



United States Department of Agriculture
Farm and Foreign Agricultural Services
Risk Management Agency

January 3, 2002

INFORMATIONAL MEMORANDUM: R&D-02-002

TO: All Reinsured Companies
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Tim B. Witt /s/ *Tim B. Witt*
Deputy Administrator

SUBJECT: Administrative Fees When a Prevented Planting Payment is Based on Another Crop

ISSUE:

The Risk Management Agency (RMA) has received questions regarding which crop the administrative fee is charged for when a prevented planting payment is made on the basis of another crop.

BACKGROUND:

Section 17(h) of the Common Crop Insurance Policy, Basic Provisions, specifies when a producer is prevented from planting a crop that meets all policy requirements for a prevented planting payment, but does not have an adequate base of eligible prevented planting acreage for that crop, the prevented planting payment and premium will be based on another insured crop that has remaining eligible prevented planting acreage.

ACTION:

Additional administrative fees that result solely from basing a prevented planting payment on another crop will not be charged to the policyholder. Reinsured companies should flag these crops as administrative fee exception flag 'P' in the DAS record type 14 to ensure the waiver of the administrative fee.

DISPOSAL DATE:

The disposal date of this Informational Memorandum is December 31, 2002.



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The Risk Management Agency Administers and Oversees
All Programs Authorized Under the Federal Crop Insurance Corporation

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