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**AUGUST 13, 2013**

**INFORMATIONAL MEMORANDUM**

**TO:** Approved Insurance Providers

**FROM:** Brian D. Frieden /s/  
Director

**SUBJECT:** Crop Year 2014 Regional Underwriting Guidelines for Category C Actual  
Production History (APH) Crops in the Springfield RO Region

**BACKGROUND:**

The 2014 FCIC 18010 Crop Insurance Handbook (CIH) authorizes the Risk Management Agency (RMA) Regional Offices (ROs) to issue underwriting procedures for Category C crops that modify procedure for high variability of yields and provide additional underwriting procedure for regional exceptions. CIH Part 15 Section 7 Paragraph 1562D provides procedure and formulas designed to identify alternate bearing for Category C crop yields. In order to expedite the approved actual production history (APH) yield process, the Springfield RO has issued the following guidelines.

Effective for the 2014 crop year, the following RO Underwriting Guidelines are in effect for Michigan.

**ACTION:**

**A. High Variability Requests**

1. For blocks or units meeting the high variability criteria for yield variance and alternate bearing [see CIH Para. 1562C and D], the AIP may approve the yield using the standard Category C Actual Production History (APH) procedure, if:
  - a. The AIP verifies the high variability is due to weather related events in 2012, resulting in low yields; and
  - b. The crop affected is apples, peaches, or grapes.

If applicable, yield substitution (YA) is authorized only if the block or unit meeting the alternate bearing criteria has produced at or above the applicable T-yield at least one year in the most recent five crop years (2009 – 2013).

2. The approved APH yield (calculated in 1. above) must be reported to the Policy Acceptance and Storage System (PASS) with RMA RO determined

yield indicator “F” (CIH Para. 1562D).

Yield limitation flag “12” (CIH Para. 1572) should be reported if any actual yield(s) in the APH database were substituted using YA procedures.

3. A new Perennial Crop Pre-Acceptance Inspection Report (PAIR) is not required for APH Databases meeting the high variability criteria for yield variance and alternate bearing [see CIH Para. 1562C and D], unless the PAIR is triggered by requirements as outlined in CIH Para. 1538 or any additional requirement contained in these underwriting guidelines.
4. These 2014 Regional Underwriting Guidelines do not waive or modify procedures in CIH Para. 1562E for APH databases that meet the criteria for downward yield trending.

#### **B. Deadline Extensions**

In lieu of Para. 1540 of the 2014 CIH - which requires a written request for an extension of the PAIR deadline -, the AIP is not required to submit a written request for an extension of the PAIR deadline. These guidelines extend the deadline for receipt of the PAIRs in the RO to 60 calendar days after the Production Report Date (PRD).

Table 1 below identifies the applicable extended submission deadline for each crop. These extended submission dates only apply to PAIRs required for RO determined yield requests.

*Table 1. Extended RMA RO Yield Determination Deadlines:*

| <b>Crop</b> | <b>PRD</b> | <b>Extended Deadline</b> |
|-------------|------------|--------------------------|
| Apples      | 1/15       | 3/16                     |
| Blueberries | 1/15       | 3/16                     |
| Grapes      | 1/15       | 3/16                     |
| Peaches     | 1/15       | 3/16                     |

Please contact the Springfield Regional Office if you have any additional questions.