 7 CFR part 400, subpart J § 400.91 (c).

(2) If the insured elects to bring suit after completion of an appeal, such suit must be filed against FCIC not later than one year after the date of the decision rendered in such appeal. Under no circumstances can the insured recover any attorney fees or other expenses, or any punitive, compensatory, or any other damages from FCIC.

(3) In accordance with section 20 k of the BP any determination made by FCIC that is a matter of general applicability is not subject to administrative review under 7 CFR part 400, subpart J or appeal under 7 CFR part 11. If the insured wants to seek judicial review of any FCIC determination that is a matter of general applicability, the insured must request a determination of non-appealability from the Director of the National Appeals Division in accordance with 7 CFR 11.6 before seeking judicial review.

### B. FCIC Determination for a Judicial Review of an AIP Indemnity Payment

In a judicial review only, the insured may recover attorneys fees or other expenses, or any punitive, compensatory, or other damages from the AIP only if the insured obtains a determination from FCIC that the AIP, the AIP's agent or adjuster failed to comply with the terms of the policy or procedures issued by FCIC and such failure resulted in the insured receiving a payment in an amount that is less than the amount to which the insured was entitled.

**325-4000** (Reserved)

## Acronyms and Abbreviations

The following table provides the acronyms and abbreviations used in this handbook.

| Approved Acronym/Abbreviation | Term |
|---|---|
| ACT | Federal Crop Insurance Act (Pub. L. 104-127) |
| AGR | Adjusted Gross Revenue |
| AGR-Lite | Adjusted Gross Revenue-Lite |
| AIP | Approved Insurance Provider |
| APH | Actual Production History |
| AR | Acreage Report |
| ARD | Acreage Reporting Date |
| ARPI | Area Risk Protection Insurance |
| ASA | American Society of Agronomy |
| BP | Common Crop Insurance Policy Basic Provisions |
| BU | Basic Unit |
| CAT | Catastrophic Risk Protection Endorsement |
| CC | Continuous Cropping |
| CCC | Commodity Credit Corporation |
| CCD | Contract Change Date |
| CEPP | Commodity Exchange Price Provisions |
| CES | Cooperative Extension Service |
| CFO | Compliance Field Office (of Risk Management Agency) |
| CFR | Code of Federal Regulations |
| CIH | FCIC-18010 Crop Insurance Handbook |
| *** | |
| CLU | FSA Common Land Unit (field) |
| CP | Crop Provisions |
| CPF | Commingled Production Factor |
| CRP | Conservation Reserve Program |
| CSREES | Cooperative State Research, Education, and Extension Service |
| CWC | Chemical Weed Control |
| DF | Discount Factor |
| DO | Dollar Amount of Insurance |
| DSSH | FCIC-24040 Document and Supplemental Standards Handbook |
| EIN | Employers Identification Number |
| EDP | Electronic Data Processing |
| EOIP | End of the Insurance Period |
| EU | Enterprise Unit |
| EXH | Exhibit |
| FAC | Following Another Crop |
| FAD | Final Agency Determination |
| FCI | Federal Crop Insurance |
| FCIC | USDA Federal Crop Insurance Corporation |
| FGIS | USDA Federal Grain Inspection Service (of GIPSA) |
| FM | Foreign Material |
| FN | Farm Number |

**Acronyms and Abbreviations (Continued)**

| Approved Acronym/Abbreviation | Term |
|---|---|
| FPD | Final Planting Date |
| FSA | USDA Farm Service Agency |
| GFP | Good Farming Practice |
| GIPSA | USDA Grain Inspection, Packers, and Stockyards Administration |
| GIS | Geographical Information System |
| GPA | Guarantee Per Acre |
| GPS | Global Positioning System |
| *** | |
| *** | |
| IBR | Intertilled Between Rows |
| IRR | Irrigated |
| IRS | Internal Revenue Service |
| ITIN | Individual Tax Identification Number |
| ITS | Ineligible Tracking System |
| H | Harvest |
| LAC | Loss Adjustment Contractor |
| LAF | Liability Adjustment Factor |
| LAM | FCIC-25010 Loss Adjustment Manual Standards Handbook |
| LASH | Loss Adjustment Standards Handbook (individual crop LASHs) |
| LPD | Late Planting Date |
| LP | Late Planting |
| LPP | Late Planting Period |
| LRR | Late Reporting Reduction |
| MI | Misreported Information |
| NAD | National Appeals Division |
| NAICC | National Alliance of Independent Crop Consultants |
| NAP | FSA Non-Insured Assistance Program |
| NFAC | Not Following Another Crop |
| NIBR | Not Intertilled Between Rows |
| NIRR | Non Irrigated |
| NOP | National Organic Program |
| NPS | No Practice Specified |
| NRCS | USDA Natural Resources Conservation Service |
| OC | Organic Certified |
| OFPA | Organic Foods Production Act of 1990 (7 U.S.C. 6502.) |
| OT | Organic Transitional |
| OU | Optional Unit |
| PAR | Paragraph |
| PASD | RMA, Product Administration and Standards Division |
| PASS | Policy Acceptance and Storage System |
| PM | RMA, Product Management |
| POA | Power of Attorney |
| PP | Prevented Planting |

**Acronyms and Abbreviations (Continued)**

| Approved Acronym/Abbreviation | Term |
|---|---|
| PRD | Production Reporting Date |
| P/T | Practice/Type |
| PW | Production Worksheet (also known as claim for indemnity form or claim form) |
| QAF | Quality Adjustment Factor |
| RAN | RMA Assigned Number |
| RIV | Reduction In Value |
| RMA | Risk Management Agency |
| RMSD | RMA, Risk Management Services Division |
| RO | RMA, Insurance Services Regional Office |
| RSA | Representative Sample Area |
| RSC | Representative Sample of Crop |
| SBI | Substantial Beneficial Interest |
| SCD | Sales Closing Date |
| SCP | Simplified Claim Process |
| SF | Summer Fallow |
| SP | Special Provisions |
| SRA | Standard Reinsurance Agreement |
| SSN | Social Security Number |
| TIN | Tax Identification Number |
| UH | Unharvested |
| USDA | United States Department of Agriculture |
| USGSA | United States Grain Standards Act |
| USWA | United States Warehouse Act |
| WA | Written Agreement |
| WAH | FCIC-24020 Written Agreement Handbook |
| WU | Whole Farm Unit |
| YP | Yield Protection |
| ZMV | Zero Market Value |

Abandonment. Refer to Para. 194.

Acceptable Determined Acres. Refer to Para. 201.

Acreage Report means a report required by the BP that contains, in addition to other required information, the insured's share of all acreage of an insured crop in the county whether insurable, not insurable, or uninsured.

Acreage Reporting Date means the date contained in the SP or as provided in the BP by which insureds are required to submit acreage reports.

Actual Production History means a process used to determine production guarantees in accordance with 7 CFR part 400, subpart G.

Actual Yield means the yield per acre for a crop year calculated from the producer's production records and/or claims for indemnities. The actual yield is determined by dividing total production (which includes harvested and appraised potential production) by planted (insurable) acres, (unless production from uninsurable acreage is commingled with production from insurable acreage).

Actuarial means the statistical computation of probable risks and rates according to recorded facts. Includes all related documents.

Actuarial Documents means the information for the crop year which is available for public and published on RMA's website, and which shows available crop insurance plans, coverage levels, information needed to determine amounts of insurance, prices, premium rates, premium adjustment percentages, practices, particular types or varieties of the insurable crop, insurable acreage, and other related information regarding crop insurance in the county.

Additional Coverage means a level of coverage greater than CAT.

Additional Price Election means a price election released subsequent to the release of the price election and at least 15 days prior to the SCD that is based on additional data or information that has become available after the initial price election release and allows a more accurate price projection to be made. The additional price election must be higher than the price election.

Adjuster. Refer to "Loss Adjuster." Also known as claims adjuster.

Administrative Fee means the amount an insured must pay for each CAT policy and additional coverage policy for each crop year as specified in the BP and CAT Endorsement.

Agent means the individual licensed by the State in which an eligible crop insurance contract is sold and serviced for the reinsurance year, and who is under contract with the AIP, or its designee, to sell and service such eligible crop insurance contracts.

Agreement in Writing means an agreement between two or more parties as would be permitted by the CP or SP. For example, the Coarse Grains CP provide that via an agreement between a tenant and landlord, the party who incurs the entire cost of the replant can receive a replanting payment based on the total share insured by the AIP. WA's are different from agreements in writing. Refer to "Written Agreement" definition.

Agricultural Commodity means any crop or other commodity produced, regardless of whether or not it is insurable.

Agricultural Experts means persons who are employed by the CES, or the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific crop or practice for which such expertise is sought. Also, refer to "Organic Agricultural Experts."

**Note**: Agricultural experts currently approved by RMA include persons employed by the Cooperative Extension System, the agricultural departments of States and universities, and persons certified by the ASA as Certified Crop Advisers and Certified Professional Agronomists, persons certified by the NAICC as Certified Professional Crop Consultants and persons certified by the American Society for Horticultural Sciences as Certified Professional Horticulturists. Persons certified by other certification programs may be recognized as agricultural experts by RMA if their participant's research or occupation is related to the specific crop or practice for which such expertise is sought.

AIP Inspection means an inspection initiated by the AIP. These inspections may be initiated where misrepresentation is suspected or where routine spot checks are being performed.

Annual Crop means an agricultural commodity that normally must be planted each year.

Another Use, notice of means the written notice required when the insured wishes to put acreage to another use. Refer to "Other Use."

Application means the form required to be completed by the applicant/insured and accepted by the AIP before insurance coverage will commence. This form must be completed and filed with the AIP (e.g. in the agent's office) not later than the SCD of the initial crop year for each crop for which insurance coverage is requested. If cancellation or termination of insurance coverage occurs for any reason, including but not limited to indebtedness, suspension, debarment, disqualification, cancellation by the insured or AIP or violation of the controlled substance provisions of the Food Security Act of 1985, a new Application must be filed for the crop. Insurance coverage will not be provided if applicant/insured is ineligible under the contract or under any Federal statute of regulation.

Appraised Production means production from unharvested acreage determined by the AIP that reflects potential production for the crop at the time of appraisal. (Appraised production can also be production assessed (harvested or unharvested acreage) for uninsured causes, destroying or putting acreage to another use without consent, abandoned acreage, or the insured's failure to provide records of production that are acceptable.) Appraisals made for Appraised production LOST due to uninsurable causes are not allowed for APH production records.

Appraisal Worksheet means a form used by an adjuster to enter appraisal information such as plant counts, tillers, sample weights, etc., to compute appraisals on unharvested or damaged crop acreage.

Approved APH Yield (Approved Yield) means the yield, calculated and approved by the verifier, used to determine the production guarantee by summing the yearly actual, assigned, adjusted or unadjusted transitional yields and dividing the sum by the number of yields contained in the database, which will always contain at least four yields. The database may contain up to 10 consecutive crop years of actual or assigned yields. The approved yield may have yield adjustments elected under applicable policy provisions, yield revisions/reductions, or other limitations according to FCIC-approved procedures applied when calculating the approved yield.

Approved Insurance Provider means a legal entity, including the Company, which has entered into a Standard Reinsurance Agreement with FCIC for the applicable reinsurance year.

Area means land surrounding the insured acreage with geographic characteristics, topography, soil types and climatic conditions similar to the insured acreage.

Area Yield Plan. Refer to GRP.

Assignment of Indemnity means a transfer of policy rights, made on the AIP's form, and effective when approved in writing by the AIP. It is the arrangement whereby the insured assigns his/her right to an indemnity payment for the crop year only to creditors or other persons to whom the insured has a financial debt or other pecuniary obligation.

Assuming Agent means an AIP agent who assumes the contracts that were previously serviced by another AIP.

Assuming Company means an AIP that assumes the contracts that were previously serviced by another AIP.

Authorized Representative (Insured's) means any person authorized by the insured to conduct crop insurance business on behalf of the insured (e.g., Power of attorney, or authorized representative of a corporation, etc.). The authorization must be a legally executed agreement in writing which indicates the representative's name and details the authority granted.

Basic Provisions means Common Crop Insurance Policy Basic Provisions codified at 7 C.F.R. 457.8.

Basic Unit means all insurable acreage of the insured crop in the county on the date coverage begins for the crop year: (1) In which the insured has 100 percent crop share; or (2) Which is owned by one person and operated by another person on a share basis. (e.g. If, in addition to the land owned by the insured, the insured rents land from five landlords, three on a crop share basis and two on a cash basis, the insured would be entitled to four basic units; one for each crop share lease and one that combines the two cash leases and the land owned.) Land which would otherwise be one unit may, in certain instances, be divided according to guidelines contained in the BP and in the applicable CP.

Beneficiary means the entity determined by the AIP to receive indemnity payments, in the event of the death of the original policyholder.

Block means trees, vines, or bushes in an orchard, vineyard, or bog of a single or mixed age and density, separated by applicable practice, type, variety, different T-Yield Map Areas, or other characteristics shown in the actuarial documents (e.g., early, mid, late peaches).

Buffer Zone means an area or a parcel of land, as designated in the insured's organic plan that separates agricultural commodities grown under organic farming practices from agricultural commodities grown under non-organic farming practices. A buffer zone must be sufficient in size or other features, as stated in the NOP regulations to prevent or minimize the possibility of unintended contact by prohibited substances or organisms applied to adjacent land areas with an area that is part of the certified organic farming operation.

Bypassed Acreage. Refer to Para. 217.

Cancellation Date means the calendar date specified in the CP on which coverage for the crop will automatically renew unless canceled in writing by either the insured or the AIP, or terminated in accordance with the policy terms.

Carryover Insured means a person who was insured the previous year without respect to the AIP or plan of insurance for a crop policy (by county) basis.

Catastrophic Risk Protection means the minimum level of Federal crop insurance coverage offered by RMA that a producer can obtain. CAT is not available with revenue protection.

Ceding Agent means an AIP agent who cedes or transfers a contract (that the agent previously serviced) to another AIP agent.

Ceding Company means the AIP that cedes or transfers a contract (that the AIP previously serviced) to another AIP.

Certificate (Organic) means a written document issued annually that identifies the name of the person certified, effective date of certification, certificate number, types of products certified, and name and address of the certifying agency.

Certification Form. Refer to Para. 175.

Certification (Organic) means a determination made by a certifying agency that the production or handling operation is in compliance with the certifying agency's certification standards.

Certified Organic Acreage means acreage in the certified organic farming operation that has been certified by a certifying agent as conforming to organic standards in accordance with OFPA and 7 CFR part 205.

Certifying Agent (Organic) means a private or governmental entity accredited by the USDA Secretary of Agriculture for the purpose of certifying a production, processing or handling operation as organic.

Cherry Pick means to harvest or remove a portion of the crop from the crop acreage by selecting the best or most desirable fruit production including quality by either hand or mechanical harvesting while leaving less desirable fruit unharvested on the crop acreage.

Circumference means the distance around the outer boundary of a circular structure, such as a grain bin.

Claim. Refer to "Claim for Indemnity."

Claim Form means an insurance document used to record appraisals of potential or assessed production, unharvested and harvested production to count, guarantees, and acres by practice and type from which an indemnity will be computed.

Claim for Indemnity means a claim made on the AIPs form that contains the information necessary to pay the indemnity as specified in the applicable FCIC issued procedures, and complies with the requirements in section 14 of the BP.

Claims Adjuster. Refer to "Loss Adjuster." Also known as adjuster.

Claims Supervisor means any person having immediate or day-to-day supervisory control, management or oversight authority of the activities of loss adjusters or other persons who determine whether an indemnity will be paid and the amount thereof.

Classified Land (Insurable Land) means land on which both a coverage and rate have been established in the county actuarial documents, making crops shown on the table that are grown on the land eligible for insurance.

Code of Federal Regulations means the codification of general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. Rules published in the Federal Register by FCIC are contained in 7 CFR chapter IV. The full text of the CFR is available in electronic format at http://www.access.gpo.gov/ or a successor website.

Collateral Assignment. Refer to "Assignment of Indemnity."

Commingled Production. Refer to Para. 294.

Companion Contracts means crop insurance contracts of individuals having a share in the same crop/crop units for the crop year.

Commodity Exchange Price Provisions means a part of the policy that is used for all crops for which revenue protection is available, regardless of whether an insured elects revenue protection or yield protection for such crops. This document includes the information necessary to derive the projected price and the harvest price for the insured crop, as applicable.

Common Land Unit means the smallest unit of land that has a permanent, contiguous boundary, common land cover and land management, common owner, and common producer association. This information will be used by RMA as an electronic representation of the FSA field.

Conical Pile means a quantity of crop whose base is a circle and whose sides taper evenly up to a point.

Consent means approval in writing by the AIP allowing the insured to take a specific action; e.g., putting a damaged crop to another use.

Continuous Coverage means insurance coverage not canceled or terminated for a crop year. Transfer of coverage to a different AIP is still continuous coverage.

Continuous Rating means a rate presentation method that allows a rate to be calculated for each unit of measure of a crop or for any producer's APH yield.

Continuous Production Reports means production reports submitted by an insured for each consecutive APH crop year (within the base period), including the most recent APH crop year in the base period. Continuity is not interrupted if for any calendar year the crop was not planted, prevented from being planted by an insurable cause, or NOT produced for an insurable purpose. Rules for reporting continuity of records also apply to applicants/insureds certifying percentages of grade or other applicable grade factors when applicable.

Contained Water. Refer to Para. 281 E.

Contract. Refer to "Policy." Also known as insurance contract.

Contract Changes means the form used to make changes to or cancel an existing crop insurance contract.

Contract Change Date means the calendar date by which changes to the policy, if any, will be made available in accordance with the applicable section in the BP and CP.

Contract File. Refer to "Policyholder File."

Contract Number means a number assigned by the AIP to identify insureds' specific contracts. Also known as policy number.

Contract Provisions means all the provisions that make up the contract. Refer to "Insurance Contract."

Controlled Substance Violation. Refer to Para. 141.

Conventional Farming Practice means a system or process that is necessary to produce an agricultural commodity, excluding organic farming practices.

Conveyance means anything in which agricultural commodities are transported. This may include combine hoppers, commodity bins, grain carts, grain wagons, farm truck, semi-trailer, railcar, or barge. The term "transported" does not include all forms of grain movement; e.g., the following are not conveyances: grain augers, grain dryers, elevator legs, or picking lines.

Conviction means an individual or entity is considered to have been "convicted" of a criminal offense when:

(1) A judgment of conviction has been entered against the individual or entity by a Federal, State, or local court, regardless of whether there is an appeal pending or whether the judgment of conviction or other record relating to criminal conduct has been expunged;

(2) There has been a finding of guilt against the individual or entity by a Federal, State, or local court;

(3) A plea of guilty or nolo contendere by the individual or entity has been accepted by a Federal, State, or local court; or

(4) The individual or entity has entered into participation in a first offender, deferred adjudication, or other arrangement or program where judgment of conviction has been withheld.

Cooperative Extension System means a nationwide network consisting of a state office located at each state's land-grant university, and local or regional offices. These offices are staffed by one or more agricultural experts, who work in cooperation with the CSREES, and who provide information to agricultural producers and others.

County means any county, parish, or other political subdivision of a state listed in the actuarial documents and designated on the accepted application, ("county" includes acreage in a field that extends into an adjoining county or state if the county or state boundary is not readily discernible). (For tobacco, "county" includes any land identified by a FSA farm serial number for the county of record but physically located in another county.)

County Crop Program means the offering of insurance coverage by FCIC on a crop in a specified county or parish as approved by FCIC's Board of Directors.

Cover crop means a crop generally recognized by agricultural experts as agronomically sound for the area for erosion control or other purposes related to conservation or soil improvement. A cover crop may be considered to be a second crop (refer to the definition of "Second Crop").

Coverage (Guarantee) means the amount of insurance protection against insured loss of production or value, by unit as shown on the insured's summary of coverage.

Coverage Begins, Date means the calendar date insurance begins on the insured crop, as contained in the CP (SP, if applicable), or the date planting begins on the unit.

Crop Endorsement means an adjunct to the BP that contains crop-specific provisions.

Crop Handbooks means the FCIC-issued crop-specific procedures that must be used to perform loss adjustment. They contain appraisal methods, forms completions instructions, and any other loss adjustment instructions specific to the crop.

Crop Loss Adjustment Standards means the required crop-specific instructions and methods (standards) that must be utilized during loss adjustment. The AIP must comply with these standards when performing loss adjustment.

Crop of Economic Significance means a crop or a type or variety of a crop (if the applicable policy allows the option to separately insure individual crop types or varieties) that has either contributed in the previous crop year, or is expected to contribute in the current crop year, 10 percent (10%) or more of the total expected value of the producer's share of all crops grown in the county. However, a crop will not be considered a crop of economic significance if the expected liability under the CAT Endorsement is equal to or less than the administrative fee required for the crop ($300 per crop per county).

Crop Provisions means an adjunct to the BP that contains crop-specific provisions (appraisal of production, production to count, indemnity calculations, definitions, etc.)

Crop Year (Policy) means the period within which the insured crop is normally grown, regardless of whether or not it is actually grown, and designated by the calendar year in which the insured crop is normally harvested, unless otherwise specified in the CP.

Damage means injury, deterioration, or loss of production of the insured crop due to insured and/or uninsured causes.

Days means calendar days.

Deductible means the amount determined by subtracting the coverage level percentage the insured chooses from 100 percent. For example, if the insured elected a 65 percent coverage level, the insured's deductible would be 35 percent (100% - 65% = 35%).

Delayed Claim means a claim for indemnity form signed by the insured later than the time required in the applicable policy.

Delayed Notice means a notice of damage or loss filed by the insured after the time required in the policy.

Denial of certification (Organic) means a determination made by a certifying agency that a grower who has applied for certification is not able to comply with the certifying agency's certification standards.

Destroyed Without Consent means a determination made by an adjuster that an insured has altered the condition of a crop (without permission) so that an accurate appraisal cannot be made.

Diameter means a straight line measurement passing through the center of a circle. Normally an inside measurement when measuring the volume of a round storage structure.

Digitizer means a measuring tool that computes areas and lengths by tracing an area and directly entering the results into a computer. Some digitizers have small internal computers. It is used to obtain acreage measurements.

Disinterested third party means a person that does not have any familial relationship (parents, brothers, sisters, children, spouse, grandchildren, aunts, uncles, nieces, nephews, first cousins, or grandparents, related by blood, adoption or marriage, are considered to have a familial relationship) with you or who will not benefit financially from the sale of the insured crop. Persons who are authorized to conduct quality analysis in accordance with the CP are considered disinterested third parties unless there is a familial relationship. When making quality determinations, persons employed by USWA licensed warehouses and warehouses holding a storage agreement with CCC shall be considered disinterested third parties.

**Note**: For crops having quality provisions in the SP, the SP state:

In addition to the definition of "Disinterested third party," a person or business who does not routinely purchase production for resale or for feed will not be considered a disinterested third party if the RIVs applied by the buyer are not reflective of the RIVs in the local market.

Double Crop means producing two or more crops for harvest on the same acreage in the same crop year.

Drift means the physical movement of prohibited substances from the intended target site onto an organic operation or portion thereof.

Earliest Planting Date means the date contained in the SP, which is the earliest date the insured may plant an insured agricultural commodity and qualify for a replanting payment if such payments are authorized by the CP.

**Note**: If planted prior to this date, the crop is not eligible for a replanting payment, but is still insurable.

Eligible Crop Insurance Contract means an insurance contract with an eligible producer: (1) covering an agricultural commodity authorized to be insured under the Act and approved for sales by FCIC, (2) with terms and conditions in effect as of the applicable contract change date, (3) that is sold and serviced in accordance with the Act, FCIC regulations, FCIC procedures, and the Standard Reinsurance Agreement, and (4) that has a SCD within the reinsurance year.

Eligible Crops means crops must be grown on insurable acreage in a county for which a method of establishing insurance yields/guarantees and premium rates has been established for the crop in order for insurance to attach.

Eligible producer means a person who has an insurable interest in an agricultural commodity, who has not been determined ineligible to participate in the Federal crop insurance program, and who possesses a United States issued SSN or EIN.

Employee means a person who works for FCIC or AIP in return for wages or salary.

Employer Identification Number means an Employer Identification Number as required under section 6109 of the Internal Revenue Code of 1986.

End of Insurance Period means the date upon which the insured's crop insurance coverage ceases for the crop year.

Enterprise Unit means all insurable acreage of the same insured crop in the county in which an insured has a share on the date coverage begins for the crop year provided the EU requirements are met.

Entity. See "Person."

Established Price means the price per unit of production issued by RMA by each crop's filing date. Also, known as Price Election.

Familial Relationship means the same as relative. Refer to "Relative."

Farm Number means an identification number assigned to a farm by the FSA county committee. Also known as FSN.

Farming Organization means one or more individuals who participate in establishing a yield history; corporations, partnerships, and family operations are included under this title.

Federal Crop Insurance Corporation means a wholly owned government corporation under the control of the USDA and administered by the Risk Management Agency.

FCIC-Issued Policy Provisions includes BP, CP, endorsements, and amendments published in the Federal regulations, or for pilot programs approved by the FCIC Board of Directors for pilot programs and that the AIP uses to print the policy provisions provided to the insured for which the AIP services.

Field means all acreage of tillable land within a natural or artificial boundary (e.g., roads, waterways, fences, etc.). Different planting patterns or planting different crops do not create separate fields.

Final Acreage Reporting Date means for each insured crop in the county on or before the ARD contained in the SP for the insured crop except as follows: (1) if multiple crops are insured (by the same AIP) that have FPDs on or after August 15 but before December 31, the acreage report must be submitted for all such crops on or before the latest applicable ARD for such crops; (2) if multiple crops are insured (by the same AIP) that have FPDs on or after December 31 but before August 15, the acreage report must be submitted for all such crops on or before the latest applicable ARD for such crops; (3) If the SP designate separate planting periods for a crop, the acreage report for each planting period must be submitted on or before the ARD contained in the SP for the planting period; and (4) If planting of the insured crop continues after the FPD or is prevented from planting during the LPP, the ARD will be the later of: (a) the ARD contained in the SP or applicable date described in (1) or (2) above if there are multiple insured crops insured by the same AIP; or (b) Five days after the end of the LPP for the insured crop, if applicable. (See Late-Filed Acreage Reports for acreage reports filed after this date.)

Final Claim means a claim form developed by the AIP that meets the FCIC-issued form standards submitted (signed) by the insured after a final inspection has been completed and after all the necessary information to make an applicable indemnity payment, replant payment, or a prevented planting payment has been recorded on the claim form.

Final Inspection means an inspection that requires all of the necessary verifications and determinations of production (if applicable for the type of inspection), acreage, practice, etc., to have been made on a unit prior to processing an indemnity payment, replant payment, or prevented planting payment.

Final Planting Date means the date contained in the SP for the insured crop by which the crop must initially be planted in order to be insured for the full production guarantee or amount of insurance per acre.

**Note**: Crops initially planted after this date are not insurable unless the CP provide for coverage that extends beyond the planting date. Also, refer to definitions for "Timely Planted" and "Late Planting Period."

First Insured Crop means with respect to a single crop year and any specific crop acreage, the first instance that an agricultural commodity is planted for harvest or prevented from being planted and is insured under the authority of the Act. For example, if winter wheat that is not insured is planted on acreage that is later planted to soybeans that are insured, the first insured crop would be soybeans. If the winter wheat were insured, it would be the first insured crop.

Flood Irrigation means a method of irrigation other than sprinkler (traveling gun, center pivot, or other recognized forms of sprinkler systems) or furrow irrigation in which the cropland (wider than a furrow) between raised borders, embankments, or dikes of soil is inundated with controlled amounts of water.

Food Security Act means a law passed by Congress in 1985 that included provisions to discourage the planting of agricultural commodities on converted wetlands or land of predominately highly erodible soils.

Farm Service Agency means an agency of the USDA, or successor agency.

FSA Common Land Unit means the smallest unit of land that has a permanent, contiguous boundary, common land cover and land management, common owner, and common producer association. This information will be used by RMA as an electronic representation of the FSA Field.

FSA Farm Number. Refer to "Farm Number."

FSA Field means part of a farm which is separated from the balance of the farm by permanent boundaries such as fences, permanent waterways, woodlands, and croplines in cases where farming practices make it probable that such cropline is not subject to change, or other similar features.

Furrow Irrigation means a type of irrigation means carried out by use of gravity water flow at the soil surface that is contained within furrows between planted rows. (Rows must be far enough apart to allow water furrows). The land must be formed to allow uniform distribution of water to the entire irrigated acreage without undue impoundment (ponding).

Generally Recognized means when agricultural experts or the organic agricultural experts, as applicable, are aware of the production method or practice and there is no genuine dispute regarding whether the production method or practice allows the crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance.

Gleaner means a person who harvests for free distribution to the needy, or for donation to a nonprofit organization for ultimate distribution to the needy, an agricultural crop that has been donated by the crop owner(s).

Good Farming Practice means the production methods utilized to produce the insured crop and allow it to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance, including any adjustments for late planted acreage, which are: (1) for conventional or sustainable farming practices, those generally recognized by agricultural experts for the area; or (2) for organic farming practices, those generally recognized by the organic agricultural experts for the area or contained in the organic plan that is in accordance with the National Organic Program published in 7 CFR, part 205.

Good Irrigation Practice means application of adequate water in an acceptable manner, at the proper times to allow production of a normal crop which is often identified as the approved yield for crops under APH.

Gross Production means for delivered production, the net delivered production of the commodity (removing truck weight and other weights which are considered tare from the gross scale weight) prior to adjustments made for dockage, test weight, moisture content, poor quality, FM, etc. For farm-stored production, the amount of production in the storage structure, prior to adjustments for dockage, test weight, moisture content, poor quality, FM, etc. For APH purposes, gross production is adjusted the same as adjusted on the claim form, provided there are acceptable records for these adjustments.

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Guarantee (unit) means the guarantee for the unit expressed in the unit of measure for the crop (e.g., bushels, pounds, hundredweight, dollars, etc.) calculated by multiplying the total insured acres on the unit by the guarantee per acre times the insured's share.

Harvest means to combine, thresh, cut, pick, dig, or otherwise remove the crop from the crop acreage. Refer to crop policy/endorsement/CP for specific harvest definition for the crop.

Harvest Price means a price determined in accordance with the CEPP and used to value production to count for revenue protection.

Harvest Price Exclusion means revenue protection with the use of the harvest price excluded when determining the insured's revenue protection guarantee. This election is continuous unless canceled by the cancellation date.

Headed means when the plant's head has emerged from the leaf sheath and is visible to the naked eye.

Heading means at least 50 percent of the crop has headed.

High-Risk Land means land that has a loss frequency and severity potential that cannot be rated adequately on the standard rate table, such as a flood plain, high sand content soil, high aluminum toxicity soil, high sodium content soil, high alkali soil, peat soil, soil with high or low pH, etc.

Household means a domestic establishment including the members of a family (parents, brothers, sisters, children, spouse, grandchildren, aunts, uncles, nieces, nephews, first cousins, or grandparents, related by blood, adoption or marriage, are considered to be family members) and others who live under the same roof.

Immediate Family means an individual's father, mother, stepfather, stepmother, brother, sister stepbrother, stepsister, son, daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, the spouse of the foregoing, and the individual's spouse.

Indemnity means the dollar amount paid in the event of an insured loss.

Indemnity Summary means a computer-generated document showing the insured's dollar amount of indemnity payment by crop and unit number.

Initially Planted means the first occurrence of planting the insured crop on insurable acreage for the crop year.

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Insurable Acreage means acreage that meets all policy insurability requirements, regardless of whether or not such acreage is reported as "insured acres" by the ARD for the applicable insured crop.

Insurance Contract. Refer to "Policy."

Insurable Interest means the insured's percentage of the insured crop that is at financial risk.

Intended Acreage Report means a report of the acreage the insured intends to plant, by crop, for the current crop year and used solely for the purpose of establishing eligible prevented planting acreage.

Interplanted means acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crop.

Insurance Period means the period during which liability for loss due to insured causes is assumed according to the applicable endorsement or policy.

Insurance Policy defines the rights and responsibilities of the insured and the AIP. Refer to "Insurance Contract."

Insurance Premium means the dollar amount paid for insurance. Does not include administrative fees.

Insured means the named person as shown on the application accepted by the AIP. This term does not extend to any other person having a share or interest in the crop (for example, a partnership, landlord, or any other person) unless specifically indicated on the accepted application.

Insured Acres means insurable acreage that is insured in accordance with the policy. This would include, but is not limited to: (1) Insurable acreage reported by the insured by the ARD; or (2) Insurable acreage of the insured crop reported by the insured after the ARD and the AIP accepts such acreage as allowed by the policy provisions and Para. 182 of this handbook.

Insured Cause of Loss means an unavoidable cause of loss defined in the policy or endorsement for which an indemnity can be paid.

Insured Crop means the crop in the county for which coverage is available under the insured's policy defined in the BP and the applicable CP, as shown on the application accepted by the AIP.

Interplanted means acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crops.

Irrigated Practice means a method of producing a crop by which water is artificially applied during the growing season by appropriate systems and at the proper times, with the intention of providing the quantity of water needed to produce at least the yield used to establish the irrigated production guarantee or amount of insurance on the irrigated acreage planted to the insured crop.

Irrigation (Adequacy of Facilities) means irrigation facilities are considered adequate if it is determined that, at the time insurance attaches to planted or perennial acreage, they will be available and usable at the times needed and have the capacity to timely deliver water in sufficient quantities to carry out a good irrigation practice for the acreage insured under the irrigated practice.

Irrigation (Reasonable Expectation) means the insured had no reason to know at the time coverage began, that the amount irrigation water may be limited or reduced. If the insured knew or had reason to know that the amount of irrigation water may be reduced before coverage begins, no reasonable expectation exists.

Irrigation Water Supply means the water source and means for supplying irrigation water, without regard to the equipment or facilities. This includes the water source and dams, canals, ditches, pipelines, etc., which contain the water for movement from the source to the acreage and (a) are not under the control of the insured, or (b) routinely deliver water to acreage in addition to that which is owned or operated by the insured. It does not include any irrigation equipment or facilities.

Kansas City (RMA) Office means the national office responsible for the acceptance and processing of electronically transmitted data for the Federal crop insurance program, for issuing actuarial documents, for developing policy regulations and other related regulations, and for developing and issuing underwriting and loss adjustment standards/procedures.

Landlord is the person who holds the ownership interest to the land that is leased or rented to another person, called the tenant, on which the crop is grown. The landlord receives a cash payment or a share of the crop as a lease or as rental payment from the tenant.

Late-Filed Acreage Report means any original acreage report obtained from the policyholder after the final ARD established by the actuarial documents.

Late-Filed Application means any original application for insurance signed by the producer after the SCD established by the actuarial documents.

Late-Filed Claim. Refer to "Delayed Notice."

Late Planted means acreage initially planted to the insured crop after the FPD or as provided in some CP, during the LPP or if due to an insured cause occurring within the insurance period for PP coverage and PP provisions are applicable to the insured crop, the acreage is prevented from planting by the FPD or during the LPP (if applicable for the crop), but is planted after the LPP (FPD if a LPP is not applicable).

Late Planting Coverage. Refer to Para. 312.

Late Planting Period means for CP providing automatic late-planting coverage, this is the period that begins the day after the FPD for the insured crop and ends 25 days after the FPD, unless otherwise specified in the CP or SP. For acreage planted during the LPP, coverage is reduced according to the CP (or SP, if applicable).

Legal Description means a specified section, township, and range (or parts thereof) as identified by a land survey.

Legal Entity. Refer to "Person" and Para. 25.

Level Election means the percentage of coverage selected by the insured from those offered by FCIC that is used to determine the production guarantee, premium, and dollar amount of insurance.

Liability means the insured's total amount of insurance, value of the insured's production guarantee, or revenue protection guarantee for the unit determined in accordance with the Settlement of Claim provisions of the applicable CP.

**Note**: However, for the purpose of determining a LAF, share will be excluded from liability.

Liability Adjustment Factor means when the dollar claim (determined) liability (based on the actual information determined by the adjuster (excluding share) and recorded on the claim form) is greater than the dollar acreage report liability (based on the acreage information reported by the insured (excluding share)), divide the dollar acreage report liability by the dollar claim liability; e.g., acreage report liability of $1557 divided by claim (determined) liability of $2000 = .778500 LAF (1557/2000 = .778500 rounded to six places).

Loss Adjuster means an individual who is licensed by a State, or has passed a proficiency testing program approved by FCIC, as applicable, and who verifies information affecting the coverage and makes factual determinations regarding the existence or amount of loss under an eligible crop insurance contract.

Loss Ratio means the ratio of paid indemnities to net premium expressed as a percentage (i.e., 1.10, etc.).

Management of a Crop means a person or persons who exercise control of the day-to-day operation (controls what and when to plant, till, cultivate, irrigate, fertilize, spray, and harvest) of producing and marketing the crop.

Measuring Wheel means an instrument composed of a handle, wheel, and counter that is used to measure ground area. As the wheel is moved along the ground, the counter measures the number of revolutions of the wheel and then is converted to acreage measurements.

National List (Organic) means a list of allowed and prohibited substances as provided in OFPA and published by USDA Agriculture Marketing Service for the NOP.

National Organic Program means the program authorized by the OFPA for implementing regulations.

National Resources Conservation Services means an agency of the USDA, or successor agency.

Native Sod means acreage that has no record of being tilled (determined in accordance with FSA or other verifiable records acceptable to us) for the production of an annual crop on or before May 22, 2008, and on which the plant cover is composed principally of native grasses, grass-like plants, forbs, or shrubs suitable for grazing and browsing.

Negligence means the failure to use such care as a reasonably prudent and careful person would use under similar circumstances.

New Crop Program means the offering of insurance or reinsurance coverage by FCIC on a crop that has not previously been entitled to insurance or reinsurance coverage.

Next Level Supervision means a person authorized by the AIP to supervise employees, agents, contractors, or other functions as assigned by the AIP.

Non-Contiguous means acreage of an insured crop that is separated from other acreage of the same insured crop by land that is neither owned by the insured nor rented by the insured for cash or a crop share. However, acreage separated by only a public or private right-of-way, waterway, or an irrigation canal will be considered as contiguous.

Non-Insured Assistance Program covers non-insured commercial crops or other agricultural commodities (except livestock) for which CAT Coverage is not available and that is produced for food or fiber. NAP provides coverage similar to what CAT coverage would be if the crop were insurable under multiple peril crop insurance.

Nonorganic Farming Practice means a practice commonly recognized in a conventional farming operation by which synthetic pesticides and fertilizers are used.

Nonsynthetic (Natural) means a substance originated from mineral, plant or animal matter that does not undergo a synthetic process.

Notice of Acceptance. Refer to "Policy Confirmation."

Notice of Loss means the written notice required to be provided by the insured to the AIP not later than 72 hours after certain occurrences or 15 days after the EOIP, whichever is earlier, as identified in the policy provisions. Refer to the BP or the PP Handbook for the insured's required Notices of Prevented Planting.

Nurse Crop is sometimes called companion crop. It is a crop planted into the same acreage as another crop, that is intended to be harvested separately, and which is planted to improve growing conditions for the crop with which it is grown.

Official File means a hard copy of all original documents for each insured maintained by the AIP in their headquarters or as otherwise specified in the AIPs Plan of Operations required by Appendix II of the SRA.

Offset means the act of deducting one amount from another amount.

Operator or Tenant. Refer to Para. 23.

Optional Unit means further division of a basic unit as allowed and described by the BP, CP, or SP. The insured must pay the surcharge for each optional unit that is shown in the actuarial documents. Refer to Para. 132.

Organic Agricultural Experts means persons who are employed by the following organizations: Appropriate Technology Transfer for Rural Areas, Sustainable Agriculture Research and Education or the Cooperative Extension System, the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific organic crop or practice for which such expertise is sought.

Organic Crop means an agricultural commodity that is organically produced consistent with section 2103 of the OFPA of 1990 (7 U.S.C. 6502.)

Organic Farming Operation means an operation that uses organic farming practices to produce organic agricultural commodities.

Organic Farming Practice means a system of plant production practices used to produce an organic crop that is approved by a certifying agent in accordance with 7 CFR part 205.

Organic Foods Production Act means the statute enacted in 1990 as amended (7 U.S.C. 6501 et seq.) mandating the development of national standards for the production and handling of foods labeled as organic.

Organic Plan means a written plan, in accordance with the NOP published in 7 CFR part 205 that describes the organic farming practices that the insured and a certifying agent agree upon annually or at such other times as prescribed by the certifying agent.

Organic Standards means standards in accordance with the OFPA of 1990 (7 U.S.C. 6501 et seq.) and 7 CFR part 205.

Original Acreage Report or Raisin Tonnage Report means the initial report filed for a crop year, by crop, used to determine the liability, amount of coverage, and premium. Refer to "Acreage Report."

Other Use means using insured acreage in a manner that is different from the original intended use as provided in the CP.

Owner-Operator is a person who holds an ownership interest to the land on which the crop is grown.

Palmer Drought Severity Index means a meteorological index calculated by the National Weather Service to indicate prolonged and abnormal moisture deficiency or excess.

Perennial Crop means a plant, bush, tree, or vine crop that has a life span of more than one year.

Person means an individual partnership, association, corporation, estate, trust or other legal entity and whenever applicable, a State or a political subdivision or agency of a State. Person does not include the United States Government or any agency thereof.

Plan of Insurance means a broad category of crop insurance contracts such as APH, yield protection, revenue protection, etc. that has been designated by FCIC as a separate plan of insurance.

Planted Acreage means land in which seed, plants, or trees have been placed appropriate for the insured crop and planting method, at the correct depth, into a seedbed that has been properly prepared for the planting method and production practice.

Polar Planimeter means an instrument moved along boundaries on aerial photography. The instrument readings are used to convert photograph measurements to acreages.

Policy means the agreement between the insured and the AIP to insure an agricultural commodity and consisting of the accepted application, the BP, the CP, the SP, the CEPP, other applicable endorsement or options, the actuarial documents for the insured agricultural commodity, the CAT Endorsement, if applicable, and the applicable regulations published in 7 CFR Chapter IV. Insurance for each agricultural commodity in each county will constitute a separate policy.

Policy Acceptance and Storage System means any RMA or FCIC approved EDP system that receives and accepts or rejects Company-submitted data for eligible crop insurance contracts.

Policy Confirmation means a form or document issued to the insured indicating that the application, cancellation, etc., has been accepted.

Policyholder means the individual or entity listed on the application and who has been accepted and issued coverage by the AIP.

Policyholder File or Folder means the file(s) maintained for each insured. The file(s) contains copies of documents, such as, application, acreage report, appraisal worksheets, claims, etc. Also known as insured's contract file or folder. Some AIPs may have a file folder that maintains sales documents and another file folder for loss files.

Policy Number. Refer to "Contract Number."

Power of Attorney means a document signed by the insured naming another party to act on behalf of the insured. For crop insurance purposes, this document may be specific to only certain transactions or all transactions involved with the crop insurance contract.

Practical to Replant means the AIP's determination, after loss or damage to the insured crop, based on all factors, including, but not limited to, moisture availability, condition of the field, time to crop maturity, and marketing window, that replanting the insured crop will allow the crop to attain maturity prior to the calendar date for the EOIP. It will be considered to be practical to replant regardless of availability of seed or plants, or the input costs necessary to produce the insured crop such as those that would be incurred for seed or plants, irrigation water, etc.

Practice means a special farming procedure or method, such as irrigated, summer fallow, continuous crop, etc., shown on the actuarial documents for which a separate premium rate and/or yield has been established.

Prairie Pothole National Priority Area consists of specific counties within the States of Iowa, Minnesota, Montana, North Dakota or South Dakota as specified on the RMA Web site at http://www.rma.usda.gov/, or a successor Web site, or the FSA, Agricultural Resource Conservation Program 2–CRP (Revision 4), dated April 28, 2008, or a subsequent publication.

Precision Farming means the utilization of systems' technologies and agronomic principles to manage variability within and between fields and/or over time that is associated with all aspects of agricultural production. It requires the use of technologies, such as GPS and GIS management tools for the purpose of improving crop management. Precision farming may include the combination of variable seeding and fertilizer rates, minimizing seed and chemical overlaps, and the use of GPS/GIS yielding mapping technology (i.e., a precision farming producer using variable seeding, cutting planting rate from 36,000 to 18,000 seeds/acreage for non-irrigated corners, indicating a discernible break in yield with the use of GPS/GIS mapping).

Preliminary Inspection means a farm visit by an adjuster in which an appraisal is usually made on a part of an insured crop unit, and in some instances, written permission is given to make other use of or destroy the affected crop.

Preliminary Yield means the APH yield calculated by the agent prior to approval by the verifier. Preliminary yields are used to provide coverage estimates and premium quotations and are calculated using the same procedures as "approved yield."

Premium Adjustment means a premium cost adjustment applicable to some policies, based on continuous favorable insurance experience or unfavorable insurance experience for the crop. Also referred to as experience adjustment factor.

Premium Discount means a reduction in the base premium rate for unit consolidation, good experience, as applicable, etc.

Premium Subsidy means the portion of the base premium paid by FCIC for the level elected as authorized by law.

Prevented Planting means failure to plant the insured crop by the FPD designated in the SP for the insured crop in the county, or within any applicable LPP, due to an insured cause of loss that is general to the surrounding area and that prevents other producers from planting acreage with similar characteristics. Failure to plant because of uninsured causes such as lack of proper equipment or labor to plant acreage, or use of a particular production method, is not considered PP.

Previous Crop Year means the crop year immediately preceding the current crop year.

Price Election means the amounts contained in the SP or an addendum thereto, that is the value per pound, bushel, ton, carton, or other applicable unit of measure for the purposes of determining premium and indemnity under the policy. A price election is not applicable for crops for which revenue protection is available.

Prior Crop Year means two or more crop years preceding the current crop year.

Prior APH Yield means, for carryover insureds, the approved APH yield from the previous crop year.

Procedures means the applicable handbooks, manuals, bulletins, memorandums or other directives issued by the RMA on behalf of FCIC, related to the eligible crop insurance contract and the SRA. The AIP and/or insured must comply with these procedures.

Producer Premium means the portion of the premium for an eligible crop insurance policy that a policyholder must pay after the subsidy is deducted.

Production Guarantee (Per Acre) means the number of pounds, bushels, tons, cartons, or other applicable units of measure determined by multiplying the approved APH yield per acre by the coverage level percentage elected by the insured.

**Note**: For some crops (e.g., onions, tomatoes), the guarantee per acre for harvested acreage is higher than the guarantee for unharvested acreage, or the guarantee may vary with the maturity (stage) of the crop. Also, if late planting provisions apply to the crop and crop acreage is planted during the LPP, the guarantee will be reduced for the late-planted acreage in accordance with the applicable CP (or SP, if applicable). Refer to the CP for specifics, by crop.

Production Not to Count means harvested production of the same crop that is subtracted from the unit's production before the indemnity is computed.

Production Report means a written record showing the insured's annual production and is used by the AIP to determine the insured's yield in accordance with section 3 of the BP. The report contains yield information for previous years, including planted acreage and production. This report must be supported by written verifiable records from a warehouseman or buyer of the insured crop by measurement of farm-stored production, or by other records of production approved by the AIP on an individual case basis in accordance with FCIC approved procedures.

Production Reporting Date means the latest date production reports will be accepted for inclusion in the database used to calculate approved APH yields for the current crop year. The PRD is the earlier of the ARD or 45 calendar days after the earliest cancellation date for the crop for the current crop year unless otherwise stated in the SP (e.g., the Sugar Beet SP in certain CA counties with a Spring, Summer, and/or Fall harvest practice defines the PRD as the ARD.)

**Note**: If a crop has both a spring and fall SCD, and Application for insurance is made after the earlier SCD or land is added after the PRD (e.g., leased after the PRD) on which the spring type will be planted, the initial PRD is the earlier of the ARD or 45 calendar days after the spring SCD. Insurance does not attach to the acreage planted to the type with the earlier SCD if Application is made after the earlier SCD.

Production to Count means harvested and/or appraised quantities of a crop produced (including appraised production from uninsured causes of loss) from a unit, which are subtracted from the unit's production guarantee in computing an indemnity.

Prohibited Substance means any biological, chemical, or other agent that is prohibited from use or is not included in the organic standards for use on any certified organic, transitional or buffer zone acreage. Lists of such substances are contained at 7 CFR part 205.

Projected Price means the price for each crop determined in accordance with the Commodity Exchange Price Provisions. The applicable projected price is used for each crop for which revenue protection is available, regardless of whether the insured elects to obtain revenue protection or yield protection for such crop.

Quality Assurance means an established review process maintained by the AIP to inspect and document the performance of its operations, employees, and adjusters. This review process is also known as quality control.

Quality Adjustment Factor means a factor used to reduce production to count when the policy allows for reduction of production to count and the production grades at or lower than the specified quality stated in the policy.

Raisin Tonnage Report. Refer to "Acreage Report."

RMA Assigned Number means a term used by RMA to refer to a number issued by RMA to an individual who is considered a qualified alien as determined by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 8 U.S.C. §1611; or, to a trust administered by the Bureau of Indian Affairs, and Indian Tribal Ventures that does not have an EIN.

Range means all of the six-section north/south rows of a township identified as being east or west of the principal meridian.

Recognized Good Farming Practices. Refer to "Good Farming Practice."

Reduction in Value means the dollar and cents RIV (discount) that the buyer applies for each quality (RIV) defect of the crop allowed by the policy provisions. The RIV applies only when there is at least one type or level of defect for which there is not a pre-established discount factor listed in the quality section of the SP.

Regional Office means regional office(s) of the RMA. For the assigned states, the RO performs program and underwriting services for the crop insurance program.

Reinsured Company means private insurance companies selling and adjusting multiple peril crop insurance reinsured by FCIC. Also known as AIP.

Relative means an individual who: (1) is immediate family; (2) resides in the household of; or (3) engages in business with respect to, a farming operation with the person in question, regardless of whether or not the individual is immediate family.

Releasing Agent. Refer to "Ceding Agent."

Replant Claim means an insurance document submitted by the insured after an inspection that records the number of acres replanted, not replanted, and the cost of replanting any damaged acres from which a replant indemnity will be computed.

Replanted Crop means the same agricultural commodity replanted on the same acreage as the first insured crop for harvest in the same crop year if the replanting is specifically made optional by the policy and the insured elects to replant the crop and insure it under the policy covering the first insured crop, or replanting is required by the policy.

Replanting means performing the cultural practices necessary to prepare the land to replace the seed or plants of the damaged or destroyed insured crop, and then replacing the seed or plants of the same crop in the same insured acreage. The same crop does not necessarily mean the same type or variety of the crop unless different types or varieties constitute separate crops or it is otherwise specified in the policy.

Replant Payment means the payment received when acreage qualifies for a replanting payment in accordance with the BP and applicable CP.

Reported Damage or Loss means a responsibility of the insured to promptly notify the Service Office Representative (agent) of any probable crop damage or loss.

Representative means any person authorized by the AIP to work in the field or in an office to carry out in whole or in part the Federal crop insurance marketing, or contract servicing for new applicants or present policyholders. Refer to "Agent."

Representative Sample means portions of the insured crop that must remain in the field for examination and review by the AIP's loss adjuster when making a crop appraisal, as specified in the CP. In certain instances, the AIP may allow the insured to harvest the crop and require only that samples of the crop residue be left in the field.

**Note**: This is not the same thing as "Representative Sample Areas," as specified below.

Representative Samples of Crop. Refer to "Representative Sample."

Representative Sample Areas. Refer to Para. 216.

Representative Strips (Sample) means strips of the unharvested crop that the insured is required, in accordance with policy provisions, to leave if damage is initially discovered within 15 days of or during harvest.

Revised Acreage Report or Raisin Tonnage Report is completed when changes and/or corrections are made to the original acreage or tonnage report. Revised acreage reports (tonnage reports) prepared after the acreage (tonnage) reporting date, must be approved by the AIP before they are processed.

Revenue Protection means a plan of insurance that provides protection against loss of revenue due to a production loss, price decline or increase, or a combination of both. If the harvest price exclusion is elected, the insurance coverage provides protection only against loss of revenue due to a production loss, price decline, or a combination of both.

Revenue Protection Guarantee (Per Acre) means, for revenue protection only, the amount determined by multiplying the production guarantee (per acre) by the greater of the insured's projected price or the insured's harvest price. If the harvest price exclusion is elected, the production guarantee (per acre) is only multiplied by the projected price.

Revoked Certification means an organic operation that was originally certified and certification is subsequently revoked by the certifying agency. The organic operation (or person(s) involved with the organic operation) whose certification has been revoked will be ineligible to receive certification for a period of five years following the date of such revocation, except the Secretary of Agriculture may, when in the best interest of the certification program, reduce or eliminate the period of ineligibility.

Risk Classification means classification provided for each individual and crop that is used in the premium calculation for the crop. This classification may be based on the individual's actual yield history, master yield, land, and/or other factors.

Risk Management Agency administers the Federal crop insurance program.

RMA Web Site means a website hosted by RMA and located at http://www.rma.usda.gov/ or a successor Web site.

Sales Closing Date means a date contained in the SP by which an Application must be filed. The last date by which the insured may change his/her crop insurance coverage for a crop year.

Scale Ruler means a calibrated ruler for use with tapes graduated in chains and feet. Scale rulers for chains are graduated in 660 feet (60 parts to inch and 2,000 feet (75.7 parts to inch.) A tool that can be used by FSA to determine acreage measurements.

Second Crop means, with respect to a single crop year, the next occurrence of planting any agricultural commodity for harvest following a first insured crop on the same acreage. The second crop may be the same or a different agricultural commodity as the first insured crop, except the term does not include a replanted crop. A cover crop, planted after a first insured crop and planted for the purpose of haying, grazing or otherwise harvesting in any manner or that is hayed or grazed during the crop year, or that is otherwise harvested is considered to be a second crop. A cover crop that is covered by FSA's NAP, or receives other USDA benefits associated with forage crops, will be considered as planted for the purpose of haying, grazing or otherwise harvesting. A crop meeting the conditions stated herein will be considered to be a second crop regardless of whether or not it is insured. Notwithstanding the references to haying and grazing as harvesting in the BP, for the purpose of determining the EOIP, harvest of the crop will be as defined in the applicable CP.

Section means a unit of measure under a rectangular survey system (PLSS) describing a tract of land usually one mile square and usually containing approximately 640 acres.

Share means the insured's insurable interest in the insured crop as an owner, operator, sharecropper, or tenant at the time insurance attaches. However, only for the purposes of determining the amount of indemnity, the insured's share will not exceed the insured's share at the earlier of the time of loss or the beginning of harvest. Unless the accepted application clearly indicates that insurance is requested for a partnership or joint venture, or is intended to cover the landlord's or tenant's share of the crop, insurance will cover only the share of the crop owned by the person completing the application. The share will not extend to any other person having an interest in the crop except as may otherwise be specifically allowed in the BP.

**Note**: Cash Lease (100 Percent Share) - Acreage rented for cash is considered a cash lease. A lease containing provisions for either a minimum payment or a crop share will be considered a cash lease.

Crop Share - Acreage rented for a percentage of the crop will be considered a crop share lease. A lease containing provisions for both a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) and a crop share will be considered a crop share lease.

Sharecropper is a person who works the land for a share of the crop produced on the land.

Short-Rated Acreage means, if authorized by the applicable CP and actuarial documents, acreage that will be destroyed prior to harvest and reported to the AIP by the date designated in the crop's SP, the insured will obtain a reduced premium rate.

Sketch Map means a diagram showing where fields or production are located.

Special Provisions means the part of the policy (contained in the county actuarial documents) that contains SP for each insured crop that may vary by geographic area; e.g., planting dates, rotational requirements, exclusions to the policy, etc.

Special Report means a form used to record facts; e.g., used as an attachment to claims or acreage reports when there is not enough room in the narrative to record required documentation and for additional documentation regarding controversial claims, unusual cases, uninsured causes, not following good farming practices, etc.

Split Farming Operation means an operation that uses conventional, sustainable and organic farming practices to produce both organic and nonorganic agricultural products.

Standard Reinsurance Agreement means the agreement between an AIP and FCIC by which the insurer cedes to FCIC certain liabilities arising from the insurer's sales of insurance policies in return for a portion of premium monies and administrative expense reimbursements.

Social Security Number means the SSN or EIN used on insurance application forms to track an insured entity's insurance history. Insurance coverage cannot be offered if the SSN or EIN is not provided by the prospective insured.

State means the state shown on the insured's accepted application.

State Premium Subsidy means the portion of the premium paid by the state, when applicable.

Sub-Field means a part of a field where damage is so variable within the field that smaller divisions of the field are necessary in order to make accurate appraisals.

Substantial Beneficial Interest means an interest held by any person of at least 10 percent in the insured. The spouse of any individual applicant or individual insured will be considered to have a SBI in the applicant or insured unless the spouses can prove they are legally separated or otherwise legally separate under the applicable State dissolution of marriage laws. Any child of an individual applicant or individual insured will not be considered to have a SBI in the applicant or insured unless the child has a separate legal interest in such person. For example, there are two partnerships that each have a 50 percent interest in the insured and each partnership is made up of two individuals, each with a 50 percent share in the partnership. In this case, each individual would be considered to have a 25 percent interest in the insured, and both the partnerships and the individuals would have a SBI in the insured (The spouses of the individuals would not be considered to have a SBI unless the spouse was one of the individuals that made up the partnership). However, if each partnership is made up of six

individuals with equal interests, then each would only have an 8.33 percent interest in the insured and although the partnership would still have a SBI in the insured, the individuals would not for the purposes of reporting SBIs.

Summary of Coverage is our statement to the insured, based upon the insured's acreage report, specifying the insured crop and the guarantee or amount of insurance coverage provided by unit.

Suspended Certification means an organic operation that was originally certified; however, certification for the operation or portion of the operation is subsequently suspended by the certifying agency.

Synthetic means a substance originated from a manufactured chemical process or by a process that chemically changes a substance extracted from naturally occurring plant, animal, or mineral sources, except that such term shall not apply to substances created by naturally occurring biological processes.

Sustainable Farming Practice means a system or process for producing an agricultural commodity, excluding organic farming practices, that is necessary to produce the crop and is generally recognized by agricultural experts for the area to conserve or enhance natural resources and the environment.

Tenant is the person who holds the possessory interest in the land that is leased/rented from the landlord. The tenant pays the landlord for use of the land by cash or share of the crop. Refer to "Share."

Termination Date means the date specified in the CP or endorsement on which the insurance contract is subject to termination because of failure of the insured to pay the premium and/or administrative fee in full prior to this date.

Tilled means the termination of existing plants by plowing, disking, burning, application of chemicals, or by other means to prepare acreage for the production of an annual crop.

Timely Planted means planted on or before the FPD designated in the SP for the insured crop in the county.

Township means a tract of land approximately 6 miles square containing approximately 36 sections, each 1 mile square.

Transfer of Coverage. Refer to "Transfer of Indemnity."

Transfer of Contract/Policy means the transfer of a contract or policy to another AIP.

Transfer of Indemnity means a form signed by the insured that transfers the right to an indemnity payment to another party when land ownership or interest has been transferred on part or all of a unit.

Transferee means one who receives an insured right to an indemnity from another party.

Transferor means an insured who transfers an insured right to an indemnity to another party.

Transitional Acreage means acreage on which organic farming practices are being followed that does not yet qualify to be designated as organic acreage.

Uninsured Acres means uninsurable acreage and insurable acreage that is not insured in accordance with the CP.

Uninsurable Acreage means acreage of an insured crop that does not meet the policy requirements for insurance.

Unit means the insurable acreage of the insured crop in the county taken into consideration when determining the approved APH yield, production guarantee/amount of insurance, and the amount of any indemnity (loss payment). Each insured crop's unit structure is defined in the policy and/or respective endorsement.

Unrated Land means land which is not rated on the actuarial map or actuarial listing, requiring a Written Agreement (sometimes known as unclassified or uninsurable).

Varying Share means a landlord-tenant agreement that allows for different crop shares within the same unit.

Verifier means an individual or organization authorized by FCIC to verify APH records and data furnished by the insured to the AIP in order to calculate and determine the approved APH yield.

Verify means to, determine by an on-site inspection, whether information submitted is true and accurate through independent means in accordance with procedures. With respect to certifications, asking the provider of the information whether the information is true and accurate does not constitute verification. Information from independent third parties or independent documentation must be obtained.

Void means when the policy is considered not to have existed for a crop.

Whole Farm Unit means all insurable acreage of all the insured crops planted in the county in which the insured has a share on the date coverage begins for each crop for the crop year and for which the whole-farm unit structure is available.

Written Agreement means a document designed to provide crop insurance for insurable crops when coverage or rates are unavailable or to modify existing terms and conditions in the crop insurance policy when specifically permitted by the policy. ROs are authorized to conduct the underwriting and approve or deny requests for WA on behalf of the FCIC.

Yield Protection means a plan of insurance that only provides protection against a production loss and is available only for crops for which revenue protection is available.

Yield Protection Guarantee (Per Acre) means when yield protection is selected for a crop that has revenue protection available, the amount determined by multiplying the production guarantee by the insured's projected price.

Zero Acreage Report means an acreage report filed by an insured that certifies that the insured does not have a share in insurable acres of the crop for that crop year.

## Causes of Loss

| CAUSE OF LOSS NAMES AND CODES | | |
|---|---|---|
| **LOSS CAUSE** | **CODE** | **APPLICABLE TO:** |
| NO INDEMNITY | (00) | ALL CROPS |
| DECLINE OF PRICE | (01) | All crops insured under, Adjusted Gross Revenue, Livestock Risk Protection, Livestock Gross Margin, pecans, ARH plans of insurance, and revenue protection and revenue protection with harvest price exclusion. For revenue protection and revenue protection with harvest price exclusion, this is applicable when the harvest price falls below the projected price and is the primary or secondary cause of loss. This is applicable for pecans when a decline in the market price used to determine the indemnity is the primary or secondary contributor of the loss, or for ARH plans of insurance when an inadequate market price results in a revenue loss. |
| ASIAN SOYBEAN RUST | (09) | **ONLY:** Soybeans |
| DROUGHT [1/], [2/] | (11) | ALL CROPS **EXCEPT**: Texas Citrus Fruit, Texas Citrus Trees, Florida Citrus, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Rice, Fresh Market Tomatoes ($ Plan), unless this cause of loss is provided on the SP. |
| HEAT [2/] | (12) | ALL CROPS **EXCEPT**: Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes ($ Plan). |
| FIS (Failure of irrigation (water) supply) | (13) | ALL CROPS **EXCEPT**: Florida Citrus, Cultivated Clams, Florida Fruit Trees, Livestock, and Raisins. |
| FIE (Failure of irrigation equipment) | (14) | All CROPS **EXCEPT:** Cultivated Clams, Livestock, and Raisins. |
| Inability to prepare land for Irrigation | (15) | All CROPS **EXCEPT:** Cultivated Clams, Livestock, and Raisins. |
| HAIL [2/] | (21) | ALL CROPS **EXCEPT**: Cultivated Clams, Florida Fruit Trees, Livestock, and Raisins. |
| EXCESS SUN (Sunburn) | (22) | **ONLY**: Apples |
| EXCESS MOISTURE/PRECIP/ RAIN [2/] | (31) | ALL CROPS **EXCEPT**: Florida Citrus, Livestock, and Cultivated Clams. |
| FROST [2/], [3/] **(See footnote below.)** | (41) | ALL CROPS **EXCEPT**: Florida Citrus, Cultivated Clams, Florida Fruit Trees, Livestock, Texas Citrus Trees, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes ($ Plan). |

**Some CP may contain specific cause of loss definitions; e.g., wind, frost, or freeze. Please refer to the CP for any such specifics.**

**[1/] If the insured practice is irrigated, drought cannot be listed as the cause of loss. See Para. 84 P for more information.**

**[2/] If the applicable CP list "adverse weather" as a cause of loss, the footnoted cause is considered "adverse weather." For statistical purposes, RMA requires that "adverse weather" is broken down into the specific cause; e.g., drought. If "Other" is used, it must be explained on the claim form.**

**[3/] SP may state freeze or frost is not an insurable cause if this cause occurs after the specified date or for some crops is not an insurable cause if adequate frost/freeze protection is not in effect.**

**Causes of Loss** (Continued)

| CAUSE OF LOSS NAMES AND CODES | | |
|---|---|---|
| **LOSS CAUSE** | **CODE** | **APPLICABLE TO:** |
| FREEZE [2/], [3/] **(See footnote below.)** | (42) | ALL CROPS **EXCEPT**: Raisins and Livestock. |
| COLD WINTER [2/] | (43) | ALL CROPS **EXCEPT**: Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes ($ Plan). |
| COLD WET WEATHER [2/] | (44) | ALL CROPS **EXCEPT**: Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes ($ Plan). |
| ICH (Insufficient Chill hrs.) | (45) | **ONLY the following**: Blueberries and Peaches. |
| FLOOD [2/] | (51) | ALL CROPS **EXCEPT**: Florida Citrus, Texas Citrus Fruit, , Cultivated Clams, Florida Fruit Trees[5/], Livestock, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes ($ Plan). |
| ARPI CROPS ONLY | (55) | CROPS INSURED UNDER THE ARPI PLAN OF INSURANCE. |
| WIND/EXCESS WIND [1/], [2/] **(See footnote below.),** | (61) | ALL CROPS **EXCEPT**: Florida Citrus Fruit Types I, II, II, and IV, Cultivated Clams, Livestock, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes ($ Plan). |
| HOT WIND [2/] | (62) | ALL CROPS **EXCEPT**: Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes ($ Plan). |
| CYCLONE [2/] | (63) | ALL CROPS **EXCEPT**: Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes ($ Plan). |
| TORNADO [2/] | (64) | ALL CROPS **EXCEPT**: Cultivated Clams, Florida Fruit Trees, Texas Citrus Trees, Livestock, and Raisins. |
| TIDAL WAVE/TSUNAMI | (65) | **ONLY**: Cultivated Clams, and Hawaii Tropical Fruit, and Hawaii Tropical Fruit Trees. |
| OXYGEN DEPLETION | (66) | **ONLY**: CULTIVATED CLAMS. |
| STORM SURGE | (67) | **ONLY**: CULTIVATED CLAMS. |
| INSECTS [1/] **(See footnote below.)** | (71) | ALL CROPS **EXCEPT**: Florida Citrus, Texas Citrus Trees[6/], Cultivated Clams, Florida Fruit Trees[6/], Figs, Livestock, and Raisins. |
| PREDATION [4/] **(See footnote below.)** | (73) | **ONLY**: CULTIVATED CLAMS. |
| ICE FLOE | (74) | **ONLY:** CULTIVATED CLAMS. |

**Some CP may contain specific cause of loss definitions; e.g., wind. Please refer to the CP for any such specifics.**

**[1/] Some policies may be limited or restricted for this cause of loss; see the individual CP for specifics.**

**[2/] If the applicable CP list "adverse weather" as a cause of loss, the footnoted cause is considered "adverse weather." For statistical purposes, RMA requires that "adverse weather" is broken down into the specific cause; e.g., drought. If "Other" is used, it must be explained on the claim form.**

**[3/] SP may state freeze or frost is not an insurable cause if this cause occurs after the specified date or for some crops is not an insurable cause if adequate frost/freeze protection is not in effect.**

**[4/] This cause of loss is excluded unless allowed by the SP.**

**[5/] Flooding is covered ONLY if allowed by the SP.**

**[6/] Coverage for insects as provided by SP.**

## Causes of Loss (Continued)

| CAUSE OF LOSS NAMES AND CODES | | |
|---|---|---|
| **LOSS CAUSE** | **CODE** | **APPLICABLE TO:** |
| SALINITY | (76) | **ONLY**: CULTIVATED CLAMS. |
| DISEASE, AQUACULTURE | (80) | **ONLY**: CULTIVATED CLAMS. |
| PLANT DISEASE [1/] **(See footnote below.)** | (81) | ALL CROPS **EXCEPT**: Florida Citrus[2/], Texas Citrus Trees[2/], Cultivated Clams, Florida Fruit Trees [2/], Figs, Livestock, and Raisins (see [1/] for Hawaii Tropical fruit, and Hawaii Tropical Fruit Tree.) |
| MYCOTOXINS (e.g., mycotoxins (such as Aflatoxin or Vomitoxin) | (82) | ALL CROPS **EXCEPT**: Texas Citrus Trees, Chile Peppers, Cultivated Clams, Florida Fruit Trees, Hawaii Tropical Trees, Livestock, Macadamia Trees, and Mint. |
| FEDERAL OR STATE ORDERED DESTRUCTION (e.g., substances or conditions injurious to human or animal health) | (85) | ALL CROPS under section 15 (j) of the BP. |
| FALLING NUMBERS | (87) | **ONLY:** Wheat and only for the classes of wheat specified on the SP. |
| FIRE [3/] **(See footnote below)** | (91) | ALL CROPS **EXCEPT**: Cultivated Clams, Florida Fruit Trees, Livestock, and Raisins. |
| HURRICANE OR TROPICAL DEPRESSION [4/] **(See footnote below),** [5/] **(See footnote below)** | (92) | ALL **CROPS EXCEPT**: Texas Citrus Fruit, Texas Citrus Trees, Florida Fruit Trees, Livestock, Peaches, Raisins, and Fresh Market Sweet Corn. |
| WILDLIFE [6/] **(See footnote below.)** | (93) | ALL CROPS **EXCEPT**: Florida Citrus, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Pears, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes ($ Plan). |
| HOUSE BURN/POLE BURN | (95) | **ONLY**: Tobacco |
| EARTHQUAKE | (97) | ALL CROPS **EXCEPT**: Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes ($ Plan). |
| VOLCANIC ERUPTION | (98) | ALL CROPS **EXCEPT**: Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, and Fresh Market Tomatoes ($ Plan). |
| OTHER (Snow, Lightning, Etc.) [5/] **(See footnote below)** | (99) | ALL CROPS **EXCEPT**: Florida Citrus, Texas Citrus Fruit, Texas Citrus Trees, Cultivated Clams, Florida Fruit Trees, Livestock, Fresh Market Peppers, Raisins, Fresh Market Sweet Corn, and Fresh Market Tomatoes ($ Plan). |

**Some CP may contain specific cause of loss definitions; e.g., wind. Please refer to the CP for any such specifics.**

**[1/] Some policies may be limited or restricted for this cause of loss; see the individual CP for specifics. This cause is applicable to Hawaii Tropical Trees when the AIP authorizes destruction of live Banana trees determined by the AIP to have BBTV or Papaya trees determined to have PRV. This cause is also applicable to loss of fruit insured under Hawaii Tropical Fruit Crop Provisions when fruit trees are infected with a disease for which the AIP authorizes destruction of the trees. In addition, for other diseases, sufficient or proper control measures must have been applied.**

**[2/] Disease as specifically provided by SP.**

**[3/] Fire must be due to an act of nature. For Hawaii Tropical Fruit, Hawaii Tropical Trees, and prunes; loss due to fire is not covered if weeds or undergrowth are not controlled and pruning debris is not removed from the grove.**

**[4/] The Florida Citrus Fruit Crop Provisions and Cultivated Clam Pilot Crop Provisions list "Hurricane" as an insured cause of loss, but not "Tropical Depression."**

**[5/] If the applicable crop provisions list "adverse weather" as a cause of loss, the footnoted cause is considered "adverse weather." For statistical purposes, RMA requires that "adverse weather" is broken down into the specific cause; e.g., drought. If "Other" is used, it must be explained on the claim form.**

**[6/] Some policies may be limited or restricted for this cause of loss; see the individual crop provisions for specifics.**

**Unit of Measure of Production and Standard Weight Per Unit, by Crop**

(1) For crops that have a bushel unit of measure. If settlement sheets provide scale weights (i.e., pounds) instead of bushel weights, determine the gross bushel amount by dividing the total gross pound weight of production (before adjustments) shown on the settlement sheet by the standard bushel weight; e.g., 50,000 pounds of shelled corn divided by 56 (standard bushel weight) = 892.86 rounded to tenths – 892.9 bushels.

(2) For crops that have a pound unit of measure. In the rare case that a settlement sheet showed bushels for a crop having pound unit of measure, then determine the pounds of production by multiplying the total bushel weights (before adjustments) by the standard bushel weight; e.g., 50 bushels of safflowers times 35 (standard bushel weight) = 1,750 pounds.

| CROP NAME | UNIT OF MEASURE |
|---|---|
| Almonds | Pounds |
| Apiculture Pilot<br>Rainfall Index plan<br>Vegetative Index plan | Grid Index |
| Apples (Area B) | Bushels (42 lbs.) |
| Apples (Area C) | Bushels (40 lbs.) |
| Apples (Area A) | Boxes (35 lbs. lose/field box) |
| Avocados California Only (Pilot) | Pounds |
| Avocados Florida Only (Pilot) | Bushels (55 lbs.) 3/ |
| Barley | Bushels (48 lbs.) 3/ |
| Barley (Malting) | Bushels (48 lbs.) 3/ |
| Beans, Fresh Market (Pilot) | Cartons (30 lbs.) |
| Beans, Processing | Tons 1/ |
| Blueberries | Pounds |
| Buckwheat | Bushels (48 lbs.) 3/ |
| Cabbage | Hundredweight |
| Camelina | Pounds (50 lbs.) 4/ |
| Canola/Rapeseed | Pounds (50 lbs.) 4/ |
| ARH Citrus (Pilot) | Carton/Dollars 2/ |
| ARH Cherry (Pilot) | Pounds/Dollars 2/ |
| ARH Strawberries | Pounds/Dollars 2/ |
| Chile Peppers, Processing (Pilot) | Pounds/Dollars 2/ |

1/ Tons = 2,000 pounds
2/ Loss measurement is first based on weight/capacity measurement, as shown, and then is converted to dollars.
3/ These crops have bushel units of measure.
4/ These crops have a pound unit of measure and the standard test weight is not used in the farm-stored calculation of gross production.

## Unit of Measure of Production and Standard Weight Per Bushel, by Crop (Continued)

| CROP NAME | UNIT OF MEASURE |
|---|---|
| Citrus (AZ-CA) | |
| Oranges | Cartons (38 lbs.) |
| Lemons | Cartons (40 lbs.) |
| Grapefruit | Cartons (32 lbs.) |
| Mandarin/Tangerines & Tangelos | Cartons (25 lbs.) |
| Citrus (FL) | |
| Grapefruit | Boxes (85 lbs.) |
| Limes | Boxes (88 lbs.) |
| Oranges, Lemons, Tangelos, & Tangors (Temples) | Boxes (90 lbs.) |
| Tangerines & Tangors (Murcotts) | Boxes (95 lbs.) |
| Citrus (TX)<br>Early & Midseason Oranges<br>Late Oranges<br>All Other Grapefruit<br>Ruby Red Grapefruit<br>Rio Red & Star Ruby Grapefruit | Tons 2/ |
| Texas Citrus Trees<br>Early & Midseason Oranges<br>Late Oranges<br>All Other Grapefruit<br>Ruby Red Grapefruit<br>Rio Red & Star Ruby Grapefruit | % Tree Damage/Dollar 3/ |
| Cultivated Clams (Pilot) | Dollar (Individual Clam Value) 4/ |
| Corn, Shelled | Bushels (56 lbs.) 1/, 5/, 6/ |
| Corn (grain) | Bushels (56 lbs.) 1/, 5/ |
| Corn, Ear Husked | Bushels (70 lbs.) 5/, 6/ |
| Corn (Silage) | Tons 2/ |
| Cotton | Pounds |
| Cotton, ELS | Pounds |
| Cranberries | Barrels (100 lbs.) |
| Dry Beans | Pounds (60 lbs.) 5/ |
| Figs | Pounds |

1/ To convert weight of ear corn to equivalent bushels of shelled corn, divide by 70

2/ Ton = 2,000 pounds

3/ For Forage Seeding, the loss measurement is first based on the % of stand, and then the dollar loss is determined from this. For Tree Crops, the loss measurement is first based on the % of tree damage, and then the dollar loss is determined from this.

4/ Clam value by size

5/ These crops have bushel units of measure.

6/ For corn insured as grain that is to be harvested and ground and stored as corn and cob meal (ground ear corn) or chopped for earlage, a pre-harvest appraisal is required to establish the production. (Refer to Para. 213.)

**Unit of Measure of Production and Standard Weight Per Unit, by Crop (Continued)**

| CROP NAME | UNIT OF MEASURE |
|---|---|
| Flaxseed | Bushels (56 lbs.) 3/ |
| Florida Fruit Trees (Pilot) | % Stand/Tree Damage/Dollar 7/ |
| Forage Production | Tons 1/ |
| Forage Seed (Pilot) | Pounds |
| Forage Seeding | % Stand/Dollar 7/ |
| Grain Sorghum | Bushels (56 lbs.) 3/ |
| Grass Seed (Pilot) | Pounds (60 lbs.) 4/ |
| Grapes | Tons 2/ |
| Table Grapes | Lugs (20-21 lbs.) 5/ |
| Hybrid Seed Corn | Bushels (56 lbs.)/Dollar 3/, 6/ |
| Hawaii Tropical Fruit (Pilot) | Pounds |
| Hawaii Tropical Fruit Trees (Pilot) | % Tree damage/Dollar 7/ |
| Hybrid Sorghum Seed | Bushels (56 lbs.)/Dollar 3/, 6/ |
| Macadamia Nuts | Pounds |
| Macadamia Trees | % Tree damage/Dollar 7/ |
| Millet | Bushels (50 lbs.) 3/ |
| Mint | Pounds |
| Mustard | Pounds (60 lbs.) 4/ |
| Livestock | Hundredweight/Dollar 6/ |
| Nursery | Dollar (Individual Plant Value) |
| Oats | Bushels (32 lbs.) 3/ |
| Olives<br>Table<br>Oil | <br>Tons 1/<br>Gallons |
| Onions | Hundredweight |
| Pasture, Rangeland, Forage Pilot Rainfall Index plan | Grid Index |

1/ Ton = 2,000 pounds.

2/ Loss measurement is first based on weight/capacity measurement, as shown, and then is converted to dollars.

3/ These crops have bushel units of measure.

4/ These crops have a pound unit of measure and the standard test weight is not used in the farm-stored calculation of gross production.

5/ 20 lbs. in Arizona and Coachella Valley, CA district; 21 lbs. in all other CA districts.

6/ Loss measurement is first based on weight/capacity measurement, as shown, and then is converted to dollars.

7/ For Forage Seeding, the loss measurement is first based on the % of stand, and then the dollar loss is determined from this. For Tree Crops, the loss measurement is first based on the % of tree damage, and then the dollar loss is determined from this.

## Unit of Measure of Production and Standard Weight Per Unit, by Crop (Continued)

| CROP NAME | UNIT OF MEASURE |
|---|---|
| Pasture, Rangeland, Forage Pilot Vegetative Index plan | Grid Index |
| Peaches | Bushels (50 lbs.) 3/ |
| Peanuts | Pounds |
| Pears | Tons 1/ |
| Peas, dry | Pounds (60 lbs.) 4/ |
| Peas, green | Pounds |
| Pecans | Pounds/Dollars 2/ |
| Peppers | 1 1/9 bushels (per box) /Dollar 2/ |
| Pistachios | Pounds |
| Fresh Plums | Lugs (28 lbs.) |
| Popcorn | Pounds (56 lbs.) 4/ |
| Potatoes (Northern and Central/Southern) | Hundredweight |
| Prunes | Tons 1/ |
| Pumpkins (Pilot) | Tons 1/ |
| Raisins | Tons 1/ Dollar 2/ |
| Rice | Pounds (45 lbs.) 4/ |
| Rye | Bushels (56 lbs.) 3/ |
| Safflowers | Pounds (35 lbs.) 4/ |
| Sesame Seed | Pounds (45 lbs.) 4/ |
| Sorghum Silage (Pilot) | Tons 1/ |
| Soybeans | Bushels (60 lbs.) 3/ |
| Stonefruit<br>Fresh Apricots<br>Fresh Nectarines<br>Freestone Peaches<br>Proc. Apricots and Proc. Cling Peaches, and Processing Freestone Peaches<br>Fresh Plums | <br>Lugs (24 lbs.)<br>Lugs (25 lbs.)<br>Lugs (22 lbs.)<br><br>Tons 1/<br>Lugs (28 lbs.) |
| Sugar Beets | Tons 1/ |
| Sugarcane | Pounds |
| Sugarcane (Hawaiian) | Pounds |

1/ Ton = 2,000 pounds.

2/ Loss measurement is first based on weight/capacity measurement, as shown, and then is converted to dollars.

3/ These crops have bushel units of measure.

4/ These crops have a pound unit of measure and the standard test weight is not used in the farm-stored calculation of gross production.

**Unit of Measure of Production and Standard Weight Per Unit, by Crop (Continued)**

| CROP NAME | UNIT OF MEASURE |
|---|---|
| Sunflower Seed (Oil) | Pounds (29 lbs.) 4/ |
| Sunflower Seed (Non-Oil) | Pounds (25 lbs.) 4/ |
| Sweet Corn (Processing) | Tons 1/ |
| Sweet Corn (Fresh) | Containers (42 lbs.)/Dollar 2/ |
| Sweet Potatoes Louisiana (Pilot) | Hundredweight |
| Tobacco | Pounds |
| Tomatoes (Processing) | Tons 1/ |
| Tomatoes (Fresh) | Cartons (25 lbs.)/Dollar 2/ |
| Tomatoes (Fresh Guarantee) | Cartons (25 lbs.) |
| Walnuts | Pounds |
| Wild Rice, Cultivated | Pounds (25 lbs. for MN) 4/<br>Pounds (29 lbs. for CA) 4/ |
| Wheat | Bushels (60 lbs.) 3/ |

1/ Ton = 2,000 pounds.
2/ Loss measurement is first based on weight/capacity measurement, as shown, and then is converted to dollars.
3/ These crops have bushel units of measure.
4/ These crops have a pound unit of measure and the standard test weight is not used in the farm-stored calculation of gross production.

## Person Types and Documentation Chart

| PERSON TYPE | APPLICATION | SIGNATURE(S) REQUIRED | DOCUMENTATION NEEDED | ID NUMBER |
|---|---|---|---|---|
| **INDIVIDUAL** | John C. Doe | John C. Doe | None | SSN of Individual |
| **INDIVIDUAL** Operating As Business | Northam Land Company<br>c/o James T. Anderson | Northam Land Company By James T. Anderson, Sole Owner | None | EIN 1/ and 3/ |
| **INDIVIDUAL** (Joint & Survivorship Interest) | John W. Doe or<br>Mary C. Doe | (Both must sign)<br>John W. Doe<br>Mary C. Doe | If they are not spouses, statements signed by both parties showing authority of one to act for the other | SSN of Individual |
| **INDIVIDUAL** (Minor, Natural Guardian) | John Doe, (minor)<br>by Fred Doe, Guardian | Fred Doe, Guardian for John Doe, and John Doe | Statement signed by minor and guardian showing qualifications as separate person | SSN of Minor |
| **INDIVIDUAL** (Minor Unable To Enter Into Contracts Or Incompetent With Court-Appointed Guardian) | Frank W. Doe<br>c/o John H. Doe, Guardian | John H. Doe<br>Guardian<br>for Frank W. Doe, | Statements signed by court-appointed guardian showing where court decree can be verified | SSN of Minor or Incompetent |
| **INDIVIDUAL** (Authorized Signature) | John C. Doe<br>c/o Richard C. Roe, Authorized Representative | John C. Doe<br>By Richard C. Roe, Under Power of Attorney | POA | SSN of insured |
| **INDIVIDUAL** (Undivided Interest) | John C. Doe | John C. Doe | Copy of agreement designating responsible person | Named Insured EIN or SSN 2/ |
| **INDIVIDUAL** (Married) | John C. Doe | John C. Doe | POA authorizing signature, if applicable | SSN of Individual 3/ |
| Entity Insuring A Landlord's Or Tenant's Share | John C. Doe | John C. Doe | None | EIN or SSN of landlord/tenant 1/, 2/, 3/ or 4/ |
| **JOINT VENTURES**, including<br><br>**JOINT OPERATORS**<br><br>**CO-OWNERS** | James L. Smith and John A. Brown, Joint Venture<br><br>James L. Smith and John A. Brown, Joint Venture<br><br>James L. Smith and John A. Brown, Joint Venture | (All must sign)<br>James L. Smith<br>John A. Brown | None if all sign, or POA authorizing signature | Joint Interest EIN or SSN's 2/ |

1/ If EIN, individual MUST be listed as SBI and SSN of individual provided
2/ All PERSONS insured must be listed as SBI and EIN, RAN or SSN provided
3/ SSN/RAN of spouse must be listed as a SBI.
4/ SSN/EIN/RAN of any person with a SBI.

## Person Types and Documentation Chart (Continued)

| PERSON TYPE | APPLICATION | SIGNATURE(S) REQUIRED | DOCUMENTATION NEEDED | ID NUMBER |
|---|---|---|---|---|
| **PARTNERSHIP** (Written Or Oral) | Jones and Smith, A Partnership c/o Sam Jones | Jones and Smith, A Partnership By Sam Jones, A Partner | Statement signed by all partners certifying they are members of the partnership or copy of written partnership agreement signed by all partners | EIN of the Partnership 4/ |
| **CORPORATION** (With Stockholders) | ABC Company, Inc. c/o Richard Roe, (Title)<br><br>First National Bank of Dallas c/o John H. Doe, (Title) | ABC Company, Inc. By Richard Roe, (Title)<br><br>First National Bank of Dallas By John H. Doe, (Title) | Statement where articles of incorporation/organization are filed. Indicate in which State incorporation was filed. Application must be signed by authorized person. | EIN of the Corporation 4/ |
| **LIMITED LIABILITY COMPANY (LLC)** | Jones Farms, LLC c/o Sarah Jones | Jones Farms, LLC By Sarah Jones | Statement indicating which state the Articles of Organization are filed Application must be signed by authorized person. | SSN or EIN for the LLC. 4/ |
| **ESTATE** | Estate of Richard Roe, Deceased, c/o John H. Doe, Executor (or Administrator) | Estate of Richard Roe, Deceased, by John H. Doe Executor (or Administrator) | Statement advising where authority can be found | Estate EIN |
| **TRUST** | John H. Doe Trust, c/o Richard Roe, Trustee or Administrator | John H. Doe, Trust by Richard Roe, Trustee or Administrator | Statement advising where authority can be found | SSN/EIN for Trust 1/, 3/, and 4/ if applicable |
| | Jones, Brown, Smith c/o Richard Roe, Trustee | Jones, Brown, Smith By Richard Roe, Trustee | | EIN of Trust 3/ (if applicable) and 4/ |
| **TRUST - IRREVOCABLE** | Ralph R. Doe, Trust, c/o Richard Roe , Trustee or Administrator | Ralph R. Doe Trust, c/o Richard Roe, Trustee or Administrator | Statement advising where authority can be found | EIN for Trust 4/ |
| **TRUST - REVOCABLE** | John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator | John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator | Statement advising where authority can be found | SSN/EIN for Trust (if applicable) and 4/. SSN of Grantor 4/ |
| **TRUST - BIA** | (Name of Trust) BIA Trust 0016 | BIA Trust 0016 by John Doe Trustee or Power of Attorney | Statement advising where authority can be found | State County BIA# Example: 01 201 0016 |
| **RECEIVER OR LIQUIDATOR** | XYZ Company c/o John H. Doe, Receiver (or Liquidator) | XYZ Company By John H. Doe, Receiver or Liquidator & Court-Appointed | Statement advising where authority can be found | EIN of Named Insured or Correspondent's EIN |

1/ If EIN, individual MUST be listed as SBI and SSN of individual provided
2/ All PERSONS insured must be listed as SBI and EIN or RAN or SSN provided
3/ SSN/RAN of spouse must be listed as a SBI
4/ SSN/EIN/RAN of any person with a SBI

## Hail/Fire Exclusion Appraisal Factor Table

The following table lists the appraisal factors for the following levels of coverage when the percent of hail/fire loss exceeds the difference between 100% and the level of coverage percent.

| % Hail Damage | 65% | 70% | 75% | 80% | 85% |
|---|---|---|---|---|---|
| 15% | 0 | 0 | 0 | 0 | 0 |
| 16% | 0 | 0 | 0 | 0 | .0118 |
| 17% | 0 | 0 | 0 | 0 | .0236 |
| 18% | 0 | 0 | 0 | 0 | .0354 |
| 19% | 0 | 0 | 0 | 0 | .0472 |
| 20% | 0 | 0 | 0 | 0 | .0590 |
| 21% | 0 | 0 | 0 | .0125 | .0708 |
| 22% | 0 | 0 | 0 | .0250 | .0826 |
| 23% | 0 | 0 | 0 | .0375 | .0944 |
| 24% | 0 | 0 | 0 | .0500 | .1062 |
| 25% | 0 | 0 | 0 | .0625 | .1180 |
| 26% | 0 | 0 | .0133 | .0750 | .1298 |
| 27% | 0 | 0 | .0267 | .0875 | .1416 |
| 28% | 0 | 0 | .0400 | .1000 | .1534 |
| 29% | 0 | 0 | .0533 | .1125 | .1652 |
| 30% | 0 | 0 | .0667 | .1250 | .1770 |
| 31% | 0 | .0143 | .0800 | .1375 | .1888 |
| 32% | 0 | .0286 | .0933 | .1500 | .2006 |
| 33% | 0 | .0429 | .1067 | .1625 | ..2124 |
| 34% | 0 | .0571 | .1200 | .1750 | .2242 |
| 35% | 0 | .0714 | .1333 | .1875 | .2360 |
| 36% | .0154 | .0857 | .1467 | .2000 | .2478 |
| 37% | .0308 | .1000 | .1600 | .2125 | .2596 |
| 38% | .0462 | .1143 | .1733 | .2250 | .2714 |
| 39% | 0615 | .1286 | .1867 | .2375 | .2832 |
| 40% | .0769 | .1429 | .2000 | .2500 | .2950 |
| 41% | .0923 | .1571 | .2133 | .2625 | .3068 |
| 42% | .1077 | .1714 | .2267 | .2750 | .3186 |
| 43% | .1231 | .1857 | .2400 | .2875 | .3304 |
| 44% | .1385 | .2000 | .2533 | .3000 | .3422 |
| 45% | .1538 | .2143 | .2667 | .3125 | .3540 |
| 46% | .1692 | .2286 | .2800 | .3250 | .3658 |
| 47% | .1846 | .2429 | .2933 | .3375 | .3776 |
| 48% | .2000 | .2571 | .3067 | .3500 | .3894 |
| 49% | .2154 | .2714 | .3200 | .3625 | .4012 |
| 50% | .2308 | .2857 | .3333 | .3750 | .4130 |
| 51% | .2462 | .3000 | .3467 | .3875 | .4248 |
| 52% | .2615 | .3143 | .3600 | .4000 | .4366 |
| 53% | .2769 | .3286 | .3733 | .4125 | .4484 |
| 54% | .2923 | .3429 | .3867 | .4250 | .4602 |
| 55% | .3077 | .3571 | .4000 | .4375 | .4720 |
| 56% | .3231 | .3714 | .4133 | .4500 | .4838 |
| 57% | .3385 | .3857 | .4267 | .4625 | .4956 |
| 58% | .3538 | .4000 | .4400 | .4750 | .5074 |
| 59% | .3692 | .4143 | .4533 | .4875 | .5192 |
| 60% | .3846 | .4286 | .4667 | .5000 | .5310 |
| 61% | .4000 | .4429 | .4800 | .5125 | .5428 |



**Instructions for using the "Decimal Part of a Percent" chart below: Add the whole number to the decimal %.**

## **Hail/Fire Exclusion Appraisal Factor Table** (Continued)

| % Hail Damage | 65% | 70% | 75% | 80% | 85% |
|---|---|---|---|---|---|
| 62% | .4154 | .4571 | .4933 | .5250 | .5546 |
| 63% | .4308 | .4714 | .5067 | .5375 | .5664 |
| 64% | .4462 | .4857 | .5200 | .5500 | .5782 |
| 65% | .4615 | .5000 | .5333 | .5625 | .5900 |
| 66% | .4769 | .5143 | .5467 | .5750 | .6018 |
| 67% | .4923 | .5286 | .5600 | .5875 | .6136 |
| 68% | .5077 | .5429 | .5733 | .6000 | .6254 |
| 69% | .5231 | .5571 | .5867 | .6125 | .6372 |
| 70% | .5385 | .5714 | .6000 | .6250 | .6490 |
| 71% | .5538 | .5857 | .6133 | .6375 | .6608 |
| 72% | .5692 | .6000 | .6267 | .6500 | .6726 |
| 73% | .5846 | .6143 | .6400 | .6625 | .6844 |
| 74% | .6000 | .6286 | .6533 | .6750 | .6962 |
| 75% | .6154 | .6429 | .6667 | .6875 | .7080 |
| 76% | .6308 | .6571 | .6800 | .7000 | .7198 |
| 77% | .6462 | .6714 | .6933 | .7125 | .7316 |
| 78% | .6615 | .6857 | .7067 | .7250 | .7434 |
| 79% | .6769 | .7000 | .7200 | .7375 | .7552 |
| 80% | .6923 | .7143 | .7333 | .7500 | .7670 |
| 81% | .7077 | .7286 | .7467 | .7625 | .7788 |
| 82% | .7231 | .7429 | .7600 | .7750 | .7906 |
| 83% | .7385 | .7571 | .7733 | .7875 | .8024 |
| 84% | .7538 | .7714 | .7867 | .8000 | .8142 |
| 85% | .7692 | .7857 | .8000 | .8125 | .8260 |
| 86% | .7846 | .8000 | .8133 | .8250 | .8378 |
| 87% | .8000 | .8143 | .8267 | .8375 | .8496 |
| 88% | .8154 | .8286 | .8400 | .8500 | .8614 |
| 89% | .8308 | .8429 | .8533 | .8625 | .8732 |
| 90% | .8462 | .8571 | .8667 | .8750 | .8850 |
| 91% | .8615 | .8714 | .8800 | .8875 | .8968 |
| 92% | .8769 | .8857 | .8933 | .9000 | .9086 |
| 93% | .8923 | .9000 | .9067 | .9125 | .9204 |
| 94% | .9077 | .9143 | .9200 | .9250 | .9332 |
| 95% | .9231 | .9286 | .9333 | .9375 | .9440 |
| 96% | .9385 | .9429 | .9467 | .9500 | .9558 |
| 97% | .9538 | .9571 | .9600 | .9625 | .9676 |
| 98% | .9692 | .9714 | .9733 | .9750 | .9794 |
| 99% | .9846 | .9857 | .9867 | .9875 | .9912 |
| 100% | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |

**Example: 58.7 hail damage @ 65 % level of coverage (.3538 + .0108) = .3646 appraisal factor**
**.3646 X guarantee per acre = appraisal for uninsured causes.**

| | **65%** | **70%** | **75%** | **80%** | **85%** |
|---|---|---|---|---|---|
| **.1** | .0015 | .0014 | .0013 | .0013 | .0012 |
| **.2** | .0031 | .0029 | .0027 | .0025 | .0024 |
| **.3** | .0046 | .0043 | .0040 | .0038 | .0035 |
| **.4** | .0062 | .0057 | .0053 | .0050 | .0047 |
| **.5** | .0077 | .0071 | .0067 | .0063 | .0059 |
| **.6** | .0092 | .0086 | .0080 | .0075 | .0071 |
| **.7** | .0108 | .0100 | .0093 | .0088 | .0083 |
| **.8** | .0123 | .0114 | .0107 | .0100 | .0094 |
| **.9** | .0138 | .0129 | .0120 | .0113 | .0106 |

## FSA Documents

**THIS FORM IS AVAILABLE ELECTRONICALLY.**

**FSA-426** (01-29-02)

**U.S. DEPARTMENT OF AGRICULTURE**
Farm Service Agency

# MPCI/FCIC INFORMATION REQUEST WORKSHEET

1. COUNTY OFFICE NAME, ADDRESS, AND TELEPHONE NO. *(Include area code)*

( )

2. PROGRAM YEAR

3. DATE

**ITEMS 4 THROUGH 11 TO BE COMPLETED BY REQUESTER**

| 4A. REQUESTER'S NAME | 4B. TELEPHONE NUMBER | 4C. ID NUMBER | 4D. ID TYPE |
|---|---|---|---|
| | ( ) | | |

| 5. PRODUCER'S NAME | 6. ID NUMBER | 7. ID TYPE | 8. INFORMATION REQUESTED *(/) Check appropriate box(es) that are applicable to producer.)* A. FSA-578 Producer Print | B. Map Photocopies |
|---|---|---|---|---|
| | | | | |
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9A. INFORMATION WILL BE:
☐ MAILED ☐ PICKED UP

9B. ADDRESS, IF MAILED

10. REMARKS

**11. CERTIFICATION**

*I certify that the producer(s) listed above has a current policy with the insurance company I represent. This information will be used by the insurance company I represent for the express purpose of fulfilling its loss adjustment and compliance obligations.*

| A. REQUESTER'S SIGNATURE | B. TITLE | C. DATE |
|---|---|---|
| I.M. ADJUSTER | | |

**12. TO BE COMPLETED BY FSA ONLY**

| A. DATE RECEIVED | B. DATE FURNISHED | C. WORKLOAD DATA | D. INITIALS |
|---|---|---|---|
| | | | |

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**FSA Documents (Continued)**

| FSA IMAGERY ABBREVIATIONS | MEANING |
|---|---|
| **HEL** | Highly erodible land |
| **NHEL** | Not highly erodible land |
| **W** | Wetland |
| **NW** | Nonwetland |
| **CW** | Wetland converted between December 23, 1985, and November 28, 1990. |
| **FW** | Farmed wetland |
| **PC** | Wetland converted before 12/23/85 |
| **AW** | Artificial wetland or irrigated wetland |
| **MW** | Converted wetlands determined to have a minimal effect |
| **CWTE** | Wetlands determined by NRCS to be exempt because of technical error |
| **CWNA** | Wetlands converted for non-agricultural uses |
| **FW** | Wetland granted a commenced conversion or third party exemption that allows a maintenance of the current system |
| **PC** | Wetland granted a commenced conversion or third party exemption that does not restrict any drainage activities on the land |
| **AW/FW** | Artificial or irrigation induced wetland and farmed wetland. |
| **AW/W** | Artificial or irrigation induced wetland and wetland. |
| **CC** | Commenced conversion exemption. |
| **CW+ Year** | Wetland converted after November 28, 1990. |
| **CMW** | Categorical minimal effect. |
| **Easement** | A wetland easement exists on the land. |
| **FWP** | Pasture or hayland converted before December 23, 1985, that still meets wetland criteria and is not abandoned. |
| **MIW** | A frequently cropped wetland area that is converted under an agreement that another wetland, which was converted before December 23, 1985, is restored to replace it. The restored area may be protected by an easement. |
| **NI** | Area that is not inventoried by NRCS. |
| **NW/NAD** | Nonwetland per national appeals decision. |
| **OW** | Other waters of the United States. |
| **PC/NW** | Prior converted and nonwetland. |

| FSA IMAGERY ABBREVIATIONS | MEANING |
|---|---|
| **TP** | Wetland converted by a third party. |
| **WX** | Wetland manipulated after December 23, 1985, but agricultural production was not made possible. |
| **GFW** | CW that has been restored under the good faith provision. |
| **GFW + Year** | CW+Year that has been restored after 1990 under the good faith provision. |
| **RWP** | A not frequently cropped wetland area that is converted to improve efficiency under an agreement that another wetland, that was converted before December 23, 1985, is restored to replace it. |
| **RSW** | A wetland area that was not converted between December 23, 1985, and November 28, 1990, that is restored to preconversion conditions. No violation by planting on the converted wetland has occurred. |
| **RSW + Year** | A wetland converted after December 23, 1985, on which NRCS determined a violation occurred and restoration to preconversion conditions has been completed. |
| **FSN** | Farm Serial Number. It is place in the upper-left corner of the farm on the photo. |
| **T** | T followed by numbers is the assigned "Tract number;" e.g., "T1520." |
| **1...** | An assigned number to identify the field, i.e., "1" or "2." When a field is subdivided a number followed by a letter suffix, such as "1A" is shown. |

**(The terms/definitions used in this table are FSA program definitions for their programs and may not be the same terms/definitions used for FCIC program crop regulations.**

| **CROP STATUS CODES** | | | | | |
|---|---|---|---|---|---|
| **First Character** | | **Second Character** | | **Third Character** | |
| **I** | Initial (1st crop) | **I** | Intended | **M** | FSA uses crop status code "M" in the third character field when either of the following apply:<br>(1) a field has multiple different crops planted at the same time, and a planting pattern cannot be determined<br>(2) a field has the same crop growing in different stages at the same time, and a planting pattern cannot be determined. |
| **D** | Covered commodity followed by a different covered commodity - meets double-cropping definition. | **F** | Crop meets the definition of failed | | |
| **E** | Covered commodity followed by FAV or wild rice or vice versa - meets double-cropping definition. | **P** | crop meets the definition of prevented planted | | |
| **F** | FAV followed by a different FAV - meets double-cropping definition. | **" "** | Means planted | | |
| **G** | Noncovered commodity/non-FAV followed by covered commodity or vice versa - meets double-cropping definition. | **V** | Volunteer | | |
| **H** | Noncovered commodity/non-FAV followed by FAV or vice versa – meets double-cropping definition. | | | | |
| **O** | Noncovered commodity/non-FAV followed by a noncovered commodity/non-FAV meets double-cropping definition. | | | | |
| | | | | | |

**FSA Documents** (Continued)

| **CROP STATUS CODES** (continued) | | | | | |
|---|---|---|---|---|---|
| **First Character** | | **Second Character** | | **Third Character** | |
| **J** | Covered commodity followed by a different covered commodity – does not meet double-cropping definition. | | | | |
| **K** | Covered commodity followed by FAV or wild rice or vice versa – does not meet double-cropping definition. | | | | |
| **L** | FAV followed by a different FAV – does not meet double-cropping definition. | | | | |
| **M** | Non-covered commodity/non-FAV followed by covered commodity or vice versa – does not meet double-cropping definition | | | | |
| **N** | Non-covered commodity/non-FAV followed by FAV or vice versa – does not meet double-cropping definition. | | | | |
| **P** | Non-covered commodity/non-FAV followed by a non-covered commodity/non-FAV does not meet double-cropping definition. | | | | |
| **R** | Crop is a repeat of the same initial crop planted. | | | | |
| **X** | Crop is considered experimental. | | | | |

Examples: DF- Double crop failed I- Initial Planted

| INTENDED USE CODES | | | | |
|---|---|---|---|---|
| Abbreviations | Explanation | | Abbreviations | Explanation |
| **CO** | **Cover Only** | | **LV** | Leaves |
| **DE** | **Dry edible** | | **ML** | Molasses |
| **ED** | **Edible** | | **NT** | Nontable |
| **FG** | **Forage** | | **OL** | Oil |
| **FH** | **Fresh** | | **PR** | Processed |
| **GR** | **Grain** | | **RS** | Rootstock |
| **GS** | **Grain/Grazing** | | **RT** | Root(s) |
| **GZ** | **Grazing** | | **SD** | Seed |
| **GM** | **Green Manure** | | **SE** | Sets |
| **GR** | **Grain** | | **SG** | Silage |
| **JU** | **Juice** | | **SK** | Stockers |
| **LS** | **Left Standing** | | **SO** | Sod |
| **LT** | **Leaf Tips** | | **TB** | Table |
| **FG** | **Forage** | | **LV** | Leaves |
| | | | | |
| | | | | |
| | | | **GP** | Green peanuts |
| | | | **HP** | Hogged peanuts |
| | | | **NP** | Nut peanuts |

| **FSA LAND USE FLAG** | | | | |
|---|---|---|---|---|
| **Abbreviation** | **Explanation** | | **Abbreviation** | **Explanation** |
| **F** | Fruit or Vegetables | | | |
| | | | | |

| **PLANTING PRACTICE CODES USED ON FSA-578** |
|---|
| The planting practices on the FSA-578 are FCIC planting codes. Refer to the FCI-35 for the code and code explanation. |

## A. General Information for AIP

(1) It is recommended that AIPs provide this or a similar checklist to adjusters for them to complete during each loss inspection. (The AIP may choose to develop a similar checklist that has been modified to fit their region and the crops insured.)

(2) The checklist is to be used as a tool to assist the adjuster in determining that important verifications have been made. It may be utilized for other purposes, such as review of adjusters' work, etc.

(3) If the AIP chooses to use this checklist, be aware that this checklist was designed to be used nationwide. There may be some items that are not applicable to a particular geographical area or crop. On the other hand, there may be items that are not included on this list because they are specific to ONLY certain geographical areas or crops. Therefore, at the bottom of this checklist, space has been provided to add additional items that may be needed but have not been included.

## B. Adjuster completion instructions

(1) Enter the insured's name, claim number, contract number, crop(s) and units inspected during the farm visit, and purpose of farm visit; e.g., acreage report review inspection, preliminary inspection, growing season inspection, final inspection, etc.

(2) With a check mark, indicate "Yes" or "No" for each item on the checklist. If the item cannot be answered with a "Yes" or "No," explain on the line provided by each item or on the back of the checklist if more space is needed. Be sure to appropriately identify any comments made on the reverse side.

(3) Signature is optional unless otherwise locally instructed; however, it is recommended that adjusters sign the form to facilitate any necessary follow-up action.

(4) An indication that a particular item has been verified, such as "Special Option endorsements verified" is intended to be an indication that you not only verified that the insured had the option, endorsement, etc., but that you also verified the insured's eligibility for such option, etc., and that all applicable provisions have been met and applied properly in the adjustment of the loss.

Distribution

Place the completed checklist in the insured's contract folder. No other copies are required to be distributed unless otherwise instructed by the AIP.

**Claim Checklist Form Standards** (Continued)

Insured's name _____ Claim number _____ Policy number _____

Crop(s)-Unit(s) _____

| YES | NO | | |
|---|---|---|---|
| ☐ | ☐ | 1 | Insured Present |
| ☐ | ☐ | 2 | Insurable Entity verified |
| ☐ | ☐ | 3 | Timely Notice |
| ☐ | ☐ | 4 | Share Verified |
| ☐ | ☐ | 5 | Companion Contract Verified (if applicable) |
| ☐ | ☐ | 6 | Legal Description Verified |
| ☐ | ☐ | 7 | Practice(s) Insurability Verified |
| ☐ | ☐ | 8 | Insurable Type/Variety Verified |
| ☐ | ☐ | 9 | Planting Dates Verified |
| ☐ | ☐ | 10 | Unit/Unit Division Verified |
| ☐ | ☐ | 11 | Risk Area Verified |
| ☐ | ☐ | 12 | Insurable Cause Of Loss |
| ☐ | ☐ | 13 | Similar Damage |
| ☐ | ☐ | 14 | Reasonable APH |
| ☐ | ☐ | 15 | Insurable Acreage |
| ☐ | ☐ | 16 | Sharing Interests |
| ☐ | ☐ | 17 | Options/Endorsements |
| ☐ | ☐ | 18 | Review Previous Reports |
| ☐ | ☐ | 19 | Previous Appraisals |
| ☐ | ☐ | 20 | Quality Adjustment Eligibility Verified |
| ☐ | ☐ | 21 | Acreage Determined/Method |
| ☐ | ☐ | 22 | Acreage Replanted |
| ☐ | ☐ | 23 | Replanting Payment |
| ☐ | ☐ | 24 | Certification Form |

**Claim Checklist Form Standards** (Continued)

| | | | |
|---|---|---|---|
| ☐ | ☐ | 25 | Sold Production Verified_____ |
| ☐ | ☐ | 26 | Farm-stored Production Verified_____ |
| ☐ | ☐ | 27 | Commingled Production_____ |
| ☐ | ☐ | 28 | Fed Production Verified_____ |
| ☐ | ☐ | 29 | Other Names/Entities for Production Verified_____ |
| ☐ | ☐ | 30 | All Production Accounted For_____ |
| ☐ | ☐ | 31 | Unusual/Controversial Circumstances_____ |
| ☐ | ☐ | 32 | Reviewed Completed Claim with Insured or Insured's Representative_____ |
| ☐ | ☐ | 33 | Obtained Signatures_____ |
| ☐ | ☐ | 34 | Second Crop Acreage_____ |
| ☐ | ☐ | 35 | Signatures_____ |
| ☐ | ☐ | 36 | Other_____ |
| ☐ | ☐ | 37 | Other_____ |

**This form example does not illustrate signature and date entries. Refer to instructions in paragraph B above.**

## A. General Information

Refer to Para. 175 for detailed information pertaining to uses of this form.

## B. General Completion Instructions

The items listed in these instructions correspond to the item numbers listed in paragraph 3 C below.

(1) The adjuster will complete the following entries:

Items 1 thru 12 and items 17 (intended use), 21, 22 and 23.

(2) The insured will complete the following entries:

Items 13, 14, 15, 16, 17 (actual use), 18, 19 and 20.

## C. Form Standards and Completion instructions for the Certification Form

All of the following form standards and completion instructions are **"Substantive."**

(1) Title of the form "Certification Form"

(2) Required Statements and Other General Form Requirements

(a) The Privacy Act and Non-Discrimination statements are required statements that must be printed on the form or provided as a separate document. These statements are not shown in the example form in this Exhibit. The current 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. For additional signature and distribution requirements for these statements, refer to the DSSH. Also, refer to the DSSH for other requirements general to all forms; e.g., point size of font, submission requirements for forms approval, etc.

(b) In an appropriate area on the front of the form include the following statement, which are instructions to the insured:

"Complete and mail this form within five (5) days (or within the timeframe specified by your Approved Insurance Provider) after: (1) All acreage in the unit has been put to another use, (2) completion of replanting on the unit for replanting payment 1/, (3) For nursery, all Zero Market Value (ZMV) plants on the unit have been destroyed, or (4) any action to which you have certified as stated on this form."

(3) Required Item Titles and Completion Instructions for These Items.

The following items, numbers and statements correspond to the example Certification Form that has been completed to illustrate how to complete all entries, except the last five items are not shown on the illustrated form.

(3) Required Item Titles and Completion Instructions for These Items (Continued)

| ITEM # | ITEM TITLE | COMPLETION INSTRUCTIONS |
|---|---|---|
| 1 | Policy NO. | Adjuster enters the policy number exactly as shown on the most recent policy confirmation. |
| 2 | Insured | Adjuster enters the name of insured PRINTED exactly as shown on the most recent policy confirmation. |
| 3 | Date Originated | Adjuster enters the initial inspection date. |
| 4 | Crop | Adjuster enters name of crop. |
| 5 | Farm Number | Adjuster enters Farm Number from the acreage report after verification. |
| 6 | Mail To: | Adjuster enters Name of the individual (or office) and address of where the completed Certification Form will be mailed if not pre-printed on the form. |
| 7 | Unit NO. | Adjuster enters unit number from the acreage report after verification. |
| 8 | Unit Acres (Practice/ Type) | Adjuster enters total acres, to tenths, of crop on the unit. Account for all crop acreage on the unit.<br><br>For nursery enter the plant name. |
| 9 | Crop Year | Adjuster enters Crop Year. |
| Adjuster enters the following Statement above items 10-14: Replant, destruction, or Other Use of Acreage (plants for nursery) Identified above was completed on the date(s) shown. | | |
| 10 | Field ID (Plant Location for Nursery) | Adjuster enters identification symbol for each field or subfield (corresponds to the entry for this item on the claim form. For nursery, the adjuster enters the location of the plants. Leave items 10 thru 17 blank when completed for special delayed claims (see Para. 178). |
| 11 | Intended Use | Adjuster enters intended use of the acreage in the field or subfield. For nursery, the plant name. Make separate line entries for different intended uses of fields or subfields ("plow-under," "cut for hay," "destroy Aflatoxin-infected corn," "destroy zero-value production," etc.). |
| 12 | Acres (For Nursery - Plants) | Adjuster enters acres, to tenths, of the intended use (The acreage of all fields and subfields must equal the total acres in the unit as shown in item 8.); or when harvested production is to be destroyed, instead of acres, cross out "Acres" and write in the unit of measure of the crop (e.g., "bushels"), and enter the number of bushels (or other applicable unit of measure for the crop) to be destroyed.<br><br>For Nursery: the adjuster enters the number of plants ZMV plants intended to be destroyed. |
| 13 | Actual Use | Insured enters the actual use of the acreage in the field (when completed). Make separate line entries for different actual uses.<br><br>For Nursery: insured enters, destroyed ZMV plants. |

(3) Required Item Titles and Completion Instructions for These Items (Continued)

| ITEM # | ITEM TITLE | COMPLETION INSTRUCTIONS |
|---|---|---|
| 14 | Acres (Number of plants for Nursery) | Insured enters acres, to tenths, of actual use (The acreage of all fields and subfields must equal the total acres in the unit as shown in item 8.) or when harvested production is to be destroyed, instead of acres, cross out "Acres" and write in the unit of measure of the crop (e.g., "bushels"). The insured enters the actual number of bushels (or other applicable unit of measure for the crop) actually destroyed.<br><br>For Nursery – Insured enters the number of plants destroyed. |
| 15 | Date | Insured enters the date that any acreage was replanted, crop with no market value (such as Aflatoxin-infected corn) was destroyed, for nursery the date the ZMV plants were destroyed, OR that each field or subfield in the ENTIRE unit was put to another use. |
| 16 | Replant Cost Per Acre | For replant payments only: Insured enters his/her actual cost per acre for replanting. |
| 17 | Totals | Adjuster enters total acreage of intended use, and insured enters actual use, respectively. |
| 18 | Remarks | Insured notates:<br><br>(1) Any remarks necessary to explain any entries on the form; and<br><br>(2) When destruction of acreage or harvested production is required, the methods used to destroy the production and any other information pertinent to the destruction of the production. |
| **Required Footnote on the form:** At the bottom of the Remarks block or other appropriate area of the form, the following must be pre-printed on the form:<br>1/ Refer to the crop policy qualifications for replanting payments. | | |
| **Required statement pre-printed directly above insured's signature block:**<br>The certification statement required by the current FCIC-24040, DSSH immediately followed by: "Additionally, I understand that the information on this form may be used for processing the claim which I previously signed." | | |
| 19 | Insured's Signature | Insured: Signature of the insured (or insured's authorized representative), if applicable, after the actual use and after the Certification Form has been completed. If the landlord and tenant are both insured, the operator's (tenant's) certification can be used for both the landlord and operator. |
| 20 | Date | Insured: Date of signature by the insured (or insured's authorized representative). |

(3) Required Item Titles and Completion Instructions for These Items (Continued)

| ITEM # | ITEM TITLE | COMPLETION INSTRUCTIONS |
|---|---|---|
| 21 | ☐:<br>Accepted<br>☐:<br>Rejected<br>☐:<br>Second Inspection | Adjuster: Acceptance, rejection, or second inspection as signified by a check mark in the corresponding box. If the Certification Form is rejected, refer to Para. 173. A second field inspection is required for:<br>(1) Destruction Verification when production is to be Destroyed due to Zero Market Value/Zero Production to Count.<br>(2) Special delayed claims to verify information reported. |
| 22 | Code NO. and AIP Representative's Signature | Adjuster: Enter adjuster's code number and signature by the adjuster or AIP Claim supervisor who accepted, rejected, or did the inspection on the completed form. |
| 23 | Date | Adjuster: Date of signature by the adjuster or field representative. |

(4) DISTRIBUTION**:** Unless otherwise instructed by the AIP distribute copies as follows:

- Original and one copy to the contract folder.
- One copy to the insured.

***

**Self-certification Replant Worksheet Form Standards and Completion Instructions**

1. **General Information**

Refer to Para. 173 for authorized crops and other information pertaining to self-certified replant claims.

2. **Completion Instructions**

All of the following completion instructions are **"Substantive"(required).**

A. The following item, numbers, and statements correspond to the example Self-Certification Replant Worksheet that has been completed to illustrate how to complete all entries, except the last 10 items are not shown on the illustrated form.

| ITEM # | ITEM TITLE | COMPLETION INSTRUCTIONS |
|---|---|---|
| 1 | Company | AIP's name.<br>(This can be a fill-in-entry or can be pre-printed on the form.) |
| 2 | Insured's name | Insured's name as shown on the most recent Policy Confirmation. |
| 3 | Policy NO. | Policy number from the most recent Policy Confirmation |
| 4 | Crop | Crop to be replanted |
| 5 | Crop year | Crop year for this replant |
| 6 | Claim Number | Claim number assigned by the AIP. |
| 7 | Share | Insured's share to THREE decimal places. (If shares vary on same UNIT, all shares must be listed and the acreage associated with each share must be identified.) |
| 8 | Unit NO. | Unit number from the acreage report. |
| 9 | FN | Farm Number for the replanted acreage. |
| 10 | Unit Acres | Total number of insurable acres in the unit. |
| 11 | Replanted Acres | Total number of replanted acres. |
| 12 | Legal Description | Legal description(s) where acreage is replanted. |
| 13 | Cause of damage | Insured cause of damage. |
| 14 | Date of Damage | Month plus the year, during which MOST of the insured damage occurred. Include the specific DATE where applicable. |
| 15 | Original Plant Date | Date acreage was originally planted. |
| 16 | Replant Date | Date acreage was replanted. |
| 17 | Field Diagram | Sketch of the field and replanted acreage (shaded as instructed on the worksheet. |

2. **Form Standards and Completion Instructions (Continued)**

| ITEM # | ITEM TITLE | COMPLETION INSTRUCTIONS |
|---|---|---|
| 18 | Indicate the Practice/ Type Utilized (√) | Initial type/practice and the type/practice used for the replanted acreage (indicate by placing a check mark by the applicable practice.) Write in practice or type if not listed. Write in tillage method used for the original planting and tillage method used for the replanted acreage. |
| 19 | "My yield potential for acres to be replanted is_____ per acre. | Insured's estimate of yield potential per acre on acres to be replanted. |
| 20 | "Is damage on your farm similar to other farms in the area?" YES ___ "NO" __" | Mark "YES" or "NO" as indicated. |
| 21 | The following represent my actual replant costs as landlord____ Tenant____ owner/operator_____: | **MAKE NO ENTRY IF CROP IS barley, buckwheat, corn, flax, grain sorghum, oats, peanuts, rye, soybeans, sunflowers, and wheat, but attach copies of receipts for replanting expenses actually incurred for the replanted acreage.**<br><br>Mark "landlord", "tenant", or "owner/operator" to indicate insured entity. Attach seed and fertilizer receipts.<br><br>Insured's TOTAL ACTUAL cost to replant the acreage. (Only the dollar amount the insured paid or is liable for.) |
| **Required statement pre-printed directly above insured's signature block:** Refer to the FCIC-DSSH (FCIC-24040) for the required statements. | | |
| 22 | Insured's Signature and Date | Insured's signature and date, certifying to information on the worksheet. |
| 23 | Adjuster's Signature, Code No., and Date | Adjuster's (or authorized AIP employee's) signature, code number, and date (after reviewing and determining worksheet is correctly completed and crop acreage is eligible for a replanting payment.) |

2. **Form Standards and Completion Instructions (Continued)**

| ITEM # | ITEM TITLE | COMPLETION INSTRUCTIONS |
|---|---|---|
| **GENERAL RANDOM REVIEW (AUDIT) INFORMATION.**<br><br>(a) Items 24-31 of the worksheet are to be completed when a random review (audit) is done.<br><br>(b) Use a Special Report when there is not room in item 24 for documenting additional information or reasons for differences found during the review.<br><br>(c) As part of the random review, determine the unit acreage. If the determined acreage does not agree with what is on the worksheet, document this fact in item 24 or on a Special Report.<br><br>(d) Any information recorded on the Self-Certification Replant Worksheet or on the claim form that is found to be incorrect, line through the incorrect information, enter the correct information, and have the insured initial the change. (If you find it necessary or if instructed by the AIP, prepare a new claim form and void the original.) | | |
| 24 | Reviewer Remarks | Enter information pertinent to audit. If additional room is needed, use a Special Report and write appropriately, "See attached (Title or number of form used for documentation purposes)." in item 24. |
| 25 | Reviewer Code/Date | Enter the reviewer code number and the date of review. |
| 26 | Actual/Replant Acres | Enter "O.K." if you verify the field or subfield was initially planted timely and that the number of acres actually replanted agrees with the entry in item 11. If you verify that the number of acres do not agree with item 11, enter the correct number of acres replanted. |
| 27 | Date of Damage | Enter "O.K." if you verify that the date of damage agrees with the entry in item 13. If you verify that the date of damage does not agree with the entry in item 14, determine the correct date and enter. |
| 28 | Cause of Damage | Enter "O.K." if you verify that the cause of damage is insurable and agrees with the entry in item 13. If you verify that the entry does not agree with the entry in item 13, enter the cause of damage you have determined. If the cause of damage is not insurable, identify as such. |
| 29 | Replant Practice | Enter “O.K.” if you verify that the type or practice used for replanted acreage agrees with the entry in item 18. If you verify that the practice replanted does not agree with item 18, enter the practice you have determined. |

2. **Form Standards and Completion Instructions (Continued)**

| ITEM # | ITEM TITLE | COMPLETION INSTRUCTIONS |
|---|---|---|
| 30 | Did acreage appear to qualify? | Enter "Yes" or "No" to indicate whether the acreage recorded in item 11 and 26 appears to qualify for the replanting payment. If you answered no, document why the acreage did not qualify for the replant payment in item 24 or on a Special Report. |
| 31 | Actual Cost | **For barley, buckwheat, corn, flax, grain sorghum, oats, peanuts, rye, soybeans, sunflowers, and wheat: If receipts support the crop acreage has been replanted, enter OK.**<br><br>**For all other crops for which a self-certified replant payment can be paid:**<br><br>Enter "O.K." after you have verified with the insured or insured's authorized representative that the total cost incurred by the INSURED for the replanting operation (without regard to crop share and substantiated by receipts) is the same as the entry in item 21. If you verify that the total cost incurred by the INSURED in item 21 does not agree with your determination, enter the total cost you have determined and explain the difference in item 24 or on a Special Report. |

3. **DISTRIBUTION:**

A. Preliminary Distribution

(1) Transmit partially completed original and two copies to the insured to be completed by the insured.

(2) Attach the completed original and copies (with receipts showing replanting costs) to all copies of the completed claim form and transmit in accordance with instructions from your AIP.

B. Final Distribution

After the Self-Certified Replant claim is approved for processing, the minimum distribution of the Self-Certified Replant Worksheet is as follows:

(1) Original attached to original claim to the office designated by the AIP to maintain insureds' file of original documents.

(2) One copy to the insured along with a legible copy of the claim.

***

**Exhibit 11**

**Square Root Table**

| n | √n | | n | √n | | n | √n | | n | √n |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 1.000 | | 28 | 5.292 | | 55 | 7.416 | | 82 | 9.055 |
| 2 | 1.414 | | 29 | 5.385 | | 56 | 7.483 | | 83 | 9.110 |
| 3 | 1.732 | | 30 | 5.477 | | 57 | 7.550 | | 84 | 9.165 |
| 4 | 2.000 | | 31 | 5.568 | | 58 | 7.616 | | 85 | 9.220 |
| 5 | 2.236 | | 32 | 5.657 | | 59 | 7.681 | | 86 | 9.274 |
| 6 | 2.449 | | 33 | 5.745 | | 60 | 7.746 | | 87 | 9.327 |
| 7 | 2.646 | | 34 | 5.831 | | 61 | 7.810 | | 88 | 9.381 |
| 8 | 2.828 | | 35 | 5.916 | | 62 | 7.874 | | 89 | 9.434 |
| 9 | 3.000 | | 36 | 6.000 | | 63 | 7.937 | | 90 | 9.487 |
| 10 | 3.162 | | 37 | 6.083 | | 64 | 8.000 | | 91 | 9.539 |
| 11 | 3.317 | | 38 | 6.164 | | 65 | 8.062 | | 92 | 9.592 |
| 12 | 3.464 | | 39 | 6.245 | | 66 | 8.124 | | 93 | 9.644 |
| 13 | 3.606 | | 40 | 6.325 | | 67 | 8.185 | | 94 | 9.695 |
| 14 | 3.742 | | 41 | 6.403 | | 68 | 8.246 | | 95 | 9.747 |
| 15 | 3.873 | | 42 | 6.481 | | 69 | 8.307 | | 96 | 9.798 |
| 16 | 4.000 | | 43 | 6.557 | | 70 | 8.367 | | 97 | 9.849 |
| 17 | 4.123 | | 44 | .633 | | 71 | 8.426 | | 98 | 9.899 |
| 18 | 4.243 | | 45 | 6.708 | | 72 | 8.485 | | 99 | 9.950 |
| 19 | 4.359 | | 46 | 6.782 | | 73 | 8.544 | | 100 | 10.000 |
| 20 | 4.472 | | 47 | 6.856 | | 74 | 8.602 | | | |
| 21 | 4.583 | | 48 | 6.928 | | 75 | 8.660 | | | |
| 22 | 4.690 | | 49 | 7.000 | | 76 | 8.718 | | | |
| 23 | 4.796 | | 50 | 7.071 | | 77 | 8.775 | | | |
| 24 | 4.899 | | 51 | 7.141 | | 78 | 8.832 | | | |
| 25 | 5.000 | | 52 | 7.211 | | 79 | 8.888 | | | |
| 26 | 5.099 | | 53 | 7.280 | | 80 | 8.944 | | | |
| 27 | 5.196 | | 54 | 7.348 | | 81 | 9.000 | | | |

**ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART**

**FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES**

| Circumference (feet) | Diameter (feet) | Factor (sq. ft.) | | Circumference (feet) | Diameter (feet) | Factor (sq. ft.) |
|---|---|---|---|---|---|---|
| 18.7-19.0 | 6.0 | 28.3 | | 26.6-26.8 | 8.5 | 56.8 |
| 19.1-19.3 | 6.1 | 29.2 | | 26.9-27.1 | 8.6 | 58.1 |
| 19.4-19.6 | 6.2 | 30.2 | | 27.2-27.4 | 8.7 | 59.5 |
| 19.7-19.9 | 6.3 | 31.2 | | 27.5-27.8 | 8.8 | 60.8 |
| 20.0-20.2 | 6.4 | 32.2 | | 27.9-28.1 | 8.9 | 62.2 |
| 20.3-20.5 | 6.5 | 33.2 | | 28.2-28.4 | 9.0 | 63.6 |
| 20.6-20.8 | 6.6 | 34.2 | | 28.5-28.7 | 9.1 | 65.0 |
| 20.9-21.2 | 6.7 | 35.3 | | 28.8-29.0 | 9.2 | 66.4 |
| 21.3-21.5 | 6.8 | 36.3 | | 29.1-29.3 | 9.3 | 67.9 |
| 21.6-21.8 | 6.9 | 37.4 | | 29.4-29.6 | 9.4 | 69.4 |
| 21.9-22.1 | 7.0 | 38.5 | | 29.7-30.0 | 9.5 | 70.9 |
| 22.2-22.4 | 7.1 | 39.6 | | 30.1-30.3 | 9.6 | 72.4 |
| 22.5-22.7 | 7.2 | 40.7 | | 30.4-30.6 | 9.7 | 73.9 |
| 22.8-23.0 | 7.3 | 41.9 | | 30.7-30.9 | 9.8 | 75.4 |
| 23.1-23.4 | 7.4 | 43.0 | | 31.0-31.2 | 9.9 | 77.0 |
| 23.5-23.7 | 7.5 | 44.2 | | 31.3-31.5 | 10.0 | 78.5 |
| 23.8-24.0 | 7.6 | 45.4 | | 31.6-31.8 | 10.1 | 80.1 |
| 24.1-24.3 | 7.7 | 46.6 | | 31.9-32.2 | 10.2 | 81.7 |
| 24.4-24.6 | 7.8 | 47.8 | | 32.3-32.5 | 10.3 | 83.3 |
| 24.7-24-9 | 7.9 | 49.0 | | 32.6-32.8 | 10.4 | 85.0 |
| 25.0-25.2 | 8.0 | 50.3 | | 32.9-33.1 | 10.5 | 86.6 |
| 25.3-25.6 | 8.1 | 51.5 | | 33.2-33-4 | 10.6 | 88.3 |
| 25.7-25.9 | 8.2 | 52.8 | | 33.5-33-7 | 10.7 | 89.9 |
| 26.0-26.2 | 8.3 | 54.1 | | 33.8-34.0 | 10.8 | 91.6 |
| 26.3-26.5 | 8.4 | 55.4 | | 34.1-34.4 | 10.9 | 93.3 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART<br><br>FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
|---|---|---|---|---|---|---|
| 34.5-34.7 | 11.0 | 95.0 | | 42.3-42.5 | 13.5 | 143.2 |
| 34.8-35.0 | 11.1 | 96.8 | | 42.6-42.8 | 13.6 | 145.3 |
| 35.1-35.3 | 11.2 | 98.5 | | 42.9-43.1 | 13.7 | 147.4 |
| 35.4-35.6 | 11.3 | 100.3 | | 43.2-43.5 | 13.8 | 149.5 |
| 35.7-35.9 | 11.4 | 102.1 | | 43.6-43.8 | 13.9 | 151.7 |
| 36.0-36.2 | 11.5 | 103.9 | | 43.9-44.1 | 14.0 | 153.9 |
| 36.3-36.5 | 11.6 | 105.7 | | 44.2-44.4 | 14.1 | 156.1 |
| 36.6-36.9 | 11.7 | 107.5 | | 44.5-44.7 | 14.2 | 158.3 |
| 37.0-37.2 | 11.8 | 109.3 | | 44.8-45.0 | 14.3 | 160.6 |
| 37.3-37.5 | 11.9 | 111.2 | | 45.1-45.3 | 14.4 | 162.9 |
| 37.6-37.8 | 12.0 | 113.1 | | 45.4-45.7 | 14.5 | 165.2 |
| 37.9-38.1 | 12.1 | 115.0 | | 45.8-46.0 | 14.6 | 167.4 |
| 38.2-38.4 | 12.2 | 116.9 | | 46.1-46.3 | 14.7 | 169.7 |
| 38.5-38.7 | 12.3 | 118.8 | | 46.4-46.6 | 14.8 | 172.0 |
| 38.8-39.1 | 12.4 | 120.8 | | 46.7-46.9 | 14.9 | 174.4 |
| 39.2-39.4 | 12.5 | 122.8 | | 47.0-47.2 | 15.0 | 176.7 |
| 39.5-39.7 | 12.6 | 124.7 | | 47.3-47.5 | 15.1 | 179.1 |
| 39.8-40.0 | 12.7 | 126.7 | | 47.6-47.9 | 15.2 | 181.4 |
| 40.1-40.3 | 12.8 | 128.6 | | 48.0-48.2 | 15.3 | 183.9 |
| 40.4-40.6 | 12.9 | 130.7 | | 48.3-48.5 | 15.4 | 186.3 |
| 40.7-40.9 | 13.0 | 132.7 | | 48.6-48.8 | 15.5 | 188.7 |
| 41.0-41.3 | 13.1 | 134.8 | | 48.9-49.1 | 15.6 | 191.2 |
| 41.4-41.6 | 13.2 | 136.8 | | 49.2-49.4 | 15.7 | 193.6 |
| 41.7-41.9 | 13.3 | 138.9 | | 49.5-49.7 | 15.8 | 196.0 |
| 42.0-42.2 | 13.4 | 141.1 | | 49.8-50.1 | 15.9 | 198.5 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART<br><br>FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
|---|---|---|---|---|---|---|
| 50.2-50.4 | 16.0 | 201.1 | | 58.0-58.2 | 18.5 | 268.8 |
| 50.5-50.7 | 16.1 | 203.6 | | 58.3-58.5 | 18.6 | 271.7 |
| 50.8-51.0 | 16.2 | 206.1 | | 58.6-58.9 | 18.7 | 274.7 |
| 51.1-51.3 | 16.3 | 208.7 | | 59.0-59.2 | 18.8 | 277.6 |
| 51.4-51.6 | 16.4 | 211.3 | | 59.3-59.5 | 18.9 | 280.5 |
| 51.7-51.9 | 16.5 | 213.9 | | 59.6-59.8 | 19.0 | 283.5 |
| 52.0-52.3 | 16.6 | 216.5 | | 59.9-60.1 | 19.1 | 286.5 |
| 52.4-52.6 | 16.7 | 219.0 | | 60.2-60.4 | 19.2 | 289.5 |
| 52.7-52.9 | 16.8 | 221.6 | | 60.5-60.7 | 19.3 | 292.6 |
| 53.0-53.2 | 16.9 | 224.3 | | 60.8-61.1 | 19.4 | 295.6 |
| 53.3-53.5 | 17.0 | 227.0 | | 61.2-61.4 | 19.5 | 298.7 |
| 53.6-53.8 | 17.1 | 229.7 | | 61.5-61.7 | 19.6 | 301.8 |
| 53.9-54.1 | 17.2 | 232.3 | | 61.8-62.0 | 19.7 | 304.8 |
| 54.2-54.5 | 17.3 | 235.1 | | 62.1-62.3 | 19.8 | 307.9 |
| 54.6-54.8 | 17.4 | 237.8 | | 62.4-62.6 | 19.9 | 311.0 |
| 54.9-55.1 | 17.5 | 240.6 | | 62.7-62.9 | 20.0 | 314.2 |
| 55.2-55.4 | 17.6 | 243.3 | | 63.0-63.3 | 20.1 | 317.3 |
| 55.5-55.7 | 17.7 | 246.1 | | 63.4-63.6 | 20.2 | 320.4 |
| 55.8-56.0 | 17.8 | 248.8 | | 63.7-63.9 | 20.3 | 323.7 |
| 56.1-56.3 | 17.9 | 251.6 | | 64.0-64.2 | 20.4 | 326.9 |
| 56.4-56.7 | 18.0 | 254.5 | | 64.3-64.5 | 20.5 | 330.1 |
| 56.8-57.0 | 18.1 | 257.3 | | 64.6-64.8 | 20.6 | 333.3 |
| 57.1-57.3 | 18.2 | 260.1 | | 64.9-65.1 | 20.7 | 336.5 |
| 57.4-57.6 | 18.3 | 263.0 | | 65.2-65.5 | 20.8 | 339.8 |
| 57.7-57.9 | 18.4 | 265.9 | | 65.6-65.8 | 20.9 | 343.1 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART<br><br>FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
|---|---|---|---|---|---|---|
| 65.9-66.1 | 21.0 | 346.4 | | 73.7-73.9 | 23.5 | 433.8 |
| 66.2-66.4 | 21.1 | 349.7 | | 74.0-74.2 | 23.6 | 437.5 |
| 66.5-66.7 | 21.2 | 353.0 | | 74.3-74.6 | 23.7 | 441.2 |
| 66.8-67.0 | 21.3 | 356.3 | | 74.7-74.9 | 23.8 | 444.9 |
| 67.1-67.3 | 21.4 | 359.7 | | 75.0-75.2 | 23.9 | 448.6 |
| 67.4-67.7 | 21.5 | 363.1 | | 75.3-75.5 | 24.0 | 452.4 |
| 67.8-68.0 | 21.6 | 366.5 | | 75.6-75.8 | 24.1 | 456.2 |
| 68.1-68.3 | 21.7 | 369.8 | | 75.9-76.1 | 24.2 | 459.9 |
| 68.4-68.6 | 21.8 | 373.2 | | 76.2-76.4 | 24.3 | 463.8 |
| 68.7-68.9 | 21.9 | 376.7 | | 76.5-76.8 | 24.4 | 467.6 |
| 69.0-69.2 | 22.0 | 380.1 | | 76.9-77.1 | 24.5 | 471.5 |
| 69.3-69.5 | 22.1 | 383.6 | | 77.2-77.4 | 24.6 | 475.3 |
| 69.6-69.9 | 22.2 | 387.0 | | 77.5-77.7 | 24.7 | 479.2 |
| 70.0-70.2 | 22.3 | 390.6 | | 77.8-78.0 | 24.8 | 483.0 |
| 70.3-70.5 | 22.4 | 394.1 | | 78.1-78.3 | 24.9 | 486.9 |
| 70.6-70.8 | 22.5 | 397.6 | | 78.4-78.6 | 25.0 | 490.9 |
| 70.9-71.1 | 22.6 | 401.2 | | 78.7-79.0 | 25.1 | 494.8 |
| 71.2-71.4 | 22.7 | 404.7 | | 79.1-79.3 | 25.2 | 498.7 |
| 71.5-71.7 | 22.8 | 408.3 | | 79.4-79.6 | 25.3 | 502.7 |
| 71.8-72.0 | 22.9 | 411.9 | | 79.7-79.9 | 25.4 | 506.7 |
| 72.1-72.4 | 23.0 | 415.5 | | 80.0-80.2 | 25.5 | 510.7 |
| 72.5-72.7 | 23.1 | 419.1 | | 80.3-80.5 | 25.6 | 514.8 |
| 72.8-73.0 | 23.2 | 422.7 | | 80.6-80.8 | 25.7 | 518.8 |
| 73.1-73.3 | 23.3 | 426.4 | | 80.9-81.2 | 25.8 | 522.8 |
| 73.4-73.6 | 23.4 | 430.1 | | 81.3-81.5 | 25.9 | 526.8 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART<br><br>FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
|---|---|---|---|---|---|---|
| 81.6-81.8 | 26.0 | 530.9 | | 89.4-89.6 | 28.5 | 638.0 |
| 81.9-82.1 | 26.1 | 535.0 | | 89.7-90.0 | 28.6 | 642.5 |
| 82.2-82.4 | 26.2 | 539.1 | | 90.1-90.3 | 28.7 | 646.9 |
| 82.5-82.7 | 26.3 | 543.3 | | 90.4-90.6 | 28.8 | 651.4 |
| 82.8-83.0 | 26.4 | 547.4 | | 90.7-90.9 | 28.9 | 656.0 |
| 83.1-83.4 | 26.5 | 551.6 | | 91.0-91.2 | 29.0 | 660.5 |
| 83.5-83.7 | 26.6 | 555.7 | | 91.3-91.5 | 29.1 | 665.1 |
| 83.8-84.0 | 26.7 | 559.9 | | 91.6-91.8 | 29.2 | 669.6 |
| 84.1-84.3 | 26.8 | 564.1 | | 91.9-92.2 | 29.3 | 674.3 |
| 84.4-84.6 | 26.9 | 568.3 | | 92.3-92.5 | 29.4 | 678.9 |
| 84.7-84.9 | 27.0 | 572.6 | | 92.6-92.8 | 29.5 | 683.5 |
| 85.0-85.2 | 27.1 | 576.8 | | 92.9-93.1 | 29.6 | 688.2 |
| 85.3-85.6 | 27.2 | 581.0 | | 93.2-93.4 | 29.7 | 692.8 |
| 85.7-85.9 | 27.3 | 585.4 | | 93.5-93.7 | 29.8 | 697.4 |
| 86.0-86.2 | 27.4 | 589.7 | | 93.8-94.0 | 29.9 | 702.1 |
| 86.3-86.5 | 27.5 | 594.0 | | 94.1-94.4 | 30.0 | 706.9 |
| 86.6-86.8 | 27.6 | 598.3 | | 94.5-94.7 | 30.1 | 711.6 |
| 86.9-87.1 | 27.7 | 602.6 | | 94.8-95.0 | 30.2 | 716.3 |
| 87.2-87.4 | 27.8 | 607.0 | | 95.1-95.3 | 30.3 | 721.1 |
| 87.5-87.8 | 27.9 | 611.4 | | 95.4-95.6 | 30.4 | 725.8 |
| 87.9-88.1 | 28.0 | 615.8 | | 95.7-95.9 | 30.5 | 730.6 |
| 88.2-88.4 | 28.1 | 620.2 | | 96.0-96.2 | 30.6 | 735.4 |
| 88.5-88.7 | 28.2 | 624.6 | | 96.3-96.6 | 30.7 | 740.2 |
| 88.8-89.0 | 28.3 | 629.0 | | 96.7-96.9 | 30.8 | 745.1 |
| 89.1-89.3 | 28.4 | 633.5 | | 97.0-97.2 | 30.9 | 749.9 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART<br><br>FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
|---|---|---|---|---|---|---|
| 97.3-97.5 | 31.0 | 754.8 | | 105.1-105.4 | 33.5 | 881.4 |
| 97.6-97.8 | 31.1 | 759.6 | | 105.5-105.7 | 33.6 | 886.7 |
| 97.9-98.1 | 31.2 | 764.5 | | 105.8-106.0 | 33.7 | 892.0 |
| 98.2-98.4 | 31.3 | 769.4 | | 106.1-106.3 | 33.8 | 897.3 |
| 98.5-98.8 | 31.4 | 774.4 | | 106.4-106.6 | 33.9 | 902.6 |
| 98.9-99.1 | 31.5 | 779.3 | | 106.7-106.9 | 34.0 | 907.9 |
| 99.2-99.4 | 31.6 | 784.3 | | 107.0-107.2 | 34.1 | 913.3 |
| 99.5-99.7 | 31.7 | 789.2 | | 107.3-107.5 | 34.2 | 918.6 |
| 99.8-100.0 | 31.8 | 794.2 | | 107.6-107.9 | 34.3 | 924.0 |
| 100.1-100.3 | 31.9 | 799.2 | | 108.0-108.2 | 34.4 | 929.4 |
| 100.4-100.6 | 32.0 | 804.2 | | 108.3-108.5 | 34.5 | 934.8 |
| 100.7-101.0 | 32.1 | 809.3 | | 108.6-108.8 | 34.6 | 940.2 |
| 101.1-101.3 | 32.2 | 814.3 | | 108.9-109.1 | 34.7 | 945.7 |
| 101.4-101.6 | 32.3 | 819.4 | | 109.2-109.4 | 34.8 | 951.1 |
| 101.7-101.9 | 32.4 | 824.5 | | 109.5-109.7 | 34.9 | 956.6 |
| 102.0-102.2 | 32.5 | 829.6 | | 109.8-110.1 | 35.0 | 962.1 |
| 102.3-102.5 | 32.6 | 834.7 | | 110.2-110.4 | 35.1 | 967.6 |
| 102.6-102.8 | 32.7 | 839.8 | | 110.5-110.7 | 35.2 | 973.1 |
| 102.9-103.2 | 32.8 | 845.0 | | 110.8-111.0 | 35.3 | 978.7 |
| 103.3-103.5 | 32.9 | 850.1 | | 111.1-111.3 | 35.4 | 984.2 |
| 103.6-103.8 | 33.0 | 855.3 | | 111.4-111.6 | 35.5 | 989.8 |
| 103.9-104.1 | 33.1 | 860.5 | | 111.7-111.9 | 35.6 | 995.4 |
| 104.2-104.4 | 33.2 | 865.7 | | 112.0-112.3 | 35.7 | 1001.0 |
| 104.5-104.7 | 33.3 | 870.9 | | 112.4-112.6 | 35.8 | 1006.6 |
| 104.8-105.0 | 33.4 | 876.2 | | 112.7-112.9 | 35.9 | 1012.2 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART<br><br>FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
|---|---|---|---|---|---|---|
| 113.0-113.2 | 36.0 | 1017.9 | | 120.8-121.1 | 38.5 | 1164.2 |
| 113.3-113.5 | 36.1 | 1023.5 | | 121.2-121.4 | 38.6 | 1170.2 |
| 113.6-113.8 | 36.2 | 1029.2 | | 121.5-121.7 | 38.7 | 1176.3 |
| 113.9-114.1 | 36.3 | 1034.9 | | 121.8-122.0 | 38.8 | 1182.4 |
| 114.2-114.5 | 36.4 | 1040.6 | | 122.1-122.3 | 38.9 | 1188.5 |
| 114.6-114.8 | 36.5 | 1046.3 | | 122.4-122.6 | 39.0 | 1194.6 |
| 114.9-115.1 | 36.6 | 1052.1 | | 122.7-122.9 | 39.1 | 1200.7 |
| 115.2-115.4 | 36.7 | 1057.8 | | 123.0-123.3 | 39.2 | 1206.9 |
| 115.5-115.7 | 36.8 | 1063.6 | | 123.4-123.6 | 39.3 | 1213.0 |
| 115.8-116.0 | 36.9 | 1069.4 | | 123.7-123.9 | 39.4 | 1219.2 |
| 116.1-116.3 | 37.0 | 1075.2 | | 124.0-124.2 | 39.5 | 1225.4 |
| 116.4-116.7 | 37.1 | 1081.0 | | 124.3-124.5 | 39.6 | 1231.6 |
| 116.8-117.0 | 37.2 | 1086.9 | | 124.6-124.8 | 39.7 | 1237.9 |
| 117.1-117.3 | 37.3 | 1092.7 | | 124.9-125.1 | 39.8 | 1244.1 |
| 117.4-117.6 | 37.4 | 1098.6 | | 125.2-125.5 | 39.9 | 1250.4 |
| 117.7-117.9 | 37.5 | 1104.5 | | 125.6-125.8 | 40.0 | 1256.6 |
| 118.0-118.2 | 37.6 | 1110.4 | | 125.9-126.1 | 40.1 | 1262.9 |
| 118.3-118.5 | 37.7 | 1116.3 | | 126.2-126.4 | 40.2 | 1269.2 |
| 118.6-118.9 | 37.8 | 1122.2 | | 126.5-126.7 | 40.3 | 1275.6 |
| 119.0-119.2 | 37.9 | 1128.2 | | 126.8-127.0 | 40.4 | 1281.9 |
| 119.3-119.5 | 38.0 | 1134.1 | | 127.1-127.3 | 40.5 | 1288.3 |
| 119.6-119.8 | 38.1 | 1140.1 | | 127.4-127.7 | 40.6 | 1294.6 |
| 119.9-120.1 | 38.2 | 1146.1 | | 127.8-128.0 | 40.7 | 1301.0 |
| 120.2-120.4 | 38.3 | 1152.1 | | 128.1-128.3 | 40.8 | 1307.4 |
| 120.5-120.7 | 38.4 | 1158.1 | | 128.4-128.6 | 40.9 | 1313.8 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART<br><br>FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
|---|---|---|---|---|---|---|
| 128.7-128.9 | 41.0 | 1320.3 | | 136.6-136.8 | 43.5 | 1486.2 |
| 129.0-129.2 | 41.1 | 1326.7 | | 136.9-137.1 | 43.6 | 1493.0 |
| 129.3-129.5 | 41.2 | 1333.2 | | 137.2-137.4 | 43.7 | 1499.9 |
| 129.6-129.9 | 41.3 | 1339.6 | | 137.5-137.7 | 43.8 | 1506.7 |
| 130.0-130.2 | 41.4 | 1346.1 | | 137.8-138.0 | 43.9 | 1513.6 |
| 130.3-130.5 | 41.5 | 1352.7 | | 138.1-138.3 | 44.0 | 1520.5 |
| 130.6-130.8 | 41.6 | 1359.2 | | 138.4-138.6 | 44.1 | 1527.5 |
| 130.9-131.1 | 41.7 | 1365.7 | | 138.7-139.0 | 44.2 | 1534.4 |
| 131.2-131.4 | 41.8 | 1372.3 | | 139.1-139.3 | 44.3 | 1541.3 |
| 131.5-131.7 | 41.9 | 1378.9 | | 139.4-139.6 | 44.4 | 1548.3 |
| 131.8-132.1 | 42.0 | 1385.4 | | 139.7-139.9 | 44.5 | 1555.3 |
| 132.2-132.4 | 42.1 | 1392.0 | | 140.0-140.2 | 44.6 | 1562.3 |
| 132.5-132.7 | 42.2 | 1398.7 | | 140.3-140.5 | 44.7 | 1569.3 |
| 132.8-133.0 | 42.3 | 1405.3 | | 140.6-140.8 | 44.8 | 1576.3 |
| 133.1-133.3 | 42.4 | 1412.0 | | 140.9-141.1 | 44.9 | 1583.4 |
| 133.4-133.6 | 42.5 | 1418.6 | | 141.2-141.5 | 45.0 | 1590.4 |
| 133.7-133.9 | 42.6 | 1425.3 | | 141.6-141.8 | 45.1 | 1597.5 |
| 134.0-134.3 | 42.7 | 1432.0 | | 141.9-142.1 | 45.2 | 1604.6 |
| 134.4-134.6 | 42.8 | 1438.7 | | 142.2-142.4 | 45.3 | 1611.7 |
| 134.7-134.9 | 42.9 | 1445.5 | | 142.5-142.7 | 45.4 | 1618.8 |
| 135.0-135.2 | 43.0 | 1452.2 | | 142.8-143.0 | 45.5 | 1626.0 |
| 135.3-135.5 | 43.1 | 1459.0 | | 143.1-143.3 | 45.6 | 1633.1 |
| 135.6-135.8 | 43.2 | 1465.7 | | 143.4-143.7 | 45.7 | 1640.3 |
| 135.9-136.1 | 43.3 | 1472.5 | | 143.8-144.0 | 45.8 | 1647.5 |
| 136.2-136.5 | 43.4 | 1479.3 | | 144.1-144.3 | 45.9 | 1654.7 |

| ROUND BIN CONVERSION CHART: CONVERTING CIRCUMFERENCE TO DIAMETER: SQUARE FOOT FACTOR CHART<br><br>FACTOR FOR DETERMINING GROSS CUBIC FEET IN ROUND STRUCTURES | | | | | | |
|---|---|---|---|---|---|---|
| 144.4-144.6 | 46.0 | 1661.9 | | 152.2-152.5 | 48.5 | 1847.5 |
| 144.7-144.9 | 46.1 | 1669.1 | | 152.6-152.8 | 48.6 | 1855.1 |
| 145.0-145.2 | 46.2 | 1676.4 | | 152.9-153.1 | 48.7 | 1862.7 |
| 145.3-145.6 | 46.3 | 1683.7 | | 153.2-153.4 | 48.8 | 1870.4 |
| 145.7-145.9 | 46.4 | 1690.9 | | 153.5-153.7 | 48.9 | 1878.1 |
| 146.0-146.2 | 46.5 | 1698.2 | | 153.8-154.0 | 49.0 | 1885.7 |
| 146.3-146.5 | 46.6 | 1705.5 | | 154.1-154.4 | 49.1 | 1893.5 |
| 146.6-146.8 | 46.7 | 1712.9 | | 154.5-154.7 | 49.2 | 1901.2 |
| 146.9-147.1 | 46.8 | 1720.2 | | 154.8-155.0 | 49.3 | 1908.9 |
| 147.2-147.4 | 46.9 | 1727.6 | | 155.1-155.3 | 49.4 | 1916.7 |
| 147.5-147.8 | 47.0 | 1734.9 | | 155.4-155.6 | 49.5 | 1924.4 |
| 147.9-148.1 | 47.1 | 1742.3 | | 155.7-155.9 | 49.6 | 1932.2 |
| 148.2-148.4 | 47.2 | 1749.7 | | 156.0-156.2 | 49.7 | 1940.0 |
| 148.5-148.7 | 47.3 | 1757.2 | | 156.3-156.6 | 49.8 | 1947.8 |
| 148.8-149.0 | 47.4 | 1764.6 | | 156.7-156.9 | 49.9 | 1955.7 |
| 149.1-149.3 | 47.5 | 1772.1 | | 157.0-157.2 | 50.0 | 1963.5 |
| 149.4-149.6 | 47.6 | 1779.5 | | | | |
| 149.7-150.0 | 47.7 | 1787.0 | | | | |
| 150.1-150.3 | 47.8 | 1794.5 | | | | |
| 150.4-150.6 | 47.9 | 1802.0 | | | | |
| 150.7-150.9 | 48.0 | 1809.6 | | | | |
| 151.0-151.2 | 48.1 | 1817.1 | | | | |
| 151.3-151.5 | 48.2 | 1824.7 | | | | |
| 151.6-151.8 | 48.3 | 1832.3 | | | | |
| 151.9-152.1 | 48.4 | 1839.8 | | | | |

## A. General Information

(1) The following provides the standards for a notice for PP and notice of loss for planted acres. It also provides the form standards for a Notice of Prevented Planting or Notice of Damage or Loss form if a form is utilized to record the notices.

(2) A separate Notice of Prevented Planting Form may be used rather than combining with the Notice of Damage or Loss Form for planted crops. However, the statements in subparagraph B and the following items listed in subparagraph D below are required for Items (1)-(10), (13)-(18), (20)-(21), and (23)-(28).

## B. Required Statements and Other General Form Requirements

The Privacy Act and Non-Discrimination statements are required statements that must be printed on the form or provided as a separate document. These statements are not shown in the example form in this Exhibit. The current 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. For additional signature and distribution requirements for these statements, refer to section 10 G of the DSSH. Also, refer to the DSSH for other requirements general to all forms; e.g., point size of font, submission requirements for forms approval, etc.

## C. Insured's Notice of Loss

(1) The insured can provide notice via telephone, e-mail, postal service, fax, in person, or by using a Notice of Loss form as described in subparagraph D below. If the agent/AIP receives the notice from the insured by phone or e-mail and documents such notice on a phone log, claim form, claims log, claim registry, automated notice system to open claims, etc., the policy requirement for confirming the notice of loss in writing will be considered fulfilled (Refer to Para.41).

(2) However, if the notice of loss is not recorded on a form, the following is required:

(a) A title that identifies that this is notice of loss information, and
(b) For notices for:

(i) Planted acres: The information for the items identified as "(substantive)," excluding items 27-28, in subparagraph D below.

(ii) PP: The information for the items identified as "(substantive)," excluding items 27-28, in subparagraph D below.

(3) The notice form or the required notice information must be retained in the insured's file folder or in the AIP electronic database or electronic files retained for the insured.

## D. Notice of Prevented Planting or Damage or Loss Standards

Following are the minimum items that are required (identified as substantive) for a Notice of Prevented Planting or Damage or Loss form or other notice submitted and recorded on other than a form: (Also, included are suggested, but not required items identified as non-substantive):

(1) Title of Form – "Notice of Prevented Planting or Damage or Loss" (Substantive)

**Note**: If the AIP chooses to make these separate forms, then use the title "Notice of Prevented Planting" for the PP Notice, and "Notice of Damage or Loss" for planted acres.

(2) Company Name, Address, and Telephone Number (Substantive)

(3) Insured's Name (Substantive)

(4) Insured's Address and Telephone Number (Substantive)

(5) Policy Number (Substantive)

(6) Claim Number (Non-substantive)

(7) Agency Name (Substantive)

(8) Agency Address and Phone Number (Substantive)

(9) Best Time to Contact Insured (Non-substantive)

(10) Insured's Intention - Check one □ To harvest □ To chop/silage □ Leave for cover □ Destroy □ Plant to another crop □ Pasture □ Hay □ Crop will be direct marketed □ Other (explain) □ Replant □ Unknown at this time (Substantive)

(11) If the intent is to replant and a replanting payment is applicable, is the acreage greater than 50 acres of the unit? YES____ NO____? (Non-substantive)

(12) I request authorization to commingle production from two or more units or commingle production between insured and uninsured acreage within the same structure and to use my load records, structure markings, or combine monitor records to determine production between units or production from insured/uninsured acreage. Do you agree to follow your insurance provider's written criteria and instructions to do this? YES_____ NO_____

**D. Notice of Prevented Planting or Damage or Loss Standards (continued)**

*** Authorization for commingling production must be received from your insurance provider before production can be commingled. I understand that if authorization is given, my

*** insurance provider will provide (or has provided) written criteria and instructions for the use of load or combine monitor records to separate such production, and if I fail to follow all instructions, my optional unit structure will be collapsed. (Non-substantive)

(13) I am an agent, employee, or contractor affiliated with the Federal crop insurance program?
□ Yes □ No (Substantive)

(14) Crop (Substantive)

(15) Crop Year (Substantive)

(16) Unit No. (Substantive for planted acres; Non-subtantive for prevented planting acres)

(17) Acres (Non-substantive)

*** (18) Legal Description (Non-substantive )

(19) Est. Prod. (Non-substantive)

(20) Cause of Damage (Substantive)

(21) Date of Damage (Substantive)

(22) Expected Harvest Date (Non-substantive)

(23) Check one: □ This is a notice of Prevented Planting. (Substantive)

□ This is a notice of damage only (appears that production will exceed the guarantee at this time) (Substantive)

□ This is a notice of probable loss (Substantive)

□ Immediate inspection is requested. If checked, explain why.

_____

Why immediate inspection is needed.
(Substantive)

**D. Notice of Prevented Planting or Damage or Loss Form Standards (Continued)**

(24) Refer to the BP and the specific CP for more details on notice requirements for acreage prevented from planting and notice requirements for damage or loss requirements." (Non-Substantive)

(25) "If you have less than 100% share, is the other share insured under a Federal crop insurance program? If so, list the person's name, name of AIP for which they carry Federal crop insurance and policy number if known." (Substantive)

(26) Date of Notice (Substantive)

(27) Insured's Signature (Substantive)

(28) "Form No." - Alpha and/or numeric characters assigned by the AIP that identifies this form as a Notice of Prevented Planting, or notice of Damage or Loss form. For example: Form No. 123-NOL (02-2005). (Substantive)

## Production Worksheet Continuation Sheet Form Standards

### For all crops except for Raisins, Nursery, and Florida Fruit Trees.

FOR ILLUSTRATION PURPOSES ONLY

**PRODUCTION WORKSHEET**
**Continuation Sheet – Harvested Production**

**FORM NO. XXXX**

| 1. Crop/Code# | 2. Unit # |
|---|---|
| | |

7. Company _____ 8. Name of Insured _____

Agency _____ 9. Claim # _____ 11. Crop Year _____

10. Policy # _____

**SECTION II – DETERMINED HARVESTED PRODUCTION**

| **A. MEASUREMENTS** | | | | | | **B. GROSS PRODUCTION** | | | | **C. ADJUSTMENTS TO HARVESTED PRODUCTION** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 47a.<br>47b. | 48. | 49. | 50. | 51. | 52. | 53. | 54. | 55. | 56. | 57. | 58a.<br>58b. | 59a.<br>59b. | 60a.<br>60b. | 61. | 62. | 63. | 64a.<br>64b. | 65. | 66. |
| Share<br>Field ID | Multi-Crop Code | Length or Diameter | Width | Depth | Deduc-Tion | Net Cubic Feet | Conver-Sion Factor | Gross Prod. | Bu. Ton Lbs. Cwt. | Shell/ Sugar Factor | FM%<br>Factor | Moisture %<br>Factor | Test Wt.<br>Factor | Adjusted Production | Prod. Not to Count | Production Pre-QA | Value<br>MKT. Price | Quality Factor | Production To Count |
| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
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67. TOTAL _____ 68. Section II Total _____

**Page_____of_____**

**FGIS' (or Applicable State or Other Entity's) FM and Dockage Definitions**

| CROP | FGIS Dockage Definition (State definition, as specified) (Conspicuous Admixture or Admixture, if applicable). | FGIS FM Definition (State or other entity, as specified) |
|---|---|---|
| **Barley** | **Dockage**: All matter other than barley that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of barley kernels removed in properly separating the material other than barley and that cannot be recovered by properly rescreening or recleaning. | **FM:** All matter other than barley, other grains and wild oats that remains in the sample after removal of dockage. |
| **Canola/ Rapeseed** | **Dockage** - All matter other than canola that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of canola kernels that cannot be recovered by properly rescreening or recleaning. Machine separated dockage is added to conspicuous admixture in the computation of total dockage<br><br>**Conspicuous admixture**: All matter other than canola including, but not limited to ergot sclerontinia, and stones, which is conspicuous and readily distinguishable from canola and which remains in the sample after the removal of machine separated dockage. Conspicuous admixture is added to machine separated dockage in the computation of total dockage. | **FM:** No definition (N/A). |
| **Corn** | **Dockage:** No definition (N/A) | **FM:** All matter that passes readily through a 6/64 round-hole sieve and all matter other than corn that remains on top of the 12/64 round-hole sieve according to procedures prescribed in FGIS instructions. |
| **Dry Beans** | **Dockage:** N/A to grade –<br><br>FGIS does not perform a dockage test unless requested. | **FM:** Stones, dirt, weed seeds, cereal grains, lentils, peas, and all matter other than beans. |
| **Dry Peas** | **Dockage** - Small, underdeveloped dry peas, pieces of dry peas, and all matter other than dry peas, which can be removed readily by the use of an approved device in accordance with procedures prescribed in the Pea and Lentil Handbook and the Equipment Handbook. For the purpose of this paragraph, "approved device" shall include sieves as set forth in paragraph (q) of this section and any other equipment that is approved by the Administrator as giving equivalent results. | **FM in dockage-free dry peas** – All matter other than dry peas and including detached seedcoats.<br><br>**FM in thresher-run dry peas –** All matter other than dry peas, including detached seedcoats, which cannot be readily removed in the determination of dockage. |

**FGIS' (or Applicable State or Other Entity's) FM and Dockage Definitions** (Continued)

| CROP | FGIS Dockage Definition (State definition, as specified) (Conspicuous Admixture or Admixture, if applicable). | FGIS FM Definition (State or other entity, as specified) |
|---|---|---|
| **Flax** | **Dockage:** All matter other than flaxseed that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of flaxseed kernels removed in properly separating the material other than flaxseed and that cannot be recovered by properly rescreening or recleaning.<br><br>There are no definitions for stones, admixture, or conspicuous admixture. | **FM**: No definition (N/A). |
| **Millet** | **Dockage:** No definition (N/A) | **FM:** All matter other than millet seed that you can remove from the original sample by use of an approved device according to procedures prescribed in the Federal Grain Inspection Service (FGIS) instructions. Foreign material is also underdeveloped, shriveled, and small pieces of millet kernels removed in properly separating the material other than millet seed and which cannot be recovered by properly rescreening or recleaning and includes detached millet hulls. |
| **Mustard** | **Dockage (As defined by State Standards in which the mustard is insured or as provided by the FGIS):** All matter removed from the sample using the required standard method of dockage determination. Dockage is reported in percent and added to and made a part of the grade designation after subclass. | **FM: (As defined by State Standards in which the mustard is insured or as provided by the FGIS):** All material other than mustard seed of the four subclasses after the removal of dockage (includes weed seeds, other grains, earth pellets or stones, sclerotia, trash, etc.). This total foreign material is composed of: a) A combination of seeds of cockle (Lychnis spp.), wild mustard (Brassica Kaber), and rapeseed (Brassica campestris and B napus); b) Other weed seeds than those subdivision a: and c) All matter other than mustard or weed seeds of subdivisions a) and b). |
| **Oats** | **Dockage:** No definition (N/A) | FM: All matter other than oats, wild oats, and other grains. |
| **Popcorn** | **Dockage:** No definition (N/A) | FM: All matter other than popcorn |
| **Rice** | **Dockage:** No definition (N/A) | FM: No definition (N/A) |
| **Rye** | **Dockage**: All matter other than rye that can be removed from the original sample by use of an approved device in accordance with procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of rye kernels removed in properly separating the material other than rye and that cannot be recovered by properly rescreening and recleaning. | FM: All matter other than rye that remains in the sample after the removal of dockage. |

**FGIS' (or Applicable State or Other Entity's) FM and Dockage Definitions** (Continued)

| CROP | FGIS Dockage Definition (State definition, as specified) (Conspicuous Admixture or Admixture, if applicable). | FGIS FM Definition (State or other entity, as specified) |
|---|---|---|
| **Rye** | **Dockage**: All matter other than rye that can be removed from the original sample by use of an approved device in accordance with procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of rye kernels removed in properly separating the material other than rye and that cannot be recovered by properly rescreening and recleaning. | FM: All matter other than rye that remains in the sample after the removal of dockage. |
| **Safflowers** | **Dockage**: All material other than whole safflower seed that can be easily removed with a cleaning device and by handpicking and also includes underdeveloped, shriveled, and small pieces of safflower seed that cannot be recovered by properly recleaning.<br>There are no definitions for admixture, conspicuous admixture, or stones. | **FM:** No definition (N/A) |
| **Sorghum, Grain** | **Dockage:** All matter other than sorghum that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of sorghum kernels removed in properly separating the material other than sorghum. | **FM**: All matter, except sorghum, which passes over the number 6 riddle and all matter other than sorghum that remains on the top of the 5/64 triangular-hole sieve according to procedures prescribed in FGIS instructions. |
| **Soybeans** | **Dockage**: No definition (N/A) | All matter that passes through an 8/64 round-hole sieve and all matter other than soybeans remaining in the sieved sample after sieving according to procedures prescribed in FGIS instructions. |
| **Sunflower Seed Non-Oil (Confec-tionary)** | **Dockage**: All material other than whole confectionary sunflower seeds containing kernels that you can remove by using handsieving and by handpicking a portion of the sample.<br><br>**Admixture**: Consists of all material other than confectionary sunflower seed which you can remove from a test portion by handseiving and handpicking. Consider empty hulls and part of seed as confectionary sunflower seed.<br><br>The major difference between admixture and dockage is that hulls and pieces of hulls are not included in admixture. Consequently, the percentage of admixture is lower than the percentage of dockage.<br><br>There are no definitions for conspicuous admixture or stones. | **FM:** No definition (N/A) |
| **Sunflower Seed – Oil** | **Dockage:** No definition (N/A) | **FM:** All matter other than whole sunflower seeds containing kernels that can be removed from the original sample by use of an approved device and by handpicking a portion of the sample according to procedures prescribed in FGIS instructions. |
| **Wheat** | **Dockage:** All matter other than wheat that can be removed from the original sample by use of an approved device according to procedures prescribed in FGIS instructions. Also, underdeveloped, shriveled, and small pieces of wheat kernels removed in properly separating the material other than wheat and that cannot be recovered by properly rescreening or recleaning. | **FM:** All matter other than wheat that remains in the sample after the removal of dockage and shrunken and broken kernels. |

## Calculation Sequence of Liability Adjustment Factor LAF and 1ST/2ND Crop Reduction

### A. General Information

(1) Refer to Para. 37 for information on LAF, and Exhibit 2 for definition of LAF.

(2) Refer to Para. 111 for information on 1st/2nd Crop Reduction.

(3) **The liability used to determine the LAF for a replanting payment, preventing planting payment, and an indemnity payment is a separate liability for each type of payment (i.e., the liability for a replanting payment, a prevented planting payment, and an indemnity payment with the same unit number are not combined). They are kept separate in the same manner that each payment type is a separate payment.**

### B. Calculation Sequence of LAF and 1st/2nd Crop Reduction

**(1) Indemnity Payment:**

Step 1. **Yield and Revenue Protection**
Guarantee Per Acre[2/] X Price Election or Harvest Price Amount X Determined Acreage X LAF = Loss Guarantee Amount

**Other applicable crops under the BP**
Acre Stage Guarantee Amount [1/] X Determined Acreage X LAF = Loss Guarantee Amount.

Step 2 **Yield and Revenue Protection**
Production to Count Quantity X Price Election or Harvest Price Amount = Revenue Conversion Production To Count

Step 3. **Yield and Revenue Protection**
Loss Guarantee Amount – Revenue Conversion Production To Count = Unit Deficiency Quantity

**Other applicable crops under the BP**
Loss Guarantee Amount minus Production to Count Quantity = Production Loss (Unit Deficiency Quantity).

Step 4. **Yield and Revenue Protection**
Unit Deficiency Quantity X Insured Share Percent = Preliminary Indemnity Amount

**Other applicable crops under the BP**
Unit Deficiency Quantity X Price Election Amount X Stage Price Percent Factor [2/], if applicable X Insured Share Percent = Preliminary Indemnity Amount.

Step 5. Preliminary Indemnity Amount X Multi-crop Adjustment Factor, if applicable = Indemnity Amount.

[1/] If a Guarantee Adjustment Factor is applicable, the Acre Stage Guarantee Amount (or Guarantee Per Acre[2/]) is Guarantee Per Acre X Guarantee Adjustment Factor; e.g., Guarantee Adjustment Factor would be for late planted, prevented planting acres, and is also applicable for a particular crop such as strawberries. Refer to Appendix III (M-13 Handbook) for applicable calculation for the Acre Stage Guarantee Amount (or Guarantee Per Acre[2/]) for the applicable crop.

[2/] Refer to Appendix III/M-13 Handbook to determine whether a Stage Price Percent Factor applies.

**(2) Replant Payment:**

Step 1. Lesser of 20% of the Guarantee Per Acre, the Maximum Replant Guarantee Per Acre, or the actual cost per acre on applicable crops (as stated in the CP) = Acre Stage Guarantee Amount.

Step 2. Acre Stage Guarantee Amount X Determined Acreage Replanted X [2/]LAF = Loss Guarantee Amount.

Step 3. Loss Guarantee Amount X Price Election Amount X Insured Share Percent = Replant Payment Amount.

**(3) Prevented Planting Payment**

Step 1 Acre Stage Guarantee for timely planted acres[1/] X Guarantee Adjustment Factor[2/]; X Determined Acreage X LAF = PP Loss Guarantee Amount.

Step 2 Loss Guarantee Amount X Price Election Amount X Insured Share Percent = Preliminary PP Payment Amount.

Step 3 Preliminary PP Payment Amount X Multi-crop Adjustment Factor = PP Payment Amount

[1/] Acres Stage Guarantee for timely planted acres = Approved Yield X PP Coverage Level.

[2/] For PP, the Guarantee Adjustment Factor is the PP coverage for the crop (inclusive of the +5 or +10 option, if elected by insured); e.g. 60% for wheat, converted to a 2 point decimal (.60) and with +5 option = .65 and with +10 option = .70).

## Instructions for Determining Tree/Vine/Bush Acres

Generally, determined perennial crop acres are based on land acres. However, for certain situations perennial crop acres may be determined using tree/vine/bush plantings as stated in Para. 201 G (3). ADJUSTERS ARE AUTHORIZED TO USE THIS PROCEDURE ONLY IF ONE OF THE SITUATIONS DESCRIBED IN Para. 201 G (3) EXISTS. If one of the situations does not exist, land acres must be determined as stated in Para. 201 G (1)-(2). Refer to Para. 201 G (1) (g) for measurement information pertaining to native stands or randomly planted pecan trees.

The symbols (☼, x, etc.) in the planting pattern diagrams herein, represent a single tree/vine/bush. Planting pattern diagrams and number of trees/vines/bushes contained herein are for illustration purposes only and are not to scale.

### A. SQUARE OR RECTANGLE PLANTING PATTERNS

(1) Trees/vines/bushes planted in a square or rectangle pattern (see diagram below).

**Square Planting Pattern**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1 | ☼ | ☼ | ☼ | ☼ | ☼ | ☼ |
| Row | 2 | ☼ | ☼ | ☼ | ☼ | ☼ | ☼ |
| | 3 | ☼ | ☼ | ☼ | ☼ | ☼ | ☼ |
| | 4 | ☼ | ☼ | ☼ | ☼ | ☼ | ☼ |

(2) Calculate the number of trees/vines/bushes per acre by multiplying the average distance between trees/vines/bushes (L) by the average distance between tree/vine/bush rows (W) and divide this product into 43,560 sq. ft./acre using the formula below.

**Number of Trees per Acre Formula:**
43,560 sq. ft./acre ÷ (L x W) = trees/vines/bushes per acre (T)

**Example**: 43,560 sq. ft./acre ÷ (20.0 ft. x 20.0 ft.) = 108.9 rounded to 109 trees/acre.

(3) Count the actual number of trees in the orchard (N) and divide this amount by the number of trees/acre (T) to calculate acreage using the formula below.

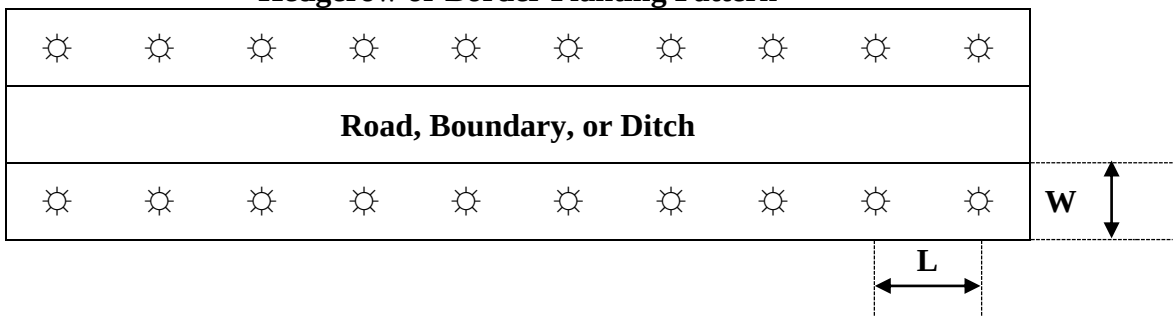
**Orchard Acreage Formula:**
N ÷ T = A

**Example**: 42 ÷ 109 = 0.385 rounded to 0.4 acres.

**B.**

(1) Trees/vines/bushes planted in a hedgerow or border pattern (see diagram below).

**Hedgerow or Border Planting Pattern**




(2) If the trees/vines/bushes are planted along a road, boundary or ditch row, use (L) to designate the average tree spacing and (W) to designate the average row width in feet not to exceed the distance from the center of the tree to the middle of the road, boundary, or ditch). If there are a total of 20 trees planted in the row that are planted 20.0 feet apart and the row is 20.0 feet wide, calculate the trees/vines/bushes per acre using the formula below.

**Hedgerow or Border Trees/Vines/Bushes per Acre Formula:**
43,560 ÷ (L x W) = trees/vines/bushes per acre (T).

**Example**: 43,560 ÷ (20.0 ft. x 20.0 ft.) = 108.9 rounded to 109 trees per acre.

(3) Divide the total number of trees counted in a single row (R) by the trees per acre (T). Calculate acreage occupied by this row of trees using the formula below.

**Acreage Occupied by a Row of Trees/Vines/Bushes Formula:**

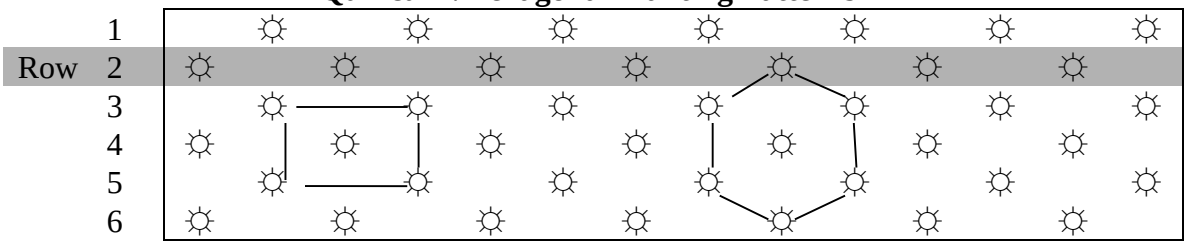
R ÷ T = acres

**Example**: 20 ÷ 109 = 0.18 rounded to 0.2 acres. If two or more rows, multiply result by the number of rows.

## C. HEXAGONAL/QUINCUNX PLANTING PATTERNS

(1) Trees/vines/bushes planted in a hexagonal/quincunx pattern (see diagram below).

**Quincunx/Hexagonal Planting Patterns**



(2) A quincunx planting pattern is defined as trees/vines/bushes planted in corners of a rectangle with one tree in the middle of the rectangle (illustrated on the left above). A hexagonal planting pattern is defined as six adjoining trees/vines/bushes planted equidistant from any one plant in the orchard (illustrated on the right above).

(3) For hexagonal/quincunx planting patterns, double the number of trees per acre for a square pattern from the trees per acre chart. For example, for a 20.0 ft. x 20.0 ft. planting pattern from the chart, doubled is 218 trees per acre, or calculate trees per acre by multiplying the distance between trees (L), times the distance between rows (W), (i.e., distance between highlighted trees in the above diagram) and divide this product into 87,120 using the formula below.

**Formula:**
87,120 ÷ (L x W) = trees/vines/bushes per acre (T)

**Example**: 87,120 ÷ (20.0 ft. x 20.0 ft.) = 217.8 rounded to 218 trees/acre.

(4) Count the actual number of trees in the orchard (N) and divide this amount by the number of trees/acre (T) to calculate acreage using the formula below.

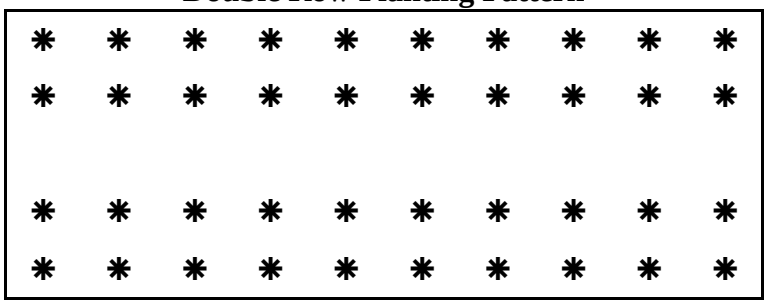
**Orchard Acreage Formula:**
N ÷ T = A

**Example**: 435 ÷ 218 = 1.995 rounded to 2.0 acres.

## D. DOUBLE ROW PLANTING PATTERN

(1) Tree/vines/bushes planted in a double row pattern (see diagram below).

**Double Row Planting Pattern**



(2) Calculate the number of trees per acre by counting the actual number of trees in each row (T). Next, count the number of rows (R). Calculate the number of trees (N) in the orchard using the following formula:

**Number of Trees in Orchard Formula**:
T x R = N
**Example**: 22 x 14 = 308

(3) Measure the length (L) and width (W) of the orchard boundary in accordance with Para. 201 G. Calculate the number of square feet in the orchard using the following formula:

**Square Feet per Orchard Formula**
L x W = square feet/orchard

**Example**: 240.0 ft. x 200.0 ft. = 48,000 sq. ft.

(4) Calculate acreage (A) using the following formula:

**Acreage Formula**:
Square Feet per Orchard ÷ 43,560 (sq. ft. per acre) = (A)

**Example**: 48,000 sq. ft. ÷ 43,560 sq. ft. = 1.102 acres rounded to 1.1 acres

(5) Calculate the number of trees per acre using the following formula:

**Trees per Acre Formula:**
Number of trees in orchard ÷ Acreage = Trees/Acre

**Example**: 308 ÷ 1.1 = 280 trees/acre

## E. INTERPLANTED CROP PLANTING PATTERN

(1) Two separate tree/vine/bush crops interplanted in the same orchard (see diagram below).

**Orchard Dimensions: 320.0 ft. L x 80.0 ft. W**

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A | P | A | P | A | P | A | P | A | P | A | P | A | P | A |
| P | A | P | A | P | A | P | A | | A | P | A | P | A | P |
| A | P | A | | A | P | A | P | A | P | A | P | A | P | A |
| P | A | P | A | P | A | | A | P | A | P | A | P | A | P |

Actual tree counts: A = 30 Apple trees, P = 27 Pear trees, 3 missing Pear trees

(2) Calculate the orchard acreage as follows. Orchard boundary extends 10.0 ft. beyond the outside rows and 10.0 ft. beyond the ends. The dimensions of the orchard boundary are 320.0 ft. L x 80.0 ft. W; calculate acres using the following formula.

**Orchard Acreage Formula:**
(L x W) ÷ 43,560 sq. ft./acre

**Example**: 25,600.0 sq. ft. ÷ 43,560.0 sq. ft./acre = 0.588 rounded to 0.6 acres.

(3) Calculate percent of each tree crop acreage in the orchard as follows.

30 apple trees ÷ 57 total orchard trees= 0.53 or 53% apple trees

0.6 acres X 0.53 = 0.3 apple tree acres.

0.6 block acres − 0.3 apple acres = 0.3 pear tree acres.

## F. MISSING AND PARTIAL TREE PLANTING PATTERN

(1) Orchard contains full trees, trees with two scaffold limbs, trees with one scaffold limb, and skips (see diagram below). Tree spacing is 20.0 ft. x 20.0 ft.

**Orchard Dimensions: 320.0 ft. L x 80.0 ft. W**

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **X** | **X** | | **X** | | | **X** | **X** | | **X** | **X** | | **X** | **V** | **X** |
| **X** | **V** | **X** | | **X** | **X** | **X** | **X** | **X** | **** | **X** | **X** | **X** | **X** | **X** |
| **X** | | **X** | **X** | **X** | **X** | | **/** | **X** | **X** | **X** | **X** | **X** | | **X** |
| **X** | **X** | **X** | | | **X** | **X** | **X** | **X** | **X** | | **X** | **X** | **X** | **V** |

Actual tree counts: X = 43 full trees, V = 3 two-scaffold limb trees, \ or / = 2 one-scaffold trees, 11 skips (dead or missing trees). Original stand was 59 trees.

(2) Calculate the number of trees per acre by multiplying the average distance between trees (L) by the average distance between tree rows (W) and dividing this product into 43,560 sq. ft. per/acre.

**Example**: 43,560 sq. ft./acre÷ (20.0 ft. x 20.0 ft.) = 108.9 rounded to 109 trees/acre.

(3) Calculate the orchard acreage. Orchard dimensions are 320.0 ft. L by 80.0 ft. W, that includes the boundary that extends 10.0 ft. beyond the outside rows and 10.0 ft. beyond the ends.

**Example**: 320.0 ft. L x 80.0 ft. W = 25,600.0 sq. ft. in the orchard.
25,600.0 sq. ft. ÷ 43,560.0 sq. ft./acre = 0.587 rounded to 0.6 acres.

(4) Calculate insurable acres. Count the number of full trees, two scaffold trees, and one scaffold trees. Do not count skips. There are a total of 48 trees.

**Example**: 48 trees ÷ 109 trees/acre = 0.44 orchard acres rounded to 0.4 acres.

(5) Refer to the SP, CP, BP, and CIH for additional information on acreage adjustments for orchards (e.g., orchards with less than a 90% percent stand, etc.).

**The following examples include mycotoxin damage only to add complexity to the examples. The examples are based on the requirements in Para. 212 C.**

**Example 1: Indemnity calculation when QA is involved and QA Provisions are in the SP**

In most situations, the tenant's and landlord's corn indemnity payments are affected by each other's marketing choices and the dates of disposition when they differ from each other. This is because claims for a tenant and landlord operation are settled on the basis of the **TOTAL harvested and appraised production for the TOTAL INSURED ACREAGE for the UNIT (which represents the combined tenant/landlord operation**). Refer to Example 2 below for examples when one shareholder requests the option to delay settlement of their claim.

In this example, the landlord and tenant have equal shares of the crop (50%). All of the insured corn acreage was harvested and produced 1,000 bushels. The corn production contained 330 ppb Aflatoxin, which puts it in Section C3 of the SP because the Aflatoxin exceeded 300 ppb. Section C3 requires that such production is destroyed, sold, or fed or combination of all of these before the claim can be settled.

(1) If production was in on-farm storage and later sold, was in on-farm storage and was transported to commercial storage and later sold, fed, or used in a manner other than feed or sold to other than a disinterested third party, the DF = 0.500. See Column (2) in table below for fed production in this example.

(2) If destroyed in a manner acceptable to the AIP, the DF = 1.000. See Column (3) in table 1 below for production destroyed in a manner acceptable to the AIP. If the production was not destroyed in a manner acceptable to the AIP or the insured makes no attempt (or refuses) to destroy the production, no quality adjustment would be allowed for quality deficiencies in Section C of the SP.

Each shareholder can select a different disposition, and that share of the production will be adjusted accordingly. Assume the landlord's production was sold. Part of the tenant's production was fed and the remainder destroyed.

| CROP<br><br>Corn<br>With 330 ppb of Aflatoxin | Landlord Sold Production October 15, 2012 (production was transported directly from field to buyer<br><br>(1) | Tenant FED PART of his Share of Production All fed by end of January 21, 2013<br><br>(2) | Tenant acceptably destroys production on February 1, 2013<br><br>(3) |
|---|---|---|---|
| Loss guarantee = | 1,500.0 | 1,500.0 | 1,500.0 |
| DF = | 0.750 | 0.500 | 1.000 |
| QAF | .250 | .500 | .000 |
| Sold Gross Production | 500.0 | | 0.0 |
| Fed Gross Production | | 450.0 | 0.0 |
| Destroyed Production | | | 50 |
| QA Adjusted PTC | 125.0 | 225.0 | 0.0 |

| | |
|---|---|
| Production to count entered on both claims | 350.0 bu |
| Total Production Loss | 1150.0 bu. (1500.0 bu. (Unit Guarantee) minus 350.0 PTC = 1150.0) |
| Landlord's Share = 50% | .500 share X 1150 bu. = 575.0 bu. loss |
| Tenant's Share = 50% | .500 share X 1150 bu. = 575.0 bu. loss |
| Since both tenant and landlord in this example have equal shares and have the same price election, the indemnities are the same for both. Neither claim can be completed and processed until at least February 1, 2013, the date of the final known disposition of all production on the unit (which represents the combined tenant/landlord operation). | |

**Example 2: Corn**

This scenario involves **corn insured as grain** in an area of the country where the calendar date for the EOIP is **December 10th**. Assume insurability requirements are met (e.g., Farmer Brook (Tenant w/60% share) and Farmer Dunn (Landlord w/40% share) harvest and deliver their corn directly from the field to the elevator on December 5th. The production is comprised of a single 1,000-bushel load from a 20-acre unit. The corn has 14 percent moisture (no adjustment required) and no foreign material but has a **test weight of 48 pounds** and **25 ppb Aflatoxin** (as per a disinterested testing facility). Both shareholders have crop insurance and 100 bu/ac guarantees but with different companies. They both filed timely notices of loss on December 6th.

Farmer Brook (tenant) sold his 60% share of the production for $3.15/bu upon delivery. On date of sale, the LMP was $3.50/bu. The elevator had applied a $0.35/bu. RIV for the low test weight but no RIV for the Aflatoxin.

Farmer Dunn's (landlord) share of the grain was placed in commercial storage at the elevator. On January 3rd, Farmer Dunn sold his 40% share of the production for $3.40/bu. On date of sale, the LMP was $4.00/bu. The elevator had applied a $0.35/bu. RIV for the low test weight plus a $0.25/bu. RIV for the Aflatoxin.

**Question 1A:** On December 10th, the adjuster from the Speedy Service Insurance Company arrives to work Farmer Brook's (tenant) claim. Farmer Brook did not submit a written request to delay settlement of the claim. Based solely on the above information, could the Speedy Service Insurance Company finalize Farmer Brook's claim on this date? If not, why?

**Answer 1A:** Yes. The claim could be finalized because the total amount of the production for the unit was known (Farmer Brook's share is sold, and Farmer Dunn's share is in commercial storage). The quality deficiencies for both shares were determined at the time of delivery, and the DFs for the unsold production are contained within the charts on the SP.

**Question 2A:** On December 29th, the adjuster from the Barely-In-Time Insurance Company arrives to work Farmer Dunn's (landlord) claim. Farmer Dunn did not submit a written request to delay settlement of the claim. Based solely on the above information, could the Barely-In-Time Insurance Company finalize Farmer Dunn's claim on this date and why or why not?

**Answer 2A:** Yes. The claim could be finalized because the total amount of the production for the unit was known (Farmer Brook's share is sold, and Farmer Dunn's share is in commercial storage). The quality deficiencies for both shares were determined at the time of delivery, and the DFs for the unsold production are contained within the charts on the SP.

**Question 2B:** On December 29th, the adjuster from the Barely-In-Time Insurance Company arrives to work Farmer Dunn's (landlord) claim. Farmer Dunn submitted a written request to delay settlement of the claim. Based solely on the above information, could the Barely-In-Time Insurance Company finalize Farmer Dunn's claim on this date and why or why not?

**Answer 2B:** No. The claim could not be finalized because Farmer Dunn requested a delay in claim settlement. The QAF for the production cannot be determined until the production is sold and the RIV is known. The insured may elect to settle the claim based on the chart DFs anytime during the delay period. If the production is not sold by 60 days after the calendar date for the EOIP, the claim will be settled based on the applicable DF.

**Question 3A:** Which Section of the SP Quality Statements applies to Farmer Brooks and what QAF is used for his share (Refer to Question 1 A above)?

**Answer 3A:** **For only farmer Brook's share of the production,** section C 2 of the SP is the applicable section since the production contained Aflatoxin over 20 ppb, and was sold (transported directly from the field to the elevator and sold prior to 60 days after the calendar date for the EOIP). The DF is determined by adding the $0.35/bu. RIV for test weight plus the $0.000 RIV for Aflatoxin (no RIV applied) divided by $3.50/bu. (LMP). ($.35/bu ÷ $3.50/bu = .100 DF). The QAF is determined by subtracting the .100 DF from 1.000 ( 1.000 minus .100 DF = .900).

Farmer Dunn did not submit a written request to delay settlement of the claim refer to question 2 A). On December 10th, the Farmer Dunn's share of the production was in commercial storage. The DF for test weight for 48 lbs. is .041. The DF for 25 ppb Aflatoxin is .100. The total DF is .041 + .100 = .141. The QAF is determined by subtracting the .141 DF from 1.000 (1.000 minus .141 DF = .859)

**Question 3B:** Which Section of the SP Quality Statements applies to Farmer Dunn (landlord) and what QAF is used for his share (Refer to Question 2 A and 2B above)?

**Answer 3B:** **For only farmer Dunn's share of the production,** section C 2 of the SP applies because the production was transported directly from the field to the elevator, and commercially stored. Farmer Dunn submitted a written request to delay settlement of the claim on December 29th. He sold the production January 28th, prior to 60 days after the calendar date for the EOIP. The DF is determined by adding the $0.25/bu. RIV for Aflatoxin plus $0.35/bu. RIV for test weight = $.60. $.60 divided by $4.00/bu. LMP =.150. The QAF for farmer Dunn's share is .850 (1.000 minus .150 DF).

**Question 4A:** For (tenant) Farmer Brook's claim being worked by the Speedy Service Insurance Company on December 10th, how might the production be shown on the production worksheet and after any adjustment for quality, what would be the unit's production to count?

**Answer 4A:** Farmer Brook's (tenant) PW Section II – Harvested Production (For Illustration Purposes Only). By January 29th, the disposition of Farmer's Brooks production was known.

| **MEASUREMENTS** | **GROSS PRODUCTION** | **ADJUSTMENTS TO HARVESTED PRODUCTION** | | | | |
|---|---|---|---|---|---|---|
| Bin Measurements, Weight Tickets, etc. | Bu. Tons Lbs. Cwt. | Factor | Test Weight | Adjusted Production | Quality Factor | Prod. To Count |
| Dunn's 40% of 1,000 bushel load | 400.0 | | | 400.0 | .859 | 343.6 |
| Brook's 60% of 1,000 bushel load | 600.0 | | | 600.0 | .900 | 540.0 |
| | | | | | **Total** | 883.6 |

**Question 5A**: For (landlord) Farmer Dunn's claim being worked by the Barely-In-Time Insurance Company on January 29th, how might the production be shown on the production worksheet and after any adjustment for quality, what would be the unit's production to count?

**Answer 5A:** Farmer Dunn's (landlord) PW Section II – Harvested Production (For Illustration Purposes Only)

| **MEASUREMENTS** | **GROSS PRODUCTION** | **ADJUSTMENTS TO HARVESTED PRODUCTION** | | | | |
|---|---|---|---|---|---|---|
| Bin Measurements, Weight Tickets, etc. | Bu. Tons Lbs. Cwt. | Factor | Test Weight | Adjusted Production | Quality Factor | Prod. To Count |
| Dunn's 40% of 1,000 bushel load | 400.0 | | | 400.0 | .850 | 340.0 |
| Brook's 60% of 1,000 bushel load | 600.0 | | | 600.0 | .900 | 540.0 |
| | | | | | Total | 880.0 |

**Example 3: Wheat**

This scenario involves HRW wheat. The calendar date for the EOIP is October 31st. Assume insurability requirements are met (e.g. timely planted, insurable type and practice, etc.). Farmer Bob (Tenant) shares a unit of wheat 50/50 with Sally Mae (Landlord). Both shareholders have crop insurance with the same AIP. Due to insurable causes, it is expected there will be quality issues. Prior to harvest, they file a timely notice of loss and notify their AIP that a portion of the unit would be put in a bin containing poor quality wheat from a previous crop year. The previous year's crop in the bin is properly measured and documented, but the quality of this grain was not determined. Then, on July 7th, the crop is harvested and 1,000 bushels are delivered to the Elevator for commercial storage to be sold at a later date and 500 bushels are farm stored (as later determined by the adjuster's bin measurements). Neither shareholder elected to delay settlement of their claim.

For this example, assume the entire 1,500 bushels contain 5.5 ppm Vomitoxin bases on proper sampling and test results (all moisture, test weight, etc. were okay). The farm-stored production had been properly sampled, graded, and tested prior to being stored with the previous year's production. The adjuster received the test results for Vomitoxin on July 15th.

On August 10th, Farmer Bob sold his portion of the 1,000 bushels (500 bushels) that had been commercially stored at the Elevator for $3.00/bu. The RIV was $2.00/bu. and the LMP was $5.00/bu.

On August 21th, Sally Mae sold her portion of the 1,000 bushels for $3.30/bu. The RIV was $1.90/bu. and the LMP that day was $5.20/bu.

On August 30th, the wheat that had been farm stored and commingled with the previous crop year's production was delivered to the elevator and sold. The elevator's test made upon delivery of this commingled wheat production showed 3.5 ppm Vomitoxin plus 25% kernel defects. This production sold for $3.20/bu. The LMP is still $5.20/bu. The elevator applied a $1.50/bu. RIV for the Vomitoxin and a $0.50/bu. RIV for the defects.

**Question 1:** Which Section of the SP Quality Statements would apply to the production sold on August 10th and August 21st? What section would apply to the wheat sold on August 30th?

**Answer 1:** Section C1a applies since the production was sold prior to 60 days after the calendar date for EOIP.

**Question 2:** When is the earliest these claims could be finalized?

**Answer 2:** The earliest these could be finalized was the date when ALL of the production for the unit was known and the adjuster received the test results for Vomitoxin (July 15th).

**Question 3:** Would the total production to count be the same or different on each sharing party's claim (PW)?

**Answer 3**: Same.

**Question 4:** When listing the gross production for the unit, what might be the fewest required number of line items on Sally Mae's Production Worksheet? Would it be the same for Farmer Bob's PW?

**Answer 4**: Three lines. One line for the 500 bushels sold on August 10th, one line for the 500 bushels sold on August 21st, and one line for the 500 bushels sold on August 30th that was farm-stored. It would be the same for both insureds.

**Question 5:** What would be the QAF for production (500 bushels) that was sold on August 10th? What would be the QAF for production (500 bushels) sold on August 21st? What was the QAF of the farm-stored production that was sold on August 30th

**Answer 5:** The QAF for production that was sold on August 10th is .600 ($2.00/bu. RIV÷ $5.00/bu. LMP = .400 DF. 1.000 - .400 DF = .600 QAF).

The QAF for production that was sold on August 21st is .635 ($1.90/bu. RIV ÷ $5.20/bu. LMP = .365 DF. 1.000 - .365 = .635 QAF).

The QAF for the farm-stored production that was sold on August 30th is .712 ($1.50/bu. RIV for the Vomitoxin ÷ $5.20/bu. LMP = .288 DF. 1.000 - .288 DF = .712 QAF). The RIV for Vomitoxin is based on the elevator test of 3.5 ppm for the comingled production since it is less than the original test of the non-comingled new production (5.5 ppm). A DF for the defects was not allowed to be included in determining the QAF because defects were not documented as being in this year's insured crop.

**Question 6:** What if the farm-stored production from the current year's production had not been tested for Vomitoxin prior to storing and commingling with the previous year's production nor had the previous year's production been tested for mycotoxins prior to storing with the current year's production?

**Answer 6:** No QAF would be allowed for Vomitoxin since there is no way of knowing whether the Vomitoxin was from the previous' year's production or the current year's production.

**Question 7:** What if prior to storing the current year's production with the previous year's production no samples were pulled for grading of covered quality deficiencies from either the current or previous crop years production; e.g., low test weight, kernel damage, etc.?

**Answer 7:** No QA would be allowed.

**Example 4:** One Sharing Party Insured and One Sharing Party Not Insured

Assume there is a landlord/tenant arrangement where the landlord has 40% share and the tenant has 60% share. The tenant has a policy on the 60% share but the landlord is uninsured. We can account for 100% of the gross production and all of the quality deficiencies. However, the uninsured landlord will not divulge whether or not he/she has sold, used, fed or destroyed any of their share of the production or if sold, what was received.

**Question 1**: If we assume all of the grain is eligible for quality adjustment (and does not have zero value) under the terms of Section A in the SP. Can the quality DF be determined for the uninsured landlord's share of the production? How soon could the tenant's claim be worked?

**Answer 1:** Yes. The claim could be worked as soon as possible once harvest was complete. (If the grain had zero value, the tenant could receive a 1.000 DF on the tenant's share if that 60% of production was destroyed in an acceptable manner. The landlord's 40% share would still receive the applicable Section A chart DF since disposition cannot be verified.)

**Question 2:** Assume the grain is eligible for quality adjustment under the terms of Section B in the SP. Can the quality discount factor be determined for the uninsured landlord's share of the production? How soon could the tenant's claim be worked?

**Answer 2:** No. The claim could not be worked until the earlier of knowing the disposition of the landlord's share of the crop or 60 days after the calendar date for the end of the insurance period. We must wait for the 60$^{th}$ day after the calendar date, in case prior to the 60$^{th}$ day, the landlord elects to disclose the disposition of his/her share of the production.

At 60 days or more after the calendar date for the end of the insurance period, in accordance with Informational Memorandum PM-07-026, if the uninsured landlord will not divulge the disposition of his/her 40% of the production, the landlord's 40% of the production will be considered undamaged production. The SP state that for production sold to a disinterested third party prior to 60 days after the calendar date for the EOIP, the DF for such production will be the RIV applied by the buyer; or for production that remains unsold and unfed 60 days or more after the calendar date for the EOIP, or sold to other than a disinterested third party, fed, or used in a manner other than feed prior to 60 days after the calendar date for the EOIP, the DF for such production will be .500. If the uninsured landlord will not divulge the disposition of the grain, a quality DF cannot be determined for the landlord's 40% of the production.

**Question 3:** Assume the grain is eligible for quality adjustment under the terms of Section C 3 in the SP. Can the quality DF be determined for the uninsured landlord's share of the production? How soon could the tenant's claim be worked?

**Answer 3:** No. The claim cannot be worked unless the insured can prove that all of the unit's production has been sold, used, fed or destroyed.

**Example 5:** Crop Disposition

This scenario involves a unit of grain consisting of several loads that have been delivered to an elevator. The elevator is basing settlement with the producer on a weighted average test weight of 48.1 lbs. for all production sold or to be sold at a later time. Some of the grain is of good quality. Some is under Section A in the SP, and some is under Section B.
For this example, assume all insurability requirements have been met. The insured crop is corn. The share is 100%. The only quality concern is test weight (no moisture or FM, etc.). The insured decided to commercially store 300 bushels of the corn at the elevator. The adjuster is working the claim on November 30th. The insured did not elect to delay settlement of the claim.

Corn Delivered on November 4
Load #1 = 600.0 bushels at 53.0 TW
Load #2 = 400.0 bushels at 47.0 TW
Load #3 = 800.0 bushels at 39.5 TW
Total 1,800 bushels

***
The insured's delivery/storage receipt for the commercially stored 300 bushels delivered on Nov. 4th is as follows:

300 bushels at 46.5 lb. TW weighted average.

Disposition of the 1,800 bushels as of November 30th (sold by volume based on weighted average test weight of 46.5 lbs.)

900.0 bushels were sold at $3.00/bu. on November 8 with a $3.75/bu. LMP.
600.0 bushels were sold at $3.25/bu. on November 20 with a $4.00/bu. LMP.
300.0 bushels remains unsold in commercial storage.

**Question 1:** Based on the above information, can the claim be settled on November 30th?

**Answer 1:** Yes. Section B2 of the SP indicates the DF will be .500 for all unsold production, plus any additional DFs in Section C that may apply." Therefore, if on the date of adjustment (November 30th), the production is unsold and the insured wishes to settle the claim, the claim can be settled rather than waiting until 60 days after the calendar date for the EOIP.

**SCP Form Completion Instructions**

1. General Information

   A. Refer to Para. 305 for authorized crops and other information pertaining to SCP Claim criteria.

   B. Refer to the DSSH for the form standards.

2. Form Completion Instructions

   All of the following completion instructions are "Substantive" (required).

| ITEM # | ITEM TITLE | COMPLETION INSTRUCTIONS |
|---|---|---|
| 1 | Insured's Name | Insured's Instructions: Enter your name exactly as shown on the most recent Policy Confirmation. |
| 2 | Policy Number | Insured's Instructions: Enter the policy number from your most recent Policy Confirmation. |
| 3 | My Insurance Agent is: | Insured's Instructions: Enter the name of your crop insurance agent. |
| 4 | My Phone Number is: | Insured's Instructions: Enter your area code and phone number where you can be reached. |
| 5 | Town/State Where You Live: | Insured's Instructions: Enter the Town/State where you reside. |
| 6 | Crop (only one per form) | Insured's Instructions: Enter the name of the insured crop for which you are filing the loss (list only one crop per SCP form). If you have other insured crops you wish to file a SCP claim on, complete a separate SCP for each crop. |
| 7 | Crop Year | Insured's Instructions: Enter the crop year for which the claim is applicable. |
| 8 | County Where Crop is Grown (only one per form) | Insured's Instructions: Enter the County where the crop/unit is located (list only one per SCP form). |
| 9 | State Where Crop is Grown (only one per form) | Insured's Instructions: Enter the State where the crop/unit is located (list only one per SCP form). |
| 10 | Non-Loss (N-L) Units and Est. Prod. Per Acre | Insured's Instructions: Enter in each sub-block (e.g., 10a) any non-loss unit (for the crop listed in item 6) you have and the estimated production per-acre of the non-loss unit. If all of the units for the crop in item 6 are loss units, enter N/A. |
| 11 | Loss Unit # | Insured's Instructions: Enter the unit number (s) of the crop for which you are claiming a loss, entered on separate lines. |
| 12 | Cause of Loss | Insured's Instructions: Enter the cause(s) of damage in 12a and 12b for this crop. If more space is needed for additional causes of damage, document the additional causes of damage on a separate form. |

**SCP Form Completion Instructions** (Continued)

| ITEM # | ITEM TITLE | COMPLETION INSTRUCTIONS |
|---|---|---|
| 13 | Date of Damage | Insured's Instructions: Enter in 13a, the month during which the damage listed in 12a occurred. In 13b, enter the dates of damage for additional causes of loss listed in 12b, as needed. For progressive damage, enter the month that identifies when the majority of the damage occurred. Include the SPECIFIC DATE where applicable as in the case of hail damage (e.g., June 15). If more space is needed for additional dates of damage, document the additional dates of damage on a separate form. |

3. Required Item Titles and Completion Instructions for These Items (Continued)

| | | |
|---|---|---|
| 14 | Harvest Completion Date | Insured's Instructions: Enter the date the entire acreage on the unit listed on this line was harvested. |
| 15 | Companion Contract Yes/No? | Insured's Instructions: For the unit on this line, if you are sharing in the crop with another person and that person has crop insurance on this crop, enter "Yes." If the person does not have crop insurance on this crop, enter "No." If you do not know, enter "Do not know." |
| 16 | Assignment of Indemnity Yes/No? | Insured's Instructions: For the unit on this line, enter "Yes" if an Assignment of Indemnity is on file for the crop in item 6 for the crop year; otherwise answer "No." |
| 17 | Transfer of Right to Indemnity Yes/No? | Insured's Instructions: For the unit or partial unit on this line, enter "Yes" if a Transfer of Right to Indemnity is on file for the crop in item 6 for the crop year. If no Transfer of Right To Indemnity is on file, check "No". |
| 18 | Has all acreage of the loss units listed in item 11 been harvested? | Insured's Instructions: Check "Yes" only if ALL of the units you listed in item 11 have been harvested; otherwise, check "No."<br><br>If you checked "No," list the unit numbers for the units listed in item 11 that have not been harvested. |
| 19 | Has all of the production from the loss unit(s) listed in item 11 above been sold or commercially stored? | Insured's Instructions: Check yes only if all of the production for ALL of the units you listed in item 11 above has been sold or commercially stored; otherwise, answer "No."<br><br>If you checked, "No," list the unit numbers for any of the units that have not been sold or commercially stored. |
| 20 | Have you completed harvest of all insurable acreage for all crops on your policy? (This includes the crop you listed above as well as any other crop you may have on your policy). | Insured's Instructions: Check "Yes" only if ALL crops insured under this policy (including the crop listed in item 6 above) have been harvested. If any crop has not been harvested, check "No."<br><br>If "No" was checked, list the crops not harvested. |

| | | |
|---|---|---|
| 21 | Do you anticipate any loss units for any other crop not listed in item 11 for this crop year? | Insured's Instructions: Check "Yes" only if you anticipate or know if you have loss units for any other crop not listed in item 11 for the crop year. Otherwise, check "No." |
| 22 | Has any production from any acreage from the units listed in item 11 above been farm stored, fed to livestock, or saved for seed? | Insured's Instructions: Check "Yes" if production from ANY of the loss units listed in item 11 above is farm-stored or has been fed, or saved for seed; otherwise check "No".<br><br>If you checked "Yes," list the unit number(s) for which "Yes" applies. |
| 23 | Do you have third party written verification (i.e., summary/settlement sheets) available for 100 percent of the production from all units listed in item 11 above? (This must include both landlord and tenant shares, when applicable.) | Insured's Instructions: Check "Yes" only if this is true for ALL units listed in item 11 above; otherwise answer "No. Such documents must be attached to this form. |
| 24 | Is damage for the loss units listed in item 11 similar to other farms in the area? | Insured's Instructions: Check "Yes" only if this is true for all units listed in item 11; otherwise, answer "No."<br><br>If "No" is checked, list the unit number of any unit listed in item 11 that does not have similar damage and document why that particular unit does not have similar damage. |
| 25 | Are you or any member of your household directly associated with the Federal Crop Insurance program (i.e., agent, agency owner, loss adjuster, FCIC employee, insurance provider employee or contractor)? | Insured's Instructions: Check "Yes or "No" as applicable. |
| 26 | Was all acreage of your insured crop(s) in the county, in which you have a share, reported by you on your acreage report? | Insured's Instructions: Check "Yes" only if all acreage of your insured crop(s) in the county was reported on your acreage report; otherwise, check "No."<br><br>If you checked "No," list the unit or location where the acreage was not reported. |
| 27 | On the specific loss unit(s) listed in item 11 above, is your Summary of Coverage correct for: | |

| | | |
|---|---|---|
| | a. Your share? | Insured's Instructions: For all of the units listed in item 11, check "Yes" only if the share you reported on your acreage is correct for all of the units listed in item 11; otherwise answer "No."<br><br>If "No" is checked, list the unit number(s) for which "No" applies and explain why. |
| | b. The legal description(s) and/or the FSA Farm Serial Numbers? | Insured's Instructions: For all of the units listed in item 11, check "Yes" only if the legal description(s) and/or the FSA Farm Serial Numbers reported on your acreage report are correct for ALL of the units listed in item 11; otherwise check "No.<br><br>If "No" is checked, list the unit number(s) for which "No" applies. |
| | c. The practice actually carried out by you (i.e., If you reported your practice as irrigated, was water applied at the proper time and rate)? | Insured's Instructions: For all of the units listed in item 11, check "Yes" only if the practice(s) you actually carried out agrees with the practice(s) for ALL of the units listed in item 11; otherwise check "No."<br><br>If "No" is checked, list the unit number(s) for which "No" applies. |
| | d. The type or variety (if applicable)? | Insured's Instructions: For all of the units listed in item 11, check "Yes" only if the type or variety reported on your acreage report is correct for ALL of the units listed in item 11; otherwise check "No."<br><br>If "No" is checked, list the unit number(s) for which "No" applies and enter the correct type or variety for the each unit listed. |
| | e. The total acreage for each unit listed in item 11 above (if measured or re-measured) would be within 5% of what you reported on your acreage report? | Insured's Instructions: For all of the units listed in item 11, check "Yes" only if the total acreage for each unit listed in item 11 (if measured or re-measured) would be within 5% of what you reported on your acreage report; otherwise, check "No."<br><br>If you checked "No," list the units listed in item 11 for which "no" applies. |
| 28 | Pre-printed Statements above the insured's certification/signature blocks.<br><br>INSURED OR VERIFIER MAKES NO ENTRY | |
| 29 | Insured's Signature and Date of Signature | Insured's Instructions: The insured or the insured's authorized representative signs the form and enters the date signed. |

**SCP Form Completion Instructions** (Continued)

| | | |
|---|---|---|
| 30 | Company Use ONLY:<br><br>Verifier's Signature, Code #, and Signature Date | VERIFIER'S COMPLETION INSTRUCTIONS<br><br>After the verifier has verified that the crop/unit(s) has met all of the required criteria for processing the claim as an SCP claim in (including the required documentation provided with this form), has transferred the information to a PW and attached a copy of this form to the PW, the verifier must sign the form, must enter the verifier's code number, and must enter the signature date the verifier signed the form. If there is any crop/unit listed above that does not meet the qualifications, the verifier is to list these on the form. |
| 31 | Page ____of _____ | Insured's Instructions: Enter the page numbers (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.). |

## **SCP Form Completion Instructions** (Continued)

FOR ILLUSTRATION PURPOSES ONLY
SIMPLIFIED CLAIMS PROCESS (SCP) QUALIFICATION AND NOTICE OF LOSS
For proper service, you must fill in all blanks and answer all questions as completely as possible.

| 1. Insured's Name (Please Print) | | | | 2. Policy Number |
|---|---|---|---|---|
| I. M Insured | | | | XXXXX |
| 3. My insurance Agent is: John Doe. | | 4. My phone number is: ( XXX) XXX-XXXX | | 5. Town/State Where You Live: Any Town, Any State |
| 6. Crop (only one per form) Corn | 7. Crop Year XXXX | 8. County Where Crop is Grown: (Only one per form): Adams | | 9. State Where Crop is grown (only one per form): Any State |
| 10. Non-Loss (N-L) Units and Est. Prod. Per Acre | 10a N-L Unit 0001-0103OU | 10b N-L Unit 0001-0104OU | 10c N-L Unit N/A | 10d N-L Unit N/A / 10e N-L Unit N/A |
| | 10a Est. Prod 150 bu. | 10b Est. Prod. per Acre 175 bu. | 10c Est. Prod. per Acre N/A | 10d Est. Prod. per Acre N/A / 10e Est. Prod. per Acre N/A |

| 11. Loss Unit # | 12a. CAUSE OF LOSS / 13a. DATE OF DAMAGE: 12. a Cause of Loss | 13. a Date of Damage | 12b. CAUSE OF LOSS / 13b. DATE OF DAMAGE: 12. b Cause of Loss | 13. b Date of Damage | 14. Harvest Completion Date | 15. Companion Contract-Yes/No? | 16. Assignment Of Indemnity-Yes/No? | 17. Transfer Of Right To Indemnity-Yes/No? |
|---|---|---|---|---|---|---|---|---|
| 0001-0102OU | Excess Moisture | JUNE | Hail | June 15 | October 10 | Yes | Yes | No |
| 0001-0102OU | Excess Moisture | JUNE | Hail | June 15 | October 15 | Yes | Yes | No |

NOTE: Please use a separate form for additional loss units.

| Carefully consider each of the following questions and check the "Yes" or "No" box. | YES | NO |
|---|---|---|
| 18. Has all acreage of the loss unit(s) listed in item 11 above been harvested? If No, list the unit number(s) for which "No applies: . | √ | |
| 19. Has all of the production from the loss unit(s) listed in item 11 above been sold or commercially stored? If you answered no, list the applicable unit numbers meeting "no" . | √ | |
| 20. Have you completed harvest of all insurable acreage for all crops on your policy? (This includes the crop you listed above as well as any other crop you may have on your policy). If you answered No, list the crops not harvested: soybeans . | | √ |
| 21. If you answered "NO" to the above question, do you anticipate loss units for any other crop not listed in item 11 above for this crop year? | | √ |
| 22. Has any production from any acreage from the units listed in item 11 above been farm stored, fed to livestock, or saved for seed? If "No," list the unit number(s) for which "No" applies Unit 0001-0102OU . | | √ |
| 23. Do you have third party written verification (i.e., summary/settlement sheets) available for 100 percent of the production from all units listed in item 11 above? (This must include both landlord and tenant shares, when applicable.) | √ | |
| 24. Is damage for the loss units listed in item 11 similar to other farms in the area? If "No," list the unit(s) for which "No" applies and explain: Unit 0001-0102OU – Most other farms in the area received no hail damage. . | | √ |
| 25. Are you or any member of your household directly associated with the Federal Crop Insurance program (i.e., agent, agency owner, loss adjuster, FCIC employee, insurance provider employee or contractor)? | | √ |
| 26.. Was all acreage of your insured crop(s) in the county, in which you have a share, reported by you on your acreage report? If "No," list the unit or location where the acreage was not reported . | √ | |
| 27.. On the specific loss unit(s) listed in item 11 above, is your Summary of Coverage correct for: | | |
| a. Your share? If "No," list the unit(s) and explain here: . | √ | |
| b. The legal description(s) and/or the FSA farm serial number? If "No," list the unit(s) for which "No" applies: Unit 0001-0102OU | | √ |
| c. The practice actually carried out by you (i.e., If you reported your practice as irrigated, was water applied at the proper time and rate)? If "No," list the unit(s) for which no applies: . | √ | |
| d. The type or variety (if applicable)? If "No," list the unit(s) numbers for which "No" applies and enter the correct type or variety for each unit listed . | √ | |
| e. The total acreage for each loss unit listed in item 11 above (if measured or re-measured) would be within 5% of what you reported on your acreage report? If "No," list the unit(s) for which "No"applies: | √ | |

28. This form serves as written verification of your notice of loss and as an aide in determining qualified insureds for the SCP. We may rely on the information you provide on (or attach to) this form in making material determinations in the preparation of your claim. Once this completed Notice of Loss Form and supporting documentation has been received by your insurance provider, it will be determined whether or not your claim qualifies for the SCP. If it DOES qualify, the appropriate claim for indemnity form(s) will be prepared and may need to be sent to you for your signature if the AIP determines when reviewing this information with you over the phone that a correction is needed. Otherwise, the signature on this SCP form will serve as the signature for each Claim for Indemnity form to which this information was transferred, and a copy and a copy will be mailed to you. The claim form(s) will contain all the necessary data and production information to complete your claim. If qualified, you will have your claim processed in the most expedient manner possible. You will not need to wait for an adjuster. The SCP is subject to an in-field review for compliance to established policies and procedures. If any of the unit(s) listed in item 11 above DOES NOT qualify for the SCP, you will be contacted in the near future by a claims representative to set up an appointment to adjust your loss on that or all units listed above.

Supporting documentation must be attached to this form and delivered to the address provided by your agent or insurance provider. You must attach either a settlement sheet(s), summary sheet(s) or similar third party ledger(s) that accounts for all production from any crop unit you have listed above. Individual load tickets will not qualify. Individual loads on any settlement/summary sheet(s) must be clearly marked to indicate which unit they came from. If you have FSA or similar measurement service such as utilization of Global Positioning Systems, remote sensing devices, etc., for the current crop year, please attach copies and indicate who made the measurement. In all cases you must attach copies of maps identifying each field, crop and acreage by loss unit. The per unit acreage used in calculating any indemnity will be the lesser of your reported acres or your actual planted acres.

This form example does not illustrate all required entry items or statements; e.g., signatures, etc. Refer to the SCP Form instructions above for all requirements.