



SEPTEMBER 17, 2012

United States
Department of
Agriculture

INFORMATIONAL MEMORANDUM

Farm and Foreign
Agricultural
Services

TO: All Northeast Reinsured Companies

Risk
Management
Agency

FROM: Larry N. Atkinson /s/ *Larry N. Atkinson*
Director

4405 Bland Rd,
Suite 160
Raleigh, NC
27609

SUBJECT: Reinsurance Year 2013 Regional Underwriting Guidelines for Category C
Actual Production History (APH) Crops in the Raleigh RO Region

BACKGROUND:

The 2013 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 Section 16H(8)(c) provides procedure and formulas designed to identify alternate bearing for Category C crop yields. In order to expedite the approved yield process and decrease the number of requests for RO determined yields and extension deadlines, the Raleigh RO has issued the following guidelines.

Effective for the 2013 crop year, the following RO Underwriting Guidelines 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

1. For blocks or units meeting the high variability criteria for yield variance and alternate bearing [see Section 16H(8)(b) and (c)], 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 2011 and 2012, resulting in low yields; and
 - b. The AIP verifies the high variability is due to weather



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

USDA is an Equal Opportunity Provider and Employer

related events in 2008 and 2010, resulting in high yields.

If applicable, yield substitution (YA) is authorized; however, CUP procedure is not applicable for any database identified for high variability of actual yields.

2. The approved yield (calculated in 1. above) must be reported to the Policy Acceptance and Storage System (PASS) with RMA RO determined yield indicator “F” (CIH Section 16H(8)(c)5b).

Yield limitation flag “12” (CIH Section 16H(11)) 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 Section 16H(8)(b) and (c)], unless the PAIR is triggered by requirements as outlined in CIH Section 16E(1) or any additional requirement contained in these underwriting guidelines.
4. These 2013 Regional Underwriting Guidelines do not waive or modify procedures in CIH Section 16H(8)(d) for APH databases that meet the criteria for downward yield trending.

B. PAIR Requirements

In addition to the requirements for PAIRS outlined in CIH Sections 16E(1)(a), a new PAIR will be required for:

1. Peach trees that are greater than 15 years in age; and
2. Category C crops with APH Databases that exhibit a downward yield trend for the most recent three years of actual yields.

C. Deadline Extensions

In lieu of Section 16E(3)(a) of the 2013 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:

Crop	PRD	Extended Deadline
Apples	1/15	3/16
Blueberries	1/15	3/16
Cranberries	1/15	3/16
Grapes	1/15	3/16
Peaches	1/15	3/16
Pears	1/15	3/16

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