



United States
Department of
Agriculture



Federal Crop
Insurance
Corporation

FCIC-25450 (12-2010)
FCIC-25450-1(05-2012)
FCIC-25450-2(06-2013)

SUGAR BEET LOSS ADJUSTMENT STANDARDS HANDBOOK

2014 and Succeeding Crop Years

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

TITLE: SUGAR BEET LOSS ADJUSTMENT STANDARDS HANDBOOK	NUMBER: 25450 (12–2010) 25450-1 (04-2012) 25450-2 (06-2013)
EFFECTIVE DATE: 2014 and succeeding crop years	ISSUE DATE: June 27, 2013
Subject: Provides the procedures and instructions for administering the Sugar Beet crop insurance program	OPI: Product Administration and Standards Division
	APPROVED: /s/ Tim B. Witt Deputy Administrator for Product Management

REASONS FOR AMENDMENT

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

- A. Subsection 2 B (4): Changed the definition of “harvest” to match the SP statement.
- B. Subsection 4 C: Changed the maximum replanting payment amount to be the maximum amount contained in the SP. Removed language that showed how to compute the number of tons per acre based on the maximum amount of one and a half tons per acre.
- C. Subsection 4 C Examples 1 and 2: Changed examples to reflect the maximum replanting payment amount contained in the SP.
- D. Subsection 9 C Section II: Changed the Replant Production Worksheet example to reflect the maximum replanting payment amount contained in the SP.

SUGAR BEET LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

CONTROL CHART

Sugar Beet Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Pages	Reference Material	Date	FCIC Number
Remove	1-2		1-2 5-8 39	40	05-2012	FCIC-25450-1
Insert	1-2		1-2 5-8 39	40	06-2013	FCIC-25450-2
Current Index	1-2	1-2	1-2 3-4 5-8 9-12 13-30 31-38 39	40 41	06-2013 12-2010 06-2013 05-2012 06-2013 05-2012 12-2010 05-2012 06-2013 06-2013 12-2010	FCIC-25450-2 FCIC-25450 FCIC-25450-2 FCIC-25450-1 FCIC-25450-2 FCIC-25450-1 FCIC-25450 FCIC-25450-1 FCIC-25450-2 FCIC-25450-2 FCIC-25450

FILING INSTRUCTIONS

This handbook replaces 2012 Sugar Beet Loss Adjustment Standards Handbook, FCIC-25450-1 (05-2012). This handbook is effective for the 2014 and succeeding crop years and is not retroactive to any 2013 or prior crop year determinations.

1. INTRODUCTION

THIS HANDBOOK MUST BE USED IN CONJUNCTION WITH THE LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK, FCIC-25010.

The FCIC issued loss adjustment standards for this crop are the official standard requirements for adjusting losses in a uniform and timely manner. The FCIC-issued standards for this crop and crop year are in effect as of the signature date for this crop handbook at www.rma.usda.gov/handbooks/25000/index.html. All Approved Insurance Providers (AIPs) will utilize these standards for both loss adjustment and loss adjustment training for the applicable crop year. These standards, which include crop appraisal methods, claims completion instructions, and form standards, supplement the general (not crop-specific) loss adjustment standards identified in the LAM.

2. SPECIAL INSTRUCTIONS

This handbook remains in effect until superseded by reissuance of **either** the entire handbook **or** selected portions (through slip-sheets or bulletins). If slip-sheets have been issued for a handbook, the original handbook as amended by slip-sheet pages shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slip-sheets.

A. DISTRIBUTION

- (1) The following is the minimum distribution of forms completed by the adjuster and signed by the insured (or insured's authorized representative) for the loss adjustment inspection.
- (2) One legible copy to the insured. The original and all remaining copies as instructed by the AIP. It is the AIP's responsibility to maintain original insurance documents relative to policyholder servicing as designated in their approved plan of operations.

B. TERMS, ABBREVIATIONS, AND DEFINITIONS

- (1) Terms, abbreviations, and definitions **general** (not crop specific) to loss adjustment are identified in the LAM.
- (2) Terms, abbreviations, and definitions **specific** to sugar beet loss adjustment and this handbook, which are not defined in this section, are defined as they appear in the text.
- (3) Abbreviations:

BP	Common Crop Insurance Policy Basic Provisions
CAT	Catastrophic Risk Protection
CIH	Crop Insurance Handbook
CP	Crop Provisions
DSSH	Document and Supplemental Standards Handbook, FCIC-24040
SP	Special Provisions

(4) Definition(s)

Clamps	Sugar beets that have been topped, lifted and temporarily stacked in the field, until removed from the field for direct delivery to a processor.
Earliest Delivery Date	The date when processors start accepting sugar beets at their processing plants or piling stations.
Harvest	Topping, lifting and removal of sugar beets from the field, including removal of sugar beets from clamps that include sugar beets that have been topped, lifted and temporarily, stacked in the field, if provided for in the SP for the county.
Local Market Price	The price per pound for raw sugar offered by buyers in the area in which the insured normally markets the sugar beets.
Mature Sugar Beet	Any sugar beet in which the diameter is at least 2 inches or larger measured at the widest point of the sugar beet. This includes harvestable and processable sugar beets.
Processor	Any business enterprise regularly engaged in processing sugar beets for sugar that possesses all licenses and permits for processing sugar beets required by the State in which it operates, and that possesses facilities, or has contractual access to such facilities, with enough equipment to accept and process the contracted sugar beets within a reasonable amount of time after harvest.
Production Guarantee	<p>(The production guarantees are expressed in standardized tons, and are progressive by stages, which increase at specified intervals to the final stage.) The stages are:</p> <p>(a) First stage production guarantee - The final stage production guarantee multiplied by 60 percent.</p> <p>(b) Final stage production guarantee - The number of tons determined by multiplying the approved yield per acre by the coverage level percentage the insured elects.</p> <p>If the Sugar Beet Stage Removal Option Pilot is in effect (in selected states and counties as approved by the FCIC Board of Directors (here after referred to as the Board)), the first stage production guarantee (per acre) percentage is not applicable. Refer to the actuarial documents for counties where the stage removal option is available. Document in the Narrative or on a Special Report when the option applies.</p>
Raw Sugar	Sugar that has not been extracted from the sugar beet.

C. PROVISIONS AND PROCEDURES NOT APPLICABLE TO CAT COVERAGE

Refer to the CIH and LAM for provisions and procedures not applicable to CAT.

D. UNIT DIVISION

Refer to the insurance contract for unit provisions. Unless limited by the CP or SP, a basic unit, as defined in the BP, may be divided into optional units if, for each optional unit, all the conditions stated in the applicable provisions are met.

E. COMPUTATION OF SUGAR BEET PRODUCTION THAT DOES NOT MEET MINIMUM ACCEPTABLE STANDARDS CONTAINED IN THE SUGAR BEET PROCESSOR CONTRACT

Use the following formulas to compute standardized tons of harvested production, or unharvested production that is appraised **after** the earliest delivery date that the processor accepts harvested production, and that **does not** meet the minimum acceptable standards contained in the processor contract:

- (1) To compute standardized tons of sugar beets when the processor quotes a price per pound for the damaged sugar beets, use the following example:

EXAMPLE:

The insured harvested 100 tons of sugar beets.

The processor's price per pound for such sugar beets was \$.04

$100 \text{ tons} \times 2,000 \text{ pounds} = 200,000 \text{ pounds} \times \$.04 = \$8,000.00$ gross dollar amount.

The local market price for undamaged sugar beets was \$.18 per pound.

The county average raw sugar factor from the SP was 15.6%.

$\$8,000.00 \div \$.18 = 44,444.44 \div 2,000 \div .156 = 142.5$ standardized tons.

- (2) To compute standardized tons of sugar beets from an appraisal with a percent sugar test for raw sugar, use the following example:

EXAMPLE:

$5.5 \text{ tons/acre appraisal (shown in column 31 of the claim form)} \times .106$ (10.6 percent sugar tested at processor) $= .583$ (do not round to tenths).

$.583 \div .156$ county average raw sugar factor $= 3.7$ standardized tons of beets per acre. This result multiplied by column 19 will be entered in column 34 of the claim form.

- (3) To compute standardized tons of sugar beets from the gross dollar amount received from the processor, refer to subsection 9 C, Section II, column 56.
- (4) The required sample delivered to the processor for testing will be a minimum of 25 pounds, unless the adjuster determines it is not representative of the unit. The 25 pound minimum should consist of sugar beets topped and cleaned that are collectively pulled from the representative samples (using 1/2000 of an acre).

4. REPLANTING PAYMENT PROCEDURES

A. GENERAL INFORMATION

- (1) Replanting payments made on acreage replanted by a practice that was uninsurable as an original planting will require the deduction of the replanting payment for such acreage from the original unit liability. If the unit dollar loss (final claim) is less than the original unit liability minus such replanting payment, the actual indemnity dollar amount will not be affected by the replanting payment. The premium will not be reduced.
- (2) No replanting payment will be made on acreage on which one replanting payment has already been allowed for the crop year.

B. QUALIFICATIONS FOR REPLANTING PAYMENT

To qualify for a replanting payment, the:

- (1) Sugar Beets must be damaged due to an insurable cause;
- (2) AIP must determine that it is practical to replant and give consent to replant, (Refer to the LAM);
- (3) Acres being replanted must have been initially planted on or after the "Earliest Planting" date if such date has been established by the SP;
- (4) Per acre appraisal (or appraisal plus any appraisals for uninsured causes of loss) must be less than 90 percent of the final stage production guarantee (production guarantee when the Stage Removal Option is in effect) for the acreage the insured intends to replant;
- (5) Acreage replanted must be AT LEAST the lesser of 20 acres or 20 percent of the insured **planted** acreage for the unit (as determined on the final planting date or within the late planting period if a late planting period is applicable). Any acreage planted after the end of the late planting period will not be included when determining if the 20 acres or 20 percent qualification is met. Refer to the LAM; and
- (6) AIP has given consent to replant.

In the Narrative of the claim form or on a Special Report, show the tons per acre appraisal for each field or subfield and the calculations to document that qualifications for a replant payment have been met.

C. MAXIMUM REPLANTING PAYMENT

The maximum amount of the replanting payment per acre will be the LESSER OF:

- (1) The insured's actual replanting cost; **or**
- (2) **The** maximum amount of the replanting payment contained in the SP **times the insured's share.**

Show all calculations in the Narrative of the claim form or on a Special Report.

EXAMPLE 1

Owner/operator (100 percent share)

30 acres replanted

Insured's actual cost to replant = \$90.00 per acre

Maximum replanting payment allowed in SP = \$80.00 per acre

The replanting payment will be $\$80.00 \times 1.000$ (share) = \$80.00 per acre

EXAMPLE 2

Landlord/Tenant on 50/50 share

30 acres replanted

Insured's actual cost to replant = \$45.00 per acre

Maximum replanting payment allowed in SP = \$80.00 per acre

The replanting payment will be $\$80.00 \times .500$ (share) = \$40.00 per acre

EXAMPLE 3

Owner/operator (100 percent share)

30 acres replanted

Insured's actual cost to replant = \$75.00 per acre

Maximum replanting payment allowed in SP = \$80.00 per acre

The replanting payment will be $\$75.00 \times 1.000$ (share) = \$75.00 per acre (Actual cost of replanting)

D. REPLANTING PAYMENT INSPECTIONS

Replanting payment inspections are to be prepared as final inspections on the claim form only when qualifying for a replanting payment. Non-qualifying replanting payment inspections (**unless the claim is withdrawn by the insured**) are to be handled as preliminary inspections. If qualified for a replanting payment, a Certification Form may be prepared on the initial farm visit. Refer to the LAM.

5. SUGAR BEET APPRAISALS

A. GENERAL INFORMATION

Potential production for all types of inspections will be appraised in accordance with procedures specified in this handbook and the LAM. Appraisals must not be made until an accurate appraisal of potential production can be made.

B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS

- (1) Determine the minimum number of required samples for a field or subfield by the field size, (take not less than the minimum number (count) of representative samples required in **TABLE A** for each field or subfield), the average stage of growth, age (size) and general capabilities of the plants, variability of potential production, and plant damage within the field or subfield.

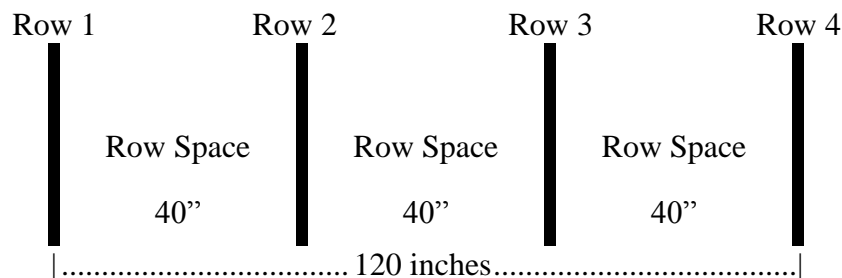
- (2) Split the field into subfields when:
 - (a) Variable damage causes the crop potential to appear to be significantly different within the same field; or
 - (b) The insured wishes to destroy a portion of a field.
- (3) Each field or subfield must be appraised separately.

C. MEASURING ROW WIDTH FOR SAMPLE SELECTION

Use these instructions for all appraisal methods that require row width determinations:

- (1) Use a measuring tape marked in inches or convert a tape marked in tenths of a foot, to inches, to measure row width (refer to LAM for conversion table).
- (2) Measure across **THREE OR MORE** row spaces, from the center of the first row to the center of the fourth row (or as many rows needed), and divide the result by the number of row spaces measured across, to determine an average row width in whole inches.

EXAMPLE:



$$120 \text{ inches} \div 3 \text{ row spaces} = 40 \text{ inches average row width}$$

- (3) Apply average row width to **TABLE B** to determine the required length of sample row.
- (4) When using two or more rows to fulfill the required length of sample row, divide the length of row required by the number of rows used in the sample. The combined length of all rows must equal the single row length.
- (5) Where rows are skipped for tractor and planter tires or water rows, refer to the LAM.

6. APPRAISAL METHODS

A. GENERAL INFORMATION

- (1) These instructions provide information on appraisal methods for:

PRODUCTION WORKSHEET REPLANT EXAMPLES

1. Crop/Code # Sugar Beets 0039		2. Unit # 0001-0001-BU		3. Location Description NE27-135N-71W		7. Company Agency		ANY COMPANY ANY AGENCY		8. Name of Insured LM. INSURED															
4. Date(s) of Damage MAY 10		5. Cause(s) of Damage Freeze		6. Insured Cause % 100		12. Additional Units		13. Est. Prod. Per Acre		9. Claim # XXXXXXXX					11. Crop Year YYYY										
10. Policy # XXXXXXXXXX										14. Date(s) Notice of Loss										1st MM/DD/YYYY		2nd MM/DD/YYYY		Final MM/DD/YYYY	
15. Companion Policy(s)																									
SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS																									
A. ACTUARIAL															B. POTENTIAL YIELD										
16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32a. 32b.	33.	34.	35.	36.	37.	38.			
Field ID	Multi-Crop Code	Reported Acres	Determined Acres	Interest or Share	Risk	Type	Class	Sub-Class	Intended Use	Irr Practice	Cropping Practice	Organic Practice	Stage	Use of Acreage	Appraised Potential	Moisture % Factor	Shell %, Factor, or Value	Production Pre QA	Quality Factor	Production Post QA	Uninsured Causes	Total to Count			
A		31.0	30.0	1.000		997					003		R	REPLANTED	80.0			2400.0		2400.0		2400.0			
B			1.0	1.000		997					003		NR	NOT REPLANTED											
39. TOTAL		31.0	40. Quality: TW <input type="checkbox"/> KD <input type="checkbox"/> Aflatoxin <input type="checkbox"/> Vomitoxin <input type="checkbox"/> Fumonisin <input type="checkbox"/> Garlicky <input type="checkbox"/> Dark Roast <input type="checkbox"/> Sclerotinia <input type="checkbox"/> Ergoty <input type="checkbox"/> CoFo <input type="checkbox"/> Other <input type="checkbox"/> None <input type="checkbox"/> 41. Mycotoxins exceed FDA, State or other health organization maximum limits? Yes <input type="checkbox"/>													42. TOTALS		2400.0		2400.0		2400.0			

NARRATIVE (If more space is needed, attach a Special Report) Example above shows the **maximum dollar amount as allowed in the SP for replanting payment**. Appraised potential less than 90% of the production guarantee (17.0 x 90% = 15.3 ton/ac. Appraised potential = 2.5 ton/ac. Acreage was determined using wheel measurements. See attached Special Report for wheel measurements and calculations.

SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS																						
A. ACTUARIAL															B. POTENTIAL YIELD							
16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32a. 32b.	33.	34.	35.	36.	37.	38.
Field ID	Multi-Crop Code	Reported Acres	Determined Acres	Interest or Share	Risk	Type	Class	Sub-Class	Intended Use	Irr Practice	Cropping Practice	Organic Practice	Stage	Use of Acreage	Appraised Potential	Moisture % Factor	Shell %, Factor, or Value	Production Pre QA	Quality Factor	Production Post QA	Uninsured Causes	Total to Count
A		31.0	30.0	.500		997					003		R	REPLANTED	40.0			1200.0		1200.0		1200.0
B			1.0	.500		997					003		NR	NOT REPLANTED								
39. TOTAL		31.0	40. Quality: TW <input type="checkbox"/> KD <input type="checkbox"/> Aflatoxin <input type="checkbox"/> Vomitoxin <input type="checkbox"/> Fumonisin <input type="checkbox"/> Garlicky <input type="checkbox"/> Dark Roast <input type="checkbox"/> Sclerotinia <input type="checkbox"/> Ergoty <input type="checkbox"/> CoFo <input type="checkbox"/> Other <input type="checkbox"/> None <input type="checkbox"/> 41. Mycotoxins exceed FDA, State or other health organization maximum limits? Yes <input type="checkbox"/>													42. TOTALS		1200.0		1200.0		1200.0

NARRATIVE (If more space is needed, attach a Special Report) Example above shows the **maximum dollar amount as allowed in the SP for replanting payment** when share is considered Appraised potential less than 90% of the production guarantee (17.0 x 90% = 15.3 ton/ac. Appraised potential = 2.5 ton/ac. Acreage was determined using wheel measurements. See attached Special Report for wheel measurements and calculations.

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

10. REFERENCE MATERIAL

TABLE A - MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS

ACRES IN FIELD OR SUBFIELD	MINIMUM NO. OF SAMPLES
0.1 - 10.0	3
One additional sample is required for each additional 40.0 acres (or fraction thereof) in the field or subfield.	

TABLE B - ROW WIDTH AND LENGTH TABLE

ROW WIDTH - INCHES	1/100 ACRE - FEET	1/2000 ACRE - FEET
42	125	6.3
40	131	6.6
38	138	6.9
36	145	7.3
34	154	7.7
32	163	8.2
30	174	8.7
28	187	9.4
26	202	10.1
24	218	10.9
22	238	11.9
20	262	13.1
18	290	14.5
16	326	16.3
14	374	18.7
When 2 or more rows are used for a pattern, divide the length of a single row pattern by the number of rows in the pattern. The combined length of all rows must equal the single row length.		
If the row width in inches differs from the table values, calculate the row length necessary to equal 1/100th of an acre according to this formula: $435.6 \div (\text{row width} \div 12)$, round to whole foot.		