



United States
Department of
Agriculture

Farm Production
and Conservation

Risk
Management
Agency

4405 Bland Road
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Raleigh, NC 27609

July 31, 2018

INFORMATIONAL MEMORANDUM

TO: All Northeast Approved Insurance Providers Writing in the States of Connecticut, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia

FROM: Alexander Sereno /s/
Director

SUBJECT: Crop Year 2019 Regional Underwriting Guidelines for Category C Actual Production History (APH) Crops in the Raleigh Region

BACKGROUND:

The 2019 FCIC 18010 Crop Insurance Handbook (CIH) authorizes the Risk Management Agency (RMA) Regional Offices to issue underwriting procedures for Category C crops that modify procedure and to provide additional underwriting procedure for regional exceptions.

Paragraph 1862 APH Database Tests for High Variability of Actual Yields of the CIH provides procedure and formulas designed to identify alternate bearing and downward yield trending for Category C crop yields. As a result of damaging hail and wind in 2011, severe weather in 2012, and freeze and significant drought in 2016 widespread damage to Category C perennial crops was caused in all states listed above. Additionally, as a result of damaging freeze and frost in 2017 widespread damage to Category C perennial crops was caused in North Carolina.

This damage may inadvertently identify certain Category C perennial crops for high variability adjustments. In order to expedite the approved actual production history (APH) yield process and decrease the number of requests for Regional Office determined yields, the Raleigh Regional Office issues these guidelines.

Effective for the 2019 crop year, these Regional Office Underwriting Guidelines (UG) are in effect for Apples, Blueberries, Cranberries, Grapes, Peaches, and Pears in the states of Connecticut, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia.

ACTION

A. High Variability Requests

For blocks or units meeting the criteria for high variability of actual yields in CIH Paragraph 1862 APH Database Tests for High Variability of Actual Yields, the Approved Insurance Provider (AIP) may approve the yield using the standard Category C APH procedure without adjustment of the approved APH yield by the formula if the AIP verifies the high variability is due to severe weather related events in 2011, 2012, and 2016 for all states listed above, resulting in lower yields which inappropriately trigger an alternate bearing adjustment or downward trending adjustment. Additionally, the AIP may approve the procedure as stated above if the AIP verifies high variability is due to severe weather related events in 2017 in North Carolina only, resulting in lower yields which inappropriately trigger an alternate bearing adjustment or downward trending adjustment.

For all databases meeting the above stated criteria resulting in no adjustment, Special Case Indicator “D” should be submitted. If applicable, yield substitution (YA) is authorized; however, Yield Exclusion (YE) and CUP procedure are not applicable for any database identified for high variability of actual yields. For additional guidance on Special Case Yield Indicators, YA or YE applicability, or Yield Limitation Flags, refer to the 2019 CIH, Exhibit 22.

Please contact the Raleigh Regional Office at RSONC@rma.usda.gov if you have any additional questions.

DISPOSAL DATE

August 31, 2019