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Federal Crop
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Corporation



Risk Management
Agency



Insurance
Services

GOOD FARMING PRACTICE DETERMINATION STANDARDS HANDBOOK

FCIC-Approved Standards and Procedures
for Administering Good Farming Practice
Decisions and Determinations for the 2015
and Succeeding Crop Years.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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REASON FOR ISSUANCE

This handbook contains the FCIC-issued standards and procedures for handling good farming practice (GFP) decisions and determinations. AIPs, Insurance Services and ROs will use these standards and procedures when administering GFP Decisions, Determinations, and Reconsiderations.

RISK MANAGEMENT AGENCY GOOD FARMING PRACTICES STANDARDS

CONTROL CHART

RMA Good Farming Practice Determination Standards Handbook							
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FILING INSTRUCTIONS

The standards and procedures provided in this handbook replace Manager’s Bulletin MGR-05-010 dated June 10, 2005. This handbook is effective for the 2015 and succeeding crop years.

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PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose

This handbook identifies RMA's official standards and procedures for participation in GFPs, including:

- (1) Training;
- (2) AIP responsibility in GFP Decisions;
- (3) RMA GFP Determinations and reconsiderations;
- (4) Referral of identified program vulnerabilities and suspected cases of fraud, waste, and abuse; and
- (5) Dispute resolution.

B. Source of Authority

Federal programs enacted by Congress and the regulations and policies developed by RMA, USDA, and other Federal agencies provide the authority for program and administrative operations, and basis for RMA directives. Administration of the Federal crop insurance program is authorized by the following:

- (1) Federal Crop Insurance Act (Act), Section 508(a)(3)(B)(i):

“A policyholder shall have the right to a review of a determination regarding good farming practices... in accordance with an informal administrative process to be established by [FCIC].”
- (2) The Food Security Act of 1985, 16 U.S.C. 3801 et seq.
- (3) Controlled Substance Act of 1970, 21 U.S.C. 801 et seq.
- (4) Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 42 U.S.C. 653a
- (5) 7 CFR part 400
- (6) SRA:
 - (a) Section I:

1 General Information (Continued)

B. Source of Authority (continued)

“‘Inspection’ means verification: (4) that the reported practice is being carried out in accordance with good farming practices.”

- (b) Appendix IV, Section III (a) (3):

“(a) The Company is responsible for (3) conducting an inspection.”

- (7) FCIC Policy Provisions:

- (a) Common Crop Insurance Policy Basic Provisions (11-BR), Sections 12 and 20.
- (b) ARPI Basic Provisions (14-ARPI), Section 23.
- (c) Whole Farm Revenue Policy (15-WFRP), Section 21.
- (d) Rainfall Index (RI) Common Policy (10-00RI), Section 15.
- (e) Vegetation Index (VI) Common Policy (11-00VI), Section 15.
- (f) Livestock Risk Protection Insurance Policy (10-LRP-Basic), Section 11.
- (g) Other crop provisions as applicable.

C. Order of Precedence

If there is a conflict between the procedure in this handbook and other documents issued by RMA, the following order of precedence will apply.

- (1) The Act, as amended (7 U.S.C. 1501 et seq.) and any FAD interpreting the Act.
- (2) The CAT Endorsement, as applicable, and any FAD interpreting the CAT Endorsement.
- (3) Written Agreement, as applicable.
- (4) The SP and other actuarial documents in the following order of precedence:
 - (a) SP; and
 - (b) Actuarial Map.
- (5) The Commodity Exchange Price Provisions, as applicable.

1 General Information (Continued)

C. Order of Precedence (continued)

- (6) Crop endorsement/options/exclusions and any FAD interpreting the crop endorsement/options/exclusions if published in 7 C.F.R part 457. **Exception:** For ARH policies, crop provisions will take precedence over the ARH Endorsement.
- (7) CP and any FAD interpreting the CP.
- (8) BP and any FAD interpreting the BP.
- (9) Administrative regulations at 7 CFR Part 400; and any FAD interpreting the administrative regulations.
- (10) Manager's Bulletins and any interpretation of procedures therein (refer to MGR-05-18, Interpretation of Procedures).
- (11) Prevented Planting Loss Adjustment Standards Handbook (FCIC-25370) and any interpretation of these procedures.
- (12) CIH (FCIC-18010) and other applicable underwriting guides for a specific commodity or plan of insurance and any interpretation of these procedures.
- (13) LAM Standards Handbook (FCIC-25010) and any interpretation of these procedures.
- (14) Crop LASH and any interpretation of these procedures.
- (15) Product Management and Insurance Services Informational Memorandums.

D Related Handbooks

The following table lists handbooks and manuals related to GFPs.

Handbook/Manual	Purpose
CIH	General underwriting standards and procedures for non-pilot crop insurance policies
LAM Standards Handbook	General loss adjustment standards and procedures
Large Claim Standards Handbook	General standards and procedures for large claims
Prevented Planting Loss Adjustment Standards Handbook	Provides the procedures and instructions for administering the Prevented Planting Provisions

2 Responsibilities

A. AIP Responsibilities

- (1) The AIP will:
 - (a) make GFP Decisions in accordance with Paragraph 31 – AIP Duties; and
 - (b) send written requests for GFP Determinations to the RMA RO serving the location of the insured acreage as directed in Paragraph 23 B – Requests for GFP Determinations.
- (2) When RMA accepts a request for a GFP Determination, the AIP will forward the GFP Decision file and respond timely to any requests for further information or clarification.

B. RO Responsibilities

- (1) The RO will:
 - (a) screen GFP Determination requests in accordance with Paragraph 23 – Requirements for an RMA Review;
 - (b) make the GFP Determination based on Paragraph 32 – RO Responsibilities;
 - (c) issue the GFP Determination Letter to the requestor, with a copy to the AIP and Policyholder, as appropriate;
 - (d) upload the complete GFP file to the GFP SharePoint Site within 30 days of issuing the GFP Determination Letter; and
 - (e) write referrals upon discovering fraud, waste, abuse, or other vulnerabilities in accordance with Part 5 - Referrals of this handbook.
- (2) RO Directors will:
 - (a) ensure all appropriate staff members are trained in accordance with Part 2 - Training; and
 - (b) maintain training records for their staff.

C. RMSD Responsibilities

- (1) RMSD will:

2 Responsibilities (Continued)

C. RMSD Responsibilities (continued)

- (a) provide support, leadership, training, assistance, and monitoring to the ROs, and:
 - (i) develop and maintain policy and handbook procedures for GFP Determinations;
 - (ii) develop training standards and procedures;
 - (iii) establish target deadlines and monitor the progress for timely completion of GFP Determinations.
- (b) provide a written process for referrals and:
 - (i) follow up on referrals and document the outcome;
 - (ii) advance and coordinate recommended corrections for vulnerabilities identified in FCIC programs.
- (c) process Reconsideration Requests of GFP Determinations and coordinate with the DAIS for signature on Reconsideration Determinations.

3 – 10 (Reserved)

PART 2 TRAINING

11 RMA Employee Training Requirements

A. Training Curriculum

All RMA Employees must use the training curriculum found in the Large Claim Standards Handbook, Part 2 – Training, to obtain the proficiency required to make GFP Determinations.

B. GFP Certification

All RMA employees that make GFP determinations must be certified. RMA employees must pass the same initial certification as RMA employees performing large claim reviews and must demonstrate those competencies by passing the exam for LC initial certification.

RMA Employees initially certified to conduct LC reviews will be exempt from additional GFP certification requirements. Thereafter, no further maintenance of GFP certification is required unless directed by RMSD or the RO Director.

- (1) RO Directors will:
 - (a) Assign a GFP mentor to the RMA employee to complete their first GFP Determination;
 - (b) Review completed GFP Determinations and identify competencies for improvement for the employee; and
 - (c) Ensure follow-up training initiatives are provided and completed for competencies identified for improvement on the part of an employee working with GFP Determinations.

12-20 (Reserved)

PART 3 GENERAL REQUIREMENTS

21 Agricultural Experts

The opinions and published materials by agricultural experts are an integral part of determining whether a production method is a GFP.

A. Agricultural Experts Currently Approved by RMA

Approved Agricultural Experts include personnel whose research or occupation is related to the specific crop or practice for which such expertise is sought, and is:

- (1) employed by Cooperative Extension Service or USDA National Institute of Food and Agriculture (NIFA), formerly Cooperative State Research, Education, and Extension Service (CSREES);
- (2) employed by the agricultural departments of universities;
- (3) certified by the American Society of Agronomy (ASA) as Certified Crop Advisers and Certified Professional Agronomists, <https://www.agronomy.org/>;
- (4) certified by the National Alliance of Independent Crop Consultants (NAICC) as Certified Professional Crop Consultants, <http://naicc.org/>;
- (5) certified by the American Society for Horticultural Sciences as Certified Professional Horticulturists; or
- (6) certified by the International Society of Arboriculture as Certified Arborists.

For the organic industry, in addition to the experts listed above, approved Organic Agricultural Experts include persons employed by:

- (1) the Appropriate Technology Transfer for Rural Areas National Sustainable Agriculture Information Service <https://attra.ncat.org/>;
- (2) the Sustainable Agriculture Research and Education organization, <http://www.sare.org/>; or
- (3) USDA Accredited Certifying Agents (ACA), third party agents who certify operations under USDA organic standards. A list of ACAs is available on the NOP site, <http://www.ams.usda.gov/>.

NOTE: Both Organic Agricultural Experts and Agricultural Experts are referred to as “Agricultural Experts” in this Handbook for simplicity.

21 Agricultural Experts (Continued)

B. RMA Approval for Other Experts

Persons certified through other programs may be recognized as agricultural experts by RMA if their research or occupation is related to the specific crop or practice for which such expertise is sought.

To obtain approval for such persons, contact RMA's Deputy Administrator for Insurance Services at:

USDA/RMA
Deputy Administrator for Insurance Services
1400 Independence Avenue SW, Stop 0801
Washington, D.C. 20250-0801

22 General Bases for GFP Decisions

The purpose of the GFP provisions is to ensure that a Policyholder's production methods do not adversely affect the quantity and/or quality of the production. Practices from ground preparation through harvest that could affect the amount and quality of the crop must be considered. In the case of perennials, practices from post-harvest through harvest that could affect the amount and quality of the crop must be considered.

All GFP evaluations, including Decisions made by the AIP, Determinations made by the RO, or Reconsideration Determinations made by RMSD, must consider the items in 22A.

A. Bases for GFP Decisions

GFP Determinations will be based on the following:

- (1) Agronomic situation of the Policyholder, including:
 - (a) material facts about the production methods that were used or will be used to produce the crop;
 - (b) weather and climate factors;
 - (c) pest or disease risks; and
 - (d) other factors affecting the crop.
- (2) Expert opinion;

The opinion from at least one agricultural expert, who meets the standards in Paragraph 21- Agricultural Experts, regarding the production method(s) used by

A. Bases for GFP Decisions (continued)

the Policyholder must be used to support the decision. The opinion must be in one of the following forms:

- (a) Published material; or
- (b) A written opinion or recommendation which complies with the following:
 - (i) An agricultural expert who provides a written opinion or recommendation on farming practices should submit it on letterhead or include evidence of their certification, as appropriate.
 - (ii) If a written opinion is obtained, a statement disclosing any familial or other business relationship the expert has with the Policyholder, AIP, agent, or loss adjuster is required.
 - (iii) If the agricultural expert is not qualified to render an objective, unbiased opinion of the production methods, crop, or areas at issue, the opinion cannot be considered in the GFP Decision or Determination.
- (3) Additional expert opinions, if required;

The recommendation of at least one additional agricultural expert is required if:

- (a) the expert providing an opinion has a business relationship with the Policyholder, such as providing advice and/or sale of inputs to the Policyholder's operation, or is employed by a firm that provided such advice or inputs;
 - (b) the expert providing an opinion has a familial relationship with the Policyholder, loss adjuster, or agent, or will benefit financially from the outcome of the opinion (other than disclosed amounts paid to provide a written opinion); or
 - (c) the written opinion is not supported by published documentation.
- (4) Review of the production method

Determine whether the production method(s) used by the Policyholder would:

- (a) allow the insured crop to make normal progress toward maturity;

22 General Bases for GFP Decisions (Continued)

A. Bases for GFP Decisions (continued)

- (b) produce at least the yield used to determine the production guarantee or amount of insurance, including any adjustments for late planted acreage;
- (c) not reduce or adversely affect the yield; and
- (d) Be generally recognized as a good farming practice for the area or is contained in the organic plan, as applicable.

NOTE: Any other objective supporting statements provided by a disinterested third-party may be considered and included to support any basis for GFP Decisions.

B. Determining if a Production Method May be Considered a GFP

The production method will not be considered a GFP if:

- (1) the production method fails to meet the standards in Paragraph 22 A (4); or
- (2) there are no published materials supporting the recommendation, unless two or more agricultural experts specifically support the production method as meeting all the criteria in Paragraph 22 A (4).

23 Requirements for an RMA GFP Determination

A. What Does Not Qualify for GFP Determination

A GFP Determination is used to determine whether a particular production practice meets the criteria set forth as a GFP. It is not to be used for situations that fall outside of the GFP authority and definition in the Basic Provisions. As such, RMA will not accept requests related to:

- (1) the amount of production or value assessed to crop acreage for uninsured causes of loss due to a failure to follow GFP;
- (2) the expansion of coverage to states, counties, crop, practices, types or varieties where coverage is not available;
- (3) establishing insurability;
- (4) the denial of requests for written agreements;

23 Requirements for an RMA GFP Determination (Continued)

A. What Does Not Qualify for GFP Determination (continued)

- (5) identifying or determining that an insured cause of loss was present; or
- (6) any other decisions related to a claim determination, including interpretations of policy and procedure.

B. Requests for RMA GFP Determinations

If the Policyholder disagrees with the AIP's decision, or if the AIP cannot make a decision whether the production method is a GFP based on the information provided (see Paragraph 31 A (5)(b)), the Policyholder or the AIP may make a written request that the RO serving the location of the insured acreage make a GFP Determination. It is the AIP's responsibility to forward a complete request file to the appropriate RO.

- (1) A complete request must be in writing, routed through the AIP to the RO, and include:
 - (a) the AIP GFP Decision file, including both the complete underwriting file and the complete claim file, which will contain all material facts, written opinions, published material and supporting documentation provided by the Policyholder, any recommendations and research conducted by the AIP, the AIP analysis of the Policyholder's actions compared to the recommended practices, and the AIP Decision Letter;
 - (b) the identification of the requester, whether it is the AIP or Policyholder, and the Policyholder's written request, if applicable; and
 - (c) if the requester is the AIP, an explanation of why they are requesting a GFP Determination. This should include any extenuating circumstances which render the AIP unable to make the decision.
 - (i) If the RO determines all material information is available for the AIP to make a GFP Decision, the RO must return the request to the AIP for action.
 - (ii) If the RO accepts the AIP request for a GFP Determination the RO will give written notification to the Policyholder within 10 business days of acceptance. The notification will include the issue(s) and the Policyholder's right to provide additional supporting evidence for review. See Exhibit 7 for sample Acknowledgment Letter Template.

23 Requirements for an RMA GFP Determination (Continued)

B. Requests for RMA GFP Determinations (continued)

- (2) The RO will not accept incomplete GFP Determination request files. If the RO does not accept the request, the AIP must resubmit the complete written request to the RO within 20 calendar days.
- (3) Requests for the items listed in Paragraph 23 A – What Does Not Qualify for Review will not be accepted by the RO.

24 GFP Applicability

GFP Decisions, Determinations, and Reconsiderations apply to all the Shareholders on the acreage for which a decision is made. All AIPs that service a policy on the acreage must receive a copy of the final decision letter by certified mail or encrypted email.

25-30 (Reserved)

PART 4 GFP PROCESS

31 AIP Duties

A. GFP Decision Process

The AIP makes a decision of whether the production methods used by a Policyholder constitute GFP according to the terms of the policy and these procedures, and confirms the Policyholder carried out generally recognized GFPs. These procedures apply to all GFP Decisions, regardless of the origination of the review, i.e., RCO review requests, loss adjustment process, growing season inspection, etc., when the AIP or RMA has a reason to question whether GFP were followed by the Policyholder.

- (1) To decide if GFP were followed, the AIP may ask Policyholders to show they complied with the policy provisions and generally recognized GFP. The Policyholder must provide the AIP with all the relevant facts relating to their agronomic situation, including but not limited to:
 - (a) receipts;
 - (b) farm records;
 - (c) third party verification;
 - (d) Organic Plan, if applicable; and
 - (e) any other documentation to show the practice is or is not a recognized GFP, as requested.
- (2) The AIP may request the Policyholder provide, as applicable, published material relating to the production method or a written opinion directly from an agricultural expert:
 - (a) that the production method used by the Policyholder meets the standards contained in Paragraph 22 A (4); or
 - (b) recommending that the production methods that would meet the standards contained in Paragraph 22 A (4).
- (3) The AIP should also document the condition in the field through adjuster reports, photographs (appropriately labeled with date, location, etc.), and other means, as applicable. The AIP may also consider including photographs from neighboring fields for comparison.
- (4) Economic conditions are not a valid consideration for deciding if a production method is a GFP or if a Policyholder is justified in not following GFP. Accordingly, the Policyholder will not be exempt from following a

31 AIP Duties (Continued)

A. GFP Decision Process (continued)

recommended GFP because a Policyholder does not want to or cannot afford to incur the costs associated with following the recommendations of agricultural experts or published materials.

- (5) The AIP must decide if:
- (a) the production method is a GFP in accordance with Paragraph 22 – General Basis for GFP Decisions; and
 - (b) there is a genuine dispute between agricultural experts or between agricultural experts and published materials such that the AIP cannot confirm the practice in question is a GFP. Only if there is a genuine dispute, the AIP must request a GFP Determination from the RO. Otherwise the AIP must issue a GFP Decision.

When deciding there is a genuine dispute among agricultural experts or between the opinion of an agricultural expert and published materials, consider whether:

- (i) there is long standing general agreement among experts in an area that the practice is a GFP for the agronomic circumstances particular to the Policyholder's acreage, but a minority of experts disagree;
- (ii) the Policyholder can prove that s/he or similarly situated Policyholders have used the production method in the same manner over an extended period and produced levels consistent with the APH yield;
- (iii) the opposing opinion or published material is more general in applicability to the specific crop, area, or practice than the opinion or materials relied on by the Policyholder;
- (iv) the opposing opinion or published material is issued by an expert whose experience is less directly applicable to the specific practice, area, or crop than the opinion or materials relied on by the Policyholder;
- (v) the opposing opinion or published material is not supported by substantiated scientific or experiential data to a sufficiently

31 AIP Duties (Continued)

A. GFP Decision Process (continued)

- equivalent degree as the opinion or materials relied on by the Policyholder; or
- (vi) other relevant factors would lead a reasonable person to conclude that one expert opinion or set of published materials is more applicable, credible, or reliable than the other.
- (6) The AIP must include the following in a GFP Decision file:
- (a) documentation of agricultural expert opinion(s) and RMA procedures or other published material to support the AIP Decision that the Policyholder failed to follow GFP;
 - (b) description of the production methods employed by the Policyholder; and
 - (c) analysis of production methods employed by the Policyholder compared to the recommendations of the experts or published material.

The RO cannot make a GFP Determination without this documentation and analysis. RMA will not uphold any AIP GFP Decisions that are not adequately documented and supported.

B. GFP Decision Letter

The GFP Decision letter provided from the AIP to a Policyholder must:

- (1) be in writing and dated;
- (2) state the facts relating to the production method;
- (3) contain or reference RMA procedures, other published materials, any written opinions or recommendations, or state the opinion or recommendation of at least one agricultural expert;
- (4) state why the production method does or does not meet the requirements in Paragraph 22 – General Bases for GFP Decisions; and
- (5) inform the Policyholder of their appeal rights under Paragraph 20 of the BP:
 - (a) to mediate or arbitrate with the AIP for assigned production or other claim determinations; and

B. GFP Decision Letter (continued)

- (b) to request a GFP Determination, in writing, from the RO **through the AIP to the RO** within 30 calendar days from the date of the GFP Decision. The written request must state the basis upon which the Policyholder relies to show that:
 - (i) the determination was not proper and not made in accordance with the program regulations and procedure; or
 - (ii) all material facts were not properly considered in the AIP's determination.

The Policyholder must request a GFP Determination from the RO before requesting reconsideration from the DAIS.

C. Routing Policyholder Requests for GFP Determination

When a request for a GFP Determination is received from the Policyholder, AIPs must:

- (1) date stamp the request to verify timeliness;
- (2) follow the procedures in Paragraph 23 B – Requests for a GFP Determination; and
- (3) forward the Policyholder's request, with all required AIP documentation, to the RO within 5 business days of receipt of the request.

D. Uninsured Cause of Loss

If an AIP's GFP Decision finds the Policyholder failed to follow GFP, only the AIP can assign production or value as uninsured causes of loss for such failure.

Under the BP Paragraph 20 (d)(ii), if the Policyholder disagrees with the AIP's determination of the amount of assigned production or value, the dispute must be resolved through the arbitration or mediation process contained in the BP. A GFP Determination from the RO will not address the amount of assigned production or value.

A. GFP Determination Process

If the Policyholder disagrees with the AIP decision, or if the AIP cannot make a decision whether the production method is a GFP based on a genuine dispute among agricultural experts in accordance with Paragraph 31 A (5)(b), the Policyholder (through the AIP) or the AIP may make a written request that the RO serving the location of the insured acreage make a GFP Determination.

- (1) Screening Requests for GFP Determination
 - (a) Determine that the request is complete. A complete request must be in writing and comply with Paragraph 23 B – Requests for RMA GFP Determinations. An incomplete request will not be accepted.
 - (b) Ensure the AIP GFP Decision Letter to the Policyholder contains required language in Paragraph 31 B and Exhibit 3. If the AIP GFP Decision Letter is unacceptable, require the Letter be corrected and reissued to the Policyholder within 20 calendar days. The Policyholder will be given an additional 30 calendar days to request a GFP Determination.
 - (c) Do not accept requests outside the authority of GFP in accordance with Paragraph 23 A – What Does not Qualify for Review.
 - (d) Send a letter by certified mail to the Policyholder and AIP acknowledging receipt of the request and whether or not it is acceptable within 10 business days.
 - (i) Allow the Policyholder 10 calendar days from receipt of the RO Letter in which to submit any additional information to support their position.
 - (ii) Return an incomplete request to the AIP with a letter explaining what is missing and allow 20 calendar days to resubmit a complete request to the RO.
 - (iii) Requests received by the RO directly from the Policyholder may be accepted to preserve a timely request for a GFP Determination. The RO will notify the AIP of the Policyholder’s request and request the AIP send all required AIP documentation to the RO within 5 business days of the RO’s notification as required in Paragraph 23 B.

A. GFP Determination Process (continued)

- (iv) A Policyholder Acknowledgment Letter Template is provided in Exhibit 7.

(2) GFP Determination Process

When a complete request for GFP Determination is received, the RO:

- (a) may contact agricultural experts who provided written opinions or have prepared published materials to clarify their opinions.
- (b) may seek other publications or opinions not cited by the AIP or Policyholder regarding the crop production methods used. However, the RO is not to support the case for the AIP. This additional research is only to uphold or refute the AIP decision or Policyholder position.
- (c) will make a GFP Determination for complete requests in accordance with Paragraph 22 based on:
 - (i) the information provided by the AIP and Policyholder in the AIP decision file; and
 - (ii) other generally available published material identified by the RO which is pertinent to the case.
- (d) will issue a written GFP Determination Letter sent to the requesting party (with a copy to the Policyholder, shareholders, or AIP, as appropriate) via certified mail or overnight delivery within 60 days of the date the complete file was received as required in Paragraph 31 A(1)(c) unless otherwise extended in writing.

GFP Determination Letters issued by the RO that uphold the original GFP Decision made by the AIP will include a notice of the Policyholder's appeal rights and will state the Policyholder cannot bring suit against the AIP for GFP Determinations made by RMA.

B. GFP Determination Applicability

Any GFP Determination issued by RMA is not retroactive and may not be used to reopen claims that were settled in prior crop years.

C. Recording GFP Information and Maintaining Review Files

- (1) Enter the GFP information in the LC/GFP Tracking System, and update as necessary.
- (2) Maintain records in accordance with the GFP Case File Organization Procedures and RMA's record management procedures, including exhibits, photographs, related documentation and GFP Determination Letters (See Exhibits 4, 5, 6, and 9).
- (3) Create a file on the internal S: network drive for each GFP Determination. Hard copy documents should be scanned into this file and electronic documents should be converted to PDF and saved to this file. This information must be uploaded to the GFP/LC SharePoint within 30 days of issuing the Determination Letter.

D. Written Referrals

See Paragraph 41 – Procedures for Written Referrals for instances that require referrals.

33-40 (Reserved)

PART 5 REFERRALS

41 Procedures for Written Referrals

A. Background

In the normal course of performing RO duties and responsibilities related to the review of GFPs, situations arise that require referral to various functional units within RMA for additional follow up. This section establishes the process and requirements for written referrals when program vulnerabilities are identified, an AIP systemically fails to follow FCIC-issued policy and procedures, and/or program fraud, waste and abuse is identified. These referrals should be made to the RMSD and RMSD will forward the referral to the appropriate division within RMA.

Complaints received from outside sources of alleged fraud, waste, and abuse of the crop insurance program must be immediately documented and referred in writing to the appropriate division with a copy to the RMSD.

B. Referrals of Program Vulnerabilities for Policy or Procedural Changes

ROs are in a unique position to review policies, standards, and procedures in actual farming situations. ROs can identify program vulnerabilities or the misunderstanding and misapplication of policies and/or procedures and suggest program improvements that protect program integrity and provide the appropriate risk protection to Policyholders.

Referrals of program vulnerabilities for policy or procedural changes that arise from participation in GFP Determinations are to be submitted to RMSD for consideration and coordination of cross regional issues. If in agreement, RMSD will forward the referral to DAPM through the DAIS.

To be effective, referrals must include, to the extent possible:

(1) Condition

- (a) Describe the situation or problem; and
- (b) include documents as exhibits only if necessary.

(2) Current criteria

Cite and reference the FCIC issued policy or procedure at issue, if applicable.

(3) Effect of the condition

- (a) State the negative program impact that is occurring due to the condition; and
- (b) state the consequence of not correcting the problem (i.e., loss of time, accuracy, monetary, etc.), quantified, if possible.

B. Referrals of Program Vulnerabilities for Policy or Procedural Changes (continued)

(4) Recommendation

State a suggested solution for the problem or improvement for the situation. Include specific language, if possible.

(5) Analysis and assessment

- (a) Consider and describe the effect of the condition and the recommendation on any other programs, rates, coverage, regions, etc., to the extent possible.
- (b) Consider and describe the effect of the recommendation on stake holders (e.g., increased field inspections for AIPs, workload changes for AIPs or RMA, benefits, etc.).

(6) Support for recommendation

- (a) State whether or not the recommendation has been discussed with other ROs, AIPs, NCIS, and/or Product Management staff; and
- (b) state any support or concerns raised with regard to the recommendation.

C. Referrals for Systemic AIP Performance Issues

Referrals for systemic failure to follow FCIC-issued policies, standards, and procedures that arise out of the normal conduct of RO activities or operations which can be fully documented and do not require further review must be submitted in writing to RMSD for consideration and coordination of cross regional issues. If in agreement with the referral, RMSD will forward the referral to RSD through the DAIS.

(1) Systemic AIP performance issues include non-compliance with the SRA and Appendix IV, including but not limited to:

- (a) Failure to respond to specific agency directions;
- (b) Failure to correct identified discrepancies; and
- (c) Failure to reconcile identified errors, etc.

(2) Written referrals must include:

(a) Party(ies) of the alleged wrongdoing

Include full name, address, phone number, AIP, agent, policy number, crops, etc. for all parties involved.

C. Referrals for Systemic AIP Performance Issues (continued)

- (b) Condition – the situation or problem itself
 - (i) Describe the discrepancy and who is alleged to be responsible; and
 - (ii) Include documents relevant to the discrepancy as exhibits.
- (c) Cause

State your opinion of the underlying reason why the condition occurred (e.g., lack of training, absence of quality controls, AIP reluctance to research cause of loss, etc.).
- (d) Criteria
 - (i) Provide the policy provision or procedure that establishes the standard.
 - (ii) Cite, quote, and exhibit FCIC issued policies, procedures, SRA, etc. to clearly identify the standard to be applied or followed.
- (e) Impact
 - (i) State the logical quantified result of correcting the discrepancy, or applying FCIC issued policies and procedures, i.e., bushels, tons, etc. of APH correction, amount of reduced indemnity, etc.
 - (ii) State the consequences of not correcting the discrepancies or problem.
- (f) AIP response
 - (i) Include the manner, date, etc., the AIP was made aware of the discrepancy; and
 - (ii) Detail the AIP reaction, reply, actions they are taking or plan to take, or disagreements.

D. Referrals for Suspected Cases of Fraud, Waste and Abuse

During the course of conducting GFP Determinations, instances of suspected fraud, waste, or abuse and suspected wrongdoing in the use of FCIC-issued policies, standards, and procedures may be identified and should be discussed initially with the appropriate RCO. All referrals originating out of this process must be in writing to RMSD for consideration and coordination of cross regional issues. If in agreement, RMSD will forward the referral to the DAC through the DAIS.

D. Referrals for Suspected Cases of Fraud, Waste and Abuse (continued)

(1) A referral must include:

(a) Copies of all relevant documentation such as acreage determinations, appraisals, verification of entity, documented interviews, telephone interview records, contact information, etc., that the RO has obtained or completed prior to referral.

(b) Party(ies) of alleged wrongdoing.

Include full name, address, phone number, AIP, agent, FSA county office, policy number, crops, etc. for all parties involved.

(c) Condition

(i) Describes the discrepancy and who is alleged to be responsible; and

(ii) include documents including the discrepancy as exhibits.

(d) Cause

State your opinion of the underlying reason why the condition occurred (e.g., lack of training, absence of quality controls, AIP reluctance to research cause of loss, etc.).

(e) Criteria

(i) Provide the policy provision or procedure that establishes the standard.

(ii) Cite, quote, and exhibit FCIC issued policies, procedures, SRA, etc. to clearly identify the standard to be applied or followed.

(f) Impact

(i) State the logical quantified result of correcting the discrepancy, or applying FCIC issued policies and procedures, i.e., bushels, tons, etc. of APH correction, amount of reduced indemnity, etc.

(ii) Describe impacts such as potential widespread misunderstanding or misapplication of procedure or claim administration.

(iii) Include the cost avoidance when RMA participation avoids or corrects a monetary discrepancy.

D. Referrals for Suspected Cases of Fraud, Waste and Abuse (continued)

(g) Recommendation

State your recommendation to correct the problem, i.e., more specific training needed, AIP conduct further claim review, etc.

- (2) ROs will provide written updates to the referral when additional information becomes available.

E. RMA Regional Compliance Office Responsibilities

- (1) Cases referred by RMSD to Compliance must be recorded and tracked according to established procedures. RCOs will send an email to the referring RO and RMSD acknowledging their receipt of information within 30 calendar days of receipt and advise if the referral has been accepted for review.
- (2) RCOs will provide written information and updates to the RO every 30 calendar days, or sooner when necessary, and when RCO action is complete. The RCO will provide valid information that could affect the GFP determination or other RO function as soon as it becomes available.
- (3) DAC is responsible for referring appropriate cases to the OIG. The RCO will refer cases appearing to have reasonable cause for investigation to the appropriate OIG office. The RCO will notify the RO of any open OIG investigation(s) related to the referral to ensure that RMA administrative action does not interfere with the OIG case(s).
- (4) Cases **must** be referred to the OIG if fraudulent activity is known, suspected, or alleged, including:
- (a) The submission of false claims or false or fraudulent statements by employees, policy holders, contractors, or others; and,
 - (b) Any violations of agricultural programs involving contractors, policy holders, employees, or others.
- (5) OIG involvement.
- (a) The OIG determines whether to accept the case for investigation based on consultation with the Department of Justice. Once a case is accepted by the OIG, all subsequent administrative actions pertaining to the case must be coordinated with the OIG.

41 Procedures for Written Referrals (Continued)

E. RMA Regional Compliance Office Responsibilities (continued)

- (b) RCO Directors will inform the referring parties of any actions deemed necessary by the OIG and ensure administrative actions do not interfere with the OIG's investigation.
- (c) If the case is accepted for investigation, any indemnity due will be held until completion of the investigation or until released by OIG.
- (d) If the OIG declines to investigate a matter referred to them, the OIG will advise Compliance to take any administrative actions determined to be appropriate.

42-50 (Reserved)

PART 6 DISPUTE RESOLUTION

51 Dispute Resolution

General Information

- (1) For the AIP:
 - (a) If there are any disputed or unresolved issues between RMA and the AIP regarding a GFP Determination during RMA's review or participation in such determination, such disputes or unresolved issues:
 - (i) will be elevated to the AIP's National Claims Manager and to RMA's RMSD.
 - (ii) will not, without RMA concurrence, be discussed in the presence of the Policyholder or anyone else outside of RMA or the AIP.
 - (b) If there is a dispute between RMA and the AIP, with respect to RMA's determination of a GFP, the AIP will apply RMA's written GFP Determination or reconsideration according to RMA's policy and procedures. The AIP retains the right to dispute RMA's actions in accordance with administrative appeals procedures found in 7 C.F.R. § 400.169.
- (2) For the Policyholder:

If the Policyholder does not agree with RMA's GFP Determination, the Policyholder has a right to request a Reconsideration (see Paragraph 52) within 30 calendar days from the receipt of the GFP Determination Letter. The Policyholder may also file suit in United States District Court for the district in which their farm is located within one year of the date of the GFP Determination Letter or the Reconsideration Letter. (See Paragraph 53)

- (a) There is no option for mediation or appeal to NAD for GFP Determinations or Reconsiderations, in accordance with 7 C.F.R § 400.98.
- (b) The Policyholder is not required to request Reconsideration of the GFP Determination before filing suit against FCIC for GFP Determinations.

A. General Information

If the Policyholder does not agree with the RO's GFP Determination, the Policyholder has a right to request a Reconsideration of the RMA GFP Determination within 30 calendar days of receipt of GFP Determination Letter, by providing the required information to RMA's DAIS at:

Deputy Administrator for Insurance Services
USDA/RMA/Insurance Services/STOP 0801
ATTN: GFP RECONSIDERATION
1400 Independence Avenue SW
Washington, D.C. 20250-0801

- (1) The written request must state the basis upon which the Policyholder relies to show that:
 - (a) the determination was not proper and not made in accordance with the program regulations and procedure; or
 - (b) all material facts were not properly considered in such determination.
- (2) First class mail to Washington, D.C. is often delayed for security measures. Participants are encouraged to send information by a delivery service (e.g. overnight or 2-day certified mail) that records pickup or postmark, and tracks and guarantees delivery.

B. Processing Requests for Reconsideration by RMSD

- (1) RMSD will accept a request for Reconsideration of a GFP Determination if the request:
 - (a) complies with the requirements in 7 C.F.R. § 400.98;
 - (b) is in response to an RO GFP Determination;
 - (c) is not related to the items described in Paragraph 23 A – What Does Not Qualify for Review; and
 - (d) is received or postmarked within 30 calendar days of the Policyholder's receipt of the GFP Determination Letter, unless the Policyholder can demonstrate an inability to timely request the Reconsideration.
- (2) If the request does not meet the criteria in 52 B (1), RMSD will notify the Policyholder and RO in writing that the request was not accepted, including the reason for non-acceptance, and will provide a copy of the letter to the AIP.
- (3) If the request meets the criteria in 52 B (1), RMSD will:

B. Processing Requests for Reconsideration by RMSD (continued)

- (a) notify the AIP and RO of the request for Reconsideration;
 - (b) provide a letter to the Policyholder acknowledging receipt of the request for a Reconsideration;
 - (c) review the GFP case SharePoint documents uploaded by the RO and if necessary contact the RO, the Policyholder or AIP for additional information or documentation;
 - (d) render a written Reconsideration Determination of whether the GFP Determination was properly made by the RO under the standards in Paragraph 22;
 - (e) apply the Reconsideration Determination to all the crop acreage insured under Shareholder policies or companion policies (e.g., landlord/tenant operations, a Policyholder with a policy as an individual entity and a separate policy for a partnership or corporation, etc.). RMA may issue one decision for multiple requests on the same acreage, crop, and production method in the same crop year or for Policyholders who are grouped together because they are making the same request;
 - (f) brief the RO on the Reconsideration Determination prior to sending it to the Deputy Administrator for Insurance Services for signature.
- (4) Reconsideration Determinations issued by RMA that uphold the original GFP Decision made by the AIP will include a notice of the Policyholder's right to bring suit against FCIC in United States District Court and will state the Policyholder cannot bring suit against the AIP for GFP Decisions or Determinations made by the RO or DAIS respectively.
- (5) RMSD will send the GFP Reconsideration Letter and exhibits to the Policyholder in accordance with PII requirements via certified mail or overnight delivery service. The RO and AIP will also receive an email PDF copy of the Reconsideration Letter (no exhibits).
- (6) RMSD will scan, name, and upload the signed GFP Reconsideration Letter and new additional information generated or received during the review to the GFP/LC SharePoint site under the RO Region cited in the GFP reconsideration. Once all suits against RMA are complete or time to file suit has expired, RMSD will upload this information into the RMA Records Management System.

C. Reconsideration Applicability

GFP Reconsideration Determinations issued by RMA are not retroactive and may not be used to reopen claims that were settled in prior crop years.

General Information

- (1) If the Policyholder does not agree with FCIC's determination as issued in a GFP Decision Letter or Reconsideration Determination, they have a right to file suit against FCIC in United States district court for the district in which the insured acreage is located.
- (2) Any Reconsideration Determination by RMA regarding GFP shall not be reversed or modified as a result of judicial review unless the Reconsideration Determination is found to be arbitrary or capricious.

54-60 (Reserved)

Acronyms and Abbreviations

The following table provides the acronyms and abbreviations used in this handbook.

Acronym/ Abbreviation	Term
AIP	Approved Insurance Provider
AMS	Agricultural Marketing Service
APH	Actual Production History
ARD	Acreage Reporting Date
ARH	Actual Revenue History
ARPI	Area Risk Protection Insurance
BP	Basic Provisions
CES	Cooperative Extension Service
CFR	Code of Federal Regulations
CIH	Crop Insurance Handbook
CP	Crop Provisions
DAC	Deputy Administrator for Compliance
DAIS	Deputy Administrator for Insurance Services
DAPM	Deputy Administrator for Product Management
ECIC	Eligible Crop Insurance Contract
FAD	Final Agency Determination
FCIC	Federal Crop Insurance Corporation
FSA	Farm Service Agency
GFP	Good Farming Practices
GIP	Good Irrigation Practices
GNP	Good Nursery Practices
IS	Insurance Services
LAM	Loss Adjustment Manual
LASH	Loss Adjustment Standard Handbook
MPCI	Multi-Peril Crop Insurance
NAD	National Appeals Division
NCIS	National Crop Insurance Services
NIFA	National Institute of Food and Agriculture
NOP	National Organic Program
NRCS	Natural Resources Conservation Service
OGC	Office of General Counsel
OIG	Office of Inspector General
PASS	Policy Acceptance Storage System
PII	Personal Identifiable Information
PIVR	Plant Inventory Value Report
RCO	Regional Compliance Office
RMA	Risk Management Agency
RMSD	Risk Management Services Division

Acronyms and Abbreviations (Continued)

RSD	Reinsurance Services Division
RO	Regional Office
SP	Special Provisions
SRA	Standard Reinsurance Agreement
USDA	United States Department of Agriculture
WFRP	Whole Farm Revenue Protection

Definitions

The following are definitions of terms related to good farming practices or are used in this handbook.

Agricultural Expert – Persons who are employed by the Cooperative State Research, Education and Extension Service or the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific crop or practice for which such expertise is sought. See also Organic Agricultural Experts.

Approved Insurance Provider (AIP) – A legal entity, including the company, which has entered into a SRA with FCIC for the applicable reinsurance year.

Certifying Agent (Organic) – A private or governmental entity accredited by the USDA Secretary of Agriculture for the purpose of certifying a production, processing or handling operation as organic.

Conventional Farming Practice – A system or process that is necessary to produce an agricultural commodity, excluding organic practices.

Generally Recognized – When agricultural experts or organic agricultural experts, as applicable, are aware of the production method or practice and there is no genuine dispute regarding whether the production method or practice allows the crop to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance.

Good Farming Practices – The production methods utilized to produce the insured crop and allow it to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance, including any adjustments for late planted acreage, which are: (1) for conventional or sustainable farming practices, those generally recognized by agricultural experts for the area; or (2) for organic farming practices, those generally recognized by organic agricultural experts for the area or contained in the organic plan. The AIP may, or the producer may request the AIP to, contact FCIC to determine whether or not production methods will be considered to be “good farming practices.”

Good Nursery Practice – The horticultural practices generally in use in the area for nursery plants to make normal progress toward the stage of growth at which marketing can occur and: (a) For conventional practice, generally recognized by agricultural experts for the area as compatible with the nursery plant production practices and weather conditions in the county; or (b) for organic practices, generally recognized by the organic agricultural industry for the area as compatible with the nursery plant production practices and weather conditions in the county or contained in the organic plan. The AIP may, or the Policyholder may request the AIP to, contact FCIC to determine whether or not production methods will be considered to be “good nursery practices.”

Organic Agricultural Experts - Persons who are employed by the following organizations: Appropriate Technology Transfer for Rural Areas, Sustainable Agriculture Research and

Definitions (Continued)

Education or the Cooperative Extension System, the agricultural departments of universities, or other persons approved by FCIC, whose research or occupation is related to the specific organic crop or practice for which such expertise is sought.

Organic Crop - An agricultural commodity that is organically produced consistent with Paragraph 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502).

Organic Farming Practice - A system of plant production practices used to produce an organic crop that is approved by a certifying agent in accordance with 7 CFR part 205.

Organic Plan – A written plan, in accordance with the National Organic Plan (NOP) published in 7 CFR part 205, that describes the organic farming practices that the policyholder and a certifying agent agree upon annually or at other times as prescribed by the certifying agent.

Personal Identifiable Information (PII) – Any information, in any medium, that identifies a specific individual whether on paper or electronic.

Sustainable Farming Practice – A system or process for producing an agricultural commodity, excluding organic farming practices, that is necessary to produce the crop and is generally recognized by agricultural experts for the area to conserve or enhance natural resources and environment.

Written Documentation – Any written information related to the case in hard copy or compatible electronic format, including facsimile.

Forms

A GFP Determination Requests - RO Evaluation Tool

Each GFP case has to be evaluated and considered based on the independent circumstances. Always refer to the procedures in this Handbook. The request, whether from the AIP or the Policyholder, should be routed to the RO through the AIP. The AIP will forward the request along with the AIP Decision Letter and the AIP GFP Decision file. Review the AIP Decision and the request for a determination.

Is the request for a GFP Determination within the required 30 calendar days from the date of the GFP Decision?

No – Deny the request for a determination.

Yes – GFP Decisions by the AIP to a Policyholder must be in writing, dated, and include the following (See Paragraph 31B):

<u>Does the AIP letter include the following:</u>	Yes	No
1) State the issues and facts relating to the production method(s) used;		
2) Contain or reference:		
• RMA procedures or other Published Material <i>or</i>		
• Agricultural experts opinions or recommendations <i>or</i>		
• Written opinions or recommendations;		
3) State why method does not meet the GFP standards;		
4) Include the rights to appeal the GFP Decision to RMA; <i>and</i>		
5) Include the appeal rights for mediation and arbitration with AIP for assigned production or other claim determinations.		

If the AIP Decision meets all the criteria in 1, 2, and 3, and the file is complete, the determination request is accepted. If the appeal rights to mediate or arbitrate are not specifically set out in the AIP letter, the RO can accept and acknowledge the request with a letter that may include:

If you disagree with the amount of production assigned by [AIP] for uninsured causes of loss, you have the right to mediate or arbitrate, according to section 20 of the Basic Provisions. Please contact [AIP] or your agent for more information.

If the AIP Decision does not meet the requirements in 1, 2, or 3 you must notify the AIP that the Decision Letter is unacceptable and require the Letter be corrected and reissued to the Policyholder within 20 calendar days.

If there is no response from the AIP or the GFP Decision still fails to meet the criteria, the RO should notify the Policyholder the AIP decision is not upheld and the procedural basis for the

Forms (Continued)

determination (Paragraph 31 A(6)). **Note:** this could also trigger a referral for systemic AIP issues.

B Interview/Telephone Record

The following is the form for recording interview/telephone communications. If more than one form is required, number forms consecutively, such as 1 of 3, 2 of 3, etc.

Policyholder's Name	Claim Number	Policy Number
Crop(s) – Unit(s)		Crop Year
Date	Time	
Interview/Call (Circle one)	Incoming/outgoing (Circle one)	
Person contacted: Name: Address: Phone Number: Fax Number: E-mail address:		
Purpose:		
Narrative:		
Name/Signature		Page ____ of ____

GFP Hard Copy File Organization and Storage

A. General Guidelines

- (1) The original documents will be retained in the RO. The documents must be maintained in their original form. Do not alter the original document by punching holes or writing on it.
- (2) The folder(s) must be labeled with the following information:
 - (a) Crop year;
 - (b) Name of the Policyholder or entity;
 - (c) Crop name and crop code;
 - (d) Policy number;
 - (e) File type (LC Review, GNP, or GFP); and
 - (f) Month and year of the case being opened.

**Example: 2013 Crop Year
Farmer Farm, c/o Joe Farmer
Potatoes (084)
Policy Number: XXXXXXXX
GFP
February 2014**

- (3) The folder(s) must be stored in a locked cabinet or room in the RO. All rules regarding safeguarding PII apply.

B. File Contents

- (1) **RO GFP Determination Letter:** A copy of the final signed GFP Determination Letter. The letter is created using the template (Exhibit 7B). The GFP Determination Letter must reference additional documentation, as exhibits, to support adverse findings (see Exhibit 9).
- (2) **Exhibit Index:** The Exhibit Index is a table of contents of the exhibits that contains the supporting documentation. The Exhibit Index **must be in the case file retained in the RO.** (See Exhibit 9 for an Exhibit Index.)
- (3) **Required Exhibits:** The required exhibits are listed in the Exhibit Index as each exhibit is described.

GFP Hard Copy File Organization and Storage (Continued)

B. File Contents (continued)

- (a) The Exhibits for the file must be separated from each other by a tabbed index sheet. A tabbed index sheet must be placed between the exhibits even if there are no documents in the exhibit.
- (b) On the tab, write the applicable exhibit name (i.e. EX A, EX A.1, etc). Each exhibit must have a cover page that states the:
 - (i) Exhibit name and title;
 - (ii) Crop year;
 - (iii) Policyholder's name or entity name;
 - (iv) Crop name, crop code; and
 - (v) Policy number.

**Example: Exhibit A – Policy and Procedure
2013 Crop Year
Farmer Farms, c/o Joe Farmer
Potatoes (084)
Policy # XXXXXX**

- (c) Each page of the exhibit must be numbered, including the cover page. The pages are numbered by exhibit and page number. All of the pages are numbered in consecutive order from the cover page through the last page of the exhibit. (EX A.1-1, EX A.1-2...EX A.1-230).
- (d) The page numbers must be marked in dark ink in the center at the bottom of the page or with a black sharpie, or electronic methods such as Adobe Pro.

Example: EX A.1-1

- (e) The completed hardcopy folder resides in the submitting RO.

C. Additional Information

- (1) Duplicate Materials. The same (exact) information may be received from different sources. Use one set for the exhibit(s) and store all duplicated materials at the end of the file. This

GFP Hard Copy File Organization and Storage (Continued)

C. Additional Information (continued)

material should be separated with a label stating “Duplicate Materials”. It is not necessary to scan duplicate materials.

- (2) File Retention. The file will be maintained in accordance with RMA’s Record Keeping Management System guidelines.
- (3) When information is requested, copies of the documentation will be forwarded to the requesting party. Original materials must remain in the RO.

Guidelines for Supporting File Records

A. Additional Supporting File Guidelines

In addition to hardcopy GFP file guidelines contained in Exhibit 2, the RO must:

- (1) Develop a record of phone conversations with the Policyholder, AIP, or loss adjustor and any interviews for the file as they occur.

- (a) Use the Interview / Telephone Record, Exhibit 1A to aid in this documentation.

- (b) Include the time of day and date; the name, address and contact information for the person you are talking to; the purpose of the call or conversation; and a written overview of the conversation.

In some cases, you may want to document what the person is saying word for word. Do not hesitate to ask them to repeat something to ensure that you clearly understand what they are saying.

- (c) If the RO representative is asked to keep the person's name and contact information confidential, do so. It is very important to comply with the person's wishes. If the information provided is pertinent to the issue or supports an adverse finding then, if possible, verify the validity of the information through other sources.

- (2) Ensure that copies of all documents are clear, easy to read, and understandable. Include an objective narrative when appropriate to ensure a person unfamiliar with the issue can understand its purpose and how it pertains to the proper GFP determination.

- (3) Obtain copies of all documents in the AIP GFP files.

NOTE: AIP field notes may be located in the agent's copy of the Policyholder file.

Guidelines for Supporting File Records (Continued)

B. Requesting Information from the AIP

- (1) Any requests for AIP action, such as measuring insured acres and determining uninsured acres, obtaining documentation, researching a GFP issue, etc., must be in writing and submitted to the AIP as soon as possible.
 - (a) E-mail may be used so long as it is treated in the same way as any other official form of communication; i.e., use the same level of thought and decorum as a Manager's Bulletin or Informational Memorandum; off-handed or inappropriate comments are not to be used.
 - (b) Telephone requests should be followed up in writing.
 - (c) Set a reasonable date for completing the action and document when it is complete.
 - (d) If not completed by the agreed upon date, immediately contact the AIP by telephone and follow up in writing with the AIP about the matter. This lack of response may also trigger the referral process.
 - (e) Document your actions and the AIP's responses in the official file.
- (2) Include the AIP's National Claims Manager on requests for documents or completion of actions when local efforts to obtain the needed information have failed.

Electronic File Organization

A. General Information

The hard copy folder must be substantially complete before any documents are numbered and scanned. Substantially complete means you have collected pertinent documentation and you are ready to begin your GFP Determination Letter.

- (1) **All documentation** contained in the hardcopy folder must be scanned as PDF files (in file order) with the exception of:
 - (a) Data that is too large to be scanned (such as periodicals);
 - (b) Data not suitable for scanning (such as certain types of photographs); or
 - (c) Data marked as duplicate data.

For these exceptions, the exhibit will only include a page noting where the information is located in the RO and a copy is available upon request.

Example: *The documentation for this exhibit is located in the (Name of the RO) and is available upon request.*

- (2) When the data is the Basic Provisions, Crop Insurance Handbook, Loss Adjustment Manual or other large handbooks (i.e., Cooperative Extension Crop Production Guide), **in lieu of copying the entire document**, copy the cover page, the table of contents, the actual page(s) that you are referencing and add a note on the exhibit cover page of the document citation and the pages copied. **Please note however, this does not apply to the Crop Provisions – it is a smaller document and must be copied in its entirety.**

B. Naming Convention

- (1) The naming convention for each “PDF” file will be:
 - (a) Policyholder’s **last name** or entity name,
 - (b) Exhibit ID and exhibit name, and
 - (c) The file extension is .pdf

Leave a space between segments.

Example: Farmer Farms EX A.1 Basic Provisions.pdf

Electronic File Organization (Continued)

B. Naming Convention (continued)

- (2) After the draft GFP Determination Letter is signed, it becomes the final signed version. The final signed version will be scanned prior to mailing and will use the same naming convention as follows:

Example:

2013CY Farmer Farms Potatoes (RO name) GFP Determination Letter 01-23-14.pdf

- (3) All subsequent letters and exhibits are scanned and uploaded as they are delivered or revised. Any revised files must contain the letters “REV” prior the new date (date of revision).

Example: Farmer Farms EX A.1 Basic Provisions REV 02-18-14.pdf

C. Creating the Files

- (1) To prepare for the electronic file process, the RO will create a new folder on their internal “S: drive”. The scanned PDF files will be stored in this directory. The folder will be named with the crop year, Policyholder’s name or entity name, crop name, and file type.

Example: 2013CY Farmer Farms Potatoes GFP

- (2) The RO then prepares a folder on the Good Farming Practice document library located on the GFP SharePoint site. The naming convention for the folder will be the same as the “S: drive” folder name (noted in C (1)).
 - (a) The GFP SharePoint folder is created when the case is opened.
 - (b) The files are uploaded from the RO “S: drive” to the GFP SharePoint site.
 - (c) Each RO has a folder in the GFP SharePoint site.
- (3) When the upload is completed, the electronic folder must contain all of the documentation contained in the hard copy file (not including the exceptions noted earlier).
 - (a) The “S: drive” and the GFP SharePoint folder documents must always match.
 - (i) Revisions may occur such as receiving additional information from the Policyholder or a second opinion from an independent consultant.
 - (ii) As exhibits are added or revised, the hardcopy file, the electronic file, the “S: drive” folder and the GFP SharePoint folder must be updated accordingly.

Electronic File Organization (Continued)

C. Creating the Files (continued)

- (iii) Once the GFP has been completed, including all appeals and the complete file has been loaded to the SharePoint site, the file must be pushed to the Records Management System and then may be removed from your local “S: drive.”

RO GFP Letter Templates

A. General Rules for Writing The Letter

NOTE: Letters and exhibits mailed to the Policyholder must be packaged, marked and processed according to PII requirements.

- (1) Follow the format. **Only use the section headers applicable to the crop for the GFP completed.** Address each section as indicated in the example.
- (2) Write using plain language guidelines.
- (3) Write in a logical manner.
- (4) Write to follow the exhibits in sequential order.
- (5) Use spell check and grammar check.
- (6) Watch for tone and personal bias.
 - (a) State facts without asserting your opinion.
 - (b) Refrain from stating personal opinions or observations assumed but not supported by facts
- (7) Use non-controversial terms.
- (8) Double check all references and quotations.
- (9) Make certain that you use the correct version (applicable crop year and plan of insurance) of the crop provisions, BP, CIH, Manager's Bulletins, etc. used as your exhibits.
- (10) Update the header to reflect the Policyholder's name and crop year.
- (11) The template letter may not be in the exact font and margin size of the approved letter format used by RMA for correspondence. Please format accordingly in terms of letterhead, font, and margins.
- (12) Include exhibits for any GFP Determination.
- (13) Include an Exhibit Index at the end of the letter. (See Exhibit 9)

RO GFP Letter Templates (Continued)

B. RO Policyholder Acknowledgement Letter Template



United States
Department of
Agriculture

(DATE)

Farm and Foreign
Agricultural
Services

(Policyholder or Legal Representative Name/Title)

(Address)

(Address)

Risk
Management
Agency

Re: Good Farming Practice Determination for (Name of Insured)
(Crop Year), (Crop), (Policy #XXXX), (County, State)

XXXX
XXXXXX

Dear Sir (or Madam):

The XXX Regional Office (RO) received your (Date of Request) request for a Good Farming Practice (GFP) Determination. According to your letter, you disagree with the GFP Decision made by (Name of AIP) on (Date of AIP Decision Letter).

The (XXX RO) will begin the review on (Date 10 days from date of this letter). The 10 day delay allows you to provide additional documentation that you want to be considered in the review. If the (XXX RO) does not receive additional documentation from you by this date, it will use the information provided by (Name of AIP) and information you provided in your request.

Additional documentation can be mailed to the following address:

(Name)
RO Director
USDA, Risk Management Agency
(Name of Regional Office)
(Address)

If you prefer to send electronic documents, please make sure they are legible and email them to (RO email address). We will provide a status of the review every forty-five (45) calendar days from (date the review begins). Once our review is complete, you will receive the RMA GFP Determination Letter via overnight mail or certified mail.

If you have any questions, please contact me at (Phone number).

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RO GFP Letter Templates (Continued)

B. RO Policyholder Acknowledgement Letter Template (continued)

Sincerely,

(Name)
Director
(Regional Office Name)

RO GFP Letter Templates (Continued)

C. RO GFP Determination Letter Template



United States
Department of
Agriculture

(Date)

Farm and
Foreign
Agricultural
Services

VIA OVERNIGHT MAIL

Risk
Management
Agency

(Policyholder or Legal Representative Name/Title)

(Address)

(Address)

(Address)

XXXX
XXXXXX

RE: Good Farming Practices Determination
for (Name of Policyholder)
(Crop Year) (Crop) (Policy #XXXXXXXX)
(County Name), (State Name)

Dear Sir (or Madam):

The Risk Management Agency (RMA), (Regional Office Name) (RO acronym) on behalf of the Federal Crop Insurance Corporation (FCIC), in accordance with 7 C.F.R. §400.98 has completed its review of your request for a good farming practice (GFP) determination. The GFP decision was made by (Complete AIP Name) (AIP acronym or shortened name as applicable) for (Crop Year) (Crop Name). This review process only applies to determinations of GFP and does not determine that an insured cause of loss was or was not present, or reconsiders any other decision made for your policy.

The phrase, “good farming practices” is defined in section 1 of your (Complete Plan of Insurance Policy Name) (Basic Provisions) as:

“The production methods utilized to produce the insured crop and allow it to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance, including any adjustments for late planted acreage, which are: (1) for conventional or sustainable farming practices, those generally recognized by agricultural experts for the area; or (2) for organic farming practices, those generally recognized by the organic agricultural industry for the area or contained in the organic plan. We may, or you may request us to, contact FCIC to determine whether or not production methods will be considered to be ‘good farming practices.’”

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RO GFP Letter Templates (Continued)

C. RO GFP Determination Letter Template (continued)

To complete this GFP Determination, (RO Name) has carefully reviewed the (AIP acronym) decision file, and documentation provided by you. [List published material, statements, etc. and exhibit Name for each] RMA also consulted [List with exhibit Name], to determine if the practices used would generally allow you to reach your production guarantee.

RMA (agrees/disagrees with the AIP's Decision) that you failed to follow GFP by (failing to apply irrigation to your corn at appropriate times and amounts to allow it to make normal progress toward maturity and produce at least the yield used to determine the production guarantee) ... (very briefly state the result of the GFP Determination. Placing the determination at the top of the letter provides an immediate answer to the reader.)

Background and Summary: (this section may need to be written after drafting the rest of the letter.)

Use this section the way an Executive Summary is used – Briefly state the AIP and Policyholder positions and summarize the GFP Determination. This is just to give the highlights which will be fleshed out in the following sections.

(AIP Acronym) Position: (prior to writing letter, determine the issues, number them and address them in the section as part of the summary. For example, Issue No. 1:)

By letter dated (include date), (insert exhibit #), (AIP acronym) determined you did not follow GFP by:

Concisely summarize the AIP's position listing and addressing each issue separately.

Reference the exhibits containing specific documents rather than quoting large portions directly from the Policy, Provisions, the Policyholder or consultants. However, when it is necessary to quote the document or a person, indent the quotation, set the statement between quotation marks, italicize the statement and use font 1 point smaller. (See Example 1.) When quoting a phrase or sentence that is not indented, use quotation marks and italics. (See Example 2.)

State the facts as given. Do not expand, change, re-state, or re-interpret the AIP letter for intent or clarity.

Example for Quotation:

In response to the AIP acronym claim determination, Mr. X submitted a December 14, 2007 statement (see Exhibit X.1), relating to the destruction of damaged and indemnified nursery stock:

RO GFP Letter Templates (Continued)

C. RO GFP Determination Letter Template (continued)

Example 1:

“All of the 2005 nursery stock that was determined to be destroyed was in fact destroyed as observed by the adjuster Bunny Rabbit and supervisor Peter Cottontail, as well as myself to the best of my knowledge and numerous workers on hand at the time. The certification forms are attached as the stock that was to be destroyed was in fact destroyed. Pictures are included of some of the stock that was destroyed from the 2005 claim.”

Example 2:

Your neighbor, Roger Rabbit, stated, *“You farmed just like you always have.”*

(Insured Name) Position: *(restate each decision identified above in the and address each one using the same issue number)*

You provided (letter, documents, etc.) on XXX

Concisely summarize the Policyholder’s position listing and addressing each issue separately, using the same sequence of issues.

Reference the exhibits containing specific documents rather than quoting large portions directly from the Policy, Provisions, the Policyholder or consultants. However, when it is necessary to quote the document or a person, indent the quotation, set the statement between quotation marks, place the statement in italics and use font 1 point smaller.

State the facts as given. Do not expand, change, re-state, or re-interpret the Policyholder’s letter for intent or clarity.

Good Farming Practice Determination: *(restate each issue identified in the AIP and Policyholder positions and address each one using the same issue number)*

Write your determination in a clear and logical manner. Address each concern stated by either the AIP or the Policyholder.

State your agreement or disagreement with the position of either or both. Justify your position with the policy or related documentation (this information must be part of the exhibits). Reference the page and paragraph of the exhibit you are using to state your justification. Indicate how each issue is or is not a GFP for the crop and area. Use language with a matter of fact tone. Be aware of personal bias.

Write your statements to display only the facts, not your feelings.

Your Right To Reconsideration:

Section 20(d)(2) of the Basic Provisions states, in part:

RO GFP Letter Templates (Continued)

C. RO GFP Determination Letter Template (continued)

“FCIC will make determinations regarding what constitutes a good farming practice. If you do not agree with any determination made by FCIC (i) you may request reconsideration by FCIC of this determination in accordance with the reconsideration process established for this purpose at 7 CFR part 400, subpart J; or (ii) you may file suit against FCIC. You are not required to request reconsideration from FCIC before filing suit.”

Thus, if you do not agree with FCIC’s determination of good farming practices, you may:

- (1) Request Reconsideration of the RO GFP Determination within 30 calendar days of receipt of written notice of the adverse decision in accordance with 7 C.F.R. § 400.98, by providing the required information to the RMA Deputy Administrator for Insurance Services at:

Deputy Administrator for Insurance Services
 USDA/RMA/Insurance Services/STOP 0801
 ATTN: GFP RECONSIDERATION
 1400 Independence Avenue SW
 Washington, DC 20250-0801

The written request must state the basis upon which you rely to show that the determination was not proper and not made in accordance with the program regulations and procedure, or that all material facts were not properly considered in such determination.

First class mail to Washington, DC is often delayed for security measures. Participants are encouraged to send information by a delivery service (e.g. overnight or 2-day certified mail) that records pickup or postmark, and records and guarantees delivery.

OR

- (2) File suit in United States District Court for the district in which your farm is located in accordance with Section 20 of the Basic Provisions within one year of the date of this letter, or the date of your Reconsideration Determination if you request Reconsideration.

If you do not agree with the amount your insurance company assessed for your failure to follow good farming practices, you may choose to arbitrate or mediate the dispute in accordance with section 20(d) of the Basic Provisions. You may not appeal such amount to FCIC.

Section 20(d)(1)(ii) of the Basic Provisions states:

“If you disagree with our determination of the amount of assigned production, you must use the arbitration or mediation process contained in this section.”

RO GFP Letter Templates (Continued)

C. RO GFP Determination Letter Template (continued)

Note: In accordance with the preamble of your policy, the term “us,” used above, refers to the company providing insurance; and “you,” refers to you as the Policyholder.

If you have any questions about this GFP Determination or your right to file suit, you may contact (name of contact) at (contact’s telephone number).

Sincerely,

Name
RO Director

Exhibits:

(List exhibits in numeric order using the Exhibit Index. See Exhibit 9 for further formatting and instructions. Make sure your letter follows the exhibit order as you are composing your findings. Each referenced exhibit will be sent to the Policyholder with the Determination Letter.)

cc: (Name of AIP Point of Contact)
(AIP Address)

cc: (Policyholder’s Legal Representative)
(Address)

cc: Director, (Name of Compliance Office)

RMSD Reconsideration Letter Template



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

1400 Independence
Avenue, SW
Stop 0801
Washington, DC
20250-0801

(VIA OVERNIGHT MAIL)

(Policyholder or Legal Representative Name/Title)

(Address)

(Address)

(Address)

RE: Good Farming Practices Reconsideration
for (Name of Policyholder)
(Crop Year) (Crop) (Policy #XXXXXXXX)
(County Name), (State Name)

Dear Sir (or Madam):

The Risk Management Agency (RMA), on behalf of the Federal Crop Insurance Corporation (FCIC), in accordance with 7 C.F.R. §400.98 has completed its review of your request for reconsideration of the good farming practice determination (GFP) made by the RMA's (RO Name) (RO) for (Crop Year) (Crop Name). This reconsideration process only applies to determinations of GFP and does not determine that an insured cause of loss was or was not present, or reconsiders any other decision made for your policy.

The phrase "Good farming practices" is defined in section 1 of your [Complete Name of the Plan of Insurance] Basic Provisions as:

"The production methods utilized to produce the insured crop and allow it to make normal progress toward maturity and produce at least the yield used to determine the production guarantee or amount of insurance, including any adjustments for late planted acreage, which are: (1) for conventional or sustainable farming practices, those generally recognized by agricultural experts for the area; or (2) for organic farming practices, those generally recognized by the organic agricultural industry for the area or contained in the organic plan. We may, or you may request us to, contact FCIC to determine whether or not production methods will be considered to be 'good farming practices.'"

To complete this GFP Reconsideration, RMA has carefully reviewed the (RO Name) RO Determination file, related information submitted you submitted, and documentation provided by your Approved Insurance Provider (AIP), (AIP Name). After careful review, RMA (concur with the (RO name))(concur in part with the (RO name))(disagrees with (RO name)) that GFP were not followed and the determination **(IS UPHELD)(IS NOT UPHELD).**

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RMSD Reconsideration Letter Template (Continued)

Background and Summary: *(this section may need to be written after drafting the rest of the letter.)*

Use this section the way an Executive Summary is used – Briefly state the AIP and/or RO positions and summarize the Reconsideration Determination. This is just to give the highlights which will be fleshed out in the following sections.

(AIP (Company Name) Position: *(prior to writing letter, determine the issues, number them and address them in the section as part of the summary. For example, Issue No. 1:)*

Concisely summarize the Policyholder’s position listing and addressing each issue separately, using the same sequence of issues.

Reference the exhibits containing specific documents rather than quoting large portions directly from the Policy, Provisions, the Policyholder or consultants. However, when it is necessary to quote the document or a person, indent the quotation, set the statement between quotation marks, place the statement in italics and use font 1 point smaller. (See example below.)

State the facts as given. Do not expand, change, re-state, or re-interpret the Policyholder’s letter for intent or clarity.

Example for Quotation:

In response to the XX RO claim determination, Mr./Ms. X submitted a December 14, 2013 statement, incorporated as Exhibit X.1, relating to the destruction of damaged and indemnified nursery stock:

“All of the 2012 nursery stock that was determined to be destroyed was in fact destroyed as observed by the adjuster Mr. I. M. Adjuster and myself. The certification forms are attached as the stock that was to be destroyed was in fact destroyed. Pictures are included of some of the stock that was destroyed from the 2013 claim.”

(RO Name) Position: *(restate each issue identified above and address each one using the same issue number)*

Concisely summarize the RO’s position and address each issue separately.

Reference the exhibits containing specific documents rather than quoting directly from the Policy, Provisions, the Policyholder or consultants. However, when it is necessary to quote the document or a person, indent the quotation, set the statement between quotation marks, place the statement in italics and use font 1 point smaller.

State the facts as given. Do not expand, change, re-state, or re-interpret the RO letter for intent or clarity.

RMSD Reconsideration Letter Template (Continued)

(Policyholder Name) Position: *(restate each issue identified above and address each one using the same issue number)*

Concisely summarize the Policyholder's position and address each issue separately.

Reference the exhibits containing specific documents rather than quoting directly from the Policy, Provisions, the Policyholder or consultants. However, when it is necessary to quote the document or a person, indent the quotation, set the statement between quotation marks, and place the statement in italics and use font 1 point smaller.

State the facts as given. Do not expand, change, re-state, or re-interpret the Policyholder's letter for intent or clarity.

Good Farming Practice Reconsideration Determination: *(restate each issue identified above in the RO and Policyholder positions and address each one using the same issue number)*

Write your determination in a clear and logical manner. Address each concern stated by either the RO or the Policyholder. State your agreement or disagreement with the position of either or both. Justify your position with the policy or related documentation (this information must be part of the exhibits). Reference the page and paragraph of the exhibit you are using to state your justification. Use language with a matter of fact tone. Be aware of personal for bias. Write your statements to display only the facts, not your feelings.

Your Right To Judicial Review:

If you do not agree with FCIC's Reconsideration Determination of good farming practices, you may file suit in United States District Court for the district in which your farm is located in accordance with Section 20 of the Basic Provisions within one year of the date of this letter.

If you do not agree with the amount your insurance company assessed for your failure to follow good farming practices, you may choose to arbitrate or mediate the dispute in accordance with section 20(d)(1)(ii) of the Basic Provisions with your insurance company. You may not appeal such amount to FCIC.

Section 20(d)(1)(ii) of the Basic Provisions states:

"If you disagree with our determination of the amount of assigned production, you must use the arbitration or mediation process contained in this section."

Note: In accordance with the preamble of your policy, the term "us," used above, refers to the company providing insurance; and "you," refers to you as the Policyholder.

RMSD Reconsideration Letter Template (Continued)

If you have any questions about this Reconsideration Determination or your right to file suit, you may contact (RMSD Point of contact) of this office at (phone number).

Sincerely,

[NAME]

Deputy Administrator
for Insurance Services

Exhibits:

(List exhibits in numeric order using the Exhibit Index. Make sure your letter follows the exhibit order as you are composing your findings)

cc: (Name of AIP Point of Contact)
(AIP Address)

(Policyholder or Policyholder's Legal Representative)
(Address)

Director, (Name of RO) Regional Office

Director, (Name of Compliance Office)

Exhibit Index

The Exhibit Index and exhibits are attachments to the RO Determination Letter and must be included at the end of the letter. The Exhibit Index shall be divided into two (2) headings:

(Heading 1)

The following exhibits are supporting documentation cited in the Decision Letter and included with this correspondence.

(Place the exhibits cited in the letter under this heading)

(Heading 2)

The following exhibits are supporting documentation examined as part of the review but was not cited in the Decision Letter and are therefore not included in this correspondence. This information is located at the (RO Name) Regional Office.

(Place the remaining exhibits, not cited in the letter, under this heading)

The list of exhibits as follows:

EX A Policy and Procedure

- A.1 Basic Provisions
- A.2 Crop Provisions
- A.3 Actuarial Documents
- A.4 RMA Handbooks, Memos, Manuals or Bulletins*

*(*You may either copy only the portion applicable and then cite on the exhibit cover page the publication, the section or paragraph number and the page number or you may include a statement for this exhibit that directs the reader to the RMA website (include exact location on the website.)*

EX B Insurance Documents

- B.1 Application
- B.2 Acreage Report (or in the case of Nursery: PIVR, CIVR, etc.)
- B.3 Schedule of Insurance
- B. "X" Other documents provided.

EX C Policyholder Position

- C.1 Letter from the Policyholder to the RO
- C. "X" Other documents from the Policyholder such as personal financial statements, expert opinions to support Policyholder's position, other data submitted from the Policyholder such as weather data, published materials (may include consultant reports, journal articles, independent surveys, university studies, newspaper or magazine articles), photographs, GIS data, communications (may include secondary sources such as neighbors, bankers, etc.) This should include, but not be limited to, telephone notes or emails pertinent to the findings that were submitted by the Policyholder.

EX D AIP Position

- D.1 Denial Letter from the AIP to the Policyholder
- D. "X" Other data to support AIP, including but not limited to expert opinions to support the AIP's position, weather data, published materials (may include consultant reports,

Exhibit Index (Continued)

journal articles, independent surveys, university studies, newspaper or magazine articles), photographs, GIS data, communications (may include secondary sources such as neighbors, extension services, FSA, etc.). This should include but not be limited to telephone notes, emails or observations pertinent to the findings submitted by the AIP or AIP representatives.

EX E Other Pertinent Data Collected by RO

*(*this section may include as many items as collected and may be re-organized to accommodate those items at the discretion of the RO)*

- E.1 Herbicide labels *(for example)*
- E.2 Soil survey information *(for example)*
- E.3 Communications (RO phone logs and /or notes and should also include any additional communication source submitted by either Policyholder or AIP to support the RO findings or to validate the information provided by either the AIP or the Policyholder).
- E."X" Basically anything that the RO collected (not submitted by either Policyholder or AIP) to assist in a determination

If the GFP Determination goes to Reconsideration, RMSD will provide the following exhibits to the RO via SharePoint.

- EX F** A copy of the RO Determination Letter to the Policyholder
- EX G** Reconsideration Request Letter from the Policyholder
- EX H** Additional information submitted by Policyholder to support the Reconsideration Request.
- EX I** Additional pertinent data collected by RMSD to validate or reject information and data submitted by the Policyholder, the AIP, or the RO.
- EX J** A copy of the signed Reconsideration Determination to the Policyholder from DAIS.

Example GFP Cases

CASE 1: IRRIGATED WHEAT CASE EXAMPLE

Background:

According to the AIP, the Policyholder filed a notice of loss for drought (Unit 1 Non-Irrigated Spring Wheat) and heat (Unit 2 Irrigated Spring Wheat). The AIP also identified uninsured causes of loss due to failure to follow good farming practices. The Policyholder indicated in a letter to the AIP that no fertilizer was applied to any of the spring wheat acreage. Further, the Policyholder did not provide any soil tests or agricultural expert recommendations to support its position that no fertilizer would be required to produce the yield for which the insurance coverage is established.

In several of the AIP's Adjuster's Reports it was noted that heavy infestation of weed populations was observed, and it appeared that weed control was late, and high weed pressure had affected the yield prior to control measures being applied. The Policyholder stated in a letter that weeds were sprayed at the appropriate times, but he provided no evidence in support of his position.

Regarding the irrigation of Unit 2, the Policyholder stated in a letter to the AIP that the water to irrigate the Irrigated Spring Wheat crop was provided by a private reservoir near the property. The Policyholder stated this private reservoir does not keep any irrigation records. In a later letter the Policyholder stated he was led to believe by the previous owner that the amount of available water in the reservoir would be sufficient to irrigate his crop. The Policyholder also stated that he was unaware that irrigation records would be necessary. Additionally, the same letter stated he expected some precipitation to occur, and the crop acres were irrigated until the reservoir was depleted. The irrigation system was very slow, it had been dry with very little supportive precipitation and the water soaked away and did not spread; he stated that a contour ditch irrigation method was used.

Since notice of loss was given within the insurance period and the Policyholder did not agree with the AIP's Decision, a request for review was sent to the AIP, who then referred the case to RMA for a GFP Determination.

Request for an Initial Determination:

The Policyholder asked RMA to make a determination as to whether damage to the Policyholder's crop was due to not being fertilized or irrigated properly and uncontrolled weed infestation, and therefore, good farming practices were not followed. The Policyholder reaffirmed he did not have knowledge of the capacity of the reservoir used to irrigate the crop, only that the previous owner said he irrigated his crop from the reservoir. The Policyholder also disclosed that Unit 1 had been planted with alfalfa the previous year, and felt adequate residual nitrogen would be available for the wheat crop.

After RMA accepted the request letter, the Policyholder provided a soil test taken one month before planting began for spring wheat crop. The soils test report was from a recognized Laboratory, and showed the levels of Nitrogen, Phosphorous, Potassium, Organic Matter and other micronutrients. The Policyholder shared the soil test result with a State University Cooperative Extension Service

Example GFP Cases (Continued)

specialist who stated the nutrient level present at the moment that the samples were taken, would have been adequate to support the Policyholder's production guarantee. The expert also noted, according to his interpretation of the results, other factors could have affected the yields of these Units.

Additional documentation submitted by the Policyholder listed purchases records, showing the amounts and dates of the herbicides, purchased. According to the Policyholder, the amount of chemicals purchased was sufficient to apply the herbicide within the recommended guidelines. The Policyholder also provided verifiable records, such as, receipts from contractors, fuel usage, and herbicide application records, which acknowledged the use a combination of cultural, mechanical, and chemical weed control practices.

Research Process:

According to a State University publication, it would be necessary to apply between 75 and 90 pounds of available nitrogen per acre, to achieve the yield at which insurance coverage is established. According to the literature cited, alfalfa fixed nitrogen does remain in the soil and approximately 50 pounds per acre can be credited towards the subsequent crop.

A Cooperative Extension Service publication shows the relationship between yield and available water and indicates it takes approximately four inches of water to produce the first bushel of grain. Thereafter, yield potential increases approximately five bushels per acre with each inch of water. The calculation made using published information shows the irrigated wheat crop would have needed approximately 16 inches of available moisture to produce at least the yield guarantee. The weather information obtained from CAE indicates about 5 inches of rain were reported in the area of the wheat fields during the crop season. In order to produce the yield guarantee at which the irrigated practice coverage was established, it would have been necessary to apply nine inches of supplemental water in addition to the natural precipitation received through the growing season.

For this review RMA obtained the current information from the US Army Corps of Engineers, and corroborated that the normal storage capacity for the private water reservoir used to irrigate the crop is 120 acre feet.

The documentation submitted by the Policyholder did not include verifiable irrigation records for the insured Irrigated Spring Wheat in Unit 2. The Policyholder also did not demonstrate how he determined the private reservoir would provide the necessary water to produce the yield guarantee.

Determination Process:

Using published information to calculate the water required to reach the production guarantee insured on this policy, it was determined that approximately 180 acre-feet of water were needed. According to the US Army Corp of Engineers the reservoir used to irrigate your Irrigated Spring Wheat crop has a capacity of only 120 acre-feet. Even though the area reported approximately 5 inches of rain during the growing season, the crop still needed another 60 acre-feet of water to

Example GFP Cases (Continued)

satisfy the crop requirements. It is important to note also the Policyholder's statement that until this loss and ensuing dispute arose, he did not know the capacity of the water reservoir, only that the previous owner said the amount of water would be sufficient for a crop.

Taking into consideration the nitrogen credit from the alfalfa planted the previous year, the soil test provided by the Policyholder to RMA and the expert's opinion, RMA determined that the amount of nitrogen present in the soil would have been within the guidelines published by the Extension Service in the insured area.

Regarding the weed control measures, the information submitted by the Policyholder supported the use of different weed control measures that fell within the guidelines. RMA also recognized that high temperatures and windy conditions could have made the herbicide application ineffective, based on the herbicide manufacturer's label.

Review, Concurrence and Issuance:

Based on the factual analysis, RMA made the determination that there is substantial published documentation showing the benefits of using a combination of cultural, mechanical, and chemical weed control practices to manage weed populations. The Policyholder provided verifiable documentation to support his weed control management practices, and demonstrated that he followed generally recognized good farming practices.

Regarding the fertilization issue, according to the published information reviewed for the determination, the soil test, and the expert opinion provided, RMA determined that the amount of nitrogen and other nutrients available in the soil would have been within the recommended guidelines to achieve the production guarantee insured on the policy, so he followed good farming practices.

For the irrigated Unit, RMA reviewed the information provided by the Policyholder and the documentation cited, and determined that he failed to follow good farming practices by not providing irrigation water at the appropriate times and the appropriate amounts to produce at least the yield used to establish the insured production guarantee on acreage insured under an irrigated practice.

Example GFP Cases (Continued)

CASE 2: NON-IRRIGATED CORN CASE EXAMPLE**Background:**

The Schedule of Insurance shows the yield used to determine the guarantee for non-irrigated Unit 001, and 002, also known as the actual production history (APH) yield. There were 500 reported acres for these units and the Policyholder elected the Enterprise Unit option. According to the AIP, the Policyholder reported a notice of loss due to drought and hail. Weather Data confirmed a hail storm did pass through the area two weeks after the corn had been planted. However, the AIP also identified some uninsured causes of loss due to failure to follow good farming practices.

According to the Policyholder, no actual fertilizers were purchased or applied because of the poor stand the crop achieved. Nonetheless, the Policyholder stated they had the anhydrous rigs in place and cultivators to take care of this crop, but it was decided at that time it was cost prohibitive to fertilize, spray and/or cultivate because of the poor stand. The information submitted does not indicate that any pre-plant soil test was done to determine any nutrient carryover, and it was confirmed that a sunflowers crop was planted in these same units the previous crop year.

The Policyholder contacted a local agricultural expert regarding the weed control management options and the expert recommended several herbicides and rates based on the local conditions where the insured units were located. The Policyholder did not follow the experts recommendation stating that the herbicides provided were too expensive, instead the Policyholder selected cheaper lower quality herbicides. Several photos allegedly showing the effects of the burn down were provided, but the photos do not indicate the date taken nor do they identify the location(s) or field identification(s). Several photos were provided by the AIP showing the abundance of weeds in all units.

Several seed invoices were provided reflecting the amount of hybrid corn seed bags purchased. The seed invoices showed that each bag contained approximately 80,000 kernels, according to the suppliers. That totals seeds (kernels) divided by the total acreage planted, equated to 14,000 seeds per acre. All the hybrids were late maturity hybrids (118 - 122 days).

Request for an Initial Determination:

The Policyholder disagreed with the AIP's decision that good farming practices were not followed for his corn crop; therefore, the case was referred to RMA when the Policyholder requested a GFP Determination regarding the farming practices employed.

The Policyholder stated he followed GFP, used the proper seed, and the losses were due to hail and drought. Furthermore, the Policyholder stated that the proper herbicides were applied to control weeds, and the fertilizers were not applied because of the hail damage to the crop, and that probably the previous crop would have provided sufficient nutrient and organic matter to subsequent crops in the units; therefore no supplemental fertilizer was necessary. With regard to the need for soil

Example GFP Cases (Continued)

testing, the Policyholder stated that the policy does not require soil testing to be done as part of a good farming practice.

Research Process:

The Best Management Practices chapter of the State Corn Production Handbook recommends the use of starter nitrogen fertilizer applications. It also says to make sure adequate amount of nutrients (nitrogen, phosphorus and potassium) is provided and pre-emergence weed control is applied early to facilitate and stimulate crop growth, development, and improve potential for movement into root zone. Even with good overall crop management, few soils in the State will sustain profitable corn production without supplementation of several crop nutrients from fertilizers, manures, and/or legume rotations.

The literature cited also mentions that while it is not a requirement that a soil test be performed, it is the most effective method in which to determine the current fertility of the soil, and the most reliable means of determining fertilizer need is by soil testing regularly with continual support from the other methods listed. According to the information collected, the insured units were planted with sunflower the previous year. Therefore, according to the Corn Production Handbook, there is no nitrogen credit that can be assumed from sunflower. The documentation reviewed also states the recommended rate of nitrogen per acre to obtain the Policyholder's approved yield guarantee.

The Policyholder based his decision not to apply fertilizer on the economics and condition of the crop due to drought and hail. According to the Policyholder statements and the weather data, the hail event occurred two weeks after planting the corn crop and the total rain reported was about one inch above the historical average. The literature points out that during the first 4 to 5 weeks after emergence, the plant continually develops new leaves from the growing point, which is below or at ground level for most of this period. During this time, root and leaf development progresses rapidly. Since the growing point is still below the soil surface, a frost or hail may destroy the exposed leaf area, but likely would not kill the plant.

The documentation provided shows application records from a Contract Applicator. The information indicates that one single application of herbicide was performed 45 days after planting. The application records also show that none of the herbicides recommended by the Agricultural Experts were used. The Weed Management section of the State Corn Production Handbook, mentions that corn is vulnerable to weed competition for about the first 4 weeks, a time span that often coincides with cool spring temperatures. Thereafter, the established corn plant grows rapidly and the crop becomes highly competitive. Thus, a successful weed-control strategy should assure weed-free conditions for at least a month after planting. Weeds germinating after that period pose much less threat.

Seed receipts, and invoices from a Seed Dealer provided by the Policyholder shows the two hybrids used in this corn crop. RMA contacted the hybrids producer who provided the product profile, including a map of the adaptable region for this hybrid. The map showed the area of adaptability corresponded to the eastern border of the Policyholder's state, a much higher rainfall area than the

Example GFP Cases (Continued)

location of the insured units, which is located on the extreme southwest corner of the State in question. The Policyholder also submitted the seeds for germination tests which showed that one of the varieties was hybrid corn, silage. Additionally, the tests indicated seed germination of 90% to 94%. The same Ag Expert mentioned before, suggested several dryland corn hybrids adapted to the Policyholder's region, and recommended also to use with 99 and 108 days maturity, but none were planted. Instead, the Policyholder selected two hybrids not suitable to the area, with maturity of 118 to 122 days, and one of them was labeled as "silage corn". The Policyholder did not provide any information why these hybrids were selected, except that they were a better "deal" pricewise.

According to an exhibit in the State Corn Production Handbook, to achieve the recommended plant population for dryland corn crop in the area and achieve the recommended final corn population of 14,000 – 20,000, a person should plant 16,500 – 23,500 seeds per acre.

Determination Process:

The Policyholder did not provide any support indicating that any fertilizer was purchased or applied to the corn crop during the entire growing season to allow it to make normal progress towards maturity. The information provided by the Policyholder did not support the fact that no additional fertilizer was necessary, nor any indication that any pre-plant soil test provided to determine any nutrient carryover, and it was confirmed that sunflowers was the previous crop planted in these same units the previous crop season; therefore no nitrogen accredited towards this corn crop.

All units were sprayed with herbicide 45 days after the reported planting dates. The spray logs provided for this application recorded the air temperature, wind speed and direction, and the conditions were reported as "good". According to the records provided, the Policyholder failed to reduce competition from weeds during the early stages of development of the corn crop, as recommended by the State Corn Production Handbook. The photographic evidence taken by the AIP's Loss Adjuster showed extremely heavy infestation of weeds. The Policyholder did not acquire nor use the herbicide suggested by its crop consultant.

The Policyholder did not plant the recommended hybrid selections of the crop consultant at the time of planting, and the selection of the appropriate hybrid is essential to profitability. The hybrids selected by the Policyholder had not been tested in this area and were late maturity hybrids. The documentation provided does not support the decision to plant seed corn hybrids that have not been tested for grain production in this region under dryland production methods. It was verified by RMA that one of the hybrid corn seed types used was labeled as "silage corn", and according to the Coarse Grains Crop Provisions:

"(b) For corn only, in addition to the provisions of section 5(a), the corn crop insured will be all corn that is yellow dent or white corn, including mixed yellow and white, waxy, high-lysine corn, high-oil corn blends containing mixtures of at least ninety percent high yielding yellow dent female plants with high-oil male pollinator plants, commercial varieties of high-protein hybrids, and excluding:

...

Example GFP Cases (Continued)

(2) A variety of corn adapted for silage use when the corn is reported for insurance as grain.”

Review, Concurrence and Issuance:

During the review process, RMA carefully reviewed all of the information submitted by the Policyholder, the AIP, and literature published by the State University Extension Service. There is substantial support for the application of fertilizer; more specifically the value nitrogen has in the yield potential of corn. The Policyholder based his decision not to apply fertilizer on economics because the crop was failing and stressed as a result of drought and then hail. There is no supporting documentation as to the condition of the corn crop near the hail event that would support not applying fertilizer. The Policyholder did not provide any documentation to support his decision to not apply fertilizer that would indicate his decision would have allowed the corn crop to make normal progress toward maturity and reach the yield guarantee. Good fertilization practices were not followed.

There is no disagreement the environment can impact the effectiveness of herbicides. There is no information provided that would indicate the environmental conditions were extreme enough to render the application of herbicides ineffective. The Policyholder did not provide any documentation to support the weed control program used. An effective weed control program involves more than one application to control the weed varieties throughout the growing season and the literature mentions the vulnerability of corn to weed competition for about the first 4 weeks. Good weed control was not followed.

According to the documentation, the hybrid seed selection was based on economics and no supporting documentation was provided for the selection of a late maturity hybrid planted or documentation that hybrids used were acceptable on non-irrigated land in the region rather than the hybrids recommended by the consultant. The amount of seed purchased by the Policyholder was not sufficient to plant the amount of seeds per acre recommended for the region. Additionally, one of the hybrids planted was labeled for silage; therefore, according to the Coarse Grains Crop Provisions was not insurable. Good farming practices were not followed.

Example GFP Cases (Continued)

CASE 3: TOBACCO CASE EXAMPLE**Background:**

The Approved Insurance Provider (AIP) received a notice of loss for a flue-cured tobacco crop, and according to the Production/Appraisal Worksheet, the determined causes of loss were plant disease (60%), and excess of precipitation (40%). For that crop year, the Policyholder elected 85% coverage level with Enterprise Units (EU) and 100% price election; the EU was comprised of 5 units.

In its GFP Decision Letter, the AIP mentioned several diseases that affected flue-cured tobacco during the growing season were identified by a Cooperative Extension Agent that visited the site. Among the diseases identified were Tomato Spotted Wilt Virus, Black Shank, Brown Spot, and Tobacco Mosaic Virus.

The AIP also referenced the State Flue-Cured Tobacco Guide, and cited recommended cultural management practices and chemicals to control or manage Black Shank. The Guide recommends management practices for Black Shank: crop rotations, resistant varieties, improve drainage, sanitation, nematode control, and chemical control. Information provided by the Policyholder shows receipts for the purchase of two different tobacco varieties (B-1 and A-1). These varieties have varying degrees of resistance to Black Shank. Pesticide records support the use of the multi-purpose fumigant Telone C-17, which is labeled for Black Shank in tobacco. Although, Telone C-17, which is labeled for Black Shank in tobacco, the Flue-Cured Tobacco Guide, states that Ridomil Gold or Ultraflourish are the most effective materials against the disease. No verifiable records were provided that Ridomil Gold or Ultraflourish were purchased for the tobacco crop. The Policyholder acknowledged that the Flue Cured Tobacco Guide recommends crop rotation, use of resistant varieties, and the use of various fungicides, including Telone C-17 and Ridomil (Mefenoxam) for the treatment of Black Shank.

As stated by the Policyholder, the harvest of two of the fields was intentionally delayed because the lower stalk tobacco was considered undesirable, and it was a management decision to delay the harvesting of this less desirable tobacco in order to harvest the higher quality leaves. The Policyholder pointed out that excessive moisture restricted the equipment from having access to the fields. With low prices and small demand for lower stalk tobacco in the fields, the Policyholder decided to return to previous fields to harvest the higher quality crop before returning to these wet fields. The excessive moisture acted as a catalyst for disease to thrive which resulted in plant deterioration and premature death.

Request for a GFP Determination:

The Policyholder requested RMA to review the AIP position that good farming practices had not been followed with respect to the selection of disease management practices and the delayed harvesting of some of the tobacco crop. In the letter, the Policyholder reiterated that several disease management measures had been taken, following the recommendation of the Flue-Cured Tobacco

Example GFP Cases (Continued)

Guide. Many of the chemicals used were labeled to control and manage Tomato Spotted Wilt Virus and Black Shank. The use of Clorox solutions were also used extensively to disinfect equipment and trays; therefore managing Tobacco Mosaic Virus.

According to the Policyholder, the dying and dead plants remaining in the fields were impacted by Black Shank. Plant samples were sent to a recognized Plant Disease Laboratory, and the presence of the disease was confirmed. This was a cause of crop yield and quality losses to the crop, and according to the Policyholder, was intensified by adverse weather conditions. The fields were tilled numerous times during the winter months to prepare the land to be ripped, bedded and gassed with the fumigant Telone C17 at the recommended rates and dates. The two varieties planted were chosen based on disease resistance, productivity and curability. The A-1 variety is a high yielder but not resistant to Black Shank, and B-1 is highly resistant to Black Shank. The Policyholder's position was that any inability on her part to harvest the tobacco crop in a timely manner was attributed to the diseases discussed above and to the excessive and untimely moisture that prevented it from gaining access to the wet field. The Policyholder insisted that the choice of using only Telone C-17 and the application method was completely consistent with standard and customary practice in the area.

Research Process:

RMA reviewed the chemical and fertilizer records for the crop year. Receipts for the purchase of sufficient Admire Pro to treat the tobacco crop was provided. RMA referenced the Managing the Major Diseases section of the Flue-Cured Tobacco Guide, where it recommends the application of Admire Pro in the greenhouse to control aphids and other insect pests to help suppress the Tomato Spotted Wilt Virus.

With respect to Black Shank, the Flue Cured Tobacco Guide recommends crop rotation, use of resistant varieties, and the use of various fungicides, including Telone C-17 and Ridomil (Mefenoxam). One of the varieties (B-1) used was resistant to the Black Shank, but not A-1. In the case that varieties non-resistant to Black Shank are used, the Flue Cured Tobacco Guide recommends to apply preventive fungicides such as Ridomil Gold or Ultraflourish. The Policyholder elected only to apply Telone C-17 to both varieties. It is recommended to rotate fields at least every three years, and according to the records not all the insured fields were rotated following a three year rotation. Resistant varieties to Black Shank, the Guide states, should be used as part of an integrated approach including crop rotation and other appropriate cultural practices, and recommends chemical applications based on the resistance rating of each tobacco variety.

Determination Process:

According to the records provided, no Ridomil Gold or Ultraflourish were purchased or applied to the tobacco fields during the year. RMA found there was insufficient application of the recommended fungicide to prevent and control Black Shank in the variety A-1; therefore, the Policyholder did not follow good farming practices as recommended in the area.

Example GFP Cases (Continued)

The farmer's decision to delay the harvest of the less desirable tobacco and return to the fields to harvest the higher quality tobacco is not a naturally occurring event. The reason stated for not timely harvesting and removing all the marketable leaves on some fields was due to the tobacco in those fields being less desirable, and that the soil was too wet. Upon review of the weather records provided, there was rainfall during the harvest season; however, there were a number of consecutive days with no precipitation that would have allowed continued harvest; additionally the fields that the Policyholder did harvest were in the same area, and with the same type of soil, but these were not too wet to access them.

Review, Concurrence and Issuance:

During the review process, RMA carefully reviewed all of the information submitted by the Policyholder, the AIP, and literature published by the State University Extension Service. All the documentation cited support the importance of using the right a combination of management tools to control and manage Black Shank or any other disease.

Based on the analysis of the information submitted and the literature, it was determined that there were not sufficient applications of disease control measures for Black Shank. The information provided did show there was minimal application meeting the recommended guidelines for the planted variety B-1, that was resistant to blank shank. The A-1 variety has a low resistance to Black Shank, and it was recommended to apply a systemic fungicide, Ridomil or Ultraflourish, and the Policyholder did not sufficiently apply the recommended systemic fungicides to prevent and control Black Shank for the fields planted with the A-1 variety.

The Policyholder's decision not to harvest the less desirable leaves and return to other fields does not constitute a recognized good farming practice, and the damage was not due to a naturally occurring event. Upon review of the weather records provided, there was some rainfall during the harvest season; however, there were a number of consecutive days with no precipitation that would have allowed continued harvest, and in fact allowed the Policyholder to harvest the contiguous fields.

Example GFP Cases (Continued)

CASE IV: GRAPES CASE EXAMPLE**Background:**

According to the AIP, the Policyholder filed a notice of loss due to frost and rain. The AIP identified uninsured causes of loss due to failure to follow good farming practices, in part due to a lack of proper pruning during the growing season and prior, along with improper weed control management.

The AIP did not provide an opinion or publication from any agricultural expert or university to support denial of the claim. No information was provided in regard to the measures taken by the Policyholder compared to recognized farming practices. Additionally, no Adjuster's Special Reports, fact sheets or field notes documenting the conditions of the insured units to support the determination made regarding the issues or claim.

As part of the supporting documentation provided by the AIP, numerous photos taken by the loss adjuster were submitted, but none of the photos were labeled or showed any point of reference indicating location, unit or date.

Weather station records were collected and provided by the AIP, showing possible frost events in May in the area in question.

A letter requesting a review of the AIP Decision was sent on behalf of the Policyholder to RMA for a determination.

Request for an Initial Determination:

The request asked RMA to make a determination as to whether damage caused to the insured crop was due to a lack of proper pruning and improper weed management. The Policyholder sent an additional letter showing a timeline outlining the farming practices followed during the growing season.

In this letter, the Policyholder mentioned using different herbicides, but no purchase receipts or application records were provided. Although not mentioned by the AIP, the Policyholder provided testimony in regard to the use of fertilizer. The Policyholder stated, fertilization usually occurs every year, but due to financial issues, he decided not to apply any during this growing season.

The Policyholder concluded the letter stating that within a few hours of beginning harvest he decided to stop due to low yield; it was not cost effective to continue.

Review, Concurrence and Issuance:

Example GFP Cases (Continued)

The AIP GFP Decision Letter did not include or reference any published materials, written opinion or recommendation of any agricultural expert to support denial of the claim. According to the GFP Standards Handbook, paragraph 31 (A):

- (6) *The AIP must include the following in a GFP Decision:*
- (a) *documentation of agricultural expert opinion(s) or published material to support AIP decision the Policyholder failed to follow GFP;*
 - (b) *description of the production methods employed by the Policyholder; and*
 - (c) *analysis of production methods employed by Policyholder compared to the recommendations of the experts or published material.*

Without this documentation and analysis, a GFP Determination may not be made by the RO. RMA cannot uphold any AIP GFP Decisions that are not adequately documented and supported.

RMA requested that the AIP develop a proper GFP Decision Letter in accordance with the GFP Standards Handbook and send it to the Policyholder. The rejection of the initial AIP letter was due to the lack any supporting documentation, the fact that the request file did not include any adjuster field notes or statement of fact documenting findings and observations of field inspections, nor was there analysis of the actions taken by the Policyholder compared against what agricultural experts or published material require. Furthermore, the AIP did not provide a detailed report to explain all the facts relating to the good farming practice issues and impact to the insured crop because of the failure to take recommended actions. Additionally, the photographic evidence submitted was not labeled with any pertinent information indicating the date/time taken, unit number, location and subject matter depicted. Therefore, the initial AIP GFP Decision Letter to the Policyholder needed to be rescinded.

GOOD FARMING PRACTICES (GFP)

GFP Decision Appeal Process
(Basic Provisions, Section 20)

