January 14, 2003

INFORMATIONAL MEMORANDUM: R&D-03-002

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

FROM: Tim B. Witt  /s/ Rodger M. Matthews, for
      Deputy Administrator

SUBJECT: Nutrient Best Management Practice Endorsement to Crop Revenue Coverage and
         Multiple Peril Crop Insurance Materials Available

BACKGROUND:

On December 12, 2001, the Federal Crop Insurance Corporation's (FCIC) Board of Directors
approved the Nutrient Best Management Practice (N-BMP) endorsement which was submitted by the
Agricultural Conservation Innovation Center (ACIC) of the American Farmland Trust. The
endorsement can attach to an underlying Crop Revenue Coverage (CRC) or Multiple Peril Crop
Insurance (MPCI) policy.

The N-BMP endorsement is available in all counties in Iowa, Minnesota, Pennsylvania and Wisconsin
for non-irrigated corn grown for grain. N-BMP provides insurance protection from crop production
loss when a producer applies a rate of fertilizer (nitrogen, phosphorus or both) for maximum crop yield
as recommended by a Best Management Practice (BMP). A certified crop consultant will recommend
a BMP for the production area and crop to determine the amount of nitrogen and/or phosphorus to
apply.

Producers interested in N-BMP should contact their crop insurance agent. The premium rate per acre,
for the available States of Iowa, Minnesota, Pennsylvania and Wisconsin, is listed in the Actuarial Data
Master record type K.
The Risk Management Agency (RMA) premium calculator will be available on the RMA web site for
general information purposes. To find the N-BMP premium calculator on the web-site:

Go to: Tools/Calculators
Scroll to: Premium Calculation Software for 2000 and succeeding years (Online
Version) - Calculate Premiums
Click on: Calculate Premiums

ACTION:

The following N-BMP documents have been placed on the RMA website:

<table>
<thead>
<tr>
<th>Material</th>
<th>Comment</th>
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| N-BMP Handbook                               | http://www.rma.usda.gov/data/directives.html (Under the
directive No. 20040) |
| N-BMP Loss Adjustment Handbook                | http://www.rma.usda.gov/data/directives.html (Under the
directive No. 20050) |

DISPOSAL DATE:

This Informational Memorandum is for the purpose of transmitting information and its disposal date is