



August 28, 2009

United States  
Department of  
Agriculture

**INFORMATIONAL MEMORANDUM: PM-09-040**

Risk  
Management  
Agency

TO: All Approved Insurance Providers  
All Risk Management Agency Field Offices  
All Other Interested Parties

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

SUBJECT: Rainfall Index Basic Provisions, Vegetation Index Basic Provisions,  
Insurance Standards Handbooks, Apiculture Pilot Program Crop  
Provisions, and Pasture, Rangeland, Forage Pilot Program Crop Provisions  
Effective 2010 and Succeeding Crop Years

**BACKGROUND:**

On May 7, 2009, the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) approved changes to the Rainfall Index (RI) and Vegetation Index (VI) plans of insurance for the 2010 crop year.

As a result of these approved enhancements for the 2010 insurance year, revised RI and VI Basic Provisions, and revised Pasture, Rangeland, Forage (PRF) and Apiculture (API) Crop Provisions have been created, along with revised Insurance Standards Handbooks for the RI Index plan and the VI Index plan. Appendices to these handbooks address API and PRF specific information.

States and counties where the RI and VI plans are offered have changed for 2010:

**API**

- The RI-API pilot program will be expanded into all counties in California and Florida. The RI-API pilot program will replace the current VI-API pilot program in Minnesota, New York, North Carolina, South Carolina, Pennsylvania, Kansas, Oklahoma, and Virginia.
- The RI-API pilot program is being replaced by the VI-API program in the states of Utah and Idaho.
- The VI-API pilot program will be expanded into all counties in Arizona and New Mexico. The VI-API pilot program will replace the current RI-API program in Idaho and Utah.



The Risk Management Agency Administrators  
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- The VI-API pilot program is being replaced by the RI-API program in the states of Kansas, Minnesota, New York, North Carolina, Oklahoma, and Virginia and specific counties in Pennsylvania and South Carolina.

**PRF**

- The RI-PRF pilot program will replace the current VI-PRF pilot program in North Carolina, Kansas, Oklahoma, New York, South Carolina, Pennsylvania and Virginia.
- The VI-PRF pilot program will replace the current RI-PRF pilot program in specific counties in the state of Idaho.
- The VI-PRF pilot program is being replaced by the RI-PRF program in the states of Kansas, North Carolina, and Virginia and specific counties in New York, Pennsylvania, Oklahoma, and South Carolina.

The crop year will begin on January 1<sup>st</sup> and end on December 31<sup>st</sup> for both the RI and VI plans of insurance. The number of available index intervals has been increased to provide greater flexibility in matching the time periods insured to the most appropriate periods for each producer's operation. Available index intervals are shown in the Special Provisions. A producer's selection of index intervals cannot result in any month covered in more than one interval as outlined in Section 3 of the applicable crop provisions.

- For the VI plan of insurance, producers can now select any month from January to October, as allowed by the Special Provisions, as the beginning month for the insured interval. However, no month can be insured more than once during the insurance year. For example, a producer could select Interval Jan-Mar, but cannot select Interval Mar-May, since March would be included in both intervals.
- For the RI plan of insurance, producers can now select any month from January through November, as allowed by the Special Provisions, as the beginning month for the insured interval. As with the VI Plan, no month can be included more than once during any selected intervals.
- If a producer has a VI or RI policy for the 2009 insurance year that includes a month (or months) in 2010, e.g. VI Interval IV (Jan-Mar 2010), or RI Interval VI (Jan 2010), then those months cannot be included in any interval in a new policy for the 2010 insurance year.

For the RI Plan of insurance, the Grid ID Numbers have changed. For the 2010 insurance year, each producer who obtains RI insurance will be required to establish a new Point of Reference for grid identification numbers, including carry-over insureds.

Additional reporting requirements for the RI-PRF and VI-PRF policies have been added for the 2010 insurance year to provide information necessary to reconcile with other USDA programs. These reporting requirements include the Farm Service Agency farm serial number, tract number, and field identification number.

Producers interested in the Pasture, Rangeland, Forage, or Apiculture pilot insurance programs will need to contact a crop insurance agent and complete an application by the Sales Closing Date of November 30, 2009. RMA publishes a list of agents on its website at: <http://www.rma.usda.gov/tools/agent.html>

**ACTION:**

The following RI and VI pilot program materials effective for the 2010 crop year will be available by close of business today on the RMA Website at:  
[www.rma.usda.gov/policies/ri-vi/](http://www.rma.usda.gov/policies/ri-vi/)

- RI Basic Provisions (10-RI),
- VI Basic Provisions (10-VI),
- RI-API Pilot Insurance Program Crop Provisions (10-RI-API)
- VI-API Pilot Insurance Program Crop Provisions (10-VI-API)
- RI-PRF Pilot Insurance Program Crop Provisions (10-RI-PRF)
- VI-PRF Pilot Insurance Program Crop Provisions (10-VI-PRF)
- RI Insurance Standards Handbook (FCIC-18130)
- VI Insurance Standards Handbook (FCIC-18140)

**DISPOSAL DATE:**

This informational memorandum is for the purpose of transmitting information and the expiration date is December 31, 2009.