

2006 FCIC 18010 Crop Insurance Handbook (CIH) Summary of Changes

Listed below are the changes to the CIH that have the most significant impact. Minor changes and correction are not included in this listing. Refer to the actual 2005 CIH to identify clarifications/changes that have been made effective for 2006.

| Reference | Description of additions, changes or clarifications: |
|---------------|--|
| Sec. 2A | Clarified that Written Agreement Handbook (WAH) controls procedure related to written agreements. |
| Sec. 3 | Added acronyms and updated definitions due to changes in Common Crop Insurance Policy and Standard Reinsurance Agreement including: Agricultural Commodity, Approved Insurance Provider, Block, Code of Federal Regulations, Contract, Crop Year, Disinterested Third Party, Enterprise Unit, Good Farming Practices, Household, Insured Crop, Liability, Limited Resource Farmer, Non-contiguous, Policy, Practical to Replant, Production Report, Replanting, Section, Simple Average T-Yields, Substantial Beneficial Interest, Tenant, Whole Farm Unit. Moved definitions related to organics to Exhibit 38. |
| Sec. 4A(2) | Clarified, restructured format and updated Summerfallow requirements. Incorporated R&D-04-02.1 concerning skip-row planting patterns. |
| Sec. 4A(7) | Clarified which policy will remain in force when there are duplicate policies (R&D-04-045, 10). |
| Sec. 4B(2) | Clarified that separate administrative fees are required for each type or variety if the crop provisions allow the option to separately insure type or variety. |
| Sec. 4B(5) | Changed rounding rules to 0.01 on guarantees for crops with units of measure in tons. |
| Sec. 4C(1)(b) | Added requirement for landlord/tenant ID number to be reported even if not a SBI (R&D-04-045, 8) and that evidence of the other party's approval must be provided by the SCD. |
| Sec. 4C(2) | Added information concerning application for insurance after delinquent debts are paid (FAD-033). |
| Sec. 4C(4)(a) | Added exception that if crop provisions allow individual crop types or varieties that coverage levels can be different (R&D-04-045, 2). |
| Sec. 4C(7)(e) | Removed allowance for late-filed requests for insurance. |
| Sec. 4C(7)(g) | Removed SBI certification statements due to spousal reporting requirements being contained in 2005 BP. |
| Sec. 4C(8) | Clarified that successor-in-interest will be effective the following year if after insurance attaches. |
| Sec. 4C(9) | Clarified that a policyholder may transfer a policy to a different AIP only once per crop year. |
| Sec. 4D(5) | Changed definition of EU and WFU due to 05 BP changes (R&D-04-045, 11), clarified that EU discount applies to both planted and PP acreage. |
| Sec. 4D(8) | Incorporated PP information from R&D-04-045, updated PP Eligible Acres Charts and added a paragraph concerning crops without adequate PP eligible acres. |
| Sec. 4E(4) | Updated apples based upon new crop provisions 05-054. |
| Sec. 4F(1) | Clarified that identification numbers can be corrected until the ARD. |
| Sec. 4F(2) | Added misreported information provisions to acreage report instructions. |
| Sec. 4F(2)(f) | Expansion of measurement service for acreage reports (R&D-04-045, 6A). |

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| Sec. 4F(2)(g) | Removed measurement service for ID, OR and WA. |
| Sec. 4F(2)(h) | Added hierarchy of differences in acreage reports (R&D-04-045, 6B). |
| Sec. 4G | Updated Written Agreement Chart to reflect changes in the BP and Written Agreement procedure and removed other written procedure, now contained in the Written Agreement Handbook. |
| Sec. 5A(7), (10) | Revised procedures for insureds who elect to provide supporting records for verification to match changes in Appendix IV of the SRA. Added language concerning yield reductions for excessive and inconsistent approved APH yields. |
| Sec. 5A(16) & C(4) | Clarified that corrections to APH yields resulting from APH reviews and corrected claims must be documented and submitted to RMA through DAS. |
| Sec. 5B(8) | Added information concerning the accuracy of reported information from R&D-04-045. MIF factor changed to six decimal places. |
| Sec. 6B | Added Tobacco to the list of Category B APH crops (combined Production Guarantee and Quota Tobacco policies). |
| Sec. 6B(1)(d) | Added a paragraph about Yield Descriptors. |
| Sec. 6D | Moved the list of yield descriptors to Exhibit 5. Added introductory information about APH yield reductions. |
| Sec. 6I | Added that revised APH yields must be reported to RMA through DAS and that cups do not apply if the corrected or revised claims lower the actual yield used for APH purposes by 10 percent or more. |
| Sec. 6J | Updated quality adjustment revisions for applicable crops. |
| Sec. 6J(11) | Updated underwriting guidelines for peanuts. |
| Sec. 6J(12) | Added procedure for reporting only production to count as determined under the terms of the Potato Crop Provisions. Clarified reduction in production to count under the terms of the Quality Endorsements only for Northern Potato Crop Provisions are not included in determining APH production. Loss procedures for doing Quality Adjustments were removed. |
| Sec. 6J(14) | Removed allowance to use oil and non-oil sunflower seed databases (production records) to establish the initial approved APH yield. |
| Sec. 6J(15) | Modified who may make quality adjustment determinations. |
| Sec. 6J(16) | Clarified that sugar beet appraisals reduced because sugar beets were in the first stage are not used for APH purposes. |
| Sec. 6J(20) | Added underwriting guidelines for Tobacco (Type 031) as Category B crop. |
| Sec. 6J(21) | Added underwriting guidelines for Tobacco (Types 111, 112, 012, 013, 014, 021, 022, 023, 035, 036, 037, 054, and 055) as a Category B crop. |
| Sec. 7 | Changes throughout the entire section based upon Perennial Crop Workgroup recommendations which included automation for DAS reporting, with changes based upon comments from Insurance Providers, NCIS and RMA. Clarified: criteria for determining acreage and T-Yields; changes needed for reporting to DAS by unit or blocks by P/T/V/TMA or other characteristics shown on the actuarial documents; RMA RO Determined Yields, yield adjustment criteria and applicable yield descriptors and indicators; rounding rules; reporting T-Yields and revised applicable worksheets; variable T-Yields determined on crop basis with exceptions shown on added land; uninsured acreage reporting; situations where cups do not apply; underwriting procedure for apples based upon crop provision 05-054. Added procedure to address RMA ROs issued underwriting guidelines. Removed requirements for RO determined yields for organic crops. Some of the significant changes are listed below. |

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| Sec. 7D | Clarified Selection and RMA RO Approved Yield Calculation Criteria and acreage measurement. Added Yield Descriptors and Indicators, clarifications on acreage measurement with reference to LAM, and provided other clarifications. |
| Sec. 7E(3) | Revised Producer Pre-acceptance Worksheet, added clarification for blocks, blocks shown to three places, month and year must be reported, reporting insurable and uninsurable acreage and commingled production, removed organic and revised statement for production methods that would reduce the insured crop's production from previous levels. |
| Sec. 7F(1) | Clarified, added example, removed chart and updated procedure for new inspections. |
| Sec. 7F(2) | Clarified and added reference similar to 7D. |
| Sec. 7F(2)(b) <u>1</u> | Clarified and added example, references, yield indicator H, block, citrus and macadamia nuts and AIP procedure. |
| Sec. 7F(2)(b) <u>2</u> | Clarified AIP procedure, added block and yield indicators. |
| Sec. 7F(2)(b) <u>3</u> | Clarified procedure in F(2) <u>2</u> do not apply in criteria if F(2) <u>1</u> is applicable. |
| Sec. 7F(2)(b) <u>4</u> | Added requirements for insured request for RMA RO Determined Yields, rounding rules, AIP will approve yields for units/block unless otherwise provided by RMA RO guidelines, clarification that yield limitations Cups and yield substitution (YA) do not apply and standard Category C APH procedures apply for units/blocks that do not meet added test procedure. |
| Sec. 7F(2)(c) | Added blocks, references and yield indicator. |
| Sec. 7F(2)(d) | Removed requirements for organic, added production methods clarification with references and added yield indicators. |
| Sec. 7F(2)(e) | Added reference and yield indicator. |
| Sec. 7F(2)(f) | Added commingled and clarification for agreement in writing. |
| Sec. 7F(3)(a) | Added non-conventional production methods and RMA RO may issue guidelines to waive yearly pre-acceptance field inspections. |
| Sec. 7F(3)(b) <u>3</u> | Removed AIP requirement to send list of policies with RO Determined Yields. |
| Sec. 7G(3) | Added information required and removed enter from instructions, reference and clarification that crop addendum worksheets are part of the Pre-Acceptance Perennial Crop Inspection Report, added example and reference. |
| Sec. 7H | Clarified APH yield calculations for the unit or, if applicable, block, clarified TMA or other characteristics and added examples, clarified reporting and standard variable T-Yield, adjustments for percent stand and descriptor, clarified weighted average T-Yields for mixed unit or block, clarification on insurability, uninsured production with examples and references, commingled assigned yields and worksheet instructions and clarification situations when cups are not applicable, average is now simple average, added excessive actual yields, moved yield descriptors to Exhibit 5 and added yield indicators. |
| Sec. 7I | Clarified new procedure for weighted average T-Yields, revised Block Production and replaced Unit Summary Worksheet with Weighted Average T-Yield Worksheet. |
| Sec. 7J(5)(a) <u>1</u> & <u>2</u> | Added block. Clarified yield cups are not applicable when switching from units to blocks or blocks to units. |
| Sec. 7J(6)(b) <u>2</u> | Clarified that revised APH yields must be reported to RMA through DAS. |
| Sec. 7J(6)(b) <u>4-6</u> | Added additional situations when yield cups do not apply. |

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| Sec. 7K(1) | Added yield descriptor "AY" must be shown, added crop policy requirements for minimum production and maturity, reporting uninsurable average yields, added block, variable yield descriptors, and reporting requirements for NOT showing average yields with references added |
| Sec. 7 K(2) | Added clarifications on added land, and yield used to replace actual yields determined on a unit or block basis, not a crop basis, when records are not provided. These yields remain in the database unadjusted and roll out as the most recent four years of actual/assigned yields are provided, and added required yield descriptors. |
| Sec. 7 L(2) | Updated base period, revised based upon new crop provisions 05-054. |
| Sec. 7 L(11) | Updated peach base period. |
| Sec. 8B & C | Removed Category E, Tobacco Quota Plan and Category F, Tobacco-Guaranteed Production Plan procedures from Section 8 due change to Category B crop. |
| Sec. 8D | Added pecan revenue procedure based upon new crop provisions 05-020 and conversion to permanent program, incorporating R&D-04-046. |
| Sec. 10A(1) | Added Malting Barley, Option A only, to crops with a lag year. |
| Sec. 10B & 10B(1) | Restructured paragraph 10B. In 10B(1), clarified APH instructions for insurable acreage and added instructions for uninsurable acreage that the insured should have reported but did not report and for "uninsured acreage of a second crop that was excluded to collect a full indemnity on the first insured crop. Production reports are now required for uninsurable and uninsured acreage. Defined uninsurable and uninsured acreage for APH. |
| Sec. 10B(2) | Restructured the paragraph for clarity and updated to agree with BP. |
| Sec. 10C(1) | Added Quota Tobacco to the list of APH crops. Clarified that if supporting records are required from a marketing outlet, processor, packer, first handler, etc. and the records are not from a disinterested party, additional supporting documentation is needed. Added test weight pack factor information for stored production. |
| Sec. 10D(1) | Added representative sample information from R&D-04-045 and referred users to the Crop Loss Adjustment Standards Handbooks for appraisal instructions when claims are involved (including crops with revenue components). |
| Sec. 10E | Clarified record retention requirements when using another producer's records. |
| Sec. 11 | Modified procedure related to reconsiderations, mediation and appeals to reflect changes made to the Basic Provisions and to address requests for reconsideration of determinations regarding good farming practices (GFP). |
| Sec. 13 | Clarified deadline for requesting yield adjustments and requirements for Category C APH perennial crops yield adjustments and yield substitution. |
| Sec. 14 | Incorporated Bulletin R&D-04-045. |
| Ex. 1 | Updated procedure contained in Ex. 1. |
| Ex. 5 | Replaced procedure related to Optional Units in Maine, New York and Pennsylvania and Written Unit Agreement Division in Idaho, Oregon and Washington with a chart of Yield Descriptors. |
| Ex. 6 | Added an exhibit incorporating the procedure from R&D-04-045 for approved APH yield reductions. Shading indicates information that has changed, clarified or was added as compared to R&D-04-045. |
| Ex. 8 | Changed certification statements for limited resource farmers to reflect new requirements (R&D-04-045, 7C). |

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| Ex. 11 | Removed Request for Actuarial Change, now located in the WAH. |
| Ex. 13 | Changes to clarify the applicable states with these crop insurance programs in the Davis RMA RO, remove repeated information shown in Section 7, added land clarified Section 7K(2) applies when less than four years of history is provided, and changes made based upon other changes made in the CIH for automation and DAS reporting. |
| Ex. 15 6B | Changes to recognize block, added TMA or other characteristics and added language that when different T-Yields by P/T/V/TMA or other characteristics are applicable and separate acres are available, the commingled worksheet in Sec. 6F(1) may be used to separate the production. |
| Ex. 16 | Changes for automation and DAS reporting were also made in the perennial crop addendum worksheets, added pecans revenue to 1 and 1H, added procedure requirements for insured and uninsured acreage when production is commingled, examples updated based upon new apple crop provisions, automation DAS reporting and procedure changes, with additional clarification, references and added explanations of what examples are intended to demonstrate and can be applied to other regions or perennial Category C APH crops. |
| Ex. 17 | Minor clarifications and the instructions for revising acreage and skip row yields due to the change by FSA in percent planted factors have been removed (revisions were for 2003 crop year). |
| Ex. 18 | Changes for automation of perennial crops similar to Sec. 7 and Ex. 16. Clarified when grove inspections must be done for macadamia, reporting insured and uninsured acreage with example clarified, removed incorrect information on acreage measurement with reference to Sec. 7 and the LAM. |
| Ex. 32 | Incorporated SBI changes from the 05 BP. Clarified entity types and requirements. Renumbered paragraphs. Added language to eliminate certification by partners when written partnership agreement has been provided. |
| Ex. 32 1E | Removed Tobacco Marketing Card Entity Type. |
| Ex. 32 1I | Moved information regarding consequences of not reporting and reporting dates to 1A. |
| Ex. 32 2G(3) | Clarified separate farming operation criteria to reflect requirements of 2005 BP. Clarified that spouses can have separate crop insurance policies due to separate farming operation only if they are legally separated or separate under state law. |
| Ex. 32 9A | Expanded information on public agencies. |
| Ex. 35 | Added allowance for re-calculating SA T-Yields when combining or dividing APH databases due to P/T/V division or combination. |
| Ex. 35 B(2) | Clarified exceptions when only one P/T/V or TMA is involved. |
| Ex. 36 | Removed references of calculating SA T-Yield within a basic unit, and other references indicating that SA T-Yields do not apply to basic units. Modified added crop/P/T/V/TMA to reflect new practice within a farming operation. |
| Ex. 36 10A | Clarified that Insurance Providers may approve determined yields for irrigated practices unless the situation requires an RMA RO approved APH yield. |

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| Ex. 38 | Added definitions of: Denial of Certification, Non-organic Farming Practices, Suspended Certification, and Revoked Certification. Moved from Sec. 3 the following definitions: Buffer Zone, Certified Organic Acreage, Certifying Agent, Organic Agricultural Industry, Organic Plan, Organic Standards, and Transitional Acreage. |
| Ex. 38 2A | Modified to incorporate changes in the 2005 BP. |
| Ex. 38 2B | Modified and clarified language pertaining to exempt insureds. |
| Ex. 38 3A(2) | Clarified certified organic language to be consistent with the Basic Provisions regarding a certification (certificate). |
| Ex. 38 3B | Modified language pertaining to transitional acreage. |
| Ex. 38 3C | Modified language pertaining to recordkeeping requirements. |
| Ex. 38 3D | Modified language for clarity regarding denial of certification, suspended and revoked acreage. |
| Ex. 38 10A-C | Modified APH reporting requirements for certified organic and transitional data. |
| Ex. 38 11 | Modified language and added examples of APH certified organic and transitional databases. |

United States
Department of
Agriculture



**Risk
Management
Agency**

**Product
Development
Division**

**FCIC 18010
(6-05)**

2006 CROP INSURANCE HANDBOOK (CIH)

Underwriting and Actual Production History (APH)
Standards for Catastrophic (CAT), and Additional
Coverage Multiple Peril Crop Insurance (MPCI)
Contracts

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Reserved.

**U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250**

| | | |
|---|--|-------------------------------|
| FEDERAL CROP INSURANCE CORPORATION DIRECTIVE | | NUMBER: 18010 |
| SUBJECT: 2006 FCIC 18010 CROP INSURANCE HANDBOOK (CIH) FOR THE 2006 AND SUCCEEDING CROP YEARS | DATE: <i>June 30, 2005</i> | |
| | OPI: Product Development Division | |
| | APPROVED: <i>Tim B. Witt /s/</i> Deputy Administrator, Research and Development | |

1 (SECTION 1) PURPOSE

To update and transmit clarifications to the 2006 FCIC 18010 Crop Insurance Handbook (CIH) for the 2006 crop year. The CIH provides the underwriting instructions for Multiple Peril Crop Insurance (MPCI) Policies insured at the CATASTROPHIC AND ADDITIONAL COVERAGE levels.

1A Effective Date. Upon approval.

1B Series Replaced.

B(1) The FCIC Handbook dated June 2005 replaces the following issuance systems and individual directives published as:

(1)(a) 2005 FCIC 18010 (06-04)

(1)(b) 2001 Organic Underwriting Guide

(1)(c) MGR Bulletin: MGR-05-001

(1)(d) R&D Informational Memorandum: R&D 04-045

B(2) Conversion of the above issuances will take place upon receipt of this handbook.

1C Issuance Rescinded. This Handbook replaces FCIC 18010 dated 06-04.

DISTRIBUTION Risk Management Agency Directors, Branch Chiefs, Washington, D.C., and Kansas City; Regional and Risk Compliance Field Offices; Reinsured Companies, National Appeals Division, National Crop Insurance Services and Crop Insurance Research Bureau.

JUNE 2005

FCIC 18010

RESERVED

2 STANDARDS AND INSTRUCTIONS**2A Operating Standards**

This handbook is the official publication of the Risk Management Agency (RMA) for all levels of insurance provided under the Multiple Peril Crop Insurance (MPCI) program. MPCI refers to the Multiple Peril Crop Insurance policies available under the Federal crop insurance program and written by Private Insurance Companies reinsured by Federal Crop Insurance Corporation (FCIC). Private Insurance Companies providing insurance are hereafter referred to as "Approved Insurance Providers (AIP)." Approval authorities within RMA and for AIPs are indicated in this handbook. AIPs are delegated the same underwriting authorities as RMA, ONLY when indicated in this handbook (i.e., RMA RO/AIPs). This handbook does not include instructions for Pilot programs or private insurance products submitted to FCIC and approved for Reinsurance or any crop insurance plan with separate underwriting instructions/guidelines.

AIPs that have a Standard Reinsurance Agreement (SRA) with FCIC must use this handbook or comparable procedures approved by RMA to deliver MPCI coverage. This handbook and the sample forms contained within it are the RMA STANDARDS FOR APPROVAL when RMA's approval of comparable procedures and/or forms are requested.

Each AIP is responsible for using RMA approved procedure. If an AIP is audited by a government agency or is selected for an RMA compliance review, the applicable procedure in this handbook or comparable RMA approved standards will be the basis for all determinations. If there is a conflict between this handbook and comparable RMA approved standards issued by an association or AIP, the procedures in this handbook will prevail unless they are determined by RMA to be in error. Exception, the FCIC 24020 Written Agreement Handbook (WAH) controls provisions related to written agreements.

AIPs may develop forms based on their internal needs. The forms must be developed according to RMA's approved standards and procedures contained in this handbook, other approved handbooks or as specified in the FCIC 24040 Document and Supplemental Standards Handbook and provide the required information. All certification statements MUST BE IDENTICAL to the ones approved for use by RMA and the Privacy Act Statement and Nondiscrimination Statement must be included on any form or provided to the insured each time a form is signed that collects information from the insured.

This handbook is written and maintained by:

Office of the Deputy Administrator for Research and Development,
Product Development Division, Underwriting Standards Branch
Kansas City, Missouri
6501 Beacon Drive, Room 403
Telephone (816)-926-7787 FAX (816)-926-1841

If an error is found, notify us in writing at the above address. Outline the error and indicate the proposed correction. Errors may be corrected for the current crop year. Proposed changes should be submitted in writing through your proper organizational channels to the Product Development Division for consideration.

2B Special Instructions.

Items or provisions are applicable to all levels of coverage unless specifically identified as either: 1) applicable to specified levels of coverage or 2) not applicable to specified levels of coverage. When the following symbols are used, the text between the arrows:

(ADD→.....←ADD) Applies ONLY to additional coverage policies.

(CAT→.....←CAT) Applies ONLY to CAT policies.

(NACAT→.....←NACAT) DOES NOT apply to CAT policies.

Procedures and instructions contained in this handbook must be administered on a crop, county and insured entity basis.

3 **ACRONYMS AND DEFINITIONS**3A **Acronyms**

| | | | |
|------------|--|-------|--|
| AAP | Actual Average Percentage | GIPSA | Grain Inspection, Packers, and Stockyards Administration |
| AD | Actuarial Documents | GIS | Graphical Information System |
| AGR | Adjusted Gross Revenue | GPS | Global Positioning System |
| APH | Actual Production History | GRIP | Group Risk Income Protection |
| AR | Acreage Report | GRP | Group Risk Plan |
| AIP | Approved Insurance Provider | GWSS | Glassy Winged Sharpshooter Infestation |
| ARD | Acreage Reporting Date | GYC | Grower Yield Certification |
| ARPA | Agricultural Risk Protection Act | IBR | Inter-tilled Between Rows |
| AUP | American Upland Cotton | IDY | Individual Determined Yields |
| BIA | Bureau of Indian Affairs | IP | Income Protection |
| BP | Crop Insurance Policy Basic Provisions | IRR | Irrigated |
| BUD | Basic Unit Discount Factor | LAM | Loss Adjustment Manual |
| CADB | County Actuarial Document Book | LASH | Loss Adjustment Standards Handbook |
| CAT | Catastrophic Risk Protection | LP | Late Planting |
| Category B | Annual Crops | LPP | Late Planting Period |
| Category C | Perennial Crops | MB | Malting Barley |
| CC | Continuous Cropping | MPCI | Multiple Peril Crop Insurance |
| CCC | Commodity Credit Corporation | MY | Master Yield |
| CCPB | California Cling Peach Board | NAP | National Appeals Division |
| CIH | Crop Insurance Handbook | NASS | National Agricultural Statistics Service |
| CFO | Compliance Field Office (RMA) | NCIS | National Crop Insurance Service |
| CFR | Code of Federal Regulations | NIBR | Not Inter-tilled Between Rows |
| CLU | Common Land Unit | NAP | Non-insured Assistance Program |
| CRC | Crop Revenue Coverage | NFAC | Not following Another Crop |
| CRP | Conservation Reserve Program | NIRR | Non-irrigated |
| CSREES | Cooperative State Research, Education, and Extension Service | NOP | National Organic Program |
| CWC | Chemical Weed Control | NPS | No Practice Specified |
| DAS | Data Acceptance System | NRCS | Natural Resources Conservation Service |
| DP | Default Percentage | OFPA | Organic Foods Protection Act |
| EIN | Employer's Identification Number | OC | Organic Certified |
| ELS | Extra Long Staple Cotton | OT | Organic Transitional |
| EPL/PPS | Eligible Plant Listing/Plant Price Sch. | PAW | Pre-Acceptance Worksheet |
| EU | Enterprise Unit | PDD | Product Development Division (RMA) |
| FAC | Following Another Crop | PF | Percentage Factor |
| FCI-33 | Crop Insurance Actuarial Map | PHTS | Policy Holder Tracking System |
| FCI-35 | Coverage and Rate Table | PP | Prevented Planting |
| FB | Feed Barley | PRD | Production Reporting Date |
| FGIS | Federal Grain Inspection Service | P/T/V | Practice/Type/Variety |
| FCIC | Federal Crop Insurance Corporation | QAF | Quality Adjustment Factor |
| FOSB | Fiscal Operations Standards Branch | RA | Revenue Assurance |
| FPD | Final Planting Date | R&D | Research and Development (RMA) |
| FSA | Farm Service Agency | RMA | Risk Management Agency |
| FSN | Farm Serial Number | RMSD | Risk Management Services |
| GPA | Guarantee Per Acre | RO | Regional Office (RMA) |
| GFP | Good Farming Practices | RYAF | Reference Year Adjustment Factor |

3A Acronyms cont.

| | | | |
|---------|---------------------------------|------|---|
| SA-T | Simple Average T-Yield | UH | Unharvested |
| SBI | Substantial Beneficial Interest | UDO | Unit Division Option |
| SCD | Sales Closing Date | USDA | United States Department of Agriculture |
| SF | Summer Fallow | USWA | United States Warehouse Act |
| SPOI | Special Provisions of Insurance | WA | Written Agreement |
| SRA | Standard Reinsurance Agreement | WAH | Written Agreement Handbook |
| SSA | Social Security Administration | WCE | Winter Coverage Endorsement |
| SSN | Social Security Number | WFU | Whole Farm Unit |
| T-Yield | Transitional Yield | WCWC | Weed Control Without Chemicals |
| TIN | Tax Identification Number | WUA | Written Unit Agreement |
| TMA | T-Yield Map Area | YA | Yield Adjustment |
| UA | Unit Agreement | YBF | Yield Base Factor |

3B Definitions.

Acreage Report - A report required by the basic policy provisions which contains, in addition to other required information, the insured's share of all acreage of an insured crop in the county whether insurable or not insurable.

Acreage Reporting Date - The date by which insureds are required to submit acreage reports. Acreage reports must be filed not later than the acreage reporting date contained in the Special Provisions for the county for the insured crop or as provided in the basic policy provisions.

Actual Yield - The yield **per acre** for a crop year calculated from the **production** records and/or claims for indemnities. The actual yield is determined by dividing total production (**which** includes harvested and appraised potential production) by planted (insurable) acres (unless production from uninsurable acreage is commingled with production from insurable acreage [See Sec. 10 B (2)]).

Added Land - is cropland acreage (irrespective of crops) added for the current crop year to the insured person's farming operation within the county [See Exhibit 32 for insured person information and Exhibit 36 for Added Land Procedures].

Added Crop, Practice, Type, or Variety (P/T/V) – An insured crop or P/T/V of the insured crop as identified on the actuarial document that requires a separate APH yield, administered on a county/crop basis, for which the insured has NOT been actively engaged in farming for a share of the P/T/V's production on the unit. [See Exhibit 36.]

Additional Coverage - A level of coverage greater than catastrophic risk protection.

Additional Price - The price per unit of production (or other basis as determined by FCIC) anticipated during the period the insured crop normally is marketed by producers. This price will be set and announced by RMA not less than 15 days prior to the sales closing date (SCD) for the crop. Applicable for the following crops: Barley, Corn, Grain Sorghum, Hybrid Corn Seed, Hybrid Sorghum Seed, Malting Barley, Oats, Rye, Soybeans, and Wheat.

Administrative Fee - The annual fee that the producer must pay in addition to the premium (if any) for additional, or catastrophic coverage [See Sec. 4 B(1)].

Agricultural Commodity - Any crop or other commodity produced, regardless of whether or not it is insurable.

Agricultural Experts - Person(s) 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.

Applicable T-Yield - Transitional yields (T-Yield) in effect for an APH database. For instance, if a SA T-Yield is in effect for an APH database, the SA T-Yield is the applicable T-Yield for the APH database for purposes such as yield substitution or yield limitations; or, if a published T-Yield is in effect for an APH database, the published T-Yield is the applicable T-Yield for the APH database for purposes such as yield substitution or yield limitations.

Appraised Production - Production determined by the AIP for unharvested acreage, reflecting the potential production for the crop at the time of the appraisal. Appraisals made for production LOST due to insured or uninsured cause(s) of loss are not considered production for APH purposes. Only potential production remaining in the field at the time of the appraisal is used for APH purposes. (Applies to both APH appraisals and appraisals made to determine a loss.)

Approved APH Yield/Approved Yield - The actual production history (APH) yield, calculated and approved by the verifier, used to determine the production guarantee by summing the yearly actual, assigned, adjusted or unadjusted transitional yields and dividing the sum by the number of yields contained in the database, which will always contain at least four yields. The database may contain up to 10 consecutive crop years of actual or assigned yields. The approved yield may have yield adjustments elected under applicable policy provisions, **yield revisions/reductions** or other limitations according to FCIC approved procedures applied when calculating the approved yield.

Approved Insurance Provider - A legal entity, including the Company, which has entered into a Standard Reinsurance Agreement with FCIC for the applicable reinsurance year.

Area - Land surrounding the insured acreage with geographic characteristics, topography, soil types and climatic conditions similar to the insured acreage.

Assigned Yield - A yield assigned (by the verifier) for the most recent APH crop year in the base period (by database) if carryover insureds do not file acceptable production reports by the production reporting date, as required by the crop insurance contract. The assigned yield is 75 percent of the previous year's approved APH yield. Assigned yields are used in the same manner as actual yields when calculating APH yields.

Average APH Yield - The yield, calculated by summing the yearly actual (including those actual yields reduced in accordance with policy), assigned, adjusted or unadjusted T-Yield and dividing the sum by the number of yields contained in the database, prior to any elected adjustments or limitations according to the policy or FCIC approved procedures.

Base Period - Ten consecutive APH crop years (five consecutive APH crop years for Apples and Peaches) immediately preceding the current policy crop year (defined in the applicable insurance policy) for which the approved APH yield is being established. Exceptions: the base period for AZ-CA Citrus, Macadamia Nuts, **Malting Barley [Option A only]**, Sugarcane, Texas Citrus Fruit and Tobacco [type 61, cigar wrapper] begins two calendar years preceding the current policy crop year (a lag year). The base period for each APH database is determined by the consecutive APH CROP YEARS it contains, not by calendar years.

Block - Trees, vines or bushes in an orchard, vineyard, bog, of a single or mixed age and density, separated by applicable practice, type, variety, different TMA, or other characteristics shown in the actuarial documents (e.g., early, mid, late peaches).

Carryover Insured - A person or entity who was insured the previous year without respect to the carrier or agent, determined on a crop policy (by county) basis. If the insured had MPCI, Income Protection, Crop Revenue Coverage, Revenue Assurance, Group Risk Protection, Group Risk Income Protection, or other RMA approved crop insurance policy and switches from one plan of insurance to another plan, that person or entity is considered a carryover insured.

Catastrophic Risk Protection (CAT) - The minimum level of coverage offered by RMA which meets the requirements for a person to qualify for certain other USDA program benefits. Catastrophic Risk Protection is referred to as “CAT” or “CAT coverage” in this handbook. [See Sec. 4, C(5) and Sec. 4, E(1) for additional explanations.]

Code of Federal Regulations - The codification of general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. Rules published in the Federal Register by FCIC are contained in 7 CFR chapter IV. The full text of the CFR is available in electronic format at <http://www.access.gpo.gov/> or a successor website.

Common Land Unit - The smallest unit of land that has: a permanent, contiguous boundary; common land cover and land management; common owner and common producer association.

Continuous Production Reports - Production reports submitted by a producer for each consecutive APH crop year (within the base period), including the most recent APH crop year in the base period. Continuity is not interrupted if for any calendar year the crop was not planted, prevented from being planted by an insurable cause, or NOT produced for an insurable purpose. Rules for reporting continuity of records apply to applicants/insureds certifying percentages of grade or other applicable grade factors when applicable. [See Sec. 10, Par. A(2), B(1) and (2).]

Contract - see “Policy”.

Conventional Farming Practice - A system or process for producing an agricultural commodity, excluding organic farming practices, that is necessary to produce the crop that may be, but is not required to be generally recognized by agricultural experts for the area to conserve or enhance natural resources and the environment.

County – Any county, parish, or other political subdivision of a state listed in the actuarial table and designated on the accepted application (“county” includes acreage in a field that extends into the adjoining county or state if the county or state boundary is not readily discernable). (For quota tobacco, “county” includes any land identified by an FSA farm serial number for the county but physically located in another county.)

Cover Crop - A crop generally recognized by agricultural experts as agronomically sound for the area for erosion control or other reasons related to conservation or soil improvement. A cover crop may be considered to be a second crop (see the definition of “second crop”).

Crop of Economic Significance - A crop or a type or variety of a crop (if the applicable policy allows the option to separately insure individual crop types or varieties), that has either contributed in the previous crop year, or is expected to contribute in the current crop year, 10 percent (10%) or more of the total expected value of the producer's share of all crops grown in the county. However, a crop will not be considered a crop of economic significance if the expected liability under the CAT Endorsement is equal to or less than the administrative fee (\$100 per crop per county).

Crop Year -

APH Crop Year. For APH purposes, the term does not include any year the crop was not planted, prevented from being planted by an insurable cause, or NOT produced for an insurable purpose as provided in the crop's policy. [See Sec. 10, Par. B(2).]

Example 1: When an insured plants insurable acreage in a county to wheat for harvest as grain, that year is a crop year for APH data purposes. If the land is summerfallowed the next calendar year, that year is not a crop year for APH data purposes.

Example 2: A year that oats were planted as a cover crop, pastured, or put up for hay is not considered an APH crop year unless such acreage was reported and insured as "intended for harvest as grain" under the MPCI contract.

Policy Crop Year. The period within which the insured crop is normally grown, regardless of whether or not it is actually grown and designated by the calendar year in which the insured crop is normally harvested, unless otherwise specified in the crop provisions.

Database - The data used to calculate the average/approved APH yield. A minimum of four up to a maximum of ten continuous APH CROP YEARS of production data are used. The data provided must begin with the most recent APH CROP YEAR. Years containing assigned yields do not break continuity of production data and are considered APH CROP YEARS.

Days - Calendar days.

Disinterested Third Party - A person who does not have any familial relationship (parents, brothers, sisters, children, spouse, grandchildren, aunts, uncles, nieces, nephews, first cousins, or grandparents, related by blood, adoption or marriage, are considered to have a familial relationship) with the insured or who will not benefit financially from the sale of the insured crop. Persons who are authorized to conduct quality analysis in accordance with the Crop Provisions are considered disinterested third parties unless there is a familial relationship.

Double Crop - Producing two or more crops for harvest on the same acreage in the same crop year.

Enterprise Unit - All insurable acreage of the insured crop in the county in which an insured has a share on the date coverage begins for the crop year. To qualify, an enterprise unit must contain all of the insurable acreage of the same insured crop in:

- (1) One or more basic units that are located in two or more separate sections, section equivalents, FSA farm serial numbers, or units established by written agreement, with at least some planted acreage in two or more separate sections, section equivalents, FSA farm serial numbers, or two or more separate units as established by written agreement; or
- (2) Two or more optional units established by separate sections, section equivalents, FSA farm serial numbers, or as established by written agreement, with at least two optional units containing some planted acreage.

Established Price - The price per unit of production issued by RMA by each crop's filing date.

Federal Crop Insurance Corporation - The Federal Crop Insurance Corporation, a wholly owned Government Corporation administered by the Risk Management Agency within USDA.

Field - All acreage of tillable land within a natural or artificial boundary (e.g., roads, waterways, fences, etc.). Different planting patterns or planting different crops do not create separate fields. A field may be identified by a FSA FSN and field or CLU (Common Land Unit) number.

Final Planting Date - The date contained in the Special Provisions for the insured crop by which the crop must initially be planted in order to be insured for the full production guarantee or amount of insurance per acre.

First Insured Crop - With respect to a single crop year and any specific crop acreage, the first instance that an agricultural commodity is planted for harvest or prevented from being planted and is insured under the authority of the Act. For example, if winter wheat that is not insured is planted on acreage that is later planted to soybeans that are insured, the first insured crop would be soybeans. If the winter wheat was insured, it would be the first insured crop.

Farm Service Agency - The Farm Service Agency, an agency of the United States Department of Agriculture, or a successor agency.

Farm Service Agency Farm Serial Number - The number assigned to the farm by the Farm Service Agency county committee.

Generally Recognized - When agricultural experts or the organic agricultural industry, 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 the organic agricultural industry for the area or contained in the organic plan that is in accordance with the National Organic Program published in 7 CFR part 205. The AIP may determine whether or not production methods are considered to be good farming practices or the AIP or the insured may through the AIP, contact FCIC to determine whether or not production methods will be considered to be "good farming practices."

Gross Production - Net delivered production of the commodity (by removing truck weight and other weights which are considered tare from the gross scale weight) prior to deductions made for dockage, test weight, moisture content, poor quality, foreign material, etc. For APH purposes, harvested or appraised gross production, documented in the unit of measure indicated by the crop's policy, is acceptable. However, when acceptable records that indicate dockage, low test weight, high moisture content, poor quality, foreign material, etc., are available at the time production reports are filed, gross production MUST be adjusted for APH purposes to reflect the same quality of production as provided in the crop's policy for loss payment purposes. [See Sec. 6, Par. J and Sec. 7, Par. L for additional instructions for each crop.]

Household - A domestic establishment including the members of a family (parents, brothers, sisters, children, spouse, grandchildren, aunts, uncles, nieces, nephews, first cousins, or grandparents, related by blood, adoption or marriage, are considered to be family members) and others who live under the same roof.

Insured - A person who has applied for crop insurance and whose application has been accepted or who holds a crop insurance policy that was in effect for the previous crop year and continues to be in effect for the current crop year. The named person as shown on the application accepted by the AIP. This term does not extend to any other person having a share or interest in the crop (for example, a partnership, landlord, or any other person) unless specifically indicated on the accepted application [See Exhibit 32].

Insured Crop - The crop in the county for which coverage is available under the insured's policy as shown on the application accepted by the AIP.

Intended Crop - A crop stated on the application submitted on or before the crop's SCD which the insured intended to plant the crop year for which application is made. ("Intended crop" is used in conjunction with substitute crop determinations.)

Irrigated Practice - A method of producing a crop by which water is artificially applied during the growing season by appropriate systems and at the proper times, with the intention of providing the quantity of water needed to produce at least the yield used to establish the irrigated production guarantee or amount of insurance on the irrigated acreage planted to the insured crop.

Late Planted - Acreage initially planted to the insured crop after the final planting date.

Late Planting Period - The period that begins the day after the final planting date for the insured crop and ends 25 days after the final planting date, unless otherwise specified in the Crop Provisions or Special Provisions. For acreage planted during the late planting period, coverage is reduced according to the crop's policy provisions.

Liability - The dollar amount of insurance coverage used in the premium computation for the insured agricultural commodity.

Limited Resource Farmer -

A limited resource farmer is a person with:

- (1) Direct or indirect gross farm sales not more than \$100,000.00 in each of the previous two years (to be increased starting in fiscal year 2004 to adjust for inflation using Prices Paid by Farmer Index as compiled by National Agricultural Statistical Service (NASS)); and
- (2) A total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income in each of the previous two years (to be determined annually using Commerce Department Data). See http://www.nrcs.usda.gov/programs/smlfarmer_v2/help.htm for the actual dollar amount adjusted for inflation. The Limited Resource Self Determination Tool may be used to determine if an insured qualifies as a limited resource farmer.

However, a person will be considered as a limited resource farmer if insured prior to the 2005 crop year, or for the 2005 crop year on a crop with a contract change date prior to August 31, 2004, and administrative fees were waived for one or more of those crop years because the insured qualified as a limited resource farmer under the limited resource farmer definition in effect at the time, and the insured remains qualified as a limited resource farmer under the following definition: a producer or operator of a farm with an annual gross income

of \$20,000 or less derived from all sources of revenue, including income from a spouse or other members of the household, for each of the prior two years. Notwithstanding the previous sentence, a producer on a farm or farms of less than 25 acres (aggregated for all crops), where a majority of the producer's gross income is derived from such farm or farms but the producer's gross income from farming operations does not exceed \$20,000, will be considered a limited resource farmer. (For example, a producer farming 20 acres with a total gross income of \$39,000, of which \$20,000 is farm income and \$19,000 is off-farm income, is a limited resource farmer.)

Linkage Requirement - The legal requirement that a producer must obtain crop insurance as a condition of eligibility for certain United States Department of Agriculture (USDA) programs. Linkage requirements are outlined in each agency's procedures and are administered by each respectable agency.

Linkage requirements vary based on USDA program requirements, therefore the applicable USDA office should be contacted for guidance based on the producer's participation in various USDA programs.

New Insured - A person who was not insured the previous crop year without respect to the carrier or agent. If the insured had an MPC, Income Protection, Crop Revenue Coverage, Revenue Assurance, Group Risk Protection, Group Risk Income Protection, or other RMA approved crop insurance policy the previous crop year on the same crop/county, that person is not a new insured.

New Producer - (CATEGORY B CROPS ONLY) A person who has not been actively engaged in farming for a share of the production of the insured crop (producing the crop) in the county for more than two APH crop years. Formation or dissolution of an entity which includes individuals with more than two APH crop years of production history during the base period does not qualify the new entity as a new producer for APH yield determination purposes.

Non-contiguous - Acreage of an insured crop that is separated from other acreage of the same insured crop by land that is neither owned by the insured nor rented by the insured for cash or a crop share. However, acreage separated by only a public or private right-of-way, waterway, or an irrigation canal will be considered as contiguous.

Organic Farming Practice - A system of plant production practices approved by a certifying agent in accordance with 7 CFR part 205. [See Exhibit 38 for Organic Underwriting Procedures.]

Person - An individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a state or a political subdivision or agency of a state. "Person" does not include the United States Government or any agency thereof.

Planted Acreage - Land in which seed, plants, or trees have been placed as appropriate for the insured crop and planting method, at the correct depth, into a seedbed that has been properly prepared for planting method and production practice.

Policy - (also see "Contract") The agreement between the insured and the AIP to insure an agricultural commodity and consisting of the accepted application, the Basic Provisions, the Crop Provisions, the Special Provisions, other applicable endorsements or options, the actuarial documents for the insured agricultural commodity, the Catastrophic Risk Protection Endorsement, if applicable, and the applicable regulations published in 7 CFR chapter IV. Insurance for each agricultural commodity in each county will constitute a separate policy.

Practical to Replant - The AIP's determination, after loss or damage to the insured crop, based on all factors, including, but not limited to, moisture availability, condition of the field, time to crop maturity, and marketing window, that replanting the insured crop will allow the crop to attain maturity prior to the calendar date for the end of the insurance period. It will be considered to be practical to replant regardless of availability of seed or plants, or the input costs necessary to produce the insured crop such as those that would be incurred for seed or plants, irrigation water, etc.

Preliminary Yield - The APH yield calculated by the agent prior to approval by the verifier. Preliminary yields are used to provide coverage estimates and premium quotations and are calculated using the same procedure as approved APH yields.

Prevented Planting - Failure to plant the insured crop with proper equipment by the final planting date designated in the Special Provisions for the insured crop in the county. The insured may also be eligible for a prevented planting payment if the insured failed to plant the insured crop with the proper equipment within the late planting period [see Small Grains Crop Provisions for applicable definition]. The insured must have been prevented from planting the insured crop due to an insured cause of loss that is general in the surrounding area and that prevents other producers from planting acreage with similar characteristics.

Prior APH Yield - The approved APH yield from the previous year's APH form.

Production Guarantee (Per Acre) - The number of pounds, bushels, tons, cartons, or other applicable units of measure determined by multiplying the approved yield/approved APH yield per acre by the coverage level percentage elected.

Production Report - A written record showing the insured's annual production used to determine the insured's yields for insurance purposes. The report contains yield information for previous years, including planted acreage and harvested production. This report must be supported by written verifiable records from a warehouseman or buyer of the insured crop or by measurement of farm-stored production, or by other records of production approved by the AIP on an individual case basis.

Production reports may be APH forms or documents containing the same information required to complete APH forms. The insured must certify acreage and production for each unit of the crop for at least the most recent APH crop year in the base period. To be acceptable, production reports must meet the requirements as outlined in this handbook and be signed, dated, and submitted by the insured on or before the PRD.

Production Reporting Date - The latest date production reports will be accepted for inclusion in the database used to calculate approved APH yields for the current crop year. The PRD is the earlier of the acreage reporting date or 45 calendar days after the earliest cancellation date for the crop for the current crop year unless otherwise stated in the Special Provisions (e.g., the Sugar Beet Special Provisions in certain CA counties with a Spring, Summer, and/or Fall harvest practice defines the PRD as the acreage reporting date). The PRD is not extended when the cancellation date occurs on a Saturday, Sunday, Federal holiday or a day the agent's office is closed. If the PRD actually occurs on one of these days, production reports may be accepted through the next business day.

If a crop has both a spring and fall SCD, and application for insurance is made after the earlier SCD or land is added after the PRD (e.g., leased after the PRD) on which the spring type will be planted, the initial PRD is the earlier of the acreage reporting date or 45 calendar days after the spring SCD. Insurance does not attach to the acreage planted to the type with the earlier SCD if application is made after the earlier SCD.

Prohibited Substance - Any biological, chemical, or other agent that is prohibited from use or is not included in the organic standards for use on any certified organic, transitional or buffer zone acreage. Lists of such substances are contained at 7 CFR part 205.

Rate Yield - The yield used to determine the premium rate if the approved APH yield is based on a yield substitution or a yield floor.

Replanted Crop - The same agricultural commodity replanted on the same acreage as the first insured crop for harvest in the same crop year if the replanting is specifically made optional by the policy and **the insured elects** to replant the crop and insure it under the policy covering the first insured crop, or replanting is required by the policy.

Replanting - Performing the cultural practices necessary to prepare the land to replace the seed or plants of the damaged or destroyed insured crop and then replacing the seed or plants of the same crop in the same insured acreage. **The same crop does not necessarily mean the same type or variety of the crop unless different types or varieties constitute separate crops or it is otherwise specified in the policy.**

Risk Management Agency Regional Office - The Risk Management Agency Field Underwriting and Program Services Office for a designated area (states). [See Exhibit 12 for list of offices and states served.]

Risk Management Agency Regional Office Determined Yields - The approved APH yield determined by the RMA RO for insureds who do not provide at least four years of acceptable production reports when a T-Yield Table is not published; or for other cases referred to the RO for yield determinations. [See Exhibit 34 for RO Determined Yield Request.]

Second Crop - With respect to a single crop year, the next occurrence of planting any agricultural commodity for harvest following a first insured crop on the same acreage. The second crop may be the same or a different agricultural commodity as the first insured crop, except the term does not include a replanted crop. A cover crop, planted after a first insured crop and planted for the purpose of haying, grazing or otherwise harvesting in any manner or that is hayed **or** grazed **during the crop year**, or **that is** otherwise harvested is considered **to be** a second crop. A cover crop that is covered by FSA's noninsured crop disaster assistance program (NAP) or receives other USDA benefits associated with forage crops will be considered as planted for the purpose of haying, grazing or otherwise harvesting. A crop meeting the conditions stated herein will be considered to be a second crop regardless of whether or not it is insured. Notwithstanding the references to haying and grazing as harvesting in the Basic Provisions, for the purpose of determining the end of the insurance period, harvest of the crop will be as defined in the applicable Crop Provisions.

Secretary - The Secretary of the United States Department of Agriculture.

Section - **(for the purposes of unit structure) A unit of measure under a rectangular survey system describing a tract of land usually one mile square and usually containing approximately 640 acres.**

Share - The insured's percentage of interest in the insured crop as an owner, operator, sharecropper, or tenant at the time insurance attaches. However, only for the purposes of determining the amount of indemnity, the insured's share will not exceed the insured's share at the earlier of the time of loss or the beginning of harvest. Unless the accepted application clearly indicates that insurance is requested for a partnership or joint venture, or is intended to cover the landlord's or tenant's share of the crop, insurance will cover only the share of the crop owned by the person completing the application. The share will not extend to any other person having an interest in the crop except as may otherwise be specifically allowed in the Basic provisions.

Cash Lease (100 Percent Share). Acreage rented for cash is considered a cash lease. A lease containing provisions for either a minimum payment or a crop share will be considered a cash lease.

Crop Share. Acreage rented for a percentage of the crop will be considered a crop share lease. A lease containing provisions for both a minimum payment (such as a specified amount of cash, bushels, pounds, etc.) and a crop share will be considered a crop share lease.

Simple Average T-Yields - Simple Average T-Yields are calculated from the individual producer's yield data by determining a simple average of all APPROVED APH yields by P/T/V/TMA for databases that contain at least one actual or assigned yield for the crop for the insured's farming operation for the county.

Substantial Beneficial Interest - An interest held by any person of at least 10 percent in the insured. The spouse of any individual applicant or individual insured will be considered to have a SBI in the applicant or insured unless the spouses can prove they are legally separated or otherwise legally separate under state law. Any child of an individual applicant or individual insured will not be considered to have a SBI in the applicant or insured unless the child has a separate legal interest in such person. For example, there are two partnerships that each have a 50 percent interest in the insured and each partnership is made up of two individuals, each with a 50 percent share in the partnership. In this case, each individual would be considered to have a 25 percent interest in the insured, and both the partnerships and the individuals would have a SBI in the insured (The spouses of the individuals would not be considered to have a SBI unless the spouse was one of the individuals that made up the partnership). However, if each partnership is made up of six individuals with equal interests, then each would only have an 8.33 percent interest in the insured and although the partnership would still have a SBI in the insured, the individuals would not for the purposes of reporting SBIs.

Substituted Yield - A yield established by multiplying the applicable T-Yield by 60 percent. [See Section 13 for APH Yield Adjustment procedures.]

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 the environment.

Temporary Yield - A yield used (by unit) when an insured is unable to finish harvest (due to an insurable cause), or records are unavailable from the processor, marketing outlets, etc., by the production reporting date. The temporary yield is considered an actual yield when determining the number of actual or assigned yields for APH calculation purposes. The temporary yield is valid for one year only and a production report indicating the actual yield for that year must be filed by the following year's production reporting date or assigned yield provisions will apply.

Tenant - A person who rents land from another person for a share of the crop or a share of the proceeds of the crop (see the definition of "share" above).

Timely Planted - Planted on or before the final planting date designated in the Special Provisions for the insured crop in the county.

Transitional Yield - An estimated yield provided in the Actuarial Table which is used in calculating average/approved APH yields when less than four years of actual, temporary, and/or assigned yields are available on a crop by county basis.

Any actuarial document references to Determined Yields ("D" Yields) are considered T-Yields for APH purposes.

T-Yield Map - A county map indicating area classifications and corresponding T-Yields. T-Area classifications are used in conjunction with the T-Yield table to determine T-Yields.

Unit - The insurable acreage of the insured CROP in the COUNTY taken into consideration when determining the approved APH yield, production guarantee/amount of insurance, and the amount of any indemnity (loss payment). Each insured crop's unit structure is defined in the policy and/or respective endorsement.

Variable T-Yields - Sixty-five, 80, 90, or 100 percent of the applicable T-Yield based on the number of years of actual, assigned, or temporary yields provided on a crop (policy) and county by the insured for Category B & C Crops.

Verifier - An AIP authorized by RMA to calculate approved APH yields.

Waiver (Administrative Fees) - A document that, when signed by limited resource farmers, exempts them from paying the administrative fee.

Waiver (Linkage) - An FSA document that, when signed by a producer relinquishes that producer's eligibility for emergency crop loss assistance and may or may not satisfy linkage requirements depending on FSA program requirements. Linkage requirements are outlined in FSA procedures.

Local FSA offices should be contacted for guidance based on the producer's participation in various FSA programs.

Whole-Farm Unit - All insurable acreage of two or more insured crops planted in the county in which the insured has a share on the date coverage begins for each crop for the crop year. All crops for which the whole farm unit structure is available must be included in the whole farm unit. At least two of the insured crops must each constitute at least 10 percent of the total liability of all insured crops in the whole farm unit, and all crops in the unit must be insured under the same plan of insurance and with the same AIP.

Written Agreement - A document that alters designated terms of an additional coverage policy and that is authorized under the basic provisions, the crop provisions, or the Special Provisions for the insured crop.

Yield Limitations/Yield Floor - Adjustments made to average APH yields, when applicable, which result in the approved APH yield. [See Sec. 6, Par. I and Sec. 7, Par. J(5).]

Zero Acreage Report - An acreage report filed by an insured that certifies the insured does not have a share in insurable acres of the crop for that crop year.

4 GENERAL RULES

4A Insurance Offer.

Insurance is available when crop information is contained in the county actuarial documents for a particular crop. In addition to listing eligible crop programs for the county, the county actuarial tables include sales closing and other program dates, CAT and other available price elections, coverage levels, dollar amounts of protection, risk classifications and the corresponding rates. The applicable county actuarial documents are a part of the insurance contract.

A(1) **Eligible crops** are crops with an applicable MPCl crop policy. Eligible crops must be grown on insurable acreage in a county for which a method of establishing insurance yields/guarantees and premium rates has been established for the crop in order for insurance to attach. See [Par. D(2)] of this Section for insurance limitations concerning multiple crops planted on the same acreage for harvest during the same crop year. See [Exhibit 1] for a listing of:

(1)(a) Eligible Crops;

(1)(b) Applicable FCIC/NCIS Crop Insurance Policies;

(1)(c) Coverage Plans, APH Tolerances;

(1)(d) Availability of Late and Prevented Planting Coverage;

(1)(e) (NACAT→ Availability of Replant Coverage←NACAT);

(1)(f) Units of Measure;

(1)(g) Type of Units Which Apply; and

(1)(h) (NACAT→ Availability of High-Risk Land Exclusion.←NACAT)

A(2) **Insurable Farming Practices.** The Basic Provisions (BP), Crop Provisions (CP) and Special Provisions of Insurance (SPOI) from the county actuarial documents may provide for or exclude from insurability certain farming practices. Refer to those documents for specific information. (NACAT→When permitted by the policy, coverage by written agreement for unrated farming practices may be requested from the RMA RO [See Par. 4G and the Written Agreement Handbook (WAH)]←NACAT).

(2)(a) Summerfallow (SF) is an insurable practice in some areas of the country. The SF practice uses mechanical tillage or chemicals on uncropped land during the summer to control weeds and store moisture for the growth of a later crop. To qualify as SF for the current crop year, the land must not have been planted to a crop in the preceding crop year and lie fallow for a full crop year except for the situations in Par. 3.

1 Summerfallow practices must be consistent with National Resources Conservation Service (NRCS) soil erosion control measures and recommended summerfallow practices for the area with regard to method(s), frequency, and adequacy of tillage and/or chemical control.

- 2** SF Date. Termination of plant growth is required prior to the date designated for the area listed below, followed by a continuous chemical and/or mechanical weed control program. Plant growth termination dates are:
- a** May 1, California;
 - b** June 15, North Dakota, South Dakota and Montana; and
 - c** June 1, all other states (e.g., June 1, 2005, to qualify as SF for the 2006 crop year).
- 3** **Exceptions.** The following are exceptions to the rule that the land must not have been planted to a crop in the preceding crop year. If a crop was planted the preceding crop year (e.g., for the 2006 crop year, a crop planted in either the fall of 2004 or spring of 2005 for harvest during the 2005 crop year) and was not harvested, acreage that:
- a** Qualified for the SF practice on which the crop failed and/or was destroyed before the date specified [in Par. (2)(a)2] of the preceding crop year, and all other summerfallow requirements were carried out, qualifies for the SF practice for the current crop year (e.g., for 2006, a crop planted on such acreage in either the fall of 2005 or spring of 2006 qualifies for the SF practice). Such acreage put to another use with the AIP's consent and planted to a different (second) crop also qualifies for the SF practice if SF is an applicable practice.
 - b** Did not qualify for the SF practice, the crop failed and/or was destroyed before the date specified [in Par.(2)(a) 2] of the preceding crop year does not qualify for the SF practice. A crop planted in the same crop year that the crop failed and/or was destroyed will NOT qualify for the SF practice. However, a crop planted on such acreage in the spring of the following crop year qualifies for the SF practice.
- 4** Representative sample areas left for loss adjustment purposes that are destroyed (within 30 days after the date specified [in Par. (2)(a)2]) qualifies for the SF practice if the remainder of the field qualifies for the SF practice. However, if the representative sample areas are not destroyed by the applicable date, the acreage left in the sample areas will be considered sub-fields and will not qualify for the SF practice.

(2)(b) **Skip-Row Planting Patterns.** Except for crops and counties listed in Paragraphs 1-3 that follow, skip-row planting (row widths exceeding 40 inches) is NOT an established practice contained on the county actuarial documents and a policy exception (PE) written agreement is required to insure skip-row planted acreage of an otherwise insurable crop [see Par. 4G and WAH for written agreement instructions]. Requests to insure skip-row planting patterns for any crop must be accompanied by APH form(s) for the most recent three APH crop years completed as indicated in Par. (2)(b)3 below. Once insured APH forms/databases must continue to be completed as indicated in (2)(b)3. Skip-row planting patterns are insurable without a written agreement for the following crops:

- 1 Tree, bush and vine crops normally planted in rows wider than 40 inches subject to any applicable policy row spacing limitations.
- 2 Cotton in all counties with a cotton insurance program [see Exhibit 17 for skip-row instructions].
- 3 Grain Sorghum, including but not limited to the following Texas counties, Andrews, Concho, Jones, Runnels, and Tom Green. Contact the RMA Regional Office concerning insurability of skip-row planted acreage in other counties. To insure acreage planted in skip-row planting patterns:
 - a A separate APH form/database must be established for acreage planted in skip-row planting patterns and for solid-planted acreage. Skip-row production reports/databases must be identified and the corresponding Type 15 Records transmitted to RMA must be identified by "S" yield indicators.
 - b Skip-row acres for each crop year reported must be converted to solid-plant using the current FSA percent planted factors [see percent planted table Exhibit 17].
 - c Actual yields for each crop year reported that was planted in a skip-row planting pattern must be calculated by dividing the production by the solid-planted acres. Yield conversion factors do not apply to the acreage planted in qualifying skip-row planting patterns.
 - d Skip-row acreage must be converted to solid-plant for acreage report purposes.

A(3) **Crop Policy and/or County Actuarial Document Revisions.** Such revisions must be on file with the AIP by the contract change date specified in the crop policies preceding the crop year for which the changes are to become effective.

A(4) **Crop Provisions with More Than One Insurable Crop.** The AZ&CA Citrus, Coarse Grains, Florida Citrus, Grapes (CA only), Small Grains, Stonefruit, Texas Citrus Fruit, Texas Citrus Trees, and Guaranteed Tobacco CP include more than one crop; however, these CP allow insureds to designate which of the crop(s) are to be insured. The crop provisions may indicate that type(s) or variety(ies) (e.g., Fresh Apricots and Processing Apricots insured under the Stonefruit Crop Provisions) are separate insured crops. Refer to the applicable CP [Insured Crop section] or the SP to determine the separate insurable crops. Each crop under the same CP that may be insured separately must be charged a separate administrative fee.

Example: A producer selects additional coverage on two AZ&CA Citrus crops (types) that may be insured separately. CAT coverage is selected on the remaining insurable crops (types) grown. Two \$30 additional coverage administrative fees will be charged for the additional coverage and a CAT administrative fee of \$100 per crop.

- A(5) **Term.** MPCl policies are continuous contracts and remain in force until: 1) canceled in writing by either the insured or the AIP on or before the cancellation date for the effective crop year, 2) the policy is terminated by the AIP because the applicable administrative fee or any other unpaid amount (e.g., overpaid indemnity, premium) was not paid. The cancellation and termination dates are found in the applicable CP.
- (5)(a) **Cancellation.** The insured or AIP may cancel a continuous policy for any crop year following the initial crop year insured by giving a signed notice to the other party on or before the cancellation date that precedes the crop year. A request made by the insured to cancel a crop/policy after the cancellation date will be effective the following crop year.

Insurance on a crop may not be canceled the first effective policy year by the insured, except when:

- 1 **(NACAT→**A change is made in the policy or actuarial documents (SPOI or rates) which adversely affects the coverage or rate and was not filed at the time of application. If an application is taken before revised rates and rules filing, the applicant will be advised by the AIP of any change that would adversely affect the insured crop. The applicant will then have the option to cancel such crop(s) on or before the cancellation date. **←NACAT)**
- 2 **(NACAT→**The approved APH yield has been lowered by more than five percent compared to the preliminary yield quoted [see Sec. 11, Par. G], or the AIP was not authorized to calculate the preliminary yield and the approved yield is not acceptable to the insured. **←NACAT)**
- 3 AIPs agree. A policy written with one AIP may not be canceled for the purpose of insuring with another agent/AIP the first effective crop year without the consent of the AIP involved. However, a change in **insurance plans** is allowed and must be made before the earlier of the applicable cancellation or SCD (e.g., an insured purchased Crop Revenue Coverage (CRC) on Wheat, Corn and Soybeans in the fall, and prior to the applicable cancellation or spring SCD the insured requests Multiple Peril Crop Insurance (MPCl) instead of CRC on Corn and Soybeans).

(5)(b) **(CAT→Termination.** The AIP will terminate **coverage under** the CAT Endorsement:

1 And the crop policy for which the insured fails to pay the CAT administrative fee by the date due. In the case of partial payment of fees involving multiple crops, there may be a question concerning which policy(ies) should be terminated and which should remain insured. If so, contact the producer to make this determination.

CAT coverage is not available to persons whose MPCl policies have been previously terminated for non-payment of premium or indebtedness to RMA or the AIP and the unpaid premium/debt has not been satisfied.

2 If the insured purchases additional coverage from a different AIP, transfer procedure must be followed.

3 At the end of the crop year if the crop policy to which the CAT Endorsement attaches automatically terminates (i.e., the policy must be renewed each crop year). **←CAT)**

(5)(c) **(NACAT→Termination for Non-payment of Premium.** The policy provides for termination of the contract for the next crop year if any of the premium remains unpaid as of the termination date for non-payment of premium (which precedes that crop year). A policy issued by a new AIP will be terminated for existing indebtedness [see C(9)(e)1c this Sec.]. RMA will not provide reinsurance on policies that should have been terminated for non-payment of premium but were not. **←NACAT)**

A(6) **Other MPCl Insurance.** Only one MPCl policy (issued under the authority of the Federal Crop Insurance Act), is permitted on the same crop/county for the same person EXCEPT for:

(6)(a) Acreage designated by RMA as high-risk land which is excluded from an additional coverage policy and insured under a separate CAT policy. High-risk land that is excluded from additional coverage and insured under the CAT endorsement is considered a separate crop for administrative fee, unit division, APH, added land and all other insurance purposes. High-risk land may be insured on a separate CAT policy provided that on or before the crop's SCD the insured:

1 Executes a High-Risk Land Exclusion Option Form.

2 Obtains a CAT policy from the same AIP.

If it is discovered that duplicate policies exist the first effective crop year (i.e., CAT policy written with Company A and an additional coverage policy is written with Company B), the CAT policy written with Company A may be canceled and rewritten with Company B for the purpose of insuring the high-risk land with the consent of the AIPs involved. The following crop year the CAT policy must be written with the same AIP.

- (6)(b) Hybrid Seed Corn or Hybrid Sorghum Seed grown under contract with more than one seed company. A separate MPCl policy is allowed for acreage grown under contract with each different seed company.

Different coverage levels may be selected on each separate policy. Payment of losses must be made accordingly and coordinated between policies/AIPs. Unit division is determined as follows:

- 1 Contracts specifying production or production and acres. There will be no more than one basic unit for all production contracted under each processor contract. For example, if an insured has three contracts with the same processor, the insured is eligible for three basic units. Optional units are not applicable.
- 2 Contracts stating acreage. Acreage that would otherwise be one basic unit may be divided into optional units provided optional unit qualifications are met (e.g., acreage located in separate, legally identifiable sections, etc.)

Exception: Optional units by irrigated and non-irrigated practices are not applicable to Hybrid Sorghum Seed.

- (6)(c) Crops insured under Adjusted Gross Revenue (AGR) or AGR-Lite policies. MPCl insureds may also obtain AGR or AGR-Lite insurance [See A(8)(b)].

A(7) **Duplicate Policies Are Not Permitted.** Insurance Companies must use the Policyholder Tracking System (PHTS) to determine if more than one MPCl policy is in force on the same crop and county for the same person. Except for high-risk land excluded from an additional coverage policy with a CAT policy, Hybrid Seed Corn or Hybrid Sorghum Seed policies grown under contract with more than one seed company, and crops also insured under the AGR/AGR-Lite policies [See A(6)], if more than one policy is in force on the same crop/county for the same person, duplicate policies exist.

- (7)(a) If it is discovered that duplicate policies exist, except if specifically required by policy provisions (e.g., AGR/AGR Lite) and:

- 1 Both are additional coverage policies or both are CAT policies, the policy with the earliest date of application will be in force and the other policy will be void, unless both policies are with:
 - a The same AIP and the AIP agrees otherwise. However, only one policy may remain in force; or
 - b Different AIPs and both AIPs agree otherwise. However, only one policy may remain in force.
- 2 One is an additional policy and the other is a CAT policy:
 - a The additional coverage policy will apply if both are insured with the same AIP, or if insured with different AIPs and both AIPs agree.
 - b If both AIPs DO NOT agree, the policy with the earliest date of application will be in force and all other policies for the crop will be voided.

(7)(b) If the AIP determines that duplicate coverage exists and was intentional, the insured may be subject to fraud provisions stated in the applicable crop policy. RMA will edit AIP data submitted to RMA to identify and report potential duplicate policies to AIPs to assist them in duplicate policy resolution.

A(8) **Other Insurance/Excess Coverage.** When other:

(8)(a) Fire insurance is carried on insured crops, the MPCl policy provides for only excess coverage.

(8)(b) Insurance is provided by an AGR/AGR-Lite policy, the individual crop policy(ies) provide primary coverage and indemnity payments from those policies are considered income to count under the **AGR/AGR-Lite** policy.

A(9) **Insured Cause(s) of Loss.** Insured causes of loss (and any limitations) are stated in each crop's policy provisions. Examples are: adverse weather conditions, fire (due to natural causes), wildlife, earthquake and volcanic eruption occurring within the insurance period. Coverage of insured causes of loss must be due to drought, flood, or other natural disasters (as determined by the Secretary of Agriculture).

A(10) **Notice of Damage or Loss.** It is the duty of the insured to provide notice of loss to the AIP without delay. Sufficient information must be provided to determine whether or not an inspection is necessary. See the policy for each crop's notice and representative strip/sample requirements.

(10)(a) Severe Wind Erosion. Insureds must notify their AIP immediately of their intention to till acreage to control soil erosion. When a notice concerning severe wind erosion is given, the AIP should contact an adjuster immediately and an inspection should be made as soon as possible. When the local Natural Resources Conservation Service/Cooperative Extension Service recommends emergency tillage to conserve the soil and minimize further damage to the insured crop, the policyholder may take immediate action if the acreage to be tilled represents 25 percent or less of the field or subfield. In all other cases, the crop must be inspected before starting any emergency tillage. If, after tilling is started, more than 25 percent of a field or subfield needs to be tilled, the insured must notify the AIP so that such acreage can be inspected prior to tilling.

(10)(b) General Notice Instructions. The insured must give timely notice of damage:

- 1 During the period before harvest, the insured crop on any unit is damaged to the extent that the insured does not expect to further care for or harvest any part of the acreage. Such acreage must be left intact until inspected.
- 2 The insured wishes to put insured acreage to another use. The insured must NOT put acreage to another use before the crop's potential production is appraised and written consent is given for such other use.
- 3 An indemnity or replanting payment is to be claimed on any unit.

(10)(c) Delayed Notices. Notices of loss are considered "delayed" if not reported within the period of time specified in the individual crop policy(ies). [See the Loss Adjustment Manual (FCIC-25010).]

4B **General Requirements.**

B(1) **Linkage.** To be eligible for certain Farm Service Agency (FSA) benefits, a producer must obtain crop insurance **OR** sign a FSA "waiver" form, as applicable for certain FSA programs. The linkage requirements are outlined in FSA procedures and administered by FSA. Execution of a "waiver" does not affect the producer's ability to participate in any Federal crop insurance program administered under the Federal Crop Insurance Reform Act of 1994.

Linkage requirements vary based on FSA program requirements; therefore, the local FSA office should be contacted for guidance based on the producer's participation in various FSA programs.

B(2) **Administrative Fees.** Each insured is required to pay an administrative fee each year insurable acreage of the crop is planted or a prevented planting acreage report is filed. **If the applicable crop provisions allow the option to separately insure individual crop types or varieties, separate administrative fees are required for each individual type or variety insured.**

(2)(a) Administrative fees are paid to the AIP as follows:

| Coverage | Per Crop/County | Type of Contract | Fee Established When | Due By The |
|------------|---------------------|------------------|----------------------|----------------------|
| Additional | \$30 (plus premium) | New & Carryover | Insurance Attaches | Premium Billing Date |
| CAT | \$100 | | | |

(2)(b) Third parties are prohibited from paying administrative fees on producers'/insureds' behalf. AIPs, insurance agents, producer associations, grower groups, farm cooperatives, etc., may not pay administrative fees for producers/insureds. Only those persons acting in place of the producer/insured under a power of attorney, landlord/tenant agreement, or a legal guardianship, may pay the administrative fee.

(2)(c) New insureds with CAT coverage who want to increase their coverage (on the insured crop the initial crop year of insurance) may do so by the applicable SCD for the crop; however, the increased coverage must be obtained from the same AIP.

B(3) **Waiver of Administrative Fees.** The administrative fee for CAT and Additional coverage may be waived **for insureds who qualify** as a limited resource farmer [see Sec. 3 Definitions].

(3)(a) New insureds who wish to be exempt from paying administrative fees must request a waiver at the time of application (on or before the SCD). For carryover insureds, waiver requests must be made annually by the crop's final acreage reporting date. [See Exhibit 8 for the Request to Waive Administrative Fees.] The insured must provide proof of qualifying income OR CERTIFY on the request for waiver that he or she qualifies as a limited resource farmer.

(3)(b) AIPs approve or reject the Request To Waive Administrative Fees. If the producer certifies eligibility and the AIP has reason to question the producer's eligibility, the AIP may require proof of income (i.e., income tax returns) for the previous two years prior to allowing the producer to qualify for a limited resource farmer status.

1 If the producer does not qualify as a limited resource farmer, the AIP shall provide written notice to the producer that the administrative fee must be paid according to policy terms or the policy will be terminated and the person will become ineligible for insurance coverage.

2 If adequate proof is not provided and it is found that the producer intentionally misrepresented their status, the policy will be voided. The voidance will be effective at the beginning of the crop year in which the misrepresentation took place.

(3)(c) If selected for any MPCCI program review, eligibility for waiver of administrative fees must be verified and the insured will be required to provide proof of gross income.

B(4) Copies of Documents. If original insurance documents are required by RMA but are unavailable, a photocopy, fax copy, carbon copy or electronic form with electronic authorized signature of an original insurance document may be used if CERTIFIED by the AIP. The copy MUST be marked or stamped "Certified True Copy," signed and dated by the AIP's authorized representative.

EXAMPLE:

| | | |
|---|---------------------|---|
| > | _____ | > |
| > | Certified True Copy | > |
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| | _____ | |
| | (Signature) | |
| | _____ | |
| | (Date) | |

A certified true copy may be accompanied by a memorandum explaining why a copy is being submitted instead of the original document.

B(5) Rounding Rules pertaining to MPCl program administration.

| ITEM | FORM | GUIDELINES | | | |
|--|---|--|--------|---------|-----------------|
| Acres** | APH, Acreage Report Notice, Loss Pmt. | Tobacco Round to (0.01) Other Crops Round to (0.10) | | | |
| Production | | <u>Unit of Measure</u> | | | |
| | | Bushels, Boxes, Cartons, Lugs, Hundredweight | Tons | Barrels | Dollars, Pounds |
| APH Yields (Per Acre) | APH Form Acreage Report Notice, Loss Pmt. | Round To: (1.00) | (0.10) | (0.10) | (1.00) |
| Guarantee (Per Acre) | Acreage Report Notice, Loss Pmt. | Round To: (0.10) | (0.01) | (0.10) | (1.00) |
| * Adjusted Guarantee Per Acre | Acreage Report Notice, Loss Pmt. | Round To: (0.10) | (0.01) | (0.10) | (1.00) |
| Unit Guarantee** | Acreage Report Notice, Loss Pmt. | Round To: (1.00) | (0.10) | (0.10) | (1.00) |
| Unit Premium & Losses** | Acreage Report Notice, Loss Pmt. | Round To: (1.00) for all crops. | | | |
| Interest (Share) | Acreage Report Notice, Loss Pmt. | Round To: (0.001) for all crops. | | | |
| Production to Count (Farm Unit Deficiency) | All Loss Forms | Round To: (0.10) | (0.10) | (0.10) | (1.00) |

*Adjusted Guarantee Per Acre (GPA) applicable to Late and Prevented Planting and is the result of multiplying the GPA times the applicable factor.

** [See – Appendix III (Data Acceptance System Handbook) for line/record rounding rules.]

- "Round to (1.00)" Indicates rounding to whole numbers in a 2-position decimal field.
- "Round to (0.10)" Indicates rounding to tenths in a 2-position decimal field.
- "Round to (0.01)" Indicates rounding to hundredths in a 2-position decimal field.
- "Round to (0.001)" Indicates rounding to thousandths in a 3-position decimal field.

[See the Raisin Crop Handbook for Raisin rounding rules. Rounding rules for appraisal worksheets may be found in the Loss Adjustment Manual FCIC-25010 or individual crop loss adjustment handbooks]

4C Applications For Insurance.

- C(1) **Eligible Persons.** Application for insurance covering an insurable (eligible) crop may be made by a person to cover a *bona fide* interest in a crop at the time coverage begins. *Bona fide interest* is a share of the crop as an owner-operator, landlord, tenant, or sharecropper. [See Exhibit 32 for details on various entity types.]
- (1)(a) **Minors.** A minor may insure a crop by having a court-appointed guardian or parent co-sign the application. **(CAT→**A minor who is competent or capable of entering into a binding contract may insure a crop at the CAT level without a co-signer; however, if not competent or capable of entering into a binding contract, a court-appointed guardian or parent must sign the application.**←CAT)**
- (1)(b) **Landlord/Tenant.** Separate applications/contracts are required for each person insured unless the application clearly states the landlord will insure the tenant's share, or the tenant will insure the landlord's share.
- 1** If the landlord or tenant has requested to insure the other person's share of the crop on the application by the applicable SCD, the percentage shares of both persons must be shown in the remarks section of the acreage report or documented and attached to the acreage report.
 - 2** Evidence of the other party's approval (lease, power of attorney, etc.) must be provided to the AIP **by the SCD**, and retained.
 - 3** If a person is sharing, with multiple landlords/tenants and requests to insure the landlords/tenants share, only one policy is required. Such policy covers the named insured and the landlords'/tenants' share (as listed on the application) of the insured acreage only.
 - 4** Each separate share arrangement qualifies as a basic unit.
 - 5** **If a landlord or tenant's share is insured under the policy, the applicable identification number must be shown on the application, regardless of whether the landlord or tenant holds a SBI in the policy.**
- (1)(c) **Native American land held in trust** by the Bureau of Indian Affairs is handled similar to other trusts. [See Exhibit 32, Par. 8C.] All other Native American entities will be insured as applicable (i.e., individuals, partnerships, joint operators, etc.).
- (1)(d) **(CAT→**Landowners with an undivided interest in land may insure crops on such land under one policy. [See Exhibit 32, Par. 2E.]**←CAT)**

- C(2) **Ineligible Persons.** An ineligible person is a person denied participation in any program administered by FCIC under the Act. [See FCIC-24050 Ineligible Tracking System Handbook] to determine impact of ineligibility or SBI holders. A new application is required for insurance coverage after the end of the ineligibility period.
- (2)(a) Any person with a delinquent debt to RMA or an AIP is ineligible for crop insurance until the debt is resolved.
- 1 When the debt is resolved, that person again becomes eligible for crop insurance.
 - 2 Application must be made on or before the applicable SCD for the crop.
 - 3 If debt is resolved after the SCD for a crop, the person cannot apply for insurance for that crop until the next crop year, unless the crop also has a SCD for the crop year occurring after the payment is made (i.e., multiple SCDs within a crop year). For such crops, applications may be taken by a later SCD; however, insurance attaches only after the application is taken. Any loss incurred between the time the policy was terminated and the new application is taken is not covered.
- (2)(b) Any person who is disqualified, suspended or debarred, under the Act and applicable regulations, is ineligible for crop insurance for the period of disqualification, suspension or debarment.
- (2)(c) Any person who is convicted under federal or state law of planting, cultivating, growing, producing, harvesting or storing a controlled substance in any crop year will be ineligible for crop insurance for five years from the date of conviction under the Food Security Act of 1985.
- C(3) **Sales Closing Dates (SCD).** To participate, a person must apply for insurance on or before the applicable SCD. SCDs, usually preceding the beginning of the insurance period, are established for each insurable crop and are published in the county actuarial table. After the SCD, new applications for insurance for that crop year may not be accepted. SCDs falling on Saturdays, Sundays, or legal holidays are extended to the next business day.
- C(4) **Selecting Coverage.** The insured's MPCl coverage is determined by the level of coverage and price elected or, for some crops, the amount of insurance elected. The level of coverage and price is chosen at the time the application is completed. The level of coverage and price elected may be changed if requested in writing on or before the applicable SCD for the crop.
- (4)(a) **Levels of Coverage.** A crop may be insured at 50%, 55%, 60%, 65%, 70%, and 75% (80% and 85% coverage levels are available for some crops if indicated on the actuarial documents) of the approved APH yield or amount of insurance. All acreage of the insured crop within a county must be insured at the same level with the following exceptions:
- 1 High-risk land excluded from an additional coverage policy and insured separately under a CAT policy;

2 Hybrid Seed Corn or Hybrid Sorghum Seed grown under contract with more than one seed company that is insured on separate policies; or

3 The applicable crop provisions allow the option to separately insure individual crop types or varieties. Separate administrative fees are required for each individual type or variety insured.

(4)(b) **Price Elections.** The insured may select a percentage (see the table in C(5) below) of the established price or the additional price (when available on the crop). Only one price election percentage may be elected per crop, per county, per policy unless the CP (e.g., Dry Beans) allow for different price election percentages, by practice, type, or variety (P/T/V).

C(5) **Coverage Categories.** For administrative fee purposes, MPCIC coverage falls into two categories, Additional and CAT Coverage. Price election ranges and subsidy percentages are shown below. The subsidy percentages apply to all plans of insurance except for Adjusted Gross Revenue (AGR/AGR Lite), Group Risk Protection (GRP), and Group Risk Income Protection (GRIP):

| | CAT | ADDITIONAL COVERAGE | | | | | | | |
|---------------------------|------------------|---------------------|--------|--------|--------|--------|--------|--------|--------|
| Coverage Level Percentage | 50 | 50 | 55 | 60 | 65 | 70 | 75 | 80 | 85 |
| Price Election Percentage | 55 ^{1/} | 100 | 91-100 | 84-100 | 77-100 | 72-100 | 67-100 | 63-100 | 59-100 |
| Subsidy Percentage | 100 | 67 | 64 | 64 | 59 | 59 | 55 | 48 | 38 |

^{1/} **CAT**→ADDITIONAL INFORMATION FOR SOME CROPS:

| | |
|-------------------------|--|
| Florida Citrus Trees | 55% of the reference maximum price. |
| Nursery Stock | 55% of the Plant Inventory Value Report for the rate classification. |
| Other Dollar Plan crops | 55% of the dollar amount of insurance (Florida Citrus, Forage Seeding, Hybrid Seed Corn, Hybrid Sorghum Seed, Macadamia Trees, Peppers, Raisins, Sweet Corn [Fresh Market] Texas Citrus Trees, Tomatoes [Fresh Market]). |
| GRP Crops | 45% of the maximum protection per acre at 65% coverage level. ← CAT) |

C(6) **Premium Rates and Risk Classifications.** The risk classifications and associated premium rates established for each county and crop are presented in the county actuarial tables. Risk classifications may be presented through yield spans/continuous rating, maps, T-Yield Maps, General T-Yield Tables and listings of land locations, producers or FSA Farm Serial Numbers (FSN's).

C(7) **Applications.** Use an application form developed according to RMA approved standards, to request insurance on eligible crops. Applications are also used to add a crop(s) to an existing policy, to insure crops in additional counties, and for successor-in-interest policies. A new application is required when changing from one plan of insurance coverage to another plan of insurance, e.g., Crop Revenue Coverage (CRC) to Actual Production History (APH).

(7)(a) Coverage applies to the crop(s) in the state for the county(ies) shown on the accepted application except as provided in [(7)(b)]below. If [(7)(b)] does not apply, any additions must also be made on or before the SCD for the crop(s) in the specified county(ies).

(7)(b) The AIP's application and/or Policy Change form may provide an election for Category B crops except forage production [see Sec. 6 B for a list of eligible Category B crops] to allow the applicant/insured to insure the listed crop(s) on land in a county that is added after the applicable SCD for the current year. For the election to be applicable, the crop must be insurable in the county being added.

1 The AIP must use one or both of the following statements on their application/policy change form developed in accordance with RMA approved standards:

a Yes No I request insurance coverage for my share of the Category B crops (except forage production) specified below with a designated county in all added counties where the crops are insurable.

b Yes No I request insurance coverage for my share of the Category B crops (except forage production) specified below with a designated county in all added counties within the state where the crops are insurable.

2 The election may be declared on the application for new insureds, or policy change form for carryover insureds (also used to designate the applicable insurance county (or counties) when such designation was not previously made), by the applicable SCD for the crop(s) shown on the accepted application or policy change form. Production reports must be filed according to standard APH procedure. Any endorsement, option, exclusion, or election effective for the designated county will apply to any added county crop, if applicable.

3 Only one added county election is permitted for a crop/state (depending on statement used). If election is made for a crop on multiple applications or policy change forms, the election with the earliest application date will apply. [See Par. C(7)(b)7 d regarding duplicate coverage].

4 If more than one county for the crop(s) is listed on the application or policy change form, the insured must designate on the applicable form the county from which insurance coverage (i.e., plan of insurance, coverage level, price election, coverage options/exclusions, etc.) will be determined for the crop(s) for all counties added for the crop year (if reported to the AIP before the SCD, the insured may elect another level, price, etc., by completing a new application or policy change form). Insureds may not designate more than one county per crop or crop state, as applicable. Insurance coverage will not be provided for an added county if the insured does not designate a county for added county purposes, or designates more than one county per crop or crop state, as applicable, on a single application or policy change form.

If only one county for the crop(s) is listed on the application or policy change form (see 7d for exception), that county will be considered to be the designated county if the insured does not designate that county on the applicable form.

- 5 Added county election is available for all plans of insurance for Category B crops, excluding forage production [See Section 6 B for a list of eligible Category B crops]. MPCl CAT coverage will be provided if the crop is insurable as designated on the county actuarial table for an added county if the designated plan of insurance, level of coverage or price is not available in the added county. GYC, GYC Span and APH are considered the same plans of insurance for added county purposes.
- 6 The insured must notify the AIP by reporting the acreage of the crop for the county that is added no later than the acreage reporting date the initial year any insured crop(s) is subsequently grown in a county(ies) not listed on the application or policy change form. A crop inspection is not necessary for any applicable crop(s) reported the initial crop year in an added county. The coverage applicable the initial crop year will apply in subsequent years (a separate application, option forms, etc., are not required), unless a contract change is made by the SCD. All relevant documentation affecting the “added counties” election will be maintained in the insured’s file.
- 7 AIPs are responsible for explaining to the insured:
 - a Rates and coverage’s may not be the same, or may not be available, for the counties not listed on the application.
 - b The plan of insurance, price election (percentage), level of coverage, endorsements, options/exclusions, etc., in effect for the crop in the designated county shown on the initial application/policy change form will apply to the added county acreage. After the initial year, the insured may change the price election, level of coverage, plan of insurance, or make other coverage changes by the applicable deadline.
 - c MPCl CAT coverage will be provided for an added county if the plan of insurance, level of coverage or price is not available in the added county.
 - d No coverage for the crop in the added county will be provided if:
 - i insurance coverage for the crop is not available in the county being added;
 - ii a designated county is not selected, more than one county is designated per crop or crop state on a single application or policy change form;
 - iii the election is made for the crop on multiple applications or policy change forms and the application/policy change form with the earliest date cannot be determined.

- e Separate administrative fees are due at premium billing for each added county per crop [see Sec. 4, B(2) and (4)].
 - f A CROP not listed on the “added counties” application or policy change form cannot be added after the applicable SCD.
 - g Coverage in an added county will not apply [except as provided in (7)(b)].
 - h The insured must:

 - i Provide an acceptable production report on or before the production reporting date or appropriate variable T-Yield procedures will apply [see Sec. 6, Par. C, and Exhibit 37, 1A].
 - ii Request use of New Producer procedures by the acreage reporting date, if applicable [see Exhibit 37].
- (7)(c) Applications are subject to acceptance by the AIP. Prior to acceptance, the AIP will determine that the application:
- 1 Is for a producer who has a *bona fide* interest (owner, operator, sharecropper, or tenant) in the crop.
 - 2 Shows the correct person (individual, partnership, co-owner, joint operator, estate, trust, etc.).
 - 3 Has been signed by a person(s) having authority to enter into a binding contract.
 - 4 Contains all the material information required to insure the crop, including: all applicable SSNs and/or EINs, coverage level, price election, crop, type, variety, class, and plan of insurance. Applications that do not contain the material information to insure the crop may not be accepted by the AIP.
- (7)(d) The policy will be voided if the insured has falsely and/or fraudulently concealed either the fact that the insured is restricted from receiving benefits under the Federal Crop Insurance Act or that action is pending which may restrict eligibility to receive such benefits.
- (7)(e) Rejected Applications. If rejected, the original application along with a letter of explanation must be sent to the applicant. AIPs should provide a copy to the agent/representative.

C(8) **Successor-In-Interest Applications.** A successor-in-interest policy continues the insurance protection, APH yield history, and favorable insurance experience/premium discounts (if the successor qualifies) that were accumulated by the former insured. [See Par. C(11) for insurance experience/premium discount requirements and applicable crops.] A successor-in-interest requires the preparation of a new application and cancellation of the previous policy.

(8)(a) **Qualified applicants.** A successor-in-interest application may be taken from:

- 1 An immediate family member (spouse, son, daughter, legally adopted child, brother, sister, or grandchild).
- 2 An authorized representative (executor or administrator of an estate; trustee of a trust; guardian of a judicially declared incompetent, minor, or incapacitated individual; or individual having power of attorney).
- 3 A person whose status has changed (dissolution or a declaration of incompetency or incapacity; change of name due to marriage, divorce, etc., or a minor attains majority).
- 4 A change of insurable entity. Qualified changes of insurable entity include dissolution and formation of a partnership, corporation, trust, or settlement of an estate. The successor/applicant must have been a member of the insured entity that changed and operates all or part of the same land previously insured by the entity.

(8)(b) **Limitations.** A successor-in-interest policy covers only the land previously insured. If additional land is to be covered under the same policy, a successor-in-interest application is not applicable.

(8)(c) **Eligibility for continuing insurance protection.** If a successor-in-interest application is from a qualified applicant, insurance coverage must be continued on the same coverage level, price, etc., as the original insurance application if a successor application is taken after the SCD. For example, if an insured dies on or after the SCD but before insurance attaches, a successor-in-interest application from a qualified applicant maintains continuity of insurance.

(8)(d) **Eligibility for continuing favorable insurance experience/premium discounts.** The successor must have participated in an active farming capacity (e.g., managed, performed the physical activities necessary to produce the crop, or received a share of the crop) in the operation to assist in earning of the premium reduction to be eligible to continue the favorable insurance experience/premium discounts. The successor-in-interest request must document the extent of the successor's participation in the prior production of the crop. The AIP either approves or denies the request to transfer the favorable experience [See Par. 4 C (11) (c) for additional limitations]. A successor-in-interest application may be approved by the AIP when there is one successor to the insured entity or for each former member of a partnership when a partnership is dissolved.

(8)(e) Eligibility for APH Yield History. If the previous insured had an approved APH yield and turned the operation over to another person who qualifies for a successor-in-interest policy and who participated in an active farming capacity, the AIP must transfer all the years of APH Yield History (not including non-actual yields and assigned yields, which break continuity of records for other persons using them) to the successor-in-interest policy; however, if only part of the acreage is insured under the successor-in-interest policy or the successor participated in the operation for a limited period of time, only the applicable APH data is used. If a successor did not participate in an active farming capacity in the farming operation, variable T-yield and if applicable, new producer procedures will be used to determine the approved APH yield.

(8)(f) Deadline for Successor-In-Interest. There is no deadline for a successor-in-interest application. If successor-in-interest is taken after insurance attaches, it is not effective until the following year. Use Transfer of Coverage and Right to Indemnity to transfer coverage and any possible indemnity payment for the current year [See Sec. 4 par. F(4)].

C(9) **Transfer of Policies.** Use a Cancellation/Transfer of Experience form developed according to RMA approved standards to cancel policies and to transfer insurance experience data from one AIP to another. To be effective, transfer requests must be signed by the insured by the cancellation date.

(9)(a) The policy may not be canceled the first effective crop year with any AIP for the purpose of insuring with another AIP without the consent of the insurers involved.

(9)(b) Requirements. The assuming AIP must complete and have the insured sign a Cancellation/Transfer of Experience Data Form for each policy (crop) being transferred (a legible carbon copy, photocopy, or faxed copy of the request containing the insured's signature is acceptable for canceling and transferring insurance coverage). A policyholder may transfer a policy only once per crop year between AIPs (a company, which has entered into a Standard Reinsurance Agreement with FCIC). A transfer within an AIP from one policy issuing company to another is not considered a transfer for this purpose.

(9)(c) Documentation. The assuming AIP must complete an application, indicate it is a renewal, obtain the insured's signature, and enter the ceding AIP's policy number(s) on the Policy Cancellation and Transfer of Experience Data Form.

(9)(d) APH. When the insured transfers the policy to a different agent and/or AIP, if applicable, the APH yield history MUST also be transferred.

(9)(e) Responsibilities.

1 The assuming AIP must advise the policyholder that:

a Premium and loss experience (if any) will be transferred.

b APH yield history will also be transferred.

c The policy will be terminated if the insured is indebted to the ceding AIP.

- 2 All AIPs are required to transmit experience (premium and loss data) and APH data to RMA. RMA will enter this information into Experience and Yield History Databases. The PHTS may be used to access this information.
- 3 For Nursery crops [See Sec. 8, B].
- (9)(f) Verification of Underwriting Information. AIPs may complete/issue policies using the PHTS without requesting insurance experience and APH history from the ceding AIP. However, if the PHTS information appears incomplete or inaccurate, the assuming AIP MUST request the data from the ceding AIP. When requested timely (within 45 days after the cancellation date), the ceding AIP will provide the experience and complete APH data for the applicable crop/county to the assuming AIP no later than 15 calendar days after receiving the request even if the ceding AIP has already cancelled the policy. If due to a lag in processing the immediate past year's business, the cumulative experience factor may be used by the assuming AIP to provide an estimated premium. The actual premium for the current crop year will be billed after the immediate past year's experience is completed.
- (9)(g) The assuming AIP must notify the ceding AIP when it has accepted the transfer. The ceding AIP will then terminate its policy. In any transfer, the assuming AIP must issue the policy and the ceding AIP must terminate its policy if the Cancellation/Transfer Experience Data Form was signed timely by the insured; regardless of whether the assuming AIP timely notified the ceding AIP.
- (9)(h) Policy service functions will be performed by the assuming AIP upon completion of the transfer process.
- C(10) Deceased Insureds. If the insured dies:
- (10)(a) BEFORE the beginning of planting of any insured annual crop, or BEFORE insurance attaches for any insured perennial crop, coverage for all crops under the policy terminates. If applicable, a successor-in-interest application **may be taken from qualified applicants to maintain** continuity of insurance and may preserve any favorable insurance experience/premium discounts and APH history [See 4 C (8)].
- (10)(b) AFTER the beginning of planting of any insured annual crop, or AFTER insurance attaches for any insured perennial crop, coverage for all crops under the policy will continue until the end of the insurance period. A crop inspection is not required if the acreage report is filed by the acreage reporting date.
- 1 If an indemnity is due, the beneficiary entitled to the indemnity must be determined and documented in the contract file folder. The documentation must indicate the contract number, crop, crop year, unit, and circumstances requiring the naming of the beneficiary. A copy of the death certificate may be used to positively document the date of death.
- 2 Insurance terminates for the succeeding crop year. A successor-in-interest (if applicable) or new application must be obtained to continue insurance.

C(11) Previous Insurance Experience/Premium Adjustment

Insureds may have had favorable insurance experience (base premiums and loss experience) and earned premium discounts on some crops [See Par. C(11)(a)] provided by previous policy provisions. Previous insurance experience must be retained by the AIP if insureds have been continuously insured on the same crop and county in order for the insured to remain eligible for any earned favorable insurance discount (factor). For insureds who switch coverage plans (e.g., APH to GRP; MPCCI to Crop Revenue Coverage, Revenue Assurance, or Income Protection) or APH coverage levels (e.g., additional coverage to CAT coverage), AIPs must retain previous insurance experience. The premium adjustment factor is not used for GRP, other coverage plans, or when calculating imputed CAT premium. When an insured switches back from GRP back to APH or other coverage plans to MPCCI at the additional coverage level, the previous insurance experience and applicable premium discounts apply. When an insured switches from CAT back to additional coverage, the AIP must update the insurance experience. If the insured is still eligible for a premium reduction in excess of five percent based on his/her loss ratio and the number of years of continuous experience through the applicable crop year, the insured will continue to receive the premium reduction subject to the conditions listed [see Par. C(11)(b)]. Insurance experience may be available from the PHTS.

(11)(a) Crop Groups for Premium Adjustment Purposes. Premium reductions [subject to the conditions in Par. C(11)(b)] were removed from the following crop policies for the:

- 1 1985 crop year: Corn, Grain Sorghum, Soybeans, Tobacco, Raisins, Peanuts, Tomatoes (Processing), Processing Sweet Corn, Potatoes. Premium reductions are based on insuring experience through the 1983 crop year.
- 2 1986 crop year: Wheat, Barley, Flax, Oats, Rye, Sunflower Seeds, Almonds, Apples, Forage Production, Grapes, Peas, Dry Beans, Peaches; and Sugar Beets in all states except Arizona and California. Premium reductions are based on insuring experience through the 1984 crop year.
- 3 1987 crop year: Sugarcane, AZ-CA Citrus and AZ-CA Sugar Beets. Premium reductions are based on insuring experience through the 1985 crop year.
- 4 1990 crop year: AUP Cotton and Rice. Premium reductions are based on insuring experience through the 1989 crop year.
- 5 1990 crop year: Florida Citrus. Premium reductions are based on insuring experience through the 1988 crop year.
- 6 1998 crop year: Forage Seeding. Premium reductions are based on insuring experience through the 1997 crop year and premium adjustments for unfavorable experience have been discontinued.

No other crops have premium adjustments based on favorable experience.

(11)(b) **(NACAT→Premium Adjustments for Favorable Experience.** The insured's premium is subject to a maximum credit of 50 percent for favorable experience based on the Premium Adjustment Table. Premium reductions are subject to the following conditions:

- 1 Premium reductions will not increase because of additional favorable experience in later crop years.
- 2 Premium reductions will decrease according to the Premium Adjustment Table because of unfavorable experience in later crop years.
- 3 Once the insured's loss ratio exceeds 0.80, no premium reduction is applicable. **←NACAT)**
- 4 Participation must be continuous. A break in insurance due to active duty in the armed services is not considered a break in participation for premium adjustment purposes.

(NACAT→Premium Adjustment Table.←NACAT)

| % Adjustments for Favorable Continuous Insurance Experience | | | | | | | | | | | | | | | | |
|--|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|------------|
| | Number of Years of Continuous Experience Through Previous Year <u>2/</u> | | | | | | | | | | | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15+ |
| Loss Ratio Through Previous Crop Year <u>1/</u> | Percentage Adjustment Factor For Current Crop Year | | | | | | | | | | | | | | | |
| .00- .20 | 100 | 95 | 95 | 90 | 90 | 85 | 80 | 75 | 70 | 70 | 65 | 65 | 60 | 60 | 55 | 50 |
| .21- .40 | 100 | 100 | 95 | 95 | 90 | 90 | 90 | 85 | 80 | 80 | 75 | 75 | 70 | 70 | 65 | 60 |
| .41- .60 | 100 | 100 | 95 | 95 | 95 | 95 | 95 | 90 | 90 | 90 | 85 | 85 | 80 | 80 | 75 | 70 |
| .61- .80 | 100 | 100 | 95 | 95 | 95 | 95 | 95 | 95 | 90 | 90 | 90 | 90 | 85 | 85 | 85 | 80 |
| .81 + | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

1/ Loss Ratio means the ratio of indemnity(ies) paid to base premium(s) earned.

2/ For premium adjustment purposes, only the years during which premiums were earned will be considered.

(11)(c) **Transfer of Insurance Experience.** When applicable, experience and favorable premium adjustments for a crop may be transferred to other eligible persons. A successor-in-interest application/transfer of insurance experience to an eligible person may be made if insurance coverage on the crop is continuous and at least one of the following occur:

- 1 The insured stops farming in one county, is not a debtor, and then starts farming in another county. APH data may not be transferred to another county. [See Exhibit 37, Par. 2 A(4).]
- 2 The applicant was an heir in an estate (which was settled) or directly inherited the farming operation and participated in an active farming capacity in the farming operation. Applicable APH data must also be transferred. If only one heir, a successor-in-interest is used [See 4 C (8)].
- 3 A Partnership was formed. The partnership will be credited with the fewest number of years without losses accumulated by any one of its insured members. The loss ratio will be determined by dividing the total indemnities of all insured members by the total premiums of all insured members. Applicable APH data must be transferred to the partnership. [See Exhibit 37, Par 1C.]
- 4 An insured partnership was dissolved. Each former member who has a policy in force the crop year immediately following the dissolution may be credited with the experience (years and loss ratio) accumulated by the partnership. Applicable APH must be transferred to the individual. [See Exhibit 37, Par 1D.]

C(12) **Transfer of APH Data.** If an insured has an approved APH yield and turns the operation or some of the operation, over to another person who has participated (managed, performed the physical activities necessary to produce the crop, or received a share of the crop) in the operation and the establishment of the approved APH yield, the AIP may approve transferring all the years of APH yield history (not including non-actual yields and assigned yields which break continuity of records for this purpose) for the acreage being transferred to the person taking over the operation. The new operator must provide the AIP with verifiable evidence that indicates a transfer of the APH yield history is appropriate. [See Sec. 10.]

C(13) **Transfer of Coverage, elections, endorsements, etc.** Except for the Agreement to Combine Optional Units, coverage options, elections, endorsements, written agreements, etc., do not automatically transfer when a cancellation/transfer is executed by the insured. Elections that do not transfer must be specified on the assuming company's application or applicable forms if they are to be in effect for the current crop year.

4D Coverage.

The amount of insurance to be written on each eligible crop in the county for the unit is determined as follows:

D(1) Guarantee.

- (1)(a) Production Guarantee. The production guarantee is the amount of production (bushels, pounds, dollars, etc.) guaranteed for the unit. It is calculated by multiplying the total acres in the unit by the guarantee per acre times the insured share.
- (1)(b) Variable Production Guarantees. For some crops, the guarantee per acre is higher for harvested acreage than unharvested acreage, or the guarantee may vary with the maturity (stage) of the crop. Refer to the CP for specifics by crop.
- (1)(c) Dollar amounts of insurance are calculated differently. Refer to applicable CP.

D(2) Benefit Limitations Under Crop Insurance and Other USDA Programs.

- (2)(a) First insured crop limitations. For acreage planted to a first insured crop that has suffered an insurable loss, except for acreage that qualifies for double cropping according to the BP:
 - 1 An insured that does not plant or plants and does not insure a second crop on the same acreage for harvest in the same crop year as a first insured crop, may collect an indemnity payment that is equal to 100 percent of the insurable loss for the first insured crop. (An insured that has an insurance policy for a second crop may elect not to insure acreage of a second crop on the same acreage where there is an insurable loss for planted acreage of a first insured crop.)
 - 2 The person insuring the first crop or another person plants and insures a second crop on the same acreage for harvest in the same crop year and there is an insurable loss to the second crop, a full indemnity may be paid on the second crop, regardless of whether there is a subsequent crop planted on the same acreage. However the first crop's:
 - a Indemnity payment is limited to 35 percent of the insurable loss (the person insuring the first crop will be responsible for 35 percent of the first crop's premium); and
 - b If the second crop does not suffer an insurable loss, an indemnity payment, if applicable, for the other 65 percent of the first crop's insurable loss that was not previously paid will be made and the remainder of the premium will be due.

(2)(b) Third or subsequent insured crop limitations. Acreage of a crop planted following a second crop or following an insured crop that is prevented from being planted after a first insured crop is not insurable unless it is a practice that is generally recognized by agricultural experts or the organic agricultural industry for the area to plant three or more crops for harvest on the same acreage in the same crop year, and additional coverage insurance provided under the authority of the ACT is offered for the third or subsequent crop and the insured provides acceptable records that show:

- 1 The insured has produced and harvested the insured crop following two other crops harvested on the same acreage in the same crop year in at least two of the last four years in which they produced the insured crop; or
- 2 The applicable acreage has had three or more crops produced and harvested on it in at least two of the last four years in which the insured crop was grown on it.

The amount of insurable acreage for the third or subsequent crop will not exceed the greatest number of acres for which the insured provided the records required in the applicable preceding Par. 1 or 2.

(2)(c) USDA Program benefit limitations. An insured who is eligible to receive an indemnity and benefits under any other USDA program for the same loss may receive benefits under both programs, unless specifically limited by the crop insurance contract or by law. However, the total amount received from all such sources may not exceed the amount of the actual loss sustained by the insured. FSA will determine and pay the additional amount due to the insured for any applicable USDA program, after first considering the amount of any crop insurance indemnity and applicable provisions administered by FSA. Various USDA payments may be obtained from the USDA in addition to crop insurance indemnities.

D(3) **Basic Unit Determination and Numbering.**

(3)(a) **(NACAT→**For Guaranteed and Quota Tobacco policies, the unit consists of all insurable acreage of the crop covered by a single FSA FSN without regard to state or county lines. Refer to SPOI for other unit definitions.**←NACAT)**

(3)(b) **(CAT→**The CAT Endorsement generally limits the units available for each insured crop to BASIC units determined ONLY by the crop share arrangement, on the date coverage begins for the crop year [see D(3)(c)]. EXCEPTIONS:

- 1 A policy covering all landowners with an undivided interest in the land upon which an insured crop is planted is limited to one basic unit. [See Exhibit 32, Par. 2E.]
- 2 GRP CAT policies are limited to one unit per crop per county.

Optional units or further basic units (e.g., type, non-contiguous land, FSA FSN, etc.) defined in the applicable CP or SPOI are not allowed for CAT coverage. [See the CAT Endorsement for the unit definition.]**←CAT)**

(3)(c) A basic unit, for most other crops, is all insurable acreage of a crop in the county on the date coverage begins for the crop year in which the insured has:

- 1 A 100 percent share in the crop. 100 percent share includes share as owner/operator and/or land that is rented for cash, a fixed commodity payment or any consideration other than a share in the crop.
- 2 Less than 100 percent share in the crop (owned by one entity and operated by another entity on a share basis). A crop shared with each different landlord, tenant or sharecropper is a separate basic unit. Reversed roles do qualify for separate basic units. (Example: The insured is a landlord on part of the farming operation and a tenant on another part of the farming operation.) Varying percentages of shares within a basic unit **DO NOT** qualify for separate basic units.

For loss adjustment purposes, production commingled from two or more basic units (including high-risk land excluded from additional coverage and insured under a CAT policy) will be allocated in proportion to the liability for the harvested acreage from the commingled units.

- 3 A basic unit premium discount is applicable for certain crops when basic units are not divided into optional units. Refer to the County Actuarial Table for eligible crops.
 - a For each basic unit of an eligible crop that is not divided into optional units, the unit's premium (including CAT imputed premium) will be decreased by the basic unit discount factor (BUD, 10 percent). The discount also applies if only one optional unit within a basic unit is planted and earning premium. The appearance of optional unit numbers on the acreage report does not automatically indicate that the discount will not apply.
 - b **(NACAT→**Once optional units are elected by the insured and processed by the AIP on the acreage report, the full premium (without discount) is earned. However, if the acreage report is revised and the revision changes the unit arrangement, the 10 percent discount (if applicable) will be based on the revised acreage report.**←NACAT)**

(3)(d) Assign basic unit numbers according to the following system:

- 1 A five-position unit number will be used. The first three positions designate the basic unit and the last two positions designate the optional unit, (e.g., two basic units are written: 00100 and 00200).
- 2 If no optional units, the last two positions will be "00". For **CAT coverage** the last two positions will always be "00".
- 3 To the extent possible, the unit number designation for a particular unit should remain the same from year to year. Unit numbers should correspond for each crop as much as possible (i.e., Wheat unit 00100 should match with the location of the Barley unit 00100, etc.).

(NACAT→

- D(4) **Optional Unit Determination.** Land that would otherwise be one basic unit may be divided into optional units according to the optional unit definition contained in the Crop's BP, CP and/or SPOI. Optional units may be available for acreage located in separate, legally identifiable sections, section equivalents, or FSA FSN's (whichever applies). Some perennial crops allow optional units for acreage of the crop grown on non-contiguous land and/or for different types/varieties. Most crops allow optional units for irrigated and non-irrigated practices.

(4)(a) To qualify for optional units, all of the following must be met:

- 1 For APH crops, the insured must file by the PRD acceptable production reports for all planted insurable acreage for at least the most recent APH crop year in the base period that have been arranged according to the optional units that will be requested for the current crop year. [See a and b below for exceptions.] The insured must have supporting records, which can be independently verified, of planted acreage and production used to determine the production guarantee for each optional unit.

When assigned yields are used for the most recent crop year of the base period, optional unit provisions DO NOT APPLY for the crop/county. Optional units will be combined at the time of loss adjustment if the insured failed to meet any provision required to qualify for optional units. Basic units cannot be further divided into optional units at the time of loss adjustment.

Exceptions: Insureds who do not provide production reports for the most recent crop year in the base period may qualify for optional units if either of the following apply:

- a The insured is a new producer who has not produced the crop, is not providing records from another person sharing in the crop, and intends to keep separate acreage and production records by P/T/V according to the optional unit division requirements [see Exhibit 37]. Or,
- b New land or a new P(IRR or NI)/T/V is added to the operation for the current crop year which meets all optional unit requirements; and the insured has not produced the crop, is not providing records from another person sharing in the crop on that acreage, and intends to keep separate acreage and production records according to optional unit provisions.

RMA RO/AIP Verifiers have the option to consider a *bona fide* zero acreage report for a unit as a production report for that unit.

- 2 The crop must be planted in a manner that results in a clear and discernable break in the planting pattern at the boundaries of each optional unit unless a written agreement is provided for this purpose by the RMA RO [see WAH]. Planted means the original planting, including any reseeding, or replanting. (Cultivating, discing, mowing, etc., between sections, section equivalents, FSA FSN's, etc., after planting or harvesting does not qualify the acreage for optional units.)

However, for center pivot irrigation systems only, planting end rows either before or after planting the crop or cultivating, disking, mowing, etc., after the crop was planted between the irrigated acreage and the non-irrigated corners of a center pivot system may be used to establish breaks between irrigated and non-irrigated planting patterns for optional unit purposes. Such breaks will be acceptable only if completed on or before the acreage reporting date for the crop and are clearly discernable if a subsequent inspection is required during the crop year (appraisal, claim for indemnity, APH review etc.). In addition, if irrigated and non-irrigated practices are carried out within a single section, section equivalent, or FSA FSN:

- a Proper planting and fertilization practices must be carried out for each respective practice; and
- b Records of harvested production must also be maintained separately for each practice.

(4)(b) Separate optional units are determined by:

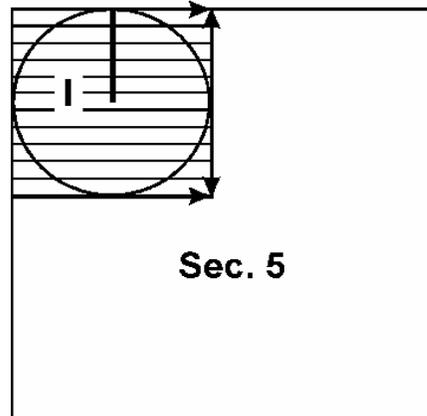
- 1 Section, for most crops, when the Rectangular Survey System is applicable. For the purpose of the unit structure, a section is defined as a unit of measure under the rectangular survey system describing a tract of land usually one mile square and containing approximately 640 acres.
- 2 Section equivalents such as Spanish land grants, railroad surveys, leagues, labors, and Virginia Military Lands in the absence of section descriptions. Each section equivalent must contain 640 acres or more.
- 3 Separate FSA FSN's:
 - a In the absence of sections, section equivalents, or other unit division arrangements approved by RMA;
 - b In areas where survey boundaries are not readily discernable;
 - c In Alabama, Arkansas, Florida, Louisiana, and Mississippi for Barley, Corn, Cotton, Grain Sorghum, Oats, Rice, Rye, Soybeans, and Wheat. (Legal descriptions are not required for DAS reporting purposes.)

[See Exhibits 2, 3, and 4 for further explanation and illustrations.]
The boundaries of the section, section equivalent, or FSA FSN must be easily identifiable by the AIP without using survey instruments or locating survey markers.

- 4 Irrigated and non-irrigated practices within a single section, (section equivalent, or FSA FSN) may qualify for separate optional units, provided such division is allowed by the crop policy and all requirements [in Par. D(4)(a)] are met. For annual crops, this includes the non-irrigated corners if a field in which a center pivot irrigation system is used to irrigate the insured crop. Additional center pivot instructions:

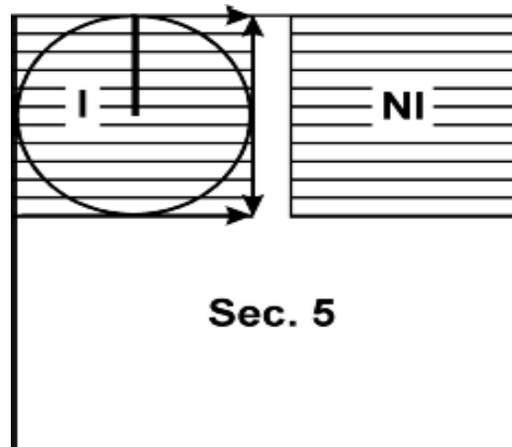
- a If the crop's planting pattern/rows continue into one or more non-irrigated corners of the field and the portion of the field irrigated by a center pivot irrigation system (circle), the acreage within intersecting lines drawn at right angles to the radius of the center pivot is not eligible for a separate optional non-irrigated unit.

(One unit)

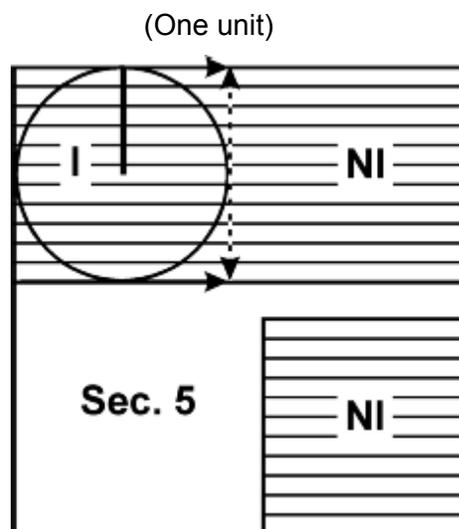


- b If the crop's planting pattern/rows continue between the non-irrigated corners of the field and the portion of the field irrigated by a center pivot irrigation system (circle), but do NOT extend into other non-irrigated acreage in the same section, section equivalent, or FSN; other non-irrigated acreage can qualify as a separate non-irrigated optional unit if the requirements are met.

(May qualify for two units)



- c If the crop's planting pattern/rows extend beyond intersecting lines drawn at right angles to the radius of a center pivot into other non-irrigated acreage of the crop in the same section, section equivalent, FSN; the insured is not eligible for a non-irrigated optional unit.



- 5 Written Unit Agreement approved by the RMA RO. If basic and optional unit requirements are not consistent with good farming practices for the acreage involved, special optional unit written agreements may be considered on a limited basis. [See **WAH**.]

(4)(c) Assign optional unit numbers according to the following system:

- 1 The first three positions designate the basic unit and the last two positions designate the optional unit, if applicable i.e., two optional units are written: 00101 and 00102. If optional units do exist, the last two positions must NOT be "00" for the divided unit.
- 2 Example:
- a One basic unit separated into three optional units are written: 00101, 00102, 00103.
- b One basic unit not separated into optional units, plus a second basic unit separated into two optional units is written: 00100, 00201, 00202.
- 3 In situations when optional unit production is commingled and optional units are being combined, unit numbering should be handled as follows:
- a The first three positions of the combined unit designate the basic unit 00100.
- b The last two positions designate the optional units. If, after the combination, two or more optional units remain, the combined unit number should be the lowest unit number of the units which were combined.

Example: Original units are 00101, 00102 and 00103. If 00101 and 00102 are combined due to commingled production, the revised acreage report and unit numbers would be 00101 and 00103.

- D(5) **General Information for Enterprise or Whole-Farm Units.** Enterprise (EU) or Whole-Farm Unit (WFU) coverage may be requested by the insured (in writing on or before the earliest SCD for the insured crop(s) and county insured) if shown as available in the SPOI.

The unit designation remains in effect from year to year unless written notification is provided to the AIP by the earliest SCD for the crop year for which the insured wishes to change this election. When switching from basic or optional units to an EU or WFU, yield limitations (cup) do not apply if the production history (databases) are combined or divided.

(5)(a) Enterprise Unit Determination.

Enterprise units are available for some crops and counties. The requirements vary for different coverage plans. Refer to the CP for unit composition requirements.

- 1 An EU, as defined in the MPCl BP (may vary for other plans), consists of **all of the insurable acreage** of the same insured crop in the county in which the insured has a share on the date coverage begins for the year. To qualify, an EU must contain all of the insurable acreage of the same insured crop in:
 - a One or more basic units that are located in two or more separate sections, section equivalents, FSA farm serial numbers (FSN) or units established by written agreement, with at least some planted acreage in two or more separate sections, section equivalents, FSA FSN, or two or more separate units as established by written agreement; or
 - b Two or more optional units established by separate sections, section equivalents, FSA FSN, or as established by written agreement or by the Unit Division Option [Exhibit 4], with at least two optional units containing some planted acreage.
- 2 The insured may not combine qualifying basic units or optional units into an EU unless provided for by the applicable SPOI.
- 3 The basic or optional units that comprise the enterprise unit must each have insurable planted acreage of the same crop in the crop year insured.
- 4 The insured may select the EU structure for one crop/county and basic/optional units for other crops/counties.
- 5 Separate records of acreage and production for basic or optional units must be maintained, if the insured wants to change unit structure in subsequent years. However, such records are not required to qualify for an enterprise unit.

- 6** Although the insured must have insurable acreage of the same crop for the current crop year and request the enterprise unit structure by the earliest applicable SCD, qualification for the EU will be determined at acreage reporting time when the insured reports all insurable acreage of the insured crop in the county for all basic and/or optional units comprising the EU. Once elected and qualified, an EU may not be further divided except as specified in the individual policy. However, the unit structure may be changed based on information determined to be correct when adjusting a loss **or at any other time.**
- 7** **Any discount contained in the actuarial documents will apply to both planted and prevented planting acres in the enterprise unit.**
- 8** A five-position unit number and abbreviation (EU) will be used. The unit designation is shown as 00100EU.
- 9** For land added to enterprise units, use the production history for the applicable underlying units if the added land is comparable in productivity; otherwise, use the variable T-Yield. [See Ex. 36].
- 10** **A basic unit structure will be assigned if it is discovered, at any time that an insured does not qualify for an EU.**
- 11** **Assigned yield and related procedure will apply if production reporting provisions for the EU are not complied with.**

(5)(b) Whole-Farm Unit (WFU) Determination. A WFU structure is available under MPC1 if shown as available in the SPO1 (RA and AGR) have similar concepts). A **WFU consists of all insurable acreage of two or more insured crops planted in the county in which the insured has a share on the date coverage begins for each crop for the crop year.** In order to qualify for a WFU, the following unit guidelines apply:

- 1** If the insured selects a WFU coverage:
- a** No other unit structure can be selected for the county. (Different unit structures may be selected for other counties insured.)
- b** The insured will be required to pay a separate administrative fee for each crop included in the WFU.
- 2** **All crops for which the WFU structure is available must be included in the WFU**
- 3** **At least two of the insured crops must each constitute at least 10 percent of the total liability of all insured crops in the whole farm unit, and all crops in the unit must be insured under the same plan of insurance and with the same AIP.**
- 4** A WFU will be determined when the acreage is reported but may be adjusted or combined to reflect the actual unit structure when adjusting a loss.

- 5 A five-position unit number and WFU abbreviation (WU) will be used. The unit designation is shown as 00100WU.
- 6 Acreage for each optional or basic unit for each crop produced in the county that comprises the whole farm unit must be reported on the acreage report.
- 7 A basic unit structure will be assigned if it is discovered that an insured does not qualify for a WFU. ←NACAT)

D(6) **Replanting.** Any acreage of the insured crop that was damaged prior to the final planting date, to the extent that a majority of growers in the area would not normally further care for the crop, must be replanted (unless the AIP agrees that replanting is not practical) for coverage to continue. When it is practical to replant and the crop is not replanted, insurance does not attach (no premium or indemnity is due on such acreage). [For additional information, see FCIC-25010 (Loss Adjustment Manual).]

(6)(a) **(NACAT→Replant payments.** Earliest planting dates, if applicable for a crop, are published in the SPOI in the county actuarial documents, and are specific to replant payment determinations.

- 1 If any acreage of the crop is planted before the earliest planting date, that acreage is ineligible for a replant payment. If acreage initially planted before the earliest planting date is **replanted** after the earliest planting date, and such acreage is **replanted** a second time, the acreage **replanted** the second time may be eligible for a replant payment.
- 2 If an earliest planting date for the crop is not listed in the SPOI, the initial planting date provision is not applicable.

(6)(b) Crop Replanting Requirements. Some crop policies provide replanting or reseeding allowances applicable to insured acreage replanted or reseeded with written consent. Replanting payment guidelines:

| IF THE INSURED CROP IS: | THE ACREAGE REPLANTED MUST BE AT LEAST: | AND THE | OTHER REQUIREMENTS |
|---|---|---|--|
| Coarse Grains (Corn, Grain Sorghum, Soybeans), Dry Beans, Flax, Oats, Peanuts, Rice, Safflower, Sugar Beets, Sunflower Seed, and Barley or Wheat in counties with: 1) a spring final planting date (FPD) if initially planted to Spring Barley or Spring Wheat, or 2) both fall and spring FPDs, and damage occurs after the fall FPD. (Does not apply to initially planted Winter Barley or winter wheat in a county with only a fall FPD.) | 20 acres or 20% of the insured planted acreage for the unit | appraisal for such acreage must be less than 90% of the guarantee | When the crop is replanted using an uninsurable practice following an original planting, the liability for the unit (but not the premium) will be reduced by the amount of the replanting payment. |
| Peppers, Fresh Market Tomatoes (Dollar & Prod.) and Processing Tomatoes | 20 acres or 20% of the insured planted acreage for the unit | stand reduction for such acreage must be in excess of 50% | |
| Fresh Market Sweet Corn | 20 acres or 20% of the insured planted acreage for the unit | stand reduction for such acreage must be in excess of 25% | |
| Canola/Rapeseed | 20 acres or 20% of the insured planted acreage for the unit | not applicable | When the crop is replanted using an uninsurable practice following an original planting, the liability for the unit (but not the premium) will be reduced by the amount of the replanting payment. |
| Forage Seeding | not applicable | not applicable | Fall-seeded acreage with less than a 75% stand must be reseeded in the succeeding spring by the final spring seeding date. |

←NACAT)

- D(7) **Late Planting (LP).** Late planting provisions provide reduced coverage for insurable acreage planted during any applicable late planting period. Late planting provisions also provide reduced coverage for insurable acreage that was prevented from being planted but was planted to the insured crop after the late planting period (after the final planting date for crops that do not have a late planting period) for crops that have prevented planting coverage. The premium for late planted coverage is the same as for acreage that was planted timely. If the insured's premium (gross premium minus the subsidy) for acreage that is late planted exceeds the liability, coverage for that acreage will not be provided, no premium is due and no indemnity will be paid. Insureds must report the date's acreage is late planted.

LP coverage is provided by the BP and may be altered by the CP or SPOI. Coverage for late planted acreage for the crops listed in the first column of the following chart is provided for by the Crop Insurance Policy BP. The second column indicates the percent the production guarantee (the final stage production guarantee for Onions and Sugar Beets) for timely planted acreage is reduced for acreage planted during the late planting period. The third column indicates the percentage of the production guarantees that apply if the acreage was prevented from being planted due to an insured cause of loss and was planted to the insured crop after the late planting period (after the final planting date for crops that do not have a late planting period). Acreage planted after the late planting period (final planting date for crops that do not have a late planting period) that was not prevented from being planted by an insured cause of loss that occurred within the insurance period for prevented planting coverage is not insurable.

| IF THE INSURED CROP IS: | PLANTED 1-25 DAYS: | PLANTED MORE THAN 25 DAYS: |
|--|---|--|
| | AFTER THE FINAL PLANTING DATE THE PRODUCTION GUARANTEE IS: | |
| Canola/Rapeseed <u>1/</u> , Coarse Grains (Corn, Grain Sorghum, and Soybeans), Dry Beans, Dry Peas, Hybrid Sorghum Seed, Safflower, Small Grains (Barley, Flax, Oats, Rye, and Wheat <u>1/</u>) Sunflower Seed and acreage is planted: | Reduced 1% per day for each day planted after the final planting date (up to a maximum of 25 days). | (ADD→ 60, *65, or *70% ←ADD) |
| | | (CAT→ 60% ←CAT) |
| Millet | Reduced 1% per day for the 1 st 10 days and 3% per day for each day the next 10 days (up to a maximum of 20 days). | (ADD→ 60, *65, or *70% ←ADD) |
| | | (CAT→ 60% ←CAT) |
| Onions, Rice, or Sugar Beets <u>2/</u> and acreage is planted: | reduced 1% per day for each day planted after the final planting date (up to a maximum of 25 days). | (ADD→ 45, *50, or *55% ←ADD) |
| | | (CAT→ 45% ←CAT) |
| Potatoes and acreage is planted: | reduced 1% per day for each day planted after the final planting date (up to a maximum of 25 days). | (ADD→ 25, *30, or *35%←ADD) |
| | | (CAT→ 25%←CAT) |
| Cotton <u>1/</u> or Hybrid Seed Corn and acreage is planted: | reduced 1% per day for each day planted after the final planting date (up to a maximum of 25 days). | (ADD→ 50, *55, or *60% ←ADD) |
| | | (CAT→ 50% ←CAT) |
| ELS Cotton and acreage is planted after the final planting date , refer to the third column (column heading not applicable) | | (ADD→ 50, *55, or *60% ←ADD) |
| | | (CAT→ 45% ←CAT) |
| Green Peas, Processing Beans, and Processing Sweet Corn and acreage is planted after the final planting date , refer to the second column (column heading may not apply). | If a late planting period is allowed by the SP, the production guarantee is reduced as indicated by them <u>3/</u> . If planted after the late planting period or if a late planting period is NOT indicated by the SPOI refer to the third Column (heading may not apply). | (ADD→ 40, *45, or *50% ←ADD) <u>3/</u> |
| | | (CAT→ 40% ←CAT) <u>3/</u> |
| Peanuts and acreage is planted: | Reduced 1% per day for each day planted after the final planting date (up to a maximum of 25 days). | (ADD→ 50, *55, or *60%←ADD) |
| | | (CAT→50%←CAT) |

| IF THE INSURED CROP IS: | DURING THE LATE PLANTING PERIOD: | AFTER THE LATE PLANTING PERIOD, THE PRODUCTION GUARANTEE IS: |
|--|--|---|
| Popcorn and acreage is planted: | The production guarantee is reduced 1% per day for each day planted after the final planting date <u>3/</u> . If planted more than 25 days after the final planting date, refer to the third Column. | (ADD→ 60, *65, or *70% ←ADD) <u>3/</u> (CAT→ 60% ←CAT) <u>3/</u> |
| Guaranteed and Quota Tobacco and acreage is planted: | The production guarantee is reduced 1% per day for the first ten days after the final planting date; and reduced 2% per day for the 11th through the 15th day after the final planting date. If planted more than 15 days after the final planting date refer to the third Column. | No prevented planting coverage. |

* If additional levels of PP coverage are available and elected. Refer to the county actuarial documents to determine if additional PP coverage is available.

- 1/ The SPOI may indicate a different percentage coverage reduction and/or the days contained in the late planting period.
- 2/ LP is not available in California Counties with an April 30 contract change date and a July 15 cancellation date.
- 3/ Requires written approval from the processor by the acreage reporting date that they will accept the production from the late planted acres.

D(8) **Prevented Planting (PP)/Basic Provisions.** Coverage for eligible PP acreage for most crops is provided for by the Common Crop Insurance Policy BP. Crops for which prevented planting provisions are contained in the BP are listed in the first column of the following chart. The third column indicates the percentage of the production guarantees for timely planted acreage that is available for PP at the additional and CAT coverage levels. [Refer to the Prevented Planting Loss Adjustment Standards Handbook (FCIC-25370) for additional details, situations and examples].

| THE INSURED CROP IS: | AND THE COVERAGE ELECTED IS: | THE AVAILABLE PREVENTED PLANTING COVERAGE IS: |
|---|------------------------------|---|
| Canola/Rapeseed, Coarse Grains (Corn, Grain Sorghum, and Soybeans), Dry Beans, Dry Peas, Hybrid Sorghum Seed, Millet, Mustard, Popcorn, Safflower, Silage Sorghum, Small Grains (Barley, Flax, Oats, Rye, Wheat), or Sunflower Seed | Additional | 60, *65, or *70% |
| | CAT | 60% |
| Green Peas, Processing Sweet Corn, or Processing Beans | Additional | 40, *45, or *50% |
| | CAT | 40% |
| Onions, Rice, or Sugar Beets <u>1/</u> | Additional | 45, *50, or *55% of <u>2/</u> |
| | CAT | 45% of <u>2/</u> |
| Cotton, ELS Cotton, Hybrid Seed Corn, or Peanuts | Additional | 50, *55, or *60% <u>3/</u> |
| | CAT | 50% |
| Potatoes | Additional | 25, *30, or *35% |
| | CAT | 25% |

* If additional levels of coverage are available and elected. Refer to the county actuarial documents to determine if additional PP coverage is available.

1/ PP is not available in California Counties with an April 30 contract change date and a July 15 cancellation date.

2/ For Onions and Sugar Beets, the percentage listed is multiplied times the final stage production guarantee.

3/ For Cotton and ELS Cotton and other crops with skip-row planting, PP production guarantees are based on solid-planted approved APH yields (for Cotton and ELS Cotton, do not apply the skip-row yield conversion factor).

(8)(a) PP Coverage Elections. (NACAT→ The County Actuarial Table for the crop may provide optional levels of PP coverage elections that may be elected by insureds with additional coverage. Optional PP coverage elections are indicated as PF(+ 5%) and PT (+ 10%) on the County Actuarial Table and require additional premiums. Insureds that have additional coverage and wish to increase the PP coverage to an additional level (provided by the applicable County Actuarial Table) must elect increased PP coverage on or before the SCD for the crop. The election must be made on the application or, for carryover insureds, on a policy change form.

1 If optional PP coverage is not elected, the percentage stated in the applicable CP will apply (lowest percentage indicated in the third column of the previous chart). ←NACAT)

2 Insureds may not increase their elected or assigned PP coverage level for any crop year if a cause of loss that will or could prevent planting is evident prior to the time the insured applies for an increased level of PP coverage.

(8)(b) PP Premiums. The premium for eligible PP acreage that was prevented from being planted is the same as for timely planted acreage except for PP acreage limited to 35 percent of the PP coverage (a second crop applicable). When limited to 35 percent of the PP coverage, the insured is responsible for 35 percent of the first insured crop's premium. If the insured's premium (gross premium minus the subsidy) for acreage that is prevented from being planted exceeds the liability, coverage for that acreage will not be provided, no premium is due and no indemnity will be paid. [See Par. (8)(l) for other situations for which PP coverage is not provided.]

(8)(c) Double Cropped. An insured may receive a full indemnity or prevented planting payment for a first insured crop when the acreage qualifies as double cropped regardless of whether the second crop is insured or sustains an insurable loss. To qualify as double cropped each of the following conditions must be met:

1 The practice is generally recognized by agricultural experts or the organic agricultural industry for the area to plant two or more crops for harvest in the same crop year;

2 The second or more crops are customarily planted after the first insured crop was planted for harvest on the same acreage in the same crop year in the area;

3 Additional coverage insurance offered under the authority of the Act is available for the current crop year in the county on the two or more crops that are double cropped. Available in the county means that there is a program for the crop in the county or the crop is insured via written agreement;

4 The insured provides acceptable records of acreage and production that show he or she has double cropped acreage in at least two of the last four crop years in which the first insured crop was planted, or show the applicable acreage was double cropped in at least two of the last four crop years on which the first insured crop was grown on acreage double cropped. Acceptable records include APH acreage and production records, settlement sheets

or bin measurements for which the units/acreage from which the production came and FSA maps and FSA 578's identifying the acres.

- 5 In the case of PP, the second crop must not be planted on or prior to the final planting date, or if applicable, prior to the end of the late planting period for the first insured crop.

A full indemnity on two double cropped crops is limited to the number of acres that the insured can demonstrate he/she has double cropped or that has been historically double cropped as indicated in preceding Pars. 1-5.

- (8)(d) Second Crop. For purposes of PP payment reductions, a second crop is the next occurrence of planting any agricultural commodity following a first insured crop that is prevented from being planted on the same acreage. A volunteer crop or cover crop that is hayed or grazed prior to November 1, or otherwise harvested at any time from the same acreage in the same crop year is considered a second crop for PP purposes. A cover crop that is covered by FSA's NAP program or receives other USDA benefits associated with forage crops will be considered as planted for the purpose of haying, grazing or otherwise harvesting. If not eligible for double cropping and the second crop is:

- 1 Planted, or hayed, grazed or otherwise harvested on or before the end of the late planting period for the first insured crop or the final planting date if no late planting period is applicable, no PP payment will be made. However, if a cover crop is planted prior to the end of the late planting period or final planting date if no late planting period is applicable and is hayed or grazed after the late planting period or final planting date, whichever applies, the PP reduction applies.
- 2 Planted, hayed, grazed or otherwise harvested after the end of the late planting period for the first insured crop or the final planting date if no late planting period is applicable, the PP payment is limited to 35 percent of the prevented planting payment for the first insured crop (35 percent of the premium will be due for the first insured crop). See [Section 6 C(10)] for APH yield requirements. The same reduction in the amount of the prevented planting payment and premium will also be made if the acreage is cash rented to another person even if that person does not plant a second crop.

- (8)(e) Eligible PP Acreage is the maximum number of insurable acres eligible for PP coverage for each crop. Refer to Par. 8(f) and 8(i) for instructions on how to determine eligible acreage by crop. In general:

- 1 The total number of eligible acres for all crops cannot exceed the number of acres of cropland available for planting in the insured's farming operation for the crop year, unless eligible for PP coverage on double cropped acreage on which the insured crop is PP [See Par. (8)(c)]. [See Par. (8)(f)] for situations that allow for increasing eligible PP acreage.
- 2 Eligible acres will be reduced by the number of acres of the crop that are timely planted and the number of acres planted after the final planting date (including insured and uninsured acreage).

3 Prevented planting acres subsequently planted to a second crop are not used to determine eligible acres unless double cropping requirements are met.

8(f) Eligible PP Acreage Chart for Crops Not Requiring a Contract with a Processor to be Insured.

| <p>IF THE INSURED CROP IS A CROP NOT REQUIRED TO BE CONTRACTED WITH A PROCESSOR TO BE INSURED:</p> | <p>ELIGIBLE ACRES for insureds who, in any one of the four most recent crop (policy) years, HAVE planted any crop in the county for which PP insurance was available or HAVE received a PP insurance guarantee are:</p> | <p>ELIGIBLE ACRES for insureds who in any one of the four most recent crop (policy) years, HAVE NOT planted any crop in the county for which PP insurance was available or have not received a PP insurance guarantee are:</p> |
|---|---|--|
| <p>Canola/Rapeseed, Coarse Grains (Corn, Grain Sorghum, and Soybeans), Cotton, Dry Beans (excluding contract seed), Dry Peas (excluding contract seed), ELS Cotton, Millet, Onions, Peanuts, Potatoes, Rice, Safflower, Silage Sorghum, Small Grains (Barley, Flax, Oats, Rye, Wheat), or Sunflower Seed</p> | <p>The maximum number of acres certified for APH or insured acres reported for insurance for THE CROP in any one of the four most recent crop years, excluding any PP acreage that was planted to a second crop unless the insured meets the double cropping requirements in the BP.</p> <p>Eligible PP acres as determined above for a crop may be increased ONLY if the total number of cropland acres farmed for the current crop year has increased when compared to the total cropland acres the insured farmed the previous crop year [See Par. (8)(g)] and:</p> <p>the insured provides proof to the AIP that for the current crop year the additional land has been purchased, leased, released from any USDA program which prohibits harvest of a crop, or otherwise acquired (such as inherited or gifted). However, such acreage must have been obtained or released from the USDA program in time to plant it for the current crop year using good farming practices and no cause of loss that would prevent the insured from planting the acreage may be evident at the time the acreage is obtained (except for acreage the insured leased the previous year and continues to lease the current crop year), the acreage is released from a USDA program which prohibits harvest of a crop, or a request is made for a written agreement to insure the acreage.</p> | <p>The number of acres listed on the insured's intended acreage report submitted by the SCD for all crops insured for the crop year and accepted by the AIP. However, the total number of intended acres cannot exceed, for all crops requested, the number of cropland acres in the insured's farming operation available for planting at the time the intended acreage report is submitted. [See Par. 8(e)2 for additional instructions.]</p> <p>Eligible PP acres as determined above for a crop may be increased ONLY if the total number of cropland acres available for planting the current crop year is greater than the acres listed on the intended acreage report [See Par. (8)(f)] and:</p> |

8(g) **Intended Acreage Reports.** Insureds who, in any of the four most recent (policy) crop years, **have not planted any crop in the** county for which PP insurance was available or have not received a prevented planting insurance guarantee may request that eligible PP acreage be established by filing an intended acreage report **for all insured crops.** The AIP may accept the intended acreage report subject to the following conditions:

- 1 The intended acreage report must be submitted/signed by the insured on or before the SCD **for all insured crops for the crop year.**
- 2 The total number of acres listed on the intended acreage report for ALL crops cannot exceed the number of cropland acres **available for planting** in the insured's farming operation at the time the **intended acreage** report is submitted.
- 3 The eligible PP acres established by an approved intended acreage report, by crop, cannot be changed when acres are reported at acreage reporting time. For example: if the intended acreage report indicates 1,000 acres of grain sorghum, the insured cannot later claim 500 acres of PP corn and 500 acres of PP soybeans.

(8)(h) **Increased eligible PP acres.** Eligible PP acres **(including those based on an intended acreage report)**, for crops that do not require a contract with a processor to be insured may be increased:

- 1 For insureds who **have** planted any crop in the county for which PP insurance was available or have received a PP guarantee in any of the four most recent policy crop years if the total number of cropland acres to be farmed for the current crop year is greater than the total cropland acres that were farmed the previous crop year subject to the following conditions;
 - a The circumstances that increased the cropland acres must be documented, verifiable proof of the circumstances must be provided, and the total cropland acres for the previous and current crop years must be provided by the insured **[see Par. 3 for documentation requirements];**
 - b When approved **(by the AIP)**, the **number of** eligible PP acres **for a crop** may be increased by multiplying it by a factor determined by dividing the total cropland **available for planting** for the current crop year **(if greater)** by the total cropland **available for planting** the previous crop year. Round the result to three decimal places and multiply this factor times the eligible PP acres **for each crop.**
 - c Such acreage must be included on a **revised** acreage report.

- 2 For Insureds who, in any of the four most recent (policy) crop years, **have not planted any crop in the** county for which PP insurance was available or have not received a prevented planting insurance guarantee that filed an intended acreage report. The AIP may approve increased eligible PP acreage subject to the following conditions;
- a The total number of cropland acres available for planting for the current crop year is greater than the total acres listed on the intended acreage report for the current crop year;
 - b The circumstances that increased the cropland acres must be documented, verifiable proof of the circumstances must be provided, and the total cropland acres for the current crop year must be provided by the insured [see Par. 3 for documentation and additional requirements]; and
 - c Such acreage must be included on a revised acreage report.
- 3 Documentation and Requirements. The insured must provide proof to the AIP that for the current crop year the additional land has been purchased, leased, released from any USDA program which prohibits harvest of a crop, or otherwise acquired (such as inherited or gifted).
- a Such acreage must have been obtained or released from the USDA program in time to plant it for the current crop year using good farming practices; and
 - b No cause of loss that would prevent the insured from planting the acreage may be evident at the time the acreage is obtained (except for acreage the insured leased the previous year and continues to lease the current crop year), the acreage is released from a USDA program which prohibits harvest of a crop, or a request is made for a written agreement to insure the acreage.

EXAMPLE 1: ELIGIBLE PP ACRES

The insured has produced hybrid seed corn, grain sorghum, and soybeans or received a prevented planting payment during the four most recent policy crop years and will produce sunflowers for the first time during the current policy crop year. Since the insured has planted other crops in the county for which PP insurance was available, an intended acreage report cannot be filed for sunflowers.

| CROPS PLANTED/ PP PAYMENT (The 4 most recent crop years) | MAXIMUM NUMBER OF ACRES REPORTED | | BASE ELIGIBLE ACRES |
|---|----------------------------------|---------------------------------------|----------------------------------|
| | APH FORM | ACREAGE REPORT | |
| Hybrid Seed Corn | NA | 110.0 (2005) (Processor Contracts) | 100.0 (Acres contracted 2006) |
| Grain Sorghum | 150.0 (2005) | 150.0 (2005) | 150.0 |
| Soybeans | 150.0 (2004) | 150.0 Planted (2004) 50.0 PP | 200.0 (50.0 + 150.0) |
| Sunflower Seed | 0.0 | 0.0 (New Grower 2006) | 0.0 |

EXAMPLE 1 CONTINUED (ELIGIBLE PP ACRES INCREASED):

The insured cash leased an additional 212 acres of cropland, supplied a copy of the lease showing that the acreage was leased in time to plant it using good farming practices for the current crop year. The AIP determined that there was no cause of loss evident at the time the acreage was leased that would PP of the insured crops. The insured also provided total cropland acres available for planting for the previous and current policy crop year.

| CROPLAND ACRES | CROP | ACRES | FACTOR | ELIGIBLE PP ACRES |
|---|------------------|-------|--------|--------------------------|
| 2006 2005 Crop Yr. 742 ÷ 530 = 1.400 | Hybrid Seed Corn | NA | NA | 100.0 (Contracted Acres) |
| | Grain Sorghum | 150.0 | 1.400 | 210.0 |
| | Soybeans | 200.0 | 1.400 | 280.0 |
| | Sunflower Seed | 0.0 | 1.400 | 0.0 |

8(i) Eligible PP Acreage Chart for Crops Requiring a Processor Contract to be Insured.

| <p>IF THE INSURED CROP IS A CROP REQUIRED TO BE CONTRACTED WITH A PROCESSOR:</p> | <p>THEN ELIGIBLE ACRES ARE:</p> |
|---|--|
| <p>Dry Beans (Contract Seed), Dry Peas (Contract Seed), Green Peas, Hybrid Seed Corn, Hybrid Sorghum Seed, Popcorn, Processing Beans, Processing Sweet Corn, or Sugar Beets</p> | <p>For contracts specifying the number of acres contracted (or a minimum number of acres contracted), the number of acres (or minimum number of acres) of the crop specified in the contract for the current crop year.</p> <p>For contracts specifying a quantity of production (or minimum quantity of production) that will be accepted, the number of acres determined by dividing the quantity of production (or minimum quantity of production) stated in the contract by the insured's approved APH yield. For the purpose of establishing eligible PP acreage, if variable T-Yields of less than 100% of the T-Yield are used to calculate the approved APH yield, the applicable 100 percent T-Yield must be used instead and a yield calculated for this purpose.</p> <p>If a processor:</p> <p> cancels or does not provide contracts, or reduces contracted acreage or contracted production solely because the acreage was PP due to an insured cause of loss, the AIP may determine the number of eligible acres based on the number of acres or amount of production contracted, whichever is applicable, for the crop in the county for the previous crop year. If the insured did not have a processor contract the previous crop year, there is not any eligible PP acreage for the processor crop. The total eligible PP acreage in all counties cannot exceed the total number of acres or amount of production contracted in all counties in the previous crop year. If the CP requires a price election based on a contracted price, and a contract price is not provided for the current crop year, the price election may be based on the contracted price for the previous crop year.</p> |

(8)(j) PP Payments. To be eligible for a PP payment, the following requirements must be met.

- 1 The insured must file a notice of PP within 72 hours after;
 - a The final planting date, if the crop will not be planted during the late planting period or if a late planting period is not applicable; **and**
 - b **Indicating** that he or she will not be able to plant the crop within any applicable late planting date.
- 2 The insured was prevented from planting the insured crop by an insured cause of loss that occurred:
 - a On or after the SCD for the crop the crop year the application is accepted (new insured).
 - b On or after the SCD for the crop for the previous crop year if a carryover insured.
- 3 Drought or failure of the irrigation water supply will be an insurable cause of loss for PP purposes only if, on the final planting date (or within the late planting period), the insured **intended** to plant the crop:
 - a For non-irrigated acreage, the area that is prevented from being planted has insufficient soil moisture for germination of seed and progress toward crop maturity due to a prolonged period of dry weather. Prolonged precipitation deficiencies must be verifiable using information collected by sources whose business it is to record and study the weather, including but not limited to, local weather reporting stations of the National Weather Service; or
 - b For irrigated acreage, **failure of the irrigation water supply, i.e.**, there is not a reasonable probability of having adequate water to carry out an irrigated practice.

(8)(k) PP Payments for crops without an adequate base. If an insured was prevented from planting a crop without an adequate base of eligible PP acres, the production guarantee or amount of insurance for the PP payment for the acreage that exceeds the crop's eligible PP acres, will be based on the crops insured for the current year for which the insured has remaining eligible PP acreage. This will be allowed only if the crop that was planted with remaining eligible PP acreage meets all policy provisions for insurability.

- 1 The crops used will be those that result in a PP payment most similar (closest) to the PP payment that would have been made for the crop that was prevented from being planted. For example, the insured was prevented from planting 200 acres of corn and has 100 acres of corn PP eligibility that would result in a PP payment of \$40 per acre. The insured also had 50 acres of potato PP eligibility that would result in a PP payment of \$100 per acre, 90 acres of grain sorghum PP eligibility that would result in a PP payment of \$30 per

acre and soybean eligibility that that would result in a PP payment of \$25 per acre. The PP coverage for the 200 acres would be \$6950, based on 100 acres of corn (\$40 X 100 = \$4000), 90 acres of grain sorghum (\$30 X 90 = \$2700) and 10 acres of soybeans (\$25 X 10 = 250). [Refer to PP Handbook, Sec. 12E for additional examples.]

- 2 PP payments may be based on crops with eligible PP acreage other than those that were prevented from being planted even though the acreage may not meet the other crop's policy provisions such as having a processor contract or meeting rotation requirements. If the insured was prevented from planting any non-irrigated crop acreage, and there is not any remaining eligible PP acreage for that crop and the insured does not have any other crop with remaining eligible non-irrigated PP acres, no PP payment will be made for the acreage. However, if the insured has only irrigated history for another crop with remaining eligible PP acreage and both irrigated and non-irrigated practices for the crop are insurable in the county and the non-irrigated practice would result in the most similar payment, a non-irrigated practice will be established and the PP payment will be based on the non-irrigated practice for the crop with remaining PP eligible acres.

(8)(l) Prevented planting coverage is not provided for any prevented planted acreage of the insured crop:

- 1 That does not constitute at least 20 acres or 20 percent of the insurable crop acreage in the unit, whichever is less (after the minimum acreage requirement on the unit is met, PP payments are on a per acre basis). For enterprise and whole farm units, the 20 acres or 20 percent rule applies to the total acreage for the crop (e.g. corn) in the county. Any PP acres within a field that contains planted acreage will be considered to be acreage of the same crop (type and practice) that is planted in the field, except that the PP acreage may be considered acreage of a crop (type and practice) other than that which is planted in the same field ONLY if:
- a The PP acreage in the field consists of at least 20 acres or 20 percent of the insurable acreage in the field, and the insured produced both crop types or practices in the same field in the same crop year within one of the four most recent crop years;
 - b The insured was prevented from planting a first insured crop and a second crop was planted in the same field. There will be only one first insured crop in the field, unless the requirements in a or c are met; or
 - c The insured crop planted in the field would not have been planted on the remaining PP acreage (e.g., rotation requirements would not have been met or total number of contracted acres already planted, or irrigation facilities not available for an irrigated practice).
- 2 For which the actuarial documents do not provide the information to determine the premium rate (NACAT → unless a premium rate is assigned by an RMA RO written agreement ← NACAT);

- 3 That is used for conservation purposes or intended to be left unplanted under any program administered by the USDA or other government agency, or required to be left unharvested under the terms of the lease or any other agreement. The number of acres eligible for PP will be limited to the number of acres specified in the lease for which the insured is required to pay either cash or share rent;
- 4 That the insured or any other person (excluding share arrangements) received a prevented planting payment for any crop for the same acreage in the same crop year unless the acreage meets the double cropping criteria and additional coverage insurance offered under the authority of the Act is available in the county for both crops in the same crop year. The amount of acreage qualifying for two payments is limited to the number of acres demonstrated to have been double cropped [See (8)(c)].
- 5 On which the insured crop is prevented from being planted if:
- a Any crop is planted within or prior to the late planting period or on or prior to the final planting date if no late planting period is applicable unless:
- i Double cropping requirements are met;
- ii The crop was planted as a cover crop; or
- iii No benefit, including any benefit under any USDA program, was derived from the crop; or
- b Any volunteer or cover crop is hayed, grazed or otherwise harvested within or prior to the late planting period or on or prior to the final planting date if no late planting period is applicable unless double cropping requirements are met.
- 6 For which planting history or conservation plans indicate that the acreage would have remained fallow for crop rotation purposes or on which pasture or other forage crop is in place during the time that planting of the insured crop generally occurs in the area;
- 7 That exceeds the number of eligible PP acres;
- 8 That exceeds the number of acres physically available for planting;
- 9 For which the insured cannot provide proof that he or she had the inputs available to plant and produce a crop with the expectation of at least producing the yield used to determine the production guarantee/amount of insurance;
- 10 Based on an irrigated practice production guarantee or amount of insurance unless adequate irrigation facilities were in place to carry out an irrigated practice on the acreage prior to the insured cause of loss that prevented the insured from planting the insured crop. PP coverage based on an irrigated practice is limited to the number of acres allowed for an irrigated practice under [Pars. (8)(f), (8) (i) and (8)(l)];

- 11** Based on a crop type/variety that the insured did not plant or did not receive a PP insurance guarantee in at least one of the four most recent crop (policy) years. Planted acreage for the type/variety (if an APH crop) for which separate price elections, amounts of insurance, or production guarantees are available must be included in the APH database in at least one of the most recent four crop (policy) years. The type/variety for a crop that is not an APH crop must be reported on the insured's acreage report in at least one of the four most recent crop (policy) years except if the insured has not planted any crop for which PP insurance was available or has not received a PP guarantee in any of the four most recent (policy) crop years. Insureds that have not produced any crop in the county for which PP insurance was available or have not received a PP insurance guarantee in any of the four most recent crop (policy) years, must include the intended acreage for applicable types/varieties on an intended acreage report [see Par. (8)(g)]. PP based on a crop type/variety is limited to the number of acres allowed for a crop type/variety [see Pars. (8)(f), (i) and (l)];
- 12** If a cause of loss is evident or has occurred that would prevent planting at the time:
- a** The insured leases acreage (except acreage leased the previous crop year that continues to be leased for the current crop year);
 - b** The insured buys the acreage;
 - c** Acreage is released from a USDA Program that prohibits harvest of a crop;
 - d** The insured requests a written agreement to insure the acreage; or
 - e** The insured acquires acreage through means other than a lease or purchase (such as inherited or received as a gift).
- 13** That is short rated (wheat acreage on which coverage is provided for less than a full crop year for a reduced premium)[see Section 10, Par. B(2)(c)]. Short rated acreage is not eligible for a PP payment for another crop unless it qualifies under the double crop provisions. However, the acres reported on the acreage report in any of the four most recent crop years are used in the determination of eligible PP acres.

4E Endorsements And Options.

Some crop policies have endorsements and/or options that add supplemental coverage, exclude coverage, or otherwise modify the coverage. Generally, an endorsement or option must be applied for by the crop's SCD.

(CAT→NO options or endorsements (excluding Yield Adjustment Election) may be attached to a CAT policy except for the CAT Endorsement. Written unit agreements and statements contained on the written agreement are voided by the Catastrophic Risk Protection Endorsement and may NOT be continued when switching from an additional coverage policy to CAT coverage. **←CAT)**

- E(1) **(CAT→ Catastrophic Risk Protection Endorsement.** A mandatory endorsement that attaches to each crop policy and modifies its terms and conditions for Catastrophic Risk Protection purposes. For CAT policies, the endorsement:
- (1)(a) Limits the coverage level and price election.
 - (1)(b) Restricts or changes the unit structure to basic units ONLY by share.
 - (1)(c) Removes replant payment provisions.
 - (1)(d) Does not allow the exclusion of hail and fire coverage, or other coverage options.
 - (1)(e) Removes the availability of written agreements. **←CAT)**
- E(2) **(NACAT→High-Risk Land Exclusion Option,** a High-Risk Land Exclusion Form developed according to RMA approved standards [see Exhibit 24]. This option is designed to exclude from additional coverage ALL high-risk land by crop and county. For exclusion purposes, high-risk land is defined as land to which high-risk classification applies as classified by the actuarial document or on a written agreement. CAT coverage must be obtained from the same AIP as the additional coverage. The option must be signed, dated and submitted on or before the applicable SCD (by crop and policy) for the initial crop year for which the insured wants the option to be effective. It is continuous and may be canceled according to the cancellation provisions of the policy. However, if the policy is transferred to a different AIP, a new option must be signed by the insured by the applicable SCD.
- Insureds shall contact the FSA office for guidance relating to FSA linkage requirements for acreage excluded under the high-risk land exclusion option. Linkage requirements are outlined in FSA procedures and administered by FSA. Linkage requirements vary based on FSA program requirements, therefore the local FSA office should be contacted for guidance based on the producer's participation in various FSA programs.
- (2)(a) Background. The basic crop insurance policy provides insurance coverage on all insurable acres planted to a crop in the county. When coverage and rates are provided on high-risk land, producers are required to insure the high-risk land at an increased cost (reflecting the risk). Insureds who do not wish to insure high-risk land may amend the basic insurance policy by signing and submitting the High-Risk Land Exclusion Option (by crop(s) and policy) to the AIP.

- (2)(b) Locations Available. The option is available for land located in high-risk areas. Check the county actuarial table to review the High Risk Rate Table.
- (2)(c) Reporting Excluded Acreage. Acreage planted to the crop on high-risk land, if not insured under a CAT policy, must be reported as uninsurable acreage on the acreage report each year the High-Risk Land Exclusion Option is in effect. Separate production records showing planted acreage and harvested production from this excluded land also must be maintained. If the crop on the excluded land is insured under a CAT policy, such acreage and production must be reported for APH purposes under the CAT policy.
- (2)(d) Cancellation. Once the cancellation date has passed, a High-Risk Land Exclusion Option executed by an insured cannot be canceled or otherwise rendered ineffective by either party for that crop year. **←NACAT)**
- (2)(e) Requests for Reclassification may only be made if an additional coverage policy is in force. If the insured signed the option and:
- 1 Requests reclassification of high-risk land based on standard APH rating, but does NOT have a CAT Policy, the following procedures apply:
 - a If RMA issues a written agreement that does not provide standard rating, the High-Risk Land Exclusion Option prevails and the insured must report acreage as uninsurable.
 - b If RMA RO issues a written agreement that reclassifies such acreage to standard rating, the written agreement is effective on issuance and deemed to be accepted by the insured and AIP. The insured must report the acreage as insurable under the additional coverage policy.
 - 2 Requests reclassification of high-risk land based on standard APH rating and has a CAT Policy, the following procedures apply:
 - a If RMA issues a written agreement that does not provide standard rating, the High-Risk Land Exclusion Option prevails and the insured must report the acreage on the CAT policy.
 - b If RMA RO issues a written agreement that reclassifies such acreage to standard rating, the written agreement is effective on issuance and deemed to be accepted by the insured and the AIP. The insured must report the acreage as insurable under the additional coverage policy.

- E(3) **(NACAT→ Request to Exclude Hail and Fire.** Use the Hail and Fire Exclusion Form developed according to RMA approved standards, to exclude hail and fire as an insured cause of loss from MPCl policies. Hail and fire may be excluded ONLY from policies with coverage of at least a minimum of 65 percent coverage indemnified at 100 percent price election, or an equivalent coverage. Insureds executing a Continuous Hail and Fire Exclusion Option must provide a copy of the annual hail and fire declaration sheet showing the required amount of hail and fire coverage each year. The Exclusion applies to any applicable option.
- (3)(a) Deadlines. The request to exclude hail and fire coverage must be submitted to the AIP within:
- 1 72 hours after the effective date of an annual hail and fire policy or the first year a multi-season hail and fire policy is in force. This request must be made on or before the date MPCl coverage attaches for the crop year when a multi-season hail and fire policy (except the first year) is in effect.
 - 2 72 hours of the date a private hail policy is first in effect for insureds who have signed the Continuous Hail and Fire Exclusion Option Form, or before the date MPCl coverage attaches for a crop year after the first crop year a multi-season hail and fire policy is in effect.
- (3)(b) Eligible acreage. The hail and fire exclusion applies to all acreage of the crop insured at an equivalent to a minimum 65 percent coverage indemnified at 100 percent price election. Due to an insured's ability to select different price elections for different types of dry beans, a single dry bean policy may have some types with sufficient coverage to exclude hail and fire and some with less than the minimum coverage required. When this occurs, hail and fire is excluded only from acreage with at least the minimum coverage.
- (3)(c) Hail and Fire Liability Requirements. For each crop year the hail and fire exclusion is in effect, the total liability for the hail and fire coverage on the crop must be equal to or greater than the total MPCl liability for the crop. Liability for acreage which is eligible for prevented planting but was not planted is NOT considered and the premium is not reduced on such acreage.
- (3)(d) Hail and Fire Providers. Hail and fire policies must be obtained from a company licensed in the state where the MPCl coverage is provided in order to exclude hail and fire from the MPCl policy. If hail and fire coverage is provided by unlicensed entities/companies, the hail and fire exclusion from the MPCl policy must be approved by the Reinsurance Services Liaison Division. The policy must include BOTH hail and fire coverage for the policyholder to be eligible for the premium credit for hail and fire exclusion from the MPCl policy.

(3)(e) Liability Revisions. The insured may revise the liability on the hail and fire exclusion form to reflect the liability for the reported acreage on the insured crop provided:

1 The difference between the total acreage report liability and the total liability shown on the original hail and fire exclusion form is more than one percent. (An insured will be considered to have a like amount of private hail and fire liability if the difference in liability described above is less than one percent.)

2 The hail and fire exclusion form showing the revised liability must be submitted no later than 15 days after the liability (based on the reported acreage) is established.

(3)(f) If the crop has been damaged to the extent that a loss has occurred and an indemnity is to be, or may be claimed on any unit of the crop, a request for hail and fire exclusion will not be accepted for that year (on a continuous hail and fire exclusion, the exclusion will not be effective until the following year). Issuance of a prevented planting or replant payment for any insured unit will not affect an insured's ability to exclude hail and fire coverage.

(3)(g) Hail or Fire Damage. If hail and fire coverage is deleted from the MPCl policy and the crop is subsequently damaged by hail or fire, an appraisal for uninsured (excluded) causes of loss will be made only if the damage due to hail or fire exceeds the deductible established in the policy. [See Hail Fire Exclusion Form developed according to RMA approved standards for specifics on calculating the appraisal for uninsured causes.]

(3)(h) The MPCl premium reduction for the hail and fire exclusion option is shown on the county actuarial table as an Option Factor. The base premium rate for acreage with additional coverage shall be reduced by the hail/fire exclusion factor shown on the actuarial table. Liability times the base premium rate times the hail and fire exclusion factor multiplied by the applicable producer premium factor equals the producer premium without hail and fire as shown:

$$\frac{\text{Base Premium}}{\text{Base Premium}} \times \frac{\text{Hail \& Fire Exclusion Factor}}{\text{Hail \& Fire Exclusion Factor}} \times \frac{\text{Producer Premium Factor}}{\text{Producer Premium Factor}} = \frac{\text{Subsidized Premium}}{\text{Subsidized Premium}}$$

←NACAT)

- E(4) **(NACAT→ Apple Option For Quality Adjustment.** An insured with an MPC1 apple policy in effect may elect to obtain additional coverage on Apples through the use of an available option (where premium rates for the endorsements are established). This option applies for all acreage of the crop covered by the policy unless designated differently on the form. The option is continuous and must be elected on the application (new insureds) or policy change form (carryover insureds) and submitted on or before the SCD for the initial crop year for which the insured wants the endorsements to be effective. The continuous option may be canceled according to the cancellation provisions of the policy.

Optional Coverage for Fresh Fruit Quality Adjustment. The Option is designed for apple insureds who desire fresh fruit quality coverage for apples that do not grade U.S. Fancy or better.

- (4)(a) If the insured chooses this option, the quality standards and rates for this option will apply to all Apples intended for the fresh fruit market.
- (4)(b) Different price elections may be available for Apples intended for either the fresh fruit or processing markets [refer to the actuarial documents].
- (4)(c) All insurable acres of Apples in which the insured has a share in the county must be insured regardless of intended use. ←NACAT)

- E(5) **(NACAT→ Malting Barley Price and Quality Endorsement.** A Malting Barley Price and Quality Endorsement provides supplemental coverage for Malting Barley in addition to the coverage provided by the Barley CP. Two Malting Barley coverage options are available, Option A and Option B. Option A or B must be elected by the insured by indicating the option selected on the application (new insureds) or policy change form (carryover insureds) on or before the SCD.
- (5)(a) Option A provides supplemental coverage for insureds who contract production after the SCD, grow approved Malting Barley varieties but not under Malting Barley contract(s), or grow ONLY a portion of approved Malting Barley varieties under Malting Barley contract(s).
- (5)(b) Option B provides supplemental coverage for insureds who grow approved Malting Barley varieties under Malting Barley contract(s).
- (5)(c) Coverage under Option A or Option B is separate from Feed Barley coverage. Feed Barley coverage for the purposes of the Malting Barley Price and Quality Endorsement means: The basic Barley coverage provided under the Small Grains Barley CP without respect to the Malting Barley Price and Quality Endorsement. All insurable acreage of Barley (non-malting varieties, approved malting varieties, and malting varieties that are not approved for coverage under the Endorsement) is eligible for Feed Barley coverage.
- (5)(d) Approved Malting Barley Varieties. Under Option A or Option B, only those varieties specified in the SPOI, recommended by the American Malting Barley Association, and/or approved by the RMA RO shall be insurable. Other varieties meeting the conditions specified in the Malting Barley Price and Quality Endorsement which are not contracted may be insured via a written agreement.

(5)(e) Unit Division. Under Option A or Option B, all insurable acreage in the county of approved Malting Barley varieties is ONE BASIC UNIT. Production from non-malting varieties or non-approved malting varieties MUST NOT be commingled with production from approved Malting Barley varieties prior to making any determinations necessary for claims or APH purposes under Option A or Option B.

- 1 Basic and optional units are provided for FEED BARLEY coverage. [Refer to normal unit determination procedure as outlined in Sec. 4, D(3) and (4).]
- 2 Units for Option A or Option B Malting Barley and Feed Barley units must be numbered consecutively. Do not start with 00100 for each type (Feed Barley and Malting Barley). If there are two basic units of Feed Barley, the Malting Barley unit is numbered as 00300.

(5)(f) For APH instructions when Option A or Option B is in force [see Exhibit 22 Par. 1C and 1D]. **←NACAT**

E(6) **(NACAT→Northern Potato Policy)**. An insured with a MPCIC Northern Crop policy in effect may elect to obtain additional coverage on potatoes through the use of endorsements (available where premium rates for the endorsements are established). The endorsements are continuous and must be elected on the application (new insureds) or policy change form (carryover insureds) and submitted on or before the SCD for the initial crop year for which the insured wants the endorsements to be effective. The continuous endorsement(s) may be canceled according to the cancellation provisions of the policy. Beginning with the 1998 crop year, quality adjustment for production damaged by freeze and causes that result in tuber rot have been incorporated into the Northern Potato CP.

(6)(a) Northern Potato Quality Endorsement; the Northern Potato Quality Endorsement is designed for potato insureds who desire protection against loss of quality.

- 1 Protection for quality is based on the insured's marketing records on potatoes graded according to the U.S. standards for grades of potatoes.
- 2 If less than four years of records indicating grade are available, the grade from actual records will be averaged with the default percentage shown in the Actuarial Documents. If no actual records of grade are available, the default percentage shown on the actuarial table will be used. [See Sec. 6, J(12)(b)4.]
- 3 The actuarial table may provide separate rates and coverage for U.S. No. 1 and for U.S. No. 2 Potatoes. Insureds may elect U.S. No. 1 or 2 by potato type or group, if separate types or groups are specified on the SPOI.
- 4 The endorsement provides additional quality adjustment for production with internal defects in excess of grade tolerance and cannot be sorted from undamaged production.
- 5 Acreage grown for the production of seed is not covered under this endorsement.

- (6)(b) Northern Processing Potato Quality Endorsement; A Northern Potato Processing Quality Endorsement. This endorsement attaches to and amends the Quality Endorsement. The Processing Potato Quality Endorsement provides coverage for low specific gravity and dark fry color and provides quality protection for all the insured's acreage that is grown under a processor's contract.
- (6)(c) Northern Certified Seed Potato Endorsement. A Northern Certified Seed Potato Endorsement. This endorsement is designed for Northern potato insureds who desire coverage for their certified seed production.
- 1 The determination of certified seed must be made by a certified seed inspector. All potatoes insured for certified seed production must be produced and managed in accordance with standards, practices, and procedures required for certification by the state's certifying agency and applicable regulations.
 - 2 Liability under the endorsement is determined by multiplying the production guarantee of the Potato policy by the price for certified Seed Potatoes shown in the actuarial documents.
 - 3 Availability of this endorsement is limited to counties with certified seed potato rates published in the actuarial documents, and to insureds who furnish acceptable records of certified seed Potato acreage and production for at least the previous three years.
 - 4 Insured acreage is the acreage entered into the state seed Potato certification program. This acreage cannot be greater than 125% of the average number of acres entered into and passing the state certification program in the three previous years. If the acreage is greater than 125%, the production guarantee will be reduced according to the endorsement. A written agreement may allow more acreage to be insured without the reduction in the production guarantee.
- (6)(d) Northern Potato Storage Coverage Endorsement. An Northern Potato Coverage Endorsement. This endorsement is designed for Northern potato insureds who desire coverage for damage that occurs within the insurance period, but that does not become evident until a later time. The extended coverage is applicable only if damage results in:
- 1 Tuber rot;
 - 2 Certain internal defects (applicable only if the producer elected coverage under the Northern Potato Crop Insurance Quality Endorsement); or
 - 3 Low specific gravity or dark fry color (applicable only if the producer elected coverage under the Northern Potato Crop Insurance Processing Quality Endorsement).
 - 4 All production must be insured under this endorsement except that grown under a contract that requires delivery to a buyer within three days of harvest. For example, if 20 acres of a certain variety are to be delivered at harvest, those acres would not be charged a premium for the endorsement. An additional premium is charged for all other acreage insured under the endorsement. **←NACAT)**

- E(7) **(NACAT→ Barley or Wheat Winter Coverage Endorsement.** The Winter Coverage Endorsement, if elected attaches to the Small Grains CP and provides coverage for fall seeded barley or wheat between the fall final planting date and the spring final planting date. Any indemnity paid under the endorsement will be subject to any reduction contained in the BP for multiple crop benefits in the same crop year. It is available only in counties where the SPOI designate BOTH a fall final planting date and a spring final planting date and the actuarial table provides a premium rate for this coverage. [See Sec. 6, J(15)(d) for APH instructions relating to Winter Coverage Endorsements.]

For fall planted barley or wheat in counties for which there is only a spring final planting date, a replanting payment is not applicable. For insurance to attach on fall planted barley or wheat in these counties, insureds must request coverage on or prior to the SCD. Insurance attaches to fall seeded acreage that had an adequate stand to produce a normal crop on the earlier of the spring final planting date or the date the AIP agreed to accept coverage for the crop.

If coverage under the Winter Coverage Endorsement is desired, the election must be made by the fall SCD. Failure to elect the Winter Coverage Endorsement indicates the endorsement is rejected. The provisions of the Winter Coverage Endorsement are as follows:

- (7)(a) Coverage begins the later of the date the application is accepted or the fall final planting date. Coverage ends on the spring final planting date shown on the SPOI.
- (7)(b) If Winter Barley or Wheat is damaged and at least 20 acres or 20 percent of the acreage in the unit does not have an adequate stand to produce at least 90 percent of the average production guarantee, the insured may:
- 1 Continue to care for the damaged crop.
 - 2 Replant the crop, provided it is practical to replant the acreage to an appropriate variety of the insured crop, and:
 - a Receive a replanting payment in accordance with the terms of the replanting payments contained in the Small Grains Crop Insurance Provisions.
 - b Coverage will continue under the terms of the BP, Small Grains Crop Insurance Provisions and the Endorsement.
 - 3 Destroy the remaining crop on such acreage and be eligible for an indemnity if:
 - a An appraisal must be made to determine the amount of production to count for indemnity purposes under the policy provisions. An appraisal of the crop's potential production is required prior to the winter barley or wheat's destruction. Only the lower of the actual appraisal or the approved yield will be used for APH purposes. The insured may utilize the acreage for any purpose including planting and separately insuring spring barley or spring wheat or any other crop.
- (7)(c) Insureds must provide written notice of damage according to the policy, but not later than the spring final planting date shown on the SPOI.

- (7)(d) Winter Barley or Wheat acreage for which a replant payment was made for planting to spring barley or spring wheat shall retain the winter barley or wheat approved APH yield and premium rate provided it was not practical to replant a winter type of the insured crop. The acres and production are used for the winter barley or wheat APH. Any winter barley or wheat acreage that is replanted to a spring type of the same crop when it was practical to replant the winter type will be insured as the spring type and the production guarantee, premium and price election applicable to the spring type will be used. The production and this acreage will be reported only on the spring type APH. **←NACAT)**

E(8) **(NACAT→ Pear Quality Adjustment Endorsement.**

- (8)(a) The endorsement provides quality adjustment provisions for pears in any State (except California) for which the actuarial table designates a premium rate for this option:
- (8)(b) If the Quality Adjustment Endorsement is elected, the Endorsement must be selected on the application if a new insured. If a carryover insured, the endorsement may be elected on a new application or RMA approved policy change form submitted on or before the SCD for the crop year in which the insured wishes the Quality Adjustment Endorsement to be effective.
- (8)(c) A RMA approved Pear CP must be in force and all the terms and conditions of the policy adhered to.
- (8)(d) If pear production is damaged by hail and if 11 percent or more of the harvested and appraised production does not grade at least U.S. No. 2 according to applicable United States standards due solely to hail, the amount of production to count will be reduced as follows:
- 1 By 2 percent for each full 1 percent in excess of 10 percent when 11 percent through 60 percent of the pears fail the grade standard;
 - 2 by 100 percent when more than 60 percent of the pears fail the grade standard.

The difference between the reduced production and the total production in 1 and 2 above will be considered as cull production. Pears that are knocked to the ground by wind or that are frozen and cannot be packed or marketed as fresh pears will be considered 100 percent cull production. Fifteen percent of all production considered as cull production will be considered as production to count.

- (8)(e) The endorsement may be canceled for any succeeding crop year by giving written notice on or before the cancellation date provided by the "Pear Crop Provision" preceding such crop year. **←NACAT)**

E(9) **(NACAT→Fresh Market Sweet Corn Minimum Value Option.**

- (9)(a) If the option is elected, the option must be selected on the application if a new insured. If a carryover insured, the option may be elected on a new application or policy change form developed according to RMA approved standards submitted on or before the SCD for the crop year in which the insured wishes the option to be effective.
- (9)(b) The option allows the value of each harvested container to be as low as zero.
- 1 For sold production, the dollar amount obtained by subtracting the allowable cost contained in the SPOI from the price received for each container of sweet corn (this result may not be less than zero for any container of sweet corn), and multiplying this result by the number of containers of sweet corn sold; and
 - 2 For marketable production that is not sold, the dollar amount obtained by multiplying the number of containers of sweet corn on the unit by the minimum value shown in the SPOI for the planting period (harvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production).
- (9)(c) The option may be canceled for any succeeding crop year by giving written notice on or before the cancellation date provided by the CP preceding such crop year. ←NACAT)

E(10) **(NACAT→Fresh Market Tomato (Dollar Plan) Minimum Value Option.**

- (10)(a) Permits the insured to select the Minimum Value Option by electing Option I or Option II for Fresh Market Tomatoes for which the actuarial table designates and rates for this option.
- (10)(b) If the option is elected, the option must be selected on the application if a new insured. If a carryover insured, the option may be elected on a new application or policy change form developed according to RMA approved standards submitted on or before the SCD for the crop year in which the insured wishes the option to be effective.
- (10)(c) Option I of the Minimum Value Option allows the total value of the harvested production to be determined as follows:
- 1 For sold production, the dollar amount obtained by subtracting the allowable cost contained in the SPOI from the price received for each carton of tomatoes (this result may not be less than the minimum value option price contained in the SPOI for any carton of tomatoes), and multiplying this result by the number of cartons of tomatoes sold; and
 - 2 For marketable production that is not sold, the dollar amount obtained by multiplying the number of cartons of tomatoes on the unit by the minimum value shown on the SPOI for the planting period (harvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production).

- (10)(d) Option II of the Minimum Value Option, the total value of harvested production will be as provided [in E(10)(c) above], except that the dollar amount [in E(10)(c)1 above], may not be less than zero.
- (10)(e) The option may be canceled for any succeeding crop year by giving written notice on or before the cancellation date provided by the CP preceding such crop year. **←NACAT**)

E(11) **(NACAT→Fresh Market Pepper Minimum Value Options.**

- (11)(a) Permits the insured to select either Option I or Option II of the Minimum Value Option for Fresh Market Peppers for which the actuarial table designates and rates for this option.
- (11)(b) If the option is selected, the option must be selected on the application if a new insured. If a carryover insured, the option may be elected on a new application or policy change form developed according to RMA approved standards submitted on or before the SCD for the crop year in which the insured wishes the option to be effective.
- (11)(c) Option I of the Minimum Value Option allows the total value of the harvested production to be determined as follows:
- 1 For sold production, the dollar amount obtained by subtracting the allowable cost contained in the SPOI from the price received for each box of peppers (this result may not be less than the minimum value option price contained in the SPOI for any box of peppers), and multiplying this result by the number of boxes of peppers sold; and
 - 2 For marketable production that is not sold, the dollar amount obtained by multiplying the number of boxes of peppers on the unit by the minimum value shown on the SPOI for the planting period (harvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production).
- (11)(d) Option II of the Minimum Value Option, the total value of harvested production will be as provided [in E(11)(c) above], except that the dollar amount in [E(11)(c)1 above], may not be less than zero.
- (11)(e) The option may be canceled for any succeeding crop year by giving written notice on or before the cancellation date provided by the CP preceding such crop year. **←NACAT**)

4F Service Forms And Administrative Requirements

- F(1) **Policy Changes.** Use a Policy Change Form developed according to RMA approved standards to request the following contract changes.
- (1)(a) A CHANGE of price election or coverage level. The change must be requested on or before the SCD and requires the insured's signature. In counties with both Winter and Spring Wheat SCDs the change must be requested on or before the fall SCD; however, if Winter Wheat is NOT planted, the insured may change the level and/or price election by the spring SCD.
 - (1)(b) Cancellation of a county or a crop in a specific county. The request must be made on or before the cancellation date and requires the insured's signature.
 - (1)(c) A transmittal for a successor-in-interest application. The insured's signature is required; however, the request is not required to be made on or before the SCD. If the request is made after insurance attaches, the successor-in-interest does not become effective until the following crop year. In those situations, use Transfer of Right to Indemnity [see Sec. 4, Par. F(4)] to transfer coverage and the right to any indemnity for the current crop year.
 - (1)(d) Corrections of the insured's name, address, executor, administrator, etc. Such corrections may be made after the SCD and do not require the insured's signature.
 - (1)(e) Correction of identification numbers may be made after the SCD but must be corrected on or before the acreage reporting date and requires the insured's signature. AIPs may correct errors on identification numbers after the acreage reporting date, if the incorrect identification number is the result of an AIP error (e.g., a processing or keying error), and the person with the incorrect I.D. number is otherwise eligible. Other errors not corrected by the acreage reporting date will result in reduced or no coverage, whichever is applicable [see Ex. 32].
 - (1)(f) Addition or removal of the "Added Counties" election.
- F(2) **Acreage Report.** Use an Acreage Report Form developed according to RMA approved standards for meeting acreage reporting requirements. The insured establishes his/her insurable share at the time insurance attaches via the acreage report. However, for determining the amount of an indemnity, if the insured's share is different than at the time insurance attached, the insured share will be the lesser of: (1) the share at the time insurance attached, or (2) the share determined by the AIP at the earlier of the time of loss or the beginning of harvest of the unit, unless excepted by the specific crop policy.
- (2)(a) Filing Deadlines. The insured or authorized representative must sign and submit an annual acreage report on or before the acreage reporting date contained in the crop's SPOI except as provided in [Par. 1, 2 or 3]. (CAT → The operator may sign the acreage report for another person sharing in the crop. ← CAT) If the insured fails to submit a signed acreage report, the AIP may: (1) declare the acreage report to be zero as provided under RMA-approved procedure, or (2) determine the insurable acreage, share,

practice, type, etc. If an unsigned acreage report is submitted, the AIP may send a letter to the insured advising that the reported information will be binding if the insured does not provide revised information within a specified amount of time.

- 1 The latest acreage reporting date may be used for multiple crops that are insured with the same AIP and have:
 - a Fall final planting dates (August 15-December 30), insureds are allowed, for all such crops, until the latest applicable fall acreage reporting date for the insured crops to submit the acreage report.
 - b Spring final planting dates (December 31-August 14), insureds are allowed, for all such crops, until the latest applicable spring acreage reporting date for the insured crops to submit the acreage report.
- 2 If the SPOI designate separate planting periods for a crop, the insured must submit an acreage report for each planting period on or before the acreage reporting date contained in the SPOI for the planting period.
- 3 If planting continues after the final planting date or the insured is prevented from planting during the late planting period, the acreage reporting date will be the later of:
 - a The acreage reporting date contained in the SPOI;
 - b The date determined according to [Par. (2)(a) 1, 2;] or
 - c Five days after the end of the late planting period for the insured crop.

(2)(b) Required Annually. The acreage report is the basis for determining the **liability or** amount of insurance provided and the premium (charged or imputed). These reports are by crop and include, but are not limited to, P/T/V (when applicable), location, date of planting or seeding, number of acres and share in the crop. **All information must be reported accurately and if not reported accurately the insured is subject to misreporting as indicated in [Sec. 6(g)] of the BP. Under or over-reported liability may adversely affect the outcome of an indemnity and may result in a misreporting penalty (misreported information factor) [see Sec. 5, Par. B(8)] being applied to any indemnity, prevented planting payment, or replant payment. (CAT→**Unless a person with an insurable interest in the crop objects in writing on or before the acreage reporting date and provides a signed acreage report on his or her own behalf, the operator may file/sign the acreage report for all other persons with an insurable interest in the crop. A power of attorney is not required and all other persons with an insurable interest in the crop, and for whom the operator purports to sign and represent, are bound by the information contained in that acreage report.**←CAT)**

(2)(c) Intended Acreage Reports. AIPs may request planting intentions from the insured at the time of application or when servicing the policy for subsequent crop years (e.g., updating the APH).

- 1 Information generated from the intended acreage report must be issued to each insured no earlier than 30 days prior to the final acreage reporting date.
- 2 AIPs must provide the insured with instructions to verify the accuracy of the intended acreage report and submit any corrections or additions to the AIP by the final acreage reporting date.
- 3 If the insured submits nothing further by the final acreage reporting date, coverage will be based on the intended acreage report and understood to be complete and accurate. However, if the liability is under or over-reported, the insured is subject to misreporting provisions contained in the BP [see Sec. 5, Par. B(8)] unless the insured has requested acreage measurement service [see Par. F(2)5].

(2)(d) Reporting Irrigated Practices. AIPs are to provide a copy of the Irrigated Practice Guidelines to all insureds for whom the irrigated practice may apply. The Irrigated Practice Guidelines identify factors to be considered in determining the proper acreage to be reported and insured under an irrigated practice. [See Exhibit 33 for Irrigated Practice Guidelines.]

(2)(e) Late Reporting. The policy provides that if the insured does not submit an acreage report within the specified time, the AIP may determine by unit the insured acreage, share and practice based, or may deny liability on any unit; however, a unit can only be accepted by the AIP if it is determined from a crop inspection the unit acreage meets the criteria for accepting unreported acreage as specified in the FCIC 25010 Loss Adjustment Manual (LAM). If the final acreage reporting date falls on Saturday, Sunday, or a legal holiday, the next business day will be considered as the final acreage reporting date.

If the AIP declares the crop "insured", the applicable premium and administrative fee are considered earned and payable.

- 1 (NACAT→)The AIP is entitled to any premium due. (←NACAT)
- 2 (CAT→)RMA is entitled to the imputed premium credit (←CAT).

(2)(f) Revised Acreage Reports

- 1 On or before the final acreage reporting date, insureds may revise acreage reports without a crop inspection and AIP approval is not required to make changes such as correcting planted acreage, intended use or to increase reported PP acreage (other changes to reported PP acreage such as, switching PP acreage to another crop, adding PP crops or changing practices on PP acreage are not allowed). However, changes to planted acreage and reported PP acreage because the acreage is clearly transposed or adequate evidence is provided by the insured that the AIP or someone from the USDA committed an error regarding the information reported

DO require approval by the AIP (e.g. if an FSA measurement for a field is incorrect, the acreage for the field can be corrected).

- 2 After the final acreage reporting date, most acreage reports cannot be revised without consent of the AIP [for exceptions see Par. 4, 5 and the FCIC-25010 Loss Adjustment Manual (LAM)].

AIPS may approve acreage report revisions that increase liability without performing crop inspections for planted or PP acreage if the acreage is clearly transposed, adequate evidence is provided by the insured that the AIP or someone from the USDA committed an error regarding the information reported, or if a measurement service results in different acreage than the estimated acreage.

For other situations, AIP's cannot provide consent to revise an acreage report that results in increased liability unless the crop is inspected and the appraisal indicates that the crop will produce at least 90 percent of the yield used to determine the guarantee or amount of insurance for the unit (including reported and unreported acreage), or the revision meets other criteria for accepting increases in liability as specified in LAM. Refer to the LAM for situations requiring crop inspections.

- 3 An initial acreage report will not be considered misreported if insured files a CORRECT revised acreage report as allowed by the crop's policy or according to RMA approved procedures prior to filing a notice of prevented planting or loss.

- 4 Short rated, as allowed by the applicable CP and the actuarial table provides a reduced premium rate for acreage that will be destroyed prior to harvest and reported to the agent by the date designated in the crop's SPOI. If the insured requests that such acreage be designated separately on his/her acreage report, the AIP may revise the acreage report if the conditions stated in the policy are met. Separate line entries are required on the acreage report for the acreage on which insurance will continue and the acreage eligible for the reduced premium rate. Acreage on which the reduced premium rate applies is not eligible for any subsequent claim for indemnity or considered for APH purposes. Such acreage cannot be reinstated for insurance coverage after the short rate reporting date designated in the SPOI.

For other situations, premium adjustments will not be made for insured acreage put to another use after the acreage reporting date. If the insured destroys or puts acreage to another use without consent, an appraisal of not less than the guarantee will be assessed on such acreage; however, such appraisals are not used for APH purposes.

- 5 Measurement Services Requested for Acreage Reports. An insured may request an acreage measurement service ON OR BEFORE THE ARD. In such cases:

- a Documentation that verifies acreage measurement was requested, must be furnished to the AIP on or before the final ARD.

- b** An acreage report must be filed on or before the final ARD with the estimated acreage for which the measurement service has been requested clearly identified (e.g., field ID) on the acreage report.
- c** The measurement service may be completed by:
 - i** AIP or their loss adjuster(s);
 - ii** FSA offices or;
 - iii** Firms engaged in land measurement (including those operated by sales agents). However, for claim purposes, measurement services performed by the agent are not allowed [see LAM].
- d** Acceptable system of measuring includes on farm measurements, digitized measurements and any other system of measuring.
- e** The measurement, when completed, must be provided to the AIP.
- f** The acreage report will be revised if there is a discrepancy between the estimated acreage report and the measurement;
- g** If the insured fails to provide the measurement to the AIP, or indicates the measurement will not be performed,
 - i** Estimated acreage indicating that a measurement service has been requested will not be accepted for subsequent acreage reports.
 - ii** The acreage will be considered misreported and applicable penalties will apply if the estimated acreage is not correct.

- (2)(g) Verifying the Acreage Reported. The representative/agent shall CAREFULLY REVIEW with the insured the original acreage report BEFORE it is submitted to the AIP. It is imperative that the information required on the insured's acreage report is ENTIRELY accurate. Policy provisions do not allow for increasing liability except in rare situations [as specified in the LAM. Under-reported acreage or unreported units may adversely affect the outcome of a loss and result in a misreporting penalty [see Sec. 5, Par. B(8)] being applied to any indemnity, prevented planting payment, or replant payment.

When the Schedule of Insurance/Summary of Protection is received, it MUST also be reviewed for accuracy. If an error is found when compared to the acreage report, the agent/representative MUST contact the AIP and have the error corrected.

- (2)(h) Differences in acreage measurements. Regardless of whether a measurement service is requested (e.g., difference is discovered during reconciliation process), if there is an irreconcilable difference between:

- 1 The acreage measured by FSA or a measuring service and the AIP on-farm measurement, the AIP on-farm measurement will be used; or
- 2 The acreage measured by a measuring service, other than the AIP on-farm measurement, and FSA, the FSA measurement will be used.

- F(3) **Assignment of Indemnity.** An insured may assign the right to an indemnity payment for a crop(s) under a Federal crop insurance contract to another party(ies)/(creditor[s]) by using an Assignment of Indemnity Form developed according to RMA approved standards. This does not mean there may not be other legally enforceable liens executed according to state laws, such as Revised Article 9 (UCC Statute applicable to all states), that may be enforceable. The assignment(s) applies for all acreage of the crop covered by the policy. The assignment:
- (3)(a) Is effective upon approval by an authorized representative of the AIP.
 - (3)(b) Is in effect only for the crop(s) and the crop year specified on the assignment form(s).
 - (3)(c) May be made after acceptance of the application but must be completed before a loss claim is processed (submitted to the AIP for payment of the indemnity). (NACAT→ Issuance of a replant payment for any insured unit will not affect the insured's ability to assign the right to an indemnity to another party. ←NACAT)
 - (3)(d) May be canceled during the crop year. The AIP will cancel the assignment(s) only if the assignee(s) (creditor[s]) submits a written statement releasing the assignment. The release must indicate the insured's name, mailing address, policy number and crop(s) released. The agent/representative(s) will prepare a memo, attach the statement of release, and file it in the insured's file.
 - (3)(e) Provides for an indemnity payment (subject to any administrative fee deduction or any other unpaid balance) payable either to the creditor(s) only, or to the creditor(s) and insured jointly.
- F(4) **Transfer of Right to an Indemnity.** Use a Transfer of Right to an Indemnity Form developed according to RMA approved standards to transfer coverage and the right to any subsequent indemnity from one insured entity to another entity. This form is used when the transfer of part or all of the ownership/share of the insured crop occurs during the insurance period.
- (4)(a) A separate form may be required for each different unit or portion of a unit on which coverage is being transferred.
 - (4)(b) A transfer of right to an indemnity is subject to any outstanding assignment of indemnity made prior to the date of transfer.
 - (4)(c) The transferee and the transferor (insured) shall be jointly and severally liable for any unpaid premium and/or administrative fee on the acreage and share transferred, even if the transfer of right to indemnity is released by the transferee.

- (4)(d) The Transfer of Right to an indemnity may be released by the transferee submitting a signed statement of release showing the insured's name, mailing address, contract number, crop(s), and unit(s).
 - (4)(e) Transfer of right to an indemnity forms expire at the end of the insurance period for the crop year specified. For succeeding crop years, an application must be made to insure the proper entity if insurance is to continue in effect.
- F(5) **Power of Attorney.** Insureds may grant signing authority for crop insurance documents to a third party, provided a legally executed Power of Attorney is used.
- (5)(a) A legally executed Power of Attorney would include those that are executed according to federal authorities or other authorities that may exist. An example would be the FSA Power of Attorney form that has been executed according to FSA regulations.
 - (5)(b) Other types of Power of Attorney formats may be used; however, they must be considered to be legally executed by the applicable state and must give the appointee the authority to sign crop insurance documents.

In states that require the power of attorney to be acknowledged (notarized), the signatures of the individual and appointee must be notarized. In states that do not require the power of attorney to be notarized, the signatures of the individual and appointee must be witnessed and the signature of the witness obtained on the document.

(NACAT→

4G Written Agreements

A written agreement is a document designed to provide crop insurance for insurable crops when coverage or rates are unavailable or to modify existing terms and conditions in the crop insurance policy when specifically permitted by the policy. RMA RO's are authorized to conduct the underwriting and approve or deny requests for actuarial change and written agreements on behalf of FCIC. Refer to the FCIC 24020 Written Agreement Handbook (WAH) for processing of actuarial requests and written agreements.

The written agreement must be signed and dated by the insured on or before the applicable date and must be approved by the RMA RO and AIP to be effective. [See Exhibit 12 for a list of the RMA RO's and states served.]

- G(1) **Deadlines and Documentation.** The following chart shows the types of written agreement requests, deadlines, and required documentation [see Par. G(3)]. All written agreements must be approved by the RMA RO. Insureds must sign and date a request for a written agreement by the deadline for each request type shown below. Review the WAH for additional information on deadlines and minimum supporting documentation.
- G(2) **In addition to the minimum supporting** documentation shown below in the chart [see Par. G(3)], all requests for a written agreement must include:
- (2)(a) Completed Request for Actuarial Change Form [Refer to Exhibit 2 in the WAH.];
 - (2)(b) Evidence of adaptability for the crop/type/practice/etc., being requested (unless not required by the RMA RO);
 - (2)(c) The insured's Actual Production History (APH) form for the most current crop year, unless the policy does not require the form [refer to Par. G(3) Footnote 2a below.];
 - (2)(d) The legal description of the land and FSA aerial photographs or legible maps delineating field boundaries where the applicant intends to plant the crop for which insurance is requested and;
 - (2)(e) If applicable, all required inspections if the request involves a perennial crop.

G(3) Additional documentation may be required on individual requests. In certain instances, the RMA RO may issue additional guidelines used to determine adaptability. Additional time may be granted if additional documentation is not listed above or under “MINIMUM SUPPORTING DOCUMENTATION.”

| TYPE OF AGREEMENT | DEADLINE | MINIMUM SUPPORTING DOCUMENTATION |
|---|---|---|
| <p>Group risk insurance plans (GRP/GRIP) to insure hybrid grain sorghum, hybrid seed corn, popcorn, sweet corn, and other specialty corn as basic grain sorghum or basic corn.</p> <p>Request Type: GP</p> | <p>Sales Closing</p> | <p>Check with the appropriate RMA RO to see if evidence of adaptability is required.</p> <p>Aerial photographs or maps are not required.</p> |
| <p>High-risk or rate areas.</p> <p>Request Type: HR</p> | <p>Initial: Acreage Reporting Date</p> <p>Subsequent Years: Sales Closing Date</p> | <p>For fragile or highly erodible land, five years of records may be required. Refer to section 4B(4)(a) in the WAH.</p> |
| <p>Acreage (if greater than five percent of the planted acres in the unit) not planted and harvested in one of the three previous crop years.</p> <p>Request Type: NB</p> | <p>Initial: Acreage Reporting Date</p> <p>Subsequent Years: Sales Closing Date, but re-issuance is not normally required unless the acreage covered by the prior written agreement was not planted.</p> | <p>Date land was broken out of sod, pasture or perennial legume.</p> <p>Intended planted acreage of the crop.</p> <p>Soil surveys.</p> |
| <p>Unrated nursery plant materials.</p> <p>Request Type: NL</p> | <p>New Insured: With application</p> <p>Carryovers/subsequent years: Cancellation Date</p> | <p>Completed Request for Actuarial Change, which contains a typed list of exact names of genus, species, subspecies, cultivars, common name (if applicable), plant and container size, number of plants to be insured, practices, container or field grown.</p> <p>Nursery grower’s published wholesale price catalog or price list that includes the name of the nursery and price information for the requested plants.</p> |
| <p>Organic crops. (If coverage is not available in the actuarial documents for the organic practice.)</p> <p>Request Type: OC</p> | <p>Initial: Acreage Reporting Date</p> <p>Subsequent Years: Sales Closing Date</p> | <p>Copy of the written certification (previous year’s certification or other acceptable documentation).</p> <p>[See Exhibit 38 for additional information]</p> |
| <p>Unrated rate class option.</p> <p>Request Type: OP</p> | <p>Sales Closing Date</p> | <p>APH specifically for acreage that would be under the option being requested.</p> <p>Evidence that the crop optional coverage is being requested for is commercially grown with a viable marketing outlet.</p> |
| <p>Policy exceptions, if authorized in Crop Policies or SPOI. (Not defined in this table as another request type.)</p> <p>Request Type: PE</p> | <p>Initial: Sales Closing Date or date specified in Crop Provisions or SPOI.</p> <p>Subsequent Years: Sales Closing Date</p> | <p>Contact the appropriate RMA RO.</p> |

| TYPE OF AGREEMENT | DEADLINE | MINIMUM SUPPORTING DOCUMENTATION |
|---|---|--|
| Rotation exceptions, if provided for by the SPOI Request Type: RE | Sales Closing Date | Evidence of adaptability of rotation practice deviation. Detailed information regarding steps taken to mitigate disease concerns. NRCS soils map. Exact field location. |
| Special purpose corn, if coverage is not provided by the SPOI. Request Type: SC | Initial: Acreage Reporting Date Subsequent Years: Sales Closing Date | Normal planting and harvesting dates and marketing outlets. |
| Small grains or crops, if provided for in the CP: (i) interplanted with another crop; (ii) planted into an established grass or legume; or (iii) planted as a nurse Crop. Request Type: SG | 15 calendar days after the Acreage Reporting Date | NRCS soils map. Exact field location. Detailed recommendation from state extension/research specialist. If weed control is recommended, proof of application. |
| Strip-mined land. (Crop produced less than five consecutive crop years.) Request Type: SM | Sales Closing Date | Description of reclamation process report. Date reclamation completed. NRCS soils map. |
| Seed potato acreage greater than 125% of past average acres. Request Type: SP | Sales Closing Date | Reason for acreage increase. Certification that all requested acreage will be managed according to state standards. |
| Non-irrigated corn grain where irrigated corn (grain and silage) listed on actuarial documents only. Request Type: TC | Initial: Acreage Reporting Date, unless otherwise stated in the SPOI. Subsequent Years: Sales Closing Date | At least three years of actual corn grain production records. The RO may require additional documentation. Refer to the SPOI for minimum requirements. |
| Type of dry beans not on actuarial documents. (Including Chickpeas or Garbanzo Beans.) Request Type: TD | Sales Closing Date | Report prices received for the specific class (type) and Either, (1) two years of university test plot data and its recommendations, or, (2) two years of seed company data supplemented by university data if: items (1) or (2) are not available, then two years of production data for the requested class and prices received may be submitted. The variety of the specific class (type) that will be planted. Current year's APH form certifying all dry bean records (including Chickpea/Garbanzo Bean records for those classes/types). |

| TYPE OF AGREEMENT | DEADLINE | MINIMUM SUPPORTING DOCUMENTATION |
|---|---|---|
| Listing reconsiderations for tobacco. Request Type: TL | Initial: Acreage Reporting Date Subsequent Years: Sales Closing Date | Insured's classification for other practices or types in other counties. Production information for the insured and other entities in which the insured has participated. |
| Unrated practice, type or Variety (P/T/V). Request Type: TP | Initial: Acreage Reporting Date <u>4</u> Subsequent Years: Sales Closing Date | Evidence of adaptability of the P/T for the area. APH showing the specific P/T/V involved with the request. Evidence that the P/T/V is commercially grown with viable marketing outlet. |
| Written unit agreements. (Oversized sections, section equivalents, or FSNs.) Request Type: UA | Initial: Acreage Reporting Date Subsequent Years: Sales Closing Date | The aerial photos or legible maps must delineate permanent boundaries of the oversized section or FSN. |
| Unrated land. Request Type: UC | Initial: Acreage Reporting Date Subsequent Years: Sales Closing Date | Check with the appropriate RMA RO to see if evidence of adaptability is required. |
| Counties with no actuarial documents for the crop. Request Type: XC | Cancellation Date (for the crop in the area) specified in the crop endorsement for which coverage is requested. Refer to Footnote <u>1</u> | Footnote <u>2</u> Footnote <u>3</u> |

The following plans of insurance allow for certain types of written agreements:

| Plan of Insurance | Request Type |
|----------------------------------|--|
| Crop Revenue Coverage (CRC) | HR, NB, OC, OP, PE, RE, SM, TC, TP, UA, UC, and XC (if adjacent). Check crop provisions to verify if WA is allowed. |
| Revenue Assurance Coverage. (RA) | HR, NB, SM, and UC |

Written Agreements are not applicable to Income Protection (IP)

Footnotes:

- 1 Exception: On or before the cancellation date contained in the CP or SPOI, if applicable, to insure a crop in a county that does not have actuarial documents for the crop. If the CP or SPOI do not provide a cancellation date for the county:
 - a Use the cancellation date for other insurable crops in the same state that have similar final planting and harvesting dates; or
 - b If there are no other insurable crops with similar final planting and harvesting dates in the state, use the cancellation date in the closest county or state where the crop is insurable.

- 2 The following information is required:
- a A completed APH form (except for crop policies that do not use the form) that contains all the information needed to determine the approved yield for the current crop year and is signed by the producer, or the APH form may be submitted unsigned with the applicable production reports signed and dated by the producer based on verifiable records of actual yields for the crop and county;
 - b Acceptable production records of actual yields for the crop for at least the most recent three consecutive APH crop years during the base period. Refer to the applicable section for determination requirements for acceptable production records.
 - i Production records provided to or requested by the RMA RO that are subsequently determined to be unacceptable may result in a request being incomplete and denied.
 - ii Landlords, with tenants that meet qualifications and also submit an actuarial request, may qualify with less than the three most recent consecutive crop years, by providing supporting documentation.
 - iii Production records are not required if records of crop production are not used to establish either insurance coverage or losses paid under the policy;
 - c The dates the applicant and other growers in the area normally plant and harvest the crop, if applicable;
 - d The name, location of, and approximate distance to the location at which the crop will be sold or used by the applicant;
 - e For any irrigated practice, the water source, method of irrigation, and the amount of water needed for an irrigated practice for the crop; and
 - f Evidence from agricultural experts that the crop can be produced in the area if the request is to provide insurance for practices, types, or varieties that are not insurable, unless not required by the RMA RO.
- 3 For the Pecan Revenue Policy only: At least four years of production and gross sales records are required for XC request types. All other request types involving pecans must contain at least two years of production and gross sales records.
- 4 For written agreements where the other crop types insurable in the county do not have similar planting and harvesting dates to the type provided on the written agreement request, the producer/AIP should submit the request prior to or during the planting period, to allow for coverage by written agreement during the growing season. For example: Spring Forage is insurable and the acreage reporting date is April 2005, Fall forage is only insurable by written agreement. In this situation if the producer waits until such date, coverage cannot be provided by written agreement as the insurance period (growing season) has passed, and causes of loss may have been incurred thus the written agreement would not be authorized.

Written agreements are not available for situations not listed here. Written agreement requests will not be accepted for crops for which there is no crop policy, endorsement, and crop provision; or to alter policy provisions, price elections, etc. unless specifically permitted by approved RMA procedures. [Contact the RMA RO for details.] **←NACAT)**

4H Reserved.

5 UNDERWRITING AND APH RESPONSIBILITIES (CATEGORY B & C APH CROPS)**5A Agents/Representatives Are Responsible For:**

- A(1) **Explaining production reporting and supporting record requirements** to producers.
- A(2) **Assisting producers in the completion of APH related forms.** When necessary, agents/representatives will assist producers in the completion of:
- (2)(a) **APH Forms.** An APH form is required for each unit (by P/T/V when applicable) and crop year for which acceptable supporting records are available.
- (2)(b) **Producer's Pre-Acceptance Worksheets,** when required for perennial crops and Underwriting Reports.
- (2)(c) **APH Block Production and Weighted Average T-Yield Worksheet (Category C only),** when required for perennial crops. [See Sec. 7, Par. I (1), (2), (3).]
- A(3) **Calculating Preliminary Yields.** For **NEW** insureds, for all APH crops agents/representatives **MUST** compute, quote, and enter preliminary yields on the APH form. Explain to insureds that:
- (3)(a) **For approved yields issued by AIPs,** an insured may submit a written request to the AIP for reconsideration if the approved APH yield calculated by the verifier is less than 95 percent of the preliminary yield on ANY unit [See Sec. 11, for instructions]; or for **(NACAT→mutual consent←NACAT)** cancellation of the entire crop policy (by county).
- (3)(b) **For approved APH yields issued by the RMA RO,** if the approved APH yield is lower than the preliminary yield, the insured may request review of the approved APH yield through mediation, **administrative review (formerly reconsideration) by RMA,** or appeal to the National Appeals Division (NAD). [See Sec. 11, for additional information and Exhibit 12 for NAD Area Offices.]
- A(4) **Informing insureds that mutual consent cancellations are not allowed** for a crop year subsequent to the crop year the application was accepted (carryover insureds) if approved APH yields are not acceptable. A participant may request mediation, or **administrative review (formerly reconsideration) by RMA** or appeal to the NAD.
- A(5) **Explaining administrative review of approved APH yield or Mutual Consent Cancellation Requirements.** Agents/representatives must inform insureds that requests for **administrative review** or **(NACAT→mutual consent←NACAT)** cancellation of crop policies (requested under A(3) above) must be made within 30 calendar days of the date the approved APH yield was mailed or otherwise made available to the insured. If the RMA RO makes an adverse decision, mediation, **administrative review,** mutual consent cancellation, agency appeal and/or NAD appeal rights are provided. If such a request is not made timely, it will be rejected and the approved APH yield(s) will be considered accepted by the insured [See Sec. 11]. Requests **for administrative review** or mutual consent cancellations must be forwarded to the verifier no later than three calendar days after their receipt by the agent/representative as indicated below:

- (5)(a) APH yields approved by the RMA RO. **Administrative review** requests must be referred to the RMA RO if the RMA RO approved the APH yield. Utilization of the agency's informal **administrative review** process will not prejudice the insured's right to subsequently request agency appeal, mediation, and/or NAD appeal. If during a **administrative review** an adverse decision is rendered (by the RMA RO), mutual consent cancellation (if applicable), mediation, agency, and/or NAD Appeal Rights must be provided.
- (5)(b) Reconsiderations of APH yields approved by AIPs are made to the AIP. AIPs may correct errors in yield computation or in the application of RMA approved standards. Corrections will not be subject to additional reconsideration.
- A(6) **Reviewing the APH form** for completeness and accuracy and obtaining the insured's signature and date.
- A(7) **Obtaining Supporting Production Records.** For insureds establishing an APH yield history (database) who elect to provide records for verification rather than be subjected to an APH **tolerance** review, agents/representatives must forward copies of supporting records to the verifier. **Insureds who provide records are subject to APH field reviews associated with program, conflict of interest, simplified claims, consecutive loss adjuster, and large claims reviews and during the investigation of suspected misrepresentation, fraud, waste and abuse. [See Appendix IV of the Standard Reinsurance Agreement for review information.]**
- A(8) **Forwarding the signed APH forms and any applicable worksheets** to the AIP within 10 calendar days of completion, but not later than 10 calendar days after the production reporting date. APH forms signed after the production reporting date are not timely filed and are not acceptable.
- A(9) **Forwarding requests for inspections** for ALL Category C APH (perennial crops) to the applicable AIP's representative, no later than 10 calendar days after the PRD. [See Sec. 7 Par. G for the perennial crop pre-acceptance inspection form and instructions.]
- A(10) **Explaining Approved APH Yields.** Upon receipt of the approved APH yield, the agent/representative must be able to:
- (10)(a) Explain the approved APH yield(s) and determine production guarantees(s).
- (10)(b) Explain premium provisions and, if applicable, premium discount and compute the premium.
- (10)(c) Verify insurance units and explain appropriate provisions.
- (10)(d) Administer and explain to the insured yield limitations, yield floors, yield adjustments, **yield reductions (for actual yields that exceed RMA's maximum yield edits and inconsistent approved APH yields when acreage limitations are exceeded)**, record requirements, **misreporting penalties** and that assigned yield provisions will apply for subsequent APH crop years if production reports are not provided.
- (10)(e) File and maintain copies of the APH form.

- A(11) **Updating APH databases** when insureds do not supply acceptable production reports for APH purposes.
- (11)(a) When necessary, determine the correct T-Yield(s) from the applicable County Actuarial Table to be used for APH yield calculation purposes.
- (11)(b) Determine preliminary APH yields according to RMA approved standards. [See Sec. 6 for annual crops and Sec. 7 for perennial crops.]
- (11)(c) Assign basic units according to those allowed in the policy. [See Sec. 4, D(3).]
- (11)(d) Administer assigned yield provisions for carryover insureds (Category B and C crops).
- (11)(e) Follow applicable New Producer procedures for insureds qualifying as "new producers."
- A(12) **Determining the correct unit structure for added land.** If additional cropland is purchased or rented after the production reporting date, it may be added as a separate unit (provided it meets basic/optional unit requirements and production reporting requirements) or added as part of an existing unit, if applicable. [See Exhibit 36 for added land provisions for Category B crops.]
- A(13) **Entering the prior crop year's approved APH yield** in the prior yield block on the APH form and identifying each yield in the database with the correct yield type descriptor [See Sec. 6 Par. D for annual crops and Sec. 7, Par. H(10) for perennial crops].
- A(14) **Comparing current crop years' yield history on the APH form** received from the verifier to the yield history on the previous crop year's APH form. If the yield history does not agree, attach a copy of the previous crop year's APH form to the current crop year APH form and return it to the verifier for a corrected current crop year APH form.
- A(15) **Retaining prior years' APH forms** for the insured in the insured's file folder.
- A(16) **Incorporating corrections** resulting from APH reviews and/or corrected claims to APH databases and then transmitting corrected databases to the AIP for the applicable crop year.
- A(17) **Referring requests for field visits for APH acreage and yield determinations** (appraisals, bin measurements, etc.) to the appropriate AIP's representative. [See Sec. 10, D for more information.]

5B Producers/Insureds are Responsible for:

- B(1) **Requesting field visits** for APH acreage and yield determinations from the AIP by notifying the agent/representative if necessary. [See Sec. 10, D.]

- B(2) **Filing Annual Production Reports.** For all APH crops, insureds must report on an annual basis all production, acres and actual yields on an APH form by the production reporting date. Other documents, which contain the same information as required by the APH form, may be used. If an insured provides a production report by a means other than an APH form developed according to RMA approved standards, it MUST CONTAIN THE FOLLOWING CERTIFICATION STATEMENT to be acceptable:
- "I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH yield. I also understand that failure to report completely and accurately may result in voidance of my crop insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730)."
- B(3) **Filing Acceptable Production Reports.** Production reports (including production reports for zero planted units) are required by crop, unit, P/T/V, and TMA, and must be filed no later than the PRD.
- (3)(a) Insureds must sign and date the APH form to certify that the information contained on the APH form is true and accurate. APH forms are not acceptable without the insured's signature and date.
- (3)(b) Insureds must maintain acceptable supporting production evidence (records). When required by the AIP, a copy of the records must be furnished to the AIP.
- B(4) **Completing Producer's Pre-Acceptance Worksheets (Underwriting Information).** Except for Texas Citrus and Blueberries, All NEW insureds must complete, sign, date, and submit Producer's Pre-Acceptance Worksheet(s) for Category C Perennial APH crops. For all Category C APH crops, ALL carryover insureds must certify required underwriting information by completing the Producer's Pre-Acceptance Worksheet. Acceptable Producer's Pre-Acceptance Worksheets must be filed no later than the PRD.
- B(5) **Requesting T-Yields.** When T-Yields have not been published or are required to calculate approved APH yields, insureds must provide the agent/representative with the information necessary to determine applicable T-Yields (i.e., legal descriptions, land locations, new producer status, etc.) by the PRD.
- B(6) **Reviewing Approved APH Yields.** If the approved APH yield is less than 95 percent of the preliminary yield, the insured may request the appropriate review of the yield calculated. A request for **administrative review**, (**NACAT**→mutual consent cancellation←**NACAT**), mediation, agency appeal or NAD appeal must be filed (requested in writing) within 30 calendar days of the date of notification of the approved yield. If the review request is not filed timely, the approved APH yield will be considered accepted. If **administrative review**, mutual consent cancellation, mediation, and/or appeal rights were provided as part of an adverse decision by the RMA RO, the appeal must be requested within the time specified (30 calendar days).

B(7) **Maintaining Supporting APH Documentation.** Insureds must retain hard copy production evidence to support the information reported (certified) on APH forms. Insureds must provide supporting records to the field reviewer when selected for APH review at the time of the field review. Reviewers are not authorized to track down supporting records for insureds at other sources, (i.e., FSA, packers, elevators, etc.).

B(8) **Accuracy of Reported Information.** The BP require, that any information reported to determine approved APH yields and/or liability must be reported accurately.

(8)(a) **Sec. 3(f) of the BP,** indicates that if material information used to determine the approved APH yield is misreported:

- 1 The unit structure will be corrected for the current crop year, if necessary; and
- 2 The insured is also subject to misreporting as indicated in BP Sec. 6(g), unless the AIP corrects information on the acreage report that resulted from a transposition error or an error by the AIP or someone from the U.S. Department of Agriculture (USDA). The insured must provide adequate evidence that the AIP or someone from the USDA committed an error regarding the incorrect information.

8(b) **Sec. 6(g) of the BP** indicates that If the insured submits information on any required report that is different than what is determined to be correct and the information on the report is:

- 1 Under-reported (reported information results in a liability lower than the liability determined to be correct), the production guarantee or amount of insurance on the unit will be reduced or limited to an amount consistent with the reported information. If the acreage is under-reported for a unit, all the production or value to count (for revenue products) from the insurable acreage will be production/value to count for indemnities. If there is a claim, changes to APH databases that would increase approved APH yields must be documented and the corrected APH information reported to the Risk Management Agency (RMA) through the Data Acceptance System (DAS) for the following crop year.
- 2 Over-reported (reported information results in a liability higher than the liability determined to be correct), the acreage report and APH yields, if applicable, will be revised for the current crop year to be consistent with the correct information. Corrections to approved APH yields made for the current crop year and associated changes to APH databases must be reported to RMA through DAS for the current crop year. Corrections to yields not exceeding APH review tolerances that will be made the following crop year must be reported through DAS for the following crop year.

(8)(c) **Misreported Information Factor (MIF).** Misreported information adjustments to claims for indemnities are in addition to the adjustments specified in 8(b) previously. Whenever APH yields have been misreported, APH review tolerances are irrelevant when determining the percentage that liability is misreported and the correct liability must be used. If an insured under or over-reports (misreports information used to determine the liability) by more than 10 percent (the reported liability is less than 90 percent or greater than 110 percent of the correct liability): Any indemnity, prevented planting payment and/or replant payment will be reduced in proportion to the amount of liability misreported in excess of the tolerance. For example:

- 1 The reported liability is \$12,250 and the correct liability is \$10,000. $\$12,250/\$10,000 = 1.225000$ (the insured over-reported 22.5 percent.) The indemnity will be reduced by 12.5 percent ($1.225000 - 1.100000 = .125000$). The misreported information factor is $.875000$ ($1.000000 - .125000$).
- 2 The reported liability is \$8,200 and the correct liability is \$10,000. $\$8,200/\$10,000 = .820000$ (the insured under-reported 18.0 percent.) The indemnity will be reduced by 8.0 percent ($.900000 - .820000 = .080000$). The misreported information factor is $.920000$ ($1.000000 - .080000$).
- 3 Carry the MIF factor to six decimal places.

5C **Verifier Responsibilities (AIPs and RMA RO).** The following responsibilities pertain when APH forms and APH yield calculations are received for verification. Verifiers must:

- C(1) **Review the acreage and yield history data** and any supporting documentation for reasonableness.
- C(2) **Access the Policyholder Tracking History System (PHTS)** and review for each insured, previously reported APH history that is available in the PHTS (if an AIP verifier). All APH history within the base period attributed to the insured must be used provided continuity of insurance and APH records for the crop has been maintained. Assigned yield provisions apply if insurance experience is continuous but the insured failed to provide production reports as required by the insurance contract. It may also be necessary to correct current crop year APH forms or perform an APH review in order to reconcile any differences between the current APH history certified and prior APH history available through the transfer process or PHTS.
- C(3) **Review entries on the APH form.** Verify that entries are according to procedure and that all required entries have been made.
- C(4) **Update the insured's yield history** (database including corrections). Corrections must be made to APH databases resulting from APH reviews and/or corrected claims and the corrected Type 15 Records must be transmitted to RMA through the DAS for the applicable crop year. Such corrections made prior to transferring a policy must be transmitted to RMA/the assuming AIP or different servicing agency when transferring the policy. If the policy is transferred prior to determination of correction, any correction must be made and transmitted to RMA through DAS for the applicable crop year.

- C(5) **Calculate the average APH yield** and apply yield limitations/(NACAT→yield floors←NACAT), and yield adjustments **and yield reductions** when applicable.
- C(6) **Calculate Approved APH Yields.** When authorized, calculate the approved APH yield for each unit by crop year, and when applicable, by area classification (TMA), P/T/V.
- C(7) **Complete and Distribute the APH Form.**
- C(8) **Verify that acreage and production** reported agree with the supporting records when insureds have elected to provide records rather than be subjected to the field review process. Corrections will be made according to tolerances established for the field review process when necessary.
- C(9) **Forward all required supporting documentation for RMA RO determined yields** [see Exhibit 34 for RMA RO Determined Yield Request] to be received in the RMA RO no later than 30 calendar days after the PRD for ALL Category C APH Crops. [See Sec. 7 Par. F(1) and (2) for situations requiring RMA RO Determined Yields. See Sec. 7 Par. F(5) for additional deadline information and F(6) for required documentation.]
- C(10) **Provide Approved APH Yields Timely.**
- (10)(a) **RMA RO Determined Yields.** The RMA RO will notify AIPs of the approved APH yield(s) by certified mail (return receipt requested) or positively document the crop policy (insured's name if policy number not available) and the date the approved yield was mailed/postmarked to the AIP. This documentation will be used to verify timeliness of issuance of approved APH yields and presentation of those yields to insureds.
- 1 **If the approved APH yield issued by the RMA RO is lower than the preliminary yield, or if during the APH process information is discovered that may require an adverse decision (such as denial of coverage, rejection of the insured's records, etc.), the RMA RO must provide the insured via certified mail, (with a copy mailed to the AIP) with applicable **administrative review**, (NACAT→mutual consent cancellation←NACAT), agency appeal, mediation, and/or appeal rights.**
- 2 **AIPs must notify each affected insured of the approved APH yield(s) no later than 25 calendar days after issuance of the approved APH yield by the RMA RO. The AIP will notify the insured of the approved APH yield(s) by certified mail (return receipt requested) or positively document the date the insured was notified and the method used. Documentation of the date the insured was notified of the approved APH yield must be available to verify timeliness of presentation of approved APH yields.**

(10)(b) AIP approved APH yields. If the approved APH yield is less than 95 percent of the preliminary yield, the verifier will notify the insured of the change and of the approved APH yield(s) by certified mail (return receipt requested), or positively document the date the insured was notified of the approved APH yield and the method used. Insureds must be notified of all approved APH yields (in this category) no later than 25 calendar days from the issuance date of the approved APH yields by the verifier. Documentation of the date the insured was notified of the approved APH yield must be available to verify timeliness of presentation of approved APH yields to insureds, requests for reconsideration, or (**NACAT**→mutual consent cancellations←**NACAT**).

C(11) Request Good Farming Practice Determinations. AIPs may determine if production methods are considered good farming practices or request in writing, that RMA make the determination if the AIP cannot make the determination. However, insureds may request in writing, through the AIP that RMA make the determination if production methods are considered good farming practices.

5D Additional RMA RO Responsibilities:

- D(1) **Mail approved APH yield forms** no later than 15 calendar days after receipt of the form and required documentation to the **AIP**. A binding offer may be made upon receipt of the approved APH yield from the RMA RO.
- D(2) **Review all questionable cases** received and determine the approved APH yield(s).
- D(3) **Notify the verifier if records are needed** to substantiate yields reported on the APH form, and make every effort to expedite the issuance of the approved APH yield.
- D(4) **Document the date** requests for approved APH yields were received and the date the approved APH yield was mailed to the AIP or insured.
- D(5) **Provide additional underwriting services** related to APH that is approved by the RMA Product Development Division or the Assistant Manager for Insurance Services upon request from the verifier.
- D(6) **File actuarial documents** (FCI-32 Supplement, and FCI-33 Supplement) to incorporate contract changes into the Actuarial Document Books.
- D(7) **Determine if production methods** are considered to be good farming practices upon AIP's **written** request **or the insured's written request from the AIP.**

5E APH Verification at Time of Loss. AIPs will use the following guidelines prior to or during FARM INSPECTIONS:

- E(1) **Perform APH Field Reviews**, when insureds are affiliated with Crop Insurance (employee, agent, contractor, etc.), and an APH field review has not been performed for the crop year for which the loss is being completed.

If an APH field review cannot be performed and the inspection must be made, if the insured has a *bona fide* contract and claim, the inspection may be made but the claim cannot be finalized (do not obtain the insured's signature) until the APH field review has been performed.

- E(2) **Review Approved APH Forms.** For insureds not affiliated with Crop Insurance, a current approved APH form must be in the file in order to complete a claim.
- (2)(a) Review the actual yields certified by the insured for reasonableness.
 - (2)(b) Perform a cursory review to determine if the APH yield was calculated accurately.
 - (2)(c) Compare the approved APH yields to the acreage report. Verify that the correct APH yields have been entered on the acreage report (by unit, P/T/V, map area etc.).
 - (2)(d) Conduct additional reviews or/and make corrections, if:
 - 1 A current approved APH yield is not in the file;
 - 2 Yields certified do not appear to be reasonable; or
 - 3 The approved APH yield appears to have been calculated incorrectly.
- E(3) **Unable to Verify APH Yield.** If a correct/current APH yield cannot be verified before an inspection must be made, and the insured has a *bona fide* contract and claim, the inspection may be made but the claim cannot be finalized (do not obtain the insured's signature).

5F Reserved.

6 CATEGORY B APH CROP PROCEDURES

OVERVIEW OF THE APH PROGRAM. APH yield determination methods provide flexibility the initial year of insurance for insureds that do not furnish acceptable records, and at the same time, improve actuarial efficiency. Approved APH yields for producers who elect not to supply records are limited to 65 percent of the applicable T-Yield the first year the producer is insured. Insureds must provide production reports for subsequent crop years according to the terms of the MPCl policy. For producers who provide less than four years of actual yields, variable T-Yields are used to complete four-year databases [See Par. C(1) and (2).] When four or more years of actual yields are available in a database, T-Yields are not used in the database. As more years of actual production history are reported, insurance yields more accurately reflect the individual insured's capability of producing the crop.

6A Related Handbooks

- A(1) **FCIC- Appendix III, Data Acceptance System Handbook**
- A(2) **FCIC- 25010 Loss Adjustment Manual**
- A(3) **Other RMA - Approved Reinsurance Handbooks**

6B Eligible Category B Crops and Procedures

Barley, Canola/Rapeseed, Beans (Dry, including contract seed beans and Processing), Corn, Cotton, ELS Cotton, Flax, Forage Production, Grain Sorghum, Millet, Oats, Onions, Peanuts, Peas (Dry and Green), Potatoes, Popcorn, Rice, Rye, Safflower, Soybeans, Sugar Beets, Sugarcane, Sunflower Seed, Processing Sweet Corn, Tobacco (types insured under the Guarantee and Quota Policies), Tomatoes (Processing and Fresh Market Guaranteed Production) and Wheat.

- B(1) **General Instructions.** Agents/representatives are REQUIRED to calculate preliminary yields for new insureds and AIPs are authorized to calculate approved APH yields for all Category B APH crops.
 - (1)(a) **Responsibilities.** If more than one person/entity is insured on the same unit, each person/entity is responsible for submitting an acceptable production report(s). [When acceptable production records are submitted by the PRD for all units/P/T/V, see Par. H(1)]. Different yield calculation methods may apply based on the production reports provided by each person/entity.
 - (1)(b) **All years' actual yields** reported for use on the APH form must be continuous. A production report indicating the crop was not planted (zero acreage) maintains continuity of records. No actual yields prior to a break in continuity will be used unless approved by the verifier [See Sec. 10, Par. A]. If a carryover insured does not report actual yields (file acceptable production reports) for a subsequent crop year, assigned yields are used to maintain continuity of production reports for such crop years.
 - (1)(c) **Basic Unit.** Separate yield determinations are required for each basic unit.

(1)(d) **(NACAT→ Optional Units.** Separate acceptable production reports for the most recent year that the crop was planted must be filed on an optional unit basis by the PRD to qualify for optional units. [See Sec. 4, D(4)(a)1 a and b for exceptions.] **←NACAT)**

(1)(e) **Yield Descriptors.** Yield descriptors that identify the types of yields entered in APH databases are required and must be indicated on Type 15 APH records transmitted to RMA. [Refer to Appendix III for the appropriate yield type descriptors and reporting instructions. See Exhibit 5 for a chart listing most of the Yield Descriptors required by Appendix III.]

B(2) **General Instructions for Carryover Insureds.** Carryover insureds must provide acceptable annual production reports. Assigned yield provisions apply to carryover policies on an APH crop year basis to databases (units, P/T/V/TMA) that had planted acres (except for units with claims for indemnities) if the required production reports are not provided by the PRD. Claims for indemnities are considered production reports and must be used; however, some claims may have to be reviewed to ensure that the correct production is used for APH purposes. [See Sec. 9, Par. C(4)(b). See Exhibit 2, Par. 1D(3)(b) and Par. 2 for further assigned yield instructions.]

(2)(a) **Yield limitations** [cups **(NACAT→** and yield floors **←NACAT)**] are administered on a unit basis (by P/T/V and database when separate databases are required within a unit). When applicable, the approved APH yield will not decrease more than the amount established by RMA compared to the prior approved APH yield for the same unit (by P/T/V and database when separate databases are required within a unit). [See Par. I for instructions.]

(2)(b) **If insured on a continuous basis,** ALL actual and assigned yields from the past APH production history within the (10 APH crop years) base period MUST be used; however, assigned yields may be replaced with actual yields. This includes policies that have been canceled and rewritten (transfers) to change agents/AIPs.

6C **APH Yield Calculation Methods**

A minimum of four years of yields are required in each database used to calculate approved APH yields. An insured that received a share of the insured crop's production or was a member or SBI of a person that received a share of the insured crop's production is considered to have produced the crop that crop year in the county in which it was produced. Likewise, if a member or SBI of the insured received a share of the insured crop's production, the insured is considered to have produced the insured crop that crop year in the county in which it was produced. Such crop years are used to determine new producer status and if the land is contained in the insured's farming operation, the insured is required to furnish production reports for such acreage. See Sec. 10 for acreage and production requirements [Par. 10E addresses the Use of Another Producer's Acreage and Production History], [10F Landlord and Tenant APH Yields] and [10G Use of APH When Insured Persons/Entities Change or Land is Transferred to Another Person/Entity]. Except for new producers [See Par. C(3) following] and added land (by P/T/V if applicable [See Exhibit 36]), if less than four years of actual and/or assigned yields are available in a database (unit/P/T/V), the database is completed with a variable T-Yield based on the number of years of actual and/or assigned yields available for the crop in the county. **APH yields are calculated** as follows:

- C(1) **No Actual or Assigned Yields.** For new insureds who have produced the insured crop and do not provide acceptable production reports for the land in the insured's current operation by the PRD or provide production reports containing only zero-planted acres, approved APH yields are calculated by multiplying the applicable T-Yield(s) by 65 percent. If the insured crop was produced on entirely different land than contained in the current farming operation, a RMA RO determined yield may be requested [see Exhibit 37 Par. 2]. The 65 percent variable T-Yield applies only ONE year, unless zero planted. [For subsequent years, see B(2) above].
- (1)(a) New insureds must request approved APH yields by completing and signing APH forms. Separate four-year APH databases are required for each unit (by P/T/V and for each TMA). Each database must contain four 65 percent T-Yields. Agents/ representatives MUST quote the applicable 65 percent T-Yield as the preliminary yield. The verifier must approve all APH yields.
- (1)(b) CUPS do NOT apply the initial year insured; however, in subsequent crop years databases with at least one actual or assigned yield may be eligible for cups [See Par. 1 for instructions].
- (1)(c) 65 percent T-Yields are not set in the database. Databases must be updated each year and the approved APH yield recalculated.
- (1)(d) Optional units are NOT authorized.
- C(2) **Actual and/or Assigned Yields Provided.** When acceptable production reports containing actual yields are filed and/or assigned yields apply for a crop year, the crop year is counted for variable T-Yields purposes. The T-Yield percentage is determined by the number of actual/assigned yields available for the crop in the county. For carryover insureds for variable T-Yield purposes, AIPs may retain databases established for land previously contained in the farming operation that is no longer in the current farming operation.
- (2)(a) T-Yield Percentages based on years of actual and/or assigned yields (by crop and county) except, for new producers and for new insureds if farming entirely different land. If entirely different land is contained in the current farming operation, 65 percent of the T-Yield will apply, unless a RMA RO determined yield is requested [see Exhibit 37, Par. 2].
- To meet the four year minimum yield requirement determinations are made as follows [if added land/P/T/V, see Exhibit 36]:
- 1 One year, 80 percent of the applicable T-Yield.
 - 2 Two years, 90 percent of the applicable T-Yield.
 - 3 Three years, the applicable T-Yield (100 percent).
- (2)(b) Four or More Years Actual and/or Assigned Yields. When four or more years of actual or assigned yields are available for a database (unit by P/T/V/TMA), the average APH yield is determined by a simple average of the insured's actual and/or assigned yields divided by the number of years of actual and/or assigned yields contained in the database.

- C(3) **New Producer and Variable T-Yield Exceptions.** [See Exhibit 37 for additional instructions.] If the insured qualifies as a new producer, the approved APH yield must be determined using the method below for which the insured qualifies.
- (3)(a) **If no production records** (has not planted the crop), the applicable T-Yield (100 percent) is the approved APH yield. Databases must be established that contain four 100 percent T-Yields preceded by the yield descriptor code "I" [See Exhibit 37, Par. 4 for an Example]. For new insureds, agents/representatives quote the applicable T-Yield as the preliminary yield. The verifier must approve all APH yields. Once three years of actual, assigned, and/or temporary yields have been provided for the crop/county, the "I" yield descriptor code is discontinued. "I" yield descriptor codes must then be removed and replaced with T-Yield descriptor codes.
- 1 Optional units are allowed, provided they are requested by the acreage reporting date and the new producer keeps separate records of acreage and production for each proposed optional unit for the current crop year.
 - 2 For subsequent crop year(s), if acceptable production reports are not provided by the PRD, assigned yield provisions apply. T-Yields are then determined using variable T-Yields based on the number of actual/assigned yield(s) for the crop/county, and optional units are not allowed. Yield limitation provisions (CUPS) and Yield Floors apply as appropriate.
- (3)(b) **Production reports ARE REQUIRED** for new producers who produced the insured crop for one or two crop years. [See Ex. 37, Par 1B and Par. 5.]
- 1 Production reports must be provided for such crop years to qualify for use of the applicable T-Yield(s) (100 percent). If provided, the approved APH yield is calculated by dividing the sum of the actual yield(s) and the 100 percent T-Yields by four. [If such production report(s) are not provided, see Exhibit 37 Par. 1B(2).]
 - 2 Optional units are determined according to the way production reports are filed for the previous APH crop year.
- (3)(c) **For subsequent crop years**, refer to instructions for carryover insureds. If required production reports are not filed, the applicable variable T-Yield is used (loses New Producer T-Yield percentage)[see Exhibit 37 Par. B(2)].
- C(4) **Pilot County T-Yields for New Producers.** Beginning with the 1999 crop year, Pilot County new producer T-Yield procedures were discontinued. Producers who qualified in the past, if insured continuously on the same crop, may retain 110% T-Yields for locations/databases previously established until four years of actual/assigned yield have been provided. Standard New Producer and added land/P/T/V procedures must be used for new locations/databases established for the 1999 and succeeding crop year(s).

- C(5) **Feed or Forage Grown for On-farm Use.** Special procedures for producers who grew feed or forage for on-farm use were discontinued beginning with the 1998 crop year. Producers who had previously qualified and have been continuously insured may retain 80 percent T-Yields (identified by the yield descriptor "X") until at least one actual or assigned yield is available for the crop. [See Par. C(2) for instructions when actual/assigned yields are available.]
- C(6) **Added Land/P/T/V.** Variable T-Yields will be used for added land or added P/T/V based on the years of actual and/or assigned yields for the insured crop and county unless the added land or P/T/V qualifies for use of the Simple Average T-Yield (SA T-Yield) (by P/T/V if applicable) to establish the database. [For the Summerfallow Practice for Wheat, Barley, Malting Barley, and Oats when a Continuous Cropping (CC) Practice has been carried out on the same unit, refer to Summerfallow APH yield instructions in Par. J(15)(h)3.] [See Exhibit 36 for SA T-Yield instructions for added P/T/V's.]
- C(7) **High-Risk Land.** Variable T-Yields do not apply to acreage with less than four years of actual and/or assigned yields that is located on high-risk (with a high-risk T-Yield) or unrated land (on which the RMA RO has assigned high-risk T-Yields). One hundred percent of the high-risk T-Yield assigned applies. Use yield descriptor "F."
- C(8) **Master Yields.** A Master Yield is an optional yield calculation method in addition to standard APH. Insureds that qualify for Master Yields must request initial Master Yields and provide the required documentation no later than the PRD. Master Yields are available for Canola/Rapeseed, Processing Beans, Dry Beans (Dry Beans and Contract Seed Beans), Onions, Peas (Dry and Green), Potatoes, Sugar Beets, Processing Sweet Corn, Tomatoes (Processing and Fresh Market Guaranteed Production Plan), for some practices and locations. [See Exhibit 7 for Master Yield procedures, crops and applicable locations (states).]
- C(9) **Conservation Reserve Program Acreage (CRP).** [See Exhibit 10 for procedure on acreage emerging from CRP.]
- C(10) **APH requirements for Prevented Planting (PP) Acreage when PP payments are limited.** Beginning with the 2005 (policy) crop year, a yield will be assigned for APH purposes, when the PP payment for the first insured crop for the previous crop year is limited to 35 percent of the PP coverage by the crop's policy [see Sec. 4,D(8)(d)]. For acreage that does not qualify for double cropping, PP payments are limited to 35 percent of the PP coverage if the first insured crop was PP and 1) a second crop was planted on the same acreage after the late planting period (or after the final planting date if a late planting period is not applicable) for the first insured crop; or 2) a volunteer crop or cover crop was hayed, grazed or otherwise harvested on the same acreage after the late planting period (or after the final planting date if a late planting period is not applicable) for the first insured crop in the same crop year; or 3) cash rent was received for PP acreage on the unit. Separate yields must be assigned for each P/T/V or TMA requiring separate approved APH yields [see Par. E(1)].
- (10)(a) **Only the first insured crop's APH yield is affected** when PP payments are limited, even if PP payments are based on another crop when sufficient eligible PP acres of the first insured crop are not available. E.g., 200 acres PP corn claimed (first insured crop) however, corn had 150 eligible PP acres and 50 acres of the PP payment was based on soybeans. In this example, a yield for APH purposes will be assigned for 200 acres of PP corn.

(10)(b) If the unit contained only PP acreage on which the PP payment was limited, **60 percent of the approved yield** for the first insured crop on which PP was claimed will be assigned. The Yield Descriptor “PP” will be used for the 2004 and subsequent APH crop years. Such yields are NOT eligible for yield substitutions under the Yield Adjustment Election and they DO NOT count as a year of actual yields for variable T-Yield and yield floor percentage determinations.

(10)(c) If the unit contains both PP acreage on which the PP payment was limited and planted acreage of the first insured crop, the yield for the unit will be determined by:

- 1 Multiplying the number of insured PP acres for the first insured crop by 60 percent of the approved yield for the first insured crop;
- 2 Adding the production assigned in 1 above to the amount of harvested and/or appraised production for planted acreage of the first insured crop; and
- 3 Dividing the total production determined in 2 above by the total number of acres. The Yield Descriptor “PW” will be applicable for the 2004 APH crop year reported for the 2005 (policy) crop year and **for** succeeding crop years.

Example: 10 acres PP was planted to a second crop. The approved yield for the first insured crop was 100 bu./acre.

| | | |
|--|--|---|
| 10 Acres PP 1st Insured Crop | 15 Acres 1st Insured Crop planted & harvested | 10 X (.60 X 100 bu./acre) = 600 bu. 15 acres harvested = 825 bu. Total bu. = 1425 bu. 1425 bu. /25 acres = 57 bu./acre |
|--|--|---|

- 4 The total acres (PP on which the PP payment was limited and planted first crop acreage) and the weighted average yield (PW) determined using the procedure above must be shown on the **insured’s APH form and included in the APH database used to calculate the APH yield**. APH entries for the example above are as follows: Acres = 25.0; weighted average yield = PW 57.
- 5 Such yields are eligible for yield substitutions under the Yield Adjustment Election and count as a year of actual yields for variable T-Yield and yield floor percentage determinations.

10(d) If the PP payment is not limited to 35 percent of the PP coverage there is no effect on the APH (PP acreage is not shown on the insured’s production report and is not entered in the database used to calculate the APH yield).

C(11) **Entities.** If the insured person/entity changes [see Section 10, par. G and Exhibit 32].

6D **Approved APH Yield Reductions.** [See Exhibit 6 for Instructions.] The BP requires approved APH yields calculated for a practice (including transitional and certified organic acreage), type, or variety (P/T/V) of the insured crop, to be reduced for the following situations when they are discovered.

D(1) **Excessive Actual Yields.** Any reported actual yield that exceeds RMA's maximum yield edit level will require an APH review by the AIP. Excessive actual yields are adjusted if the insured provides verifiable records that support the actual yield but cannot prove that there is a valid basis for the excessive yield. If an insured does not provide verifiable records to support the excessive actual yield, the production reports for the crop year are not acceptable and are not used to calculate the APH yield. For carryover insureds, assigned yields will apply.

D(2) **Inconsistent Approved APH Yields when acreage limitations are exceeded.**

D(3) **Different production methods that are likely to result in a lower yield than the production method upon which the APH is based are carried out for the crop year.**

6E **T-Yields**

E(1) **T-Yield Methods.** T-Yields are published on the County Actuarial Table. The published T-Yields will be used to calculate variable T-Yields by crop and county, when necessary to calculate approved APH yields.

(1)(a) T-Yields contained in carryover insureds' databases MUST be replaced with the current crop year's T-Yields.

(1)(b) T-Yields are published for:

- 1 Insurable P/T/V's. If irrigated and non-irrigated practices are indicated on the county actuarial documents, separate APH yields ARE REQUIRED for irrigated and non-irrigated practices. If separate (different) T-Yields are provided for other P/T/Vs separate APH yields (databases) MUST be established for each P/T/V. Separate APH yields are required for some P/T/Vs including summerfallow and continuous cropping practices, irrigated and non-irrigated practices, durum and spring wheat types [Sec. 6, Par. J(15)(h)2], feed barley and Option A malting barley [Exhibit 22, Par. 1C] and dry beans types [Exhibit 21, Par. 4C(1)] even if the T-Yields on the county actuarial documents are the same. [See individual crop instructions, Par. J.] [For additional instructions regarding summerfallow practices, refer to J(15)(h)3.]

For example, the county actuarial table for CC wheat indicates:

| Type | Practice | Map Area/T-Yield |
|--------------|----------|------------------|
| 011 (winter) | 004 (CC) | 001 = 15.0 |
| 012 (spring) | 004 (CC) | 001 = 14.0 |

In this example, separate APH yields are required for winter and spring types of CC wheat located in Map Area 001 (even if the insured does not choose optional units for winter and spring wheat).

2 Map Areas. In addition to P/T/V's, T-Yields may be assigned for certain areas within a county (TMA). Acreage located in TMA with different T-Yields or having a different T-Yield requires separate APH yields (databases) except in counties where the T-Yield was previously derived from FSA program yields and T-Yields are currently assigned by T-Yield Maps. For this situation, when a unit (database) contains more than one TMA and a T-Yield is necessary, determine the T-Yield by using a simple average of the current T-Yields. [Exception: See Ex. 36, 2C(1).] Separate APH databases are not required. For added land, simple average T-Yields may be used when added as a separate unit.

For example: The county actuarial table for CC wheat indicates:

| Type | Practice | Map Area/T-Yield |
|--------------|----------|------------------|
| 011 (winter) | 004 (CC) | 001 = 15.0 |
| 011 (winter) | 004 (CC) | 002 = 23.0 |
| 011 (winter) | 004 (CC) | AAA = 15.0 |

In this example, a separate APH yield is required for the land designated as AAA. The database for a unit containing Map Areas 001 and 002 may use a simple average of the T-Yield for Map Areas 001 and 002 $[(15 + 23) \div 2 = 19]$.

For units located in more than one TMA (except for land assigned a high-risk T-Yield), the variable T-Yield is determined by the number of years of actual and/or assigned yields provided for the crop and county. Separate APH yields are not required for maps used only to assign rates (including areas with high-risk rate adjustment factors that have NOT been assigned separate (different) T-Yields).

3 High-risk land. The actuarial table may indicate high-risk rate adjustment factors and assign high-risk T-Yields to high-risk land (generally identified as AAA, BBB, or CCC on the actuarial documents) via a T-Yield Map. RMA may also assign high-risk T-Yields to unrated land by written agreement. When high-risk T-Yields are used to complete the four-year database, they are not reduced if less than three years of actual and/or assigned yields are available. Separate APH databases are required for land with high-risk T-Yields when less than four years of actual and/or assigned yields are available. High-risk T-Yields are preceded by the yield descriptor "F" when used to calculate the approved APH yield.

E(2) **Reporting Production for P/T/V or TMA Including High-Risk Land** indicated by the county actuarial documents.

- (2)(a) **Separate Production.** When production is reported separately, a yield will be determined for each P/T/V/T/TMA by establishing a separate database using the separated acres and production. An APH database established for one P/T/V or TMA may not be duplicated to establish an APH database for a different P/T/V or TMA.
- (2)(b) **Separating Commingled Production.** When separate APH yields are required for P/T/V's and their production has been commingled, separate production may be determined by P/T/V or TMA if:
- 1 The producer provides a yield estimate by P/T/V or TMA from past production records, accounts for total disposition, and the verifier considers resulting yields reasonable; or
 - 2 The production is apportioned using the Multipurpose Production and Yield Report Worksheet by following the commingled production worksheet instructions [See Par. F]; or
 - 3 The production is prorated when the T-Yields for the P/T/Vs are the same and the insured is unable to provide a yield estimate and the acreage of the P/T/V's is known. Production is prorated by dividing the total commingled production by the total planted acres from which the commingled production was harvested and then multiplying the resulting average yield times the acres of each P/T/V. The prorated production, planted acres and average yield are entered on the APH form. Prorated production is identified by the "P" yield descriptor prior to the applicable actual yield descriptor ("A", "G" or "V").
- (2)(c) **Commingled Acres and Production.** When production has been commingled between P/T/V or TMA's and the production cannot be separated using one of the methods in Par. E(2)(b), the total acreage and production will be attributed to the P/T/V or TMA with the highest published T-Yield. If the published T-Yields are the same, attribute the total acres and production to the highest yielding practice as designated by RMA (e.g., irrigated if irrigated and non-irrigated practices, summerfallow if summerfallow and continuous cropping practices, spring wheat if spring and durum wheat types, winter wheat if spring and winter types production was commingled). For each APH crop year reported (2005, 2004 and etc.) that acreage and production must be attributed to the highest yielding P/T/V or TMA, determine the annual yields for P/T/Vs or TMAs with lower T-Yields as follows:
- 1 Divide the lower T-Yield published for the P/T/V or TMA by the highest P/T/Vs or TMAs published T-Yield, whichever is applicable, to determine a percentage factor (round to two places). For example: The production for 2005 for the irrigated and non-irrigated practices was commingled. The non-irrigated T-Yield is 90 and the irrigated T-Yield is 160: $90/160 = .57$. If the T-Yields are the same, the factor will be 1.0.

- 2 Multiply the percentage factor determined in 1 above, times the approved APH yield determined for the P/T/V or TMA to which the acreage and production was attributed. The determined yield will not exceed the T-Yield published for the lower applicable P/T/V or TMA. For example: if the approved yield using the acres and production attributed to the practice with the highest T-Yield (Irrigated) is 140, using the factor determined in 1 above, the determined yield for the non-irrigated Practice would be 80 (140 X .57). If the T-Yields are the same, the determined yield will be the approved yield for the highest yielding P/T/V if lower than the lower yielding P/T/V's variable T-Yield.
- 3 Enter the determined yield in the yield column of the APH form, preceded by the yield descriptor "F" and calculate the approved APH yield following the applicable Category B or C Crop procedure. **If the T-Yield changes in a subsequent crop year, determined yields calculated correctly for a previous crop year are not recalculated.**

6F Multipurpose Production and Yield Worksheet.

This worksheet may be used to arrive at the factored production to be entered on the APH form in the total production column.

| Crop Year | 1 | 2 | 3 | 4 | 5 | 6 |
|-----------|---|---|---|---|---|---|
| XXXX | | | | | | |
| XXXX | | | | | | |
| XXXX | | | | | | |
| XXXX | | | | | | |
| XXXX | | | | | | |
| XXXX | | | | | | |
| XXXX | | | | | | |
| XXXX | | | | | | |
| XXXX | | | | | | |
| XXXX | | | | | | |
| XXXX | | | | | | |

Instructions and Suggested Column Headings

F(1) **Separating Commingled Production.** The worksheet may be used to separate production that was commingled between P/T/V's and TMA that have different T-Yields. Production from types or varieties that is being separated must have the same unit of measure (e.g., pounds). [see Exhibit 17 for Cotton Example]. If the T-Yields are the same and the insured can't separate the commingled production or provide a yield estimate by P/T/V when separate APH yields are required, the production for each applicable P/T/V may be prorated instead of using the commingled production worksheet if acres of the P/T/V's are provided [see Par. E(2)(b)3].

- Col. 1 - TMA, Practice, or forage production types
 - Col. 2 - Planted Acres (for skip-row cotton, acres considered planted to cotton).
 - Col. 3 - Transitional Yield (T-Yield)
 - Col. 4 - Yield Extension (Col. 2 X Col. 3)
 - Col. 5 - Factor (total commingled production ÷ total yield extensions from Col. 4)*.
 - Col. 6 - Yield (Col. 3 X Col.5)
- *Values rounded to nearest hundredth.

F(2) **Converting Skip-row Cotton Production to Solid Plant:**

- Col. 1 - Total Production
- Col. 2 - Yield Factor [See Exhibit 17 Par. 5, Tables 1-3]
- Col. 3 - Total Production (factored, Col. 1 ÷ Col. 2) enter in Col. 16 of the APH form.
- Col. 4 - Gross Acres X percent planted factor [See Exhibit 17, Acres Considered Planted by FSA Table 4]
- Col. 5 - Acres: enter Col. 17 of the APH form.
- Col. 6 - Yield (solid planted): enter Col. 18 of the APH form.

F(3) **Determining Skip-Row Cotton Yield Factors** [See Exhibit 17 Par. 6E, Example 5]. Used when production is commingled between more than one non-irrigated skip-row planting pattern:

- Col. 1 - Non-Irrigated Skip-Row Pattern
- Col. 2 - Planted Acres (acres considered planted to Cotton for each pattern)
- Col. 3 - Yield Factor (for each different pattern)
- Col. 4 - Yield Extension
- Col. 5 - Yield Factor (divide total yield extensions (Col. 4) by total acres (Col. 2))
- Col. 6 - Solid Planted Yield (skip-row yield ÷ yield factor)

(F)(4) **Green Peas** [See Exhibit 9, Par. 1F, Example 6]:

- Col. 1 - Dollars Received for Crop
- Col. 2 - Contract price for the TR Sieve number shown on the actuarial table.
- Col. 3 - Adjusted Production (Col. 1 ÷ Col. 2)
- Col. 4 - Lbs. Dry Peas ÷ .60 (converts to green pea equivalent)
- Col. 5 - Total Production (Col. 3 + Col. 4)

(F)(5) **Contract Seed Beans** (Bush Varieties for Garden Seed) and Wrinkled Seed Peas [See Exhibit 27 Par. 2A, Example 1]:

- Col. 1 - Reference Year Adjustment Factor (RYAF)
- Col. 2 - Total Dollars (\$) Received (or value of)
- Col. 3 - RYAF total \$ (rounded to whole \$). Transfer factored \$ to column 16 of the APH form.

F(6) **Sugar Beets** (Used to adjust production to % sugar on the county actuarial table):

- Col. 1 - % Sugar (records)*
- Col. 2 - % Sugar (actuarial table)*
- Col. 3 - Sugar Factor* (Col 1 ÷ Col 2)
- Col. 4 - Actual Production
- Col. 5 - Adjusted Production (Col. 3 x Col. 4)

*Values rounded to nearest thousands.

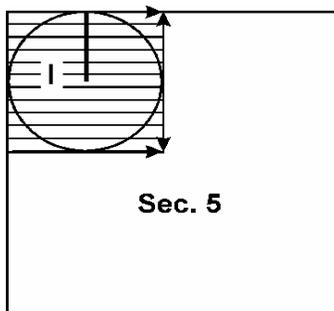
F(7) **Potatoes** [See Exhibit 9 Par. 1G, Example 7]. Used when the Northern Potato Quality Endorsement or Northern Potato Processing Quality Endorsement is applicable.

- Col. 1 - Fresh % No. 1
- Col. 2 - Fresh % No. 2 or better
- Col. 3 - Processing % No. 1
- Col. 4 - Processing % No. 2 or better

6G Additional Instructions for Center Pivot Irrigation Systems.

The following instructions pertain to all annual crops except Rice. [See Sec. 4, Par. D(4)(b)4 for unit division instructions.]

- G(1) **Separate Production Reports Not Provided.** The acres and production from the non-irrigated corners of a field planted to the same insured crop must be included with the portion of the field irrigated by a center pivot irrigation system when separate production records for the corners of the field and center pivot irrigation systems are not provided. Separate approved APH yields are not calculated; however, acreage considered to be irrigated will not extend beyond intersecting lines drawn at right angles to the radius of the center pivot. A separate line entry for a non-irrigated practice is not required on the acreage report for the corners of the field when they are considered to be irrigated. However, a separate APH yield is required for non-irrigated acreage (e.g., non-irrigated acreage extending beyond the intersecting lines drawn at right angles of the radius of the center pivot system or other non-irrigated field(s)).



- (1)(a) In a subsequent crop year, if the insured requests separate optional units for the irrigated and non-irrigated practices, acceptable production reports for the previous APH crop year must be provided for each practice by the PRD. If the insured does not recertify previous crop years, the commingled production worksheet must be used to apportion the production for APH crop years prior to the previous crop year for the irrigated and non-irrigated practices that acreage planted to the two practices are known. If the acreage planted to the practices are not known, the acres and production must be attributed to the irrigated practice and the non-irrigated practice will be completed using the variable T-Yields or a determined yield if applicable, calculated according to [Sec. 6 Par. E(2)(c)].
- (1)(b) When the non-irrigated corners are considered irrigated and qualify for prevented planting, the approved irrigated APH yield is used to calculate the prevented planting production guarantee for the non-irrigated corners.
- (G)(2) **Separate Production Reports Provided.** If separate records of acreage and production are provided for the non-irrigated corner(s) of a field planted to the insured crop and the portion of the field irrigated by a center pivot irrigation system, two practices will be considered as carried out. Separate APH's are required, separate line entries are required on the acreage report, and irrigated acreage is limited to the acreage contained in the center pivot irrigation system.

6H Types of Yields.

H(1) **Acceptable Production Reports Filed.** When acceptable production reports for the crop, county, and insured person have been submitted by the PRD, the yield history will be updated with the following types of yields as applicable:

- (1)(a) Actual Yields from production reports or claims forms [See Sec. 10].
- (1)(b) Applicable variable T-Yields if less than four years of actual and/or assigned yields are available for the database. [See C(2)(a) of this Sec.]
- (1)(c) Temporary Yield. The prior APH yield may be used ONLY as a temporary yield (by unit) for the most recent year in the base period if an insured is unable to finish harvest (due to an insurable cause), or records are unavailable from the processor, marketing outlets, etc., by the PRD. The temporary yield is considered an actual yield when determining the number of actual and assigned yields for APH calculation purposes. The temporary yield is valid for one year only. A production report indicating the actual yield for that year must be filed by the following year's production reporting date or assigned yield provisions will apply.

(NACAT→Insureds using a temporary yield may retain optional units for the current crop year.**←NACAT)**

- (1)(d) Zero Planted Acres. For annual crops with zero planted acres (by unit, P/T/V), enter zero (0.0) in the Acres Column and enter a Z in the Yield Column of the APH form. Do not count a year of zero planted acres (by unit and by P/T/V if applicable) when determining the number of years of actual and assigned yields. The yield descriptor "Z" is entered in the database primarily to indicate continuity of production reports. If the (10 APH crop year) database requires removal of a zero planted year to provide space to retain an actual/assigned yield, remove the OLDEST zero planted year.

H(2) **Acceptable Production Reports Not Submitted.** For carryover insureds when acceptable production reports are required but not submitted for all units, the database will be updated with the following types of yields, as applicable:

- (2)(a) Actual Yields and appraised potential production from loss claims, if any. [See Sec.10, C(1)(d).]
- (2)(b) Assigned Yields - 75% of the prior APH yield for the same unit (by area classification, P/T/V).
- (2)(c) Applicable variable T-Yields if less than four years of actual and/or assigned yields are available for the database. [See C(2)(a) of this Sec.]

(NACAT→The insured will not qualify for optional units unless loss records account for all units, or other exceptions apply [See Sec. 4, D(4)(a)1 and Exhibit 2].**←NACAT)**

H(3) **Submission of Prior Production Reports.** Insureds may submit (certify) production reports for crop years not previously certified provided continuity of production reports is maintained. Acceptable production reports must be submitted by the applicable PRD for the current crop year to be used for the current crop year. Such production reports are subject to APH field reviews and acceptable supporting records must be available.

6I Yield Limitations.

Cups and yield floors are yield limitations that are designed to mitigate the effect of catastrophic years on APH yields. Cups are applicable for carryover insureds (NACAT→) and yield floors are applicable for new or carryover insureds insuring Category B APH crops with published T-Yields (←NACAT). Cups and yield floors are administered by database (unit/P/T/V). To be eligible for a cup or a yield floor, the database must contain at least one actual yield or assigned yield. However, cups do NOT apply if yield substitution(s) under the Yield Adjustment Election [see Section 13] are used to calculate the current or prior year's approved APH yield, if the prior year's approved APH yield was a yield floor, or if more than one year's production history (including zero planted) is added to the database.

- I(1) **10 Percent Cup.** Databases meeting the requirements in the preceding paragraph (6I) and to which none of the exceptions listed in Par. I(6) apply, are eligible for cups. The approved APH yields, for such databases may not decrease by more than 10 percent compared to the previous year's approved APH.
- I(2) **20 Percent Cap.** Caps for Category B APH Crops were discontinued beginning with the 2000 crop year.

(NACAT→)

- I(3) **Yield Floors.** When applicable, the approved APH yield will not fall below the yield floor. The yield floor is a percentage of the applicable T-Yield based on the number of years of records the insured has provided for the crop and county:

| MAXIMUM YIELD FLOOR % of Applicable T-Yield | YEARS OF RECORDS | | |
|--|------------------|----------------|-----------------|
| | 1 year | 2 - 4 years | 5 or more |
| 80% | 70% of T-Yield | 75% of T-Yield | 80% of T-Yield |
| 90% Option* | 80% of T-Yield | 85% of T-Yield | 90% of T-Yield |
| 100% Option* | 90% of T-Yield | 95% of T-Yield | 100% of T-Yield |

* Pilot available for some crops only in Minnesota, North Dakota, and South Dakota (must be elected on a crop/county basis by the applicable SCD and is continuous until canceled). Applicable option surcharge applies only to those databases where the yield floor is the approved APH yield (←NACAT).

- I(4) **Yield Limitation Calculations.** For qualifying databases, approved APH yields are calculated using cups and/or (NACAT→) yield floors (←NACAT) as follows [see Exhibit 19 for Examples]:
 - (4)(a) Calculate the average APH yield using current APH procedures.
 - (4)(b) Apply the cup, if applicable, to the prior approved APH yield [see 6I]. If zero planted and the prior year's approved APH yield was cupped, calculate the cupped yield, if applicable, by multiplying the prior approved APH yield by .90.
 - (4)(c) (NACAT→) Calculate the yield floor.

- (4)(d) Determine the preliminary yield (and subsequent approved APH yield):
- 1 If a cup is NOT applicable, use the higher of the average APH yield or the yield floor.
 - 2 If cup applies, use the higher of the cupped yield or the yield floor. **←NACAT**)
- I(5) **Determining Premium Rates.** Premium rates are determined differently when the approved APH yields are based on cupped yields (**NACAT→** or yield floors. **←NACAT**) Rates are determined as follows when the approved APH yield is subject to:
- (5)(a) 10 Percent Cup (Category B and C). The rate is determined from the CUPPED YIELD and a five (5) percent surcharge is applied. For data processing purposes, a 10 percent yield limitation flag is used and the surcharge administered on a line entry basis. [See Appendix III, DAS Handbook.]
- (5)(b) (**NACAT→** Yield Floor (Category B only). For yield-span/continuous rated crops, the rate is determined from the average yield; however, guarantees are based on THE YIELD FLOOR. For data processing purposes, an additional yield flag is required. For non-yield-span rated crops (rate maps, etc.), a five (5) percent surcharge is applied; however, guarantees are based on the yield floor. [See Appendix III, DAS Handbook.] **←NACAT**)
- I(6) **Cups do not apply** to units (by P/T/V) if:
- (6)(a) A special case is referred to the RMA RO for yield determination (approved APH Yield) if:
- 1 The AIP is NOT authorized to calculate the approved APH yield.
 - 2 The approved APH yield cannot be determined by the AIP.
 - 3 Required RMA RO yield determinations are waived by the RMA RO and the AIP is authorized to calculate the approved APH yield.
- (6)(b) Nonactual yields are replaced with adjusted T-Yields for high-risk or unrated land the first effective crop year.
- (6)(c) Previously approved APH yields are corrected/changed. These include:
- 1 Revision of a previously reported actual yield based on acceptable, more accurate production records submitted by the insured (e.g., grade adjustments for onions).
 - 2 Revision of APPROVED APH yields are required for the current crop year according to APH review procedure when discrepancies in production and/or acreage information are found during APH field reviews that cause APH yields to exceed established tolerances. [See Sec. 14.] If the approved APH yield does NOT require correction for the current crop year, cup procedures apply (for current and subsequent crop year when the yield is corrected). **Revised APH yields (Type 15 Yield Records) must be reported to RMA through the Data Acceptance System (DAS).**

- 3 Additional actual yields are submitted and accepted for year(s) other than the most recent APH crop year in the database. (Any assigned yields or T-Yields are replaced with actual yields).
- 4 The initial year added land/P/T/V (by unit/P/T/V database) or new producer procedures are applicable.
- 5 When units/P/T/V's with established APH databases containing actual and/or assigned yields are combined or further divided. This does not include change in unit numbering only (the actual production history is not combined or divided.)
- 6 The initial year the Continuous Cropping (CC) approved APH yield is used in place of the Summerfallow (SF) approved APH yield for the SF practice.
- 7 The published T-Yield decreases 10 percent or more and the published T-Yield is required to calculate the approved APH yield (T-Yield(s) are used to complete the 4-year database).
- 8 AIP Errors. Incorrect application of procedure by AIP.
- 9 Corrected or revised claims lower the actual yield used for APH purposes (by P/T/V or TMA) by 10 percent or more.

6J APH Provisions by Crop.

The following procedures provide additional information for calculating APH yields for each crop listed.

J(1) Beans – (Processing).

- (1)(a) Acceptable Supporting Records. A copy of the contract is required. Processor records must be settlement sheets showing tons delivered for payment (gross tons if there was no quality adjustment), grade, where specified on the actuarial table, and harvested acres. If farm management records are used to support production reports they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc.
- (1)(b) Bypassed/Unharvested Acreage. If an indemnity is to be claimed, AIPs **MUST** inspect the acreage and determine whether or not timely harvest was prevented directly due to adverse weather and make appraisals that accurately reflect the crop's potential production remaining in the field. If a notice of damage or loss is not filed and insured acreage will not be harvested, the insured should notify the AIP and request an inspection for APH purposes. Planted insurable acreage is used for APH purposes when acreage is bypassed/not harvested. Production for APH purposes is determined as follows:
 - 1 If bypassed by the processor, records may indicate amounts of bypass payments, acres bypassed, reason for bypass and the basis for the bypass payment(s). **DO NOT** convert compensation received from the processor (bypass payment) to production for APH purposes.

- 2 Appraisals made for potential production (if any) remaining in the field on bypassed/unharvested acreage are used for APH. If the acreage was bypassed due to an insured cause, generally there will be no potential production remaining in the field (same production as would be used on a claim for indemnity). If unharvested (not bypassed due to an insured cause), the potential production should be appraised; however, it should not be identified as due to an uninsured cause of loss.
- 3 A separate appraisal must be made and identified as due to an uninsured cause of loss if the crop's potential production was reduced by an uninsured cause of loss. Appraisals identified as due to an uninsured cause of loss (failure to follow recognized good farming practices for the crop, neglect, mismanagement, etc.), are not used for APH.
- 4 If a claim for indemnity was completed and no potential production was determined (zero appraisal), then no production from the bypassed/unharvested acreage will be used for APH purposes (i.e., the acreage was bypassed due to an insured cause of loss and an uninsured cause of loss appraisal was NOT made).

J(2) **Coarse Grains: Corn, Soybeans, and Grain Sorghum.**

- (2)(a) **Acceptable Supporting Records.** Settlement sheets, ledger sheets and assembly sheets must show gross production in pounds or bushels except for silage, which must be in pounds or tons to tenths. [Refer to the FCIC-25010 Loss Adjustment Manual and the FCIC-30080 Corn Handbook for additional silage record instructions.] Individual scale tickets may be used to support determinations for moisture, dockage, kernel damage, test weight, quality adjustment and unit division.
- (2)(b) **Quality Adjustment.** To be eligible for quality adjustment, the following determinations must be made by: 1) A grain grader licensed under the United States Grain Standards Act or the United States Warehouse Act; 2) A grain grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or 3) A grain grader not licensed under State Law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses or by; 4) a laboratory approved by RMA with regard to substances or conditions injurious to human or animal health.
 - 1 Corn: grades U.S. No 5 or worse because of test weight, damaged kernels (excluding heat damage) or having a musty, sour, or a commercially objectionable foreign odor.
 - 2 Grain sorghum: grades U.S. Sample grade because of test weight, kernel damage (excluding heat damage) or having a musty, sour or commercially objectionable foreign odor (except a smut odor) or meets the special grade requirements for smutty Grain Sorghum.

- 3 Soybeans: grades U.S. Sample grade because of test weight, kernel damage (excluding heat damage) or having a musty, sour or commercially objectionable foreign odor (except a garlic odor) or meets the special grade requirements for garlicky Soybeans.
- (2)(c) Insurable Corn Varieties. White, yellow, or mixed yellow/white corn, including waxy and high-lysine corn, predominate mixtures of high yielding yellow dent female plants with high-oil pollinators (at least 90 percent female and 10 percent male pollinators), and commercial varieties of high-protein hybrids, are insurable under the Coarse Grains Policy using published rates. Separate APH yields are not required.
- (2)(d) **(NACAT→Corn Varieties Requiring Written Agreements**. All OTHER special purpose corn including high-amylose, high-oil or high-protein varieties not meeting the above requirements, flint, flour, Indian, blue, varieties genetically adapted for wildlife purposes, and other open pollinated corn may be insured at the additional coverage level by written agreement if coverage is not provided by the CP. **←NACAT)**
- (2)(e) Corn, Harvested and Appraised Production. For APH purposes, harvested production will be determined in bushels for acreage harvested as grain and in tons (to the nearest tenth) for acreage harvested as silage; however, the harvested production may require conversion to the type that is insured [see Sec. 10, Par. 10D(3).] **The appraisal instructions that follow in paragraphs (2)(f), 2(g) and 2(h) are as stated, for APH purposes ONLY. If an appraisal is required to document the production to count for a claim for indemnity, including losses due solely to a revenue component, AIP must follow the appraisal instructions contained in the Corn Loss Adjustment Standards Handbook.**
- (2)(f) Corn, grain-only counties are counties for which ONLY grain premium rates are provided by the actuarial table. All insurable corn acreage must be insured and reported as grain on the acreage report **(NACAT→**unless a valid written agreement authorized by the RMA RO provides silage coverage. **←NACAT)** A variety of corn adapted for silage use only is NOT insurable as grain. The acres and production from such acreage will not be used for APH purposes unless such silage production is commingled with production from insurable acreage harvested as silage.
- 1 Approved APH Yields/APH appraisals are on a bushel (grain) basis. Acceptable production reports that have been provided on a grain or silage basis must be used for APH yield calculation purposes. Silage production (tons) must be converted to bushels of grain.
- 2 Appraisals which indicate potential production in bushels are required for APH purposes when less than 50 percent of the acreage on the unit will be harvested as grain and acceptable records will not be maintained/provided for the acreage harvested as silage; or, if at least 50 percent of the acreage will be harvested as grain and acceptable records will not be maintained/provided for the acreage harvested as grain. [See Sec. 10D(3)(a)2 b for additional instructions.]
- 3 If an indemnity is claimed, the production (except for uninsured cause of loss appraisals) from the claim (in bushels) must also be used for APH.

- 4 When at least 50 percent of the acreage is harvested as grain and acceptable production reports are provided for the acreage harvested as grain, if acceptable records were not maintained/ provided for the acreage harvested as silage, the harvested grain actual yield is used to calculate the unit's APH yield. [See Sec. 10D(3)(a)2 b for exceptions to the 50 percent rule.]
- 5 **(NACAT→** If a written agreement provides silage coverage and all acreage is insured as silage, [see (2)(g)1 and 2]. If some of the acreage is insured as grain and some is insured as silage, [see (2)(h)3 below.] **←NACAT)**
- (2)(g) Corn, silage-only counties are counties for which silage premium rates ONLY are provided by the actuarial table. All insurable Corn acreage must be insured as silage (reported as silage on the acreage report) **(NACAT→** unless a valid written agreement authorized by the RMA RO provides grain coverage. **←NACAT)**
- 1 APH Yields and APH potential production appraisals are on a tonnage basis. Acceptable production reports that have been provided on a grain or silage basis must be used for APH yield calculation purposes. Grain production must be converted to tons.
- 2 Appraisals which indicate potential production in tons are required for APH purposes when less than 50 percent of acreage on the unit will be harvested as silage and acceptable records will not be maintained/ provided for the acreage harvested as grain; or, at least 50 percent of the acreage will be harvested as silage and acceptable records will not be maintained/ provided for the acreage harvested as silage. [See Sec. 10, Par. D(3)(a) for instructions.]
- a If an indemnity is to be claimed and the acreage will be harvested as grain, the actuarial table (SPOI) requires tonnage appraisals. The production from the claim (except for uninsured cause of loss appraisals) must also be used for APH.
- b When at least 50 percent of the acreage is harvested as silage and acceptable production reports are provided for the acreage harvested as silage and if acceptable records were not maintained/ provided, for the acreage harvested as grain, the harvested silage actual yield is used to calculate the unit's APH Yield. [See Sec. 10D(3)(a)2 b for exceptions to the 50 percent rule.]
- c **(NACAT→** [If a written agreement provides grain coverage and all acreage is insured as grain, refer to (2)(f)1 and 2 above. If some of the acreage is to be insured as grain and some as silage, refer to (2)(h)3 below.] **←NACAT)**

(2)(h) Corn, grain and silage counties are counties for which the actuarial table provides both grain and silage premium rates. Both types are insurable. Insureds must report insurable acreage by unit and by type (grain or silage) according to the intended method of harvest; however, a variety of Corn adapted for use as silage only is not insurable as grain and must be insured as silage.

- 1 If all insurable acreage is insured as grain, [see Par. (2)(f)1 and 2] above for approved APH yield and APH appraisal instructions.
- 2 If all insurable acreage is insured as silage, [see Par. (2)(g)1 and (2)(g)2] above for approved APH yield and APH appraisal instructions. [See Par. (2)(g)2 a] which is applicable in counties for which the SPOI requires tonnage appraisals for claim purposes if non-irrigated acreage insured as silage is to be harvested as grain.
- 3 A separate APH yield (database) must be established for grain and for silage when some of the acreage on the unit will be insured as grain and some will be insured as silage.

For each crop year that separate acceptable production records are available for grain and/or for silage, use the grain actual yields to calculate the APH yield for grain and the silage actual yields to calculate the APH yield for silage (by unit and IRR and NI practices).

For a crop year with only one type of production (silage or grain), complete the other type's database using zero planted acreage procedures. (The production for the type harvested is not converted and entered in the other type's database.)

- a An appraisal is required if acceptable production records of either type will not be maintained.
- b In counties for which the actuarial table contains premium rates for non-irrigated silage but does not provide premium rates for non-irrigated grain (**NACAT**→unless a written agreement has been approved to insure such acreage as grain←**NACAT**), all insurable non-irrigated acreage will be insured as non-irrigated silage. If a loss is to be claimed on acreage insured as non-irrigated silage, which will be harvested as grain, such acreage must be appraised in tons (as silage).
- c For carryover insureds with established databases:
 - i If the type for which the databases were established, on a unit basis, is the same type as insured for the current crop year, update the database with the most recent APH crop year's production history using applicable procedures. It is not necessary to make adjustments/conversions to prior production history.

- 1 When completing the acres column on the APH form, the acres entered must be the acres considered planted (to cotton) by FSA. If the insured reported gross skip-row acres, multiply the acres reported by the appropriate percent planted factor (for the skip-row pattern carried out), round to the nearest tenth acre and enter the result in the acres column.
- 2 Acreage planted in different skip-row patterns requires use of the correct skip-row factor(s) for the year(s) in which the different patterns were carried out.
- 3 Acreage planted in more than one skip-row pattern requires use of an additional step to arrive at a solid planted yield. [See Exhibit 17, for Example.]
- 4 When a non-irrigated skip-row planting pattern is reported, the solid planted yield in the approved APH Yield block on an APH form must be multiplied by the appropriate skip-row yield conversion factor (for the skip-row pattern carried out) to determine the **approved** APH yield for skip-row acreage. The approved APH yield is then applied to the rate table to determine the rate.
 - a Agents are to transfer the factored skip-row yield calculation to the approved yield column of the acreage report.
 - b The production guarantee for non-irrigated skip-row Cotton is calculated by multiplying the approved yield from of the acreage report by the percentage for the level elected (e.g., 65 percent).
 - c When an APH yield has been established for a farm, which includes other operators' production history, insureds may request that only their own production history be used. The RMA RO/AIP may approve such requests

J(4) **Dry Beans.** [For additional information and procedures, see Exhibit 21.]

(4)(a) **Contract Seed Beans** (includes Bush varieties for garden seed). The unit of measure is whole pounds of clean seed equivalent as derived from dollars per acre [see Exhibit 27 Par. 1M]. A copy of the seed company contract must be on file to show the contract price for each variety grown for the current crop year.

- 1 Acceptable supporting records are final settlement sheets specifying pounds of merchantable clean seed, any cull or mill tare poundage and the price paid or value of the respective production.
- 2 For special APH procedures, [see Exhibit 27. It addresses the production computation statement located on the Dry Beans SPOI and includes examples of how to calculate the approved APH yield and entries required on the acreage report.]

(4)(b) Dry Edible Beans.

- 1 Acceptable supporting records are settlement, ledger and assembly sheets that show gross production of dry beans in pounds.

To be eligible for quality adjustment, conversion factor determinations in excess of 4 percent for dry edible (commercial) beans of the classes of pea and medium white, or any other classes of dry edible beans, which do not grade No. 2 or better, must be made by: 1) A grader licensed under the United States Agricultural Marketing Act or the United States Warehouse Act; 2) A grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or 3) A grader not licensed under State Law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses or by; 4) a laboratory approved by RMA with regard to substances or conditions injurious to human or animal health.

J(5) Dry Peas. If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packers, first handlers, etc. Acceptable supporting records:

- (5)(a) Smooth Green and Yellow. Settlement sheets must show gross production, dockage and net production which grades #1 or better (or adjusted to #1 according to policy provisions). Dockage is determined by FCIC issued loss adjustment methods currently in effect.
- (5)(b) Lentils. Settlement sheets must show gross production, dockage and net production which grades #1 or better (or adjusted to #1 according to policy provisions). Dockage is determined by FCIC issued loss adjustment methods currently in effect.
- (5)(c) Contract Seed Peas. The unit of measure is whole pounds of clean seed equivalent as derived from dollars per acre. A copy of the seed company contract must be on file to show the contract price for each variety grown for the current crop year.

Production to count for yield determination will be final settlement sheets specifying pounds of merchantable clean seed, any cull or mill tare poundage and the price paid or value of the respective production.

[See Exhibit 27] for additional procedures that:

- 1 Address the Production Computation Statement located on the Dry Pea SPOI.
- 2 Include examples of how to calculate the approved APH yield and entries required on the acreage report.
- (5)(d) Austrian Winter Peas. Settlement sheets must show gross production, dockage and net production. Dockage is determined by FCIC issued loss adjustment methods currently in effect.

J(6) **Forage Production.** [See Exhibit 25.] When forage is harvested as other than air-dry hay, production to count must be adjusted to the equivalent of air-dry hay. Documentation must show total production (harvested and unharvested) from planted and established acres. Forage production records must be contemporaneous (i.e., generated during the same time period) with the harvesting, storing or feeding of the insured crop for each crop year reported. Acceptable supporting records:

(6)(a) **Sold Production.** Production reports must be substantiated by marketing records from a marketing outlet, processor, or buyer, such as, settlement sheets, certified weight tags, broker sales summaries or load receipts. These records must indicate buyer's name, net tons of forage produced, type, producer's name, and delivery date.

(6)(b) **Farm-stored.** The following requirements must be met in addition to the requirements listed in Section 10 C (1) regarding APH record requirements:

1 Determinations of harvested production to be counted must be based on weights or measurements and conversion factors consistent with FCIC issued procedures used for loss adjustment.

2 Records must be maintained on a unit/type basis.

Dates of cutting/harvesting of forage, number of bales harvested, contemporaneous weight of bales from each cutting/harvest (weight must be based on average of at least 2 bales per/cutting/type/unit weighed, dated and signed by a disinterested third party. If weight unavailable, may use Alternate Method described in FCIC-25150 Forage Loss Adjustment Standards.)

3 If contemporaneous records will not be maintained or the production is not measured after being placed in a storage structure, the insured may request an appraisal or inspection/measurement service from the AIP or other disinterested third party (at the insured's cost), such as FSA, prior to harvest or if all production for each cutting/harvest is still available for verification.

(6)(c) **Fed (without being sold).** Fed records must specify the number of head, type of livestock (cattle, hogs, horses, sheep, etc., with weight estimated to the nearest 100 pounds for each type) and number of days fed. The following requirements must be met in addition to the requirements listed in [Section 10 C(2)] regarding APH record requirements:

1 **Fed** records are only acceptable for current year's production (e.g., insured cannot provide fed records from 1999 in crop year 2005) for establishing an APH unless those records can be verified through some means (e.g., commercial feeder with billing receipts verifying amount of fed production etc.).

2 Feeding records must be documented through a formal record system (e.g., RMA's Guidelines for a Production Record Management System) and generated during the time period production was fed to be considered acceptable and contain the following elements:

- a Date forage is fed
- b Amount fed on that date
- c Number of livestock fed on that date
- d Type and weight of livestock fed on that date
- e Type and/or unit should be notated.

Separate APH yields are not required for spring and winter planted acreage of the same forage production types.

J(7) **Millet.**

(7)(a) **Acceptable supporting records.** Settlement sheets, ledger sheets and assembly sheets must show gross production in pounds or bushels. Individual scale tickets may be used to support determinations for moisture and quality deficiencies, quality adjustment and unit division.

(7)(b) **Quality Adjustment.** To be eligible for quality adjustment, the following determinations must be made by a grader or by a laboratory approved by RMA RSO/AIP.

- 1 Deficiencies in quality, result in the millet weighing less than 50 pounds per bushel; or
- 2 Substances or conditions are present that are identified by the Food and Drug Administration or other public health organizations of the United States as being injurious to human or animal health.

J(8) **Onions.** If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc.

(8)(a) **Adjustments to 1999 and Prior Years' Production.** Previous insured 1999 and prior years' total production reported as field-run must be adjusted to reflect applicable grade standards. For any prior production not previously converted, multiply the total field-run production for each crop year by a grade factor of .85 (generally not used for non-storage onions), or if the SPOI indicate other grade factor(s), use the applicable grade factor(s). After applying the applicable grade factor, recalculate the actual/assigned yields. Insureds that have reported field-run production and have acceptable supporting records indicating applicable grades may recertify such crop year(s). Grade adjustments to prior production history for carryover insureds will be considered corrections to APH yields; therefore, CUPS do not apply when calculating the approved APH yield for the crop year on any applicable units.

(8)(b) Acceptable Supporting Records.

- 1 For production that is sold or delivered at time of harvest, settlement sheets must indicate gross weight (onion production minus dirt and foreign material) AND net sorted weight or graded weight with percent of pack based on applicable grade standards.
- 2 Farm stored production, should be graded or production adjusted for APH purposes (using applicable grade factor) according to applicable grade standards prior to being placed in the storage structure, gross weight (onion production minus dirt and foreign material) or structure measurements indicating deductions for obstructions are acceptable.
- 3 Measurements must be verifiable and definitive for sold, delivered, and farm stored records. For example:
 - a Unacceptable: 16 bins or 34 loads.
 - b Acceptable: bin = 1,500 Lbs. 16 bins @ 1,500 Lbs. = 24,000 Lbs. and 34 loads @ 24,000 Lbs. = 816,000 Lbs.
- 4 If records certified by the PRD do not include the required grade information, applicable grade factors (.85 or as specified on the SPOI) must be used to convert field-run production to policy grade standards. If grade is certified after the PRD, it will be used when updating the next year's APH yield.

J(9) **Green Peas.** If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc.

- (9)(a) Acceptable Supporting Records. A copy of the contract and/or settlement sheet must show planted acres, the contract price for the tenderometer reading, sieve size, or grade factor shown on the SPOI for that type of pea, dollars received for peas delivered (exclusive of bonuses for acres, high production, split payment, late planting payment, etc., or deductions for seed, pesticides and their application, planting or harvesting), variety (specific name from the seed company) and acres harvested.
- (9)(b) Bypassed/Unharvested Acreage. Follow the instructions provided under Processing Beans [Par. J(1)(b) of this Sec.].
- (9)(c) For harvested delivered production, determine the production for APH by dividing the dollar amount received from the processor by the contract price per pound for the tenderometer or sieve size designated by the actuarial table.
- (9)(d) All dry pea production harvested from green pea acreage, provided the insured retains ownership of the dry peas, will be multiplied by 1.667 for shell types, 3.000 for pod types, and added to the total green pea production on the APH form. The total production is divided by the acreage originally planted to green peas.

J(10) **Popcorn.**

(10)(a) Acceptable Supporting Records. A copy of the contract must show planted acres and the contract price. Processor records must be settlement sheets showing pounds of shelled popcorn. Individual scale tickets may be used to support determinations for moisture and quality adjustment.

- 1 Any ear popcorn production must be converted to shelled popcorn.
- 2 Production from yellow or white dent corn will be counted as popcorn on a weight basis

(10)(b) For quality adjustment, the processor records must indicate that the production has been rejected by the processor because it was not of merchantable popcorn quality.

J(11) **Peanuts.** Effective for the 2003 crop year, peanuts were converted to a Category B APH crop (insurance plan code 90). The following procedures will apply for the 2006 and subsequent crop years.

(11)(a) APH Databases With Classification Yields.

- 1 Databases still containing classification ("F") yields after filing the most recent year's production report will continue to retain such yields until a minimum of 4 actual/assigned yields have been accumulated in that database. Adding an actual or assigned yield will result in removal of a classification yield from the affected database until all classification yields in the database have been replaced by actual or assigned yields. When the addition of an actual or assigned yield leaves no further classification yields in a database, standard APH procedures will apply fully to that database.
 - a Unit/P/T/V's with 2005 peanut acreage. The database for the 2006 crop year will consist of an actual yield based on acceptable acreage and production records or an assigned yield for the 2005 crop year, plus:
 - i One or two actual or assigned yields and two or one classification yields; or
 - ii Three classification yields and a "Z" in 2002, 2003, and 2004 (when the 2002, 2003, and 2004 crop years for the unit/P/T/V were zero planted).
 - iii Four actual and no classification yields.
 - b Unit/P/T/V's with no 2005 peanut acreage. If peanuts were not planted on the unit/P/T/V in the 2005 crop year, a "Z" is entered in the database for 2005 and the database for the 2006 crop year will consist of either:

- i One, two, or three actual or assigned yields and three, two, or one classification yields; or
 - ii Four classification yields when there was no acreage in 2002, 2003, 2004, or 2005 (i.e., a “Z” is entered when all crop years for the unit/P/T/V for the period 2002-2005 were zero planted).
 - 2 Submission of prior production records. In lieu of Section 6H(3), carryover insureds with classification yields in any database may not recertify acreage and production for such databases for crop years prior to the 2002 crop year.
 - 3 Entity changes for insureds with classification (F) yields. If an insured with classification yields in the database(s) changes to a different entity (e.g., an individual insured incorporates the operation; two or more insureds with different classification yields in their respective databases merge their operations into one entity), standard APH procedures will be used to establish APH databases for the new entity.
- (11)(b) APH Databases Without Classification Yields (Existing Insured Without Classification Yield, New Producer, New Insured, New Unit/P/T/V, Added Land, etc.). All databases (including databases established in 2003 that did not use insureds’ classification yields for 2003) established for the 2004 and subsequent crop years will continue to be based on standard APH procedures. Such determinations apply regardless of whether the insured (or FSN) was previously classified or has other databases containing classification yields. [See Par. (11)(f) for acceptable production records.] For the purpose of calculating SA T-Yields for added land/new databases, (databases, approved APH yields for databases containing F-Yields (i.e., classification yields) should be include in the SA T-Yield calculation.
- (11)(c) Use of Another Producer’s Records. Using another person’s records to establish databases will follow standard procedures contained in [Section 10E]. RMA RO Determined Yields identified as F-Yields (i.e., classification yields) will not qualify as actual yields for these purposes.
- (11)(d) Failure to File Production Reports for the Current Crop Year. If an insured (with or without classification yields in the database) does not timely file a production report for the most recent crop year (2005), an assigned yield will apply in establishing the approved APH yield for the current crop year. The insured will not qualify for optional units for the current crop year. For insureds with classification yields in the database, the assigned yield will result in a classification yield being removed from the database.

(11)(e) Yield Adjustments, Limitations, and Edits. APH procedures regarding yield adjustments (substitutions), limitations (cup and floor) will apply to peanuts with the following clarifications:

- 1 Yield Floor. Insureds with databases containing classification yields **or that contained classification yields the prior year** are considered to have at least five years of actual yields and qualify for the 80 percent yield floor.
- 2 Yield Substitution. Yield substitutions will not be applied to any actual yields for crop years prior to the 2002 crop year or to classification yields. For 2002 yields, substitute yields are determined using 60 percent of the yield from the 2003 Coverage and Rates APH Yield Substitution Table. For 2003 and subsequent years, use the respective year's T-Yield to calculate the substitute yield.
- 3 Yield Edits. The maximum yield edit process for peanuts will apply to actual and approved APH yields. The applicable T-Yield will be used to establish the edit levels.

(11)(f) Acceptable Supporting Records.

- 1 Acceptable production records must be provided by unit/P/T/V as shown on the actuarial documents, according to standard APH procedures.
- 2 Production data may be obtained from grading sheets, settlement sheets, ledger sheets, weight tickets, or other verifiable documentation from a buyer, broker, processor, or storage facility. Such records must show net pounds after adjusting for foreign matter, moisture, quality, etc.
- 3 Acreage and production data by farm serial number, practice, and type, may be available from documents on file at the FSA county office where the farm serial number is maintained. Examples of such acceptable documents include FSA-156 Farm Record Card, FSA-578 Report of Acreage, FSA-1002 Peanut Marketing Card ("smart card"), and FSA-1007 Inspection Certificate and Sales Memorandum. In addition, county offices may also maintain acreage and production data from these and other documents on computer spreadsheets by farm serial number.
- 4 If farm management records are used to support production reports, there must be substantiation by records from a buyer, broker, processor, storage facility, or similar entity.

(11)(g) Default Provisions. Any issues or provisions not specifically addressed above for peanuts will be covered by standard APH procedures, including the SPOI, the Peanut CP, and the BP.

J(12) **Potatoes.** If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc.

(12)(a) **Central and Southern Potato CP.** For the "Central" and "Southern" Potato states and counties: Alabama; Arizona; all California counties except Humboldt, Modoc, and Siskiyou; Delaware; Florida; Georgia; Maryland; Missouri; New Jersey; New Mexico; North Carolina; Oklahoma; Texas; and Virginia; marketable mature potatoes (except for production with external defects) will be considered production for APH.

- 1 Production that is sold or delivered at the time of harvest must include potatoes sold as seed, fresh market or processing potatoes, and account for culled potatoes.
- 2 **If no claim is filed, use the following** acceptable supporting records:
 - a Processed potatoes are settlement sheets that show first net weight (gross weight of potatoes minus dirt and foreign material).
 - b Fresh market and table stock potatoes are settlement sheets that show total pack-out weight (including overweight, over-pack, etc., if applicable), including culls. Potatoes harvested prior to full maturity may be increased by two percent per day for each day harvested prior to full maturity. The date the potatoes would have reached full maturity will be considered to be 45 days prior to the calendar date for the end of the insurance period, unless otherwise stated in the SPOI. Delivery records for early harvested potatoes must be retained by the insured.
 - c Seed potato record must show total weight sold.
 - d Farm stored production record must show the gross weight of stored potatoes if an inspection is not made prior to potatoes being placed in storage. A copy of the weight slips and production measurements must be provided.
- 3 **If you file a claim for indemnity;**
 - a **Claims for indemnities are used for APH.**
 - b **In the settlement of a claim, production to count will be increased by two percent of the amount of harvested production for each day the potatoes were harvested prior to full maturity. This adjustment will not be made if:**
 - i **Potatoes are damaged by an insurable cause of loss; and**
 - ii **Leaving them in the field would reduce production or decrease quality.**

(12)(b) Northern Potato CP. For the following states and counties: Alaska; Humboldt, Modoc, and Siskiyou Counties, California; Colorado; Connecticut; Idaho; Indiana; Iowa; Maine; Massachusetts; Michigan; Minnesota; Montana; Nebraska; Nevada; New York; North Dakota; Ohio; Oregon; Pennsylvania; Rhode Island; South Dakota; Utah; Washington; Wisconsin; and Wyoming.

1 If no claim is filed, use the following acceptable supporting records. Production that is sold or delivered at the time of harvest must include potatoes sold as seed, fresh market or processing potatoes, and account for culled potatoes. Refer to 2 below for further clarifications on adjustments of production that may also be applicable. Acceptable supporting records for:

- a Processed potatoes are settlement sheets that show first net weight.
- b Fresh market and table stock potatoes are settlement sheets that show total pack-out weight (including overweight, over-pack, etc., if applicable), including culls.
- c Farm stored production must show the gross weight of stored potatoes if an inspection is not made prior to potatoes being placed in storage. A copy of the weight slips and production measurements must be provided.

2 If you file a claim for indemnity, only production to count as determined under the terms of the Northern Potato CP and the Storage Coverage Endorsement, if applicable, is used for APH. For example, freeze, and loss of bulking are covered under the Northern Potato CP, and causes resulting in tuber rot are covered under the Northern Potato CP and the Storage Coverage Endorsement. Quality adjustment for these causes made under the terms of the Northern Potato CP and Storage Coverage Endorsement will be reflected in the APH production. However, any reductions in production to count under the terms of the Northern Potato Crop Insurance Quality Endorsement or Northern Potato Crop Insurance Processing Quality Endorsement are not included in determining APH production.

Potatoes harvested prior to full maturity may be increased by two percent per day for each day harvested prior to full maturity. The date the potatoes would have reached full maturity will be considered to be 45 days prior to the calendar date for the end of the insurance period, unless otherwise stated in the SPOI. This adjustment will not be made if potatoes are damaged by an insurable cause of loss, and leaving them in the field would reduce production or decrease quality. Delivery records for early harvested potatoes must be retained by the insured.

3 Northern Certified Seed Potato Endorsement. To qualify for this endorsement, the three most recent years of certified seed potato acreage and production must be furnished to the AIP. The production guarantee for acreage covered under the endorsement is the same production guarantee applicable to the acreage insured under the basic Northern Potato policy. However, the

amount of acreage insured the current crop year cannot be greater than 125% of the average number of acres entered into and passing certification in the potato certified seed program in the three previous calendar years unless authorized by a written agreement. If more than the number of acres are entered into the certification program, the certified seed production guarantee for the current crop year will be reduced as follows:

- a Multiply the average number of acres entered into and passing certification in the potato certified seed program the three previous calendar years by 1.25 and divide this result by the number of acres grown for certified seed the current crop year;
- b Multiply the result above (not to exceed 1.0) by the production guarantee for certified seed for the current crop year.

If insured under the Northern Certified Seed Endorsement, the most recent three years of certified seed potato acreage and production must be furnished to the AIP. These records must indicate the number of acres entered into and acres accepted by the potato seed certification program administered by the state in which the seed is grown.

- 4 Northern Potato Quality Endorsement and Northern Potato Processing Quality Endorsement. If insured under either endorsement, marketing records or records determined at the time of harvest prior to potatoes being placed in storage MUST indicate the percentage of potatoes grading U.S. No. 2 or better (or as otherwise specified in the actuarial documents). The percentage factor (PF), as stated on the Northern Potato Quality Endorsement, will be based on the actual average percentage (AAP) of Potatoes grading U.S. No. 2 or better (as specified on the actuarial documents) as determined from the insured's records if four or more years of acceptable records are available. If less than four years of acceptable records are available, the percentage factor will be calculated as follows:

| *YEARS ACTUAL PERCENTAGE RECORDS | ACTUAL AVG. PERCENTAG (AAP) | | **DEFAULT PERCENTAGE (DP) | | PERCENTAGE FACTOR (PF) |
|----------------------------------|-----------------------------|---|---------------------------|---|------------------------|
| 0 | (0 AAP) | + | (4 DP) | ÷ | 4 = PF |
| 1 | (1 AAP) | + | (3 DP) | ÷ | 4 = PF |
| 2 | (2 AAP) | + | (2 DP) | ÷ | 4 = PF |
| 3 | (3 AAP) | + | (1 DP) | ÷ | 4 = PF |

*Use of loss records showing the percentage of Potatoes meeting the grade designations stated above must be used as an actual year of records for any year in which we determine the percentage of Potatoes meeting the stated grades.

**The default percentage is:
THE GRADE PERCENTAGE(S) BY GROUP, FRESH MARKET OR PROCESSING, TYPE, AND GRADE NO.(S), AS APPLICABLE, FROM THE COUNTY ACTUARIAL DOCUMENT.

J(13) **Rice.**

(13)(a) Acceptable supporting records are settlement, ledger, and assembly sheets that show gross production in tons, hundredweight or pounds. Individual scale tickets may be used to support determinations for moisture, test weight, dockage, quality adjustment and unit division.

(13)(b) Quality Adjustment. To be eligible for quality adjustment, the following determinations must be made by: 1) A grader licensed under the United States Agricultural Marketing Act or the United States Warehouse Act; 2) A grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or 3) A grader not licensed under State Law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouse or by; 4) a laboratory approved by RMA with regard to substances or conditions injurious to human or animal health.

1 Milling yield.

2 Chalky kernels.

3 Red Rice.

(13)(c) Rice is insured only under a flood-irrigated practice.

(13)(d) Harvested production from regrowth is counted as production for APH yield purposes.

J(14) **Safflower, Sunflower Seed, and Canola/Rapeseed.**

(14)(a) Acceptable supporting records are settlement sheets, ledger sheets, and assembly sheets that show gross production of the commodity in pounds.

(14)(b) Safflower, Quality Adjustment. To be eligible for quality adjustment the following determinations must be made by: 1) A grader licensed under the United States Agricultural Marketing Act or the United States Warehouse Act; 2) A grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or 3) A grader not licensed under State Law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses. The production is eligible for quality adjustment if the production: 1) Has a test weight below 35 pounds per bushel; 2) Has seed damage in excess of 25 percent, or has a musty, sour, or commercially objectionable foreign odor. To be eligible for quality adjustment due to the presence of substances or conditions that have been identified by the Food and Drug Administration or other public health organizations of the United States as injurious to human or animal health, the determination must have been made by a laboratory acceptable to RMA RO/AIP.

(14)(c) Sunflower Seed, Quality Adjustment. To be eligible for quality adjustment the following determinations must be made by: 1) A grain grader licensed under the United States Grain Standards Act or the United States Warehouse Act; 2) A grain grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; 3) A grain grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; 4) a laboratory approved by RMA with regard to substances or conditions injurious to human or animal health. The production is adjusted if the deficiencies in quality result in: 1) Oil type sunflower seed not meeting the grade requirements for U.S. No. 2 (grades U.S. sample grade) because of test weight, kernel damage (excluding heat damage), or a musty, sour or commercially objectionable foreign odor; or 2) Non-oil type sunflower seed having a test weight below 22 pounds per bushel or kernel damage (excluding heat damage) in excess of five percent (5%) or a musty, sour, or commercially objectionable foreign odor.

(14)(d) Canola/Rapeseed, Quality Adjustment. To be eligible for quality adjustment the following determinations must be made by: 1) A grain grader licensed under the United States Grain Standards Act or the United States Warehouse Act; 2) A grain grader licensed under State law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; 3) A grain grader not licensed under State law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; 4) a laboratory approved by RMA with regard to substances or conditions injurious to human or animal health. The production is adjusted if the deficiencies in quality result in the canola not meeting the grade requirements for U.S. No. 3 or better (U.S. Sample grade) because of kernel damage (excluding heat damage), or a musty, sour, or commercially objectionable foreign odor.

If different T-Yields are not shown on the actuarial table, separate oil and non-oil databases are not required. However, if separate price elections for Oil and Non-Oil types are provided on the County Actuarial Documents, separate line entries are required on the acreage report.

(14)(e) Special Production Reporting/APH Yield Requirements. Separate production reports (yields) are required to establish or update APH yields for Oil (Oil includes birdseed) and Non-Oil types of Sunflower Seed, IF separate (different) T-Yields are shown on the actuarial document for Oil and Non-Oil types. See [Sec. 6 Par. E(2)] for requirements.

If different T-Yields are not shown on the actuarial table, separate Oil and Non-Oil databases are not required. However, if separate price elections for Oil and Non-Oil types have been established, separate line entries are required on the acreage report.

J(15) **Small Grains: Wheat, Barley, Oats, Rye, and Flax.**

(15)(a) Acceptable Supporting Records. Settlement sheets, ledger sheets and assembly sheets must show gross production in pounds or bushels. Individual scale tickets may be used to support determinations for moisture, dockage, kernel damage, test weight, quality adjustment, and unit division. Production from hay-type barley is not insurable and is not acceptable for APH purposes.

(15)(b) Quality Adjustment. To be eligible for quality adjustment:

- 1 The following determinations indicated by an X, must be made by:
 - 1) A grain grader licensed under the United States Grain Standards Act or the United States Warehouse Act; 2) A grain grader licensed under Sates law and employed by a warehouse operator who has a storage agreement with the Commodity Credit Corporation; or 3) A grain grader not licensed under State Law, but who is employed by a warehouse operator who has a commodity storage agreement with the Commodity Credit Corporation and is in compliance with State law regarding warehouses; or by; 4) a laboratory approved by RMA with regard to substances or conditions injurious to human or animal health.

| | Wheat | Barley** | Oats*** | Rye | Flax |
|--|-------|----------|---------|-----|------|
| Sound kernels | | X | X | | |
| Damaged kernels | X | X | | X | X |
| Shrunken & broken kernels | X | | | | |
| Thin kernels | | X | | X | |
| Black kernels | | X | | | |
| Blighted | | X | | | |
| Smutty, garlicky or ergoty grain | X | X | X | X | X |
| Musty, sour or commercially objectionable foreign odor. Refer to SPOI. | X | X | X | X | X |

* The same quality deficiency levels considered for quality adjustment of durum wheat will be applicable for determination of deficiencies for Khorasan.

**The same quality deficiency levels considered for quality adjustment of barley will be applicable for hull-less barley.

***The same quality deficiency levels considered for quality adjustment of oats will be applicable for hull-less oats.

- 2 Due to the presence of substances or conditions, including mycotoxins, identified by the Food and Drug Administration or other public health organizations of the United States as injurious to human or animal health, the determination must have been made by a laboratory acceptable to the RMA RO/AIP.

(15)(c) For fall-planted Wheat or Barley in counties for which there is only a spring final planting date, insurance attaches to the fall-planted crop ONLY if the AIP agrees an adequate stand exists in the spring to produce the yield used to determine the production guarantee. Insureds must report all planted acreage on which insurance attached for APH purposes. See also, the SPOI for coverage exceptions.

(15)(d) The Barley or Wheat Winter Coverage Endorsement is available in counties that have both a fall and spring planting date and the actuarial table provides a premium rate for this coverage. If the barley or wheat Winter Coverage Endorsement is NOT selected and winter barley or wheat is damaged after the final planting date to the extent that producers in the area would not normally further care for it, the acreage must be seeded to an appropriate type of the crop in order for insurance to continue. The production from such acreage will count for the winter type of the crop.

- 1 If the Winter Coverage Endorsement (WCE) is elected, an appraisal reflecting the crop's potential production is required to determine production for APH purposes prior to destroying winter barley or wheat or putting it to another use. The acres and the appraised potential production must be used to calculate the winter type APH yield. [See Exhibit 29 for a flow chart outlining acres and production used for APH when the WCE has been selected.]
- 2 Under the WCE, once an appraisal is made and the winter barley or wheat acreage is released, the insured may:
 - a Destroy the winter barley or wheat and plant the acreage to another crop.
 - b Destroy the winter barley or wheat and plant the acreage to spring barley or wheat and:
 - i Insure the spring barley or wheat as a separate optional unit. In this case, the lower of the appraised potential production or winter type approved yield is used for the winter barley or wheat APH. The acres and production from the spring barley or wheat are used for the spring barley or wheat APH unless the production is commingled with winter barley or wheat production. [If the production is commingled, see iii below.]
 - ii Not insure the spring barley or wheat. In this case, the lower of the appraised potential production or winter type approved yield is used for the winter barley or wheat APH. The spring barley or wheat is uninsured and the acres and production are NOT used for the APH unless the production is commingled with production from an insured unit (either winter barley/wheat or spring barley/wheat).

- iii If the spring barley or wheat production from insured spring barley or wheat unit is commingled with winter barley or wheat production, the spring barley or wheat acreage will be considered to be a part of the original winter barley or wheat unit. The acreage originally planted to winter barley or wheat and the acreage planted to spring barley or wheat and the lower of the appraised potential production or the winter barley or wheat approved yield for the released acreage and the spring/winter barley or wheat production will be used for the winter barley or wheat APH.

3 The late planting period does not apply under the WCE.

(15)(e) Short Rate. Acreage initially insured that qualifies for the short rate (applies to Additional Coverage and CAT policies) and was removed from insurance coverage (acreage report revised to indicate the short rate) is not used for APH purposes unless the acreage is harvested and the harvested production is commingled with production from insured acreage.

(15)(f) Barley or Oat small grain mixtures planted for harvest as grain are insurable as the crop which is predominant on a weight basis in the mixture, if the predominant crop is insured. The applicable crop designation (barley or oats) must be indicated on the acreage report.

(15)(g) Malting Barley approved APH yields are determined differently depending on whether Option A or Option B under the 96-91B Malting Barley Price and Quality Endorsement has been selected. [See Exhibit 22 for additional APH instructions for Malting Barley Price and Quality Endorsement procedures.]

(15)(h) Special production reporting/APH requirements:

1 Malting barley [see Exhibit 22].

2 In counties where Durum wheat is shown as a separate type.

a Durum wheat must be reported separately from spring wheat types.

b If Durum and other types are planted (i.e., both Durum and spring wheat in Durum and spring wheat counties or both Durum and winter wheat in counties with only Durum and winter wheat), separate line entries by P/T/V are required on the acreage report.

3 Summer fallow (SF) APH yield instructions. This procedure is applicable in counties with separate published T-Yields for SF and CC practices. If the SF database contains less than three years of actual and/or assigned yields, the approved APH yield for the SF practice will be the higher of the APH yield calculated for the summer fallow practice using variable T-Yields or the approved APH yield calculated for the continuous cropping (CC) practice if a CC practice has been carried out on the same unit. If the SF practice will be carried out on added land or it qualifies as an

added practice on an existing unit, it may qualify for use of an approved APH SF yield derived from SA T-Yield to establish the database [See Exhibit 36 for details]. If eligible and the insured elects this option, the database must be updated in subsequent crop years with SF actual/assigned yields (Policyholders cannot switch to the higher of the variable SF T-Yield or CC Yield in subsequent years).

- a Determine the yield for the SF practice. If a CC practice has been carried out on the same unit, determine the CC practice's yield using the current APH procedure. Compare the two yields. The approved APH yield for the SF practice is the higher of the approved APH yield for the CC practice or the yield calculated for the SF practice. If the CC yield is higher, enter it in the approved APH yield column of the acreage report for the SF practice and for data processing purposes, identify the CC yield record being used. A duplicate Type 15 SF Record is no longer required for data processing purposes. The production history for the SF practice must be retained and used to update the SF database according to the applicable APH procedure for subsequent crop years. This method applies until the SF practice contains at least three years of actual or assigned yields. [See Exhibit 20 for examples.]
- b Once the SF database contains three years of actual and/or assigned yields, it will be used to calculate the approved APH yield for the SF practice according to applicable subsequent crop year APH procedure.

(15)(i) Late Planting period is applicable to small grains, except to any barley or wheat acreage covered under the terms of the Barley or Wheat Winter Coverage Endorsement.

J(16) **Sugar Beets**. If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc.

(16)(a) Acceptable Supporting Records. Sugar company delivery records or settlement sheets must show net paid tons of beets delivered and percent of sugar.

(16)(b) Adjustments to Production. Sugar beet production for APH is adjusted by taking net paid tons times percent sugar divided by county percent sugar factor found in the SPOI. The APH certification process is also used for Sugar Beets (verifiers are not authorized to use additional years' history which may be available from the processor). **However, Sugar Beet appraisals that were reduced because Sugar Beets were in the first stage (use appraisals prior to reduction) are not used for APH purposes.**

(16)(c) Pre-acceptance inspections are required for California Sugar Beets (except Imperial County) when the application was signed after insurable acreage was planted.

J(17) **Sugarcane.** If farm management records are used to support production reports, they must be substantiated by records from the boiling house (mill). Unit of measure is whole pounds of raw sugar.

(17)(a) **Acceptable Supporting Records.** Boiling house (mill) records must show net tons, net tons per acre, or net pounds of raw sugar.

1 Raw sugar production indicated in net tons must be multiplied by 2000 to determine pounds of raw sugar.

2 Appraised potential production used for APH purposes must also be determined in net pounds of raw sugar. Formula: Appraised tons per acre X 2000 X percent-of-sugar factor = potential production in pounds of raw sugar. The percent-of-sugar (sucrose) must be determined from: 1) field samples from the same field made by the mill, 2) acreage harvested from the same field, or 3) the percent-of-sugar as indicated by a factor on the County Actuarial Table, if the percent-of-sugar from 1) or 2) is not available. Enter the percent-of-sugar in the total column of the APH form which was used to adjust the production for the most recent crop year in the base period.

Appraised potential production indicated on claims for indemnities will be in pounds of raw sugar.

(17)(b) **Sugarcane cut for seed.** The insured must notify the AIP at least 15 days before cutting any sugarcane for seed. The notice must include the unit number and the number of acres the insured intends to cut for seed.

1 If proper notice is given, the applicable approved APH yield for the current crop year, will be used as appraised potential production for the acreage cut for seed unless a field appraisal was made. Insureds may request a field appraisal if they feel the approved APH yield does not accurately reflect the acreage's potential production. If a field appraisal is made, the appraised potential production (either for APH or claim purposes) will be used for acreage cut for seed.

3 If the proper 15-day notice is not given, insurable acreage cut for seed will be considered put to another use WITHOUT consent. The applicable production guarantee per acre for the current crop year will be applied as an UNINSURED cause of loss and used for claims purposes only. The insurable acreage cut for seed will be used for APH purposes; however, the uninsured cause of loss appraisal is not.

(17)(c) **Lag Year Instructions.** Sugarcane records are generally not available by the cancellation date for the most recent crop year. Therefore, there is a one-year lag in the database; for example, for the 2006 crop year, the base period will begin with the 2004 crop year and may contain up to 10 APH consecutive crop years (begin with 2004 and work backwards). Because of the lag year, adjustments are necessary to advance the percentage of the variable T-Yields when sugarcane was produced in 2004 to assure equitable APH yields compared to other Category B APH Crops.

- 1 Added land provisions apply to units on which the insured have not actively engaged in farming for a share of the crop's production prior to the 2005 crop year. [See Exhibit 36.]
- 2 "New Producer" procedures apply if a person was not actively engaged in farming for a share of the sugarcane production for more than **TWO CROP YEARS** prior to the 2005 calendar year. [See Exhibit 37.]
- 3 For units (by practice) on which sugarcane was produced for the 2005 crop year, 2005 is recognized as a crop year with actual yields available, even though they cannot be reported until the 2007 crop year. For new insureds that elected to provide production reports and for carryover insureds who do not qualify as a "New Producer" or the acreage does not qualify as added land, determine the applicable percentage of the T-Yield as follows:

 - a If no production history prior to the 2005 crop year can be provided and assigned yield provisions do not apply, the APH Yield is 80 percent of the applicable T-Yield. The APH database is completed using four 80 percent T-Yields.
 - b If one actual/assigned yield (example: 2004) is applicable, the APH database is completed using one actual/assigned yield and three 90 percent T-Yields.
 - c If two actual/assigned yields (example: 2004 and 2003) are applicable, the APH yield is calculated using two actual/assigned yields and two 100 percent T-Yields. Two actual/assigned and two 100 percent T-Yields are entered in the database.
 - d If three actual/assigned yields (example: 2004, 2003 and 2002) are applicable, the APH yield is calculated using three actual/assigned yields and one 100 percent T-Yield. The three actual/assigned yields and one 100 percent T-Yield are entered in the database.
 - e For carryover insureds, yield limitations apply on a unit basis (by practice) when using the special lag year procedures.
 - f Use the yield descriptors as indicated [Par. D of this Sec.] to identify each yield entered in the APH databases.

(17)(d) Sugarcane acreage that exceeds the applicable age limitations shown in the SPOI is insurable ONLY if the AIP performs an inspection, makes an appraisal that indicates the acreage is capable of producing at least the yield used to determine the production guarantee for the unit for the current crop year and then agrees to insure it in writing (does not require an RMA RO written agreement).

Any uninsurable acreage must be reported in the remarks section of the acreage report. Separate records must be kept of the production from uninsurable and insurable acreage.

J(18) **Sweet Corn (Processing)**. If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc.

(18)(a) Acceptable Supporting Records. A copy of the contract must show planted acres and the contract price. Processor records must be settlement sheets showing tons delivered for payment (gross tons if there was no quality adjustment), grades (where specified on the actuarial table) and harvested acres.

(18)(b) Bypassed/Unharvested Acreage. Follow the instructions provided under Processing Beans, [Par. J(1)(b) of this Sec.]

J(19) **Tobacco (Guaranteed Production Plan in CT, MA, MD, PA)**. This paragraph applies only to the following tobacco types and states:

| CROP CODE | CROP NAME | CROP TYPE | STATE |
|-----------|-----------------------|-----------|--------|
| 0232 | Maryland Tobacco | 032 | MD, PA |
| 0234 | Cigar Filler Tobacco | 041 | PA |
| 0235 | Cigar Binder Tobacco | 051 | CT, MA |
| 0235 | Cigar Binder Tobacco | 052 | MA |
| 0236 | Cigar Wrapper Tobacco | 061 | CT, MA |

If farm management records are used to support production reports, they must be substantiated by acceptable supporting records from a marketing outlet, processor, packer, first handler, etc.

(19)(a) Sold Production. Marketing records must show total pounds sold. For APH purposes, when harvested production for the unit is damaged due to insurable cause(s) and:

- 1 Has a value less than the market price, the APH production is adjusted by dividing the average value per pound for the unit by the market price per pound for the type and multiplying that result by the number of pounds of the damaged production.
- 2 Has no market price available for the grade harvested, the APH production will be reduced 20 percent for each grade the production falls below the lowest marketable grade with a market price.

(19)(b) Unsold (formerly carryover) Tobacco. Harvested production which was not sold in the crop year produced is also used for APH purposes; however, unsold tobacco production must be verified by the AIP to be used for APH purposes.

- (19)(c) Lag Year Instructions for type 061 CT and MA. Tobacco records for type 061 (crop code 0236, cigar wrapper) in CT and MA are generally not available by the cancellation date for the most recent crop year; therefore, there is a one-year lag in the database. For example, 2004 will be the most recent crop year contained in the 2006 crop year database.
- 1 Added land provisions apply to units on which the insured have not actively engaged in farming for a share of the crop's production prior to the 2005 crop year. [See Ex. 36.]
 - 2 "New Producer" procedures apply if a person was not actively engaged in farming for a share of the tobacco production for more than **TWO CROP YEARS** prior to the 2005 crop year. [See Exhibit 37.]
 - 3 For units on which tobacco was produced for the 2005 crop year, 2005 is recognized as a crop year with actual yields available, although 2005 production cannot be reported until the 2007 crop year. For new insureds that elected to provide production reports and for carryover insureds who do not qualify as a "New Producer" or the acreage does not qualify as added land, determine the applicable percentage of the T-Yield as follows:
 - a If no production history prior to the 2005 crop year is provided and assigned yield provisions do not apply, the APH Yield is 80 percent of the applicable T-Yield. The APH database is completed using four 80 percent T-Yields.
 - b If one actual/assigned yield (e.g., 2004) is applicable, the APH database is completed using one actual/assigned yield and three 90 percent T-Yields.
 - c If two actual/assigned yields (e.g., 2004 and 2003) are applicable, the APH yield is calculated using two actual/assigned yields and two 100 percent T-Yields. Two actual/assigned and two 100 percent T-Yields are entered in the database.
 - d If three actual/assigned yields (example: 2004, 2003 and 2002) are applicable, the APH yield is calculated using three actual/assigned yields and one 100 percent T-Yield. The three actual/assigned yields and one 100 percent T-Yield are entered in the database.
 - e For carryover insureds, yield limitations apply on a unit basis when using the special lag year procedures.
 - f Use the yield descriptors as indicated [Par. D of this Sec.] to identify each yield entered in the APH databases.

J(20) Tobacco (Burley). Effective for the 2006 crop year, Burley Tobacco (type 031, crop code 0231) will be insured as a Category B APH crop (insurance plan code 90). Except as otherwise provided in this paragraph, standard APH procedures (including added land) for Category B crops contained elsewhere in this CIH will apply to APH yield determinations for Burley Tobacco for the 2006 and subsequent crop years.

(20)(a) Reporting 2005 Acreage and Production.

- 1** For the 2006 insurance year, producers must submit production reports for 2005 crop year acreage and production, by practice and type, for each FSN on which they grew tobacco. Annual production reports including zero acreage reports will be required in subsequent years.
- 2** An assigned yield will apply to carryover insureds that do not timely file a production report under standard APH procedures.

(20)(b) Establishing Databases (New Producer, New Insured, New Database /P/T/V, Added Land, etc.). All new databases initially established for the 2006 and subsequent crop years will be based on standard APH procedures. [See Par. (20)(d) and Sec. 10 for acceptable supporting production records.]

(20)(c) Use of Another Producer's Records. Using another person's records to establish databases will follow standard procedures contained in Section 10E.

(20)(d) Acceptable Supporting Records.

- 1** Acceptable production records must be provided by unit/P/T/V as shown on the actuarial documents, according to standard APH procedures.
- 2** Acreage and production records for 2001-2004 are normally available from FSA, if requested by the producer, and are considered acceptable production records for APH purposes.
- 3** If a claim has been filed for any crop year, the claim documents signed by the producer that specifies the amount of production used to complete the claim will be the production report for that crop year. If the claim document indicates dollars the dollars must be converted to pounds for APH purposes.
- 4** Other acceptable production records as specified in section 10C(1)(b) may be used to establish an APH yield. If farm management records are used to support production reports, there must be substantiation by records from a buyer, broker, processor, storage facility, or similar entity.

(20)(e) Written Agreements. Producers in a county with no burley tobacco actuarial documents may request a written agreement (type XC) as authorized previously per MGR-05-001. RMA will consider such requests if:

- 1 There are actuarial documents for another tobacco type(s) in effect for the county;
- 2 The producer has grown burley or the other insurable type(s) of tobacco in the county;
- 3 The producer submits at least three years of acceptable tobacco production records; and
- 4 All other WAH requirements are met.

(20)(f) Default Provisions. Any issues or provisions not specifically addressed above for the specified types of tobacco will be governed by standard APH procedures, including the SPOI, the CP, and the BP.

J(21) Tobacco. (Types formerly covered under insurance plan 30 as a Category F crop and classified on FCI-32 producer listings). Effective for the 2006 crop year, the following tobacco types will be converted to a Category B APH crop (insurance plan code 90).

| CROP CODE | CROP NAME | CROP TYPE | STATE |
|-----------|----------------------|-------------------------------|--------------------------------------|
| 0229 | Flue Cured Tobacco | 111 012, 112 013 014 | NC, VA NC NC, SC AL, GA, FL |
| 0230 | Fire Cured Tobacco | 021 022, 023 | VA KY, TN |
| 0233 | Dark Air Tobacco | 035 036 037 | KY, TN KY VA |
| 0235 | Cigar Binder Tobacco | 054, 055 | WI |

Except as otherwise provided in this paragraph, standard APH procedures (including added land) for Category B crops will apply to APH yield determinations for the tobacco types shown above for the 2006 and subsequent crop years.

(21)(a) FCI-32 Actuarial Classification Listings.

- 1 The FCI-32 Actuarial Classification Listing (FCI-32) and Rules Page contains a list of tobacco producers for the county. Each person listed on the FCI-32 is assigned a classification number, based on yield history, which corresponds to a classification yield printed on the FCI-35 Coverage and Rate Table.
 - a For the 2006 crop year, FCI-32 listings have been printed for the final time. FCI-32 listings will be included in the ADM and distributed for the 2006 crop year.

- b Beginning with the 2006 crop year, the classification yield, along with 2005 acreage and production, will be used to determine the 2006 APH yield for all insureds listed on the FCI-32 [See Par. (21)(d)]. A classification yield will be replaced each subsequent year when an actual or assigned yield is entered [See Par. (21)(e)].
- c Standard APH procedures will be used to establish approved APH yields for insureds not listed on the FCI-32. Acceptable production records from prior years may be submitted, up to the most recent ten APH crop years. [See Par. (21)(i), Acceptable Supporting Records.]
- 2 Requests for written agreements for classification purposes will only be accepted to address limited situations as specified on the FCI-32 Rules Page. Requests must be in accordance with current written agreement procedures and applicable RMA guidelines.

(21)(b) Reporting 2005 Acreage and Production (All Producers).

- 1 For the 2006 crop year, all carryover tobacco insureds (with or without a classification yield) must submit production reports for 2005 crop year acreage and production, by practice and type, for each FSN on which they grew tobacco. Annual production reports will be required in subsequent years.
- 2 Acreage and production data maintained by the RMA RO for the purpose of calculating classification yields will not be provided to AIPs, agents, insureds, or other entities to establish APH databases.

(21)(c) Failure to File Production Reports for 2005. If a carryover insured does not timely file a 2005 production report, the insured will not qualify for optional units for the current crop year and an assigned yield will be determined for 2005 as follows:

- 1 For insureds listed on the 2006 FCI-32 or classified by written agreement, the applicable classification yield will be used as the prior year's approved APH yield for the purpose of calculating an assigned yield.
- 2 For insureds not listed on the 2006 FCI-32 or classified by written agreement, the applicable classification yield as determined from the classification published on the 2006 FCI-32 Rules Page will be used as the prior year's approved APH yield for the purpose of calculating an assigned yield.
- 3 For 2007 and subsequent years, the prior year's approved APH yield will be determined according to standard APH procedures.

(21)(d) Determining 2006 APH Yields for Insureds with a Classification Yield. A four-year APH database, by P/T will be established as follows for insureds with a classification yield published in the 2006 crop year FCI-32 Listing:

- 1 The 2005 acreage and production reported by the insured, or an assigned yield, will be entered on the production report for each applicable database (P/T).
- 2 The remaining three years for each database will be completed by entering the classification yield obtained from the FCI-35 100% Production Guarantee FCI-32 Actuarial Classification Listing Cross Reference Table that corresponds to the insured's classification determined from the 2006 crop year FCI-32 Listing, or as obtained from the Rules Page or by written agreement.

If the insured did not plant tobacco on a specific FSN in 2005, a "Z" (zero plant) will be entered in the database for the 2005 crop year and four classification yields will be used to complete the database and establish the approved APH yield for the 2006 crop year.
- 3 An "F" yield descriptor will be used to identify classification yields in the database.
- 4 If an individual FSN is listed in the "FSN Only" section on the last page(s) of the FCI-32, the classification yield used to complete the database for that FSN will be limited to the yield corresponding to the lower of the "FSN Only" classification or the 2006 crop year classification for the producer.
- 5 Submission of prior production records. In lieu of [Section 6H(3)], an insured with a classification yield in a database may not recertify acreage and production for that database for any crop year prior to 2005.
- 6 Entity changes for insureds with classification yields. If an insured with a classification yield in the database changes to a different entity (e.g., an individual insured incorporates the operation; two or more insureds with different classification yields in their respective databases merge their operations into one entity), standard APH procedures will be used to establish an APH database for the new entity.

(21)(e) 2007 and Subsequent APH Yields for Insureds with a Classification Yield. Adding an actual or assigned yield for the 2006 crop year will result in a classification yield being removed from the affected database. In subsequent crop years, this process will continue until all classification yields in the database have been replaced by actual or assigned yields.

- 1 Unit/P/T/V's with 2006 tobacco acreage. The database for the 2007 crop year will consist of an actual yield based on acceptable acreage and production records or an assigned yield for the 2006 crop year, plus:

- 2 The 2005 crop year actual yield and two classification yields; or
- 3 Three classification yields and a “Z” in 2005 (when the 2005 crop year for the unit/P/T/V was zero planted).
- 4 Unit/P/T/V’s with no 2006 tobacco acreage. If tobacco was not planted on the unit/P/T/V in the 2006 crop year, a “Z” is entered in the database for 2006 and the database for the 2007 crop year will consist of either:
 - a The 2005 actual yield plus three classification yields; or
 - b Four classification yields when there was no acreage in either 2005 or 2006 (i.e., a “Z” is entered when both crop years for the unit/P/T/V were zero planted).
- 5 Submission of prior production records. In lieu of Section 6H(3), carryover insureds with classification yields in a database may not recertify acreage and production for that database for crop years prior to the 2005 crop year.
- 6 Entity changes for insureds with classification yields. If an insured with a classification yield in the database changes to a different entity (e.g., an individual insured incorporates the operation; two or more insureds with different classification yields in their respective databases merge their operations into one entity), standard APH procedures will be used to establish an APH database for the new entity.

(21)(f) Establishing Databases (New Producer, New Insured, Added Land, and New Database/P/T/V). All new databases initially established for the 2007 and subsequent crop years will be based on standard APH procedures. Such determinations apply regardless of whether the insured (or FSN) was previously classified on an FCI-32 or has other databases containing classification yields. [See Par. (21)(i) for acceptable production records.] For the purposes of calculating SA T-Yields for added land/new databases, approved APH yields for databases containing F-Yields (i.e., classification yields) should be included in the SA T-Yield calculation [see Ex. 36, Added Land/new databases].

(21)(g) Use of Another Producer’s Records. Using another person’s records to establish databases will follow standard procedures contained in Section 10E. RMA RO determined yields identified as F-Yields (i.e., classification yields) will not qualify as actual yields for these purposes.

(21)(h) Yield Adjustments, Limitations, and Reductions. APH procedures regarding yield adjustments (yield substitution), yield limitations (yield cups and floors), and yield reductions (reductions due to excessive yields, inconsistent yields or different production methods) will apply to tobacco with the following clarifications:

- 1 Yield Adjustments. Yield substitutions will not be applied to any classification yields. Substitute yields applied to actual yields are determined using 60 percent of the county T-Yield.
- 2 Yield Floors. Insureds with databases containing classification yields are considered to have at least five years of actual yields and qualify for the 80 percent yield floor.
- 3 Yield Reductions. The maximum yield edit process for tobacco will apply to actual and approved APH yields. The county T-Yield will be used to establish the edit levels.

(21)(i) Acceptable Supporting Records.

- 1 Acceptable production records must be provided by unit/P/T/V as shown on the actuarial documents, according to standard APH procedures.
- 2 Production data may be obtained from grading sheets, settlement sheets, ledger sheets, weight tickets, or other verifiable documentation from a buyer, broker, processor, or storage facility. Such records must show net pounds (minus tare) after grading.
- 3 Acreage and production data by FSN, P/T, may be available from documents on file at the FSA county office where the FSN is maintained for crop years prior to 2005. Examples of such acceptable documents include FSA-578 Report of Acreage, MQ-76 Tobacco Marketing Card, and MQ-72-1 Report of Tobacco Auction Sales. FSA county offices often maintain several years of acreage and production data from these and other documents on computer spreadsheets by FSN. In addition, tobacco warehouse documents, such as check registers, ledger sheets, or other records may help in determining the poundage produced and sold by each tenant on a FSN with multiple tenants.
- 4 If farm management records are used to support production reports, there must be substantiation by records from a buyer, broker, processor, storage facility, or similar entity.

(21)(j) Default Provisions. Any issues or provisions not specifically addressed above for the specified types of tobacco will be governed by standard APH procedures, including the SPOI, the CP, and BP.

- J(22) **Tomatoes (Fresh Market Guaranteed Production)**. If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc. The unit of measure is 25-pound carton equivalent to the nearest whole carton unless otherwise specified in the SPOI. Certified records may include a printout or receipt from each first handler of the crop for that crop year. A printout or receipt from a packing shed, processor, auction, marketing cooperative, jobber, commission merchant, sales broker, pick records [see Sec.10, C(4) for acceptable pick records] or a warehouse receipt which shows total production and date of transaction is acceptable. Bin count, cartons, crates, bushels or pounds must be converted to the equivalent of 25-pound cartons unless otherwise specified in the SPOI.
- J(23) **Tomatoes (Processing)**. If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc. Statements or contract summaries from processors must indicate the quantity of paid No. 1 fruit.

Only one approved APH yield is required for Hand-Harvest and Machine-Harvest practices.

7 CATEGORY C APH CROPS (PERENNIAL CROPS)

Almonds, Apples, Arizona-California Citrus, Blueberries, Cranberries, Figs, Grapes, Macadamia Nuts, Peaches, Pears, Plums, Prunes, Stonefruit (Apricots, Nectarines and Peaches), Table Grapes, Texas Citrus Fruit and Walnuts are Category C APH crops.

7A Related Handbooks

A(1) **FCIC- APPENDIX III, DATA ACCEPTANCE SYSTEM HANDBOOK**

A(2) **FCIC-25010 LOSS ADJUSTMENT MANUAL**

A(3) **OTHER RMA APPROVED HANDBOOKS**

7B Definitions. [See Sec. 3]

7C Responsibilities [See Sec. 5]

7D General Instructions. To be eligible for coverage, minimum requirements for insurability stated in the crop policy must be met (i.e., age, production, or a combination of age and production). Insurability requirements will be verified through the use of a certification process requiring Producer's Pre-Acceptance Worksheet(s) or pre-acceptance field inspections performed by the AIP or by RMA RO. T-Yields are available for all Category C crops on the FCI-35 or FCI-33L.

D(1) **Approved Yields.** AIP's are required to calculate and approve APH yields for all Category C APH crops unless the Pre-Acceptance Field Inspection **Selection Criteria and** RMA RO Approved Yield **Calculation** Criteria is met or exceeded [see Par. F(2) of this Section]. If the Pre-Acceptance Field Inspection **Selection Criteria and** RMA RO Approved Yield **Calculation** Criteria are met or exceeded, AIP's may calculate the approved APH yield **as outlined in [F(2)(b)]** and if the RMA RO has issued underwriting guidelines authorizing them to calculate the approved APH yield [see par. F(3)] .

The RMA RO will determine the approved APH yields for cases requiring Pre-Acceptance Field Inspections [see Par. F(1)] and cases meeting Pre-Acceptance Field Inspection and RMA RO Approved Yield Selection Criteria, **except when calculated according to [Par. 7F(2)(b)]** or the RMA RO has issued underwriting guidelines that authorize the AIP to calculate the approved APH yield.

D(2) **Preliminary Yields.** For **new** insureds, agents/representatives ARE REQUIRED to calculate preliminary APH yields for all Category C APH crops. [See Sec. 5, Par. 5A for detailed responsibilities of the agent/representative.]

D(3) **Yield Descriptors and Yield Indicators.** Yield descriptors that identify the yields entered in APH databases are required. In addition, yield indicators that identify the database yield, must be indicated on Type 15 APH records transmitted to RMA.. [Refer to Appendix III for the appropriate yield type descriptors and reporting instructions. See Exhibit 5 for a chart listing most of the Yield Descriptors required by Appendix III.]

- D(4) **Acreage Determination.** All acreage measurements for perennial crops will be based on land acres (i.e., planimetered, wheeled/taped) with deductions for non-crop areas. Within the land acre measurement method, tree/vine/bush acres may be used to determine acreage for limited situations. To determine tree/vine/bush acreage determinations, the tree/vine/bush spacing(s) and number of trees/vines must be determined/verified. Non-crop acreage must be determined in the same manner as when land acre measurements are employed. When blocks/groups of trees/vines/bushes are removed, the acreage is measured/determined and then deducted. Surveying devices, global positioning systems (GPS), remote sensing devices used in conjunction with aerial photos or satellite imagery, etc., may be used if as accurate as the measurement methods listed above.

- (4)(a) **Tree/Vine/Bush acreage must be measured** around the outside of each block/plot based on the spacing within row and between rows.

For the length, measurements should extend beyond the end of the rows, by $\frac{1}{2}$ the within-row spacing, from the center of the outside plants on the end of the rows.

For the width, measurements should extend past the outside row of each block/plot by $\frac{1}{2}$ the distance between rows.

EXAMPLE: An orchard has 15' x 25' spacing, or an average of 15 feet between trees (center of tree to center of tree) within row and 25 feet between rows (center of tree to center of tree). Measurements would begin $\frac{1}{2}$ of 15' (7.5') from the middle of the trunk of the end tree in the outside row and extend $\frac{1}{2}$ of 25' (12.5') from the outside row, using the same spacing around the entire block (7.5 feet beyond the ends of the rows and 12.5 feet beyond the outside rows, referred to as the drip line).

EXAMPLE: Where a road forms an orchard boundary, the measuring point will be $\frac{1}{2}$ the spacing between tree rows not to extend past the center of the road.

[See the Loss Adjustment Manual (LAM)] for information on non-crop acreage deductions and acreage measurement.

- (4)(b) Tree/vine/bush acreage determinations are acceptable for the following situations:

- 1 Determination of the acreage of different age and/or types, varieties or other characteristics for different T-Yields, and/or interplanted crops within a particular tract of measured acreage. The sum of the parts must be equal to the measured acreage.
- 2 Determination of the acreage of irregular shaped fields when the acreage has not been previously measured and FSA aerial photography that identifies the acreage is NOT available at the local FSA office.
- 3 Irregular terrain is not conducive to accurate wheel/tape measurements, the acreage has NOT been previously measured, and FSA aerial photography that identifies the acreage is NOT available at the local FSA office.

- D(5) **Base Periods.** The base period for each APH database is determined by consecutive CROP YEARS, not calendar years, and consists of:
- (5)(a) Ten consecutive APH crop years immediately preceding the current crop year defined in the applicable insurance policy for Almonds, Blueberries, Cranberries, Figs, Grapes, Pears, Plums, Prunes, Stonefruit (Apricots, Nectarines and Peaches), Table Grapes, and Walnuts.
 - (5)(b) Ten consecutive crop years preceding the crop year immediately preceding the current crop year (a lag year) defined in the policy for Arizona-California Citrus, Texas Citrus Fruit, and Macadamia Nuts.
 - (5)(c) Five consecutive crop years immediately preceding the current crop year defined in the applicable insurance policy for Apples and Peaches.
- D(6) **Insured Crop.** See the policy and actuarial documents for insurable and restrictions by crop. In addition to restrictions on following good farming practices, adaptability, interplanted and if inspected, considered acceptable, many of the Category C APH crops have restrictions or minimums for age, production, age or production, and for age and production as well as percent stand. Some crop provisions allow for agreement in writing or written agreements to insure acreage not meeting the crop minimums (i.e. almonds "On acreage where at least 90 percent of the trees have reached at least the seventh growing season after set out, unless we agree in writing to insure trees not meeting this requirement)."

7E **Producer's Pre-Acceptance Worksheet.** Each applicant/carryover insured, except for new insureds (policies) for Texas Citrus Fruit where an Pre-Acceptance Perennial Crop Inspection Report is required the initial year, must certify updated underwriting information by the PRD by completing, signing, and dating Producer's Pre-Acceptance Worksheet(s) for each Category C APH crop insured. For Texas Citrus Fruit, carryover insureds must provide Producer's Pre-Acceptance Worksheets. The Producer's Pre-Acceptance Worksheet is a self-certification form that **must be** completed in an acceptable manner and submitted each crop year by the producer. It may be necessary for the agent/representative to assist the producer in the form's completion in order to obtain the required information. The information provided on the worksheet is used to annually determine the insurable acreage on the unit for the current crop year, indicate whether a complete field inspection is needed, or provide other important data that may affect the APH yield or insurability of the crop.

- E(1) **Completion Requirements.** If the applicant/insured either does not complete or does not complete in an acceptable manner the Producer's Pre-Acceptance Worksheet, AIPs must obtain the required information, make pre-acceptance field inspections to determine the required information, or deny coverage for the crop year. Based on the actual yields submitted or the information certified, a pre-acceptance field inspection may be required [See Par. F(2) for Pre-Acceptance Field Inspection Selection Criteria].
- E(2) **AIP's must monitor** Producer's Pre-Acceptance Worksheets to assure they are completed in an acceptable manner. In order to verify accurate completion, the AIP must perform field reviews on at least five percent of the worksheets. Reviews of Producer's Pre-Acceptance Worksheets completed when pre-acceptance field inspections are performed (e.g., acreage tolerance, high actual yield variability, etc.) may be used to meet this requirement when accurately documented.

- E(3) **Completion Instructions.** The following items must be completed on the self-certified **Producer's Pre-Acceptance Worksheet**.

| <u>Item No.</u> | <u>Information Required</u> |
|-----------------|--|
| (1) | Applicant/insured's full name. |
| (2) | Applicant/insured's policy number. |
| (3) | Unit number. |
| (4) | Name of the insured crop. |
| (5) | Name of the state in which the acreage is located. |
| (6) | Legal description of the land, if applicable. |
| (7) | Policy crop year for which the Pre-acceptance Worksheet is being completed. |
| (8) | Name of the county in which the acreage is located. |
| (9) | Farm Service Agency, Farm Serial Number (FSA FSN), if applicable. |
| (10) | Divide the orchard, vineyard, bog, etc. into as many blocks as needed to facilitate collection and reporting information. [See individual Crop Block Requirements for block worksheet instructions Exhibit 16]. Separate blocks by type/practice, variety, different T-Yield map area, other characteristics shown in the actuarial documents (e.g., early, mid, late peaches), age, and density. Show block numbers to three places (i.e., 001). Multiple blocks being reported together as one block on the APH Block Production must be shown with one block number. If separate information is available for multiple blocks being reported as one block, separate line entries may be made using the same block number and must match block as reported for APH. Prepare a sketch map showing the location of each block, designate unique number for each block reported. Enter these numbers along with the block number in column #10. Complete the items applicable to the crop (10-21) for each block. |
| (11) | Month and year trees, vines, bushes, etc., were planted or the year the block was grafted to the current variety. For Texas Citrus Fruit, if trees were dehorned within the last 8 policy crop years, enter "dehorned" and the month and year. |
| (12) | Number of acres to tenths (0.10) determined using only planimetered, wheeled/taped measurement methods. For cranberries, use acres from bog maps recorded with the marketing organization (e.g., Ocean Spray, Cliff Star, etc.). |

- (13) Name(s) of the variety(ies) contained in this block.
- (14) Type applicable (e.g., peaches Early, Mid and Late).
- (15) Number of bearing plants (trees, vines, bushes, etc.), which make up this block (NA cranberries).
- (16) Average tree spacing/pattern observed within this block (example 18.5 X 20) (NA cranberries).
- (17) Calculate the percent stand by dividing the number of bearing/insurable trees/vines/bushes in item 15 by the product of density in item 18 multiplied by Acres in item 12. (Item 15 ÷ [Item 18 X Item 12]) (NA cranberries).
- (18) Calculate the plant density (number of trees/vines, etc., per acre) as follows: number of square feet per acre ÷ number of square feet per tree (based on the current planting pattern). For example, based on a tree spacing of 20 X 20 = 400 square ft., the number of trees per acre is calculated as 43,560 square ft. per acre ÷ 400 square ft. per tree = 109 trees per acre. Or, if trees are being interplanted as a part of a tree replacement program and the spacing changes to 10 X 20 = 200 sq. ft., per tree, the correct density becomes 43,560 sq. ft. per acre ÷ 200 sq. ft. = 218 trees per acre (NA cranberries).
- (19) Designate if the block is irrigated or non-irrigated by entering IRR or NI.
- (20) Designate if this block has met policy minimums for insurability if applicable, (e.g., 150 bushels/250 boxes for Apples, fourth leaf on Peaches, etc.).
- Refer to the applicable crop provisions and/or actuarial document for determining insurable and uninsurable acreage. When prior production is commingled the entire commingled acreage must meet the production minimum requirements for insurability. When minimum production requirements, age or combination are not met, acreage must be reported as uninsurable as provided in the crop provisions.
- (21) Designate by block whether the varieties are spur type or nonspur type (Apples only).

- (22) IMPORTANT: Prior to answering this question, the average yield from the preliminary APH based on certified data must be calculated. If the applicant/insured answers "YES" to this question, a **NEW** field inspection and hard copy records of acreage and production are required.

For Texas Citrus Fruit, if trees have been dehorned within the last 8 policy crop years, insureds **must** answer "YES." If the acreage was dehorned prior to the current crop year and the dehorned acreage has been inspected and accepted it will not be necessary to re-inspect the acreage and require hard copy records of acreage and production (unless productivity is reduced compared to the year it was inspected).

For Grapes insured under the Grape CP (053), when Pierce's disease is evident or vines are removed in scattered pattern, the APH yields must be reduced to reflect the expected reduction in yield potential. For new insureds, if the producer indicates the previous occurrence of such disease or other damage, the AIP must determine if Pierce's disease was evident on ANY of the acreage during the year preceding the sales closing date. If so, insurance must be denied for any grape variety grown on such acreage or acreage that is contiguous to acreage where the disease is evident in counties classified by the State Department of Agriculture as being partially or entirely GWSS or Glassy-wing Sharpshooter infested. See the Actuarial Documents for additional information.

- (23) Are production methods being used that would reduce the insured crop's production from previous levels? If the producer answers "YES" to this question, hard copy records of acreage and production and a field inspection are required to determine insurability.
- (24) If the producer does not have an adequate water supply and answers NO to this question, a **NEW** field inspection and hard copy records of acreage and production are required.
- (25) The applicant/insured must review certified data and accompanying certification statement and sign and date the form.

| | | | | | | | | | | | | | |
|---|--|-------------|---------------|-----------------------|---------------------------|------------------------|------------------------|---------------|--------------------------|-----------------------------------|--------------------------|--|-------------|
| PAW (Perennial Crops) PRODUCER'S PRE-ACCEPTANCE WORKSHEET (For illustration purposes ONLY) | | | | 1. Applicant's Name: | | | 2. Policy No.: | | 3. Unit No.: | | 4. Crop: | | 5. State: |
| | | | | 6. Legal Description: | | | | 7. Crop Year: | | 8. County: | | | 9. FSA FSN: |
| Block No. 10 | Mo/Year Planted or Grafted 11 | Acres 12 | Variety 13 | Type 14 | Number of Plants 15 | Plant Spacing 16 | Percent Stand 17 | Density 18 | Practice IRR/NI 19 | Insurable or Uninsurable 20 | Spur or Nonspur 21 | | |
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| TOTALS: | | | | | | | | | | | | | |
| 22. Has damage (i.e., disease, hail, freeze) occurred to Trees/Vines/Bushes/Bog or have cultural practices been performed that will reduce the insured crop's production from previous levels? | | | | | | | Yes | | No | | | | |
| 23. Are production methods being used that would reduce production from previous levels? | | | | | Yes | | No | | | | | | |
| 24. Is the current water supply (surface allotment/well) adequate to produce a normal crop for the crop year being certified above? | | | | | | | | Yes | | No | | | |
| I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH yield. I also understand that failure to report completely and accurately may result in voidance of my Crop Insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730). | | | | | | | | | | | | | |
| 26. Insured's Signature: | | | | | | | | | Date: | | | | |

PAW (Perennial Crops) (See Reverse for Collection of Information and Data [Privacy Act])

7F Pre-Acceptance Field Inspections.

Pre-acceptance field inspections are underwriting tools primarily designed to establish insurability of the crop, evaluate the risk to be assumed by the AIP and verify underwriting information provided by the producer. When Producer's Pre-Acceptance Worksheets are required, pre-acceptance field inspections may be made if applicants/insureds either do not complete or do not complete Producer's Pre-Acceptance Worksheets in an acceptable manner [See Par. E(1)].

F(1) **Required Pre-Acceptance Field Inspections.** AIP's must perform pre-acceptance field inspections:

- (1)(a) For a specified county crop program, if notified in writing by RMA in Kansas City that pre-acceptance field inspections are required.
- (1)(b) When requested by the RMA RO in conjunction with RMA RO determined or adjusted yields. The RMA RO is authorized to request a pre-acceptance field inspection if one has not been performed, or if one has been submitted as required according to the following chart and a new field inspection is necessary for the RMA RO to determine an accurate approved RMA RO determined yield (e.g., RMA RO issues underwriting guidelines for yield variance that require new or updated inspections and RMA RO approval).
- (1)(c) New Inspections, are required for the following situations:
 - 1 Special Provision of Insurance (i.e., Texas Citrus Fruit NEW insureds);
 - 2 Damage has occurred to trees/vines/bushes/bog;
 - 3 Cultural practices have been performed that will reduce the insured crop's production from previous levels;
 - 4 Selected by the Pre-Acceptance Field Inspection Selection Criteria and RMA RO Approved Yield Calculation Criteria [7F(2)] and no prior pre-acceptance field inspection.
 - 5 RMA RO selection criteria.
- (1)(d) Updated Inspections, are required for the following situations:
 - 1 When selected by the Pre-Acceptance Field Inspection Selection Criteria and RMA RO Approved Yield Calculation Criteria [7F(2)] or RMA RO selection criteria:
 - a An inspection is required if the most recent pre-acceptance field inspection is more than five years old (i.e., for 2006, new inspections are required if inspections were completed prior to the 2001 crop year).
 - b Unless limited or restricted by RMA RO waiver (i.e., more than 10% of the AIP's Category C APH contracts are selected based on yield variance [see 7F(3)(a)2]).

F(2) **Pre-Acceptance Field Inspection Selection Criteria and RMA RO Approved Yield Calculation Criteria.** The following pre-acceptance field inspection selection criteria and RMA RO Approved Yield calculation criteria apply to all Category C APH crops. When selected by the criteria, if a pre-acceptance field inspection has not been performed, or the most recent pre-acceptance field inspection is more than 5 years old, unless waived in writing by the RMA RO, pre-acceptance field inspections are mandatory for F(2)(a), (b)1 and 2, (c)(d)(e) and (f).

In addition, unless other RMA RO procedure or underwriting guidelines are provided, the following calculation criteria must be applied to any block or unit which:

(2)(a) A greater yield than the average APH yield is requested by the insured with reasonable cause (e.g., acreage in production not meeting the crop minimums, almonds in production that are less than seven years after set out, or added land), [see 7K(2)(b)]. The request must be in writing and signed by the insured, [see Exhibit 34 and Par F(6)].

Code blocks or units that meet the criteria above with yield indicator "H" shown with the RMA RO approved yield that is higher than the average yield for the block or unit.

(2)(b) High variability of actual yields (used to calculate the approved APH yield) is indicated by the following yield variance calculations:

1 Frequency of actual yields that are less than 75 percent of the AVERAGE APH YIELD [See Section 3 Definitions] is equal to or greater than that shown on the following Yield Variance Table and at least one such actual yield occurred during the most recent three crop years, a pre-acceptance field inspection is required.

| Number of Times the Annual Actual Yield is Less Than 75 Percent of the Average APH Yield | Number of Years of Verifiable Records |
|--|---------------------------------------|
| 2 | 4 or 5 |
| 3 | 6 or 7 |
| 4 | 8 – 10 |

For each block or unit that meets the above table, apply the following additional test(s):

a If the most recent crop year's per-acre yield is equal to or greater than 125 percent of the average APH yield **AND** the per-acre yield for the year prior to the most recent year is less than or equal to 75 percent of the average APH yield, AIP's will use the following formula to calculate the approved yield for these blocks or units:

i Multiply the per-acre average of the most recent four years in the database by 0.5:

ii Multiply the per-acre average of the two lowest per-acre yields in the most recent four years of the database by 0.5:

iii Sum the results of steps i and ii for the authorized approved yield.

b For Citrus and Macadamia Nuts: Due to the lag year, in place of the additional test in [F(2)(b)1a] above, if the most recent crop year's per-acre yield is less than or equal to 75 percent of the average APH yield **AND** the prior crop year's per-acre yield is equal to or greater than 125 percent of the average APH yield, AIP's will use the formula in [7F(2)(b)1a] above to calculate the approved yield for these blocks or units.

c If the most recent crop year's per-acre yield is less than or equal to 75 percent of the average APH yield **AND** the prior crop year's per-acre yield is equal to or greater than 125 percent of the average APH yield, AIP's will use the following formula to calculate the approved yield for these blocks or units:

The higher of the applicable block or unit average APH yield or the most recent four-year per-acre average will be used for the AIP authorized approved yield.

d For Citrus and Macadamia Nuts: Due to the lag year, in place of the additional test in [F(2)(b)1c] above, If the most recent crop year's per-acre yield is equal to or greater than 125 percent of the average APH yield **AND** the per-acre yield for the year prior to the most recent year is less than or equal to 75 percent of the average APH yield, AIP's will use the formula in [7F(2)(b)1c] above to calculate the approved yield for these blocks or units.

Code blocks or units that meet these criteria in 1 a, b, c, or d with yield indicator "AF" to show they are adjusted by the formula. Do not apply additional test in 2 below. AIP will approve yields using the standard Category C APH procedure for blocks or units selected for high variability in criteria 1 but not selected by the additional tests in a, b, c, or d for alternate bearing.

2 The average of the most recent three years' per-acre yields is at least 25 percent less than the average APH yield. AIP's will use the following formula to calculate the approved yield for these blocks or units:

Multiply the average yield by 0.80 to determine the approved yield.

Code blocks or units that meet the criteria above with yield indicator "DF".

If the RMA RO issues underwriting guidelines that waive the adjustment in 2 above, blocks or units must be reported with yield indicator "D" to show the criteria were met but that no adjustment by formula is applicable.

Yield indicator "F" alone shall identify RMA RO approved yields with yields adjusted other than by the above formula or methodology for downward trending.

3 If the block or unit meets the criteria in 1 a, b, c, or d, do not apply the procedure in [2, above].

- 4 If an Insured can show that high variability yield adjustment for alternate bearing or downward trending is not appropriate, submit a Determined Yield request to the RMA RO. Request(s) must be in writing and signed by the insured within 30 days of written notification by the AIP of the yield adjustment. [See CIH, Exhibit 34] for an example of the form and [see Sec 7F(6)] for required supporting documentation. Under [Exhibit 34 item number 8], the producer must explain why any unit(s) or blocks should not be adjusted for high variability of their actual yields.

AIP's will approve yields for applicable blocks or units using the above procedure [F2(b)], unless otherwise provided by RMA RO underwriting guidelines. If adjusted following the procedure in 1 or 2 above, yield limitations CUPS and Yield Substitution (YA) do not apply.

Rounding is according to APH yield per-acre rounding rules for the crop, to the nearest bushel, box, pound, etc., multiplied by any applicable factor and then rounded again to the nearest bushel, box; pound; etc.; at each applicable step.

AIP's will approve yields using standard Category C APH procedure for blocks or units selected as high variability of actual yields [F2(b)] but not selected by the additional test procedures in [F2(b)1 a, b, c, or d] or [F2(b)2]. Pre-Acceptance Perennial Crop Inspections, supporting acreage and production evidence (hard copy) and additional review are not required.

- (2)(c) Productivity is reduced. A NEW inspection is required if the insured answers YES to question #22 on the Producer's Pre-Acceptance Worksheet [see copy at end of 7E(3)] or when KNOWN tree/vine/bush/bog damage has occurred or cultural practices have been performed that will reduce the insured crop from previous production levels.

Identify the approved yield for blocks or units identified as meeting these criteria with the yield indicator "R".

- (2)(d) A non-conventional production methods are being used. An inspection is required if the insured answers YES to question #23 on the Producer's Pre-Acceptance Worksheet [7E(3)] or if it is KNOWN that non-conventional production methods will be carried out that will reduce the insured crop's production from previous levels certified in the APH database.

Use yield indicator "N", for blocks or units identified by these criteria. If the non-conventional farming practice is determined to be sustainable, use S in conjunction with N, "NS".

- (2)(e) The irrigation water supply is not adequate: If irrigated, and the insured answers NO to question #24 on the Producer's Pre-Acceptance Worksheet [7E(3)] a new pre-acceptance inspection is required.

Identify blocks or units answered with "no" with yield indicator "I".

- (2)(f) Unusual cases are submitted to the RMA RO. Unusual cases include requests submitted to the RMA RO for a review of questionable records for a determination of acceptability, requests to use records prior to a break in continuity of records, and requests for the RMA RO to determine and approve an APH yield for perennial crop acreage that has not met the minimum production/age requirement in the policy (if the Insurance Provider agrees in writing [not a written agreement] to insure this) for certain crop policies (e.g., Almonds, Grapes, etc.) [see Sec. 4G(7)] or where acreage has been commingled to meet insurability requirements for additional yield adjustment or insurability determination.

For cases with an agreement in writing, the yield history is not completed on the APH form for the crop year(s) in question. For cases requiring an agreement in writing for which no APH instructions are provided, the RMA RO will determine and approve the APH yield. To be considered by the RMA RO, the AIP must complete a pre-acceptance field inspection and send the inspection and all supporting documentation [see Par. F (6) of this section] to the RMA RO. [See Ex. 34 for RMA RO Determined Yield Request].

F(3) RMA RO Waiver of Field Inspections and/or RMA RO Determined Yields.

- (3)(a) Pre-acceptance Field Inspections. When the application of the Selection Criteria identifies an excessive number of contracts for pre-acceptance field inspections that cannot be feasibly accomplished, the RMA RO is authorized to issue underwriting guidelines that waive pre-acceptance field inspections:

- 1 For certain situations (e.g., abnormally low yields from insurable cause(s) of loss for a given area may cause the yield variance table to require field reviews of an excessive number of contracts).
- 2 AIP's are not required to perform field inspections, **based on yield variance**, on more than 10 percent of their Category C APH contracts (per crop, per region). RMA RO may issue underwriting guidelines/criteria identifying which contracts (by crop, by region) are to be selected under the 10 percent limitation, or they may waive the requirement of completing updated field inspections on these contracts.
- 3 AIP's may also contact the applicable RMA RO, specify the reason, which may cause excessive pre-acceptance field inspections, and provide examples, which clearly indicate that excessive pre-acceptance field inspections would be required.
- 4 For non-conventional production methods that are sustainable and considered good farming practices for the area, the RMA RO may also issue underwriting guidelines that waive yearly pre-acceptance field inspections.
- 5 RMA RO Underwriting Guidelines, for perennial Category C crops, are exceptions provided to identify regional issues (i.e. [see 4 above]; severe weather related losses are clearly identified for doing additional tests on alternate bearing and/or downward yield trend). Guidelines should be issued and available no later than the last applicable contract change date on the RMA RO WEB site at: <http://www.rma.usda.gov/aboutrma/fields/rsos.html>. This site is directly linked to RMA What's New site: <http://www.rma.usda.gov/news/whatsnew/>

(3)(b) RO Determined Yields. The RMA RO is authorized to issue guidelines, which waive forwarding of the applicable Pre-Acceptance Perennial Crop Inspection Report, supporting documentation [see Par. F(6)], and RO determination of the approved APH yield. If RMA RO approval of APH yields is WAIVED:

- 1 For **blocks or** units, that meet or exceed minimum insurance requirements, the AIP determines the approved APH Yield(s). **Blocks or units** not meeting minimum insurance requirements may be eligible for the Non-Insured Assistance Program (NAP).
- 2 Approved APH yields are based on the correct information determined during the pre-acceptance field review (when required) and calculated using the applicable standard Category C APH procedures or guidelines issued by RMA RO for a certain situation (e.g., RMA may issue additional APH procedures that allow AIP's to calculate approved APH yields without the formulas or with other methodologies for some situations when yield decline is identified).

F(4) Assignment of field inspections. The AIP insuring the crop will perform all field inspections. AIP's must assign a field inspection to an inspector:

(4)(a) Within five working days of receipt of the request,

(4)(b) But no later than 10 calendar days after the PRD.

Inspectors must notify the AIP if they cannot complete the field inspection within 10 working days of receiving the inspection request. Inspectors must make arrangements to prevent delaying the yield verification process and to complete the inspection timely. The insured should be present during the inspection to answer any questions and provide authorized access to the unit(s) to be inspected.

F(5) Time Frames for Inspections. Inspectors will forward all documents to the AIP through the inspector's supervisor after completing the inspection.

(5)(a) Deadlines. The inspector must complete the pre-acceptance field inspection and return all required documentation to the AIP, (i.e., must be received by the AIP, or RMA RO office) no later than 30 calendar days after the PRD for ALL Category C crops.

(5)(b) Extensions of Deadlines. AIP's may contact the RMA RO to arrange a schedule if this deadline cannot be met due to the volume of production reports received, additional information must be obtained, etc. The RMA RO will establish a final date based on the volume of contracts, weather conditions affecting pre-acceptance inspections, etc. The final date for receiving the remaining production and inspection reports in the RO will be NO LATER THAN 60 calendar days after the PRD for ALL Category C crops.

Supporting records/documentation initially received after the applicable date specified above will be considered unacceptable. An RMA RO approved APH yield will NOT be issued unless assigned yield provisions are applicable.

(5)(c) If additional supporting records/documentation/clarification for timely submitted **RMA RO approved yield requests are** required by the RMA RO, the verifier will have 20 calendar days from the date of notification from the RMA RO **or date specified in the letter** to secure and provide the records to the RMA RO. If supporting records are not received in the RMA RO by this date, the RMA will consider the records unacceptable and use assigned yield provisions for carryover insureds. For new insureds, the RMA RO will determine that the production records are unacceptable and determine the yields accordingly.

F(6) **Inspection Forms and Worksheets.** When a field inspection is required by procedure, a Pre-Acceptance Perennial Crop Inspection Report form and applicable Crop Addendum Worksheet(s) must be completed [see Par. G below]. In addition, acceptable supporting acreage and production evidence (hard copy) MUST be furnished to the AIP by the grower. The AIP will perform the field inspection.

For situations requiring RMA RO determined yields, **that the AIP is not authorized by procedure or RMA RO underwriting guidelines to approve,** forward the original inspection report and supporting documentation to the RMA RO. Required supporting documentation includes:

(6)(a) RMA RO Determined Yield Request, [see Exhibit 34];

(6)(b) Applicable Crop Addendum Worksheet(s);

(6)(c) Producer's Pre-Acceptance Worksheet;

(6)(d) Current approved APH form(s);

Any additional information should be documented by the inspector and attached to the inspection report forms.

F(7) **Pre-acceptance field inspections involving applications.** If the entire crop is damaged prior to application or the date insurance should have attached, the application is not accepted and insurance does not attach. If part of the crop is damaged, the application may be accepted; however, units with damaged acreage must be rejected and insurance does NOT attach.

Once the acreage is inspected and the application accepted, subsequent damage from insured cause(s) is covered. When preliminary yields are calculated, insureds may not request mutual consent cancellation unless the approved APH yield is lower than 95 percent of the preliminary yield.

F(8) **For carryover insureds.** If insurance is requested on added acreage that is damaged prior to the pre-acceptance field inspection, the request is rejected on a unit basis and insurance does not attach.

7G The Pre-Acceptance Perennial Crop Inspection Report and Crop Addendum Worksheets.

All items must be completed on the Pre-Acceptance Perennial Crop Inspection Report and the applicable Crop Addendum Worksheet(s) [see **Exhibit 16 1A-H**]. The item numbers and instructions below correspond with the item numbers on the approved sample 12-P, the Pre-Acceptance Perennial Crop Inspection Report forms. For Florida Citrus, Macadamia Grove and Texas Citrus Tree Inspection Reports [see Exhibit 18].

- G(1) **The agent/representative must complete** items 1-10 on the Pre-Acceptance Perennial Crop Inspection Report prior to forwarding the insured's file to the AIP representative responsible for assigning inspections.

| <u>Item No.</u> | <u>Information Required</u> |
|-----------------|--|
| (1) | Crop, policy crop year for which the field inspection is being completed, unit number, insurable and uninsurable acreage for the unit being inspected. |
| (2) | Applicant/insured's name and address as shown on the application for insurance. |
| (3) | Location state/code and county/code. |
| (4) | Applicant/insured's complete telephone number. |
| (5) | Obtain and enter the name of the landowner. If the same as the applicant/insured, enter "same." |
| (6) | Obtain and enter the name of the person making the majority of the management decisions (operator/producer) for the unit. If the same as the applicant/insured, enter "same." |
| (7) | Enter both the name of the agency and agent/representative who will service the policy. Include agent/representative's code and county code. |
| (8) | Telephone number for the agent/agency office. |
| (9) | Legal description to the nearest quarter section and applicable Farm Serial Number(s). If section, township, and range are not used for legal description, use locally accepted description. |
| (10) | Provide a location description using names and numbers of cross streets, roads, etc. Include mileage from identifiable landmarks (e.g., nearest intersection). |

- G(2) **Inspectors will complete** items 11 through 37 of the report and sign and date the form as the certified inspector. If additional space is needed to answer any item, a separate sheet (e.g., a Special Report) may be attached. Identify each explanation with the corresponding item number from the inspection report. Make the following entries:

Item No.Information Required

- (11) Obtain this information from the applicant/insured. It will assist the verifier in reviewing the APH forms for complete records.
- (12) Self-explanatory.
- (13) Review with the operator and explain in detail the cultivation and/or spray program used to control weeds. Include a description of the current orchard/vineyard/plantation/bog floor management (e.g., sterile/sod/cover crop, etc.).
- (14) Describe in detail the fertilization program being used for the unit. Include the producer's method of monitoring soil fertility (e.g., soil analysis, foliar analysis, or both).
- (15) Describe in detail the insect and disease control measures used by the producer (e.g., integrated pest management, a calendar spray program, organic, etc.). Based on the field inspection, identify current evidence of disease/insects as rare, moderate or severe.
- (16) Determine if the operator replaces dead or diseased plants. If the operator has a replacement program, identify to what extent, if any, the operator is using a fumigation or crop rotation program.
- (17) Note the primary use of the crop, and/or if different varieties have different uses.
- (18) Determine the usual harvest completion date from the producer.
- (19) Describe in detail the use of bees as pollinators. Include type/quantity and location. (Not applicable for Grapes.)
- (20) Describe in detail the irrigation source(s). Obtain from the grower, water source(s) and irrigation district(s) from which water is allocated, allocation percentage, and irrigation well information. Include any information regarding water obtained through water transfers and any potential curtailment of current and future water supplies.
- (21) Determine and note any abnormal flood hazards.
- (22) Discuss with the operator and assess any potential soil limitations (e.g., slope, depth, drainage, ph., saline, or alkaline toxicity, etc.). Areas of frequent replanting or stunted growth may indicate these conditions exist.
- (23) Describe in detail the pruning practices used, date normally completed, and whether pruning is annual, biennial, etc. Indicate if there is excessive pruning or top working which affect production of the crop to be insured.

- (24) Describe in detail the varieties used as a pollination source. Include variety, location, quantity, density, and configuration. For example: Golden Delicious pollinizers every 4th row = 25%; or Van pollinizers, staggered to offset, every 3rd tree in every 3rd row = 11%. See addendums for additional crop requirements (not applicable for grapes).
- (25) Total unit acreage (insurable and uninsurable) and method of measurement. Planimetered, wheeled/taped, or acreage from bog maps (Cranberries) recorded with the marketing organization (e.g., Ocean Spray, Cliff Star, etc.) or GPS. Identify and document TREE ACREAGE if used (e.g. if the terrain is irregular or if there was a stand reduction).
- (26) Review the APH form for prior production and acreage (by variety) as compared to the current acreage and varieties shown on the inspection form. Note any inconsistencies and reconcile tree removals, replacements, grafting. This review will assist the verifier in determining acceptability of prior production records.
- (27) Complete these items by checking appropriate boxes. This requires walking through the unit. For "Bearing trees/vines/bogs/bushes (percent stand)," include only the acreage harvested by the grower.
- (28) Evaluate and describe your evaluation of the unit's current potential as: stable, declining or increasing.
- (29) These are subjective questions requiring evaluation of the unit's vigor relative to the calculated average yield. Note: amount of tree/vine/bush growth, limb/cane/bush size, and color, and other factors which indicate the unit's ability to produce the indicated yield. Note overall plant vigor as: good, average or poor.
- (30) If bins are used for harvesting purposes, and complete verifiable first handler or third party records are not provided to substantiate bin size, provide inside bin measurements.
- (31) Insurable acreage. Complete an appropriate crop addendum worksheet(s) for the crop being inspected [see instructions below]. Contact applicable RMA RO for specific questions on completion.
- (32) Uninsurable acreage. Complete an appropriate crop addendum worksheet(s) for the crop being inspected [see instructions below]. Contact applicable RMA RO for specific questions on completion.
- (33) Obtain FSA aerial photo(s) with **blocks**, units, FSN's and legal description clearly identified.

- (34) Prepare a sketch map showing the unit location with identifying roads, the nearest intersection, and landmarks. The diagram map of the orchard serves two purposes: 1) Identify the location of separate units for the same insured, and 2) Identify the location of blocks within one unit.
- Sketch out the blocks, showing the exact location of each block in relation to other blocks in the unit. Label each block with a Block Number and I.D. A general map with the location of all units on one page may also be appropriate. In addition, clearly show State and county roads (including the nearest highway intersection) along with cardinal directions (a north arrow) and any permanent land features. Identify the owner/operator's residence if applicable, and/or the operator's name and address on the sketch map.
- (35) Additional notes and observations, which will assist the verifier in relating unit information to historic yields. Include additional sheets, as necessary, referencing appropriate items.
- (36) Item 36 A and B are subjective questions requiring evaluation of management and unit conditions. The verifier considers this information in the overall evaluation of the unit.
- (37) Provide your recommended action and sign, date and return the report to the supervisor. Forward the inspection report with the APH forms and applicable records to the RMA RO/AIP.

**PRE-ACCEPTANCE PERENNIAL CROP
INSPECTION REPORT**

(For illustration purposes ONLY)

| | | | |
|---------|-----------|------|--|
| 1. Crop | Crop Year | Unit | Insurable Acres Uninsurable Acres |
|---------|-----------|------|--|

| | |
|------------------------------|---------|
| 2. Name of Applicant/Insured | Address |
|------------------------------|---------|

| | |
|---------------------|---|
| 3. State and County | 4. Applicant/Insured's Telephone Number |
|---------------------|---|

Area Code
()

| | |
|------------------|---------------------|
| 5. Name of Owner | 6. Name of Operator |
|------------------|---------------------|

| | |
|-----------------------------|----------------------------------|
| 7. Name of Agent/Agency/FSA | 8. Agent/Agency Telephone Number |
|-----------------------------|----------------------------------|

Area Code
()

| | | | |
|----------------------------------|----------|-------|--------------------|
| 9. Legal Description: Section(s) | Township | Range | Farm Serial Number |
|----------------------------------|----------|-------|--------------------|

10. Location Description

GROWER INFORMATION

11. Number of year's grower has operated this unit. _____ Years

If less than 3 years,
Previous owner (If known)

Name

Address(s)

12. Has this unit been insured in prior years?

If yes, years insured and prior contract number(s)?

13. Describe weed control measures used for the unit. Include a description of the orchard/vineyard/plantation/bog floor management; e.g., sterile/sod/cover crop:

14. Describe fertilization program used for the unit. Include method of monitoring fertility; e.g., soil analysis/foiar analysis/both.

15. Describe in detail insect control measures used (e.g., integrated pest management/calendar spray program).

Evidence of disease/insects Rare Moderate Severe

16. Is a tree/vine/bog replacement program being carried out? (Explain in detail)

If applicable is fumigation used in the replacement program?

| | |
|--------------------------------|--|
| 17. Crops grown primarily for: | 18. What date is harvest completed for the unit under normal conditions? |
|--------------------------------|--|

Fresh Market Processor Juice Market

19. Describe in detail the use of bees as pollinators. Include type/quality and location.

20. Describe in detail the irrigation water source.

(A) Surface; _____ % of total supply?

(1) Irrigation district name: _____

(2) Allocation last year: _____ % of normal

(3) Expected allocation this year: _____ % of normal

(B) Irrigation Well(s): _____ % of total supply?

(1) How many wells? _____

(2) Total gallons per minute? _____ GPM

(C) Water obtained through water transfer: _____ acre feet per acre

21. Is the unit subject to above normal flood hazard? If yes, explain in detail.

22. Are their soil limitations (e.g. slope, depth, drainage, ph, saline/alkali, toxicity)? Explain in detail.

23. Describe in detail the pruning practices used; date normally completed, and indicate whether pruning is annual or biennial.

24. Describe in detail the varieties being used as a pollination source. Include variety/location, quantity, density and configuration.

(Pre-Acceptance Perennial Crop Inspection Report Reverse)

ACREAGE/INSPECTION INFORMATION

25. Measured Acres of Unit: A. Planimetered FSA Photo B. Wheel/Tape/GPS C. Bog Maps (Cranberries)

26. Have prior acres been verified? If no, explain.

27. Percent of Unit Acreage -

| A. Based on Original Planting Pattern | Less Than 50% | 50 - 60% | 61 - 70% | 71 - 80% | 81 - 90% | 91 - 100% |
|---|---------------|----------|----------|----------|----------|-----------|
| (1) Spaces Occupied By Live Trees/Vines/Bogs/Bushes | | | | | | |
| (2) Bearing Trees/Vines/Bogs/Bushes (percent stand) | | | | | | |
| (3) Insurable Stand | | | | | | |

28. Unit potential is currently:

Stable Declining Increasing

29. If calculation of a preliminary yield is authorized, do trees/vines/bushes/bog have sufficient vigor to produce the average yield computed for this unit?

Yes No Plant Vigor: Good Average Poor

30. If applicable provide inside bin measurements:

31. Insurable acreage and tree/vine/bush/bog information -

Complete and attach appropriate crop addendum worksheet(s).

32. Uninsurable acreage and tree/vine/bush/bog information -

Complete and attach appropriate crop addendum worksheet(s).

33. Obtain and attach FSA aerial photo(s).

34. Complete and attach hand sketch map.

35. Additional information and comments (attach additional sheets as necessary):

36. A. Your evaluation of the management of this operation:

Above Average Average Below Average

B. Your evaluation of the orchard/vineyard/bog/plantation condition:

Above Average Average Below Average

37. Action Recommended:

Acceptance RSO Coverage Review Rejection RSO Rate Review

Certified Inspector Date Phone Number and Contact Point

Supervisor Date Phone Number and Contact Point

G(3) **Crop Addendum Worksheets.** Inspectors must also complete the applicable crop addendum worksheet. Perennial crop addendum worksheets are used to collect field inspection data specific to the crop by providing guidelines and underwriting questions pertinent to the crop being inspected [see Exhibit 16 1A-H]. The crop addendum worksheets are applicable under items 31 and 32, are required as a part of the PRE-ACCEPTANCE PERENNIAL CROP INSPECTION REPORT.

(3)(a) **Separate** perennial crop addendum worksheets are provided for the following crops: Apples, Blueberries, Cranberries, Grapes, Peaches, Pears, and a combined form for Almonds, Citrus, Figs, Fresh Plums, Prunes, Stonefruit and Walnuts. [For each of these crops, sample perennial crop addendum worksheets are provided in Exhibit 16 1A-H].

(3)(b) **Insurable and Uninsurable Acreage.** Complete a separate addendum worksheet for insurable and uninsurable acreage. For example, on apples check items 17 or 18 as applicable to identify when a crop addendum worksheet is completed for insurable or uninsurable acreage, [see Exhibit 16 1A].

Use uninsurable acreage addendums to identify any acreage not yet insurable due to policy minimums or limitations (e.g., age, less than the number of growing seasons designated by the SPOI for grapes, required minimum production has not been met or grafting has occurred that will reduce production from previous levels, cranberry bog is being renovated, etc.). Refer to the applicable crop provisions and/or actuarial documents for determining insurable and uninsurable acreage.

When prior production or acreage is commingled, the entire commingled acreage must meet the production minimum requirements for insurability. When minimum production requirements, age, or a combination are not met, acreage must be reported as uninsurable. Acreage that is combined to meet insurability requirements, may require additional yield adjustment as provided in [F(2)] or should be submitted to the RMA RO for review and yield determination, [see F(2)(f)].

7H **APH Yield Calculation.**

Yield calculation methods used to determine approved APH yields are based on the simple average of actual and/or assigned yields, and if applicable variable T-Yields for each block or unit. When less than four- years are available for a block or unit, variable T-Yields are determined based upon the number of actual and/or assigned yields for the crop/county, with exceptions for added land, [see 7K(2)].

H(1) **T-Yield Instructions.** Variable T-Yields are determined by the number of years actual and/or assigned yields for the crop/county (by applicable P/T/V/TMA or other characteristics shown in the actuarial document).

(1)(a) **Transitional Yields (T-Yields).** (Perennial Crop T-Yields are shown on the FCI-35 or FCI-33L). T-Yields may be established by age, density, by type, practice, variety, T-Yield Map Area or by other characteristics shown in the actuarial documents in the county, e.g., apples-spur, nonspur; peaches-early, mid and late. Different P/T/V/TMA, or other characteristics shown in the actuarial documents, require separate

reporting; [see Exhibit 16 4A-C]. Standard variable T-Yields percentages apply to T-Yields and any adjustments for percent stand “K” descriptor, see the crop provisions and actuarial documents. Any adjustment for percent stand also applies for YA purposes, (e.g., peaches see actuarial documents: When the percent of stand is less than 90 percent, reduce the T-Yield based upon the percent of missing trees and/or trees not of bearing age.)

For example when four or more years of actual or assigned yields are applicable for the crop/county, the T-Yield percentage is 100% “T”. The Actuarial Documents or Crop Provisions, require adjustment when less than 90 percent stand. The Producers Pre-Acceptance Worksheet (item 17), for the block being reported is 85%, the applicable T-Yield would be reduced by 80% and reported as “TK”. The same adjustment (85%) would also apply to any yield used for yield adjustment or YA.

- (1)(b) Weighted Average T-Yields. Weighted average T-Yields are required for a mixed block or unit, where different T-Yields are applicable (i.e., for different tree age or densities). Such block or unit will be reported with the applicable yield indicator “W”.

Standard variable T-Yields percentages apply to Weighted Average T-Yields and any adjustments for percent stand “K” descriptor, see the crop provisions and actuarial documents. Any adjustment for percent stand also applies for YA purposes, [see example in (1)(a)] above. Different P/T/V/TMA, or other characteristics shown in the actuarial documents, require separate reporting; [see Exhibit 16 4A-C].

Commingled production procedure in [Exhibit 15 6B] **DOES NOT APPLY**, and YA will not apply on a block or unit basis, when there is prior commingled production from immature acreage, yield descriptor “AY” must be shown, [see I(1)(b)].

- (1)(c) Crops with minimum age and/or production requirements. Perennial crop policies require that certain age and/or production conditions must have been met prior to insurance attaching, with exceptions specified in the crop provisions (e.g., Almond acreage that 90 percent of the trees have reached at least the seventh growing season since set out, unless we agree in writing to insure trees not meeting this requirement; minimum production of 200 bu. per acre for apples in Colorado, grapes must have reached the number of growing seasons designated on the actuarial table and produced at least an average of 2 tons of grapes per acre, etc.).

Refer to the applicable crop provisions and/or actuarial document for determining insurable and uninsurable acreage. When prior production is commingled the entire commingled acreage must meet the production minimum requirements for insurability. When minimum production requirements, age, or a combination are not met, acreage must be reported as uninsurable. Acreage that is combined to meet insurability requirements, may require additional yield adjustment as provided in [F(2)] or should be submitted to the RMA RO for review and yield determination [see F(2)(f)].

1 To meet minimum production requirements, acceptable production reports must be filed that indicate at least one crop year has produced the minimum average amount of production. Once qualifying actual yields have been submitted, continuous production reports must be submitted for each subsequent crop year. See applicable crop provisions for insurability and minimum production requirements, (e.g., apples must have produced the minimum in at least one of the previous four years). All such actual yields must be reported and certified on the APH form.

The actual yields, prior to meeting the policy minimum, will be replaced with the variable T-Yield (the percentage based on years of actual or assigned yields for the crop). The prior production and acreage remains as reported on the APH database.

For crops requiring minimum production, acreage which has not met the minimum production requirements does not qualify for insurance. When prior production is commingled the entire commingled acreage must meet the production minimum requirements for insurability. When minimum production requirements, age, or a combination are not met, acreage must be reported as uninsurable, unless otherwise provided (i.e., when authorized by the crop provisions for an agreement in writing or written agreement).

2 For crops with minimum age requirements only (e.g., almonds), or minimum age or production requirements (e.g., peaches), the insured has the option of using the previous year's acceptable production report from underage acreage or the yield may be replaced, as well as all prior years, with the applicable variable T-Yield. All previously certified production and acreage, and the prior actual yield that the insured chooses to use, must remain in the database until no longer in the base period.

3 Insured must report uninsurable production and acreage for the block or unit as a separate block on the APH and separate line on the Producer's Pre-Acceptance Worksheet. Failure to report separately will result in acreage being shown and production considered to be commingled in the block or unit for APH purposes. Refer to the applicable crop provisions and/or actuarial document for determining insurable and uninsurable acreage. When prior production is commingled the entire commingled acreage must meet the production minimum requirements for insurability. When minimum production requirements, age or a combination are not met, acreage must be reported as uninsurable, unless otherwise provided (i.e., when authorized by the crop provisions for an agreement in writing or written agreement). [See Exhibit 16 3A & 3C].

H(2)

Assigned Yield Instructions. Assigned yield provisions apply on a crop year basis to all databases (blocks or units by P/T/V/TMA or other characteristics shown in the actuarial document) that had insurable acres (except on blocks or units with claims for indemnities or if the producer qualifies for a temporary yield) if acceptable production reports for the most recent crop year in the base period are not provided by the PRD. Production histories from claims for indemnities are considered production reports and **MUST** be used (if in the base period and are continuous).

Producers reporting prior production by block for the current year with prior assigned yields, in other than the most recent year being reported, require assigned yields for each block. Enter the acres and the assigned yield. When switching to block production prior assigned yields at the unit level with different T-Yields require recalculation.

A worksheet similar to the multipurpose worksheet in [Section 6F] may be used for calculation when different T-Yields apply by block.

Col. 1 – Acres for the block
 Col. 2 – T-Yield for the block (weighted average if yield indicator “W”)
 Col. 3 – Block total (Col. 1 X Col. 2)
 Col. 4 – Acres for the unit
 Col. 5 – T-Yield for the unit (weighted average)
 Col. 6 – Unit total (Col. 4 X Col. 5)
 Col. 7 – Factor (Block total Col. 3 ÷ unit total Col. 6)
 Col. 8 – Assigned yield for unit
 Col. 9 – Assigned production for the unit (Assigned yield Col. 8 X acres Col. 4)
 Col. 10 – Reassigned yield (assigned production Col. 9 X factor Col 7 ÷ acres for the block Col. 1)

The above block procedure must be completed if yields were assigned to a unit, that is being divided into basic units and different T-Yields apply.

H(3)

No Actual or Assigned Yields. If the crop provisions do not require minimum production and a new insured does not provide acceptable production reports containing actual yields by the PRD, approved APH yields are calculated by multiplying the applicable 100 percent T-Yield by 65 percent. Sixty-five percent of the T-Yield applies to the entire crop policy by unit (by P/T/V/TMA or other characteristics shown in the actuarial document). This provision is applicable for only ONE year, for subsequent crop years [See Par. (3)(c) below].

(3)(a) New insureds must request approved APH yields by completing and signing APH forms. Separate 4-year databases are required for each block or unit (by P/T/V/TMA or other characteristics shown in the actuarial document). Each database must contain four 65 percent T-Yields. Agents/representatives **MUST** quote the applicable percentage of the T-Yield as the preliminary yield.

(3)(b) CUPS (10%) provisions are NOT applicable the initial year insured; however, they apply to all Category C APH Crops [see Par J(5) of this section] in subsequent years to databases containing actual and/or assigned yields. For other situations where cups are not applicable, [see Par. F(2) (b)-(f) and Par. J(6) of this section.]

(3)(c) For subsequent crop years:

- 1 Production reports are required and assigned yield provisions apply if acceptable production reports are not filed by the PRD.
- 2 The T-Yield is not set in the database. The database must be updated each year and the approved APH yield recalculated. **For added land, [see Par. 7K(2)] of this section.**

(3)(d) Optional units are not authorized. (NACAT→ Insureds must file acceptable production reports for the most recent APH crop year on an optional unit basis to obtain optional units. ←NACAT)

H(4) **1- 3 Actual and/or Assigned Yields.** For insureds that have provided production reports, databases containing 1-3 years of actual and/or assigned yields require the use of variable T-Yields determined on a crop/county basis to complete the 4-year minimum data requirement (by P/T/V/TMA or other characteristics shown in the actuarial document) as follows:

(4)(a) **Variable T-Yield percentages are based on the number of years of actual/assigned yields certified for the crop and county as follow:**

- 1 **One year: 80 percent of the applicable T-Yields;**
- 2 **Two years: 90 percent of the applicable T-Yields;**
- 3 **Three years: 100 percent of the applicable T-Yield;**

(4)(b) For subsequent crop years [see(3)(c) above].

H(5) **Four or More Years of Actual and/or Assigned Yields.** When four or more years of actual or assigned yields are available on a block or unit (by P/T/V/TMA or other characteristics shown in the actuarial document, e.g., apples spur, non spur; peaches early, mid, late), the approved APH yield is determined by a simple average of the insured's actual and/or assigned yields divided by the number of years of actual and/or assigned yields contained in the database. [See Exhibit 15 6B] for prior commingled production, assigned yields [7H(2)] and examples [16 3B, C; 4A & C].

H(6) **Annual production reports are required.** Assigned yield provisions apply if reports are not provided by the PRD for the most recent crop year in the base period.

H(7) **(NACAT→Optional units** are allowed if:

- (7)(a) Optional units are provided by the crop provisions or SPOI, and
- (7)(b) Acceptable production reports for the most recent APH crop year were provided by the PRD, on an optional unit basis. ←NACAT)

H(8) **Separate APH yields are required** for each block or unit (by P/T/V/TMA, or other characteristics shown in the actuarial document).

For blocks or units with different Practice, Type, Variety, T-Yield map areas (P/T/V/TMA), or other characteristics, (e.g., apples spur, non spur; peaches early, mid, late) indicated in the actuarial documents and if blocks, separate APH

yields **ARE REQUIRED** for Category C crops, [see Exhibit 15 6B] for commingled production.

For blocks or units with the same P/T/V/TMA or other characteristics indicated in the actuarial documents, separate reporting is **OPTIONAL** when different T-Yields are shown by age and density in the actuarial documents.

- H(9) **Approved Yield.** The approved APH yield may be different from the simple average due to one or more of the following reasons:
- (9)(a) RMA RO determined yields cases outlined in [Par. F (1) and F (2)] of this Section and Exhibit 34 for RMA RO Determined Yield Request;
 - (9)(b) Alternate or biennial bearing F(2)(b)1;
 - (9)(c) Yield decline or downtrending F(2)(b)2;
 - (9)(d) Yield substitutions or CUPS are applied.
 - (9)(e) Excessive Actual Yields, [see Sec. 14B, Exhibit 6 and Appendix III].
- H(10) **When completing APH databases**, each yield entered in the yield column must be identified with the applicable yield descriptor, [see Exhibit 5].
- H(11) **When reporting APH databases**, blocks or units must be identified with the applicable yield indicator:
- (11)(a) When a unit or multiple blocks are reported as one block that has mixed age or density and production is reported together as follows:
 - W =** Yield indicator, Unit Numbers and block numbers if applicable, must be shown, otherwise show 000. May be eligible for yield substitution or cup when commingled production does not include immature acreage, [see I(1)(b)].

For a unit or multiple blocks being reported as one block that has mixed age or density, a T-Yield indicator "W" is NOT reported when only one T-Yield is shown on the actuarial.
 - (11)(b) When blocks or units are identified as special cases [7F(1) & (2)], (unless RMA RO Underwriting Guidelines, shown on their internet website: <http://www.rma.usda.gov/aboutrma/fields/rsos.html>, indicating additional criteria to determine which contracts will be treated as special cases) must be identified with the applicable yield indicators as follows:
 - H =** Higher Yield than the average is approved for the block or unit [7F(1)]. **NO** CUP or YA will be applicable.
 - AF =** Used to identify high variability of actual yields with adjustment made according to the formula [F(2)(b)1]. **NO** CUP or YA will be applicable.
 - D =** Used to identify high variability of actual yields not adjusted by formula [F(2)(b)2]. **NO** CUP or YA will be applicable.

- DF =** Used to identify high variability of actual yields when adjustment made according to the formula shown in [7F(2)(b)2]. **NO** CUP or YA will be applicable.
- F =** When adjustment is made by the RMA RO, such as based on determinations from RMA RO Underwriting Guidelines [7F(2)(b)2], show "F" only. **NO** CUP or YA will be applicable.
- R =** Productivity is reduced [F(2)(c)]. **NO** CUP or YA will be applicable.
- N =** Non-conventional farming practice is carried out [F(2)(d)]. **NO** CUP or YA will be applicable.
- NS =** S used in conjunction with N 'NS', when sustainable practice [F(2)(d)], CUP or YA may be applicable.
- I =** Irrigation water supply is not adequate [F(2)(e)]. **NO** CUP or YA will be applicable.

71 **APH Block Production** The APH Block Production replaces the Block Production Worksheet. It is used to allow the producer to report separate production and acreage by block or multiple blocks reported as a single block as defined below. Reporting production by blocks reduces the impact of younger age blocks on the final approved APH yield and allows history from prior acreage with different productivity to be removed. Reporting using blocks is at the producer's option, **unless separate P/T/V/TMA, or other characteristics** are shown on the actuarial documents. If commingled [see Exhibit 15 6B].

APH Block Production may be used for Almonds, Apples, Blueberries, Arizona - California Citrus, Cranberries, Figs, Grapes, Macadamia Nuts, Peaches, Pears, Plums, Prunes, Stonefruit, Table Grapes, Texas Citrus Fruit, and Walnuts. The blocks on the APH Block Production must correspond to the blocks on the Producer's Pre-Acceptance Worksheet. When multiple blocks are reported together as one block only one block number applies.

The approved APH yield is calculated based on a simple average of total production and total acreage (insurable **and uninsurable**) within the block (by P/T/V/TMA or other characteristics shown on the actuarial documents), for the years certified after any applicable yield substitution or cups [see 7H APH Yield Calculation].

However, if less than four years of actual yields are certified for the crop or for yield substitution YA; when different T-Yields by age and density are applicable and multiple blocks are reported as one block, a weighted average T-Yield must be determined. Such block will be reported with the applicable yield indicator "W". Standard variable T-Yields percentages apply to weighted average T-Yields and any adjustments for percent stand "K" descriptor, see the crop provisions and actuarial documents. Any adjustment for percent stand also applies for YA purposes.

Commingled production procedure in [Exhibit 15 6B] **DOES NOT APPLY**, and YA will not apply on a block, when there is prior commingled production from immature acreage, yield descriptor "AY" must be shown [see I(1)(b)].

I(1) If the **block or unit** contains immature acreage of trees/bogs/vines/bushes as outlined below (or as provided in the Transitional Yield and YA Substitution Table when multiple T-Yields are applicable by age) less than:

- (1)(a) 15 years of age (Apples, and Pears);
- (1)(b) 8 years of age (Cranberries, Grapes, Table Grapes, Texas Citrus Fruit, Peaches, Plums, and Stonefruit);
- (1)(c) 5 years of age (Blueberries);
- (1)(d) 9 years of age (Arizona and California Citrus);
- (1)(e) 10 years of age (Almonds, Macadamia Nuts, Prunes and Figs);
- (1)(f) 12 years of age (Walnuts);

1 and the producer certifies separate production and acreage by block **for all years certified** (block is defined as trees/bogs/vines/bushes of a single age, density, P/T/V/TMA, or other characteristics to indicate different T-Yields), for insurable acreage (as provided in the crop provisions) the producer will receive an approved APH yield based upon a combination of actual yields and T-Yields based on the current age and density by P/T/V/TMA or other characteristic of each block. [See the APH Block Production [7I (1) & (2)] and Weighted Average T-Yield Worksheet [7I(3)] or examples in [Exhibit 16 4A & B] and respective worksheet instructions for each crop.]

2 and the producer certifies separate production and acreage by block **for at least the most recent year** (block is defined as trees/bogs/vines/bushes of a single age, density, P/T/V/TMA, or other characteristics to indicate different T-Yields), for insurable acreage (as provided in the crop provisions) the producer will receive an approved APH yield based upon a combination of actual yields and T-Yields based on the current age and density of each block as described above; however, total commingled production and acreage (insurable and uninsurable) from previous crop years will be attributed only to blocks that are of the age specified [in 1 - 6 above] and older for the applicable crop. Commingled production procedure in [Exhibit 15 6B] **DOES NOT APPLY**, and YA will not apply on block or unit databases for years where there is prior commingled production from immature acreage as outlined above. Yield descriptor "AY" must be shown, [see examples Exhibit 16 3A, C & D].

3 Separate production and acreage must be certified by P/T/V/TMA or other characteristics shown on the actuarial documents [see Exhibit 15 6B] for commingled production.

If less than four years are certified for the crop and block data is NOT certified on the Producer's Pre-Acceptance Worksheet by age and density, Weighted Average T-Yields will be determined using the Weighted Average T-Yield Worksheet. [See Section 7I(3)] for worksheet and completion instructions, [7H(1)(b) Weighted Average T-Yields] and examples [Exhibit 16 3D, F]. Using the APH Block Production for such units will not be necessary as the information can be transferred directly to the APH form for the unit. The unit may be eligible for yield adjustment, if acreage as reported is insurable and other requirements for yield adjustment are met [see Section 13].

- I(2) **Block Production Completion Instructions.** Producers who report separate production and acreage by block, as described above, use this APH Block Production. The blocks on the production worksheet must correspond to the blocks on the Producer's Pre-Acceptance Worksheet.

| <u>Item No.</u> | <u>Information Required</u> |
|-----------------|-----------------------------|
|-----------------|-----------------------------|

- | | |
|------|---|
| (1) | Applicant/insured's full name. |
| (2) | Applicant/insured's policy number. |
| (3) | Unit number. |
| (4) | Name of the insured crop (a), and enter practice (b), type (c), variety or other characteristics shown on the actuarial document (d) on each applicable block. |
| (5) | Name of the state in which the acreage is located. |
| (6) | Legal description of the land if applicable. |
| (7) | Policy crop year for which the APH is being calculated. |
| (8) | Name of the county in which the acreage is located. |
| (9) | FSA, Farm Serial Number (FSA FSN). |
| (10) | Appropriate crop year(s) for the base period. |
| (11) | Appropriate block number from the Producer's Pre-acceptance Worksheet, shown to three places, (e.g., 001). Multiple blocks reported together as a single block must show the same number. |
| (12) | Show both the month and year planted or grafted. |
| (13) | SET OUT YEAR for the block, calculated as follows: |

Spring-Planted prior to July 1 (May 1 Florida Citrus) Coming leaf year - 1st full leaf year following setting or grafting. For example, if the trees were set out in February of 1997 (2/97), the correct set out year is 1997.

Fall-Planted on or after July 1 (May 1 Florida Citrus) Coming leaf year - 1st full year following setting or grafting. For example, if the trees were set out in November of 1997 (11/97), the correct set out year is 1998.

If mixed age, density and/or multiple blocks are being reported as a single block, yield indicator "W" (item 18) is applicable. Use the Weighted Average T-Yield Worksheet to determine the weighted average set out year and leave the month and year blank. If the actuarial documents contain only one T-Yield, the set out year and completion of block production may not be required, unless separate P/T/V/TMA or other characteristics shown on the actuarial documents are applicable for the unit.

- (14) Density. If the block has mixed age or plant density enter the weighted average density, see the Weighted Average T-Yield Worksheet, or leave blank if the block is mixed and the actuarial documents contain a single T-Yield, [see 7I(3)].
- (15) Total production for the block as adjusted for production reporting purposes when actual yields are reported.
- (16) Planted acreage for the block in acres to tenths for each year an actual yield is reported.
- (17) Appropriate yield and yield descriptor for each crop year.
- (18) T-Yields are adjusted for the following situations:
- Less than three years of actual production records.
 - Published T-Yield Factors.

Apply applicable T-Yield factor(s) to the T-Yield obtained from the appropriate T-Yield table for the crop (e.g., Apples and Peaches): T-Yield of 270 boxes per acre multiplied by a T-Yield Factor of .80 = final T-Yield of 216 boxes per acre).
 - Percent stand.

Apply any applicable percent stand adjustment: (e.g., peaches see actuarial documents: When percent stand less than 90 percent, reduce the T-Yield and based upon the percent of missing trees and/or trees not of bearing age.) The same adjustment would apply when determining YA.

If mixed ages or density enter yield indicator "W".
- (19) Determine the average yield for the block by totaling the yields in column 17 and dividing by the number of years of actual, assigned and/or T-Yields used.
- (20) Determine the approved yield for the block by totaling the yields in column 17 and dividing by the number of years of actual, assigned and/or T-Yields used with any applicable yield adjustment, CUPS, or YA, if applicable. If special cases apply, the proper code(s) must also be shown, [see 7H(11)]. Blocks with prior assigned yields must be recalculated at the block level [see 7H(2)]. YA are not applicable when blocks contain prior commingled production from immature acreage; yield descriptor "AY" must be shown.
- (21) Producer's prior approved yield if applicable.
- (22) Producer reviews certified data and accompanying certification statement and signs and dates the form.

19-A (APH-BP) BLOCK PRODUCTION
 (For illustration purposes ONLY)

REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM.
 INCLUDE PRODUCTION THAT IS LESS THAN MINIMUMS AND ZERO PRODUCTION.

| | | |
|--------|-----------------|---------------|
| 1 NAME | 2 POLICY NUMBER | 3 UNIT NUMBER |
|--------|-----------------|---------------|

| | | |
|-----------|---------|---------------------|
| 4(a) CROP | 5 STATE | 6 LEGAL DESCRIPTION |
|-----------|---------|---------------------|

| | | |
|-------------|----------|-----------|
| 7 CROP YEAR | 8 COUNTY | 9 FSA FSN |
|-------------|----------|-----------|

| | 4(b) PRACTICE | 4(c) TYPE | 4(b) PRACTICE | 4(c) TYPE | 4(b) PRACTICE | 4(c) TYPE | | | |
|------------------|--------------------|-----------|--------------------|---------------|--------------------|------------------|---------------|----------|----------|
| | 4(d) VARIETY/OTHER | | 4(d) VARIETY/OTHER | | 4(d) VARIETY/OTHER | | | | |
| 11 BLOCK NO.: | 12 Mo/Yr | | 11 BLOCK NO.: | 12 Mo/Yr | | 11 BLOCK NO.: | 12 Mo/Yr | | |
| 13 SET OUT YEAR: | 14 DENSITY: | | 13 SET OUT YEAR: | 14 DENSITY: | | 13 SET OUT YEAR: | 14 DENSITY: | | |
| 10 YEAR | 15 PRODUCTION | 16 ACRES | 17 YIELD | 15 PRODUCTION | 16 ACRES | 17 YIELD | 15 PRODUCTION | 16 ACRES | 17 YIELD |
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| TOTAL | | | TOTAL | | | TOTAL | | | |

| | | |
|-------------------------|-------------------------|-------------------------|
| 18 T-YIELD ADJ. _____ | 18 T-YIELD ADJ. _____ | 18 T-YIELD ADJ. _____ |
| 19 AVERAGE YIELD _____ | 19 AVERAGE YIELD _____ | 19 AVERAGE YIELD _____ |
| 20 APPROVED YIELD _____ | 20 APPROVED YIELD _____ | 20 APPROVED YIELD _____ |
| 21 PRIOR YIELD _____ | 21 PRIOR YIELD _____ | 21 PRIOR YIELD _____ |

I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH Yield. I also understand that failure to report completely and accurately may result in voidance of my crop insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

| | |
|------------------------|------|
| 22 INSURED'S SIGNATURE | DATE |
|------------------------|------|

- (3) **Weighted Average T-Yield Worksheet.** This worksheet is used to calculate weighted average age and density in order to determine the T-Yields when the block or unit certified contains multiple blocks with different set out year (age) and/or density. If the actuarial documents contain only one T-Yield, the set out year and completion of the worksheet is not required, [see 7I].

Item No. Information Required

- (1) Applicant/insured's full name.
- (2) Applicant/insured's policy number.
- (3) Unit number.
- (4) Name of the insured crop (a), practice (b) type (c) and if applicable other characteristics shown on the actuarial (d).
- (5) Name of the state in which the acreage is located.
- (6) Legal description of the land if applicable.
- (7) Policy crop year for which the APH is being calculated.
- (8) Name of the county in which the acreage is located.
- (9) FSA Farm Serial Number (FSA FSN).
- (10) Appropriate unit number.
- (11) Appropriate block number shown to three places, (e.g., 001), from the Producer's Pre-acceptance Worksheet.
- (12) Enter both the month and year the block was planted or grafted, leave blank if mixed.
- (13) SET OUT YEAR of the block, which is calculated as follows:
- Spring-Planted prior to July 1 (May 1 Florida Citrus) Coming leaf year - 1st full leaf year following setting or grafting. For example, if the trees were set in February of 1997 (2/97), the correct set out year is 1997.
- Fall-Planted on or after July 1 (May 1 Florida Citrus) Coming leaf year - 1st full year following setting or grafting. For example, if the trees were set in November of 1997 (11/97), the correct set out year is 1998.
- (14) Acres for the block here and in column 17.
- (15) Multiply the age (column 13) by the acres (column 14) and enter the total.
- (16) Density for the block.
- (17) Acres for the block here and on column 14.
- (18) Multiply the density (column 16) times the acres (column 17) and enter the total.

- (19) Total of column 14 and 15 as Extensions.
- (20) Total of column 17 and 18 as Extensions.
- (21) Calculate the weighted average set out year by dividing column 15 by column 14.
- (22) Calculate the weighted average density by dividing column 18 by column 17.
- (23) Transitional yield (T-Yield) for the block or unit, using the weighted average age (block 21) and density (block 22) to obtain the T-Yield from the appropriate actuarial documents. The T-Yield is then transferred to the appropriate block of the APH form for the unit or worksheet for the block.

7J Additional Instructions for Carryover Insureds.

- J(1) **When a carryover insured** is unable to finish harvest (due to an insurable cause), or records are unavailable from the processor, marketing outlets, etc. (by **block or unit by P/T/V/TMA or other characteristics shown** in the actuarial document) by the production reporting date, the prior APH yield is used as a temporary yield for the most recent crop year in the base period. The temporary yield is preceded by the yield descriptor "J" and is valid for one year only. The temporary yield must be replaced by an actual yield. If the actual production is not provided, assigned yield provisions apply. Insureds using this provision may retain optional units when applicable.
- J(2) **Yield and acreage data** within the base period indicated on a previous approved production report will be retained (except for truncating databases to conform with the crop's base period), provided continuity of production reports has not been broken. Actual yields within the base period previously certified by the insured may not be dropped from the database without RMA RO consent. The database is corrected for the current crop year if an error is determined that exceeds APH yield tolerances.
- J(3) **Submission of prior records.** The insured may submit production reports by the PRD for crop years within the base period for which production reports were not previously submitted (including yields previously assigned by the RMA RO), provided continuity of production reports is maintained.
- J(4) **Production Reports Not Filed.** If production reports are not filed by the production reporting date, 75 percent of the prior APH yield on a per acre basis will be assigned for the most recent crop year in the database. Complete the APH form by entering the assigned yield in the Yield Column (Col. 18 19-A) preceded by a "P." Enter reported acres in the Acres Column (Col. 17 19-A) [See item J(1) for exception].
- Production reports certified by the insured are subject to AIP APH field reviews if acceptable records to support such reports are not submitted and verified by AIP.
- J(5) **Yield limitations.** Yield floors DO NOT apply. CUPS (10%) are yield limitations that apply to ALL Category C APH crops. Cups limit yield decreases to 90 percent of the prior year's approved APH Yield if only the most recent year's production history is added to the database.
- (5)(a) **Cups** are applicable for carryover insureds and are administered by database (**by block or unit, by P/T/V/TMA or other characteristics shown on the actuarial documents**). To be eligible for a cup the database must contain at least one actual yield or assigned yield. However, cups do NOT apply if yield substitution(s) under the Yield Adjustment Election are used to calculate the current or prior year's approved APH yield or any other exception listed in [Par. J(6)] applies.
- Cups are not applicable when converting from units to blocks or when reporting by blocks is discontinued.**
- 1** **If the previous year's approved APH yield was calculated for a unit and current crop year is using APH block production, procedures for calculating cups do not apply for the current crop year.**
 - 2** **Beginning with the 2006 crop year, if the previous year's approved APH yield was calculated using block production with approved yields issued by blocks and use of the block production is discontinued for the current crop year.**

(5)(b) Rate determination instructions.

If the approved APH yield is CUPPED, the rate is determined using the cupped yield and a 5 percent surcharge is applied. For data processing purposes, 10 percent yield limitation flags are used and the surcharge is administered on a line entry basis. [See FCIC - Appendix III Data Acceptance System Handbook.]

J(6) Yield limitations (CUPS) do not apply:(6)(a) To special cases, [see 7F(2)]. These include instances when:

- 1 The AIP is NOT authorized to calculate the approved APH yield and the case is referred to the RMA RO for an approved APH yield.
- 2 The approved APH yield cannot be determined by the AIP and the case is referred to the RMA RO. [See Exhibit 34 for RMA RO Determined Yield Request.]
- 3 The required RMA RO yield determinations are waived by the RMA RO or underwriting guideline exceptions are provided (i.e., severe weather-related losses are clearly identified for doing additional tests on alternate bearing and/or downward yield trend) and the AIP is authorized to calculate the approved APH yield.
- 4 Procedure is provided for AIP's to complete reviews and average yields are adjusted by formula to determine the approved yield [7F(2)].

(6)(b) Previously approved APH yields are corrected or changed. These include:

- 1 Revision of a previously reported actual yield based on acceptable, more accurate production records submitted by the insured.
- 2 Revision of the approved APH yield, acres and/or production according to the procedure outlined for APH reviews when production and acreage information found on a field review does not match. Revised APH yields (Type 15 Yield Records) must be reported to RMA through the Data Acceptance System (DAS).
- 3 Actual yields that have been submitted are accepted for other than the most recent crop year in the database. (Assigned yields, T-Yields, or RO Determined Yields are replaced with actual yields).
- 4 The published T-Yield decreases 10 percent or more and the published T-Yield is required to calculate the approved APH yield (T-Yield(s) are used to complete the 4-year database).
- 5 Corrected or revised claims lower the actual yield used for APH purposes (by P/T/V/TMA or other characteristic shown in the actuarial document) by 10 percent or more.
- 6 AIP Errors. Incorrect application of procedure by AIP.

- (6)(c) The initial year added land/P/T/V/TMA or other characteristics procedures are applicable; or units, P/T/V/TMA other characteristics or blocks, with established APH databases containing actual and/or assigned yields are combined or further divided.

7K Provisions for Added Insurable Acreage, Added Land/New Producers

- K(1) **Added Insurable Acreage.** Acreage of the crop that was not insurable for the previous crop year that meets or exceeds minimum policy requirements for the current policy crop year (e.g., production requirements, maturity, age or combination). APH yield calculation instructions by P/T/V/TMA or other characteristics used to show different T-Yields in the actuarial document:
- (1)(a) Added acreage to an existing block or unit.
- 1 If the production from previously uninsurable acreage is commingled with production from insurable acreage, total production divided by total acreage is used for all crop years that were commingled. The commingled production and all acreage are entered on the APH form for the block or unit. Yield descriptor "AY" must be shown. [See Exhibit. 16 3A, C, & D].
 - 2 If the crop policy requires minimum production, separate acreage and production meeting the policy requirements, must be entered on the applicable APH form along with the variable T-Yield for the crop/county. Certified production and acreage for uninsurable crop years, is shown but NOT the average yields. [See Exhibit 16 3B, C, E, & F].
 - 3 If insurability of the crop is based on maturity and records of acres and production from the previous uninsurable crop years are provided as a separate block, all certified production and acreage is shown, with ONLY average yields for insurable production entered on the APH block production, along with the variable T-Yield for the crop/county. [See Exhibit 16 4A, C]. Prior uninsurable average yield(s) that the insured elects to use are shown and reported to RMA through DAS and must remain in the database until excluded by the base period.
 - 4 For crops with minimum production and maturity follow the procedure in [7K(1)(a)2]. For crops with minimum production or maturity, follow applicable procedure in [7K(1)(a)2 or 3] above.
 - 5 [See Exhibit 13 modifications applicable for some Perennial Category C APH Crops in Arizona, California, Hawaii and Utah.]

- (1)(b) If added as a separate block or unit. When insurability of the crop is based on maturity, and the crop attained the required maturity, the approved APH yield is calculated using four variable T-Yields for the crop, preceded by the applicable yield descriptor ("S", "E", "N" and "T"). If separate acreage and production from the previously uninsurable crop year(s) are provided, such production history and acreage is entered on the APH form and certified but will **NOT** have the average yield for applicable year(s) shown.

If the crop requires production records that meet minimum production requirements, and acceptable records for such acreage are provided, the actual yields submitted for the crop year and three variable T-Yields are used to calculate the approved APH yield. The qualifying acreage and production must be entered on the APH form. Any prior production and acreage shown and certified on the APH, before meeting the production minimum, will NOT have average yield for applicable year(s) shown.

- K(2) **Added Land/New Producers.** New producers or carryover insureds who have recently added land (recently purchased or leased perennial crop acreage which meets policy requirements) may use the prior producer's records (by P/T/V/TMA or other characteristics used for different T-Yields indicated in the actuarial document), whether or not that producer continues to share in the crop, WHEN ACCEPTABLE HARD COPY RECORDS of acreage and production (prior MPCIL loss records are acceptable) are submitted to the AIP.

- (2)(a) Production reports submitted. When at least 4 years of acceptable production reports/records are submitted, use the applicable procedures.

A separate block(s), or unit(s) if applicable, is required for added land previously meeting crop insurability requirements. [See also, Par. I of this Section for procedures and Exhibit 16 4A, B]. See record requirements for producers sharing in the crop with another producer [Sec.10 Par. E].

- (2)(b) Production reports NOT submitted or less than four years are provided. If acceptable production reports/records are not provided, or less than four years are provided, and insurability of the crop is based on maturity and the crop has attained the required age, following separate block or unit procedure a yield is determined for the missing years, similar to variable T-Yields, based upon the years of records provided for all block(s) or unit being added, **not on a crop basis**. The yield descriptor (S, E, N or T) plus an X is used to identify yields that are being used instead of the actual yields (e.g., SX325), [see Exhibit 16 4A & B]. These yields remain in the database unadjusted and roll out as the most recent four years of actual/assigned yields are provided. These descriptors take precedence over any other applicable yield descriptor. If the insured can demonstrate that a greater yield(s) than the yield(s) that are being used instead of actual yields is reasonable for that particular acreage, the insured may request an RMA RO Determined Yield [see Par. 7F(2)(a) and Exhibit 34 for RMA RO Determined Yield Request].

If insurability is based upon production, maturity or any combination thereof and records are not provided, and/or age cannot be determined to meet this requirement, the acreage must be reported as uninsurable.

Additional APH Provisions by Crop.

- L(1) **Almonds.** Delivery statements, pool closing statements or production recaps must show all harvested (whole, chipped and broken in-shell meats) meat pounds (including meat pounds damaged due to uninsured causes of loss) by variety. Pounds of in-shell Almonds must be shown separately, by variety and must be converted to meat pounds. [See Exhibit 31 for conversion factors by variety.]
- L(2) **Apples.** The base period is five continuous crop years beginning with the crop year previous to the current crop year (the base period for the 2006 crop year is 2005 - 2001). Certified records including printouts or receipts from each first handler of the fruit for that crop year must show total marketable (as defined in the policy) production (in bushels, bin count, or weight delivered) by variety. A printout or receipt from a packing shed, processor, auction, marketing cooperative, jobber, commission merchant, sales broker, pick records [see Sec. 10, C(4) for acceptable pick records] or a warehouse receipt which shows total production and date of transaction is acceptable. Bin count, cartons, crates or weight must be converted to the appropriate unit of measure.

If insured under the **Optional Coverage for Quality Adjustment** and a claim for indemnity has been completed, total marketable production from the claim prior to adjustment for quality is used for APH purposes (i.e., U.S. **No.1 Processing** or better).

- L(3) **Blueberries.** Printouts or receipts from a handler must indicate the date, producer's name, and total production in pounds. Printouts or receipts from a packing operation, processor, auction, marketing cooperative, jobber, commission merchant, sales broker, pick records [see Sec. 10, Par. C(4)], warehouse, certified scale receipt (with third party verification), inventory stock sheet, receiving report, grower pay report, grower summary reports must indicate the date of the transaction, producer's name, and total production. Total production must indicate unmarketable and marketable production separately. Marketable production must indicate grade and type of production: fresh, processing, or juice. Production indicated as trays, flats, cartons, containers, or quarts must be converted to pounds. The method of conversion must be explained and included with the records.

FRESH BLUEBERRY PACKAGE DETERMINATIONS APPROVED
BY U.S. HIGHBUSH BLUEBERRY COUNCIL:

| Package Size | # Of Packages Per Flat | Weight Per Flat |
|--------------------------------|------------------------|-----------------|
| 3.5 oz. (100 g.) | 12 | 2.6 lbs. |
| 4.4 oz. (125 g.) | 12 | 3.3 lbs. |
| 6.0 oz. or ½ dry pint (170 g.) | 12 | 4.5 lbs. |
| 1 dry pint (12 oz.) | 6 | 4.5 lbs. |
| 1 dry pint (12 oz.) | 12 | 9.0 lbs. |
| 1 dry quart (24 oz.) | 6 | 9.0 lbs. |
| 2 dry quarts (48 oz.) | 4 | 12.0 lbs. |
| 2 lbs. | 4 | 8.0 lbs. |
| 2.3 lbs. (Bulk Pack) | 4 | 9.2 lbs. |
| 2.5 lbs. | 4 | 10.0 lbs. |
| 2.75 lbs. | 4 | 11.0 lbs. |
| 2.75 lbs. | 8 | 22.0 lbs. |
| 5 lbs. | 1 carton | 5.0 lbs. |
| 10 lbs. | 1 carton | 10.0 lbs. |

L(4) Citrus.

(4)(a) (Arizona & California). Acceptable marketing records are pool statements, pool summary statements, pack statements or year-end settlement sheets that indicate by crop/type, the number of standard size cartons packed or the net weight of the packed fruit.

1 Except for fresh citrus fruit “over packed” for export markets, CARTONS are used when fresh citrus fruit is packed into standard size containers (as indicated in the CP) and the marketing records indicate the number of cartons (no adjustments required).

Example: Packing records show that 8,120 boxes of the standard container size for the crop/type were packed. 8,120 boxes packed = 8,120 cartons of production for APH and loss adjustment purposes. Disregard the pounds per box (e.g., 40 lbs) that the processor packed if different than the average net pounds of packed fruit in a standard packed carton for the crop/type (i.e., 38 lbs.).

2 Citrus production without marketing records on a carton basis must be converted to cartons on the basis of average net pounds of packed fruit for the standard packed carton.

Example: Packing records show 90,820 total pounds were packed. The number of boxes of the standard container size packed is not available from the packer. The number of cartons is determined by dividing the total pounds by the average net pounds for the standard container size for the crop/type as indicated in the CP (i.e., 38 lbs.). $90,820 \text{ lbs.} \div 38 \text{ lbs.} = 2,390$ cartons.

3 Fresh citrus fruit packed in different size containers than indicated in the CP (1/2 ctns, holiday packs, 20 lb. bags, etc.) must be converted to standard cartons on the basis of average net pounds of packed fruit for the standard packed carton.

4 Fresh citrus fruit “over packed” for export markets. Some foreign buyers require packers to pack additional fruit into standard size containers (e.g., as much as 50 lbs. of Navel Oranges may be packed in a #58, 38 lb. container) prior to shipment overseas. In these situations, the containers are “over packed” and the fruit is slightly compressed. “Over packed” production must be converted to equivalent standard packed cartons. If the marketing record clearly indicates that the fruit was packed for an export market and the cartons are “over packed,” the total packed weight must be divided by the average net pounds of fruit specified for the standard packed carton for the crop/type.

(4)(b) Arizona & California Lemons. The weight of packed fruit (marketable or marketed as fresh fruit) can be determined from sample-grade report or a pack-out report, whichever is available immediately after harvest (or delivery to a processor). To determine the amount of production in a standard shipping container, multiply the number of containers given on the report by the weight of the containers and divide by 40 pounds to determine the number of Standard Packed Cartons.

- (4)(c) Texas Citrus Fruit. Pack-out statements or settlement sheets must show pooled tons of citrus by types. Cartons, bins, mesh sacks, net weight receipts, or other units of measurements must be converted to ton equivalents by citrus type.
- L(5) Cranberries. Truckload weight receipts, berry slips, settlement weight sheets, sales receipts, final or year-end statements from a handler, processor or packing house must indicate net paid barrels of cranberries delivered or stored for each unit.
- L(6) Figs. Packer or California Advisory Board Summary Sheet must show net paid pounds of marketable Figs (including manufacturing grades). Marketed fresh-fruit production is converted to a dried-fruit basis by dividing the total pounds of fresh fruit by 3.0. For new insureds and policies, which are being transferred, supporting records of acreage and production must be provided to the verifier.
- L(7) Grapes. Settlement sheets, sales receipts, final or year-end statements from a winery, cannery or processor must indicate net paid tons of Grapes delivered by variety. Remittance or final statement sheets from Raisin packers or the Raisin Administrative Committee must show the net paid tons of clean, dry Raisins; or, the number of insured tons of raisins established on a claim for indemnity. Each pound of Raisins converts to 4.5 pounds of green Grapes.
- Production for Grapes harvested before normal maturity or for special uses (i.e., sparkling, botrytis affected, ice-wine, etc.) are used for APH purposes when adequate records are available. The production of such Grapes will be adjusted by the factor calculated by dividing the price per ton for such Grapes by the price per ton for fully mature Grapes of the same type and normal use. Reduced grape production under tonnage contracts also require reductions in the RMA RO approved yields. The insured shall timely report cultural practices that will reduce the insured crops production from previous levels in item 22 on the Producer's Pre-Acceptance Worksheet. Reductions in the approved yield will be made based upon the terms of the tonnage contract provided.
- L(8) Table Grapes. Packing house records must be settlement sheets, receiving statements, final sales statements from broker or Table Grape Commission records. Records must show the number of packed lugs by variety. If the fruit is packed in other than standard weight lugs (as stated in the CP), the net weight of the lugs must be noted. Production of Table Grapes damaged by insured causes that could be marketed for any use other than Table Grapes is determined by multiplying the number of tons that could be marketed by the total value per ton of the damaged Table Grapes or \$50.00 per ton, whichever is greater, and dividing that result by the highest price election available on the actuarial table for the type.
- L(9) Macadamia Nuts. Delivery records, production recaps or sales receipts from processors must indicate weight of sound wet-in-shell nuts by variety, which excludes immature, unsound nuts (floaters and peewees), and foreign material. Sound wet-in-shell is defined as the weight of the Macadamia nuts as they are removed from the orchard with the nut meats in the shells after removal of the husk and before being dried.
- L(10) Peaches (Canning & Processing). [See Stonefruit, Par. L(15).]

- L(11) **Peaches.** The base period is five continuous crop years beginning with the crop year previous to the current crop year (the base period for the 2006 crop year is 2005 - 2001). Certified records may include a printout or receipt from each first handler of the fruit for that crop year. A printout or receipt from a packing shed, processor, auction, marketing cooperative, jobber, commission merchant, sales broker, pick records [see Sec.10, Par. C.(4)] or a warehouse receipt which shows total production and date of transaction is acceptable. Bin count, cartons, crates or weight must be converted to the appropriate unit of measure.
- L(12) **Pears.** Certified records including printouts or receipts from each first handler of the fruit for that crop year must show total production in tons by variety. A printout or receipt from a packing shed, processor, auction, marketing cooperative, jobber, commission merchant, sales broker, pick records [see Sec. 10, C (4)] or a warehouse receipt which shows total production and date of transaction is acceptable. Bin count, cartons, crates or weight must be converted to the appropriate unit of measure.
- (12)(a) **California Only.** Production for APH purposes must be reported for the applicable grade: first grade canning, U.S. #1 (Summer, Fall, or Processing Pears), Extra #1 or U.S #1 (Winter Pears). If records certified by the production reporting date do not include production by grade, use the following grade factors to convert field-run production to production to count for APH purposes: Type I = 85%, and Type II = 80%. If the grade is certified after the production reporting date, it will be included in the next year's update.
- 1 Actual grade and price record. If an insured provides actual grade and price records by the production reporting date that result in a higher APH yield than using the above factors, the higher yield must be used.
 - 2 A production level of at least 6.25 tons per acre of field-run production in at least one of the four previous crop years is sufficient to satisfy the requirement of 5.0 tons per acre at the applicable grade.
- (12)(b) **For all states except California,** regardless of whether acreage is insured under the Pear Quality Adjustment Endorsement or not, field-run marketable production is applicable. If a claim for indemnity has been completed, total marketable production from the claim prior to adjustment for the pear quality endorsement is used for APH purposes.
- L(13) **Plums.** Fresh Plums production to count will be U.S. No. 1 as modified by the California Tree Fruit Agreement. Production of fresh Plums damaged by insured causes that could be marketed for any use other than fresh packed Plums is determined by multiplying the number of tons that could be marketed by the total value per ton of the damaged plums or \$50.00 per ton, whichever is greater, and dividing that result by the highest price election available on the actuarial table for the type.
- L(14) **Prunes.** The unit of measure is tons (to the nearest tenth) of natural condition (dried) Prunes. Advance payment summary sheets must show, by variety, net paid weight, which grades substandard or better. Marketed fresh-fruit production is converted to a dried-fruit basis by dividing the total tons of fresh fruit by 3.0.

L(15) **Stonefruit.**

- (15)(a) For Cling Peaches, the California Cling Peach Board (CCPB) determined acreage may be used for APH purposes instead of wheeled acreage. California, processor or CCPB summary must show net paid tons of No. 1 and No. 2 fruit, by variety and type. Minimum one year acceptable production records for the type that is elected. Fresh records may be used for the processing type elected.
- (15)(b) Apricots and freestones (processing) must meet minimum standards as specified in the SP and include all production accepted (marketed by processor). Minimum one year acceptable production records for the crop that is elected. Fresh records may be used for the processing crop elected.
- (15)(c) Peaches (fresh market), Apricots (fresh market) and Nectarines. Certified records may include a printout or receipt from each first handler of the fruit for the crop year. A printout or receipt from a packing shed, processor, auction, marketing cooperative, jobber, commission merchant, sales broker, pick records [see Sec. 10, C(4)] or a warehouse receipts are acceptable. Bin count, cartons, crates, lugs or irregular sizes or weight must be converted to the appropriate unit of measure. Minimum one year acceptable production records for the crop that is elected. Production from alternative uses other than fresh can be converted to a fresh lug equivalent using the procedures outlined in (15)(d). Processing production where the primary intent was processing may not be converted to fresh production.
- (15)(d) Production from alternative uses is used for APH purposes when adequate records are available. Production of fresh Stonefruit damaged by insured causes that could be marketed for any use other than fresh packed Stonefruit is determined by multiplying the number of tons that could be marketed by the value per ton of fruit or \$50.00 per ton, whichever is greater, and dividing that result by the highest price election available on the actuarial table for the crop. In counties, where there is no published price election available, the earliest published price for the applicable state for that and prior years may be used.

- L(16) **Walnuts.** Delivery records, production recaps or sales receipts from processors must indicate the net weight of inshell Walnuts by variety.

Any production evidence, which does not meet the requirements specified for the crop, may be forwarded to the RMA RO to determine its acceptability.

Reserved.

8 OTHER COVERAGE PLANS**8A Category D, Dollar Plan Crops**

- A(1) **Eligible Crops:** Citrus (Florida), Citrus Trees (Texas), Forage Seeding, Hybrid Seed Corn, Hybrid Sorghum Seed, Macadamia Trees, Peppers, Raisins, Sweet Corn (Fresh Market), Tomatoes (Fresh Market - Dollar Plan).

[See Exhibit 18 for Florida Citrus and Macadamia Grove Inspection Report requirements.]

- A(2) **Plan Description.** This plan offers the producer the opportunity to select one of several dollar amounts of insurance per unit (per acre or per ton, depending on the crop). The available coverage elections and the rates are indicated on the actuarial table. Use any maps or supplemental listings included in the actuarial materials to determine the coverage options and premium rates.

(NACAT)→ Production reports are not required to qualify for optional units. Exception: Raisins may be divided into more than one unit if, for each proposed (optional) unit:

- (2)(a) **Records.** The insured maintains written, verifiable (tray counts are acceptable) records of Raisin production for at least the previous crop year; and
- (2)(b) **Non-contiguous Land.** The acreage of insured Raisins is located on non-contiguous land. ←**(NACAT)**

A(3) **Hybrid Seed Corn or Hybrid Sorghum Seed.**

- (3)(a) **County Yields for Hybrid Seed** are established by county and are used to calculate the amount of insurance. The Hybrid Seed Yield that applies at each coverage level will be published as part of the county actuarial documents. The insured may elect a coverage level (associated yield) as well as price election. Coverage is provided only for acreage grown under a contract executed with a seed company by the acreage reporting date.
- (3)(b) **The amount of insurance** is the County Yield times the price election. The amount of insurance for hybrid seed approximates the dollar value of insurance of Corn planted for grain. However, the basis of insurance for hybrid seed is female acres. Acreage planted to the male inbred line is not insurable.

The insured must accurately report the acreage occupied by the female inbred line. The Standard Planting Practice is to plant the male and female inbred lines in rows separated by normal spacing (e.g., two rows male and six rows of female-FFFMMFFF). This results in 75 to 80 percent of the total acreage being occupied by the female inbred line. This is the concept underlying the determination of the amount of insurance. In some cases the male inbred line may be interplanted between normally spaced rows planted to the inbred female line. In this situation, the Hybrid Seed Yield will be adjusted to reflect the level of coverage normally associated with field Corn so that the amount of insurance for the two planting practices (Standard Planting and Interplanting) is equivalent.

- (3)(c) Minimum Contract Payment. A statement by the insured is required either on the acreage report or on a document accompanying the acreage report. This statement will include the amount of any guaranteed minimum payment provided by the insured's contract with a seed company.

Required Statement:

"My contract with (Seed company) does not provide a guaranteed minimum payment to me."

"My contract with (Seed company) provides a guaranteed minimum payment of ____ (dollars or bushels) per acre."

The amount of insurance must be reduced if there is a guaranteed minimum payment. Deduct any minimum payment that is denominated in bushels from the yield that is used to establish the amount of insurance. If the minimum payment is stated in dollars, divide the amount by the price election. Round the result to the nearest whole bushel and subtract it from the Hybrid Seed Yield.

- (3)(d) Yield Base Factor for Seed Companies. RMA will require additional information about a seed company's operations, the inbred lines, and foundation seed projections from seed companies in some circumstances. These circumstances include very high expected yields for a particular hybrid, poor crop insurance experience, newly formed seed companies, previously limited production records submitted by a seed company, etc. The RMA RO will request additional information when needed. An annual update of actual and expected yields is required from each seed company as a prerequisite to calculating the Yield Base Factor by RMA Actuarial Division.
- (3)(e) Approved Yields. The RMA RO will provide approved yields for insured hybrid crosses upon request. Requests for approved yields must be received by the RMA RO no later than the calendar date for the end of the insurance period. Requests submitted to the RMA RO after the end of the insurance period may be authorized; however, the RMA RO will provide the number of late requests by each reinsured company to the Reinsurance Services Division and Risk Compliance in Washington D.C. Agents initiate approved yield requests by preparing and sending a "Hybrid Seed Yield Request" to the AIP. The AIP forwards the request to the appropriate RMA RO. If the hybrid seed company has not already completed the "Hybrid Seed Corn/Hybrid Sorghum Seed Yield History Report" form for each insured hybrid, the AIP will assist the seed company by providing blank forms if necessary. The Seed Company will return the completed Yield History Report to the RMA RO.

[See Exhibit 30 for further instructions and routing procedures.]

- (3)(f) Value per Bushel. The dollar value per bushel is calculated by the AIP at loss time. It is multiplied by the seed production to count to obtain the value of seed production used to calculate the indemnity. The dollar value per bushel equals the amount of insurance (dollars) divided by the approved yield times the coverage level. A hybrid with one approved yield can have more than one dollar value per bushel because the amounts of insurance may vary.

$$\text{Dollar Value/Bu.} = \frac{\text{Amount of Insurance (Dollars/Acre)}}{\text{Approved Yield (Bushels/Acre) x Coverage Level (\%)}}$$

A(4) **Citrus** (Florida):

- (4)(a) Tolerances. If the acreage on the policy meets or exceeds established tolerances for the region, an on-site inspection of the grove(s) is required by the AIP.
- (4)(b) Discretionary Review. A list of policies exceeding the established tolerances will be forwarded to the RMA RO for a discretionary review. [See Exhibit 18 for grove inspection instructions.]

8B Category G, Nursery Crop

B(1) **Eligible Crop**: All plants listed on the Eligible Plant Listing and Plant Price Schedule (EPL/PPS) in the nursery:

- (1)(a) Practice (container grown or field grown);
- (1)(b) Botanical name and common name;
- (1)(c) Plant type;
- (1)(d) Hardiness zone, and winter storage requirements;
- (1)(e) Wholesale prices for insurable container and field grown by plant size;

(NACAT→ Coverage may be available for plants not listed by requesting a written agreement ←NACAT).

B(2) **New Plants**. The RMA RO recommends the addition of new plants to be added to the EPL/PPS.

B(3) **Inspection**. An on-site inspection of the Nursery is required the initial year of application for various other situations [See FCIC 24090 Nursery Crop Insurance Underwriting Guide for inspection requirements]. The applicable AIP performs the inspection.

B(4) **Coverage**. Coverage available for CAT, 55 percent of the reported Plant Inventory Value at the 50 percent coverage level. Maximum price limits by plant and size, are contained on the EPL/PPS. The reported inventory value is established using the lower of this price, or the lowest Wholesale Price contained in the nursery's catalog or price list for the plant size. Any indemnity is always determined using the lower of the two prices.

B(5) **Verification of Underwriting Information when Transferring Companies.**

When the insured transfers the policy to a different AIP, the ceding AIP must provide the assuming AIP with a copy of the latest Plant Inventory Value Report along with any Peak Endorsements. If the insured nursery has plants in their inventory that were damaged due to a prior loss and have not fully recovered at the time of transfer, the appraisal worksheet must be transferred to the assuming AIP to ensure plants are not over-valued.

8C **Group Risk Plan Insurance (GRP)**

THE GRP plan of insurance is a risk management tool offered by the FCIC as an alternative program to the APH plan of insurance.

- C(1) **General Information:** GRP coverage is based on the experience of the COUNTY rather than INDIVIDUAL FARMS. It indemnifies the insured in the event the county average per-acre yield (the “payment yield”) falls below the insured’s trigger yield. RMA will issue the payment yield in the calendar year following the crop year insured.

[See FCIC 18040, Group Risk Plan Insurance Standards Handbook for Procedural requirements.]

- C(2) **Insureds are NOT required** to report yield history or maintain production records for GRP. However, they are encouraged to maintain individual crop yield and acreage history (including any added land) for possible future use in a plan of insurance or added land determinations that uses APH yields for the same crop.
- (2)(a) GRP participation will NOT break continuity of APH plan for premium adjustment purposes. Any MPCl experience adjustment will be reinstated when the individual GRP contract is canceled and an application for a plan of insurance, that uses APH yields for the same crop, is signed.
- (2)(b) If GRP insureds return to a plan of insurance that uses APH yields for the same crop, their APH yield history database will be updated ONLY if continuous crop production reports (including the period insured under GRP) are filed when returning to such a plan. **However, the MPCl database will not be updated with loss figures from the GRP years but will resume from the point when left for coverage under the GRP.** If such production reports are not provided the insured qualifies for 65 percent of the T-Yield.
- (2)(c) If the insured provides production reports that maintain the continuity of APH prior to switching to GRP, then the APH prior to switching to GRP must also be used.
- (2)(d) If the AIP did not maintain the APH reported prior to switching to GRP, then only the years for which production reports are provided will be used.
- (2)(e) Failure to file the most recent APH crop year’s production report, on an optional unit basis, will limit the insured’s choices regarding optional units under the selected plan of insurance.

Yield limitations (cup) do not apply when switching from GRP back to an APH plan of insurance the initial year. If adequate documentation is kept for added land, a request for SA T-Yields may be made by the insured the initial year when switching from GRP to an APH plan of insurance for the crop. [See Ex. 36 for additional information regarding added land determinations.]

- C(3) **Written agreements may be requested** from RMA RO by the SCD to insure hybrid grain sorghum, hybrid seed corn, popcorn, sweet corn and other specialty corn as basic grain sorghum or basic corn, respectively, using request type code GP [see WAH].

8D Pecan Revenue

D(1) **Crop Provisions.**

The Pecan Revenue CP (05-020 Rev. 10/04) is effective on all insureds for the 2006 crop year. Producers that remained under the pilot CP (99-020) two-year coverage module for 2004 and 2005, will be reporting 2004 and 2005 revenue history under the new program, policy and procedure for 2006.

- D(2) **General Instructions.** To be eligible for coverage, minimum requirements for insurability stated in the pecan revenue CP must be met (i.e., 12th growing season after being set out or replaced by transplants, or that are in at least the 5th growing season after top work and have produced 600 pounds or more of pecans in-shell per acre during a prior year). Insurability requirements will be verified through the use of a certification process requiring Producer Pre-Acceptance Worksheet, Summary of Revenue History (SRH) [see Exhibit 11], and pre-acceptance field inspections performed by the AIP or by RMA RO.

(2)(a) **Approved Average Revenue.** AIPs (agents/representatives) are required to calculate and approve average revenue per acre on pecans.

(2)(b) **Acreage Determination.** [See Section 7 D(3)].

(2)(c) **Base Periods.** The base period for pecans is determined by consecutive CROP YEARS, not calendar years and consists of the consecutive crop years immediately preceding the current two-year module, with a minimum of four building to ten crop years in two-year increments.

D(3) **Termination and Premium Payments.**

(3)(a) The AIP will terminate for non-payment of premium for the first year or if applicable the second year of the module.

(3)(b) Insureds do not have to pay a premium in the second year of the module, based upon a timely acreage report for removed acreage, or relinquished acreage on which they no longer have a share in the crop.

- D(4) **Transfers.** Policies may not be transferred to another AIP until the end of the two-year module.

D(5) **Inspections.**

(5)(a) **Producer's Pre-Acceptance Worksheet.**

1 [See Section 7E] for completion requirements and example of worksheet.

- 2 Prior to the insured/applicant answering question 22, any change in acreage and cultural practice should be reviewed. Tree thinning is considered a cultural practice that will reduce the insured crop's previous gross sales below the approved average revenue. If the applicant answers "Yes" to this question, a field inspection and hard copy records of average revenue are required.

(5)(b) Pre-Acceptance Field Inspections.

- 1 [See Section 7 G(2)] for instructions and Pre-Acceptance Perennial Crop Inspection Report.

- 2 [See Exhibit 16 1H] for applicable Addendum Worksheet.

Evaluate each block to determine if light penetration into the canopy is sufficient to stimulate nut development. Rate as good, fair or poor based on the Orchard Inspectors review in item 8.

- 3 AIPs must perform pre-acceptance field inspections for the following:

a New insureds.

b When productivity is reduced:

i An inspection is required when KNOWN tree damage has occurred or cultural practices have been performed that will reduce the insured crop from previous gross sales below the approved average revenue, and when insured answers "YES" to question 22 on the Producer's Pre-Acceptance Worksheet.

ii Unless otherwise provided in the SPOI, when more than 12.5% of the total acres for the unit are thinned (not removal of a contiguous block), the average gross sales for those acres thinned will be multiplied by .80, or a factor contained in the SPOI, for the first year after sequential thinning. Guarantee reduction flag F and the factor must be reported for the acreage. No reduction will be assessed the following year after sequential thinning.

c At the discretion of the AIP when added land or acreage is greater than 12.5 percent or acreage is removed.

Revenue Reports. Production and gross sales must be reported on the Summary of Revenue History (SRH) [see Exhibit 11] for each unit for each year of the two-year coverage module on or before the acreage reporting date for the first year of the next two-year coverage module. Insureds not reporting timely will have revenue assigned using the lowest available dollar span shown on the actuarial documents, (identified by yield descriptor “B’s”). If less than two years are certified the revenue may be assigned to the applicable missing year, e.g., 2004 was previously reported and certified by the producer, but 2005 was not timely reported and certified; 2004 may be reported as shown and 2005 assigned and identified as “B”; otherwise both 2004 and 2005 would be assigned. Lag years are not applicable for pecans. [See [D(11)] for reporting production and price when marketing is incomplete.]

- (6)(a) Certification for any policies previously under the pilot policy (99-020) will be for all years reported, which will all be subject to spot check.
- (6)(b) The new CP (05-020 Rev. 10/04) and procedure in (6)(a) above, will apply for the 2006 crop year when certifying under the next two-year module.
- (6)(c) High-Risk Land. Separate acceptable SRHs [see Exhibit 11], must be filed for acreage located on high-risk land.
- (6)(d) Hedged Acreage. Hedged acreage is uninsurable unless otherwise provided on the SPOI or by written agreement. A separate acceptable SRH [see Exhibit 11], must be filed for hedged acreage.
- (6)(e) Late or Unreported Gross Sales.

- 1 If SRH [see Exhibit 11] reports are not reported or not timely reported, a gross sales amount will be assigned for any year that was not reported. The gross sales amount assigned will be the lowest available dollar span provided by the actuarial table for the current coverage module (APH plan assigned yield provisions do not apply).
- 2 If production and gross sales are reported after the ARD for the two-year coverage module, average gross sales per acre will be adjusted using the reported information for the next crop year.
- 3 The production and gross sales or the assigned gross sales amount will be used to compute your sales history for the next two-year coverage module.
- 4 If a claim is filed for any year, the value of harvested production and appraised potential production used to determine the indemnity payment will be the gross sales for that year.

- (6)(f) Uninsurable acreage.

- 1 Uninsurable acreage must be reported on a separate SRH [see Ex 11].
- 2 If production and gross sales from uninsurable acreage is commingled or not reported separately, net acreage, total production, and gross sales will be shown on the SRH in determining the Approved Average Revenue per acre [see Ex. 11].

3 Only acreage meeting the terms of the pecan revenue CP may be reported as insurable.

(6)(g) Excessive Yield Edit Verification, the term excessive yields means the approved or annual per acre revenue submitted to Data Acceptance System (DAS) that exceeds the maximum yield edit level [See Sec. 14 Par. B, and Appendix III].

1 Identified with yield descriptor "AX", "GX", or "VX" if simple average values.

2 Identified with yield descriptor "TX" and using the lowest available dollar span shown on the actuarial documents if no other units.

D(7) **Written Agreements**. To qualify for a written agreement:

(7)(a) For counties with actuarial documents, at least two years of production and gross sales records are required.

(7)(b) For counties without actuarial documents, four years of production and gross sales records are required.

D(8) **Completing databases**:

(8)(a) Reports are completed in two-year increments of four to ten years. If at least four years of production and gross sales records are not provided, the lowest available dollar span amount provided by the actuarial table for the current coverage module will be used (i.e., four years of the lowest dollar span, yield descriptor "B's", or two years of the lowest dollar span, yield descriptor "B's", and two years of actual, yield descriptor "A's", "G's", or "V's"). The lowest dollar spans, used in place of records, may be replaced with actual gross sales when reporting in the next two-year cycle.

(8)(b) Separate databases for certified organic, yield descriptor "V", and transitional databases, yield descriptor "G", for certified and transitional acreage are required for any insured crop grown using an organic farming practice. Net acres, pounds of production, and gross sales from each acreage type of the organic farming practice will be contained in **only** the applicable database. Each database will include production and acreage from any applicable buffer zone. Average Gross Sales of the insured crop by applicable year from transitional acreage, yield descriptor "G", for any of the most recent four years may be used in place of the lowest dollar spans provided by the actuarial table for the current coverage module to establish the certified organic approved average revenue dollar amount, when such acreage initially qualified as certified organic acreage.

Separate databases must be established for new acreage in transition, unless the acreage is from the same block or other blocks of the same age, density and variety. The lowest dollar span provided by the actuarial table for the current coverage module will be used to complete the database, [see Exhibit 38 for Organic Procedures].

(8)(c) Identify each value entered in the average gross sales column 5 of the SRH [see Exhibit 11] with the applicable yield descriptor [see Exhibit 5 and Examples 1-5 in this section].

- D(9) **When reporting databases**, units must be reported with the guarantee reduction flag and factor as follows:

F = Sequential Thinning and the factor shown in the Pecan Revenue CP (.80) or applicable factor contained in the SPOI.

- D(10) **Amount of Insurance**. The amount of insurance per acre will remain the same as stated in the Summary of Coverage for each unit, for each year of the two-year coverage module, with the following exceptions:

- (10)(a) **Sequential Thinning**, as defined in the Pecan Revenue CP:
A method of systematically removing pecan trees for the purpose of improving sunlight penetration and maintaining the proper spacing necessary for continuous production.

Unless otherwise provided in the SPOI, if more than 12.5 percent of the insured acres are thinned, the gross sales for those acres thinned will be multiplied by a factor of (.80) or a factor contained in the SPOI for the first year after sequential thinning.

- (10)(b) **New Producers**, When less than 4 years of records are available, the lowest dollar span provided by the actuarial table for the current coverage module (yield descriptor "B's") may be assigned for the missing two-years or four-years on insurable acreage.

- (10)(c) **Added Land**, when less than 4 years of records are available, the lowest available dollar span provided by the actuarial table for the current coverage module (yield descriptor "B's") may be assigned for missing years on insurable acreage (i.e., 12th growing season after being set out or replaced by transplants, or that are in at least the 5th growing season after top work and have produced at least 600 pounds or more of pecans in-shell per acre during a prior year).

1 [See Section 3(d)(2) of the Pecan Revenue CP.] If acreage is increased by more than 12.5 percent, the approved average revenue must be recalculated.

- a If using the history for the added acreage: The number of years used must not exceed the number of years in the insured's present database. A minimum of two years (the most recent two years) must be shown on the SRH .

- b If production and gross sales records are not available for the added acreage:

i The lowest available dollar span amount provided in the actuarial documents (yield descriptor "B's") will apply to the added land and shown on a separate SRH [see Exhibit 11].

ii For the next two-year reporting period, the added net acreage and sales records with appropriate yield descriptor must be shown for the two-years or year with insurance.

[See also Section 7K] for additional procedure (hardcopy records from the prior producer must be provided or the lowest available dollar span amount provided in the actuarial documents applies).

2 Added acreage.

a Acreage meeting age minimum requirement.

- i When prior separate reported production and gross sales records are available, a minimum of the most recent two prior years must be provided with the appropriate yield descriptor or the lowest available dollar span amount provided in the actuarial documents (yield descriptor "B's") will apply to the added acreage.
- ii Any previously reported production and gross sales records, the insured chose to use for added acreage, may not be removed from the database.

b Acreage meeting age and production minimums.

For acreage that is in at least the 5th growing season after top work and has produced 600 pounds or more of pecans in-shell per acre during a prior year:

Report all years since meeting or exceeding the 600 pound minimum on the SRH [see Exhibit 11], may not require two year increments the initial year. [See also D(10)(c)2 a ii] above.

3 [See also A(5)(b) above for Pre-Acceptance Inspection requirements.]

D(11) **Records.** Settlement sheets, sales receipts, and final or year-end statements from a processor must indicate the weight of pecans harvested in pounds (in-shell basis rounded to the nearest whole pound) by variety excluding foreign material and the in-shell price received per pound (in dollars and cents). If in-shell is not shown, documentation must be obtained or documentation must contain information to determine the in-shell price (e.g. in-shell price may be shown as the fixed price; shelling percentage may be shown). When all pecans have been marketed, the pounds of pecans in storage must be reported and the average in-shell market price for the week the pecans were harvested will be used to determine the harvested value.

See [Section 10 C(4)] for acceptable pick records, and use of pre-harvest appraisal for direct market sales. If direct market is allowed by the SPOI or by written agreement, review for any required adjustments in determining market price.

9 USE OF THE APH FORM**9A The APH Form**

The APH form meets all production reporting requirements and is to be used as the insured's production report(s). It may be used to establish or update the yield history for a farming operation by crop, unit, practice, etc. Supporting evidence (records), when required, must meet acreage and production requirements [outlined in Sec. 10 of this handbook].

9B General Provisions

B(1) **APH Forms**. An APH form developed according to RMA approved standards must be used by AIPs for all APH crops requiring production reports to establish the approved APH yield: Almonds, Apples, Processing Beans, Canola, AZ-CA Citrus, Blueberries, Coarse Grains (Corn, Grain Sorghum and Soybeans), Cotton, ELS Cotton, Cranberries, Dry Beans, Figs, Forage Production, Grapes, Table Grapes, Macadamia Nuts, Millet, Onions, Peaches, Peanuts, Pears, Peas (Dry & Green), Plums, Popcorn, Potatoes, Prunes, Rice, Safflower, Small Grains (Wheat, Barley, Oats, Rye and Flax), Stonefruit (Apricots, Nectarines, Peaches), Sugar Beets, Sugarcane, Sunflower Seed, Sweet Corn (Processing), Texas Citrus Fruit, Tobacco (Guarantee Types 41 and 32 PA; 51 and 61 CT; 51, 52 and 61 MA; 32 MD; Tomatoes (Processing), Tomatoes (Fresh Market Guaranteed Production) and Walnuts and Pilot programs utilizing APH to determine guarantees.

B(2) **Required Entries**. Entries must be completed on the APH form for each APH crop year by unit and by P/T/V (within the unit that requires separate APH yields). Verifiers must establish a database for each P/T/V listed on the FCI-35 that has different T-Yields for each P/T/V that has been carried out and/or will be carried out for the current crop year.

Separate databases must also be established within a unit for each area classification (TMA). For high-risk land (when high-risk T-Yields are established), a separate database must be established within a unit if less than four years of actual/assigned yields are available for the high-risk land (by P/T/V). When four or more years of records are available, it is not necessary to continue to maintain separate databases for high-risk land. It is not required to establish separate databases (APH yields) for area classifications that are for a rate only.

An APH database established for one P/T/V or TMA may not be duplicated to establish an APH database for a different P/T/V or TMA for those P/T/V or TMA that require separate APH yields (databases).

- B(3) **Verification and Review.** The APH form is subject to verification and AIP field review. Policies without records (65 percent T-Yields ONLY) are subject to office review. The insured must maintain acceptable production evidence for each crop year by unit for each P/T/V and crop year. Insureds may submit production evidence for all units and years for which yields are being certified and request verification of the information. If they do so, they will not be subject to the APH field review process for the crop year. When the crop is selected for review, supporting evidence (records) of acreage and production will be required by unit for all crop years' acreage and production as certified on the form.

When established tolerances have been exceeded as determined on the field review, the APH form will be corrected. [See Sec. 14, A, and B]. Such reviews will be performed by authorized RMA RO/AIP personnel. Actual yield history determinations which may be used to correct approved APH yield include:

- (3)(a) **Indemnity Forms.** Production evidence for loss adjustment purposes which is recorded on proof of loss, production worksheet, etc., which is accepted by RMA RO or an AIP.
- (3)(b) **FSA forms or records** completed for production measurement service purposes.
- (3)(c) **Reviews.** Production determined for other FSA program purposes or in the course of an FSA spot check or RMA RO/AIP review.
- B(4) **Amended APH Forms.** The insured may amend the APH form after submission on the basis of more recent information. Amended APH forms submitted after the production reporting date will be used when computing the following year's yield.
- B(5) **APH Review.** When selected for an APH review, the INSURED is responsible for furnishing production evidence to support the production as reported on the APH form. Any FSA information or supporting documentation for the production report must be furnished by the INSURED at the time of the review.

9C Preparation of The APH Form - General Instructions

- C(1) **The APH form is designed to** accommodate both the insured with established yield history (database) and the new insured. The form contains space for ten APH years of yield history (limited to five years for Peaches and Apples) necessary for the verifier to calculate an approved APH yield.
- (1)(a) **Continuous years of yield history.** The producer completes the APH form by furnishing all continuous years of yield history data.
- (1)(b) **Production Not Reported.** The agent/representative completes the production history by entering assigned and/or variable T-Yields for years for which actual production was not reported.
- (1)(c) **Each year.** carryover insureds are required to certify the most recent APH crop year in the base period.
- (1)(d) **Supporting records** may be required by the verifier to allow for verification of actual yields in the database if not previously verified.
- (1)(e) **Signature and Date Required.** The insured must sign and date the form when certifying the most recent APH crop year and/or using the form to report production for prior APH crop years.
- (1)(f) **Preliminary yields** must be computed by the agent/representative for new insureds when authorized to do so by RMA RO.
- C(2) **Each APH form accommodates two databases.** Separate databases are established as indicated [in C(3) below].
- C(3) **Separate yield determinations** (databases) are required for each APH crop year certified for each:
- (3)(a) **Unit.** Acres and production prorated between basic units are not acceptable records for basic units unless prorated on a claim for indemnity.
- (3)(b) **Insured** (landlord or tenant).
- (3)(c) **Practice/Type/Variety.** Irrigated and non-irrigated practices if irrigated and non-irrigated practices are indicated on the county actuarial documents and other practices (except for Soybeans Intertilled Between Rows [IBR] and Not Intertilled Between Rows [NIBR]), types, or varieties identified in the actuarial documents as having separate (different) T-Yields.
- (3)(d) **Area Classification** (TMA and high-risk land if T-Yields are established) except for Category C Crops when weighted average yields are required.

- C(4) **Production.** The production adjusted for APH is entered in the total production column when actual yields are reported. Some crops require an adjustment or conversion to total production before being entered. If a worksheet is used to adjust APH production, it must be sent to the verifier along with the APH form. [See Sec. 6, F for worksheets and instructions used to determine APH production, separate commingled production, and Exhibit 17 to determine skip-row yield factors for Cotton.]
- (4)(a) For adjustments or conversions required to determine production for individual crops. [See Sec. 6, J for Category B Crops or Sec. 7L for Category C Crops.]
- (4)(b) Claim for Indemnity. Production determined on a Claim for Indemnity for the 1986 and subsequent crop years (Production Worksheet, Proof of Loss, etc.) will be used, except for appraisals made for excluded causes of loss (**NACAT**→(hail and/or fire when the Hail and Fire Exclusion is elected). **←NACAT**) Beginning with the 1992 crop year, appraisals made for uninsured causes of loss (e.g., failure to follow recognized good farming practices and acreage destroyed without consent) are not used for APH purposes.
- 1 Appraisals for potential production remaining in the field (for unharvested acreage) are considered production for APH yield purposes.
 - 2 Use production from the Claim for Indemnity if production reported by the insured does not correspond to the production on the claim for indemnity. Exceptions: (**NACAT**→1) apple/pear claims where the production was adjusted for quality and an Apple/Pear Option was in force; 2) potato claims when the production was adjusted for quality and the Northern Potato Quality Endorsement was in force **←NACAT**); 3) allocated production from an unreported unit(s); 4) Sugar beet appraisals that were reduced because Sugar beets were in the first stage (use appraisals prior to reduction); [Also see Loss Adjustment Manual regarding allocated production from unreported unit(s).]
- (4)(c) Production Adjustments. Production reported on the APH form will be adjusted for moisture, test weight, quality, grade, etc., on the same basis as claims for indemnities [see exceptions in (b) above], provided supporting records indicate requirements stated in the policy have been met. This also includes farm stored production.
- (4)(d) Moisture. Production having less moisture than the percentage stated in the policy will not be increased to account for the difference.
- (4)(e) Production Not Adjusted. Production reported by the insured will not be reduced for moisture, foreign material, cracked kernels, etc., UNLESS INDICATED on supporting records.

- (4)(f) Seed. Grain used as seed for the producer's own use should be included in the APH yield history. The insured must furnish scale tickets or weight slips showing date of weighing, name of producer and commodity. The insured must also certify the amount of seed which was used for planting by:
- 1 Certifying to amount of the seed planted per acre.
 - 2 Certifying to and identifying the acreage on an aerial photo.
- (4)(g) Irrigated and Non-Irrigated Acreages. Separate APH yields must be determined for irrigated and non-irrigated practices when irrigated and non-irrigated practices are indicated on the county actuarial table. Exception: when the planting pattern for the non-irrigated corners of a field continues into the irrigated acreage of a center pivot or acres and production from the center pivot is not separated from the non-irrigated corners [See Sec. 4, Par. D(4)(b)4 b]. If production is commingled between an irrigated and a non-irrigated practice, separate yields may be established for the two practices by using the commingled production worksheet or by using the insured's certification of estimated production for the irrigated and non-irrigated production. [See Sec. 6, Par. E, (2).]

9D Preparation of Production and Yield Report (APH Form)

ITEM BY ITEM INSTRUCTIONS for Category B and Category C APH Crops.

See additional yield history provisions by crop [Sec. 6, Par. J and Sec. 7 Par. L]. [See Exhibit 8 for completed samples for individual crops and for directions outlining adjustments to total production entries.] Directions for sample production worksheets for Sugar Beets, Dry Beans, (**NACAT** → Northern Potato Quality Endorsement ← **NACAT**) and for commingled production worksheets are provided. [See Sec. 6, Par. F(1).]

D(1) **Separate yields** are required each crop year for each unit, insured (landlord or tenant), different P/T/V (requiring separate APH Yields), area Classification (TMA). [See Par. C(3)(a)-(d) for additional instructions.]

D(2) **Agents/Representatives** must complete the following items on the APH form [sample furnished for illustration purposes on the last page of this section] in the following manner:

Item No:

- | | |
|-----------|--|
| Item 1 | Insured's name or insurable entity, address, phone number, Social Security or tax identification number. |
| Item 2 | Required Field Review. If a field review is required, the "Field Review" box must be checked. Required Inspection. The "Inspection" box must be checked when the agent has specifically identified acreage on which a crop inspection is required. These inspections will be performed only by individuals delegated the authority by RMA RO/AIP. |
| Item 3 | State, county and policy number to which the form pertains. |
| Items 4&5 | Agent's name, address, phone number and code. AIP's name and address. |
| Item 6 | Crop name, farming P/T/V (if applicable) and unit number for the unit. Enter the abbreviation for the farming practice requiring a separate APH yield. |
| Item 7 | Enter the section, township and range descriptions for land under the Rectangular Survey System. Use other descriptions (i.e., FSN) to identify the geographical location of the unit if legal descriptions cannot be determined or legal descriptions are not applicable for unit determinations. If additional space is needed, attach a supplemental sheet. Check the appropriate box to indicate if any unit or portion of the unit is physically located in another county but insured by Written Agreement in this county. |
| Item 8 | Name(s) of others sharing in the crop. If none, enter "NONE". |

- Item 9 Check appropriate "Record Type(s)" box(es) to indicate the form of verifiable acceptable records maintained for the last year in the base period. Farm-stored production records may include bin, silo, crib, wagon measurements, etc.
- Item 10 Processor contract number(s), processor name, when applicable, and/or total number of trees or vines for perennial crops (not applicable if Producer's Pre-Acceptance Worksheet has been completed).
- Item 11 For perennial crops, the year **or weighted average year (w)** the insurable trees or vines in the unit, were planted/set out, **grafted, or dehorned** in the orchard, vineyard, grove or bog. Contract price for Green Peas, percent of sugar for Sugarcane and Sugar Beets and **(NACAT→**Northern Potato option percentages for Potatoes insured under the Northern Potato Quality Endorsement **←NACAT)** (for the most recent year in the base period). For new producers of the crop enter the crop years they have produced the crop (e.g., 20XX and 20XX). See individual crop examples [Exhibits 8 and 16] for completed samples. If not applicable, leave blank.
- Item 12 Enter the current FSA FSN.
- Item 13 Required when "T" Map Areas and High-risk Map Areas are applicable, enter the area classification from the county actuarial table. If not applicable or not used, leave blank.
- Item 14 The applicable 100 percent T-Yield, needed when less than four years of actual and/or assigned yields are available **(NACAT→**and to calculate the yield floor for Category B crops. **←NACAT)** New producers (Category B Crops) qualify for 100 percent of T-Yields
- Item 15 Enter the appropriate years for the base period.
- Item 16 Enter total production as adjusted for production reporting purposes when actual yields are reported.
- Sample production worksheets have been provided for Sugar Beets, Dry Beans, **(NACAT→**Northern Potato Quality Endorsements **←NACAT)** and skip-row Cotton [See Sec. 6 F and Exhibit 8].
- Item 17 Enter planted insurable acreage in acres to tenths for each year an actual yield is available in column 16. For annual crops, enter "0.0" if the crop was not planted for any year.

- Item 18 Enter the appropriate yield and yield type descriptor for each yield entered in the database. [See Sec. 6 and 7 for instructions.]
- Item 19 Enter the total of all entries in column 18.
- Item 20-A When authorized [for crops listed in Sec. 6, Par. J and Sec. 7L, (if weighted average APH yield not required)], divide the total from item 19 by the number of years. Apply any applicable yield limitations (cup, or [~~NACAT~~→yield floor←~~NACAT~~]) and enter the limited yield as the preliminary yield.
- Item 20-B Enter the prior approved APH yield, if applicable. If it is not applicable, enter N/A.
- Item 21 (Completed by verifier.) Enter the approved APH yield after all entries are verified **or any applicable adjustments/reductions.**
- (~~NACAT~~→**For potatoes insured under the Northern Potato Quality Endorsement or the Northern Potato Processing Quality Endorsement, enter the appropriate percent for #1 Potatoes and #2 or better Potatoes for both fresh and processing Potatoes when applicable. **←~~NACAT~~**)

Insured's Signature: _____ Date: _____

- D(3) Agents/representatives must obtain the insured's signature and the date of the signature. Point out the certification statement and explain the statement to make sure the insured understands what is being certified and the consequences of an inaccurate production report.

APH forms may be computer generated. The items may be arranged to more precisely fit the production reporting requirements of specific crops. All APH computer generated forms, developed according to RMA approved standards, MUST also have a space to indicate the preliminary yield, a space for the insured's signature, and Certification Statement if they are to be used as production reports. If arranged differently, follow the instructions provided with the form. A remark's section may be added to indicate the basis for establishing the approved APH yield.

9E Combining and Splitting of Units

When production report(s) are on file and continuity of insurance participation is not broken, the prior yield history must be considered if optional units are changed (combined or split) when completing the current crop year APH form. [See Exhibit 15 for directions and examples.] Refer unit calculations to the RMA RO for crops requiring RMA RO determined yields. [See Exhibit 34 for RMA RO Determined Yield Request.]

19A-APH

YIELD COMPUTATION FOR

CROP YEAR _____

PRODUCTION AND YIELD REPORT

(For illustration purposes ONLY)

See reverse side of form for statement required by the Privacy Act of 1974
We reserve the right to correct errors made in computations

| | | | | | | | | | |
|--|--|--|-----------------------------|------------------------|----------|-------------|-------------------------|--|--|
| 1 Producer's Name and Address | | 2 Required Field Review <input type="checkbox"/> | | 4 Agent Name/Address | | | | | |
| Phone No.: | | Required Inspection <input type="checkbox"/> | | Phone No.: | | Agent Code: | | | |
| SSN/Tax No.: | | 3 State: County: Policy No.: | | 5 Company Name/Address | | | | | |
| 6 Crop | 7 Section | 15 Crop Year | 16 Total Production | 17 Acres | 18 Yield | | | | |
| Practice Type | Township | | | | | | | | |
| Unit No. | Range | | | | | | | | |
| | Land Other County <input type="checkbox"/> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | | | | | | |
| 8 Other Entity(ies) | | 12 FSA Farm No. | | | | | | | |
| | | Cropland Acres | | | | | | | |
| 9 Record Type: | | Crop Year: | | 19 Total | | | | | |
| <input type="checkbox"/> Production Sold/Commercial Storage | | | | | | | 13 Area Classification | | |
| <input type="checkbox"/> On Farm Storage, Recorded Bin Measurement | | | | | | | 14 Transitional Yld. | | |
| <input type="checkbox"/> Livestock Feeding Records | | <input type="checkbox"/> Appraisal | | | | | 20(A) Preliminary Yield | | 21 Approved APH Yield (For Verifier Use Only) |
| <input type="checkbox"/> FSA Loan Record | | <input type="checkbox"/> Other | | 20(B) Prior Yield | | | | | |
| Number of Trees or Vines | | | | | | | | | |
| 10 Processor Number/Name | | 11 Other | | | | | | | |
| 6 Crop | 7 Section | 15 Crop Year | 16 Total Production | 17 Acres | 18 Yield | | | | |
| Practice Type | Township | | | | | | | | |
| Unit No. | Range | | | | | | | | |
| | Land Other County <input type="checkbox"/> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | | | | | | |
| 8 Other Entity(ies) | | 12 FSA Farm No. | | | | | | | |
| | | Cropland Acres | | | | | | | |
| 9 Record Type: | | Crop Year: | | 19 Total | | | | | |
| <input type="checkbox"/> Production Sold/Commercial Storage | | | | | | | 13 Area Classification | | |
| <input type="checkbox"/> On Farm Storage, Recorded Bin Measurement | | | | | | | 14 Transitional Yld. | | |
| <input type="checkbox"/> Livestock Feeding Records | | <input type="checkbox"/> Appraisal | | | | | 20(A) Preliminary Yield | | 21 Approved APH Yield (For Verifier Use Only) |
| <input type="checkbox"/> FSA Loan Record | | <input type="checkbox"/> Other | | 20(B) Prior Yield | | | | | |
| Number of Trees or Vines | | | | | | | | | |
| 10 Processor Number/Name | | 11 Other | | | | | | | |

I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH yield. I also understand that failure to report completely and accurately may result in voidance of my crop insurance contract and may result in criminal or civil false claims penalties (18 U.S.C., 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE: _____

DATE: _____

(APH) (Reverse Side)

COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)

To the extent that the information requested herein relates to your individual capacity as opposed to your business capacity, the following statements are made according to the Privacy Act of 1974, as amended (5 U.S.C. 552a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) and the Federal crop insurance regulations contained in 7 C.F.R. chapter IV.

Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in the Federal crop insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in you or your entity of 10 percent or more, as a policyholder within the systems maintained by the Federal Crop Insurance Corporation (FCIC). Furnishing the SSN or EIN is voluntary; however, failure to furnish that number will result in denial of program participation and benefits.

The balance of the information requested is necessary for the insurance company and RMA to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The information furnished on this form will be used by Federal agencies, RMA employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: RMA contract agencies, employees and loss adjusters; reinsured companies; other agencies within the United States Department of Agriculture; The Department of Treasury including the Internal Revenue Service; the Department of Justice, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response to judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit; ineligibility for insurance; and a unilateral determination of any monetary amounts due.

PAPERWORK REDUCTION ACT

According to the Paperwork Reduction Act, public reporting burden for the collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, or any other aspect of this collection information, including suggestions for reducing this burden to the Department of Agriculture, Clearance Officer, OIRM (OMB No. 0563-0053), Stop 7630, Washington, D.C. 20250-7630.

NONDISCRIMINATION STATEMENT

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

10 ACREAGE AND PRODUCTION EVIDENCE REQUIREMENTS (APH)

Acceptable records are required to substantiate the acreage and production reported on production reports used to calculate approved APH yields. For crops or portions of a crop not sold or substantiated by records from an independent source (e.g., bartered, used on farm as seed, fed to livestock, a vertically integrated grower-packer, etc.), records MUST BE CONTEMPORANEOUS with the harvesting, storing or feeding of the insured crop for each crop year reported. For example, feeding records that account for the production fed to livestock must be maintained on a daily basis, and must have been generated during the time period production was fed. If selected for field review, supporting evidence must be provided by the insured for all the crop years for which acreage and production was certified on the current crop year APH form (by crop). Acreage and production evidence must be retained until the calendar date for the end of the insurance year of the third crop year after the end of the crop year for which it was initially certified (e.g., if six APH crop years (2000-2005) are initially certified for the 2006 crop year, all six crop years of acreage and production evidence must be retained until the calendar date for the end of the 2009 crop year). The following acreage and production evidence requirements pertain to all crops using the APH form as production reports.

10A Acceptable Production Reports

All acceptable production reports that are continuous, signed, and submitted by the production reporting date (PRD) by the insured for the applicable base period, will be used. Once acreage and production are certified, they will remain in the insured's database. Additional acreage and production may be certified and included in the database as long as the continuity and all other requirements are met. Acreage and production cannot be dropped or removed from the database without RMA RO approval.

A(1) **Base Period.** For most Category B and Category C crops, the base period consists of the 10 most recent APH crop years. [See Sec. 3 for definition of Base Period].

Exceptions:

(1)(a) **Crops with a lag year:** AZ-CA Citrus, Macadamia Nuts, Malting Barley (Insured under Option A Only) Sugarcane, Texas Citrus Fruit and CT & MA, Type 61, Tobacco (cigar wrapper). For example, the APH base period begins with the 2004 APH crop year for the 2006 policy crop year.

(1)(b) **Apples and Peaches,** have a base period of the five most recent APH crop years.

A(2) **Continuity.** There may be NO break in the continuity of years for which production reports for all units (for the entire farming operation) are provided.

(2)(a) **A production report indicating** the insured crop was not planted (zero acreage or not planted for an insurable purpose, e.g., soybeans for hay) is considered a year of records for purposes of determining production report continuity.

(2)(b) **For carryover insureds,** assigned yields maintain continuity of records and previously reported APH will continue to be used.

A(3) **Break in Continuity.** If a break in continuity (of production reports) occurs for a crop year due to no interest in the crop (did not farm, cash-leased to another party, sold the land and then gets it back, etc.) and the insured requests to use acreage and production history prior to the break in continuity, the records may be used with verifier approval.

- (3)(a) For Category B crops, if the verifier approves use of the records prior to the break in continuity, enter a “Z” in the crop year that broke continuity and calculate the APH yield according to the current procedure.
- (3)(b) For Category C crops, situations that require an RMA RO Determined Yield [see Sec. 7, F (2)]; the request and the records for crop years prior to the break in continuity must be submitted to the RMA RO for approval. The RMA RO will determine if the records may be used. [See Exhibit 34 for RMA RO Determined Yield Request.]

10B Submission of Production Reports

In order to be used for a crop year, acceptable production reports must be signed and submitted to the agent by the PRD and include **ALL units** (even those not contained in the insured’s operation for the current crop year) **for each APH crop year reported. The production reports must conform to** the unit structure (enterprise, basic and/or optional) that applies for the current insurance year in which the insured (entity) had an interest in the crop for each APH crop year production reports are certified. (Acreage and Production history from enterprise units cannot be duplicated across basic/optional units when switching from enterprise units to basic/optional units.) For annual crops, the verifier may consider zero planted acreage reports (by unit) as production reports.

B(1) Include on Production Reports All:

- (1)(a) Insurable acreage and production “PLANTED” to the insured crop for HARVEST AS DEFINED IN THE CP.

1 However, a separate production report containing the acreage and production of a second crop that the insured elected not to insure (uninsured acreage) to collect a full indemnity on the first insured crop planted on the same acreage is required [see Sec. 4D(2)(a)]. The production report for uninsured acreage must be identified as “uninsured acreage” and is not used to calculate the actual yield for the APH crop year. AIPs are not required to create a separate Type 15 record (database) for such acreage and production and transmit the data to RMA.

2 If the production from uninsured acreage is commingled with production from the insured acreage, the total acreage and total production (insured and uninsured) is entered in the database used to calculate the actual yield for the APH crop year. If production from uninsured and insured acreage was not kept separate and is allocated for claims purposes, the insured acreage and the production allocated to the insured acreage is used to calculate the actual yield.

Supporting records must clearly indicate separate production from insurable and either uninsured or uninsurable production [see Par. (1)(b)] (whichever is applicable) or the production will be considered to be commingled. If production from uninsured or uninsurable acreage was kept separate from the insurable production, the acreage and production must be accounted for on separate production reports and is not included in the database used to calculate the actual yield for the crop year. For Category C crops [see Sec. 7H and K.]

3 Insurable acreage of the crop that should have been reported for insurance but was not reported as required by the CP must be reported and used for APH. If a claim and the production from the unreported acreage is combined with production from the reported acreage, the total acreage (reported and unreported) and total production must be used to calculate the actual yield for the APH crop year. However, if separate databases are required (e.g., separate units, TMAs and etc.) for APH purposes, then the acreage and production that is applicable to each database must be entered in the appropriate database.

(1)(b) Uninsurable acreage and production. However, a separate production report is required for uninsurable and insurable acreage and the production report for uninsurable acreage must be identified as “uninsurable acreage”. When kept separate and reported separately, uninsurable acreage and production is not used to calculate the actual yield for the APH crop year. If commingled, the total acreage and total production (insurable and uninsurable) must be included on the production report and on the APH database used to calculate the actual yield for the crop year. The term uninsurable acreage means, “acreage of an insured crop that does not meet the policy requirements for insurance”

(1)(c) Prevented planting (PP) acreage on which the PP payment was limited to 35 percent of the PP coverage [see Sec. 6C(10)]. Acreage and yields identified with “PP” or “PW” yield descriptors must be used for APH purposes.

(1)(d) Applicable yield history from harvested acreage, appraised POTENTIAL production determined by an RMA RO, FSA, or MPCIC company representative and/or yields as indicated in Par.(1)(c) for the previous APH crop year(s).

1 If PLANTED acreage of the crop was destroyed/put to another use and an appraisal of the potential production was not made (not requested for APH purposes or no claim), the production report will indicate the planted acres and a yield of zero.

2 The production report must include planted insurable acreage for Category B APH crops (annual crops). For Category C APH Crops (perennial crops) [see Sec.7H and **K**] for instructions concerning how to report insurable and uninsurable acreage.

B(2) Do Not Include in the database used to calculate the actual yield for the APH crop year):

(2)(a) Uninsurable acreage and production if reported separately and the production from uninsurable and insurable acreage is not commingled. Uninsurable acreage of an insured crop includes acreage:

1 Seeded as a cover crop, for experimental purposes, for pasture, or that was NOT produced for an insurable purpose or any other uninsurable acreage as provided in the crop's policy and reported as such when an MPCIC policy is in force;

2 That was not planted and harvested within one of the three previous crop years (including PP acreage) and a written agreement was not in force unless, such acreage was not planted in at least two of the

three previous crop years to comply with another USDA program, because of a qualifying crop rotation, or a perennial tree vine, or bush crop was grown on the acreage;

- 3 That has been strip-mined, unless insured by a written agreement, or unless an agricultural commodity other than a cover, hay or forage crop (except corn silage) has been harvested from the acreage for at least five crop years after the strip mined land has been reclaimed;
- 4 For which the actuarial documents do not provide the information necessary to determine the premium rate (unrated P/T/V or excluded by the SPOI), unless insured by a written agreement;
- 5 That was damaged and it is practical to replant the insured crop but it was not replanted according to the policy provisions (insurance did not attach);
- 6 That is interplanted with another crop, unless allowed by the crop provisions;
- 7 Initially planted after the final planting date unless late planting coverage is provided by the crop's policy [see Exhibit 1]; and
- 8 Of a second crop (insured or not insured) following the same insured crop harvested in the same crop year unless specifically permitted by the CP or the SPOI.

(2)(b) Eligible prevented planting acreage that was NOT limited by the crop's policy to 35 percent of the prevented planting coverage [see Sec. 4D(8)(d)].

(2)(c) Short Rated Acreage. Acreage and Production from any initially insured Wheat, Barley, or Oats crop located in a county that a short rate adjustment factor is provided by the actuarial document as indicated in the SPOI will not be used to calculate the approved APH Yield, if the agent/AIP was notified, prior to the published date in the SPOI, that the insured intended to destroy acreage of the crop prior to harvest either by grazing or mechanical means.

- 1 If short rated acreage is harvested, the acreage and production from the short rated acreage is used only if the production is commingled with production from acreage of the insured crop that was not short rated.
- 2 If the agent/AIP is not notified, and the crop's acreage is grazed, destroyed, or put to another use, the total planted acres and harvested production (if any) will be used to calculate the approved APH yield. The full premium rate will apply (not short rated). For claim purposes, such acreage is destroyed without consent and uninsured cause of loss procedures apply.

(2)(d) Appraisals made for production LOST due to insurable or uninsurable causes of loss (e.g., appraised production lost due to fire or chemical carryover).

B(3) Previously uninsurable acreage, crops, practices, or types made insurable by RMA may be reported by insureds and have databases established that contain such production history if ALL record requirements are met. Otherwise, use the variable T-Yield for such databases.

10C Supporting Evidence

- C(1) Records. When supporting evidence is required, insureds may submit the following types of records to substantiate production reports:
- (1)(a) Farm management records which indicate total acres and production by crop and crop year are acceptable for Barley, Canola, Corn, Cotton, ELS Cotton, Dry Beans, Flax, Forage Production (if sold, see Par. (1)(b) below), Grain Sorghum, Millet, Oats, Popcorn, Rice, Rye, Safflower, Soybeans, Sunflower Seed, and Wheat [see Sec. 6, Par. J]. In addition, precision farming and yield monitoring systems may be used for APH purposes ONLY, if the farm, field ID, crop, acres, total yield, date of harvest, grower, and crop year are identified on a yield map or summary report.
 - (1)(b) Verifiable production reports must be substantiated by records from a marketing outlet, processor, packer, first handler, etc., for Almonds, Apples, Blueberries, Processing Beans, Citrus (Arizona-California and Texas), Cranberries, Dry Beans, Forage Production (sold), Figs, Grapes, Macadamia Nuts, Onions, Peaches, Peanuts, Pears, Peas (Dry and Green), Plums, Potatoes, Prunes, Stonefruit (Apricots, Nectarines, and Peaches), Sugar Beets, Sugarcane, Sweet Corn (Processing), Table Grapes, Texas Citrus Fruit, Tobacco (types insured under the Production Guarantee or Quota Tobacco Policies) Tomatoes (Processing and Fresh Market Guaranteed Production Plan), Walnuts [see Sec. 6, J and Sec. 7 Par. L]. If production is not delivered/sold to a disinterested party, additional supporting documentation such as acceptable pick records, daily sales receipts, tax forms, and/or appraisals are required [see Par. C(4)].
 - (1)(c) FSA Recorded Evidence. Acreage and production evidence previously recorded at FSA on FSA documents such as FSA 658-1, FSA 503A, FSA 578, FSA 658, FSA 156, or other FSA generated forms provided the FSA documents meet RMA record requirements for the crop i.e., accurate and verifiable, etc.
 - (1)(d) RMA RO or AIP Recorded Evidence. Acreage and production evidence accepted by either RMA RO or AIP on their respective Field Inspection and Claim for Indemnity forms or MPCl Production Worksheet forms. For Category B and C Crops, claims determinations from 1986 and succeeding crop years will be used whether or not the insured files production reports for those years. [See Par. C(3)(a) for additional instructions if optional units were combined because the insured failed to keep acceptable records for optional units for claims purposes.]

If a Claim for Indemnity has reduced the production to count to account for transportation to a market, reconditioning costs, etc., that adjustment may be added back into the production to count for APH purposes. If an add-back is made, it must be documented and provided to the verifier with the applicable production report. A copy of the documentation must also be attached to the applicable production report and retained in the insured's file at the service point.

- 1)(e) Substantiated Evidence. Production substantiated by evidence such as copies of elevator or warehouse receipts, ledger sheets, load summaries, settlement sheets, CCC loan documents, etc., must show the:
- 1 Commodity,
 - 2 Name of the insured,
 - 3 Name of the buyer, storage facility, or marketing outlet,
 - 4 Crop year produced and date of the transaction,
 - 5 P/T/V when applicable, and
 - 6 Quantity of production that can be converted to the proper unit of measure, if necessary.
- (1)(f) Measurements. Farm-stored production measurements performed by an authorized person from RMA RO, FSA or an AIP are considered to be verifiable production records. Pack factors are applicable beginning with the 2005 production reported for the 2006 (policy) crop year, for the following crops: barley, corn, grain sorghum, hybrid corn seed, hybrid sorghum seed, oats, popcorn, soybeans, and wheat. Pack factors for these crops:
- 1 Are applied if storage structure measurements are used to calculate the production for APH purposes and the test weight is also documented;
 - 2 Will NOT apply to production for APH crop years prior to 2005;
 - 3 Are found in the applicable Crop Loss Adjustment Standards Handbooks (Crop LASH).

Steps in Determining Pack Factors.

- Step 1:** Go to the Combination Test Weight and Pack Factor Table in the appropriate Crop LASH.
- Step 2:** Determine the applicable factor (use the appropriate test weight and square feet of floor space).
- Step 3.** Multiply the applicable factor times the calculated production and enter the result on the APH form.

EXAMPLE: The Corn LASH indicates that corn with a test weight of 56 lbs. stored in a structure with 254 sq. ft. of floor space has a pack factor of 1.045.

- C(2) **Production Fed to Livestock.** If an insured does not keep acceptable records (e.g., bin measurements, ledger sheets, weight tickets, etc.) that account for ALL harvested production of the insured crop, and some or all of the production is subsequently fed, acceptable records of the fed production must be kept to be used for APH purposes. Production fed and substantiated by livestock feeding records, field harvest records, etc., must be documented through a formal contemporaneous record system (e.g., RMA's Guidelines for a Production Record Management System). Records must be maintained on a daily basis, accounting for production fed to livestock and have been generated during the time period production was fed. When feeding from a previous year's inventory, to which current year's production will be added, the amount of previous years' production must be measured at least 15 days prior to the beginning of harvest. If feeding continuously, the producer should record the following:
- (2)(a) Amount of grain/insured crop or commodity fed each day.
 - (2)(b) Bin/storage facility ID from which the production was taken.
 - (2)(c) Number and kind of livestock.
 - (2)(d) Estimated average weight (to the nearest 100 pounds) and number of livestock per head and location or pen number.
 - (2)(e) The unit number from which the fed production was taken (indicate in the remarks on the Livestock Feeding Record).
 - (2)(f) Fed Production whether from previous years or fed directly from the field or truck (indicate in remarks on the Livestock Feeding Record).
- C(3) **(NACAT) Supporting Evidence/Production Reports for Optional Units**
- (3)(a) Most Recent APH Crop Year. To qualify for optional units, acceptable production reports must be filed for each optional unit (by P/T/V) for the most recent APH crop year used to calculate the approved APH yield. Acceptable supporting records such as farm management records (Category B APH crops), elevator ledger sheets, bin measurements, livestock feeding records, field harvest records, precision farming and yield monitoring systems, etc., that indicate planted acres and production for each optional unit must be available for that year and account for all planted acreage and total production. However, if a notice of loss is filed and the insured failed to keep acceptable records for claims purposes for optional units and the affected optional units are combined, the insured does not qualify for optional units on the combined unit. For the subsequent crop year (the claim record must be used for APH), the insured will not qualify for optional units on the combined unit. **Acceptable production reports for optional units (supported by acceptable records) must be filed for the combined units in a subsequent APH crop year in order for the insured to qualify for optional units again.**
 - (3)(b) Prior APH Crop Year(s). For APH crop years prior to the most recent APH crop year, if a NEW insured is UNABLE to provide separate acceptable production reports on an optional unit basis but provides acceptable records of acreage by unit and production for each basic unit by P/T/V, production for optional units within a basic unit may be determined on a *prorated* basis (except for optional units determined by P/T/V), and applied to optional units with planted acres. If a new insured is unable to provide

acceptable production reports or records of planted acreage of the crop to prorate the production for optional units, such years are not acceptable for APH purposes when optional units are requested. *Prorated* example: 100 acres, 150 acres, and 50 acres were planted on units 00101, 00103 and 00105 respectively. The insured has records of 37,500 bu. total production, $37,500 \div 300 = 125$ bushels per acre. For unit 00101: 12,500 (100 acres x 125 bu.), 100.0 acres and "PA"125 bu. are entered on the APH form in the Total Production, Acres, and Yield columns respectively. For unplanted units 00102 and 00104, 0.0 is entered in the acres column and "Z" in the yield column. The insured is eligible for five optional units.

- (3)(c) For Subsequent Crop Years. If optional units are desired, acceptable production reports must be filed for each optional unit. Acceptable supporting records such as; farm management records (Category B APH crops), elevator ledger sheets, bin measurements, livestock feeding records, field harvest records, etc., that indicate planted acres and production for each optional unit and which account for all planted acreage and total production must be available for each subsequent APH crop year. Acres and production submitted to qualify for optional units for the previous crop year may not be combined into a basic unit (or optional unit) and then prorated if the insured wishes to continue to qualify for optional units. [For additional limitations for combining optional units, refer to Exhibit 15]. ←NACAT)

C(4) **Acceptable Pick Records**

When pick records are allowed as production evidence, they must meet basic requirements [stated in C(1) and C(3) of this Sec.] plus the requirements outlined below.

- (4)(a) Name. Pick records must indicate names of the individuals paid by the grower (crew leader or picker).
- (4)(b) Photocopy of Actual Records. A photocopy of complete pick records for the crop year must be submitted to the AIP. These records must be the actual running tallies of production harvested by the pickers; a summary of the pick records is not acceptable unless it is not feasible to photocopy all the material. In this instance, a summary that itemizes each invoice or transaction may be submitted with an example of the pick records used to calculate the total production. The pick records must also be legible, understandable, and reasonable when explained by the insured. Such records must accompany the APH form.
- (4)(c) Verifiable Receipts. Pick records must be accompanied by verifiable receipts such as a photocopy of the canceled check(s) showing the banking institution's stamp of payment. If this is unavailable, a copy of payments made to the Social Security Administration for tax payments made on behalf of the picker(s) is acceptable. The insured must also identify the price paid per volume of picked, converted to the insurable unit of measure (bushels, lugs, or boxes), and weight per bushel, lug, or box.
- (4)(d) Calculations Used. Pick records must include the calculations used to determine total production or be accompanied by a cover page, which shows the calculations used to determine the production shown on the APH form. The RMA RO/AIP must verify all calculations. All bin, volume, and weight figures must be converted to the insurable unit of measure (bushels, lugs, or boxes), and weight per bushel, lug, or box.

- (4)(e) Other Acceptable Records. If production is marketed direct to the consumer, a pre-harvest appraisal (performed by RMA RO/AIP) is required by the policy, unless the actuarial document for the crop has provisions that allow the RMA RO to waive this requirement, based upon evidence that acceptable supporting documentation is being maintained. A daily accounting of sales is acceptable unless the actuarial document for the crop requires a pre-harvest appraisal for APH purposes (such appraisals are considered to be supporting documentation and are used in conjunction with pick and/or sales records). The daily account must be a photocopy of the insured's actual ledger. Tax forms or other receipts of verification must be submitted showing the income and production derived from the sale. Pick records alone, if production is marketed directly to the consumer, are not acceptable if the actuarial table indicates an appraisal must be made for APH purposes.
- (4)(f) Records Not Acceptable.
- 1 Production summaries or estimates including summaries and estimates made by inspectors, agents, growers, RMA RO, or AIP will not be accepted.
 - 2 Appraisals for APH purposes, not used in conjunction with claims submitted alone are not considered acceptable records (such appraisals must be used in conjunction with pick and/or sales records to be acceptable).
- (4)(g) Unacceptable or No Records. When unacceptable records or no records are received on carryover contracts with insurable acreage, yields shall be assigned as per assigned yield procedures. Contracts requiring RMA RO approved yields and contracts with added land or removed acreage shall be forwarded to the RMA RO to review the preliminary yield and issue the approved APH yield.

10D Appraisals and Field Visits for APH Purposes

- D(1) Appraised Production for Unharvested Acreage. Appraisals made for potential production remaining in the field prior to insured acreage being put to another use or for acreage not harvested (as defined in the crop's policy) used to calculate claims for indemnities ARE also used for APH, unless the appraisal exceeds the maximum yield edit level. [See Sec. 14B for more information regarding maximum yield edits levels.]
- (1)(a) Appraised production from representative sample areas after the acreage of the crop in the field has been destroyed, put to another use, or abandoned may not be used for APH purposes unless the representative samples were left according to the applicable policy provisions and Loss Adjustment Manual (LAM) Standards Handbook.

For example, the CP require representative samples if the insured and the AIP disagree on the amount of appraised production for insured acreage that will be released to be put to another use or that will be no longer cared for. For this situation, AIPs may give consent to leave representative samples if the insured agrees to leave the samples intact in locations acceptable to the AIP and then provide sufficient care for the samples as indicated below and according to the LAM. If the representative samples are:

- 1 Left intact and sufficient care is provided for the crop in the samples, the amount of production used for APH will be based on the per-acre yield of harvested production from the sample areas or the appraisal from the sample areas at the time harvest should have occurred.
- 2 Not left intact or sufficient care is not provided for the crop in the sample areas, the amount of production will be the AIP's appraisal made prior to giving the insured consent to put the acreage to another use or no longer care for the crop.

Refer to the LAM for the requirements for representative samples.

- (1)(b) Appraisals that account for production lost due to uninsured causes of loss and for insured acreage of the crop that was destroyed or put to another use without consent by the AIP ARE NOT used for APH. (E.g., the insured did not notify the AIP that acreage initially planted to wheat and reported on the acreage report as grain was tilled and then planted to grain sorghum.)

D(2) **If insured crops will not be harvested:**

- (2)(a) Insureds must notify the agent/AIP, if acreage will be destroyed or put to another use and request permission to do so as required by the crop's policy. If such acreage is subsequently harvested, the acres and harvested production are used instead of the appraisal unless the insured is unable to maintain/provide acceptable records for the harvested production for situations indicated in [Par D(3)].
- (2)(b) Agents must notify the Insurance Provider of the insured's intent to destroy or put insured acreage to another use. AIPs will make field visits/appraisals for claims and/or APH purposes. If an appraisal is requested in conjunction with a claim for indemnity or if a claim for indemnity is due to a revenue component determined at a later date AND claim for indemnity appraisal requirements are different than the requirements outlined in this handbook for APH, AIPs must follow claim for indemnity appraisal requirements in the applicable Crop LASH. For example, for corn, if acreage will be harvested as silage and a claim may be involved, refer to the Corn LASH for the appraisal requirements for this specific situation (paragraphs D(3)(a)2 or D(4) are not applicable).
- (2)(c) Agents must notify the AIP of the insured's intent to destroy or put insured acreage to another use. AIPs will make field visits/appraisals for claims and/or APH purposes.

D(3) **Appraisals/Field Visits for Acreage that Will be Harvested** (harvest as defined in the crop's policy). To maintain/provide acceptable records:

- (3)(a) Insureds must obtain appraisals from their AIP or another qualified person as indicated in [Par. D(5)] by unit for APH record purposes when **INSURED** acreage:
 - 1 Will be harvested and the insured will not be able to maintain/provide acceptable records of the production (e.g., high moisture grain chopped for silage or forage production stored in an airtight structure).

- 2 Of corn in a grain-only or silage-only county will be harvested as either grain or silage and less than 50 percent of the acreage will be harvested as the type insured (e.g., grain in grain-only counties) and acceptable records will NOT be maintained for the harvested production of the other type (e.g., silage in a grain-only county).

For example. 100 acres of corn are reported in a grain-only county on the unit. The insured will harvest 40 acres as grain, maintain/provide the grain records, and harvest 60 acres as silage. However, if the insured will not be able to maintain/provide acceptable silage production records, an appraisal is required for APH purposes for the acreage that will be harvested as silage. Otherwise, the insured will NOT have acceptable records for the unit and assigned yields will apply). [See Sec. 6, Par. J (2)(f) & (g) for APH instructions.]

- a If 50 percent or more of the acreage is harvested as the type insured (grain in grain only counties or silage in silage only counties) and acceptable production records are maintained/provided for the insured type, then an appraisal is not required for APH purposes for the acreage harvested as the other type (e.g., silage in a grain-only county). The harvested actual average yield for the type insured (grain in a grain-only county) is entered in the unit's database and used to calculate the APH yield.

- b Exception to the 50 percent rule. If the harvested production for the type for which records will be maintained (e.g., grain/irrigated) is for a different practice than the acreage for which acceptable records will not be maintained/provided (e.g., silage/non-irrigated), then an appraisal is required for the acreage for which acceptable records will not be maintained.

For example: The unit contains 130 acres of irrigated acreage and 28 acres of non-irrigated acreage and is insured in a grain-only county. The insured will maintain/provide records for grain harvested from the irrigated acreage. However, the 28 acres of non-irrigated corn will be harvested as silage. To have acceptable records for the unit, the insured will have to either maintain/provide acceptable records for the non-irrigated acreage or have the acreage appraised and use the appraisal for the non-irrigated practice.

- 3 Of corn in grain and silage counties and acreage will be harvested as either grain or silage and acceptable records will not be maintained/provided for the type(s) insured (grain and/or silage).

- D(4) **Appraised potential production must** correspond to the insurable type(s) and practices for the county (and in grain and silage counties the types) indicated on the acreage report for the crop year. Harvested corn production with acceptable records may be converted from tons to bushels and vice versa using the bushels/tonnage conversion factor when necessary to provide records that are consistent with the type insured. To convert bushels to tons, multiply bushels times .15 and round to the nearest one-tenth ton (e.g., 5,000 bushels X .15 =750.0 tons. To convert tons to bushels, divide tons by .15 and round to the nearest whole bushel (e.g., 750 tons ÷ .15 = 5,000 bushels).

- D(5) **APH Determinations**. When requested by insureds, the AIP servicing the policy performs field visits to make acreage and/or production determinations for APH purposes. Insureds may request acreage and/or production determinations from the FSA for APH purposes; however, they will be charged for the cost of the inspection by the county FSA office according to FSA procedure. The insured must provide such determinations to the AIP.
- D(6) **Requesting APH Determinations**. Requests for acreage and production determinations by an insured will be made through the agent/representative to the AIP. When an appraisal is required, it will be completed by a loss adjustment contractor/company employee trained in loss adjustment procedures to determine acreage and appraised production. If a Claim for Indemnity is NOT or WILL NOT be filed, AIPs may use a production worksheet and applicable instructions to document appraisals.
- D(7) **Assigned Yields**. Failure to provide required acreage and production evidence, when required by the AIP or during a field review, will require use of assigned yields in calculating the approved APH yield.
- 10E **Use of Another Producer's Acreage and Production History**. When an insured has not maintained acceptable records (or not previously produced the crop) on a specific land location (legal description), acreage and production evidence from another person (**either insured or not insured if using the other person's actual records**) who shares in the crop on that land location for the current crop year (or when APH data is transferred to the insured's policy from another policy for that land location on which the insured shared in the insured crop's production [see Sec. 4 C(12)]) may be used to support production reports certified by the insured. To use another person's acreage and production history, insureds must **either**: 1) obtain permission to use the other insured's APH production reports/databases for the current crop year [See authorization requirements in Par. F] or 2) obtain copies of the other producer's acreage and production **records**.
- E(1) **When using another Insured's APH Production Reports/databases**, non-actual yields such as SA T-Yields and assigned yields contained in the other person's APH database are not transferred/used. Assigned yields break continuity of records for **persons using another insured's Production/Reports/database to establish their own APH databases**.
- (1)(a) **Insureds must certify only the acreage and production history** from locations **that they share in the crop** (same acreage, legal description, FSN, etc.) on their production reports.
- (1)(b) **All years for the appropriate locations** must be reported (years **from which acreage and production was reported** cannot be excluded), unless fewer years of acceptable production reports have been provided for the balance of their farming operation. **If fewer total years have been reported on other units and the insured did not report all years that the crop was produced on those units, the number of years that may be used is limited to those provided for the other units.** For example, the insured previously had one basic unit in the farming operation (unit 00100), and **had produced the crop for 10 years but only reported the five most recent** consecutive crop years of APH and then added unit 00200 for the current crop year. The database (unit 00200) obtained from another person sharing in the crop contains ten years of APH. However, the insured may use only the five most recent crop years for unit 00200 **because** only the five most recent crop years **were reported** for unit 00100 [see Par. 10A(2)].

(1)(c) All other APH requirements must be met.

(1)(d) Supporting Records. For APH review purposes, records must be available for all crop years within the record retention period of the person from which the APH databases were obtained. If acceptable supporting records are not available for all such crop years, then the other person's database(s) may not be used. The person using another insured's production reports/databases is responsible for providing acceptable supporting records for APH reviews. Additionally, bona fide shares must be verified and documented.

E(2) Another Person's Records. Another producer's acreage and production records may be used if:

(2)(a) The person using them shares in the insured crop with the other producer for the current crop year,

(2)(b) The evidence is acceptable and accounts for all of the other producer's acreage and production of the crop in the county,

(2)(c) Continuity and all other APH requirements are met [See Exhibit 23] and

(2)(d) Acceptable Supporting Records are obtained. An insured that uses another producer's records must keep those records for three crop years after the end of the crop year that he/she initially certifies the acreage and production (record retention period). If selected for an APH review during the record retention period, upon request, the insured must provide acceptable supporting records for all years certified. Additionally, bona fide shares must be verified and documented.

10F Landlord and Tenant APH Yields. When determining APH yields for landlords and tenants (when share-renting the same land), each party must file production reports unless one party authorizes the other party to FILE production reports on his or her behalf. Parties sharing in the crop may use production reports submitted by other insureds sharing in the crop, provided their use has been authorized by power of attorney or other form of written authorization by the production reporting date and all APH requirements are met. If a written authorization statement is used, it must include the certification statement required on the APH form.

Each database is updated with the production reports filed by the designated party each crop year. However, this does not relieve the party on whose behalf the production report is being filed of any responsibility to file accurate production reports or maintain acceptable supporting records.

10G Use of APH When Insured Persons/Entities Change or Land is Transferred to Another Person/Entity.

G(1) Insured Person/Entity. The person/entity insured is as defined in the BP. See [Exhibit 32] for the documentation required at the time of application. Some states require persons/entities that are doing business under an assumed name (e.g., doing business as....) to register that name in the county in which they do business.

G(2) APH Yield Determinations for New Persons/ Entities. For the purpose of this paragraph, a "new person/entity" includes persons who have changed their names, dissolved entities, and/or formed new entities. If a person changed his or her name or created a new entity that insures a crop(s) for the current year that was produced on land farmed by the previous person/entity and THAT LAND is contained in the new person/entity's farming operation, the crop(s)' acreage and production must be reported for APH purposes. [See Exhibit 37, Par. 1 for the

definition of producing a crop.] If insured as a different person/entity the previous crop year, a new person/entity may qualify for a successor-in-interest application and transfer of the APH data. [See Sec. 4, Par. C(8)]. If the insured is not eligible to have the APH data transferred (different land or different crops involved) or was eligible to have the APH data transferred and a successor-in-interest application was not used, follow the procedures below:

- (2)(a) New persons/entities who have produced the insured crop in the county for more than two APH crop years do not qualify as new producers. If any member of a new entity has produced the crop as an individual or member of another entity, the new entity is considered to have produced the crop. Members of an entity include: stockholders of a corporation, partners of a partnership, persons insured as co-owners or as joint ventures, etc. [See Exhibit 37 for new producer requirements and procedures.]
- (2)(b) When new persons/entities insure crops they previously produced, production reports must be filed for all land contained in their current farming operations according to ALL applicable APH procedures for each crop year certified. For entities consisting of more than one member, their production reports must include all land contained in the current farming operations upon which crop(s) insured for the current crop year were produced by ALL members of the entity.
- 1 Acceptable RECORDS must be available to support the acres and production certified.
 - 2 Acres and production history must not be transferred from existing unit databases via a successor-in-interest unless the new person/entity is eligible to use the acreage and production history and the same unit structure (acreage) is involved. If only part of the land (specific legal descriptions) will be transferred to the new entity, the acreage and production must be certified according to the new unit/farming operation. (E.g., a member of the new entity previously produced the insured crop as a member of another entity on four different units/sections (Section 11, 25, 27, and 35). Section 35 was transferred to the new entity and the new entity will produce the insured crop on this section. In this example, the acreage and production history from ONLY Sec. 35 must be certified by the new entity and transferred to the new entity.)
- (2)(c) For new persons/entities who have produced insured crop(s) on entirely different land than is contained in the current farming operation, 65% of the "T" Yield will apply unless sent to the RO for yield determination [See Exhibit 37, Par. 2A(2) and Par. 2B].
- (2)(d) Added land/P/T/V procedures will apply after the APH for a new person/entity is structured according to the preceding procedures. However, new persons/entities may also file production reports based on acreage and production RECORDS from another person with whom they have a bona fide share in the insured crop who is not a member of the insured entity.

G(3) **Land is Transferred to Another Insured Person/Entity** (not a new person/entity). If land with acreage and production history is transferred from a person/entity (transferor) to a different person/entity that insures the same crop on a different policy (transferee), the acreage and production history must be transferred to and/or certified by the transferee for the current crop year if:

- (3)(a) The transferee shared in the insured crop's production with the transferor as a tenant, landlord, member of a partnership, member or owner of a corporation, spouse, co-owner, etc., in previous crop years; or
- (3)(b) The transferor is a member of the entity to which the land was transferred;
- (3)(c) The acreage was transferred on or before the PRD for the current crop year. For acreage transferred after the PRD, the acreage and production history must be transferred/certified by the transferee by the PRD for the following crop year. Failure by the transferee to report such acreage and production for the applicable crop year results in incomplete/unacceptable production reports for that crop year. For carryover insureds, assigned yield provisions apply; however, the acreage and production from the acreage transferred must be used the succeeding crop year. For new insureds, continuity of production reports is broken. Members of an entity include owners and stockholders of a corporation, partners of a partnership, persons insured as co-owners or joint ventures, etc.

Acreage and production history for previous crop year(s) must not be transferred/used by another person who did not share in the insured crop's production unless 1) the transferor is a member of the entity to which the land was transferred or 2) the transferee and transferor share in the insured crop's production for the current crop year.

10H Reserved.

11 RECONSIDERATIONS, ADMINISTRATIVE REVIEW, MEDIATION, AND APPEALS

Any participant (individual or entity) who has applied for, or whose rights to participate in or receive a payment or benefit according to any program administered by RMA, may obtain a review of an adverse decision. An "adverse decision" is an administrative decision made by an officer, or employee that is adverse to a participant. The term includes a denial of equitable relief by RMA or the failure of RMA to issue a decision or otherwise act on a request or right of the participant within a reasonable time if time frames are not specified in such statutes or regulations. However, adverse decisions based on: a general program provision or program policy, any statutory or regulatory requirement that is applicable to all similarly situated participants, mathematical formulas established under a statute or program regulations, and decisions based solely on the application of those formulas, are not appealable. This section also applies to requests for reconsideration of determinations regarding good farming practices (GFP) made by RMA or the AIP.

A participant may request mediation, or administrative review (formerly reconsideration) by RMA and/or appeal to the National Appeals Division (NAD) by timely requesting such consideration with the appropriate authority as defined in this section. Mediation and appeal to NAD are not available for determinations or reconsideration decisions regarding GFP.

11A Time Limitations

All notifications of adverse decisions to insureds must contain the information necessary for the insured to take such actions (i.e., time limitation, places of contact, etc).

A request for mediation, and administrative review, or appeal to NAD or a request for reconsideration of determinations regarding GFP must be made in writing not later than 30 calendar days from receipt of the written notice of the adverse decision.

A request for reconsideration of a GFP determination, mediation, administrative review or appeal to NAD will be considered "filed" when personally delivered in writing to the appropriate reviewing authority or when the properly addressed request, postage paid, is postmarked.

11B Administrative Review to RMA RO

B(1) Administrative Reviews. A participant may seek an administrative review of an adverse decision before filing an appeal with NAD. A participant seeking an administrative review must file a written request with the reviewing authority. The reviewing authority will issue a final decision that will not be subject to further review by the agency. If a participant has requested an administrative review, the participant may not appeal to NAD until the administrative review has concluded. A participant who chooses an administrative review before filing an appeal with NAD:

(1)(a) Retains the rights of the 30-day period in which a participant may appeal to NAD;

(1)(b) Will have the balance of days remaining in the 30-day period to appeal to NAD when the administrative review has concluded.

A participant may seek an administrative review or mediation, but not both.

B(2) Appeal. A written request by a participant asking the next level reviewing authority to review an adverse decision.

- B(3) **Final Decision.** An initial program decision rendered by decision maker. A decision that is otherwise final will remain final unless a request is timely received for **administrative review**, mediation or appeal to NAD.
- B(4) **Documentation.** The request must state the basis upon which the participant relies to show that: 1) the decision was not proper and not made according to applicable program policies, regulations **and procedures**; or 2) all material facts were not properly considered.

11C Reconsiderations to RMA Insurance Services.

If a participant disagrees with any good farming practice determination, the participant may request reconsideration of such determination under 7 C.F.R. subpart J. There is no right to appeal any determination or reconsideration of such determination to NAD. Mediation is not available for determinations of good farming practices.

If the insured seeks reconsideration of determinations regarding good farming practices, the insured must file a written request for reconsideration to the following: USDA/RMA/Deputy Administrator for Insurance Services, 1400 Independence Avenue, SW., Mail Stop 0805, Washington, D.C. 20250-0805. A request for reconsideration must be filed within 30 days of receipt of a written notice of the determination regarding food farming practices.

The request must include a copy of the good farming practice determination and state the basis upon which the participant relies to show that: 1) the decision was not proper and not made according to applicable program regulations and procedures; or 2) all material facts were not properly considered in making such determination; and include any documentation to support the participant's position.

The insured may either seek reconsideration for determinations of good farming practices or file suit against the agency in a United States District Court. However, any challenge to a reconsideration decision must be filed against the agency in a United States District Court. The insured cannot file suit against the reinsured company for determinations of good farming practices.

11D Mediation/Alternative Dispute Resolution (ADR) Of RMA RO Decisions

Mediation is a process in which a trained, impartial, neutral third party, called a mediator, helps parties find ways to settle their dispute. Mediation is **voluntary, private, confidential, and informal**. There is no formal hearing in mediation. Instead, using joint meetings and private caucuses, mediators, **who** : (1) help the parties identify their real goals; (2) narrow the issues; (3) look for alternatives and options as well as areas of common interest **that** are consistent with program policies, regulations, statutes, and **procedures**; and (4) prevent the parties from focusing on only one solution. Mediators have **no decision-making authority**. The mediator's role is that of a facilitator. GFP determinations are not eligible for mediation/alternative dispute resolution. However, the amount assessed for failure to follow GFP is eligible for mediation/alternative dispute resolution after RMA issues a GFP reconsideration decision.

- D(1) **When Mediation May be Chosen.** Participants have the right to seek mediation involving an adverse decision not later than 30 calendar days from receipt of the written notice of the adverse decision.

- D(2) **Requests for Mediation.** A participant is responsible for contacting the Certified State Mediation Program in States where such mediation program exists. The state mediation program will make all arrangements for the mediation process. A list of Certified State Mediation Programs is available at <http://www.fsa.usda.gov/pas/publications/facts/html/mediate03.htm>
- A participant is responsible for making all necessary contacts to arrange for mediation in Non-certified States or in Certified States that are not currently offering mediation on the subject in dispute.
- A participant needing mediation in States without a certified mediation program may request mediation by contacting the RMA RO, who will provide the participant with a list of acceptable mediators.
- If the participant objects to the selected mediator, the insured may request selection of another mediator.
- D(3) **Time Limitation.** The participant may request administrative review of an adverse decision before requesting mediation, but cannot request administrative review of the decision after choosing mediation.
- A participant may request mediation of an adverse decision before filing an appeal with NAD. If a participant requests mediation, the participant may not appeal to NAD until mediation has concluded. Mediation is not available for determinations assessed for failure to follow GFP. A participant who chooses mediation before filing an appeal with NAD:
- (3)(a) Retains the rights of the 30-day period in which a participant may appeal to NAD
 - (3)(b) Will have the balance of days remaining in the 30-day period to appeal to NAD when mediation has concluded without resolution.
 - (3)(c) For insureds seeking RMA reconsideration of an adverse GFP determination of a GFP determination, the 30-day period starts upon receipt of notification of RMA's GFP reconsideration decision. The insured can then file an appeal of the amount assessed by the AIP for failure to follow GFP. RMA's GFP reconsideration decision is not appealable.
- D(4) **Frequency.** A participant may mediate an adverse decision only once.

11E NAD Appeals

A participant may appeal a final decision of the RMA RO, or FOSB directly to NAD. Determinations or reconsideration decisions of good farming practices may not be appealed to NAD. However, the insured can appeal the amount assessed for failure to follow a GFP.

Additionally, if a participant receives a determination from an agency that an agency decision is not appealable, the participant may submit a written request to the NAD Director for a determination of appealability.

E(1) **Appealability Determinations.** In order to be considered a request for:

- (1)(a) Determination of appealability, must be filed in writing not later than 30 calendar days after the date on which a participant receives a determination from an agency that an adverse decision is not appealable. Such requests must be personally signed by the participant and submitted to the NAD Director.
- (1)(b) An appeal of the adverse decision, must be personally requested by the participant in writing not later than 30 calendar days after the participant receives notice of the Director's determination that an agency decision is appealable.

E(2) **Documentation.** A request for a NAD hearing will be in writing and personally signed by the participant. It must include a copy of the adverse decision to be reviewed, if available, along with a brief statement of the participant's reasons for believing that the decision or agency's failure to act was wrong.

E(3) **Levels of NAD appeals.**

- (3)(a) Division Hearings. Requests must be made to the applicable NAD Regional Office [See Exhibit 12]. A hearing before a Hearing Officer will be in person unless the appellant agrees to a hearing by telephone or a review of the records.
- (3)(b) Appellant Requests for Director Reviews. In order to be entitled to a Director Review, not later than 30 days after the date on which an appellant receives the determination of a Hearing Officer, the appellant must submit to the Director, a personally signed written request to review the determination. Such request shall include specific reasons why the appellant believes the determination is wrong.
- (3)(c) Agency Requests for Director Reviews. Not later than 15 business days after the date on which an agency receives the determination of a Hearing Officer, the head of the agency may make a written request that the Director review the determination. Such request shall include specific reasons why the agency believes the determination is wrong, including citations of statutes or regulations that the agency believes the determination violates. Any such request may be made by the head of an agency only, or by a person acting in such capacity, but not by any subordinate officer of such agency, and are processed by RMA's Appeals, Litigation & Legal Liaison Staff.

- (3)(d) Reconsiderations of Director Decisions. May be requested by the appellant or agency within 10 calendar days of receipt of the determination. The request must contain a detailed statement of a material error of fact made in the determination, or a detailed explanation of how the determination is contrary to statute or regulation, which would justify reversal or modification of the determination. If the request for reconsideration meets the criteria, the Director shall include a copy of the request for reconsideration in a notice to the non-requesting parties to the appeal. The non-requesting parties shall have five days from receipt of such notice from the Director to file a response to the request for reconsideration to the Director. **Such requests are processed by RMA's Appeals, Litigation & Legal Liaison Staff.**
- (3)(e) Director Address. Requests to Director, NAD, must be made to the National Appeals Division, 3101 Park Center Drive, Room 1100, Alexandria, Virginia 22302.
- E(4) **Pre-hearing Conference.** The Hearing Officer shall hold a pre-hearing conference in order to attempt to resolve the dispute or to narrow the issues involved.
- E(5) **Adverse Agency Decisions Not Under the Jurisdiction of NAD:**
- (5)(a) Program decisions governed by Federal contracting laws and regulations (appealable under other rules and to other forums, including to the Department's Board of Contract Appeals);
- (5)(b) Programs subject to various proceedings provided for in 7 CFR part 1;
- (5)(c) The Freedom of Information Act;
- (5)(d) Suspension and debarment disputes, including, but not limited to, those falling within the scope of 7 CFR parts 1407 and 3017;
- (5)(e) Disputes between reinsured companies and the Federal Crop Insurance Corporation (including adverse decisions made by a AIP);
- (5)(f) Personnel, equal employment opportunity, and other similar disputes with any agency or office of the Department which arise out of the employment relationship;
- (5)(g) The Federal Tort Claims Act, 28 U.S.C. 2671 *et seq.*;
- (5)(h) Discrimination complaints prosecutable under the nondiscrimination regulations at 7 CFR parts 15, 15a, 15b, and 15e.
- (5)(i) **GFP determinations** by either the AIP or RMA, or an RMA GFP reconsideration decision made under the Federal Crop Insurance Act, (7 U.S.C. 1501 *et seq.*) and 7 C.F.R. part 400, subpart J.

11F Judicial Reviews

- F(1) Except for reconsideration of GFP, a participant must exhaust administrative remedies before seeking judicial review of an adverse decision. Except for determinations or reconsideration of good farming practices, a participant must appeal an agency adverse decision to NAD prior to seeking judicial review. A final determination of NAD and a GFP determination or reconsideration decision is reviewable and enforceable by a United States District Court.
- F(2) AIPs cannot be sued for a determination of failure to follow GFP. Such suit can only be brought against RMA.

11G AIP Reconsiderations for Changes or Corrections to APH Yields

- G(1) **Changes or Corrections to Preliminary APH Yields.** If the verifier calculates or determines yields resulting in approved APH yields which are less than 95 percent of the preliminary yield quoted by the agent/representative and documented on the APH form, NEW insureds have the following options:
- (1)(a) Accept the yields on all units (no action required by the insured); or
- (1)(b) Accept the yields on all units and request reconsideration of approved APH yields which differ from the preliminary yield. If a reconsideration is requested and the approved APH yield is not changed, the original approved APH yield is binding unless subject to dispute resolution through arbitration or mediation according to the policy terms. If the original approved APH yield is changed during the reconsideration, the approved APH yield calculated as a result of the reconsideration is binding unless subject to dispute resolution through arbitration or mediation according to the policy terms.

The verifier may correct errors in yield computation or in the application of RMA approved standards. Corrections are not subject to additional reconsiderations.

- (1)(c) **(NACAT→**New insureds may request mutual consent cancellation of additional coverage crop policies for the current crop year for unacceptable APH yields;
- 1 If the approved APH yield computed for any unit of the crop is less than 95 percent of the preliminary yield computed for the unit; or,
 - 2 A preliminary yield was not calculated and the approved APH yield is not acceptable to the insured.

The forms necessary for cancellation must be completed timely [see (2) below]. Timeliness of the request must be verified prior to the approval of the request for mutual consent cancellation. If certified mail is used to notify the insured, the return receipt is acceptable documentation of date of notification of the approved APH yield(s). If certified mail was not used, the date of notice of the approved yield to the insured must be documented by the person (agent/representative) notifying the insured. A copy of the documentation must be provided to the AIP in order to process the request. Upon request the documentation will be made available to RMA RO for review. **←NACAT)**

- G(2) **Time Limitations.** A request for reconsideration must be filed within 30 calendar days after written notice of the decision is mailed or otherwise made available to the insured. Such request shall be considered filed when personally delivered to the appropriate reviewing authority or when a properly addressed request, postage paid, is postmarked.
- G(3) **APH Reconsideration Documentation.** The insured must provide, through the agent/representative, all of the following:
- (3)(a) A copy of the acreage and production evidence initially provided.
 - (3)(b) A copy of the notification for which the reconsideration is requested.
 - (3)(c) A statement of why the insured thinks the determination is not correct and any additional evidence supporting such statement.
 - (3)(d) The date on which notification of the approved APH yield was mailed or otherwise made available. This date must be documented by the return receipt from certified mail, a postmarked envelope used to transmit the approved yield, or by written verification of the date the approved APH yield was presented to the insured (by the provider) and how it was presented.
 - (3)(e) Contract number, agent/representative's name and the AIP's address.

- 11H **Notification of Right to Resolve Disputes.** If the AIP makes an adverse determination affecting a producer's guarantee or indemnity, the notification letter will be issued to the insured and include the producer's right to recourse:
- H(1) If the dispute is on a factual determination, the AIP will notify the insured in writing of their right to resolve the disagreement in accordance with the rules of the American Arbitration Association and provide all information necessary for the insured to take such actions (i.e., time limitation, places of contact, etc.).
 - H(2) If the dispute involves a GFP determination, the AIP will notify the insured in writing of his/her right to seek an RMA reconsideration in accordance with Section 20 of the BP and 7 C.F.R. part 400, subpart J, and will provide all information necessary for the insured to take such action (i.e., time limitation, places of contact, information required, etc.).
 - H(3) The right to take legal action. The AIP will notify the insured in writing of their right to bring legal action after complying with all policy provisions and provide all information necessary for the insured to take such actions i.e., time limitation, places of contact, etc.

12 ACTUARIAL DATA

12A Actuarial Document Information: RMA publishes by filing date by year:

12B State Price Addendum: published by eligible crops by insurance plan:

12C County Actuarial Document Book (CADB): published by eligible crop by insurance plan:

C(1) Special Provisions of Insurance:

The SPOI are contained in the CADB and must be explained or provided to the insured. They contain information specific to individual crop policy. The SPOI include:

(1)(a) Insurable P/T/V.

(1)(b) Program dates by P/T/V if applicable: Sales Closing, Final Planting, Acreage Reporting, and Billing.

(1)(c) Other information specific to crop policies for the state and county.

C(2) FCI-35 County Coverage and Rates Table:

This document (varies by crop) provides risk class, rates and coverage for crops, Transitional Yield and YA Substitution Table.

(2)(a) Classification Documents for some crops:

If the unit is located in more than one risk classification area, separate line entries must be recorded on the acreage report for each separate classification rate.

1 FCI-32, Crop Insurance Actuarial Classification Listing: The document is used to assign classifications (based on land or management) by individual listings. The accompanying rules page will clarify whether the FCI-32 is the primary classification mechanism or supplements and takes precedence over another document (example FCI-35, FCI-33).

FCI-32, Supplement: Used primarily to convey minor changes to the FCI-32. The FCI-32 Supplement takes precedence over the FCI-32.

2 FCI-33, Actuarial Map: A detailed map indicating the classifications for the actuarial structure of a county. It may consist of one or multiple pages and a rules page. It also identifies high-risk or unrated land, when applicable. Maps are also used as T-Yield locator documents or may authorize deviations from the basic actuarial structure. Classifications assigned by the FCI-33 are used with the FCI-35 to determine rates and coverage.

- 3 FCI-33, Supplement: Supplements are limited listings of classification exceptions. The FCI-33 Supplement takes precedence over the FCI-33 Actuarial Map, if applicable.
- 4 FCI-33, Legal Descriptor: Used in place of a FCI-33, Actuarial Map. It may consist of one or multiple pages and a rules page. It identifies legal descriptions within the county. Classifications assigned by the FCI-33 L are used with the FCI-35 County Actuarial Coverage and Rate Table in determining coverage and rates.

13 APH YIELD ADJUSTMENT

For APH yield calculation purposes, the Agricultural Risk Protection Act (ARPA) of 2000 allows producers to substitute 60 percent of the applicable T-Yield for actual yields (does not apply to assigned and temporary yields) that are less than 60 percent of the applicable T-Yield to mitigate the effect of catastrophic year(s). Insureds may elect the APH Yield Adjustment (YA) and substitute 60 percent of the applicable T-Yield for low actual yields caused by drought, flood, or other natural disasters.

13A APH Yield Adjustments (including yield substitutions).

- A(1) **Must be elected no later** than the applicable production reporting date (PRD) for the crop.
- A(2) **Are made by** crop/county/database/individual actual yield basis by year.
- A(3) **Are continuous** and will remain in place unless cancelled. Unless the insured notifies the AIP by the **PRD**, substituted yields elected in prior crop years will apply. [See D(3) and D(7)(b)4] for instructions on selecting the method to calculate approved APH yields.]
- A(4) **Are applicable to Category B (annual) and Category C (perennial)** APH crops.

13B Cancelling APH Yield Adjustments. The entire YA election or individual yearly yield substitutions within APH databases may be cancelled by the insured

- B(1) **Cancellations must be made no later** than the applicable PRD for the crop year.
- B(2) **If YA elections or individual yearly yield substitutions are cancelled**, actual yields will be used to calculate APH yields. However:
 - (2)(a) **If yield substitution(s) were applicable the previous APH crop year**, cups do not apply when calculating the current year's approved APH yields [see Sec. 6, Par. I and Sec. 7, Par. J(5)].
 - (2)(b) **Yield floors** are applicable, for Category B APH crops only, based on a percentage of the applicable T-Yield for the P/T/V/TMA using the number of years of actual/assigned yields provided for the crop and county.
- B(3) **If an election** was made to substitute yields for multiple years, an insured may cancel the substitution for any or all year(s).
- B(4) **If the crop's policy is transferred** to another AIP (or cancelled and rewritten) the APH yield adjustment election will be considered cancelled.

13C Reporting Requirements.

- C(1) **Insureds must** continue to provide to their AIPs, production reports (APH forms) indicating actual acres and production (including production reports for zero planted units) by crop, unit, P/T/V, and TMA, and must be filed no later than the PRD.
- C(2) **AIPs must** continue to establish APH yields and maintain APH databases and report the actual production history to RMA. AIPs will submit to RMA the Type 15 Yield Record through DAS containing:
- (2)(a) Approved APH yield;
 - (2)(b) Rate yield;
 - (2)(c) Applicable T-Yields other than those indicated by the Actuarial Data Master (Y-record) [see Par. D(1)(a-e) below].
 - (2)(d) Option code (YA) indicating that yield adjustments were elected;
 - (2)(e) Yield limitation flag (09) identifying each approved APH yield that has been adjusted under the election;
 - (2)(f) Yield descriptors [see Ex. 5] to determine applicable yield descriptor.
 - (2)(g) Other Information and codes required by the DAS and indicated by the Appendix III, Data Acceptance System Handbook.
 - (2)(h) Average APH Yield.

13D Calculating Approved APH Yields Under the Election.

- D(1) **T-Yields** used for yield substitution purposes are those contained on the actuarial documents or, if applicable, other T-Yields calculated under APH procedures such as:
- (1)(a) Simple average T-Yields for added land or new crop/P/T/V;
 - (1)(b) Determined factored irrigated T-Yields;
 - (1)(c) Personal T-Yields "Montana Pilot Program";
 - (1)(d) T-Yields assigned by RMA RO's, and
 - (1)(e) Perennial Crop weighted average T-Yields.

AIPs must identify and maintain such **other** T-Yields as long as they are needed for yield adjustment purposes. **When a policy is transferred to another AIP, this information must be provided as part of the APH record.** Once these T-Yields are no longer needed in the APH database (replaced by four actual/assigned yields) yield substitutions for any subsequent crop years in the database will be calculated from the applicable published T-Yield.

- D(2) **Applicable Crop Year T-Yields for Category B and C APH Crops.** Yield substitutions for new and carryover insureds are based on the T-Yield in place, corresponding to the crop years contained in APH databases as follows:
- (2)(a) **2001 Crop Year T-Yields.** Substitute yields for the 2001 and prior APH crop years will be based on the 2001 crop year T-Yields (e.g., if actual yields are reported for the 1995-2001 APH crop years, 60 percent of the 2001 T-Yield will be used to determine substitute yields for the 1995-2001 APH crop years).
- (2)(b) **2002 and Subsequent Crop Year T-Yields.** Any substitute yields for the 2002 and subsequent APH crop years will be based on the 2002 and respective subsequent crop year T-Yields (e.g., when calculating the approved APH yield for the 2005 crop year, yield substitutions for the 2002 APH crop year will be 60 percent of the 2002 T-Yield, yield substitutions for the 2003 APH crop year will be 60 percent of the 2003 T-Yield, yield substitutions for the 2004 APH crop year will be 60 percent of the 2004 T-Yield).
- (2)(c) **New P/T/V T-Yields.** Beginning with the 2002 crop year, when coverage is initially established for a P/T/V on the actuarial document, 60 percent of the T-Yield for the new P/T/V will be used to determine substitute yields for that APH crop year and for prior APH crop years (e.g., a new practice was established for 2003 therefore, 60 percent of the 2003 T-Yield is used for 2003 and prior APH crop year yield substitutions). Substitute yields for subsequent APH crop years will then be 60 percent of respective subsequent crop year T-Yield.
- (2)(d) **Category C APH Crops, when T-Yields or Weighted Average T-Yields are based on age and density:** Determine age for 2006, for each prior year, subtract one year, for each subsequent year add one year. For YA use the applicable age for the crop year.
- Any applicable factors (i.e., FCI-33L) should be applied and yield adjustment such as "K" for percent stand is applicable based upon the current reported or determined percent stand.
- For example, if the actual yields are reported for the 2001-2005 APH crop years, the 2006 T-Yield or weighted average T-Yield age will be reduced by one year for each prior year in determining the proper yield substitution. If the age for 2006 is determined to be 10, the 2005 age would be 9 ($10-1 = 9$), for 2004 age would be 8 ($10-2 = 8$), for 2003 age would be 7 ($10-3 = 7$), for 2002 age would be 6 ($10-4 = 6$), and 2001 age would be 5 ($10-5 = 5$). In subsequent years, 1 year will be added for each year. In this example to determine the 2003 yield substitution for age (7) by density P/T/V/TMA or other characteristic refer to the Transitional Yield and YA Substitution Table. Yield substitution for the 2003 APH crop year will be 60 percent of the applicable 2003 T-Yield, determined using the 2006 reported age, any applicable factor and yield adjustment.
- (2)(e) **T-Yield Not Available.** If a T-Yield is not available for a crop year in which the producer seeks to substitute a yield, contact the RMA RO to obtain an assigned T-Yield for that crop year.

D(3)

For Category B APH Crops [see Par. D(7) for Category C Crop instructions] the first crop year yield substitution(s) are elected (or if all applicable yield substitution(s) cancelled for at least one APH crop year) for each APH database :

(3)(a) Make the following calculations:

- 1 Calculate the average adjusted APH yield by substituting 60 percent of the applicable T-Yield for eligible actual yields that are less than 60 percent of the applicable T-Yield (yield substitutions);
- 2 Calculate the cupped yield, if applicable [See Sec. 6 Par. I for additional instructions];
- 3 **(NACAT→** Calculate the yield floor (not applicable for CAT coverage), if applicable [See Sec. 6 Par. I for additional instructions]. **←NACAT)**

(3)(b) Each insured may choose by the PRD, the method, by unit/P/T/V and actual yields to be substituted (crop year) within a database, to determine the approved APH yield:

- 1 For CAT coverage, the average adjusted APH yield or the cupped yield, if applicable, as calculated under APH procedure.
- 2 For additional coverage, the average adjusted APH yield or the higher of the yield floor or cupped yield, if applicable, calculated under APH procedure.

(3)(c) Approved APH yields calculated when yield substitutions elected are NOT eligible for cups or yield floors.

D(4) **Malting Barley**. YA, if elected, applies to actual yields contained in feed Barley APH databases when Malting Barley Option A or B is elected. It does not apply to actual yields contained in Malting Barley databases under Option A.

D(5) **If Master Yields are applicable**, make yield substitutions after the individual unit data have been summarized on the Master Yield Summary. Separate Master Yields are required for TMA, designated homogeneous Master Yield areas, and by P/T/V. [See Exhibit 7 for Master Yield instructions and Exhibit 7, Par. 3D specifically for APH Master Yield Summary Form requirements].

(5)(a) AIPs must submit ONE Type 15 Yield Record (Master Yield Summary Record) for EACH Master Yield to RMA. The Master Yield Summary Record must contain the SUMMARIZED data prior to APH adjustments. RMA will validate Master Yield Summary Records for which yield substitutions are applicable. It is NOT necessary to submit individual unit Type 15 records. For data reporting/processing purposes:

- 1 Each Master Yield will be assigned a Master Yield summary record number.
- 2 The Master Yield summary record number will be entered on the Type 11 acreage record (by line) to identify the applicable approved Master Yield.

(5)(b) Yield substitutions, approved yields, and rates will be determined at the Master Yield level.

- D(6) **For a Summerfallow (SF) practice** [using the special instructions in Sec. 6, Par. J(15)(h)3], make yield substitutions (if applicable) to both the SF practice and the continuous cropping practices (CC) using 60 percent of the respective practice's applicable T-Yield prior to determining the "higher" yield to be used for the SF practice. Continue to duplicate the CC data if higher, identify it as SF, and submit the duplicated data (Type 15 record) to RMA.
- D(7) **Additional instructions for Category C APH (perennial) crops.** APH adjustments will be made as follows:
- (7)(a) The AIP will calculate approved APH yields if the Pre-acceptance Field Inspection [Sec. 7, Par. F(1)] or the Pre-acceptance Selection Criteria [Sec. 7, Par. F(2)] is met or exceeded following the formula provided unless the RMA RO issues guidelines indicating how the approved APH yields will be calculated and gives AIPs the authority to calculate the approved APH yields.
- 1 Variability of actual yields [Sec. 7, Par. F(2)(b)] must be determined prior to determining eligibility for yield substitutions.
 - 2 The RMA RO or AIP will make appropriate adjustments to APH average yields.
 - a Under [Sec. 7, Par F(2)(b)1 or 3] when alternate bearing cycles are identified. However, once alternate bearing cycles are identified yield substitutions will not be made for low yields occurring during the alternate bearing cycle.
 - b Under [Sec. 7, Par F(2)(b)2], if yields are declining (e.g., past peak production, orchard/grove/vineyard/bog is diseased, in poor condition, being renovated, etc.). Yield substitution will not be made for low yields due to decline.
- (7)(b) Yield substitutions will be made for actual yields reported on APH Forms/Type 15 records for yields that qualify, based upon 60 percent of the T-Yield or weighted average T-Yield applicable for the year.
- When uninsurable acreage, not meeting the crop provision requirements, is commingled,(e.g., the database contains acreage that does not meet crop provisions requirements for age), production is commingled for P/T/V/TMA or other characteristic, yield adjustment was made on the unit or block, are not eligible for yield substitution.
- 1 Some perennial crop T-Yields are established for specified ages, variety, densities etc. As the crop's age changes, different T-Yields apply; however, substitute yields will be based on 60 percent of the variable T-Yield for the age for individual crop years as indicated in [Par. 13D(2)].
 - 2 Weighted average T-Yields are applicable T-Yields for yield substitution purposes. They are not "set" and may change from year to year. A weighted average T-Yield [See Weighted Average T-Yield Worksheet, Exhibit 16 Examples] for the current crop year must be calculated for each APH yield/Type 15 record, if more than one T-Yield is applicable (e.g., different ages, variety, density, types, etc. that have different T-Yields are applicable).

Substitute yields based on weighted average T-Yields will be based on 60 percent of the weighted average T-Yield calculated for individual crop years as indicated in [Par. 13D(2)].

- 3 If significant changes have occurred to Trees/Vines/Bushes/Bogs as identified on the 12-PAW Producer's Pre-Acceptance Worksheet; 12-P Pre-acceptance Inspection Report; and the applicable Crop Addendum Worksheet, then questions concerning appropriate T-Yields on which to base the applicable T-Yield for yield substitution purposes, may be referred to the RMA RO.
- 4 Sixty percent of the applicable T-Yield will be substituted for actual yields that are less than 60 percent of the applicable T-Yield due to drought, flood, or other natural disasters.] The first crop year yield substitution(s) are elected (or if all applicable yield substitution(s) cancelled for at least one APH crop year) for each APH database:
 - a Calculate the average adjusted APH yield (after yield substitutions are made);
 - b Calculate the cupped yield if applicable (cups will not apply to prior year's approved APH yields calculated using yield substitutions);
 - c Calculate the weighted average APH yield using **Weighted Average "T" Yield** Worksheets, if applicable.
 - d Each insured may choose by the PRD the method used to determine the approved APH yield, either the average adjusted APH yield or, if applicable, the higher of the cupped yield or the average APH yield calculated under APH procedure.
- 5 APH yields (databases) that do not contain yield substitutions remain eligible for cups, consistent with current procedure.

D(8) **DAS will process the data** and verify that approved APH yields for which yield substitutions were made are calculated correctly.

13E **Determining premium rates.**

If the approved APH yield calculation chosen by the insured (by unit/P/T/V/"T" Map area, etc.) includes at least one 60 percent T-Yield that was substituted for an actual yield:

- E(1) **For continuous rated crops and counties**, the rate yield (average APH yield prior to any yield substitutions) is used to determine the premium rate. The average yield for continuous rated crops is divided by the current year's reference yield to determine current year's yield ratio and the result (rounded to nearest hundredth) is then used in the continuous rating formula. The approved yield will be used to determine the amount of coverage owed and the premium rate is increased to cover the additional risk associated with the substitution of higher yields.
- E(2) **For crops and counties not utilizing continuous rating methodology**, a 5 percent (1.05 factor) surcharge will be applied to the premium calculation unless the actuarial document indicates an APH adjustment surcharge. If an APH adjustment surcharge is indicated, the APH adjustment surcharge will apply to the premium calculation.

13F Yield Adjustment Examples:

Example of Elected APH Adjustments

In this example, the 2002 and prior years' RMA T-Yield was 97 bushels, the 2003 RMA T-Yield is 105 bushels, the 2004 and 2005 RMA T-Yields are 110. The prior year's APH yield was 117 bushels which was calculated using YA/yield substitutions. Insured has elected APH YA/substitutions for crop years 1996, 2002 and 2005. Insured is eligible for APH Adjustment for crop year 2004; however, the insured did not elect the adjustment for crop year 2004.

APH Calculation Without YA/Substitutions

| Crop Corn | Practice NI | Type GR | Unit 00101 |
|--------------|----------------|------------|---------------|
| Year | Prod | Acres | Yield |
| 1996 | 10850 | 70.0 | A155 |
| 1997 | 16000 | 100.0 | A160 |
| 1998 | 0 | 90.0 | A0 |
| 1999 | 7700 | 55.0 | A140 |
| 2000 | 11375 | 65.0 | A175 |
| 2001 | 13178 | 125.5 | A105 |
| 2002 | 0 | 100.0 | A0 |
| 2003 | 6000 | 100.0 | A63 |
| 2004 | 3510 | 90.0 | A39 |
| 2005 | 0 | 100.0 | A0 |
| | | Total | 837 |

APH Calculation With YA/Substitutions

| Crop Corn | Practice NI | Type GR | Unit 00101 |
|--------------|----------------|------------|---------------|
| Year | Prod | Acres | Yield |
| 1996 | 10850 | 70.0 | A155 |
| 1997 | 16000 | 100.0 | A160 |
| 1998 | 5220 | 90.0 | A0/58* |
| 1999 | 7700 | 55.0 | A140 |
| 2000 | 11375 | 65.0 | A175 |
| 2001 | 13178 | 125.5 | A105 |
| 2002 | 5800 | 100.0 | A0/58* |
| 2003 | 6000 | 100.0 | A63 |
| 2004 | 3510 | 90.0 | NA39** |
| 2005 | 0 | 100.0 | A0/66*** |
| | | Total | 1019 |

| Method: | Avg Yld | Yld Floor | Cup | Adj APH |
|----------|-----------|--------------|-----|---------|
| Yield: | 837÷10=84 | 110x .8 = 88 | NA | NA |
| Premium: | \$9.27 | \$9.37 | | |

| Method | Avg Yld | Yld Floor | Cup | Adj APH |
|----------|---------|-----------|-----|--------------|
| Yield: | 84 | 88 | NA | 1019÷10 =102 |
| Premium: | | | | \$11.61 |

In the example above, the average yield prior to yield adjustment is 84 bushels. After YA/substitutions, the approved APH would be 104 bushels. If the insured chose not to apply YA/substitutions, the approved APH yield would be 88 using the yield floor (cups do not apply because the prior year's APH was based on YA/substitutions.

* 60 percent of the 2002 T-Yield.

** 2004 yield substitution not elected.

***60 percent of the 2005 T-Yield.

13G Reserved.

14 APH REVIEW REQUIREMENTS**14A APH Field Reviews.**

AIPs are required to conduct annual APH tolerance reviews [See Guidelines and Expectations for Delivery of the Federal Crop Insurance Program ([Appendix IV](#)) for APH tolerance review requirements.] Tolerances are established for each crop Category. They are stated in terms of percent difference. The percent difference for an actual yield for a crop year is calculated by dividing the difference of the two yields by the actual yield determined to be correct by the reviewer. Each actual yield(s) that was certified to calculate the current year's APH is reviewed (this does not include actual yield(s) for crop year(s) used to calculate the previous year's APH). A discrepancy in excess of the **percent tolerance for the crop category** requires a revised APH form and a completed review report. Calculate a separate percent difference for each yield certified by unit by P/T/V, group, FSA FSN, etc., requiring separate APH yields.

The percent difference for an approved APH yield is calculated by dividing the approved APH yield (Item 21) for the current crop year by the APH yield determined to be correct by the reviewer. A correction to the approved APH yield must be made for the current crop year if the correction changes the APH Yield (prior to rounding) by more than the **tolerance established for the crop category**. If the change to the approved yield (item 21) for the current crop year would be less than the **tolerance for the crop category**, the correction is made for the following crop year. The cup procedures do not apply to the corrected approved APH yield.

Any production report listing an incorrect T-Yield as the approved APH yield **or misreported claim determinations** must be corrected for the current crop year.

A(1) The RMA RO/AIP may also request an APH review on any unit that has a yield which appears to be excessive, based on:

(1)(a) Established tolerances.

(1)(b) Personal knowledge of the producer's farming operation.

(1)(c) Actual yields on neighboring farms that have similar productive characteristics.

(1)(d) Unique circumstances that may have affected the crop on the unit but did not affect the majority of the other farms in the county.

A(2) Tolerances for the crop categories are:

(2)(a) Categories "D", "E", "F", "G" have a tolerance of zero. Any discrepancy discovered will be corrected for the current crop year. [See Sec. 8 for eligible crops in Categories "D", "E", "F", and "G".]

(2)(b) Category "B" crops not listed in [B(3)] have a five (5) percent tolerance. [See Sec. 6B for a list of eligible Category "B" crops.]

(2)(c) The following Category "B" and "C" crops have a two (2) percent tolerance. Almonds, Apples, Blueberries, Processing Beans, Citrus (Arizona-California), Cranberries, Dry Beans (bush varieties for garden seed), Figs, Forage Production, Grapes, Macadamia Nuts, Millet, Onions, Peaches, Pears, Peas (except for Contract Seed Peas), **Pecan Revenue**, Plums, Potatoes (Northern and Southern), Prunes, Sugar Beets, Sugarcane, Stonefruit, Processing Sweet Corn, Table Grapes, Texas Citrus Fruit, Guaranteed Production **and Quota** Tobacco, Tomatoes (Processing and Fresh Market Guaranteed Production Plan) and Walnuts.

14B Maximum Yield Reviews.

AIPs shall review and verify any approved or annual yield record identified by RMA as exceeding specified levels to determine reasonableness and accuracy.

B(1) **A measure of reasonableness and accuracy** would be the comparability of the yield to the county average yield for that year. If the yield is not considered reasonable and accurate based upon this comparison, an examination of production and acreage reports, and other supporting documents, would be appropriate to determine if the yield certified by the producer is acceptable [See Appendix IV Section III C (2) for additional guidance].

B(2) **For Category B and Category C crops** where T-Yields published in the applicable county actuarial documents are available:

(2)(a) Yield records will be rejected and an error message will be generated if the approved or annual yields contained within the yield record exceed the lower level yield validation threshold.

1 For yield records with approved or annual yields that exceed the lower level validation threshold but do not exceed the maximum acceptable level for the state/county/ crop/practice/type:

a The AIP must conduct an underwriting review to determine if the yield is reasonable and accurate.

b After determining the yield is reasonable and accurate, the yield record may be resubmitted to DAS with the review flag indicator set.

c Resubmission of yield records with the review flag indicator set is considered confirmation by RMA that an appropriate underwriting review has occurred and confirmed that the yields are reasonable and accurate.

2 RMA will monitor DAS to assure compliance with these requirements.

(2)(b) Yield records with approved or annual yields exceeding the maximum acceptable level will not be accepted by DAS, except as authorized by RMA. Review requirements for actual annual and approved yields exceeding the maximum yield edit level and requirements for requests to increase the maximum yield edit level are as follows:

1 AIPs are required to complete APH record reviews for each crop year that excessive actual yields are reported. Supporting records for ALL databases that comprise the basic unit that contains at least one excessive actual yield must be reviewed (e.g., a basic unit consisting of three optional units, one of which contains an excessive actual yield, must have an APH review conducted on all three optional units). If an insured:

- a** Provides verifiable records [see definition of production report and Sec. 10] to support excessive actual yields that are significantly different than other insureds' actual yields for the crop/P/T/V in the county or other actual yields reported for the insured's farming operation. Appraisals exceeding the maximum yield edit level are not acceptable [see Sec. 10 par. D(1)].
 - b** Provides a valid basis to support the differences in yields if the yield is significantly different from the other yields for the crop/P/T/V in the county or other yields for the crop/P/T/V of the insured.

 - i** Valid basis to support differences in yields from other crop/P/T/V yields would include factors such as significantly different production capabilities of soils, or differing weather conditions.
 - ii** Valid basis to support differences in yields from other crop/P/T/V yields would not include factors such as significantly smaller acreage, or intensely farmed acreage.
- 2** If upon conclusion of an APH review, the AIP determines an insured provided verifiable hard copy records to support the yield and a valid basis to support difference between yields, the AIP may submit to RMA a request to increase the maximum yield edit level. Any request that does not contain all elements listed below will be rejected. For the request to be considered, the following must be included:
- a** Request for increase in the maximum yield edit level;
 - b** Certification of the accuracy of the insured's yield by AIP;
 - c** Copy of the AIP's underwriting review (including review of all optional units within the basic unit containing the APH database with excessive yield);
 - d** Copy of verifiable production records and acreage verification for the excessive yield;
 - e** Documentation of valid basis to support difference between other crop/P/T/V yields of the insured or other crop/P/T/V yields in the county; and
 - f** Any other documentation supporting request.

- 3** RMA will determine, based upon the information submitted by the AIP, whether there is a valid basis for the difference between other yields in the county and the excessive yield of the insured.
- a** If there is a valid basis and an increase is justified, RMA will modify the maximum yield level and notify the AIP accordingly.
- b** If RMA determines there is not a valid basis, the AIP will be notified the maximum yield level will not be modified and the excessive yield must be adjusted in accordance with [Ex. 6].
- B(3)** **If the insured provides verifiable production records** but cannot provide a valid basis for significant differences between yields for any yield exceeding the lower or maximum level edit and the AIP cannot determine the yield is reasonable or acceptable, use the process in [Ex. 6] to adjust/reduce the yield.
- B(4)** **As part of the excessive yield review process**, if the insured does not provide production records or the records are unacceptable or unverifiable and it is within the record retention period, assigned yields procedures will apply.
- B(5)** **Refer to the [Appendix III of the SRA]** for additional information concerning yield edits and record submission requirements.

14C **Additional Reviews.**

[See Section 9 B(6)] for additional APH reviews that may be required.

2006 CROP POLICY INFORMATION

| Crops | FCIC | | NCIS | | ***Crop Category, APH Yield Tolerance | Late Planting (L) Prev. Planting (P) | *Replant | Unit of Measure | **Enterprise (E) *Optional(O) **Basic (B) Unit | *High-Risk Land Ex.Opt. |
|---|--------|--------------------|------------------|-----------------|---------------------------------------|--------------------------------------|----------|-----------------|---|-------------------------|
| | Policy | Crop Provisions | Basic Provisions | Crop Provisions | | | | | | |
| Almonds | 05-BR | 01-028 | 2005 700-B | 719 | C 2% | | | Lbs | B/O | Yes <u>1</u> |
| Apples | 05-BR | 05-54 Rev 10/04 | 2005 700-B | 721 | C 2% | | | box/bu | B/O | Yes <u>1</u> |
| Avocados (Pilot - California Only) | 05-BR | 02-0019 | 2005 700-B | 711 | Rev. | | | \$/lbs | B/O | Yes <u>1</u> |
| Avocados (Pilot - Florida Only) | 05-BR | 99-019A | 2005 700-B | 808 | C 2% | | | Bu | B/O by Type | Yes <u>1</u> |
| Avocado/Mango Tree (Pilot Florida Only) | 05-BR | 01-0212 | 2005 700-B | 804 | D 0% | | | \$/per tree | B/O by County | Yes <u>1</u> |
| Beans, Dry | 05-BR | 98-047 | 2005 700-B | 712 | B 2% (BV) 5% (other) | L/P | Yes | Lbs | B/O/O by Type | Yes <u>1</u> |
| Beans, Fresh Market (Pilot) | 05-BR | 03-0415 | 2005 700-B | 826 | D 0% | | Yes | \$/bu | B/O | Yes <u>1</u> |
| Beans, Processing | 05-BR | 98-046 | 2005 700-B | 704 | B 2% | L/P | | Ton | B/O/O by Type | Yes <u>1</u> |
| Blueberries | 05-BR | 05-012 | 2005 700-B | 794 | C 2% | | | lbs | B/O by Type <u>2</u> | Yes <u>1</u> |
| Cabbage (Pilot) | 05-BR | 00-072 | 2005 700-B | 810 | B 2% | | Yes | cwt | B/O | Yes <u>1</u> |
| Canola/Rapeseed | 05-BR | 98-015 | 2005 700-B | 795 | B 5% | L/P | Yes | Lbs | B/O | Yes <u>1</u> |
| Cherries (Pilot) | 05-BR | 01-057 | 2005 700-B | 812 | D 0% | | | \$/lbs | B/O | Yes <u>1</u> |
| Chile Peppers, (Pilot) | 05-BR | 00-045 | 2005 700-B | 832 | D 0% | | | \$/lbs | B/O by Type by County | Yes <u>1</u> |
| Citrus (AZ & CA) | 05-BR | 00-126 | 2005 700-B | 731 | C 2% | | | carton | B by Crop/O | Yes <u>1</u> |
| Citrus Dollar, California (Pilot) (Navel Oranges) | 05-BR | 2002-0215 51 | 2005 700-B | 836 | D 0% | | | \$/Ctn | B/O | Yes <u>1</u> |
| Citrus Fruit, Florida | 05-BR | 99-026 | 2005 700-B | 724 | D 0% | | | \$/box | B by Crop//O | Yes <u>1</u> |
| Citrus Fruit, Texas | 05-BR | 00-226 | 2005 700-B | 733 | C 2% | | | Ton | B by Crop/O | Yes <u>1</u> |

1 Requires insured's signature, refer to CADB

2 Optional units allowed by type if on SPOI

* Applies to additional coverage only

** Basic Unit Discount and/or Enterprise Units if provided for in the SPOI

*** Yield tolerance for APH field reviews

EXHIBIT 1
2006 CROP POLICY INFORMATION

| Crop | FCIC | | NCIS | | ***Crop Category, APH Yield Tolerance | Late Planting (L) Prev. Planting (P) | *Replant | Unit of Measure | **Enterprise (E) *Optional(O) **Basic (B) Unit | *High- Risk Land Ex. Opt. |
|--|--------|-------------------|------------------|-----------------|---------------------------------------|--------------------------------------|----------|-----------------|--|---------------------------|
| | Policy | Crop Provisions | Basic Provisions | Crop Provisions | | | | | | |
| Citrus Tree, Texas | 05-BR | 99-025 | 2005 700-B | 737 | D 0% | | | \$ | B/O | Yes 1 |
| Clams, Cultivated (Pilot) | 05-BR | 2004-0116 | 2005 700-B | 882(9-03) | D 0% | | Yes | AQ \$/per clam | B/O | Yes 1 |
| Coarse Grains (Corn, Soybeans, Gr.Sorg.) | 05-BR | 98-041 | 2005 700-B | 702 | B 5% | L/P | Yes | bu/ton | B/O/E | Yes 1 |
| Cotton | 05-BR | 99-021 | 2005 700-B | 703 | B 5% | L/P | | lbs | B/O/E | Yes 1 |
| Cotton, ELS | 05-BR | 99-022 | 2005 700-B | 745 | B 5% | P | | lbs | B/O | Yes 1 |
| Cranberries | 05-BR | 99-058 | 2005 700-B | 742 | C 2% | | | barrel | B/O | Yes 1 |
| Cucumbers, Processing (Pilot) | 05-BR | 00-0106 | 2005 700-B | 834 | D 0% | | | \$/bu | B ₂ /O | Yes 1 |
| Figs | 05-BR | 01-060 | 2005 700-B | 792 | C 2% | | | lbs | B by Type/O | Yes 1 |
| Florida Fruit Tree (Pilot) | 05-BR | 00-014 | 2005 700-B | 748 (12-99) | D 0% | | | \$/per tree | B/O by County | Yes 1 |
| Forage Production | 05-BR | 01-033 (Rev 3-00) | 2005 700-B | 729 | B 2% | | | Ton | B/O | Yes 1 |
| Forage Seed (Pilot) (Alfalfa) | 05-BR | 02-0107 | 2005 700-B | 886 | B 5% | | | lbs. | B/O | Yes 1 |
| Forage Seeding | 05-BR | 04-032 | 2005 700-B | 730 | D 0% | | Yes | \$ | B/O | Yes 1 |
| Grapes | 05-BR | 00-053 | 2005 700-B | 717 | C 2% | | | ton | B/O/Variety ₃ | Yes 1 |
| Grapes, Table | 05-BR | 01-052 | 2005 700-B | 741 | C 2% | | | lug | B/O/Variety ₃ | Yes 1 |
| Hybrid Seed Corn | 05-BR | 98-062 | 2005 700-B | 738 | D 0% | L/P | | bu | B/O | Yes 1 |
| Hybrid Sorghum Seed | 05-BR | 98-050 | 2005 700-B | 797 | D 0% | L/P | | bu | B/O | Yes 1 |
| Macadamia Nuts | 05-BR | 00-023 (Rev 6-98) | 2005 700-B | 790 | C 2% | | | lbs | B/O | Yes 1 |
| Macadamia Trees | 05-BR | 99-024 (Rev 6-98) | 2005 700-B | 791 | D 0% | | | \$ | B/O | Yes 1 |
| Millet | 05-BR | 03-017 | 2005 700-B | 789 | B 2% | L/P | | bu | B/O | Yes 1 |

1 Requires insured's signature, refer to CADB

2 Basic unit by planting period

3 Basic unit by variety in CA/Optional units by non-contiguous land only - All other states B/O units*

*Applies to additional coverage only

** Basic Unit Discount and/or Enterprise Units if provided for on the County Coverage and Rate.

*** Yield tolerance for APH field reviews

2006 CROP POLICY INFORMATION

| Crop | FCIC | | NCIS | | ***Crop Category, APH Yield Tolerance | Late Planting (L) Prev. Planting (P) | *Replant | Unit of Measure | ***Enterprise(E) *Optional(O) **Basic (B) Unit | *High-Risk Land Ex. Opt. |
|----------------------------------|--------|--------------------|------------------|-----------------|---------------------------------------|--------------------------------------|----------|---------------------------|--|--------------------------|
| | Policy | Crop Provisions | Basic Provisions | Crop Provisions | | | | | | |
| Mint (Pilot) | 05-BR | 04-074 | 2005 700-B | 828 | B 2% | | | lbs | B/O by County | Yes <u>1</u> |
| Mustard (Pilot) | 05-BR | 99-069 | 2005 700-B | 816 | B 2% | L/P | Yes | lbs | B/O by County <u>4</u> | Yes <u>1</u> |
| Nursery (Container/ Field Grown) | 05-BR | 06-073 (Rev 06-05) | 2005 700-B | 782 | G 0% | | | Plant Value | <u>B</u> | Yes <u>1</u> |
| Onions | 05-BR | 00-013 (Rev 6-99) | 2005 700-B | 709 | B 2% | L/P | Yes | cwt | B/O/O by Type | Yes <u>1</u> |
| Peaches | 05-BR | 01-034 | 2005 700-B | 720 | C 2% | | | bu | B/O | Yes <u>1</u> |
| Peanuts | 05-BR | 99-075 (Rev 7/99) | 2005 700-B | 718(Rev10/04) | B 5% | L/P | Yes | lbs | <u>B/O</u> | Yes <u>1</u> |
| Pears | 05-BR | 01-089 | 2005 700-B | 715 | C 2% | | | Ton | B/O | Yes <u>1</u> |
| Peas, Dry | 05-BR | 99-067 (Rev 7-98) | 2005 700-B | 713D | B 5% | L/P | | lbs | B/O/O by Type | Yes <u>1</u> |
| Peas, Green | 05-BR | 98-064 | 2005 700-B | 713G | B 2% | L/P | | lbs | B/O/O by Type | Yes <u>1</u> |
| Pecan Revenue | 05-BR | 05-020 (Rev 10/04) | 2005 700-B | 802 | Rev. <u>2%</u> | | | \$/lbs | <u>E/B</u> | Yes <u>1</u> |
| Peppers, Fresh Market | 05-BR | 99-083 | 2005 700-B | 740 | D 0% | | Yes | box (1 1/9 bu) | B/O | Yes <u>1</u> |
| Plums | 05-BR | 01-092 | 2005 700-B | 706 | C 2% | | | lug | B/O | Yes <u>1</u> |
| Popcorn | 05-BR | 99-043 | 2005 700-B | 744 | B 5% | L/P | Yes | lbs | B/O | Yes <u>1</u> |
| Potatoes, Central/Southern | 05-BR | 99-284 | 2005 700-B | 734CS | B 2% | L/P | | cwt | B/O | Yes <u>1</u> |
| Potatoes, Northern | 05-BR | 98-184 | 2005 700-B | 734N | B 2% | L/P | | cwt | B/O | Yes <u>1</u> |
| Prunes | 05-BR | 01-036 | 2005 700-B | 747 | C 2% | | | ton | B/O ₂ | Yes <u>1</u> |
| Raisins | 05-BR | 98-037 | 2005 700-B | 723 | D 0% | | | ton | B by Variety/O ₃ | Yes <u>1</u> |
| Raspberry/Blackberry (Pilot) | 05-BR | 02-108 | 2005 700-B | 884 | D 0% | | | \$/Crate - CA lbs.-OR, WA | B/O <u>3</u> | Yes <u>1</u> |
| Rice | 05-BR | 01-018 | 2005 700-B | 716 | B 5% | L/P | Yes | lbs | B/O | Yes <u>1</u> |

1 Requires insured's signature, refer to CADB

2 Unless limited by CP or SP

3 Optional units only by non-contiguous land.

4 By type if allowed by SPOI

* Applies to additional coverage only

** Basic Unit Discount and/or Enterprise Units if provided for in the SPOI

*** Yield tolerance for APH field reviews

2006 CROP POLICY INFORMATION

| Crops | FCIC | | NCIS | | ***Crop Category, APH Yield Tolerance | Late Planting (L) Prev. Planting (P) | *Replant | Unit of Measure | **Enterprise(E) *Optional(O) **Basic (B) Unit | *High-Risk Land Ex. Opt. |
|--|----------|----------------------------|------------------|-----------------|---------------------------------------|--------------------------------------|--------------|-----------------|---|--------------------------|
| | Policy | Crop Provisions | Basic Provisions | Crop Provisions | | | | | | |
| Safflower | 05-BR | 98-049 (Rev 12-97) | 2005 700-B | 749(1-98) | B 5% | L/P | Yes | lbs | B/O | Yes <u>1</u> |
| Silage Sorghum (Pilot) | 05-BR | 05 Silage Sorghum <u>7</u> | 2005 700-B | 702/702SS | B 5% | L/P | Yes | ton | B/O | Yes <u>1</u> |
| Small Grains: (Wheat, Barley, Oats, Rye, Flax) | 05-BR | 04-011 | 2005 700-B | 714 | B 5% | L/P | Yes <u>2</u> | bu | B/O/E | Yes <u>1</u> |
| Stonefruit: Peaches, Apricots (Fresh/Process) Nectarines | 05-BR | 01-077 | 2005 700-B | 796 | C 2% | | | lug/ton | B/O by Type/Var | Yes <u>1</u> |
| Strawberries (Pilot) | 05-BR | 05-110 | 2005 700-B | 830 | D 0% | | | \$/lb | B by Type/O <u>6</u> | Yes <u>1</u> |
| Sugar Beets | 05-BR | 98-039 | 2005 700-B | 707 | B 2% | L/P | Yes | ton | B/O | Yes <u>1</u> |
| Sugarcane | 05-BR | 04-038 | 2005 700-B | 732 | B 2% | | | lbs | B/O | Yes <u>1</u> |
| Sunflower Seed | 05-BR | 98-078 | 2005 700-B | 708 | B 5% | L/P | Yes | lbs | B/O | Yes <u>1</u> |
| Sweet Corn, Fresh Market | 05-BR | 99-044 | 2005 700-B | 746 | D 0% | | Yes | container | B/O | Yes <u>1</u> |
| Sweet Corn, Processing | 05-BR | 98-042 | 2005 700-B | 728 | B 2% | L/P | | Ton | B/O | Yes <u>1</u> |
| Sweet Potatoes (Pilot) | 05-BR | 05-0085 | 2005 700-B | 806 | B 2% | | | cwt | B | Yes <u>1</u> |
| Tobacco, Guaranteed | 05-BR | 99-071 | 2005 700-B | 736 | B 2% | L | | lbs | B by/Share/Type O by FSN <u>3</u> | Yes <u>1</u> |
| Tobacco, Quota | 05-BR | 99-070 | 2005 700-B | 710 | B <u>2</u> % | L | | lbs | B by FSN | Yes <u>1</u> |
| Tomatoes, Fresh Market \$ | 05-BR | 99-086 | 2005 700-B | 739 | D 0% | | Yes | carton | B/O | Yes <u>1</u> |
| Tomatoes, Fresh Mkt. Guar. Prod | 05-BR | 99-186 | 2005 700-B | 722 | B 2% | | Yes | carton | B/O | Yes <u>1</u> |
| Tomatoes, Processing | 05-BR | 05-087 | 2005 700-B | 727 | B 2% | | Yes | ton | B/O | Yes <u>1</u> |
| Walnuts | 05-BR | 01-029 | 2005 700-B | 743 | C 2% | | | lbs | B/O | Yes <u>1</u> |
| Wild Rice, Cultivated (Pilot) | 05-BR | 99-055 | 2005 700-B | 820 | B 2% | | | lbs | B/O <u>5</u> | Yes <u>1</u> |
| Winter Squash (Pilot) | 05-BR | 00-0065 | 2005 700-B | 822 | D 0% | | | cwt | B/O | Yes <u>1</u> |
| CAT Endorsement | <u>4</u> | 05-CAT | <u>4</u> | 777 | | | | | | No |

1 Requires insured's signature, refer to CADB

2 Not available for fall planted types with only fall final planting dates

3 Basic unit by FSN (only in Wisconsin)

4 Endorsement attaches to specific crop policies or endorsements when CAT coverage is selected by insured

5 Basic only in MN - Basic Optional in CA

6 Optional units on contiguous land (unless limited by SPOI)

7 Attaches to 98-041/Coarse Grains CP

* Applies to additional coverage only if designated on Actuarial

** Basic Unit Discount and/or Enterprise Units if provided for in the SPOI

***Yield tolerance for APH field reviews

EXHIBIT 1
2006 CROP POLICY INFORMATION

| Group Risk Protection (GRP) <u>1</u> | FCIC | | NCIS | | Expected County Yield | Late Planting (L) Prev. Planting (P) | Replant | Unit of Measure | Unit by County(C)/ Basic (B)/ Optional (O) Enterprise (E) Whole Farm(WF) | High-Risk Land Ex.Opt. |
|---|---------------|---------------|-----------------|------------------|-----------------------|--------------------------------------|----------|-----------------|--|------------------------|
| | Crops | Policy | Crop Provisions | Basic Provisions | | | | | | |
| Barley | 05-102 | 00-191 | 2005-950 | 952 | Yes | | | bu | C | NO |
| Corn | 05-102 | 00-141 | 2005-950 | 954 | Yes | | | bu | C | NO |
| Cotton | 05-102 | 00-121 | 2005-950 | 956 | Yes | | | lbs | C | NO |
| Forage Production | 05-102 | 00-133 | 2005-950 | 942 | Yes | | | Ton | C | NO |
| Peanuts | 05-102 | 00-175 | 2005-950 | 960 | Yes | | | lbs | C | NO |
| Rangeland (Pilot) | 05-102 | 05-048 | 2005-950 | 943 | Yes | | | Ton | C | NO |
| Sorghum | 05-102 | 00-151 | 2005-950 | 962 | Yes | | | bu | C | NO |
| Soybeans | 05-102 | 00-181 | 2005-950 | 964 | Yes | | | bu | C | NO |
| Wheat | 05-102 | 00-111 | 2005-950 | 941 | Yes | | | bu | C | NO |
| PILOT INSURANCE PLANS (Selected States/Counties) | | | | | | | | | | |
| Group Risk Income Protection (GRIP) | | | | | | | | | | |
| Corn | 05-Grip Basic | 05- Grip Corn | 2005 950-GRIP | 954-GRIP | Yes | | | bu/\$ | C | NO |
| Soybeans | 05-Grip Basic | 05-Grip SB | 2005 950-GRIP | 964-GRIP | Yes | | | bu/\$ | C | NO |
| Grain Sorghum | 05-Grip Basic | 05-Grip GS | 2005 950-GRIP | 962-GRIP | Yes | | | bu/\$ | C | NO |
| Income Protection (IP) | | | | | APH/\$ | | | | | |
| Barley | 05-BR | 04-391 | 2005 700-B | 714B-IP | APH/\$ | L/P | | bu/\$ | E | NO <u>3</u> |
| Corn | 05-BR | 02-341 | 2005 700-B | 702C-IP | APH/\$ | L/P | <u>2</u> | bu/\$ | E | NO <u>3</u> |
| Cotton | 05-BR | 02-321 | 2005 700-B | 703-IP | APH/\$ | L/P | | lb/\$ | E | NO <u>3</u> |
| Grain Sorghum | 05-BR | 02-351 | 2005 700-B | 702G-IP | APH/\$ | L/P | <u>2</u> | bu/\$ | E | NO <u>3</u> |
| Soybeans | 05-BR | 02-381 | 2005 700-B | 702S-IP | APH/\$ | L/P | <u>2</u> | bu/\$ | E | NO <u>3</u> |
| Wheat | 05-BR | 04-311 | 2005 700-B | 714W-IP | APH/\$ | L/P | <u>2</u> | bu/\$ | E | NO <u>3</u> |

1 GRP may have written agreements to insure hybrid grain sorghum. Hybrid seed corn, popcorn, sweet corn, and other specialty corn as basic grain sorghum or basic corn using Request Code GP.

2 Available as Additional Coverage Only.

3 High-risk land not insurable under IP policy; However, may insure the High-risk land under an MPCl policy.

2006 CROP POLICY INFORMATION

| Crop Revenue Coverage (CRC) Crops | FCIC | | NCIS | | Plans | Late Planting (L) Prev. Planting (P) | Replant | Unit of Measure | Unit by County(C)/ Basic (B)/ Optional (O) Enterprise (E) Whole Farm(WF) | High-Risk Land Ex.Opt. |
|--|--------------|------------------------|------------------|-----------------|-------|--------------------------------------|---------|-----------------|--|------------------------|
| | Policy | Crop Provisions | Basic Provisions | Crop Provisions | | | | | | |
| Coarse Grains (Corn, Gr. Sorg., Soybeans) <u>1</u> | 05-CRC-Basic | 02-CRC-CG | 2005 700B-CRC | 702-CRC | APH | L/P | Yes | bu | B/O/E | Yes <u>2</u> |
| Cotton <u>1</u> | 05-CRC-Basic | 02-CRC-021 | 2005 700B-CRC | 703-CRC | APH | L/P | No | lbs | B/O/E | Yes <u>2</u> |
| Rice <u>1</u> | 05-CRC-Basic | 02-CRC-Rice | 2005 700B-CRC | 716-CRC | APH | L/P | Yes | lbs | B/O/E | Yes <u>2</u> |
| Wheat <u>1</u> | 05-CRC-Basic | 04-CRC-Wheat | 2005 700B-CRC | 714W-CRC | APH | L/P | Yes | bu | B/O/E | Yes <u>2</u> |
| Revenue Assurance Cov. (RA) Crops | | | | | | | | | | |
| Spring Feed Barley <u>1</u> | 05-RA | 04-RA-Barley | 2005 700B-RA | 714B-RA | APH | L/P | Yes | bu | B/O/E/WF | Yes <u>2</u> |
| Canola/Rapeseed <u>1</u> | 05-RA | 02-RA- Canola-CP | 2005 700B-RA | 795-RA | APH | L/P | Yes | lbs | B/O/E/WF | Yes <u>2</u> |
| Corn and Soybeans <u>1</u> | 05-RA | 04-RA- Corn & Soybeans | 2005 700B-RA | 702-RA | APH | L/P | Yes | bu | B/O/E/WF | Yes <u>2</u> |
| Cotton <u>1</u> | 05-RA | RA-03-Cotton | 2005 700B-RA | 703-RA | APH | L/P | No | lbs | B/O/E/WF | Yes <u>2</u> |
| Rice <u>1</u> | 05-RA | 03-RA-Rice | 2005 700B-RA | 716-RA | APH | L/P | Yes | lbs | B/O/E/WF | Yes <u>2</u> |
| Sunflower Seeds <u>1</u> | 05-RA | 02-RA- Sunflower -CP | 2005 700B-RA | 708-RA | APH | L/P | Yes | lbs | B/O/E/WF | Yes <u>2</u> |
| Wheat <u>1</u> | 05-RA | 04-RA- Wh | 2005 700B-RA | 714W-RA | APH | L/P | Yes | bu | Spring - B/O/E/WF Winter – B/O/E | Yes <u>2</u> |
| Adjusted Gross Revenue Agricultural Commodities | 05-AGR | N/A | 2005 980 | N/A | | | | \$ | WF | No |
| Adjusted Gross Revenue Lite | 05-AGR-L | N/A | 2005 982 | N/A | | | | \$ | WF | No |

1 Available as Additional Coverage Only

2 Requires insured's signature, refer to CADB

2006 CROP POLICY INFORMATION

| Livestock | FCIC Policy | | NCIS Policy | | Unit of Measure | Sales Closing | Coverage Levels | Contract Length | Policy Limits | Underwriting Capacity ¹ |
|---------------------------|-------------|----------------------|-------------|-----------|-----------------|---------------|-----------------|--|-------------------------------------|------------------------------------|
| | | | | | | | | | | |
| Livestock Risk Protection | 05-LRP | 04-LRP Swine | 902 | 903 (SCE) | Cwt | Daily | 70-95 | 13, 17, 21 or 26-week periods | 10,000 head/SCE or 32,000 head/year | 20,000,000 |
| Livestock Risk Protection | 05-LRP | 03 LRP Fed Cattle | 902 | 904 (SCE) | Cwt | Daily | 70-95 | 13, 17, 21, 26, 30, 34, 39, 43, 47 or 52-week periods | 2,000 head/SCE or 4,000 head/year | 20,000,000 |
| Livestock Risk Protection | 05-LRP | 03-LRP Feeder Cattle | 902 | 905 (SCE) | Cwt | Daily | 70-95 | 13, 17, 21, 26, 30, 34, 39, 43, 47 or 52-week periods. | 1,000 head/SCE or 2,000 head/year | 20,000,000 |
| Livestock Gross Margin | 05-LGM | | 912 | N/A | Cwt | Monthly | 80-100 | Six month | 15,000 head/6 months or 30,000/year | 20,000,000 |

| Endorsements | FCIC Policy | | NCIS Policy | | Crop | Late Planting (L) Prevented Planting (P) | Replant | Unit of Measure | **Enterprise (E) *Optional(O) **Basic (B) Unit | High-Risk Land Ex. Opt. |
|---|-------------|------------|-------------------|--|------------------|---|---------|-----------------|--|-------------------------|
| | | | | | | | | | | |
| Nutrient Best Management Practice <i>N-BMP</i> | 03-CRC-BMP | CRC – BMP | (2003)702-CRC-BMP | | Corn | | | bu | | No ² |
| Nutrient Best Management Practice <i>N-BMP</i> | 03-MPCI-BMP | MPCI – BMP | (2003)702-BMP | | Corn | | | bu | | No ² |
| Hybrid Seed Price | 02-HSPE | | (2002)738PE | | Hybrid Seed Corn | | | bu | | No ² |

¹ Total underwriting capacity for all pilot livestock insurance programs

² High-risk land not insurable under BMP; However, may insure high-risk land under MPCI Policy.

³ High-risk land Exclusion Option available under hybrid Seed Corn.

RESERVED

1 (NACAT→
QUALIFYING FOR OPTIONAL UNITS

1A Retention and Forfeiture

This exhibit addresses retention of optional units when production has been commingled on some optional units or when acceptable production reports were not filed for all units. The following information will clarify RMA's position on units.

1B Basic and Optional Units

Basic units are units for which the insured automatically qualifies without exception; an insured may qualify for optional units IF the units qualify as outlined in the CP or SPOI and IF the following reporting requirements are met:

B(1) Acceptable Production Reports. Production reports from the most recent APH crop year for all units (basic and optional) of the crop must be timely filed. [See Sec. 4, D(4) and Sec. 10, C(3).]

B(2) Claim for Indemnity. If the insured has a loss for the current crop year, the insured is required to maintain production evidence to support the current crop year's unit arrangement as shown on the acreage report. If, at loss time, production is discovered to be commingled between:

(2)(a) Basic units, the production MUST be apportioned or prorated as applicable to the appropriate basic unit. The apportioned production is used to process both the current year's claim and the following crop year's production reports.

(2)(b) Optional units, the units with commingled production MUST be combined on the current crop year's claim however, the acreage and production history is continued to be maintained separately unless combined according to [Exhibit 15, Par. 3E].

These do not require that other optional units of the crop be combined on the claim for the current crop year. However, the insured will not qualify for optional units the following crop year if claim records or production reports are not on file for all planted units. The claim will be used as a production report for APH.

1C Production Reports for APH

Production Reports for APH are defined in Sec. 3, in Sec. 10, A and B:

C(1) APH forms (if completed, acceptable, signed and submitted timely).

C(2) High-risk land. A separate acceptable production report must be filed for High-risk land that is excluded from additional coverage and insured under the CAT endorsement.

C(3) Loss claim records (in all cases).

C(4) Zero acreage reports (when acceptable production reports are filed for all planted units).

1D **Steps for Reviewing Production Reports** to determine if optional units may be retained.

- D(1) **Identify all units with claim records.** Actual yield information from claims will be used. [For exception see Sec. 9, C(4)(b).]
- D(2) **Claim Records.** Determine whether claim records account for all units of the crop with planted, insurable acres.
- (2)(a) **If so, zero acreage reports** for an annual crop may be considered a production report for the crop for the purposes of maintaining continuity of production reports. The APH yield column is updated with "Z" when sufficient space remains in the database. If acceptable production reports are on file for all units (basic and optional) of the crop, optional units may be retained as documented on the loss claims.
- (2)(b) **If not, proceed to step 3.**
- D(3) **Acceptable Production Reports.** Determine whether acceptable production reports are on file for all units of the crop with planted, insurable acreage that did not have loss claim records.
- (3)(a) **Zero-Planted Acreage.** If acceptable production reports are on file for all units of the crop, for any zero-planted units (practices, etc.) the APH yield column is updated with "Z" when sufficient space remains in the database. Optional units may be retained for the next crop year as certified on the production reports and loss claims.
- (3)(b) **Assigned Yields.** If acceptable production reports are not on file, for all planted units (basic and optional) of the crop for the previous crop year for APH purposes assigned yields are used for all planted units of the crop that do not have loss claim records. For zero-planted units (practices, etc.) when sufficient space remains in the database, the APH yield column is updated with "Z." Assigned yields are not used for zero-planted units since they are not considered a "crop year" for APH purposes. Optional units are not allowed for the crop/county the next crop year.

There **MUST** be acceptable production reports on file by the PRD for ALL planted units (basic and optional) for the crop before the insured is allowed to have ANY optional units [EXCEPT as outlined in Sec. 4, D(4)(a)].

2 **EXAMPLES**

The following examples show how this procedure is applied for Category B crops when the insured has provided acceptable reports containing actual and/or assigned yields for a previous crop year.

Example 1:

| UNIT | HOW | WHAT |
|-------|------------|------------|
| 00100 | APH form | A (Actual) |
| 00201 | Claim | A (Actual) |
| 00202 | Claim | A (Actual) |
| 00300 | Zero Plant | Z |

Production reports are filed for all units of the crop with planted acres. For the zero planted unit a Z is entered in the database if sufficient space remains.

Example 2:

| UNIT | HOW | WHAT |
|-------|-------------|------------------------------|
| 00100 | NO APH form | P (Assigned - Planted Acres) |
| 00201 | Claim | A (Actual) |
| 00202 | Claim | A (Actual) |
| 00300 | Zero Plant | Z |

Production reports are not filed for all planted units of the crop. Claim records are always used. Assigned yields apply to all other planted units. Optional units 00201 and 00202 revert to basic unit 00200.

Example 3:

| UNIT | HOW | WHAT |
|-------|-------------|------------------------------|
| 00100 | NO APH Form | P (Assigned - Planted Acres) |
| 00201 | NO APH Form | P (Assigned - Planted Acres) |
| 00202 | Claim | A (Actual) |
| 00300 | Zero Plant | Z |

Production reports are not filed for all planted units of the crop. Use the claim record and use assigned yields for all other planted units. Optional units 00201 and 00202 revert to basic unit 00200.

Example 4:

| UNIT | HOW | WHAT |
|-------|-------------|------------------------------|
| 00100 | NO APH Form | P (Assigned - Planted Acres) |
| 00201 | APH Form | P (Assigned - Planted Acres) |
| 00202 | APH Form | P (Assigned - Planted Acres) |
| 00300 | Zero Plant | Z |

Production reports not filed for all planted units of the crop, therefore, none of the production reports can be accepted. [Exceptions are listed in Sec. 4, Par. D (4)(a).] Optional units 00201 and 00202 revert back to basic unit 00200.

Example 5:

| UNIT | HOW | WHAT |
|-------|-------------|------------------------------|
| 00101 | NO APH Form | P (Assigned - Planted Acres) |
| 00102 | NO APH Form | P (Assigned - Planted Acres) |
| 00201 | Claim | A (Actual) |
| 00202 | Claim | A (Actual) |
| 00301 | Claim | A (Actual) |
| 00302 | Zero Plant | Z |

Production reports were not filed for all planted units. Claim records were used. All units revert to basic units 00100, 00200, and 00300. A "Z" yield type descriptor is entered for unit 00302 since zero planting does not count as a "crop year" for APH purposes.

Example 6:

| UNIT | HOW | WHAT |
|-------|-------|------------|
| 00101 | Claim | A (Actual) |
| 00102 | Claim | A (Actual) |
| 00103 | Claim | A (Actual) |
| 00104 | Claim | A (Actual) |

The acreage report was processed with the following unit arrangement: 00101, 00102, 00103, and 00104. When working the claim, it was discovered that production was commingled between units 00101 and 00102, and also between 00103 and 00104. The claim is therefore processed on the basis of two optional units: 00101 and 00103. If these are the only units of the crop, or if production reports and/or claim records are on file for all other units with planted acres, the next crop year's APH would be processed with two optional units. However, if other units exist for the crop and production reports and/or claims records are not on file, the claim records will be used to update the yields but optional units revert to basic unit 00100 [as shown in Examples 2 and 5.] ←NACAT)

(NACAT→)
1 CLARIFICATION OF SECTION DEFINITION

The definition of a section for unit division purposes: A section is defined as a unit of measure under the Rectangular Survey System describing a tract of land usually one mile square and containing approximately 640 acres. In some areas (e.g., Louisiana, New Mexico, Texas), other methods of measure (i.e., Spanish grants, railroad surveys, leagues, labors, Virginia Military Lands etc.) are employed. If these units of measure are legally recorded and consist of at least 640 acres, they will be considered a "section equivalent."

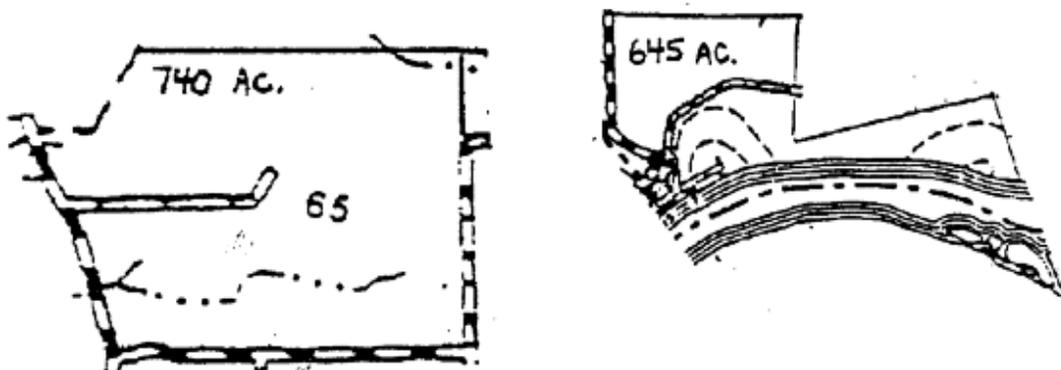
1A Optional Units by Section

This definition applies to all crops which are allowed optional units by section. It also applies to all states where sections, as defined above, exist.

1B Section Equivalents

"Section equivalents" using other methods of measure under a Rectangular Survey System refers to: A unit of measure consisting of at least 640 acres.

Examples:



1C Order of Precedence

The order of precedence to determine whether sections, "section equivalents," or FSA Farm Serial Numbers are used to determine optional units is:

- C(1) Section, usually one mile square, containing approximately 640 acres.
- C(2) "Section equivalent," containing at least 640 acres.
- C(3) FSA Farm Serial Numbers in the absence of section descriptions and "section equivalents."

2 EXAMPLES

Assume that for each survey identified, the insured has kept separate records of acreage and production, the survey boundaries are clearly visible, and that the planting pattern does not cross the survey boundaries.

RECTANGULAR SURVEY SYSTEM

EXAMPLE 1: The county is primarily surveyed in one-mile squares containing approximately 640 acres.



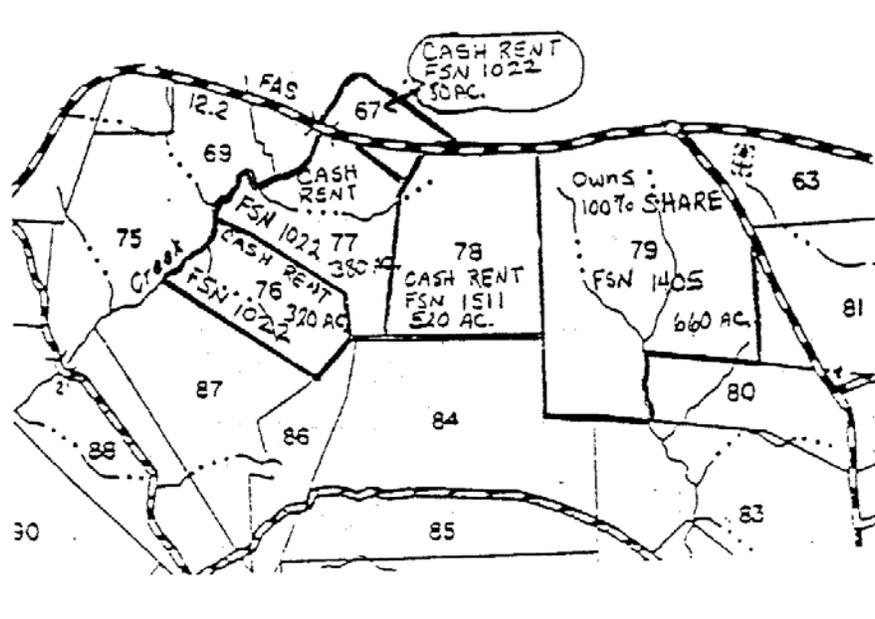
Units are determined by precedence as follows:

Survey #1 is a separate optional unit (section) - 00101

Survey #3 is a separate optional unit ("section equivalent" survey containing 640 acres or more) - 00102

Survey #2, #4 and #5 are each FSN optional units (FSN units in the absence of section and "section equivalent" descriptions) - 00103, 00104 and 00105.

EXAMPLE 2: Rectangular Survey System (Spanish Land Grant)



Units are determined by precedence as follows:

Survey #79 is a separate optional unit ("section equivalent") - 00101

Survey #78 is an optional unit (FSN unit in absence of "section equivalent" description) - 00102

Surveys #76, and #77 is one optional unit (FSN unit in absence of "section equivalent" descriptions because each survey contains less than 640 acres and is a single FSN.) - 00103 (NACAT)

(NACAT→)

1 UNIT DIVISION OPTION - ILLINOIS, INDIANA, OHIO, AND TEXAS

1A Determination Instructions. In areas surveyed under the U.S. Rectangular Survey System, sections are the basis for optional units. U.S. Rectangular Survey references mean: Sections, parcels of land with legally identified boundaries (generally one mile square, containing approximately 640 acres), township, and range.

1B U.S. Rectangular System. The U.S. Rectangular System was not made in some areas of Illinois, Indiana, Ohio, and Texas. In some areas, parcels of land are legally identified by other methods such as donations, locations, surveys, Spanish grants, railroad surveys, leagues, labors, and Virginia Military Lands.

B(1) **Surveys.** Legally identifiable railroad surveys similar to the U.S. Rectangular Survey System (square and consisting of approximately 640 acres) may be considered "Sections" under the U.S. Rectangular Survey System for optional unit purposes in the referenced states.

B(2) **Identifiable parcels.** Legally identifiable parcels (using the most recent subdivision) containing at least 640 or more acres may be considered "section equivalents" for optional unit purposes.

1C Areas Not Surveyed Using the U.S. Rectangular Survey. In areas not surveyed using the U.S. Rectangular Survey System, optional units are determined by:

C(1) **"Section equivalents"** (single parcels containing at least 640 acres), or

C(2) **FSA Farm Serial numbers** in the absence of "section equivalents" as described in B and C unless the insured signs the Unit Division Option aggregating (two or more legally identifiable parcels of land that are grouped together to equal or exceed 640 acres) parcels of land into "section equivalents."

The Unit Division Option applies when legally identifiable parcels smaller than 640 acres exist. The insured may not establish optional units by FSN when the Option is applicable.

2 UNIT DIVISION OPTION INSTRUCTIONS

In areas of Illinois, Indiana, Ohio, and Texas not surveyed under the U.S. Rectangular Survey System or similar surveys allowing for sections or "section equivalents" [See 1 B above], insureds may request the Unit Division Option to aggregate two or more, (any shape) legally identifiable parcels of land into "section equivalents" for optional unit division purposes.

For the purpose of this option, if a survey is required to identify the parcels of land, the parcels are not legally identified. A unit cannot be divided by a physical boundary (i.e., road, creek, drainage ditch, fence, etc.) which is NOT identified by a legal survey.

2A Optional Units for the Proposed Aggregation

To qualify for optional units for the proposed aggregation, the insured MUST comply with the production reporting, record, and planting pattern guidelines specified in the applicable crop policy or actuarial documents.

2B Establish the Same Aggregated Optional Units

The insured MUST establish the same aggregated optional units for all crops insured by all AIPs. The purpose of the option is to provide aggregated optional units on the same basis as those determined by section under the Rectangular Survey System.

- B(1) **More than one Unit Division Option.** If it is discovered that the insured has more than one Unit Division Option, the one with the earliest signature date will apply.
- B(2) **Limited to Basic Units.** If the insured does not have acreage and production records or does not file required production to support the aggregated optional units, the insured will be limited to basic units for the crop(s). [See Sec. 4, Par. D(4)(a) 1 a and b for exceptions.]
- B(3) **Bona fide landlord - tenant arrangements** (companion policies) are not required to have the same aggregated optional units. If a landlord and a tenant have different aggregated optional units, each entity or policy will have its own approved APH yield and unit arrangement.

2C Policies with More than One Agent

If the insured has policies with more than one agent, the insured must decide which agent to work with to develop the Unit Division Option aggregate and then provide the other agent(s) copies of the Unit Division Option on or before the acreage reporting date.

2D Continuous Option

The option is a continuous option and applies (until canceled) to any crop for which optional units are chosen. Written documentation must be completed and filed in the insured's crop insurance file folder by the applicable acreage reporting date.

- D(1) **Optional Units.** If the insured chooses optional units for any crop(s), the aggregated optional units established on the option apply to all insured crop(s) permitted optional units by section.
- D(2) **Optional Units not elected.** If the insured does not want optional units for a crop(s), the option is not effective for that crop(s).
- D(3) **Identifiable.** All parcels of the aggregated optional unit MUST be legally identified by number or name of each parcel (donation, section, labor, block, tract, etc.), and identified on the option.
- D(4) **Contiguous.** All parcels of land in an aggregated optional unit MUST be contiguous (lie adjacent to each other). It is not required that the aggregated optional unit be of a rectangular shape. Aggregated acreage may or may not be classified as cropland.
- D(5) **Ownership or control** of all land in the aggregate by the insured is not required.

D(6) **Additional land.** If the insured starts farming additional land that was not included in any of the aggregated optional units, the added land may be:

(6)(a) Added to an existing aggregated optional unit, or

(6)(b) Combined with other non-aggregated land to form its own aggregated optional unit.

The additional or added land must be contiguous as stated in (6)(a) and (6)(b) above.

2E **Optional Units**

Optional units determined by sections or "Section equivalents" (single parcels containing at least 640 acres) are not required to be entered on the option.

2F **Agents Will Prepare the Option**

Agents will prepare a Unit Division Option developed according to RMA approved standards and forward it to the AIP for verification. If the agent needs assistance in preparing the option, the AIP/RO will provide the assistance.

3 **UNIT DIVISION OPTION GUIDE**

3A **Guidelines for Completing the Unit Division Option**

Item:

(1) Does the insured farm the land as separate parcels, keep and maintain separate production records, and have separate verifiable records of planted insurable acreage and harvested production for at least one crop from the most recent APH crop year for each proposed optional unit?

Yes, continue to number 2.

No, Stop!

(2) Enter legal descriptions for all the parcels to be aggregated on the option.

(3) Attach a sketch map, commercial map, or plat map that displays the parcels as they are aggregated. FSA aerial photos may be used. Delineate each proposed optional unit. Do not split any parcel that does not have a separate legal description identifying the parcel. Legal descriptions must be shown on the attached map.

(4) Identify the optional units with the applicable unit number (00101, 00102, etc.).

(5) Inform the insured that **ALL** the acreage of the crop planted in the aggregated acreage divided from the basic unit will be one optional unit.

(6) Forward the Unit Division Option and maps to the AIP as soon after completion as possible, but not later than 15 calendar days after the applicable acreage reporting date.

UNIT DIVISION OPTION

This is a continuous Option.
Refer to item 7 of this Option.

| | |
|----------------------|------------------|
| INSURED'S NAME: | CONTRACT NUMBER: |
| ADDRESS: | CROP YEAR: |
| | COUNTY: |
| INSURANCE PLAN: MPC1 | REQUEST TYPE: UA |

Upon our verification of this option, we agree to amend the definition of OPTIONAL UNITS when your Federal Crop Insurance Policy(ies) permit optional units by section subject to the following terms and conditions:

1. You are allowed one Option per county that covers all applicable insured crops. The Option must be submitted to us on or before the applicable acreage reporting date for the crop before it is effective for that crop. If it is determined you have two or more Options, the Option with the earliest date will be applicable to all crops and the other Option(s) will be void.
2. You must aggregate legally identifiable parcels of land into parcels that contain a minimum of 640 acres. The aggregation of parcels for optional units will be established at the time you complete and sign this Option. Optional units are established on the attached sketch map(s).
3. For each optional unit you MUST have available written verifiable records of acreage and production for the previous crop year and maintain records for the current crop year.
4. Upon our request, if you fail to provide to us such records, optional units created under this Option will revert to the basic unit(s).
5. Determination of your optional units will be made at the time you report your acreage of the insured crop.
6. For crop(s) requiring production reports, to retain such optional units, acceptable production reports must be filed annually for each optional unit.
7. This Option may be canceled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date for the crop year.
8. All other provisions of the policy not in conflict with this Option are applicable.

INSURED'S SIGNATURE _____ | DATE _____

REPRESENTATIVE'S SIGNATURE AND CODE NUMBER _____ | DATE _____

VERIFIED BY: (AIP Authorized Signature) _____ | DATE _____

The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§ 1006 and 1014, 7 U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes.

YIELD DESCRIPTORS

| Actual Yield Descriptor | Applicable Condition(s) (1, 2 or N/A) | Description of Condition When Applicable |
|--------------------------------|--|--|
| A | 1, 2 | Actual yield (for conventional and sustainable practices), (Example: A120). |
| G | 1, 2 | Actual Yield from transitional acreage, (Example: G110). |
| V | 1, 2 | Actual Certified Organic Yield, (Example: V105). |
| AY | 2 | Conventional and sustainable practice actual yields less than 60 percent of the T-Yield that do not qualify for yield substitutions, (Example: AY20). |
| GY | 2 | Actual yields from transitional acreage less than 60 percent of the T-Yield that do not qualify for yield substitutions, (Example: GY50). |
| NA | 2 | Conventional and sustainable practice actual yields less than 60% of the T-Yield that qualify for yield adjustment and the insured did not elect the adjustment for a specific crop year(s), (Example: NA30). |
| NV | 2 | Certified organic actual yields less than 60% of the T-Yield that qualify for yield adjustment and the insured did not elect the adjustment for a specific crop year(s), (Example: NV30). |
| NG | 2 | Actual yields from transitional acreage less than 60% of the T-Yield that qualify for yield adjustment and the insured did not elect the adjustment for a specific crop year(s), (Example: NG39). |
| VY | 2 | Certified organic actual yields less than 60 percent of the T-Yield that do not qualify for yield substitutions, (Example: VY50). |

| Prorated Yield Descriptor | Applicable Condition(s) (1, 2 or N/A) | Description of Condition When Applicable |
|----------------------------------|--|--|
| PA* | 1, 2 | Conventional and sustainable practice actual yield developed from prorated actual production, See [Sec. 10, Par. C3 (b) and Ex. 15, Example 3] (Example: PA75). |
| PG* | 1, 2 | Actual yield from transitional acreage developed from prorated actual production, See [Sec. 10, Par. C3 (b) and Ex. 15, Example 3] (Example: PG75). |
| PV* | 1, 2 | Certified organic actual yield developed from prorated actual production, See [Sec. 10, Par. C3 (b) and Ex. 15, Example 3] (Example: PV75). |
| PR* | 1, 2 | Actual or Summarized Actual Yield taken from the previous year's Master Yield Summary that was replicated to a new county's database that was developed from prorated actual production, See [Sec. 10, Par. C3 (b) and Ex. 15, Example 3] (Example: PR75). |

1 Eligible for yield substitution.

2 Counts as a year of records for determining percent of T-Yield or Yield Floor, if applicable.

N/A Not eligible for yield substitution or counted as a year of records for percent of T-Yield or Yield Floor determinations.

* If insured elects yield adjustments, use applicable yield descriptor (AY, GY, VY, NA, NV, NG, RY, NR) to indicate if yield should not be substituted.

| Assigned Yield Descriptor | Applicable Condition(s) (1, 2 or N/A) | Description of Condition When Applicable |
|----------------------------------|--|--|
| B | N/A | Pecan, assigned value using the lowest available dollar span shown on the actuarial documents [See Sec. 8D(6)(g)2,] (Example: B299). |
| P | 2 | Assigned yield, (Example: P75). |

| PP Assigned Yield Descriptor | Applicable Condition(s) (1, 2 or N/A) | Description of Condition When Applicable |
|-------------------------------------|--|--|
| GP | N/A | A yield assigned when PP payments are limited to 35% of the PP coverage and the unit/P/T/V contains only PP acreage of the first insured crop on transitional acreage, See [Sec. 6, Par. C (10)(b)] (Example: GP60). |
| PP | N/A | A yield assigned when PP payments are limited to 35% of the PP coverage and the unit/P/T/V contains only PP acreage of the first insured crop, See [Sec. 6, Par. C (10)(b)] (Example: PP60). |
| VP | N/A | A yield assigned when PP payments are limited to 35% of the PP coverage and the unit/P/T/V contains only PP acreage of the first insured certified organic crop, See [Sec. 6, Par. C (10)(b)] (Example: VP60). |

| Special Yield Descriptor | Applicable Condition(s) (1, 2 or N/A) | Description of Condition When Applicable |
|---------------------------------|---|---|
| C | N/A | A special yield entered in the database (Example: C105): - If the crop was grown prior to enrollment in CRP and acceptable production records are not provided, see [Ex. 10 Par. 1F]. - New databases established for P/T/V's using SA T-Yields, see [Ex. 36 Par. 2C(2)] or using variable T-Yields for forage production, see [Ex. 25 Par. 1B(2)(c)] - For Determined Irrigated Yields, see [Ex. 36 Par. 10D] |
| F | N/A (For all other crops) 2 (peanuts and tobacco) | RMA RO Determined Yields. -Used when less than four years of actual and/or assigned yields are available for a database and the T-Yield is specifically assigned and designated by the RMA RO, or high-risk T-Yields (also applicable to unrated land when high-risk T-Yields are assigned by written agreement) are used in the approved APH Yield calculation. For Texas Citrus Fruit, RMA RO appraised yields (when entered into the databases and used to calculate the approved APH yield) will be considered RMA RO Determined Yields. For peanuts and tobacco, classification yields used to establish approved APH yields [See Sec. 6J(11) and Sec. 6J(20)]. (Example: F100). |
| Z | N/A | Zero planted acreage or for Category C crops, a break in continuity of records when the use of the records prior to the break in continuity is approved by the RMA RO. |

1 Eligible for yield substitution.

2 Counts as a year of records for determining percent of T-Yield or Yield Floor, if applicable.

N/A Not eligible for yield substitution or counted as a year of records for percent of T-Yield or Yield Floor determinations.

| <i>Weighted Average Yield Descriptor</i> | <i>Applicable Condition(s) (1, 2 or N/A)</i> | <i>Description of Condition When Applicable</i> |
|--|--|--|
| GW | 1, 2 | A weighted average yield assigned when PP payments are limited to 35% of the PP coverage and the unit/P/T/V contains both PP acreage and planted acreage of the first insured transitional crop, See [Sec. 6, C (10)(c)] (Example: GW65) |
| NO | 2 | A weighted average yield assigned when PP payments are limited to 35% of the PP coverage and the unit/P/T/V contains both PP acreage and planted acreage of the first insured certified organic crop and is less than 60 % of the T-Yield that qualifies for yield adjustment and the insured did not elect the adjustment for a specific crop year(s), (Example: NO75). |
| NU | 2 | A weighted average yield assigned when PP payments are limited to 35% of the PP coverage and the unit/P/T/V contains both PP acreage and planted acreage of the first insured transitional crop and is less than 60% of the T-Yield that qualifies for yield adjustment and the insured did not elect the adjustment for a specific crop year(s), (Example: NU65). |
| NW | 2 | A weighted average yield assigned when PP payments are limited to 35% of the PP coverage and the unit/P/T/V contains both PP acreage and planted acreage of the first insured crop and it is less than 60% of the T-Yield that qualifies for yield adjustment and the insured did not elect the adjustment for a specific crop year(s), (Example: NW60). |
| OY | 2 | A weighted average yield assigned when PP payments are limited to 35% of the PP coverage and the unit/P/T/V contains both PP acreage and planted acreage of the first insured certified organic crop and is less than 60% of the T-Yield but does not qualify for yield substitutions, (Example: OY63). |
| PW | 1, 2 | A weighted average yield assigned when PP payments are limited to 35% of the PP coverage and the unit/P/T/V contains both PP acreage and planted acreage of the first insured crop, See [Sec. 6, C (10)(c)] (Example: PW95) |
| UY | 2 | A weighted average yield assigned when PP payments are limited to 35 percent of the PP coverage and the unit/P/T/V contains both PP acreage and planted acreage of the first insured transitional crop and is less than 60 percent of the T-Yield but does not qualify for yield substitutions. |
| VW | 1, 2 | A weighted average yield assigned when PP payments are limited to 35% of the PP coverage and the unit/P/T/V contains both PP acreage and planted acreage of the first insured certified organic crop, See [Sec. 6, C(10)(c)] (Example: VW95) |
| WY | 2 | A weighted average yield assigned when PP payments are limited to 35% of the PP coverage and the unit/P/T/V contains both PP acreage and planted acreage of the first insured crop and is less than 60% of the T-Yield but does not qualify for yield substitutions, (Example: WY90). |

1 Eligible for yield substitution.

2 Counts as a year of records for determining percent of T-Yield or Yield Floor, if applicable.

N/A Not eligible for yield substitution or counted as a year of records for percent of T-Yield or Yield Floor determinations.

| <i>Reduced/ Replaced Yield Descriptor</i> | <i>Applicable Condition(s) (1, 2 or N/A)</i> | <i>Description of Condition When Applicable</i> |
|---|--|--|
| AX | 1, 2 | Used to identify excessive yields that were replaced by the simple average of all actual and assigned yields for the same crop year for the same P/T/V/TMA, (Example: AX100). |
| EX | N/A | For Category C crops, used to identify 80% T-Yields used instead of actual yields. This descriptor takes precedence over any other applicable yield descriptor. See [Sec. 7K(2)(b) and Ex. 15 6B(1)] (Example: One actual/assigned yield = EX80). |
| GX | 1, 2 | Used to identify excessive yields from transitional acreage that were replaced by the simple average of all actual and assigned yields for the same crop year for the same P/T/V/TMA, (Example: GX100). |
| NX | N/A | For Category C crops, used to identify 90% T-Yield used instead of actual yields. This descriptor takes precedence over any other applicable yield descriptor. See [Sec. 7K(2)(b) and Ex. 15 6B(1)] (Example: Two actual/assigned yields = NX90). |
| SX | N/A | For Category C crops, used to identify 65% T-Yields used instead of actual yields for crops without production minimums. This descriptor takes precedence over any other applicable yield descriptor. See [Sec. 7K(2)(b) and Ex. 15 6B(1)] (Example: No actual/assigned yields = SX65). |
| TX | N/A | Used to identify excessive yields that were replaced by the applicable county T-Yield, or lowest available dollar span for pecan revenue, if insured has no other applicable actual/assigned yields for the same crop year for the same P/T/V/TMA, (Example: TX100). In addition, for Category C crops, used to identify 100% T-Yields used instead of actual yields. This descriptor takes precedence over any other applicable yield descriptor. See [Sec. 7K(2)(b) and Ex. 15 6B(1)] (Example: Three actual/assigned yields =TX100). |
| VX | 1, 2 | Used to identify certified organic excessive yields that were replaced by the simple average of all actual and assigned yields for the same crop year for the same P/T/V/TMA, (Example: VX100). |

| <i>Summed Yield Descriptor</i> | <i>Applicable Condition(s) (1, 2 or N/A)</i> | <i>Description of Condition When Applicable</i> |
|--|--|--|
| R | 1, 2 | Actual or Summarized Actual Yield taken from the previous year's Master Yield Summary that was replicated to a new county's database. |
| NR | 2 | Actual or Summarized Actual Yield taken from the previous year's Master Yield Summary that was replicated to a new county's database less than 60% of the T-Yield that qualify for yield adjustment and the insured did not elect the adjustment for a specific crop year(s), (Example: NR100). |
| RY | 2 | Actual or Summarized Actual Yield taken from the previous year's Master Yield Summary that was replicated to a new county's database to identify yields less than 60% of the T-Yield that do not qualify for yield substitutions, (Example: RY100). |

1 Eligible for yield substitution.

2 Counts as a year of records for determining percent of T-Yield or Yield Floor, if applicable.

N/A Not eligible for yield substitution or counted as a year of records for percent of T-Yield or Yield Floor determinations.

| Temporary Yield Descriptor | Applicable Condition(s) (1, 2 or N/A) | Description of Condition When Applicable |
|-----------------------------------|--|---|
| J | 2 | Temporary Yield, (Example: J105). |

| T- Yield Descriptor | Applicable Condition(s) (1, 2 or N/A) | Description of Condition When Applicable |
|----------------------------|--|--|
| S | N/A | 65% T-Yield, (Example: No actual/assigned yields = S65). |
| E | N/A | 80% T-Yield, (Example: One actual/assigned yield = E80). |
| N | N/A | 90% T-Yield, (Example: Two actual/assigned yields = N90). |
| T | N/A | 100% T-Yield, (Example: Three actual/assigned yields =T100). |
| H | N/A | 110% T-Yield, Pilot County New Producer T-Yield remaining in databases of producers who qualified in a previous crop year, (Example: H110). |
| I | N/A | Initial yield for new producer of the crop in the county, (Example: I100). |
| L | N/A | SA T-Yield for added land, (Example: L103). |
| IL | N/A | 100% T-Yield or SA T-Yield, used to identify initial databases for added land for new producers, See [Ex. 36] for additional instructions, (Example: IL100). |
| EK | N/A | For Category C crops, used to identify if adjusted for percent stand prior to adjustment for 80% T-Yield, (Example: EK80). |
| NK | N/A | For Category C crops, used to identify if adjusted for percent stand prior to adjustment for 90% T-Yield, (Example: NK90). |
| SK | N/A | For Category C crops, used to identify if adjusted for percent stand, on crops without minimum production, prior to adjustment for 65% T-Yield, (Example: SK65). |
| TK | N/A | For Category C crops, used to identify if adjusted for percent stand prior to adjustment for 100% T-Yield, (Example: TK100). |
| X | N/A | 80% T-Yield, remaining in databases of feed or forage producers who qualified in a previous crop year (Example: No actual assigned yields = X80). |

1 Eligible for yield substitution.

2 Counts as a year of records for determining percent of T-Yield or Yield Floor, if applicable.

N/A Not eligible for yield substitution or counted as a year of records for percent of T-Yield or Yield Floor determinations.

Reserved

YIELD REDUCTIONS

1 APPROVED APH YIELD REDUCTIONS.

This Exhibit addresses approved APH yield reductions required by Section 3(g) of the Common Crop Insurance Policy (BP) and incorporates R&D-04-045. Shading indicates differences from R&D 04-045. If insureds or anyone assisting them have intentionally concealed or misrepresented any material fact relating to the policy, such insureds will be subject to concealment, misrepresentation, or fraud provisions of BP Sec. 27. BP Sec. 3(g) requires that approved APH yields calculated for a (P/T/V including transitional and certified organic acreage) of the insured crop must be reduced for the following situations when discovered.

1A Excessive Actual Yields. The term “excessive actual yield” means an actual yield that exceeds the maximum yield edit level [see Par. 3 and Sec. 14B]. If the insured:

A(1) Provides verifiable records that support the actual yield but cannot prove that there is a valid basis to increase the maximum yield edit, the excessive actual yield must be reduced; however, the change will not be considered when determining any applicable misreported information factor (MIF) [see Sec. 5B(8)(c)];

A(2) Does not provide verifiable records to support any excessive actual yield and the insured is a new insured, the production reports for the crop year are not acceptable and are not used to calculate the APH yield. For carryover insureds, assigned yields will apply. Such changes to the approved APH yield will be considered when determining any MIF.

1B Inconsistent Approved APH Yields. The term “inconsistent approved APH yields” means, approved APH yields that are greater than 115 percent of the average of other approved APH yields whose databases contain actual/assigned yields for the same county/crop (by P/T/V or TMA) [see Par. 4]. Inconsistent approved APH yields are reduced if:

B(1) The current year’s insurable acreage for the database exceeds 400 percent of the average acreage used to determine the approved APH yield; or

B(2) The acres for two or more crop years with reported actual yields are each less than 10 percent of the current year’s insurable acres for the database.

1C Different production methods that are likely to result in a lower yield than the production method upon which the APH is based are carried out for the crop year.

2 GENERAL RULES

When reductions to approved APH yields are required for excessive yields, inconsistent approved APH yields if insured acreage limitations are exceeded, or if different production methods are carried out that will likely result in lower actual yields, [Pars. 3-5] the following general rules apply:

- 2A** The term, database, refers to the APH data used to calculate the average/approved APH yields for a crop by P/T/V by unit and other separation of data that the CIH currently requires such as TMA (including high-risk land), transitional and certified organic acreage, and other characteristics required for Category C APH crops, or added land. Requirements for separate APH yields include [Sec. 6E, Sec. 7I, Sec. 9C(3), Ex. 15, and Ex. 36].
- 2B** AIPs must review all APH databases for excessive actual yields (maximum yield edit process [see Par. 3 and Sec. 14B]).
- 2C** AIPs are not required to review all APH databases to determine whether reductions apply for inconsistent approved APH yields when insured acreage limitations are exceeded [Par. 3 and 4]; or, when different production methods are carried out that will likely result in lower actual yields (Par. 5F). Such reductions must be made anytime the circumstances requiring them are discovered (e.g., when calculating approved APH yields, processing acreage reports, during APH reviews, or completing/processing claims).
- 2D** The term, actual yield, for the purpose of identifying excessive actual yields, includes: actual yields identified by yield descriptors “AX, AY, NA, VX, VY, NV, GX, GY and NG”; temporary yields “J”; actual/summarized yields “R, RY and NR”; prorated yields “PA, PR, PV and PG”; weighted average yields when prevented planting payments are limited to 35 percent of the “PP” coverage and the database contains both PP acreage and planted acreage of the first insured crop GW, PW, NW, “VW, WY, NO, OY, NU, and UY”. In subsequent years, simple average actual yields and applicable county T-Yields “TX” that are used to replace excessive actual yields will also be included in the average.
- 2E** The term, assigned yield, for the purpose of identifying excessive actual yields, includes only the assigned yields used for failure to provide acceptable records identified by yield descriptor “P”. It does not include yields assigned when “PP” payments are limited to 35 percent of the “PP” coverage and the database contains only “PP” acreage of the first insured crop “PP”.
- 2F** Yield tolerances associated with APH field reviews (5 and 2 percent for Category B and C APH crops, respectively [see Sec. 14A(2) and Ex. 1]) that indicate whether the corrections must be made for the current or following crop year do not apply. Reductions required by this exhibit do not have to exceed the APH field review tolerances indicated in the CIH and must be made for the current crop year. However, for other APH field review changes, the tolerances remain in effect.
- 2G** Reductions made after initial approved yields for the crop year have been mailed or otherwise made available to insureds are not reductions to approved APH yields that would qualify for a mutual consent cancellation of the affected crop’s policy. New insureds may request mutual consent cancellations as indicated in [Sec. 5A(3) and A(5)] ONLY for INITIALLY approved APH yields for the crop year that are less than 95 percent of the preliminary yield.

- 2H** **Reductions are made separately by database.** If separate databases have been established for optional units within a basic unit or for basic unit and/or optional units within an enterprise unit, the reductions are made separately for each database regardless of the unit structure selected for the current crop year. For example, separate databases are maintained for optional units within a basic unit, but the acreage is insured as a basic unit for the current crop year.
- 2I** **Reductions are made in addition to other consequences** for not accurately reporting all information used to calculate approved APH yields such as correcting the unit structure, if necessary, and penalties for misreporting material information used to determine the approved yield (BP Sec. 6(g)).
- 2J** **Reductions that are based on the applicable county T-Yield,** are based upon the applicable T-Yield published in the actuarial document for the crop (P/T/V or TMA, if applicable) and county. For pecan revenue, the lowest available dollar span shown on the county actuarial document is used. If a county actuarial document has not been published for the crop or a P/T/V (insured by written agreement), the T-Yield assigned by RMA (lowest available dollar span assigned by RMA for pecan revenue) will be used.
- 2K** **Cups do not apply** [see Sec. 6 I] if yield reductions cause actual yields or approved yields to decrease by 10 percent or more.
- 2L** **Actual yields provided by another person** (acreage and production records) and used by an insured that shares in the insured crop (e.g., landlords and tenants) or actual yields transferred to another person via APH production reports/databases are also subject to the adjustments indicated by [Pars. 3-5]. Adjustments for excessive actual yields, if applicable, must be made prior to reductions for inconsistent approved yields when insured acreage limitations are also exceeded and prior to any subsequent reduction for carrying out different production methods.

3 EXCESSIVE ACTUAL YIELDS.

The term "excessive actual yield" means an actual yield that exceeds the maximum yield edit level [see Sec. 14B]. For Category B and C APH crops and pecan revenue, AIPs must edit actual yields entered on Type 15 APH records against the maximum yield edit level prior to submitting them to RMA. For Master Yields, actual yields are edited after being summarized on the Type 15 Yield Record (Master Yield Summary Form). Notwithstanding any other review requirements, AIPs are required to complete APH record reviews for each crop year that excessive actual yields are reported. Supporting records for ALL databases that comprise the basic unit that contain at least one excessive actual yield must be reviewed (e.g., a basic unit consisting of three optional units, one of which contains an excessive actual yield, must have an APH record review conducted on all three optional units). If insureds:

- 3A** **Provide Verifiable Records,** see definition of production report [Sec. 3], to support excessive actual yields that are significantly different than other producers' actual yields in the county or other actual yields reported for the insured's farming operation AND the insured:

- A(1)** **Can prove** there is a valid basis to support the differences in the yields, AIPs may request an increase to the maximum yield edit level [see Sec. 14B]. If RMA increases the maximum yield edit level to the actual yield, the actual yield is used.
- A(2)** **Cannot prove** there is a valid basis to support the differences in the yields, the approved APH yield will be reduced by replacing excessive actual yield(s) with the:
- (2)(a)** Simple average of all actual yields (including excessive actual yields prior to being adjusted) and assigned yields for the same crop year for the same P/T/V (including transitional or certified organic acreage) and TMA (if applicable) for the crop in the county. If the simple average of the actual yields is greater than the maximum yield edit level, limit the excessive actual yield to the maximum yield edit level. Use the applicable actual yield descriptor **"AX, GX, or VX"**, [see Ex. 5] to identify the simple average actual yield used instead of excessive actual yields; or
- (2)(b)** Applicable county T-Yield, if the insured has no other applicable actual yields. Use a "TX" yield descriptor to identify that the applicable county T-Yield replaces the excessive actual yields.

3B **Does not provide verifiable records** to support excessive actual yields:

- B(1)** **Carryover insureds'** approved APH yields will be reduced by replacing each excessive actual yield with an assigned yield (.75 X the **previous year's** approved APH yield) [see Sec. 8 D(6)(g) for Pecan Revenue] or, if an approved APH yield was not calculated for the previous crop year, 75 percent of the applicable county T-Yield. Such assigned yields will be identified with the "P" yield descriptor [see Example 1]. If an insured does not provide verifiable records to support the excessive actual yield, all records for all units except for loss records for the crop for the crop year within the county are unacceptable and assigned yields and related procedures apply. Loss records (excluding appraisals for uninsured causes of loss) must be used for APH.
- B(2)** **New insureds'** approved APH yields will be recalculated without using the actual yields. Production report(s) for such crop years (for the crop for the county) **without supporting verifiable records** are not acceptable. Approved APH yields will continue to be calculated as indicated in [Sec. 6(C) and 7(H)] **following standard APH procedures**. Assigned yields do NOT apply to new insureds because there is no prior yield.

Example 1, Excessive Actual Yield (Without Verifiable Records)

The following example is for a carryover insured who reported an excessive yield for 2005 on the 2006 production report. The maximum yield edit level is 360 bushels for corn grain for the non-irrigated practice. The AIP requested supporting records for all optional units within the basic unit. The insured indicated that unit 00201 produced ten, 400 bu. truckloads of corn (4000 bu./10.0 acres. = 400 bu./acre.); however, optional unit 00202 (same basic unit) produced only 80 bushels per acre and loss records were available for that unit. The insured did not provide any verifiable records to support the excessive actual yield certified (the two units adjoined, had similar planting dates, soils and growing conditions). Therefore, the assigned yield procedure is applicable (168 X .75 = 126) for the 2005 crop year, resulting in an approved APH of 159. The insured does not qualify for optional units, separate databases are maintained, and other units (basic and optional) with actual yields that claim records are not available require the use of assigned yields.

| Original APH Database | | | |
|---|------------------------|---|----------------------|
| 6 CROP: 041 (corn) PRACTICE:: 003 (NI) TYPE:: 029 (grain) UNIT NO: 00201 | | 7 Legal: S1/2Sec. 12- xx-xx FSN:xx01 | 14 T-Yield 90 bu. |
| 15 Crop Year | 16 Total Production | 17 Acres | 18 Yield |
| 2000 | | | |
| 2001 | 380 | 2.0 | A190 |
| 2002 | 4000 | 40.0 | A100 |
| 2003 | 600 | 2.0 | A300 |
| 2004 | 16000 | 200.0 | A80 |
| 2005 | 4000 | 10.0 | A400 |
| | | | 19. Total 1070 |
| 20 (A) Preliminary Yield: 214 (by agent) (B) Prior Yield: 168 | | 21 Approved APH Yield | |

| Original APH Database | | | |
|--|------------------------|---|-------------------------|
| 6 CROP: 041 (corn) PRACTICE:: 003 (NI) TYPE:: 029 (grain) UNIT NO: 00200 (.1) | | 7 Legal: S1/2Sec. 12- xx-xx FSN:xx01 | 14 T-Yield 90 bu. |
| 15 Crop Year | 16 Total Production | 17 Acres | 18 Yield |
| 2000 | | | |
| 2001 | 380 | 2.0 | A190 |
| 2002 | 4000 | 40.0 | A100 |
| 2003 | 600 | 2.0 | A300 |
| 2004 | 16000 | 200.0 | A80 |
| 2005 | | 10.0 | P126 |
| | | | 19. Total 796 |
| 20 (A) Preliminary Yield: 214 (by agent) (B) Prior Yield: 168 | | 21 Approved APH Yield 159 (Reduced) | |

4 INCONSISTENT APPROVED APH YIELDS and INSURED ACREAGE LIMITATIONS

This procedure applies to Category B APH crops (new and carryover insureds) using standard APH procedures. It does not apply to Category B crops for which the insured elects Master Yields, to Category C APH crops or pecan revenue. Reductions for excessive actual yields, if applicable, must be made prior to reductions for inconsistent approved APH yields [See Par. 1B] when insured acreage exceeds limitations. Inconsistent approved APH yields must be reviewed by the insurance provider if the insurable acreage for the current crop year (including applicable prevented planting acreage) compared to acreage reported for APH purposes exceeds one or both of the insured acreage limitations [see Par. 4B] permitted by the BP.

4A Reviews of Inconsistent Approved APH Yields Exceeding Insured Acreage Limitations.

A(1) **Background.** In accordance with the Federal Register published when implementing these regulations, approved APH yields that meet the criteria must be adjusted when small amounts of acreage are used to create artificially high yields and are then applied to large acreages where such yields do not reflect the true yield potential. Adjustments are also required if small amounts of acreage meeting the criteria are used to artificially maintain higher yields (e.g., two or more years of small acreage with artificially high yields are used to establish an artificially high APH yield and then insured acreage dramatically increases; or a pattern of small amounts of acreage with artificially high yields are used to offset years when claims were paid on larger amounts of acreage).

A(2) **AIP reviews.** AIPs may further review situations meeting the criteria triggering yield reductions contained in the BP if after examining the insured's APH forms, it does NOT appear that artificial actual yields were used to establish APH yields or to offset claim years. If it does not appear that a reduction to the approved APH yield is appropriate, AIP's may request additional information upon which to base their decision. Information such as supporting records of acreage and production, documentation of why such acreage and yield patterns occurred, the production method that was carried out on small amounts of acreage with high yields and soil survey maps if differences in soil productivity within the unit are a concern, should be requested.

A(2) **Deferred reductions.** AIPs may defer making a reduction to the approved APH yield for the crop year after reviewing the documentation provided if: any requested acceptable supporting records were provided, the AIP determines that the reported actual yields for small amounts of acreage were not artificially high (production methods and productivity of the small amounts of acreage with high yields must be comparable to that of the rest of the acreage insured on the unit/database and the high yields were not the result of shifting production from another unit/database) and the increase in the acreage was due to a reasonable expansion of the farming operation. AIP's should maintain the documentation used to justify their decision and if requested during a compliance review, provide a copy to compliance.

4B **Inconsistent Approved APH Yield [See Par. 1B] Calculations.**

B(1) **If more than one database contains actual/assigned yields** for the same P/T/V/TMA (if applicable) for the **policy/crop/county**, determine the simple average of the approved APH yields. **High-risk land insured under a CAT policy is NOT included with an insured's additional coverage policy when calculating the simple average of the approved APH yields for the additional coverage policy (separate simple average yields are calculated for each policy).** Round the simple average according to the crop's APH per acre rounding rules [Sec. 4B(5)]; and

(1)(a) **Multiply the result times 1.15.** Compare each individual approved APH yield to the result. Approved APH yields that exceed this result are considered inconsistent approved APH yields and will be reduced only if one or both of the insured acreage limitations are exceeded [see Par. **4C**].

(1)(b) **If the insurable acreage limitation was also exceeded [see Par. 4C],** exclude database(s) with inconsistent approved yields that must be reduced and then calculate the simple average of the approved yields for the remaining databases containing actual/assigned yields. Round the simple average of the approved yields according to the crop's APH yield per acre rounding rules [CIH Sec. 4, Par. B(5)]. This simple average yield is used, as the approved APH yield for databases with inconsistent approved APH yields that must be reduced.

B(2) **If no other applicable databases** containing actual yields exist for comparison, multiply the applicable county T-Yield by 1.15. If the approved APH yield exceeds the result, it is considered inconsistent and if one or both insured acreage limitations are exceeded [see Par. **4B**], it is reduced to the applicable county T-Yield.

B(3) **Reduced approved APH yields apply to all insurable acreage** (using the approved yield calculated for the database), not just the insurable acreage that exceeds the limitation (e.g., the acreage limitation was 320 acres and 400 acres were reported for the current year, in this case the reduced yield applies to all 400 acres).

B(4) **Use yield limitation flag "10"** to identify reduced approved APH yields calculated when inconsistent approved yields apply and insurable acreage limitations have been exceeded.

4C **Insurable Acreage Limitations**, for inconsistent yields described in Par. **4**, are determined after acreage is reported for the current crop year by comparing **1)** the insurable acreage to which the approved yield applies (database) to **2)** the average acreage reported for APH purposes and then to **3)** the amount of acreage reported for individual crop years for APH purposes contained in the database [see Example 2]. Acreage with excessive actual yields that have been replaced and acreage with assigned yields will be used when calculating the average acreage. Insurable acreage exceeds the limitation permitted by the policy if:

C(1) The current year's insurable acreage is greater than 400 percent of the average acreage with actual/assigned yields reported for APH purposes for the database. To determine if the 400 percent acreage limitation has been exceeded:

- (1)(a) Total the acres (Col. 17 of the APH form) for years that have actual/assigned yields reported;
- (1)(b) Divide the total acres by the number of years for which actual/assigned yields have been reported and round the result according to the crop's acreage rounding rules [see Sec.4, Par. B(4)]. **The result is the average acres**; and
- (1)(c) Multiply the average acreage by 4.00. If the insurable acreage for the current crop year is greater than the result, the acreage limitation is exceeded.

C(2) The acres for two or more APH crop years with actual yields reported for the database are each less than 10 percent of the insurable acreage for the current crop year. Divide the acres reported for each crop year by the insured acreage for the current crop year. Round to two decimal places. If two or more crop years are less than .10, the limitation is exceeded.

Example 2, Inconsistent Approved Yields & Insurable Acreage Limitations

Using the information from Example 1, Example 2 illustrates whether the reduced approved yield (159) requires any further reduction after insured acreage is reported. The insured reported 100.0 planted and 100.0 prevented planted acres of non-irrigated corn (grain) for acreage using the approved APH yield calculated from the database. The average number of acres (including the 2005 crop year) with actual/assigned yields reported is 50.8 (2.0 + 40.0 + 2.0 + 200.0 + 10.0 = 254/5). The insurable acreage (200.0) does not exceed 400 percent of the average acreage; however, three individual crop years (2001, 2003, and 2005) each contain less than 10 percent of the current year's insurable acreage. The insured has 10 non-irrigated units (databases) of corn (grain) in his farming operation that contains actual/assigned yields. The simple average of the approved yields for these units is 125.5, rounded to 126 bu. per acre. The reduced approved APH yield (159) exceeds 115 percent of the simple average (126 X 1.15 = 145 bu.) and one of the insurable acreage limitations was exceeded; therefore, the reduced approved APH yield must be reduced further. The simple average of the other nine approved yields (excluding the approved yield that must be reduced) is 122 bu. per acre.

| Original APH Database | | | |
|--|------------------------|---|-------------------------|
| 6 CROP: 041 (corn) PRACTICE:: 003 (NI) TYPE:: 029 (grain) UNIT NO: 00200 (.1) | | 7 Legal: S1/2Sec. 12- xx-xx FSN:xx01 | 14 T-Yield 90 bu. |
| 15 Crop Year | 16 Total Production | 17 Acres | 18 Yield |
| 2000 | | | |
| 2001 | 380 | 2.0 | A190 |
| 2002 | 4000 | 40.0 | A100 |
| 2003 | 600 | 2.0 | A300 |
| 2004 | 16000 | 200.0 | A80 |
| 2005 | 4000 | 10.0 | P126 |
| | | | 19. Total 796 |
| 20 (A) Preliminary Yield: 214 (by agent) (B) Prior Yield: 168 | | 21 Approved APH Yield 159 (Reduced) 122 (Reduced again) | |

5 **DIFFERENT PRODUCTION METHODS.** Approved APH yields are reduced if different production method(s) are carried out for the current crop year that will likely result in lower actual yield(s) than the average of the actual yields for the production method previously reported. For example, irrigated and non-irrigated practices are applicable and a database for the non-irrigated practice contains actual yields from acreage that water was applied prior to planting (pre-watered) in previous crop years. For the current crop year, the acreage was not pre-watered prior to planting. This example is used throughout this topic. An insured must notify the AIP by the acreage reporting date (ARD) of changes in production methods that may result in lower actual yields than previously reported. Insureds utilizing continuous cropping (CC) yields instead of summer fallow (SF) yields according to procedures in CIH Sec. 6, Par. J(15)(h)3 are not affected by this provision, since the CC practice is a lower yielding practice than SF.

5A **When a lower yielding production method than was reported to calculate the approved APH yield** is carried out, the approved yield for the current crop year will be the lower of the approved yield for the yield method upon which the APH is based, or the applicable of the following methods:

A(1) **The simple average of the approved yields for all other units** (databases) for the same production method as carried out for the current crop year (within the same TMA if applicable). Any applicable reductions for excessive actual yields and for inconsistent approved APH yields when acreage limitations are exceeded must be made prior to calculating the simple average of the approved yields for the other units. In the example, the approved yield would be reduced to the simple average of all non-irrigated approved yields containing actual yields that do not contain acreage that had been pre-watered prior to planting;

A(2) **The applicable county T-Yield** if other database(s) do not exist for the same production methods carried out for the current crop year; or

A(3) **A weighted average approved APH yield** if more than one production method is carried out for the current crop year on acreage of the crop to which the approved APH yield applies. Using the pre-watered non-irrigated example, 50 acres were pre-watered (the production method for which actual yields were reported) but 40 acres were not pre-watered (a lower yielding production method). The approved APH yield for the production method utilizing pre-watering is 65 bu. per acre, and the simple average of the approved APH yields (containing actual yields) for non-irrigated acreage not utilizing pre-watering is 50 bu. per acre. The weighted average reduced approved APH yield for the 90 acres is 58 bu. per acre $(50.0 \times 65.0 = 3,250) + (40 \times 50 = 2,000) / 90.0$.

5B **Separate databases are not established for different production methods,** the acres and production for various production methods must be reported according to the applicable P/T/V. Using the previous example, the total acres (90.0) and total production from the 90 acres would be reported as a non-irrigated practice. In subsequent crop years if the higher yielding production method is:

B(1) **Carried out,** the database containing the production data will be used (no reduction necessary).

B(2) **Not carried out,** (in the example, not pre-watered) the approved yield is adjusted as indicated by Par. A(1), A(2) or A(3), whichever applies, as long as any actual yield from the higher yielding production method remains in the database.

- 5C** **If the AIP is not notified** and it is discovered that a different production method has been carried out that likely results in lower actual yields than for the production method previously reported, the yield will be reduced as indicated in Par. 5A(1), 5A(2) or 5A-(3), whichever is applicable, and the insured will be also be subject to the consequences for misreporting indicated in [Sec. 5, Par. B(8)(c)] and the BP Sec. 6(g).
- 5D** **Use yield limitation flag “11” on the Type 15 yield record** to identify reduced approved yields for different production methods have been carried out.

MASTER YIELD**(NACAT→****1 MASTER YIELD PROCEDURE.**

Master Yields are available for some crops and locations [See Master Yield List Par. 2] where crop rotation and land leasing practices limit the APH crop years of yield history available on individual units. Data from all acreage of the crop the OPERATOR has in the county (identified by unit and by practice, type, variety (P/T/V), and TMA as shown on the actuarial document(s) are used to establish the approved APH Master Yield for all acreage of the crop planted in the designated Master Yield area(s). A combination of Master Yield(s) and APH approved yields (calculated by using standard APH procedures) may not be established on the same policy (by crop and county). In addition, SA T-Yield procedure for added land is not applicable where master yields are available.

1A Initial Master Yield Approval Authorities

A(1) **Approved Training.** AIPs may approve initial Master Yields for the crops and locations listed below following successful completion of approved training. Initial training is mandatory. A minimum of one representative per AIP must attend initial training from any RMA RO to approve master yields for any region, and in some instances additional update training may also be required by RMA. RMA may withdraw an AIP's authority to calculate initial Master Yields if RMA reviews indicate an inordinate number of Master Yields have been calculated incorrectly. However, if the acreage and production history submitted is attributed to an entity(ies) dissimilar to the entity named on the MPCl contract, the request must be referred to the RMA RO for approval. AIPs electing NOT to be responsible for approval of initial Master Yields will refer all requests to the RMA RO.

(1)(a) Canola/Rapeseed, all locations approved for Master Yields.

(1)(b) Onions, all locations (except Colorado) approved for Master Yields.

(1)(c) Sugar Beets, all locations approved for Master Yields.

(1)(d) Sweet Corn, all locations approved for Master Yields.

(1)(e) Tomatoes - Fresh Market, limited to California.

(1)(f) Tomatoes - Processing, all locations approved for Master Yields.

(1)(g) Green Peas, all locations approved for Master Yields.

(1)(h) Dry Peas, all locations approved for Master Yields.

(1)(i) Dry Beans, all locations approved for Master Yields.

(1)(j) Processing Beans, all locations approved for Master Yields.

(1)(k) Potatoes, all locations approved for Master Yields, except Texas.

A(2) **Initial Master Yields.** The RMA RO must approve ALL initial Master Yields for all other crops and locations approved for Master Yields.

1B Requirements for Establishing Initial Master Yield(s)

B(1) **Operator/Tenant.** Master Yields are established on an operator/tenant entity basis. Operator/tenant entity is described as the person/entity with the largest insurable interest in the crop. If the operator shares in other entities, the same Master Yield must be used for all entities in which he or she is the operator and insures under separate policies. For example: An operator who has a majority share in multiple crop insurance policies cannot choose to insure some policies under Master Yield and some under regular APH. If two or more equal interests are involved, the operator/tenant entity is the person who makes the daily farm management decisions regarding the crop. Farm management decisions begin with land selection and continue through harvest. If the policy covers land farmed by more than one operator/tenant entity, a separate Master Yield must be established for each operator/tenant entity (i.e., the insured is a landlord on some land and an operator/tenant entity on other land or, is a landowner with multiple operators). The operator for each Master Yield must be denoted (in the block indicating the producer's name and address) on the APH form to indicate the Master Yield has been established on an operator/tenant entity basis. The Master Yield determined for the operator/tenant entity also applies to insured landlord(s) involved in that farming operation except for a landlord that has CAT coverage or other acreage on which a Master Yield is not applicable. A copy of the operator's Master Yield or a Master Yield with the operator's history must be placed in the landlord's file. All initial Master Yields for insureds sharing in the crop (companion contracts) must be reconciled using the following guidelines prior to issuing approved Master Yields.

- (1)(a) If the operator/tenant is insured and has an approved Master Yield (or requests an initial Master Yield that is subsequently approved) and a person who shares in the crop (landlord) with the operator/tenant also timely requests a Master Yield, the operator/tenant's Master Yield is applicable.
- (1)(b) An insured sharing in the crop with an operator/tenant who has an approved Master Yield will have his or her production guarantee(s) based on standard APH procedures unless a timely request for a Master Yield was made.
- (1)(c) A person sharing in the crop with an operator/tenant who does not have an approved Master Yield may request an initial Master Yield from the verifier by the PRD; however, AIPs must forward the request and individual unit APH forms to the RMA RO for approval.
- (1)(d) If the operator/tenant's (whose records were used to calculate the approved APH yield) status as an operator/tenant changes after the PRD, the approved Master Yield may be used for that crop year; however, it must be recalculated for the following crop year. An operator/tenant's status changes if the operator/tenant rents/leases land to another person who qualifies as the operator/tenant. Persons who may continue to use the Master Yield include:
- 1 A landlord with an approved Master Yield based on an operator/tenant's records whose status changed.
 - 2 An operator/tenant whose status changed but continues to have an insurable interest in the crop. (A processor that has 100 percent interest in the crop may not use the landowners or laborer's records.)

- (1)(e) Transfer of APH Yield History for Master Yields. [See 4B(4) of the Classifications Standards Handbook, on Request for Actuarial Change and RMA RO criteria.]
- B(2) **Previous Crop Years.** Master Yields approved for previous crop year(s), which were not established on an operator/tenant, entity basis may, if requested timely by the insured, be converted to an operator/tenant entity basis.
- B(3) **Approved by Verifier.** Master Yields must be established and approved by the verifier for each:
- (3)(a) T-Yield map area.
- (3)(b) P/T/V as indicated in the Actuarial Documents.
- (3)(c) Designated Homogeneous Master Yield areas. The RMA RO may designate homogenous Master Yield area(s) for initial Master Yields or if homogenous Master Yield Areas are requested for a subsequent crop year. If the RMA RO designates homogeneous Master Yield areas, they must be clearly indicated on the initial Master Yield form (e.g., county, map area, legal descriptions). Any limitations (if applicable) as to entity must also be indicated.

1C **Production Reporting Requirements**

Persons requesting initial Master Yields must furnish at least the four most recent APH crop years of continuous production reports (that contain actual and/or assigned yields for each crop year) for the crop, by county, within the base period. Insureds under standard APH the previous year who request initial Master Yields must use all previously certified yield history that is still within the base period. [See Sec. 6, B(2)(b)]. Insureds with an approved Master Yield for a crop who begin farming the crop in an adjoining county may request a Master Yield for the crop in that county from the RMA RO. Records from other entities sharing in the crop on the same land with the operator/tenant may be used to meet the four-year record requirement with RMA RO approval.

- C(1) **For the most recent APH crop year in the database,** an APH form must be completed and signed by the insured for each unit (by basic or optional units) and by TMA (when applicable) on which the crop was grown. For such locations (legal descriptions) acreage and production must also be reported separately by P/T/V when indicated on the actuarial table. Production reported for the most recent APH crop year determines whether the insured qualifies for basic or optional units.
- C(2) **Different parcels of land** are often leased from year to year; therefore, units may not correspond for all reported years in the database. However, the insured must report ALL planted acres and production for each APH crop year.
- (2)(a) **Reporting Production.** For APH crop year(s) previous to the most recent APH crop year, acreage and production must be reported separately by P/T/V (when indicated on the actuarial table) and by location (legal description) when TMA are involved. If production is commingled between multiple TMA, but the acreage within map areas can be identified, the production must be apportioned to the respective acreage (by P/T/V) using the Commingled Production Worksheet [See Sec. 6 F] and the applicable T-Yields.

- (2)(b) Commingled Production. If for APH crop year(s) previous to the most recent APH crop year, production is commingled between multiple TMA and the acreage for the respective TMA (by P/T/V) cannot be identified, all production and acreage shall be attributed to the highest yielding map area (by P/T/V).
- (2)(c) Master Yield summary(ies) are compiled using the above acreage and production history [See Par. 3D this Exhibit].
- C(3) Certification. Master Yields are established by summarizing unit production history certified by the insured, by APH crop year (normal Category B procedure).

1D Agent Responsibilities

- D(1) Master Yield Summaries. Agents must complete an APH form(s) that summarizes for each APH crop year; planted acres and production for each P/T/V (when indicated on the actuarial table) and by location when TMA are involved. If an initial Master Yield request, agents must quote Preliminary Master Yields from the Master Yield summary form(s). Agents must also quote a preliminary APH yield using standard APH procedures for comparison purposes.
- (1)(a) Initial Master Yield requests. Agents must review the preliminary APH yield calculated using standard APH procedures and the preliminary Master Yield with the insured. The insured must select the method (either APH or the Master Yield) to be used to calculate the approved yield.
- (1)(b) Signature. The agent must obtain the insured's signature on the Master Yield Summary in the Insured's Signature Block. The summary must indicate either acceptance of the preliminary Master Yield or voidance of the request. If the insured wishes to void the request a statement must be added that indicates, "The Master Yield is declined and the APH yield will be based on Standard APH."
- D(2) The agent forwards Master Yield Summary APH form(s), all individual unit APH forms and supporting documentation to the AIP.

1E Verifier Responsibilities.

The verifier, for all Master Yields, reviews the data submitted and completes or corrects the APH forms if necessary, using the following guidelines. For crops which AIPs are not authorized to approve initial Master Yields and for crops the AIPs elect not to approve initial Master Yields [for crops listed in 1 A(1) of this Sec.], all individual unit APH forms, Master Yield Summary(ies) (requests for Master Yield[s]), and supporting documentation must be forwarded to the RMA RO for approval of the initial Master Yield(s).

- E(1) **Individual Determined Yields (IDY).** At least four APH crop years of records are required to qualify for a Master Yield on the crop; however, four years of records are not required to establish a Master Yield for each unit, P/T/V, or TMA. If a Master Yield (P/T/V or TMA requiring separate APH yields) has less than four years of actual/assigned yields available, an IDY will be used to complete the database. IDY's are calculated the same as variable T-Yields; therefore, IDY's will be 100 percent of the applicable T-Yield.
- E(2) **Previous crop year IDY's** (e.g., previous Master Yields, or individual determined yields) used to create the minimum four-year database are not "set" in the Master Yield database. They must be recalculated for the 2005 policy crop year and removed in subsequent crop years as actual yields are reported or assigned yields are applicable. Once four years of actual or assigned yields are applicable for the Master Yield nonactual yields MUST NOT remain in that database.
- E(3) **Verification of actual yields.** All actual yields certified must be examined on a unit basis by P/T/V to determine if they are reasonable. Actual yields exceeding the applicable T-Yield published in the actuarial document multiplied by the factor indicated below (unless different actual yield verification factors are published by the RMA RO) are considered questionable. Yield flags will be used to identify high yields on which desk audits and/or APH record reviews are required.
- (3)(a) **Irrigated practice:** 150 percent of the applicable T-Yields
- (3)(b) **Non-Irrigated practice:** 160 percent of the applicable T-Yields
- (3)(c) **Irrigated and non-irrigated T-Yields** not identified separately on the Actuarial document: 160 percent of the applicable T-Yield.
- (3)(d) **Actual yield verification** factors published by the RMA RO. For example, the RMA RO may publish different factors if T-Yields are based on less than 100 percent of the county average yield or exceptionally high actual yields have been produced for a given crop year(s).
- E(4) **Review of questionable actual yields.** All questionable crop year actual yields must be reviewed by the AIP.
- (4)(a) **Identified Errors.** If an error can be identified and resolved, the actual yield is corrected by the verifier (i.e., transposed numbers, data entry errors, incorrect decimal placement, etc., may often be identified without a review of supporting records).

- (4)(b) Unidentified Errors. If an error is not identified or the actual yield after correction still exceeds the guidelines, verification of the actual yield as compared to supporting records is required (APH Record Review).
- (4)(c) Review of supporting records to verify their acceptability and the accuracy of actual yields. If the supporting records are acceptable:
- 1 And the actual yield(s) in question is correct, no further action is needed.
 - 2 And errors are found, they are corrected by the AIP verifier to agree with the supporting records.
- (4)(d) The AIP reviews the questionable actual yields submitted and approves, adjusts, or rejects them.
- (4)(e) Once a questionable actual yield has been audited and approved by the RMA RO or AIP it is not subject to further desk audits (APH record reviews) unless the data is revised in subsequent crop years.
- E(5) **Verification of preliminary Master Yields**. All preliminary Master Yields (required when initial Master Yields have been requested) must also be examined to determine if they are reasonable as compared to the applicable T-Yield. Master yields exceeding the applicable T-Yield published in the actuarial document multiplied by the factor indicated below are considered questionable. Yield flags will be used to identify high Preliminary Master yields on which desk audits are required.
- (5)(a) Irrigated practice: 130 percent of the T-Yield.
- (5)(b) Non-irrigated practice: 140 percent of the T-Yield.
- (5)(c) Irrigated and non-irrigated practices not identified separately on the actuarial document: 140 percent of the T-Yield.
- (5)(d) If error(s) can be identified and resolved, the preliminary Master Yield is recalculated by the verifier (i.e., transposed numbers, data entry errors, incorrect decimal placement, incorrect calculations, etc., may often be identified without a review of supporting records).
- (5)(e) If an error is not identified or the preliminary Master Yield, after correction, still exceeds the applicable guideline, verification of all actual yields reported as compared to supporting records is required. (Carryover insureds previously under APH who are requesting an initial Master Yield are not required to retain production records beyond the APH record retention requirements.)

- (5)(f) Review of supporting records to verify reported actual yields. If the supporting records are acceptable:
- 1 And the actual yield(s) in question are correct, no further action is needed.
 - 2 If error(s) are found, they are corrected by the AIP verifier to agree with the supporting records.
- (5)(g) Once a questionable preliminary Master Yield has been reviewed, actual yields verified correct and the Master Yield approved, it is not subject to further desk audits in subsequent crop years unless the data is revised.

1F Master Yield Application.

The approved Master Yield (by P/T/V) applies to all individual units within the Master Yield area. Units with four or more years of records also use the Master Yield (by P/T/V) as the approved APH yield.

1G Updating Established Master Yield(s)

- G(1) **Approving.** Once initial Master Yields are approved by the RMA RO or AIP [for crops listed in 1 A(1)], the AIP verifier updates, calculates, and approves Master Yield(s) for subsequent crop years.
- G(2) **Updating.** Individual unit and Master Yield APH forms must be updated each succeeding crop year.
- G(3) **Updating with Zero acres.** If the crop was not grown the previous calendar year, update all Master Yield APH forms with zero acres (if sufficient space exists in the database).
- G(4) **Reviews.** The RMA RO/AIP underwriter reviews the data submitted, completes or corrects the updated Master Yield APH form(s) when applicable, and issues the approved updated Master Yield APH form by completing the Approved APH Yield block of the APH form. Actual Yields reported for each subsequent APH crop year are reviewed for reasonableness [as previously indicated in Par. E(4) and (5) of this exhibit].
- (4)(a) For an added P/T/V or added land (outside of an initial Master Yield TMA) for which an approved Master Yield has not been previously established, insureds must request another initial Master Yield. Such requests must be received in the applicable verifier's office no later than 20 calendar days after the production reporting date. [Refer to Paragraph E] for yield calculation instructions.

If the insured does not request another Master Yield or the request is not timely, the added land/P/T/V will receive 100 percent of the applicable T-Yield. The added and/P/T/V must have a Master Yield established the subsequent crop year.

(4)(b) Landlord and tenant arrangements and how Master Yields are established.

- 1 For Master Yields established on an operator/tenant basis, the operator/tenant is responsible for providing annual production reports to update the Master Yield on all land he or she operates. The verifier must provide a copy of the approved Master Yield to each insured to whom it applies.
- 2 For carryover insureds whose previously established Master Yields were NOT established/converted to an operator/tenant entity basis, each insured is responsible for providing annual production reports to update the Master Yield.

1H Deadlines.

Requests for Master Yields timely signed by the insured (by production reporting date), production reports, and any supporting documentation must be received by the AIP verifier no later than 20 calendar days after the production reporting date. Any Master Yield request requiring RMA RO approval received in the RMA RO later than 30 calendar days after the PRD will be returned to the AIP without an RMA RO approved Master Yield. The AIP is then responsible for rejecting the request and determining the approved yield using standard APH procedures. The RMA RO will document such policies for possible compliance reviews to assure that appropriate approved yields were issued.

1I Yield Limitation Provisions (Cup Only).

If the previous Approved APH yield for the P/T/V or TMA was:

- I(1) Determined under the same conditions (Master Yield both the previous and current crop year), and yield substitutions were NOT used to calculate the previous approved Master Yield, the approved APH yield will not decrease by more than the applicable cup (yield floors do not apply to Master Yields).
- I(2) Not determined under the same conditions (standard APH last year, Master Yield the current crop year, or individual Master Yield that was converted to an operator/tenant entity), there is no limit to the percent change in the yield.

1J Acceptance and Cancellation .**J(1) For initial Master Yields:**

- (1)(a) If the approved Master Yield is at least 95 percent of the preliminary Master Yield, the Master Yield is binding.
- (1)(b) If the approved Master Yield is less than 95 percent of the preliminary Master Yield, mutual consent cancellation or reconsideration provisions are applicable [See **Sec. 5 and** Sec. 11].
- (1)(c) If a preliminary Master Yield was not quoted by the agent or if the insured's intentions are not clearly documented [as indicated in 1D(1)(b)], the RMA RO/AIP will return the Master Yield request unapproved. APH Yields calculated under standard APH procedures will then apply.

- J(2) **Once Master Yields are approved**, insureds may not switch to standard APH unless the insured cancels the Master Yield in writing on or before the cancellation date for the insured crop and requests an approved yield using standard APH procedures. When switching to regular APH, all years of the production history (contained in the Master Yield) that can be attributed to the insured entity's farming operation under standard APH procedures must be used (landlord may have to recertify actual yields for his or her own farming operation if the Master Yield was established on an Operator/tenant basis). When switching back to standard APH, added land with fewer than four years of actual yields will use variable T-Yield procedures to complete the databases (SA T-Yields will not apply).

Previously approved Master Yields are retained if the policy is transferred and a break in continuity of insurance does not occur, the operator/tenant entity remains the same, and the Master Yield is not canceled.

2 MASTER YIELD LIST BY STATE & CROP

| STATE | CROPS |
|--------------|--|
| Alaska | Potatoes |
| Arizona | Potatoes |
| California | Dry Beans, Onions, Potatoes, Sugar Beets, and Tomatoes (Processing & Fresh Market) |
| Colorado | Potatoes, Onions, and Sugar Beets |
| Idaho | Dry Beans, Processing Beans, Canola/Rapeseed, Onions, Dry Peas, Green Peas, Potatoes, Sugar Beets, and Sweet Corn (Processing) |
| Indiana | Tomatoes (Processing) |
| Missouri | Potatoes |
| Michigan | Dry Beans, Sugar Beets, Tomatoes (Processing) |
| Minnesota | Potatoes and Sugar Beets |
| Montana | Sugar Beets, Dry Peas |
| Nebraska | Potatoes, Sugar Beets |
| Nevada | Potatoes |
| New Mexico | Potatoes |
| North Dakota | Dry Peas, Potatoes, Sugar Beets |
| Ohio | Tomatoes (Processing) |
| Oregon | Dry Beans, Processing Beans, Canola/Rapeseed, Dry Peas, Green Peas, Onions, Potatoes, Sugar Beets, and Sweet Corn (Processing) |
| South Dakota | Potatoes, Dry Peas |
| Texas | Potatoes |
| Utah | Onions |
| Washington | Dry Beans, Processing Beans, Canola/Rapeseed, Dry Peas, Green Peas, Onions, Potatoes, Sugar Beets, and Sweet Corn (Processing) |
| Wisconsin | Potatoes |
| Wyoming | Potatoes, Sugar Beets |

Check the actuarial documents for applicable crop programs, practices and maps or supplements. ←NACAT)

3 EXAMPLE OF MASTER YIELD CONCEPT.

This example illustrates the Master Yield concept. The crop has been grown in two T-Yield classification areas (Map Area). One P/T/V has been grown in each Map Area (Irrigated). Figures 1-3 are located in Map Area 1.

3A Figure 1, production reports for farm A indicate two actual yields (one basic unit located in section 11).

Figure 1: Unit 00100, Sec. 11, Map Area 1

| 15. YEAR. | 16. TP. | 17. ACRES | 18. YIELD |
|---------------------|---------|-------------------------|------------|
| 20XX | 42,200 | 100.0 | A422 |
| 20XX | | 0.0 | Z |
| 20XX | 43,000 | 100.0 | A430 |
| 20XX | | 0.0 | Z |
| | | | 19. |
| 20. Prior Y. | | 21. Approved APH | |

3B Figures 2 and 3, production reports for farm B indicate two actual yields for unit 00201 (section 12) and no actual yields for unit 00202 (section 13).

Figure 2: Unit 00201, Sec. 12, Map Area 1

| 15. YEAR | 16. TP. | 17. ACRES | 18. YIELD |
|---------------------|---------|-------------------------|------------|
| 20XX | | 0.0 | Z |
| 20XX | 40,000 | 100.0 | A400 |
| 20XX | | 0.0 | Z |
| 20XX | 35,200 | 80.0 | A440 |
| | | | 19. |
| 20. Prior Y. | | 21. Approved APH | |

Figure 3: Unit 00202, Sec. 13, Map Area 1

| 15. YEAR | 16. TP. | 17. ACRES | 18. YIELD |
|---------------------|---------|-------------------------|------------|
| 20XX | | 0.0 | Z |
| | | | 19. |
| 20. Prior Y. | | 21. Approved APH | |

3C **Figures 4, 5 and 6** are production reports for farm C, which indicate three optional units located in sections 27, 28, and 36 all within Map Area 2. Unit 00301 does not have any actual yields. Unit 00302 has two actual yields. Unit 00303 has one actual yield.

Figure 4: Unit 00301, Sec. 27, Map Area 2

| 15. YEAR | 16. TP. | 17. ACRES | 18. YIELD |
|---------------------|---------|-------------------------|------------|
| 20XX | | 0.0 | Z |
| | | | 19. |
| 20. Prior Y. | | 21. Approved APH | |

Figure 5: Unit 00302, Sec. 28, Map Area 2

| 15. YEAR | 16. TP. | 17. ACRES | 18. YIELD |
|---------------------|---------|-------------------------|------------|
| 20XX | 20,250 | 50.0 | A405 |
| 20XX | | 0.0 | Z |
| 20XX | | 0.0 | Z |
| 20XX | 40,000 | 100.0 | A400 |
| | | | 19. |
| 20. Prior Y. | | 21. Approved APH | |

Figure 6: Unit 00303, Sec. 36, Map Area 2

| 15. YEAR | 16. TP. | 17. ACRES | 18. YIELD |
|---------------------|---------|-------------------------|------------|
| 20XX | | 0.0 | Z |
| 20XX | | 0.0 | Z |
| 20XX | | 0.0 | Z |
| 20XX | 8,200 | 20.0 | A410 |
| | | | 19. |
| 20. Prior Y. | | 21. Approved APH | |

Each actual yield must be compared to the applicable T-Yield for the Map Area multiplied by the actual yield verification factor for the applicable practice (Map Area 1 [400 x 1.50 = 600] Map Area 2 [350 x 1.50 = 525]). None of the actual yields exceed the factored T-Yields; therefore, they are considered reasonable.

3D **Figures 7 and 8** are Master Yield APH Summary Forms, one for each Map Area. These forms are completed the same as the instructions [outlined in Sec. 9], except they contain the total acreage and production of the crop for each Map Area for the operator/tenant entity requesting the Master Yield.

The insured has filed production reports for each optional unit for at least the most recent policy crop year (on planted units) in the base period and therefore qualifies for optional units.

Figure 7: Master Yield Summary, Area 1
Applicable to Units 00100, 00201, and 00202

| 15. YEAR | 16. TP. | 17. ACRES | 18. YIELD |
|------------------------------|---------|-------------------------------|-----------|
| 20XX | 42,200 | 100.0 | A422 |
| 20XX | 40,000 | 100.0 | A400 |
| 20XX | 43,000 | 100.0 | A430 |
| 20XX | 35,200 | 80.0 | A440 |
| | | | 19. 1692 |
| 20(A) PLEM. Yield 423 | | 21. Approved APH Yield | |

Figure 8, Master Yield Summary, Area 2
Applicable to Units 00301-00303

| 15. YEAR | 16. TP. | 17. ACRES | 18. YIELD |
|------------------------------|---------|-------------------------------|-----------|
| 19XX | | | T350 |
| 19XX | | | T350 |
| 20XX | 20,250 | 50.0 | A405 |
| 20XX | | 0.0 | Z |
| 20XX | | 0.0 | Z |
| 20XX | 48,200 | 120.0 | A402 |
| | | | 19. 1507 |
| 20(A) PLEM. Yield 377 | | 21. Approved APH Yield | |

The forms are forwarded to the verifier who approves the initial Master Yield. A separate Master Yield Summary is required for each TMA for each P/T/V (requiring separate APH yields) requested.

Four years of records are required for Master Yield and 100 percent T-Yields apply with IDY=T.

Each preliminary Master Yield must be compared to the applicable T-Yield for the Map Area multiplied by the applicable Master Yield verification factor (irrigated: Map Area 1 [400 x 1.40 = 560] Map Area 2 [350 x 1.40 = 490]). Neither of the preliminary Master Yields exceeds the T-Yields; therefore, they are considered reasonable and approved.

←NACAT)

LIMITED RESOURCE FARMER WAIVER
REQUEST TO WAIVE ADMINISTRATIVE FEES

NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

COUNTY: _____

Social Security Or Tax I.D.: _____

I request that the administrative fee be waived for the _____ crop year.

I certify that:

_____ I am a person with direct or indirect gross farm sales not more than \$100,000 in each of the previous two years (to be increased starting in fiscal year 2004 to adjust for inflation using Prices Paid by Farmer Index as compiled by the National Agricultural Statistical Service (NASS)); and a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income in each of the previous two years, to be determined annually using Commerce Department Data, [See http://www.nrcs.usda.gov/programs/smlfarmer_v2/help.htm for the actual dollar amount adjusted for inflation. The Limited Resource Self Determination Tool may be used to determine if an insured qualifies as a limited resource farmer];

or

_____ I was insured prior to the 2005 crop year, or was insured for the 2005 crop year or a crop with a contract change date prior to August 31, 2004, and administrative fees were waived for one or more of those crop years because I qualified as a limited resource farmer under the limited resource farmer definition in effect at the time, and that I remain qualified as a limited resource farmer under the definition that was in effect at the time the administrative fee was waived.

If requested, I agree to provide records of income and acreage needed to document my qualification as a limited resource farmer.

Producer Signature:

Request Approved by:

Approving Official

Date

1 COMPLETION OF THE APH FORM

1A Example 1

In this example a carryover insured who had planted acres failed to provide the prior year's production reports. An assigned yield (.75 x 103) is used for the previous crop year.

| | | | | | | | |
|---|---|--|---|---|--|---|---|
| 1 PRODUCERS NAME AND ADDRESS I. M. INSURED R.R. 1 ANY ADDRESS PHONE NO: SSN/TAX NO: XXX-XXX-XXXX XXX-XX-XXXX | | 2 REQUIRED FIELD REVIEW REQUIRED INSPECTION 3 STATE: YOUR STATE COUNTY: YOUR COUNTY POLICY NO: XX-XXX-XXXX | | 4 AGENT NAME/ADDRESS I.M. AGENT R.R. 1 ANY ADDRESS PHONE NO: AGENT CODE:XXXXXX XXX- XXX-XXXX | | | |
| | | | | 5 COMPANY NAME/ADDRESS | | | |
| 6 CROP 0041 (CORN) PRACTICE 003 (NI) TYPE 029 (GR) UNIT NO. XXXXX | 7 SECTION X TOWNSHIP X RANGE X LAND OTHER COUNTY YES NO | | | 15 CROP YEAR 19XX 19XX 19XX | 16 TOTAL PRODUCTION | 17 ACRES | 18 YIELD |
| 8 OTHER ENTITY (IES) NONE | | 12 FSA FARM NO. XXXX CROPLAND | | 19XX 20XX 20XX 20XX 20XX 20XX 20XX | 11,500.0 13,200.0 | 100.0 120.0 105.5 111.0 100.0 | A115 A110 P82 P82 P77 |
| 9 RECORD TYPE: CROP YEAR: XXXX PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER NUMBER OF TREES OR VINES | | 13 AREA CLASSIFICATION: | | 19 TOTAL 466 | | | |
| 10 PROCESSOR NUMBER/NAME | 11 OTHER | 14 TRANSITIONAL YIELD: 80 | 20 (A) PRELIMINARY YIELD 93 20 (B) PRIOR YIELD 103 | | 21 APPROVED APH YIELD 93 (For Verifier use only) | | |

I CERTIFY THAT THE INFORMATION I HAVE FURNISHED AS REFLECTED ON THIS FORM IS COMPLETE AND ACCURATE FOR THE COMMODITY(IES), UNIT(S), AND YEAR(S) SHOWN. I UNDERSTAND THIS FORM MAY BE REVIEWED OR AUDITED AND THAT INFORMATION INACCURATELY REPORTED OR FAILURE TO RETAIN RECORDS TO SUPPORT INFORMATION ON THIS FORM, MAY RESULT IN A RECOMPUTATION OF THE APPROVED APH YIELD. I ALSO UNDERSTAND THAT FAILURE TO REPORT COMPLETELY AND ACCURATELY MAY RESULT IN VOIDANCE OF MY CROP INSURANCE CONTRACT AND MAY RESULT IN CRIMINAL OR CIVIL FALSE CLAIMS PENALTIES (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE _____

DATE _____

1B Example 2

In this example, the producer, a carryover insured, has previously established a yield history. A production report showing no acreage was planted the prior crop year is provided.

| | | | | | |
|--|----------|---|--|--|--|
| 1 PRODUCERS NAME AND ADDRESS I. M. INSURED R.R. 1 ANY ADDRESS PHONE NO: XXX-XXX-XXXX | | 2 REQUIRED FIELD REVIEW REQUIRED INSPECTION 3 STATE: YOUR STATE COUNTY: YOUR COUNTY POLICY NO: XX-XXX-XXXX | | 4 AGENT NAME/ADDRESS I.M. AGENT R.R. 1 ANY ADDRESS PHONE NO: XXX-XXX-XXXX AGENT CODE:XXXXXX | |
| 6 CROP 0041 (CORN) PRACTICE 003 (NI) TYPE 029 (GR) UNIT NO. XXXXX | | 7 SECTION X TWNShP X RANGE X LAND OTHER COUNTY YES NOX | | 15 CROP YEAR | 16 TOTAL PRODUCTION |
| | | | | 19XX | |
| | | | | 19XX | |
| | | | | 19XX | |
| 8 OTHER ENTITY (IES) NONE | | 12 FSA FARM NO. XXXX | | 19XX | |
| | | | | 20XX | 14,400.0 |
| 9 RECORD TYPE: CROP YEAR: XXXX PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER NUMBER OF TREES OR VINES | | CROPLAND | | 20XX | 24,300.0 |
| | | | | 20XX | 22,500.0 |
| | | 13 AREA CLASSIFICATION | | 20XX | 0.0 |
| | | | | 20XX | 18,850.0 |
| | | | | 20XX | 0.0 |
| | | | | 19 TOTAL 550 | |
| 10 PROCESSOR NUMBER/NAME | 11 OTHER | 14 TRANSITIONAL YLD: 80 | 20 (A) PRELIMINARY YIELD 138 20 (B) PRIOR YIELD 138 | | 21 APPROVED APH YIELD 138 (For Verifier use only) |

I CERTIFY THAT THE INFORMATION I HAVE FURNISHED AS REFLECTED ON THIS FORM IS COMPLETE AND ACCURATE FOR THE COMMODITY(IES), UNIT(S), AND YEAR(S) SHOWN. I UNDERSTAND THIS FORM MAY BE REVIEWED OR AUDITED AND THAT INFORMATION INACCURATELY REPORTED OR FAILURE TO RETAIN RECORDS TO SUPPORT INFORMATION ON THIS FORM, MAY RESULT IN A RECOMPUTATION OF THE APPROVED APH YIELD. I ALSO UNDERSTAND THAT FAILURE TO REPORT COMPLETELY AND ACCURATELY MAY RESULT IN VOIDANCE OF MY CROP INSURANCE CONTRACT AND MAY RESULT IN CRIMINAL OR CIVIL FALSE CLAIMS PENALTIES (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE _____

DATE _____

1C **Example 3**

- C(1) **Established Database.** In this example, the producer, a carryover insured, had a previously established database. The information on file was printed by the verifier onto the APH form and was provided (through the agent/representative) to the insured.
- C(2) **Prior Year's Production.** The insured then filled in the prior year's production and record type (item 9.).
- C(3) **Preliminary Yield.** The agent/representative then calculated a preliminary yield and forwarded the APH form to the verifier.
- C(4) **Approved Yield.** The verifier reviews the information certified by the insured and approves the APH yield.

| | | | | | | | | | |
|---|--|--|--|---|---|--|---|--|--|
| 1 PRODUCERS NAME AND ADDRESS I. M. INSURED R.R. 1 ANY ADDRESS PHONE NO: XXX-XXX-XXXX SSN/TAX NO: XXX-XX-XXXX | | 2 REQUIRED FIELD REVIEW REQUIRED INSPECTION 3. STATE: YOUR STATE COUNTY: YOUR COUNTY POLICY NO: XX-XXX-XXXX | | 4 AGENT NAME/ADDRESS I.M. AGENT R.R. 1 ANY ADDRESS PHONE NO:XXX-XXX-XXXX AGENT CODE:XXXXXX 5.COMPANY NAME/ADDRESS | | | | | |
| 6 CROP 0011 (WHEAT) PRACTICE 003 (NI) TYPE UNIT NO. XXXXX | | 7 SECTION X TOWNSHP X RANGE X LAND OTHER COUNTY YES NOX | | 15 CROP YEAR 19XX 19XX 19XX | 16 TOTAL PRODUCTION | 17 ACRES | 18 YIELD | | |
| 8 OTHER ENTITY (IES) NONE | | | 12 FSN XXXX CROPLAND | | 19XX 20xX 20XX 20XX | 2,800.0 5,850.0 5,160.0 | 100.0 150.0 120.0 | A28 A39 A43 | |
| 9 RECORD TYPE: CROP YEAR: XXXX PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER NUMBER OF TREES OR VINES | | | 13 AREA CLASSIFICATION 20XX 20XX 20XX | | 8,800.0 2,970.0 2,940.0 | 220.5 110.0 105.0 | A40 A27 A28 19 TOTAL 205 | | |
| 10 PROCESSOR NUMBER/NAME | | 11 OTHER | | 14 TRANSITIONAL YIELD: 35 | | 20 (A) PRELIMINARY YIELD 34 20 (B) PRIOR YIELD 33 | | 21APPROVED APH YIELD 34 (For Verifier use only) | |

I CERTIFY THAT THE INFORMATION I HAVE FURNISHED AS REFLECTED ON THIS FORM IS COMPLETE AND ACCURATE FOR THE COMMODITY(IES), UNIT(S), AND YEAR(S) SHOWN. I UNDERSTAND THIS FORM MAY BE REVIEWED OR AUDITED AND THAT INFORMATION INACCURATELY REPORTED OR FAILURE TO RETAIN RECORDS TO SUPPORT INFORMATION ON THIS FORM, MAY RESULT IN A RECOMPUTATION OF THE APPROVED APH YIELD. I ALSO UNDERSTAND THAT FAILURE TO REPORT COMPLETELY AND ACCURATELY MAY RESULT IN VOIDANCE OF MY CROP INSURANCE CONTRACT AND MAY RESULT IN CRIMINAL OR CIVIL FALSE CLAIMS PENALTIES (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE _____

DATE _____

1D Example 4

In this example, the producer is a new insured and has acreage and production evidence only for the prior crop year. The insured and the agent/representative complete the APH form as follows:

- D(1) **Initial Database.** The insured completes the production report [as outlined in Sec. 9]. The agent/representative assists as necessary.
- D(2) **Preliminary yield.** The agent/representative computes the preliminary yield and forwards the APH form to the verifier.
- D(3) **Approved Yield.** The verifier, after approving the APH yield, returns the yield report to the insured (through the agent/representative). The yield report will probably be computer generated and it must contain the approved APH yield (item 21).

| | | | | | | | |
|--|---|---|---|--|---|--|--|
| 1 PRODUCERS NAME AND ADDRESS I. M. INSURED R.R. 1 ANY ADDRESS PHONE NO: XXX-XXX-XXXX SSN/TAX NO: XXX-XX-XXXX | | 2 REQUIRED FIELD REVIEW REQUIRED INSPECTION 3. STATE: YOUR STATE COUNTY: YOUR COUNTY POLICY NO: XXX-XXX-XXXX | | 4 AGENT NAME/ADDRESS I.M. AGENT R.R. 1 ANY ADDRESS PHONE NO:XXX-XXX-XXXX AGENT CODE:XXXXXX 5. COMPANY NAME/ADDRESS ANY COMPANY ANY ADDRESS | | | |
| 6 CROP 0081 (SOYBEANS) PRACTICE 003 (NI) TYPE UNIT NO. XXXXX | 7 SECTION X TOWNSHIP X RANGE X LAND OTHER COUNTY YES NOX | 15 CROP YEAR 19XX 19XX 19XX | 16 TOTAL PRODUCTION | 17 ACRES | 18 YIELD | | |
| 8 OTHER ENTITY (IES) NONE | | 12 FSA FARM NO. XXXX CROPLAND | | 19XX 20XX 20XX 20XX | 19 TOTAL 82 | | |
| 9 RECORD TYPE: CROP YEAR: XXXX PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER NUMBER OF TREES OR VINES | | 13 AREA CLASSIFICATION: | | 20XX 20XX 20XX 2,976.0 95.0 A31 | E17 E17 E17 | | |
| 10 PROCESSOR NUMBER/NAME | 11 OTHER | 14 TRANSITIONAL YIELD: 21 | 20 (A) PRELIMINARY YIELD 21 20 (B) PRIOR YIELD N/A | | 21 APPROVED APH YIELD 21 (For Verifier use only) | | |

I CERTIFY THAT THE INFORMATION I HAVE FURNISHED AS REFLECTED ON THIS FORM IS COMPLETE AND ACCURATE FOR THE COMMODITY(IES), UNIT(S), AND YEAR(S) SHOWN. I UNDERSTAND THIS FORM MAY BE REVIEWED OR AUDITED AND THAT INFORMATION INACCURATELY REPORTED OR FAILURE TO RETAIN RECORDS TO SUPPORT INFORMATION ON THIS FORM, MAY RESULT IN A RECOMPUTATION OF THE APPROVED APH YIELD. I ALSO UNDERSTAND THAT FAILURE TO REPORT COMPLETELY AND ACCURATELY MAY RESULT IN VOIDANCE OF MY CROP INSURANCE CONTRACT AND MAY RESULT IN CRIMINAL OR CIVIL FALSE CLAIMS PENALTIES (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE _____

DATE _____

1E **Example 5**

APH GC
(PERENNIAL CROPS)

XXXX ALMONDS (0028)
PRODUCTION AND YIELD REPORT

| NAME : I AM INSURED | | ANY TOWN 99 | |
|---|-------------|------------------------------|-------------------------|
| ADDRESS: R.R. 1 | | ANY STATE 999 | |
| TOWN, STATE ZIP | | CONTRACT NO: XX-XXX-XXXX | |
| PHONE: (XXX) XXX-XXXX | | SSN/TAX NO.: XXXXXXXXXXXX | |
| SERVICE OFFICE: C. I. AGENT | | AGENT CODE: XXXXXXX | |
| ADDRESS: 101 N. MAIN ST. | | | |
| TOWN, STATE ZIP | | | |
| COMPANY: YOUR AGENCY, INC | | COMPANY CODE: XXXXX | |
| UNIT NO. 00100 | | FSA FSN: XXXXX | |
| LEGAL DESCRIPTION: 10 T4N R6E | | | |
| OTHER ENTITY: NONE | | | |
| PROCESSOR NUMBER/NAME: ALMONDS | | | |
| PRACTICE: IRRIGATED | | | |
| TYPE: YEAR PLANTED: | | | |
| VARIETY: | | | |
| CROP YR. | TOTAL PROD. | PLANTED ACRES | AVERAGE YIELD PER ACRE |
| 20XX | 92,500 | 50.5 | A1832 |
| 20XX | 95,000 | 50.5 | A1881 |
| 20XX | 97,500 | 50.5 | A1931 |
| 20XX | 100,000 | 50.5 | A1980 |
| 20XX | 103,125 | 60.0 | A1719 |
| 20XX | 97,900 | 60.0 | A1632 |
| SUB TOT. | | | 10975 |
| 20XX | 86,250 | 60.0 | A1438 |
| AREA: | | TOTAL OF AVE. YIELD | |
| TRANSITIONAL YIELD: | | PRIOR YIELD. 1830 | |
| | | | 12413 |
| AVE. YIELD = TOTAL OF AVG.YLDS ÷ # OF YRS | | | APPROVED APH YIELD |
| PRELIMINARY YIELD: 1773 | | | 1773 |
| | | | (For Verifier use only) |

In this example, I Am Insured had a previous almond database and has certified the prior crop year's production. The verifier updated I Am Insured's database and the average yield of 1773 for the current crop year.

1F Example 6

APH HC
 (GREEN PEA)
 XXXX GREEN PEAS (0064)
 PRODUCTION AND YIELD REPORT

| NAME: I AM INSURED | | ANY AGENT 99 | | | | |
|--|-----------------------|-------------------------|----------------|---------------|---------------|-------------------|
| ADDRESS: RR # 1 | | ANY COMPANY 999 | | | | |
| TOWN, ST. ZIP | | | | | | |
| PHONE: (XXX)-XXX-XXXX | | CONTRACT: XX-XXX-XXXXX | | | | |
| SSN/TAX NO.: XXX-XX-XXXX | | | | | | |
| SERVICE OFFICE: C. I. AGENT | | AGENT CODE :XXXXXXX | | | | |
| ADDRESS: 101 N. MAIN ST. | | | | | | |
| TOWN, ST. ZIP | | | | | | |
| COMPANY: YOUR AGENCY INC. | | COMPANY CODE: XXXXX | | | | |
| UNIT NO.: 00100 | | | | FSA FSN : | | |
| LEGAL DESCRIPTION: 01 T105N R2W | | | | | | |
| OTHER ENTITY: NONE | | | | | | |
| PROCESSOR NUMBER/NAME: GREEN PEA | | | | | | |
| PRACTICE: 002 | | | | | | |
| TYPE: | | | | | | |
| CROP YEAR | DOLLARS RCD. FOR CROP | CONTRACT PRICE | ADJUSTED PROD. | DRY PEAS ÷ .6 | PLANTED ACRES | AVG. LBS PER ACRE |
| 19XX | 4,783.80 | .05950 | 80,400 | | 30.0 | A2680 |
| 19XX | 2,565.00 | .06000 | 42,750 | | 15.0 | A2850 |
| 19XX | 4,559.75 | .06100 | 74,750 | | 25.0 | A2990 |
| 19XX | 4,875.00 | .06250 | 78,000 | | 30.0 | A2600 |
| 20XX | 2,929.50 | .06300 | 46,500 | | 15.0 | A3100 |
| 20XX | 7,010.29 | .07105 | 98,667 | 17,133 | 40.5 | A2859 |
| 20XX | 5,859.97 | .07145 | 82,001 | | 25.2 | A3254 |
| 20XX | 7,686.00 | .07000 | 109,800 | | 30.0 | A3660 |
| 20XX | 4,623.00 | .06900 | 67,000 | | 20.0 | A3350 |
| 20XX | 2,930.00 | .05860 | 50,000 | | 20.0 | A2500 |
| SUBTOT | | | | | | 29,843 |
| AREA: | | TOTAL OF AVERAGE YIELDS | | | | 29,843 |
| TRANSITIONAL YIELD: 0 | | PRIOR YIELD: | | | | |
| AVERAGE YIELD = TOTAL OF AVERAGE YIELDS ÷ NO. OF YEARS | | | | | | |
| PRELIMINARY YIELD: 2984 | | | | | | 2984 |

In this example, I Am Insured certified 10 years of records which included the contract price. The total production was determined by dividing the dollars received by the contract price for the TR or Sieve number shown on the actuarial table for the type of green peas on the unit. For the Dry Peas column, Dry pea production harvested from green pea acreage was added to the green pea production.

1G Example 7

APH (POTATO)

XXXX POTATOES (0084)
 PRODUCTION AND YIELD REPORT

| NAME: I AM INSURED | | ANY AGENT 99 | | | | | |
|--------------------------------|------------|--------------------------|-------------|-----------|-------------|-------------|---------------|
| ADDRESS: RR # 1 | | ANY COMPANY 999 | | | | | |
| TOWN, ST. ZIP | | CONTRACT: XX-XXX-XXXX | | | | | |
| PHONE: (XXX)-XXX-XXXX | | SSN/TAX NO.: XXX-XX-XXXX | | | | | |
| SERVICE OFFICE: C. I. AGENT | | AGENT CODE :XXXXXXX | | | | | |
| ADDRESS: 101 N. MAIN ST. | | | | | | | |
| TOWN, ST. ZIP | | | | | | | |
| COMPANY: YOUR COMPANY INC. | | COMPANY CODE: XXXXX | | | | | |
| UNIT NO.: 00100 | | FSA FSN : | | | | | |
| LEGAL DESCRIPTION: 08 T3N R35E | | | | | | | |
| OTHER ENTITY: NONE | | | | | | | |
| PROCESSOR NUMBER/NAME: PEELS | | | | | | | |
| PRACTICE: IRRIGATED (002) | | | | | | | |
| TYPE: GROUP A (161) | | | | | | | |
| CROP YEAR | TOTAL PROD | PLANTED ACRE | AVERAGE CWT | FRESH 1'S | FRESH 1&2'S | PROCESS 1'S | PROCESS 1&2'S |
| 19XX | 3890 | 10.0 | A389 | | | | |
| 19XX | 8120 | 20.0 | A406 | | | | |
| 20XX | 8340 | 20.0 | A417 | | | | |
| 20XX | 7260 | 20.0 | A363 | | | | |
| 20XX | 7360 | 20.0 | A368 | | | | |
| 20XX | 5187 | 18.0 | A288 | DP-50 | DP-60 | DP-50 | DP-85 |
| 20XX | 5390 | 18.0 | A299 | DP-50 | DP-60 | DP-50 | DP-85 |
| 20XX | 6306 | 20.0 | A315 | DP-50 | DP-60 | DP-50 | DP-85 |
| SUBTOT | | | 2845 | 0 | 0 | 0 | 0 |
| 20XX | 4761 | 20 | A238 | DP-50 | DP-60 | DP-50 | AP-92 |
| TOTAL AVG. YLDS | | 3083 | TOT% | | | | |
| AVG. YLD. | | | AVG% | | | | |
| PR. YLD. | | 356 | PR.% | 50 | 60 | 50 | AP-87 |

PRELIMINARY YIELD 343, APPROVED YIELD 343, TRANSITIONAL YIELD 320, AREA: 1

In this example, I Am Insured certified the prior year's production. He had 20.0 acres of potatoes that made 4761 CWT 238 CWT per acre. The verifier updated I Am Insured's database. I Am Insured has an approved yield of 343 CWT at the applicable percentage factor for the current crop year.

DP = Default Percentage from Actuarial Document. Not applicable to CAT.

1H Example 8

APH FC
(ANNUAL CROPS)

XXXX SWEET CORN (0042)
PRODUCTION AND YIELD REPORT

| NAME: I AM INSURED | | ANY AGENT | 99 |
|--|----------------------------------|---------------------|------------------------|
| ADDRESS: RR # 1 | | ANY COMPANY | 999 |
| PHONE: TOWN, ST. ZIP (XXX)-XXX-XXXX | | CONTRACT: | XX-XXX-XXXXX |
| | | SSN/TAX NO.: | XXX-XX-XXXX |
| SERVICE OFFICE: | C. I. AGENT | AGENT CODE :XXXXXXX | |
| ADDRESS: | 101 N. MAIN ST. TOWN, ST. ZIP | | |
| COMPANY: | YOUR AGENCY INC. | COMPANY CODE: XXXXX | |
| UNIT NO. - 00100 | | FSA FSN : | |
| LEGAL DESCRIPTION: | 08 T4N R7W | | |
| OTHER ENTITY: | NONE | | |
| PROCESSOR NUMBER/NAME: | GIANT | | |
| PRACTICE: | NON-IRRIGATED (003) | | |
| TYPE: | OTHER, GOLDEN (082) | | |
| CROP YEAR | TOTAL PRODUCTION | PLANTED ACRES | AVERAGE YIELD PER ACRE |
| 19XX | 336.0 | 50.5 | A6.7 |
| 19XX | 122.5 | 60.5 | A2.0 |
| 19XX | 219.0 | 35.1 | A6.2 |
| 20XX | 232.6 | 40.1 | A5.8 |
| 20XX | 172.5 | 26.7 | A6.5 |
| 20XX | 255.0 | 36.0 | A7.1 |
| 20XX | 179.6 | 40.6 | A4.4 |
| 20XX | 200.7 | 51.5 | A3.9 |
| 20XX | 250.6 | 48.6 | A5.2 |
| SUB TOTAL | | | 47.8 |
| 20XX | 200.0 | 25.0 | A8.0 |
| AREA: | TOTAL OF AVERAGE YIELDS: | | 55.8 |
| TRANSITIONAL YIELD: 0 | APPROVED YIELD: | | 5.6 |

PRELIMINARY YIELD: 5.6

PRIOR YIELD: 5.3

AVERAGE YIELD = TOTAL OF AVERAGE YIELDS ÷ NO. OF YEARS

In this example, I Am Insured had a prior average yield of 5.6 tons per acre. I Am Insured certified the prior year's production and the verifier updated the database showing an approved yield of 5.6 tons per acre for the current crop year.

11 **Example 9**

APH FC
(ANNUAL CROPS)

XXXX SUGAR BEETS (0039)
PRODUCTION AND YIELD REPORT

| NAME: I AM INSURED | | ANY AGENT 99 | |
|------------------------------------|-------------------------|--------------------------|------------------------|
| ADDRESS: RR # 1 | | ANY COMPANY 999 | |
| TOWN, ST. ZIP | | CONTRACT: XX-XXX-XXXXX | |
| PHONE: (XXX)-XXX-XXXX | | SSN/TAX NO.: XXX-XX-XXXX | |
| SERVICE OFFICE: C. I. AGENT | | AGENT CODE :XXXXXXX | |
| ADDRESS: 101 N. MAIN ST. | | | |
| TOWN, ST. ZIP | | | |
| COMPANY: YOUR COMPANY | | COMPANY CODE: XXXXX | |
| UNIT NO.: 00100 | | FSA FSN: | |
| LEGAL DESCRIPTION: | | | |
| OTHER ENTITY: NONE | | | |
| PROCESSOR NUMBER/NAME: WHITE SUGAR | | | |
| PRACTICE: IRRIGATED (002) | | | |
| TYPE: | | | |
| CROP YEAR | *TOTAL PRODUCTION | PLANTED ACRES | AVERAGE YIELD PER ACRE |
| 20XX | 13,409.5 | 432.5 | A31.0 |
| 20XX | 15,022.8 | 508.9 | A29.5 |
| 20XX | 5,808.5 | 219.6 | A26.5 |
| 20XX | 8,840.9 | 409.9 | A21.6 |
| 20XX | 17,500.1 | 645.2 | A27.1 |
| 20XX | 19,974.7 | 816.2 | A24.5 |
| SUB TOTAL | | | 160.2 |
| 20XX | 17,654.0 | 630.5 | A28.0 |
| AREA: | TOTAL OF AVERAGE YIELDS | | 188.2 |
| TRANSITIONAL YIELD: 0 | APPROVED YIELD: | | 26.9 |

PRELIMINARY YIELD 26.9
PRIOR YIELD 26.7
AVERAGE YIELD=TOTAL OF AVERAGE YIELDS ÷ NO. OF YEARS

In this example I Am Insured had a prior average yield of 26.7 ton per acre. I Am Insured certified the most recent crop year's production and the verifier updated the database showing an approved yield of 26.9 tons per acre.

*Net paid tons x (percent sugar/county percent sugar) = total production.

1 APH YIELDS FOR ACREAGE EMERGING FROM THE CONSERVATION RESERVE PROGRAM (CRP)

Use the following procedure for acreage emerging from CRP that was contained in the insured's farming operation PRIOR to enrollment in CRP: 1) if the acreage is a separate unit or, 2) the entire farm (all cropland acreage) was previously enrolled in CRP.

1A Providing Acceptable Production History Prior to Enrollment in CRP.

The insured may provide acceptable production history for the year(s) the crop was grown prior to the acreage's enrollment in CRP. When production history prior to the acreage's enrollment in CRP is provided, standard APH procedures (including added land or added practice/type/variety (P/T/V) if applicable) are used.

1B Acceptable Production History Not Provided.

If the crop was grown prior to enrollment in CRP and acceptable production history is not provided for such years:

B(1) **For acreage emerging from CRP that is a separate unit**, calculate a variable T-Yield for each applicable P/T/V based on the number of years of records (actual and/or assigned yields) for the crop/county provided. [See Sec. 6, Par. C(1) for Category B crops and Sec. 7, Par. H(3) for Category C crops.]

B(2) **For an entire farm operation** (all cropland acres) enrolled in CRP, the variable T-Yield is 100 percent of the applicable T-Yield.

1C For acreage that emerged from CRP in 2005 that is a separate unit, or the entire farm was enrolled in CRP and the 2005 approved APH yield was calculated at 65 percent of the T-Yield, variable T-Yields (see paragraph 1B) may also be used by AIPs when updating those APH databases for the 2006 crop year. All carryover insureds must provide production reports for the 2005 crop year.

1D Approved APH yields previously calculated for the 2006 crop year, that qualify for variable T-Yields as indicated in this Exhibit, may be recalculated by AIPs using this procedure.

1E Yield limitations will not apply when implementing factored T-Yields.

1F Yield Descriptor. The yield descriptor "C" must be used to identify if the crop was grown prior to enrollment in CRP and acceptable production records are not provided.

2 EXAMPLES

| CONDITION | APH CALCULATION |
|---|--|
| <p>CRP acreage which was previously a part of the insured's farming operation and is now a part of an existing unit:</p> <p>This covers the majority of producers with CAT coverage whose unit structure is limited to basic units. For producers with buy-up policies, dividing basic units into separate units is optional.</p> | <p>The approved APH yield for the existing unit will also apply to the CRP acreage.</p> <p>If acceptable yield history (for the same crop and county) has been provided for the existing unit, it will also be used for the CRP acreage.</p> |
| <p>CRP acreage was previously a part of the insured's farming operation but is a separate unit:</p> | <p>a If the crop was NOT grown on the unit prior to enrollment in CRP, variable T-Yield(s) may be used based on the number of years of records provided for the crop in the county:</p> <p>Zero years, 65% One year, 80% Two years, 90% Three or more years, 100%; or,</p> <p>Added land/practice/type/variety procedures, may be used to establish the database. [See Exhibit 36; however, the policy requirements that the acreage must have been farmed three out of the last five years is waived.]</p> <p>b The insured may provide acceptable production history for the years the crop was grown prior to enrollment in CRP and use standard APH yield calculation procedures. (Lack of production history for the years the land was in CRP is irrelevant.)</p> <p>c If the crop was grown prior to enrollment in CRP and acceptable prior production history is not provided, variable T-Yields are used [refer to paragraph a above].</p> <p>d If the crop was grown for ONLY one or two crop years prior to enrollment in CRP and acceptable production reports are provided, the production history and variable T-Yield(s) are used.</p> |

| | |
|--|---|
| <p>The entire farm was enrolled in CRP (all cropland acreage):</p> | <p>a If the crop was NOT grown prior to CRP, 100% of the T-Yield is used (New Producer).</p> <p>b If the crop was grown for ONLY one or two crop years prior to enrollment in CRP, and acceptable production reports are provided, the production history and 100% T-Yields are used (New Producer).</p> <p>c If the crop was grown for more than two crop years prior to enrollment in CRP and acceptable production reports are provided, standard APH yield calculation methods apply. (Lack of production history for the years the land was in CRP is irrelevant.)</p> <p>d If the crop was grown prior to enrollment in CRP and acceptable production reports are not provided, 100% of the applicable T-Yield is used.</p> |
| <p>Insured (not a new producer) purchases, cash leases, or share rents additional CRP land:</p> | <p>a If added to an existing unit, the existing unit's APH yield may be used [refer to added land/P/T/V procedures, Exhibit 36];</p> <p>b If part of an existing unit, but a separate database is required by added land procedures, a variable T-Yield is used. If added as a separate unit, added land/P/T/V procedures are used.</p> <p>c If share rented acreage, the production history for years the crop was grown prior to enrollment in CRP may be used if acceptable production reports are provided.</p> <p>d. Added land determinations must be made the initial year the land was added even if the CRP acreage is added prior to the expiration of the CRP contract.</p> |
| <p>A "new producer" who has not produced the crop in the county will have an approved APH yield based on 100 percent of the T-Yield.</p> | |

1 SUMMARY OF REVENUE HISTORY ENTRIES AND COMPLETION INFORMATION**1A Instructions:**

Verify or make the following entries, if not preprinted on the worksheet:

Insured's Name: Name of insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.

Agency or Servicing Office: Name, address, phone and agent code.

Crop Year: Crop year, as defined in the policy.

Other Entity: Show any other applicable persons sharing in crop.

Insurance Provider: Name, address and phone and Company code.

Contract Number: Insured's assigned policy or contract number.

Unit Number: Five-digit unit number from the Summary of Coverage after it is verified to be correct, (e.g., 00100).

FSA FSN: USDA Farm Service Agency Farm Serial Number.

Legal Description: The Section clearly identified (SE ¼), Township (N/S) and Range (E/W) or other geographical descriptions if not applicable.

Practice: As identified on the applicable actuarial document

Insurable or Uninsurable: Designate if the acreage being reported has met policy minimums for insurability. NOTE: Insurable and Uninsurable must be reported separately as well as any hedged acreage. Indicate both and commingled if not reported separately.

Number of Trees: Enter the total number of trees on the unit that will be applicable for the 2-year module being reported.

County: Enter the applicable county and code.

State: Enter the state and code.

Pre-Acceptance Perennial Crop Inspection Report:

Show the date of the last pre-acceptance inspection, (required for all new or transferred policies).

Item No. Information Required

- (1) **Year:** The applicable crop year for revenue being reported.
- (2) **Net Acres:** Applicable acreage of pecans multiplied by insureds share.
- (3) **Pounds Production:** Total pounds of harvested and/or appraised pecans, INSURED'S SHARE ONLY, (in-shell basis rounded to the nearest whole pound).
- (4) **Gross Sales:** Pounds harvested and/or appraised pecans times the applicable in-shell average price (may be shown as fixed price), reported in dollars and cents, INSURED'S SHARE ONLY.
- (5) **Average Gross Sales:** Enter the yield descriptor (A or B), followed by the Average Gross Sales, the Gross Sales (item 4) divided by the Net Acres (item 2) rounded to whole dollars.
- (6) **Pre-Harvest:** Check this block if a Pre-Harvest Appraisal was completed (required if direct marketed or a loss was reported).
- (7) **Total Number of Years:** Enter the applicable total number of years.
- (8) **Total Average Gross Sales Per Acre:** Enter the total of the Average Gross Sales in column 5.
- (9) **Approved Average Revenue Per Acre:** Average Gross Sales Per Acre (item 8) divided by the Total Number of Years (item 7) rounded to whole dollars.
- (10) **Insured's Signature & Date:** Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining insured's signature, REVIEW ALL ENTRIES on the Summary of Revenue History WITH THE INSURED.
- (11) **Page Number:** Page numbers (Example: Page 1 of 1, or Page 1 of 2, Page 2 of 2, etc.).

SUMMARY OF REVENUE HISTORY (SRH Reverse Side)**COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)**

To the extent that the information requested herein relates to your individual capacity as opposed to your business capacity, the following statements are made in accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) and the Federal crop insurance regulations contained in 7 C.F.R. chapter IV. Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in the Federal crop insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in you or your entity of 10 percent or more, as a policyholder within the systems maintained by the Federal Crop Insurance Corporation (FCIC). Furnishing the SSN or EIN is voluntary; however, failure to furnish that number will result in denial of program participation and benefits. The balance of the information requested is necessary for the insurance company and RMA to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The information furnished on this form will be used by Federal agencies, RMA employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: RMA contract agencies, employees and loss adjusters; reinsured companies; other agencies within the United States Department of Agriculture; The Department of Treasury including the Internal Revenue Service; the Department of Justice, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response to judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit; ineligibility for insurance; and a unilateral determination of any monetary amounts due.

NONDISCRIMINATION STATEMENT

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2 EXAMPLE

**Premium Calculation Example
(PECAN REVENUE)**

For Catastrophic Insurance Coverage: No calculations to show Premium are necessary.

For Additional Coverage: Complete all steps.

FOR EACH UNIT

- (1) **Dollar Amount of Insurance Per Acre**, the producer approved average revenue per acre multiplied by the selected Coverage Level. (1)
- (2) **Guarantee Per Acre**, the Dollar Amount of Insurance adjusted by the Guarantee Reduction Factor (IF APPLICABLE). (2)
- (3) **Total Guarantee**, the Guarantee Per Acre multiplied by the total reported acres. (3)
- (4) **Liability**, the Total Guarantee multiplied by the Insured Share. (4)
- (5) **Total Premium**, the Liability multiplied by Base Premium Rate and any applicable Map Factor and/or Option Factor. (5)
- (6) **Subsidy**, multiply the Total Premium item (5) by the appropriate factor for the selected coverage level on the FCI-35 Subsidies and Fees Table. (6)

PRODUCER PREMIUM

- (7) **Estimated Producer Premium**, subtract the Subsidy, item (6) from the Total Premium, item (5). (7)

THIS WORKSHEET IS INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY.

3 Examples The following examples and procedure are applicable for pecan revenue.

(3)(a) Example 1

- The producer elects the 65% coverage level,
- Certifies information for two blocks, including production and price for the prior four crop years, as an enterprise unit,
- All acreage has a 2/3 share for 2005,
- The producer completed the Pre-Acceptance Worksheet showing:
 - Block 001 Cape Fear, 10.0 acres planted in 1979, current tree count of 274
 - Block 002 Stuart, with 16.6 acres planted in 1980 and 266 current trees.
- In 2001, the producer had 100% share in the two blocks (10.0 + 16.6 = 26.6).
- In 2002, the producer had 100% share in block 002 and 50% share in block 001
 - This results in total net acres of 21.6 (5.0 + 16.6 = 21.6).
 - The actual production (insured's share only) for the two blocks is totaled and then multiplied by the applicable average price to show Gross Sales.
 - The Gross Sales are then divided by the net acres to determine the Average Gross Sales for the year.
- In 2002, the producer had insurance and reported a loss in production and a pre-harvest appraisal was completed.
- In 2003, the insured had 50% share in both blocks but acreage was removed from block 001 leaving 8.6 acres.
 - Thus, the net acres total was 12.6 {(8.6 + 16.6) x .50 = 12.6}.
- In 2004, the producer again had 100% share in both blocks.

| (SRH) For Illustration Purpose Only SUMMARY OF REVENUE HISTORY | | | | | |
|--|-------------------------|--|--|--|----------------------------|
| CROP YEAR(s): 2005/2006 | | INSURED'S NAME & ADDRESS: I.M. INSURED R.R. 1 ANY TOWN STATE ZIP PHONE: XXX-XXX-XXXX | | AGENCY OR SERVICING OFFICE: Home Insurance Agency ANY TOWN STATE ZIP PHONE: XXX-XXX-XXXX AGENT CODE: XXXX | |
| CONTRACT NUMBER: XX-XXX-XXXX | | OTHER ENTITY: NONE | | INSURANCE PROVIDER: Any Insurance Company ANY TOWN STATE ZIP PHONE: XXX-XXX-XXXX COMPANY CODE: XXXX | |
| UNIT NUMBER: 00100 | | FSA FSN: XXXX | LEGAL DESCRIPTION: SECTION TOWNSHIP RANGE XX XXN XXW | | PRACTICE: 003 (NI) |
| INSURABLE or UNINSURABLE | NUMBER OF TREES: 540 | COUNTY: MACON (193) | STATE: GEORGIA (13) | Pre-Acceptance Perennial Crop Inspection Report DATE: 10/23/2001 | |
| YEAR 1 | NET ACRES 2 | POUNDS PRODUCTION 3 | GROSS SALES 4 | AVERAGE GROSS SALES 5 | PRE-HARVEST APPRAISAL 6 |
| 2001 | 26.6 | 29,200 | \$9,928.00 | A \$373 | |
| 2002 | 21.6 | 12,750 | \$11,475.00 | A \$531 | √ |
| 2003 | 12.6 | 16,000 | \$8,480.00 | A \$673 | |
| 2004 | 25.2 | 14,300 | \$10,439.00 | A \$414 | |
| | | 7. TOTAL NUMBER OF YEARS 4 | 8. TOTAL AVERAGE GROSS SALES PER ACRE \$1,991 | 9. APPROVED AVERAGE REVENUE PER ACRE \$498 | |
| The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§1006 and 1014, 7 U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes. | | | | | |
| 10. INSURED SIGNATURE <i>I./M./ Insured</i> | | | DATE <i>M/DD/YYYY</i> 11. Page <u>1</u> of <u>1</u> | | |

**Premium Calculation Example 1
(PECAN REVENUE)**

| | | |
|-----|--|----------------|
| (1) | <u>Dollar Amount of Insurance Per Acre</u> , the producer approved average revenue per acre multiplied by the selected Coverage Level. $\$498 \times 0.65$ (1) | \$324 |
| (2) | <u>Guarantee Per Acre</u> , the Dollar Amount of Insurance adjusted by the Guarantee Reduction Factor (IF APPLICABLE). (2) | \$324 |
| (3) | <u>Total Guarantee</u> , the Guarantee Per Acre multiplied by the total reported acres. $\$324 \times 25.2$ (3) | \$8,165 |
| (4) | <u>Liability</u> , the Total Guarantee multiplied by the Insured Share. $\$8,165 \times 0.667$ (4) | \$5,446 |
| (5) | <u>Total Premium</u> , the Liability multiplied by Base Premium Rate and any applicable Map Factor and/or Option Factor. $\$5,446 \times 0.187 \times 0.90$ (5) | \$917 |
| (6) | <u>Subsidy</u> , multiply the Total Premium item (5) by the appropriate factor for the selected coverage level on the FCI-35 Subsidies and Fees Table. $\$917 \times 0.59$ (6) | \$541 |

PRODUCER PREMIUM

| | | |
|-----|--|--------------|
| (7) | <u>Estimated Producer Premium</u> , subtract the Subsidy, item (6) from the Total Premium, item (5). $\$917 - \541 (7) | \$376 |
|-----|--|--------------|

THIS WORKSHEET IS INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY.

(3)(b) **Example 2**

Same as Example 1 except:

- More than 12.5% of the acreage will be thinned for the current crop year (2005) since the producer plans to remove every other tree on the 8.6 acres in block 001.

**Premium Calculation Example 2
(PECAN REVENUE)**

The Producer's Pre-Acceptance Worksheet should be updated to show the new tree count (137) on block 001 and the SRH updated to show the new total (403 trees).

Block 001

| | | |
|-----|---|-----------------------|
| (1) | <p><u>Dollar Amount of Insurance Per Acre</u>, the producer approved average revenue per acre multiplied by the selected Coverage Level.</p> <p style="text-align: right;">$\\$498 \times 0.65$ (1)</p> | <p>\$324</p> |
| (2) | <p><u>Guarantee Per Acre</u>, the Dollar Amount of Insurance adjusted by the Guarantee Reduction Factor (IF APPLICABLE).</p> <p style="text-align: right;">$\\$324 \times 0.80$ (2)</p> | <p>\$259</p> |
| (3) | <p><u>Total Guarantee</u>, the Guarantee Per Acre multiplied by the total reported acres.</p> <p style="text-align: right;">$\\$259 \times 8.6$ (3)</p> | <p>\$2,227</p> |
| (4) | <p><u>Liability</u>, the Total Guarantee multiplied by the Insured Share.</p> <p style="text-align: right;">$\\$2,227 \times 0.667$ (4)</p> | <p>\$1,485</p> |
| (5) | <p><u>Total Premium</u>, the Liability multiplied by Base Premium Rate and any applicable Map Factor and/or Option Factor.</p> <p style="text-align: right;">$\\$1,485 \times 0.187 \times 0.90$ (5)</p> | <p>\$250</p> |
| (6) | <p><u>Subsidy</u>, multiply the Total Premium item (5) by the appropriate factor for the selected coverage level on the FCI-35 Subsidies and Fees Table.</p> <p style="text-align: right;">$\\$250 \times 0.59$ (6)</p> | <p>\$148</p> |

PRODUCER PREMIUM

| | | |
|-----|--|---------------------|
| (7) | <p><u>Estimated Producer Premium</u>, subtract the Subsidy, item (6) from the Total Premium, item (5).</p> <p style="text-align: right;">$\\$250 - \\148 (7)</p> | <p>\$102</p> |
|-----|--|---------------------|

(Block 002 next page)

Example 2 CONTINUED

Block 002

| | | |
|-----|--|----------------|
| (1) | <u>Dollar Amount of Insurance Per Acre</u> , the producer approved average revenue per acre multiplied by the selected Coverage Level. $\$498 \times 0.65$ (1) | \$324 |
| (2) | <u>Guarantee Per Acre</u> , the Dollar Amount of Insurance adjusted by the Guarantee Reduction Factor (IF APPLICABLE). (2) | \$324 |
| (3) | <u>Total Guarantee</u> , the Guarantee Per Acre multiplied by the total reported acres. $\$324 \times 16.6$ (3) | \$5,378 |
| (4) | <u>Liability</u> , the Total Guarantee multiplied by the Insured Share. $\$5,378 \times 0.667$ (4) | \$3,587 |
| (5) | <u>Total Premium</u> , the Liability multiplied by Base Premium Rate and any applicable Map Factor, Option Factor. $\$3,587 \times 0.187 \times 0.90$ (5) | \$604 |
| (6) | <u>Subsidy</u> , multiply the Total Premium item (5) by the appropriate factor for the selected coverage level on the FCI-35 Subsidies and Fees Table. $\$604 \times 0.59$ (6) | \$356 |

PRODUCER PREMIUM

| | | |
|-----|--|--------------|
| (7) | <u>Estimated Producer Premium</u> , subtract the Subsidy, item (6) from the Total Premium, item (5). $\$604 - \356 (7) | \$248 |
|-----|--|--------------|

Total estimated producer premium $\$102 + \$248 =$ **\$350**

THE WORKSHEETS ARE INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY.

For 2006, if there were no changes the example 1 figures would apply.

(3)(c) **Example 3**

Same as Example 1 except:

- More than 12.5% acreage is being added and records were not being used or provided,
- The new 5.1 acres has 75 trees, over 12 years old,
- The producer has 2/3 share,
- Top work has never been performed,
- Thinning has not been done in the prior year except that hurricanes destroyed seven trees in 2004. No additional thinning is planned.

**Premium Calculation Example 3
(PECAN REVENUE)**

| | | | |
|-----|---|-----|----------------|
| (1) | <p><u>Dollar Amount of Insurance Per Acre</u>, the producer approved average revenue per acre multiplied by the selected Coverage Level.</p> $\begin{array}{l} \$498 \times 25.2 = \$12,550 \\ \$299 \times \underline{5.1} = \underline{\$ 1,525} \\ 30.3 \quad \$14,075 \div 30.3 = \$465 \end{array}$ | (1) | \$302 |
| (2) | <p><u>Guarantee Per Acre</u>, the Dollar Amount of Insurance adjusted by the Guarantee Reduction Factor (IF APPLICABLE).</p> | (2) | \$302 |
| (3) | <p><u>Total Guarantee</u>, the Guarantee Per Acre multiplied by the total reported acres.</p> | (3) | \$9,151 |
| (4) | <p><u>Liability</u>, the Total Guarantee multiplied by the Insured Share.</p> | (4) | \$6,104 |
| (5) | <p><u>Total Premium</u>, the Liability multiplied by Base Premium Rate and any applicable Map Factor and/or Option Factor.</p> | (5) | \$1,027 |
| (6) | <p><u>Subsidy</u>, multiply the Total Premium item (5) by the appropriate factor for the selected coverage level on the FCI-35 Subsidies and Fees Table.</p> | (6) | \$606 |

PRODUCER PREMIUM

| | | | |
|-----|---|-----|--------------|
| (7) | <p><u>Estimated Producer Premium</u>, subtract the Subsidy, item (6) from the Total Premium, item (5).</p> | (7) | \$421 |
|-----|---|-----|--------------|

THIS WORKSHEET IS INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY.

NOTE: This is not considered sequential thinning but rather due to damage and possible loss of productivity. Due to the KNOWN tree damage, percent loss of trees and possible other damage the Insurance Provider is required to do a Pre-Acceptance Field Inspection to determine if an adjustment is needed. An RMA RO review may be required if it is determined that additional damage to the remaining trees may result in the acreage not being capable of producing the approved revenue per acre.

(3)(d) **Example 4**

Similar to Example 3, except insured under the pilot program through the 2005 crop year:

- More than 12.5% acreage is being added and prior producer records were provided for the most recent two years,
- The new 5.1 acres has 75 trees, over 12 years old,
- The producer has 2/3 share,
- Top work has never been performed,
- Thinning has not been done in the prior year except that hurricanes destroyed seven trees in 2004. No additional thinning is planned.

| (SRH) For Illustration Purpose Only SUMMARY OF REVENUE HISTORY | | | | | |
|--|----------------------------|--|--|--|--|
| CROP YEAR(s): 2006/2007 | | INSURED'S NAME & ADDRESS: I.M. INSURED R.R. 1 ANY TOWN STATE ZIP PHONE: XXX-XXX-XXXX | | AGENCY OR SERVICING OFFICE: Home Insurance Agency ANY TOWN STATE ZIP PHONE: XXX-XXX-XXXX AGENT CODE: XXXX | |
| CONTRACT NUMBER: XX-XXX-XXXX | | OTHER ENTITY: NONE | | INSURANCE PROVIDER: Any Insurance Company ANY TOWN STATE ZIP PHONE: XXX-XXX-XXXX COMPANY CODE: XXXX | |
| UNIT NUMBER: 00100 | | FSA FSN: XXXX | LEGAL DESCRIPTION: SECTION TOWNSHIP RANGE XX XXN XXW | | PRACTICE: 003 (NI) |
| INSURABLE or UNINSURABLE | NUMBER OF TREES: 540 | COUNTY: MACON (193) | STATE: GEORGIA (13) | | Pre-Acceptance Perennial Crop Inspection Report DATE: 10/03/2005 |
| YEAR 1 | NET ACRES 2 | POUNDS PRODUCTION 3 | GROSS SALES 4 | AVERAGE GROSS SALES 5 | PRE-HARVEST APPRAISAL 6 |
| | | | | | |
| 2002 | 21.6 | 12,750 | \$11,475.00 | A \$531 | √ |
| 2003 | 12.6 | 16,000 | \$8,480.00 | A \$673 | |
| 2004 | 25.2 | 14,300 | \$10,439.00 | A \$414 | |
| 2005 | 25.2 | 13,750 | \$9,625.00 | A \$382 | |
| | | 7. TOTAL NUMBER OF YEARS 4 | 8. TOTAL AVERAGE GROSS SALES PER ACRE \$2,000 | | 9. APPROVED AVERAGE REVENUE PER ACRE \$500 |
| The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§1006 and 1014, 7 U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes. | | | | | |
| 10. INSURED SIGNATURE <i>I./M./Insured</i> | | | DATE <i>M/DD/YYYY</i> 11. Page <u>1</u> of <u>1</u> | | |

ADDED LAND

| (SRH) For Illustration Purpose Only SUMMARY OF REVENUE HISTORY | | | | | |
|--|------------------------|--|--|--|----------------------------|
| CROP YEAR(s): 2006/2007 | | INSURED'S NAME & ADDRESS: I.M. INSURED R.R. 1 ANY TOWN STATE ZIP PHONE: XXX-XXX-XXXX | | AGENCY OR SERVICING OFFICE: Home Insurance Agency ANY TOWN STATE ZIP PHONE: XXX-XXX-XXXX AGENT CODE: XXXX | |
| CONTRACT NUMBER: XX-XXX-XXXX | | OTHER ENTITY: NONE | | INSURANCE PROVIDER: Any Insurance Company ANY TOWN STATE ZIP PHONE: XXX-XXX-XXXX COMPANY CODE: XXXX | |
| UNIT NUMBER: 00100 | | FSA FSN: XXXX | LEGAL DESCRIPTION: SECTION TOWNSHIP RANGE XX XXN XXW | | PRACTICE: 003 (NI) |
| INSURABLE or UNINSURABLE | NUMBER OF TREES: 75 | COUNTY: MACON (193) | STATE: GEORGIA (13) | Pre-Acceptance Perennial Crop Inspection Report DATE: 10/03/2005 | |
| YEAR 1 | NET ACRES 2 | POUNDS PRODUCTION 3 | GROSS SALES 4 | AVERAGE GROSS SALES 5 | PRE-HARVEST APPRAISAL 6 |
| | | | | | |
| 2002 | 5.1 | | | A \$299 | |
| 2003 | 5.1 | | | A \$299 | |
| 2004 | 5.1 | 4,300 | \$3,010.00 | A \$590 | |
| 2005 | 5.1 | 4,150 | \$2,780.50 | A \$545 | |
| | | 7. TOTAL NUMBER OF YEARS 4 | 8. TOTAL AVERAGE GROSS SALES PER ACRE \$1,733 | 9. APPROVED AVERAGE REVENUE PER ACRE \$433 | |
| The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§1006 and 1014, 7 U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes. | | | | | |
| 10. INSURED SIGNATURE <i>I./M./ Insured</i> | | | DATE <i>M/DD/YYYY</i> 11. Page <u>1</u> of <u>1</u> | | |

**Premium Calculation Example 4
(PECAN REVENUE)**

- (1) **Dollar Amount of Insurance Per Acre**, the producer approved average revenue per acre multiplied by the selected Coverage Level.

$$\begin{array}{r} \$500 \times 25.2 = \$12,600 \\ \$433 \times \frac{5.1}{30.3} = \$ 2,208 \\ \hline \$14,808 \div 30.3 = \$489 \end{array}$$

$$\$489 \times 0.65 \quad (1) \quad \boxed{\$318}$$
- (2) **Guarantee Per Acre**, the Dollar Amount of Insurance adjusted by the Guarantee Reduction Factor (IF APPLICABLE). (2) **\$318**
- (3) **Total Guarantee**, the Guarantee Per Acre multiplied by the total reported acres. (3) **\$9,635**
- (4) **Liability**, the Total Guarantee multiplied by the Insured Share. (4) **\$6,427**
- (5) **Total Premium**, the Liability multiplied by Base Premium Rate and any applicable Map Factor and/or Option Factor. (5) **\$1,082**
- (6) **Subsidy**, multiply the Total Premium item (5) by the appropriate factor for the selected coverage level on the FCI-35 Subsidies and Fees Table. (6) **\$638**

PRODUCER PREMIUM

- (7) **Estimated Producer Premium**, subtract the Subsidy, item (6) from the Total Premium, item (5). (7) **\$444**

THIS WORKSHEET IS INTENDED TO ASSIST IN ESTIMATING PRODUCER PREMIUM ONLY.

RMA REGIONAL OFFICES

| MAILING ADDRESS OF RO | STATES SERVED |
|---|---|
| <p>Billings Regional Office Doug Hagel, Director 3490 Gabel RD, Suite 100 Billings, Montana 59102-7302 (406) 657-6447 (6:00am – 5:30 pm MT) FAX: (406) 657-6573 E-Mail: rsomt@rma.usda.gov</p> | <p>Montana North Dakota South Dakota Wyoming</p> |
| <p>Davis Regional Office Bill Murphy, Director 430 "G" Street, # 4168 Davis, California 95616-4168 (530) 792-5870 (8:00am - 5:00 pm PT) FAX: (530) 792-5893 E-mail: rsoca@rma.usda.gov</p> | <p>Arizona California Hawaii Nevada Utah</p> |
| <p>Raleigh Regional Office Larry Atkinson, Director 4407 Bland Road, Suite 160 Raleigh, North Carolina 27609 (919) 875-4880 (8:00 am – 4:30 pm ET) FAX: (919) 875-4915 E-mail: rsonc@rma.usda.gov</p> | <p>Connecticut Maine Massachusetts New Jersey North Carolina Rhode Island Virginia</p> <p>Delaware Maryland New Hampshire New York Pennsylvania Vermont West Virginia</p> |
| <p>Jackson Regional Office Rock W. Davis, Director 8 River Bend Place Jackson, Mississippi 39232 (601) 965-4771 (8:00 am – 4:30 pm CT) FAX: (601) 965-4517 E-mail: rsoms@rma.usda.gov</p> | <p>Arkansas Kentucky Louisiana Mississippi Tennessee</p> |
| <p>Oklahoma City Regional Office Ronald Berryhill, Director 205 NW 63rd Street, Suite 170 Oklahoma City, Oklahoma 73116-8254 (405) 879-2700 (7:30 am – 4:00 pm CT) FAX: (405) 879-2741 E-mail: rsook@rma.usda.gov</p> | <p>New Mexico Oklahoma Texas</p> |
| <p>St. Paul Regional Office Craig Rice, Director 30 7th Street East Suite 1450 Wells Fargo Place St. Paul, Minnesota 55101-4937 (651) 290-3304 (8:00 am – 4:30 pm CT) FAX: (651) 290-4139 E-mail: rsomn@rma.usda.gov</p> | <p>Iowa Minnesota Wisconsin</p> |

| MAILING ADDRESS OF RO | STATES SERVED |
|--|---|
| <p>Springfield Regional Office Michael Alston, Director 3500 Wabash Avenue Springfield, Illinois 62711 (217) 241-6600 ext. 101 (7:00 am – 4:30 pm CT) FAX: (217) 241-6618 E-mail: rsoil@rma.usda.gov</p> | <p>Illinois Indiana Michigan Ohio</p> |
| <p>Spokane Regional Office Dave Paul, Director 112 North University Road, Suite 205 Spokane, Washington 99206-5295 (509) 353-2147 (7:30 am – 4:30 pm PT) FAX: (509) 353-3149 E-mail: rsowa@rma.usda.gov</p> | <p>Alaska Idaho Oregon Washington</p> |
| <p>Topeka Regional Office Rebecca Davis, Director 3401 S.W. Van Buren Street, Suite 2 Topeka, Kansas 66611-2227 (785) 266-0248 (7:30 am – 4:00 pm CT) FAX: (785) 266-2487 E-mail: rsoks@rma.usda.gov</p> | <p>Colorado Kansas Missouri Nebraska</p> |
| <p>Valdosta Regional Office Michael Moore, Director 106 South Patterson Street, Suite 250 Valdosta, Georgia 31601-5609 (229) 219-2200 (8:00 am – 4:30 pm ET) FAX: (229) 242-3566 E-mail: rsoga@rma.usda.gov</p> | <p>Alabama Florida Georgia Puerto Rico South Carolina</p> |

RESEARCH AND DEVELOPMENT

| | | |
|---------------------------------------|--|--|
| <p>Tim Witt, Deputy Administrator</p> | <p>Kansas City Office 6501 Beacon Drive, Room 403 Kansas City, MO 64133-4676</p> | <p>(816) 926-7394 FAX: (816) 926-1803</p> |
|---------------------------------------|--|--|

RISK COMPLIANCE FIELD OFFICES

| MAILING ADDRESS OF RISK COMPLIANCE OFFICES | STATES SERVED | |
|--|--|--|
| <p>Southern Regional Compliance Office Billy Pryor, Director 1111 W. Mockingbird Lane, Suite 280 Dallas, Texas 75247-5016 (214) 767-7700 (7:00 am – 4:00 pm CT) FAX: (214) 767-7721 E-mail: cfotx@rma.usda.gov</p> | <p>Arkansas Kentucky Louisiana Mississippi New Mexico Oklahoma Tennessee Texas</p> | |
| <p>Eastern Regional Compliance Office Johnnie Perdue, Director 4407 Bland Road, Suite 280 Raleigh, North Carolina 27609 (919) 875-4930 (8:00 am – 5:00 pm ET) FAX: (919) 875-4928 E-mail: cfonc@rma.usda.gov</p> | <p>Alabama Delaware Georgia Maryland New Hampshire New York Pennsylvania Rhode Island Vermont West Virginia</p> | <p>Connecticut Florida Maine Massachusetts New Jersey North Carolina Puerto Rico South Carolina Virginia</p> |
| <p>Western Regional Compliance Office Susan T. Choy, Director 430 G Street, Suite 4167 Davis, California 95616-4167 (530) 792-5850 (8:00 am – 5:00 pm PT) FAX: (530) 792-5865 E-mail: cfoca@rma.usda.gov</p> | <p>Alaska Arizona California Hawaii Idaho Nevada Oregon Utah Washington</p> | |

RISK COMPLIANCE FIELD OFFICES

| MAILING ADDRESS OF RISK COMPLIANCE OFFICES | STATES SERVED |
|--|--|
| <p>Northern Regional Compliance Office Mark Huber, Director 3440 Federal Drive Suite 200 Eagan, Minnesota 55122-1301 (612) 725-3730 (8:00 am – 5:00 pm CT) FAX: (612) 725-3735 E-mail:cfomn@rma.usda.gov</p> | <p>Iowa Minnesota Montana North Dakota South Dakota Wisconsin Wyoming</p> |
| <p>Central Regional Compliance Office Alvin A. Gilmore, Director 6501 Beacon Drive Room 481, Mail Stop 0833 Kansas City, Missouri 64133-4676 (816) 926-7963 (7:30 am - 4:00 pm CT) FAX: (816) 926-5186 E-mail:cfomo@rma.usda.gov</p> | <p>Colorado Kansas Missouri Nebraska</p> |
| <p>Midwest Regional Compliance Office Ronie C. Griffin, Director Corporate Center North 6045 Lakeside Blvd. Indianapolis, Indiana 46278 (317) 290-3050 (7:00 am - 4:00 pm EST) FAX: (317) 290-3065 E-mail:cfoin@rma.usda.gov</p> | <p>Illinois Indiana Michigan Ohio</p> |

**NATIONAL APPEALS DIVISION (NAD)
 3101 PARK CENTER DR. ROOM 1100
 ALEXANDRIA, VIRGINIA 22302
 (703) 305-2538
 FAX: (703) 305-2108
 NAD Website: www.nad.usda.gov**

| MAILING ADDRESS OF NAD OFFICES | STATES SERVED | |
|---|---|--|
| Western Regional Office 755 Parfet Street, Suite 494 Lakewood, Colorado 80215-5506 (303) 236-2862 FAX: (303) 236-2820 1-800-541-0483 | Alaska California Hawaii Kansas Nebraska New Mexico Oklahoma South Dakota Utah Wyoming | Arizona Colorado Idaho Montana Nevada North Dakota Oregon Texas Washington |
| Southern Regional Office 7777 Walnut Grove Road, Suite A-5 Memphis, TN 38120 (901) 544-0359 FAX: (901) 544-0363 1-800-552-5377 | Alabama Florida Louisiana North Carolina South Carolina | Arkansas Georgia Mississippi Puerto Rico Tennessee |
| Eastern Regional Office 8909 Purdue Road Suite 240 Indianapolis, Indiana 46268 (317) 875-9648 FAX: (317) 875-9674 1-800-541-0457 | Connecticut Illinois Iowa Maine Massachusetts Minnesota New Hampshire New Jersey Pennsylvania Vermont Virginia Wisconsin | Delaware Indiana Kentucky Maryland Michigan Missouri New York Ohio Rhode Island Virgin Islands West Virginia |

1 MODIFICATIONS OF PERENNIAL CROP APH PROCEDURES FOR ADDED INSURABLE ACREAGE (ARIZONA, CALIFORNIA, HAWAII AND UTAH)

1A APH Modifications

Use the **additional** following APH modifications relating to "added insurable acreage" for the following perennial crops: almonds, AZ-CA citrus, figs, plums, grapes, macadamia nuts, prunes, stonefruit, table grapes and walnuts. These modifications **and clarifications** apply **ONLY for applicable crops** in Arizona, California, Hawaii and Utah **as outlined in this procedure**. AIPs must continue to use the other perennial crop APH procedures **for all** situations not covered in this exhibit.

1B Added Land. Added land for perennial crops is a block of insurable acreage of the insured crop that is purchased or leased. When adding land with insurable acreage to and existing unit and acceptable production reports/supporting records for the added land's insurable acreage are provided or established for four or more crop years, a simple average yield is calculated. The acreage and production from the added land are combined with the existing unit. **[See Section 7K(2)] when less than four years are provided or available.**

1C Added Insurable Acreage. **[See Section 7K(1)] for other applicable procedure and for other Perennial Category C APH crops and states.**

"Added insurable acreage" is acreage within a unit that meets minimum insurability requirements for the first time for the current crop year. When "added insurable acreage" is **applicable for** an existing unit that had an approved APH yield the previous crop year, use the following instructions.

C(1) When separate acceptable block production records are provided **for all uninsurable and** "added insurable acreage" and the percentage (added insurable acreage - divided by previously insurable acreage in the same unit) of the added insurable acreage is:

- (1)(a) **Less than 70 percent** of the existing unit's acreage, a simple average yield is calculated on the APH Form **for the unit** (Block Production **must be maintained the initial year of insurance but not reported for DAS**). **[See Exhibit 13(1)(b)] procedure for units with added insurable acreage of 70 percent or more.**

A qualifying actual yield (and acres) from a previous crop year must be used **and shown on the existing unit**, if minimum production **ONLY are** required by the policy. For crops with minimum age requirements **ONLY or crops with a minimum age OR production requirement**, the previous year's qualifying production and acres **MAY be used and added to the existing unit**. For crops with **BOTH minimum age and production requirements** the prior and qualifying history **MAY be shown**. When a year with actual yields is used, both the acreage and production must be entered on the APH form **for the unit**. Once accepted this acreage and production must remain in the database until excluded by the base period. **[See Sec. 7, Par. H(1)(c) and K(1)(a) 2 & 3 for reporting requirements]**.

(1)(b) Seventy percent or greater than the existing unit's acreage.

- 1 APH Block Production Worksheets are required.
- 2 In a subsequent crop year when the "added insurable acreage" block contains 4 years of actual/assigned yields, acres and production **may be** combined with the other blocks **or reported as one unit** (Block Production Worksheets **may be** discontinued).

C(2) **If separate acceptable supporting production records are NOT provided** for the **uninsurable acreage not meeting minimums and** "added insurable acreage", the approved APH yield is calculated using a simple average of the total acreage and production (insurable and uninsurable) for all years that production was not separated. **[See Section 7K(1)] procedure for other Perennial Category C APH crops and states.**

2 RESERVED.

DETERMINING VARIABLE T-YIELDS BY CROP

EXAMPLE 1

The following example illustrates determining the variable T-Yield for databases 00201 NI NFAC and 00202 NI NFAC.

**Previous (Policy) Year's Databases
RMA NI NFAC T-Yield = 100**

| 2005 UNIT 00201 (NI NFAC) | | | |
|----------------------------------|-------|-------|-------|
| YEAR | PROD. | ACRES | YIELD |
| 00 | | | |
| 01 | | | |
| 02 | | | |
| 03 | 4800 | 40.0 | A120 |
| 04 | | 0.0 | Z |
| 2005 | 3750 | 30.0 | A125 |

| 2005 UNIT 00202 (NI NFAC) | | | |
|----------------------------------|-------|-------|-------|
| YEAR | PROD. | ACRES | YIELD |
| 00 | | | |
| 01 | | | |
| 02 | | | |
| 03 | | | |
| 04 | 6600 | 60.0 | A110 |
| 2005 | | 0.0 | Z |

Since 3 years of actual records are provided for the crop, 100 percent of the variable T-Yield (100) is used for the entire crop policy.

| 2006 UNIT 00201 (NI NFAC) | | | |
|----------------------------------|-------|-------|-------|
| YEAR | PROD. | ACRES | YIELD |
| 00 | | | |
| 01 | | | T100 |
| 02 | | | T100 |
| 03 | 4800 | 40.0 | A120 |
| 04 | | 0.0 | Z |
| 2005 | 3750 | 30.0 | A125 |

| 2006 UNIT 00202 (NI NFAC) | | | |
|----------------------------------|-------|-------|-------|
| YEAR | PROD. | ACRES | YIELD |
| 00 | | | |
| 01 | | | T100 |
| 02 | | | T100 |
| 03 | | | T100 |
| 04 | 6600 | 60.0 | A110 |
| 2005 | | 0.0 | Z |

EXAMPLE 2

The following example illustrates determining the variable T-Yield for a **NEW PRACTICE (IRR)**. The reference databases 00201 NI NFAC and 00202 NI NFAC are used in determining the variable T-Yield for the added IRR practice.

**Current (Policy) Year's Databases
RMA NI NFAC T-Yield = 100**

| 2006 UNIT 00201 (NI NFAC) | | | |
|----------------------------------|-------|-------|-------|
| YEAR | PROD. | ACRES | YIELD |
| 00 | | | |
| 01 | | | T100 |
| 02 | | | T100 |
| 03 | 4800 | 40.0 | A120 |
| 04 | | 0.0 | Z |
| 2005 | 3750 | 30.0 | A125 |

| 2006 UNIT 00202 (NI NFAC) | | | |
|----------------------------------|-------|-------|-------|
| YEAR | PROD. | ACRES | YIELD |
| 00 | | | |
| 01 | | | T100 |
| 02 | | | T100 |
| 03 | | | T100 |
| 04 | 6600 | 60.0 | A110 |
| 2005 | | 0.0 | Z |

Since 3 years of actual records are provided for the crop, 100 percent of the variable T-Yield (150) is used for the new practice.

RMA IRR NFAC T-Yield = 150

| 2006 UNIT 00203 IRR NFAC | | | |
|---------------------------------|-------|-------|-------|
| YEAR | PROD. | ACRES | YIELD |
| | | | |
| 02 | | | T150 |
| 03 | | | T150 |
| 04 | | | T150 |
| 2005 | | | T150 |
| Total 600/4 = | | | T150 |

COMBINING AND DIVIDING BASIC AND OPTIONAL UNITS

This exhibit addresses establishing and maintaining optional unit databases and provides instructions for combining or dividing APH databases for carryover insureds with valid APH yield history on file. It contains instructions for structuring databases when: 1) basic units change due to a change in the basic unit definition in the crop's policy, 2) basic units change due to a change in shares, 3) optional units are combined, 4) basic units are divided into optional units or 5) optional units are further divided into additional optional units. Valid APH yield histories on file are APH databases containing actual and/or assigned yields maintained by ANY MPC I AIP as reported to RMA. This exhibit applies to both Category B and C APH crops unless otherwise specified. Separate instructions are provided in [Exhibit 35] for retaining previously reported acreage and production history when P/T/Vs and TMA change on the actuarial documents.

This procedure applies separately for each insured person, by crop and unit; however, separate yields (databases) within a unit are required for each P/T/V and other situations such as TMA, high-risk land, added land and Category C APH crop databases. Crops do not apply when databases with actual production history from more than one unit **or block (Category C)** are combined or the actual production history from a unit **or block (Category C)** is divided into additional unit databases **[also see Sec. 7J(5)(a)]**. Previous yield history must be updated according to this procedure based on the insured's unit structure for the current crop year; however, the verifier must issue the approved APH yield.

- 1** **Separate databases must be established for optional units within a basic unit** if insureds provide separate production reports for acreage that would qualify for separate optional units but elect to insure on a basic unit basis (e.g., wants the basic unit discount instead of optional units or has CAT coverage). For new CAT insureds, verifiers must establish separate databases (corresponding to optional units available to the crop at the additional coverage level) within a basic unit provided the insured filed acceptable production reports in that manner. However, it is the AIP's responsibility to clearly inform the insured of the correct CAT unit structure. Refer to [Par. 2] for procedures for maintaining separate optional unit databases for these situations. Separate line entries are required on the acreage report for each APH yield record (database) with planted acreage. [See Sec. 6E(1)(b)2 for exception.]
- 1A** **If an insured had additional coverage and elects CAT coverage** and the previous APH yield history is on an optional unit basis, the verifier must continue to maintain separate optional unit databases [according to Par. 2] within the basic unit (unless the optional units are combined [according to Par. 3E]).
- 1B** **Failure to provide acceptable production reports** for the most recent APH crop year will not cause optional unit databases to be combined. Separate databases will continue to be maintained for the optional units [according to Par. 2]. However, assigned yields will apply and the producer will not be eligible for optional units for the current crop year.
- 1C** **If production from optional units is commingled (including at the time of loss)**, separate databases must be maintained for the current and subsequent crop years [as indicated in Par. 2] unless combined [according to Par. 3E].

- 2** **Procedures for Maintaining Separate Databases Within Basic Units.** Databases previously established for optional units that continue to meet the crop's optional unit requirements under Par. 1 or 3D **MUST** be maintained separately unless, the insured can justify and adequately document that the acreage will no longer be farmed separately. For Category B Crops, if the insured wishes to combine the databases, the AIP must agree in writing to combine the acreage and production history [see Par 3E]. When databases are maintained separately, the yield history from all units (separated by P/T/V) that contain actual and/or assigned yields will be entered in the appropriate current (policy) crop year yield record (database). However, insureds must file separate reports of acreage and production for the most recent APH crop year to qualify for optional units. If the production from optional units is commingled for subsequent crop years, it will be prorated to databases with planted acreage. If acceptable production reports are not provided, assigned yields will apply to databases with planted acreage (except where claims are applicable).

Use the following procedure when the acreage and production history must be maintained separately [See Examples 3 and 4]:

- Step 1** Change the unit numbers to reflect the current year's unit structure and for data tracking purposes assign a yield record number (record) to each previously established optional unit database.
- Step 2** Complete the most recent year in the database by using the current year's production report(s). For carryover insureds, if acceptable production reports are not filed, and insurable acreage was planted the previous (policy) crop year, use assigned yields (by P/T/V) for databases with planted acres. If the production was commingled, prorate the production to databases with planted acres (divide the total production by the total acres and then prorate it to each database with planted acres by multiplying the average yield times the planted acreage [see Example 3]). Identify the prorated actual production with the yield descriptor "P" prior to the actual yield descriptor (e.g., "PA", "PV", "PG" if applicable). For databases with no acres planted, enter a "Z" yield descriptor if sufficient space in the database.
- Step 3** If T-Yields are required to complete four-year databases, the applicable T-Yield for each individual database will be used. Calculate the approved APH yield using the applicable Category B or C procedures for each database.

3 **Situations That Require Combining or Dividing Yield History (Databases)**

- 3A** **The crop policy's basic unit definition changes** and two or more basic units must either be combined into one basic unit or a basic unit must be divided into more than one basic unit.
- 3B** **Basic units change due to a change in the share arrangement** and either two or more basic units must be combined into one basic unit (e.g., the insured bought or cash leased acreage that was previously share rented and has other 100 percent acreage and the acreage does not meet the crop's policy requirements for optional units), or a basic unit must be divided into more than one basic unit (e.g., the insured share rented acreage that was previously cash rented and he/she still has a 100 percent share in the insured crop on some of the acreage that was contained in the database).

- 3C** Units are by FSA FSN and FSA FSNs are reconstituted. The yield history from basic units or optional units established by FSA FSN must be combined if more than one FSA FSN is reconstituted into a single FSN by the production reporting date. The production history from a basic unit must be divided if a single FSN is reconstituted into more than one FSN by the production reporting date. If reconstituted after the production reporting date, the databases will be changed the following crop year.
- 3D** Units are divided into optional units. Yield history is divided when basic units are divided into optional units or optional units are further divided into additional optional units.
- 3E** Agreements to Combine Optional Units (Agreements) Category B Crops. These Agreements should only be used by insureds that have established separate databases for optional units that adjoin or has added land that qualifies as a separate optional unit that adjoins another optional unit and the insured DOES NOT or WILL NOT want the acreage divided into separate optional units. This agreement must not be used to combine optional unit databases for added land that must be maintained separately according to the added land rules [See Exhibit 36]. Databases established for optional units that meet the crops' optional unit policy requirements MUST be maintained separately unless an insured request to combine them according to the Agreement [see Par. 9] and the AIP approves the Agreement. Combining optional unit databases (that are not required to be maintained separately by other procedures) that meet the crop's policy provisions for separate optional units is restricted for APH purposes as follows:
- E(1) The optional units being combined must be from the same basic unit and the acreage must be physically located in the same county and in separate sections, section equivalents or Farm Service Agency Farm Serial Numbers (FSA FSNs) whichever applies (the agreement may not be used to combine irrigated and non-irrigated optional unit databases).
- E(2) The optional units being combined must adjoin. The sections, section equivalents, or FSA FSNs containing the optional units to be combined must lie next to or be in contact with each other (section, section equivalents, or FSA FSNs whose corners touch will be considered adjoining) and the insured must provide:
- (2)(a) Accurate legal descriptions of the units to be combined and if optional units are determined by FSA FSNs, the legal descriptions of the FSNs that are being combined and;
- (2)(b) A copy of a recent aerial photo or map with the sections, section equivalents or FSA FSNs that contain the optional units being combined clearly identified (delineated) that demonstrates they adjoin.
- E(3) Insureds must accurately complete and sign the Agreement on or before the production reporting date and designate the crops to which it will apply.

E(4) **Agreements are subject to AIP approval.** AIPs may approve Agreements to combine the acreage and production from optional unit databases after verifying that the information provided by the insured meets all the underwriting requirements. Once approved by the AIP, the Agreement is continuous and becomes an official document that must be retained by the AIP. The AIP must provide the insured a copy of the Agreement that indicates whether the Agreement was approved. The agreement remains in force if the insured changes from a plan of insurance that uses approved APH yields to determine the coverage to another plan of insurance that uses approved APH yields as a component of revenue coverage (e.g., RA/CRC) or vice versa).

(4)(a) **The Agreement is continuous and may not be cancelled.** However, the agreement will be void:

- 1 For any unit combined under the agreement (by crop) that is no longer valid for the crop year due to a change in the basic unit structure or reconstitution of FSA FSNs. Unaffected combined unit structures are not void. Example 1: The agreement for a crop covers two different units, each consisting of combined optional units. The basic unit structure changed for one of the combined units causing acreage contained in it to be located in two different basic units. In this example the agreement is void only for the affected unit. Example 2: The agreement for a crop covers three combined share rent optional units, but the insured cash rents the same acreage for the crop year. The basic unit structure changed; however, the combined unit structure is unaffected and the agreement remains valid.
- 2 For a crop if all of the combined unit structure(s) for the crop are no longer valid. For example, two optional units were combined under the agreement and they became two different basic units for a crop year.
- 3 If the crop's policy is cancelled and the crop is not insured for at least one crop year (continuity of insurance broken). If an APH-based crop policy is canceled and the crop is insured under another insurance plan for at least one crop year that does not use APH to establish the guarantee (e.g., GRP), the agreement will be void if acceptable production reports are not provided that maintains continuity of APH for the period insured under the other insurance plan [see Sec. 8 Par. E(2)].

For data acceptance purposes, databases for optional units combined under the Agreement must be identified with the option code "CU" on the Type 15 Record and reported to RMA.

(4)(b) **The Agreement transfers when the crop's policy is transferred** to another insurance agency or AIP. Insureds are not allowed to divide the combined units back into optional units via a transfer or because the crop's policy was cancelled and rewritten for the same crop year. If the crop's policy is transferred to another AIP the ceding AIP must transfer the Agreement (provide a copy of the required underwriting information) to the assuming AIP.

(4)(c) **When it is discovered that combined units were separated** into optional units in violation of the Agreement, the AIP will:

- 1 Combine the acreage and production history according to the Agreement, beginning with the crop year that the combined units were separated;
- 2 Combine the optional units and correct the approved APH yield for the current crop year and if any indemnities were paid while the combined optional units were separated, combine the units and correct the approved APH yields for those crop years and
- 3 Recalculate the indemnity according to the combined units under the Agreement. If the corrected indemnity is less than the indemnity that was calculated in violation of the Agreement, collect the difference from the insured.

E(5) **If the basic unit structure changes after the agreement is approved** due to a change in the insured's farming operation and the combined unit must be divided into more than one basic unit, the acreage and production history must be divided and recertified for at least the most recent APH crop year according to the land (specific legal descriptions) contained in each new basic unit. If the acreage and production cannot be recertified according to the new basic units, the acreage and production history is not acceptable and assigned yield provisions apply to carryover policies [see Par. 5B for additional instructions]. For situations requiring combining of databases into a basic unit [see Par. 4B].

4 **Combining APH Databases** [see Par. 3A, 3B, 3C, 3E]

4A **Rules for Combining APH Databases.** Except for situations that procedure requires separate yields (added land, high-risk land, etc.), any yield history of acreage from existing databases that DO NOT meet the crop's policy provisions for separate optional units that make up the basic unit **MUST** be combined (e.g., an insured has produced and reported the insured crop on his/her own land (100% share) for five years. For the current crop year, the insured purchased land in the same section that was previously rented for two crop years on a crop share basis. The acreage does not meet the policy requirements for separate optional units; therefore, the acreage and production history must be combined into the basic unit database).

4B **Procedures for Combining APH Databases.** Yield history (acreage and production) from all units (separated by P/T/V) being combined that contain actual and/or assigned yields, will be entered in the current (policy) crop year database according to the following procedure [See Example 1 and Example 2]. If the producer requests combining units after the production reporting date do not combine the production history (databases) and continue to maintain multiple line entries on the acreage report.

Step 1 Complete the most recent APH crop year in the database by using the current year's production report(s). For carryover insureds, if acceptable production report(s) are not filed and insurable acreage was planted the previous (policy) crop year, use the assigned yield for units (by P/T/V) that were planted. If insurable acreage was planted on more than one unit/P/T/V, use a simple average of the prior approved APH yields for the applicable units (by P/T/V), times .75 to calculate the assigned yield. For units (by P/T/V) that were not planted, use zero-planted procedures.

Step 2 Combine the total production (Col. 16 of the APH Form) and actual acres (Col. 17 of the APH Form) for each APH crop year. For APH crop years with assigned yields, multiply the insurable planted acres times the assigned yield to establish the

amount of production, and calculate in the same manner as a year with actual yields. Divide the combined production by the combined acres for each APH crop year. Next, enter the combined total production, acres and average yields in the current (policy) crop year's database.

- Step 3** For (policy) crop years in which no acres have been planted on ANY of the units (by P/T/V) being combined, a "Z" is entered if the database contains sufficient space. A production report containing zero acres maintains continuity for production reporting purposes. If fewer than four years of actual/assigned yields have been reported, the variable T-Yield must be used to complete the four-year database (previously established SA T-Yields are NOT used).
- Step 4** Calculate the approved APH yield using the applicable Category B or C procedure.

5 **DIVIDING APH YIELD HISTORY (CATEGORY B CROPS)** [see Par. 3A-3D]. Use the following procedures if:

5A **The Crop Policy's Basic Unit Definition Changes.** If the basic unit definition in the crop's policy changes [Par 3A] and a basic unit must be divided into additional basic units, insureds may submit production report(s) according to the basic unit definition for the current (policy) crop year or as basic units were defined the previous (policy) crop year. However, the following crop year the production history must be submitted according to the new basic unit definition to be acceptable. If acceptable production reports for the most recent APH crop year are:

- A(1) **Filed according to the PREVIOUS basic unit definition,** add the production history to the database and transfer the yield history (total production, acres, actual/assigned yields) from the prior (policy) crop year's basic unit database to the new basic unit databases that were derived from it [See Example 5]. If less than 4 years of actual and/or assigned yields are available, enter the applicable variable T-Yield(s) to complete each 4-year database (previously established SA T-Yields are NOT used) and then calculate the approved APH yields according to applicable Category B procedures.
- A(2) **Filed according to the NEW basic unit definition,** enter the acreage and production data in the appropriate databases. Indicate zero planted acres where applicable.
- (2)(a) **If the prior history is also recertified,** follow the instructions in Par. 5, B(2) Steps 1-4; however, assigned yield provisions will not apply if actual acreage and production is submitted for years with assigned yields. Recertified production reports must be for continuous APH years.
- (2)(b) **If the prior history is NOT recertified,** transfer the yield history (total production, acres, actual/assigned yields) from the prior (policy) crop year's basic unit database to the new basic unit databases derived from it. If less than 4 years of actual and/or assigned yields are available, enter the applicable variable T-Yield(s) to complete each 4-year database (previously established SA T-Yields are NOT used) and then calculate the approved APH yields according to applicable Category B procedures.
- A(3) **Not filed for the current crop year,** enter the assigned yield in all applicable (planted acreage) databases. Follow the procedure in Par. 5A (1) for the remaining crop years in the databases.

5B Changes to farming operations cause basic units to be divided into additional basic units [See Par 3B or 3C].

B(1) **Separate Production Reports.** For the current (policy) crop year, the insured MUST submit acceptable production reports for the most recent APH crop year according to the current year's unit arrangement. [See Example 5 of this Exhibit.]

B(2) **Recertifying prior history.** The insured may submit (recertify) production reports for prior APH crop years that were previously reported as one unit. When recertifying, production reports must begin with the most recent APH crop year in the base period and work backward [Example 6 of this Exhibit]. Reported acreage must include insurable planted acres and prevented planting acreage for which yields have been assigned ("PP" and "PW" yield descriptors).

Step 1 Complete the most recent APH crop year in each unit's database using the current year's production reports. For carryover insureds, if acceptable production report(s) are not filed and insurable acreage was planted the previous (policy) crop year, use assigned yields for divided units (by P/T/V) that were planted. For units (by P/T/V) that were not planted, use zero planted procedures. .

Step 2 If additional APH crop years that were previously reported are recertified, update the prior APH crop years using the actual production history from each unit (by P/T/V). For crop years that the production can't be recertified, the insured should report acres by unit by crop year. When acres are reported by unit, but the production is commingled, prorate the commingled production to unit databases with planted acres, (divide the total production by the total acres and multiply the resulting average yield times the planted acres (by P/T/V). Identify prorated actual production with the "P" yield descriptor prior to the applicable actual yield descriptor. Duplicate assigned yields to appropriate databases. For crop years that are not recertified or if acres are not reported by unit, enter the total acres and production (including assigned yields) in each unit for each APH crop year.

Step 3 If less than 4 years of actual and/or assigned yields are available, enter the applicable variable T-Yield(s) to complete each 4-year database (Previously established SA T-Yields are NOT used).

Step 4 Calculate the approved APH yield.

5C **(NACAT→Dividing Basic Units into Optional Units** and Further Dividing Optional Units (CATEGORY B CROPS). This procedure applies the INITIAL CROP YEAR that basic units are divided into optional units or optional units are further divided into additional optional units. Although CAT coverage does not allow optional units, this procedure applies if establishing separate databases for acreage that could be optional units under additional coverage.

C(1) **Separate production reports.** For the current (policy) crop year, the insured MUST submit acceptable production reports by optional unit for the most recent APH crop year in the base period to be eligible for optional units. However, insureds with an agreement to combine optional units are not allowed to divide optional units combined under the Agreement. [See Example 5.]

C(2) **Recertifying prior history.** If the acreage and production has not been maintained separately for optional units, the insured may submit (recertify) production reports for optional units for prior APH crop years that were previously reported as one unit. When recertifying, production reports must begin with the most recent APH crop year in the base period and work backward (2005, 2004, 2003, etc.) to maintain continuity. Reported acreage must include insurable planted acres and prevented planting acreage for which yields have been assigned ("PP" and "PW" yield descriptors). Only continuous recertified production reports will be used to complete the new database and compute the APH yields. [See Example 6.]

Step 1 Complete the most recent APH crop year in each unit's database using the current year's production reports.

Step 2 If additional APH crop years (previously reported) are recertified, update prior APH crop years using the actual production history from each unit (by P/T/V). For crop years that the production can't be recertified, the insured should report acres by unit by crop year. When acres are reported by unit, but the production is commingled, prorate the commingled production to unit databases with planted acres (divide the total production by the total acres and multiply the resulting average yield times the planted acres (by P/T/V). Identify prorated actual production with the "P" yield descriptor prior to the applicable actual yield descriptor. Duplicate assigned yields to appropriate databases. For crop years that are not recertified or acres reported by unit, enter the total acres and production (including assigned yields) in each unit for each APH crop year.

Step 3 If less than 4 years of actual and/or assigned yields are available, enter the applicable variable T-Yield(s) to complete each 4-year database (previously established SA T-Yields are NOT used).

Step 4 Calculate the approved APH yield. ←NACAT)

6 DIVIDING A BASIC UNIT INTO OPTIONAL UNITS OR FURTHER DIVIDING OPTIONAL UNITS INTO ADDITIONAL OPTIONAL UNITS (CATEGORY C CROPS)

The insured MUST submit acceptable production reports by optional units for at least the most recent APH crop year in the base period to be eligible for optional units for the current (policy) crop year.

6A Recertify Production Reports. The insured **must recertify** production reports for prior APH crop years by optional unit unless **production records** have been maintained corresponding to the proposed unit structure. If corresponding **APH block production or prior years** block production worksheets have been completed, the actual yields must be used to calculate the APH yield for each optional unit. When recertifying, production reports must begin with the most recent APH crop year in the base period and work backward (2005, 2004, etc.) to maintain continuity. Only continuous recertified production reports will be used to complete the new database and calculate the approved APH yields.

6B Commingled Production. If the insured is unable to separate (recertify or if **APH block production or prior years** block production worksheets are not available for the optional units) all prior years' production history (other than the most recent crop year) for each requested optional unit (by P/T/V/**TMA or other characteristics**) the initial year optional units are requested:

B(1) **The AIP** must use the lower of the actual yield (from the basic or optional unit being divided) or variable T-Yield (based on the number of years actual records certified for the crop) as the yield each crop year that the production history is not separated according to the optional unit structure. When variable T-Yields apply, use the applicable yield descriptor ("S", "E", "N", or "T") and an "X" to identify them (e.g., "NX"500). These yields remain in the database until outside of the base period and do not increase if additional years of actual/assigned yields are provided; or,

B(2) If different T-Yields by P/T/V/TMA or other characteristics are applicable and separate acres are available, the commingled worksheet in Sec. 6F(1) may be used to separate the production. These yields are not eligible for yield substitution and must be identified with the applicable yield descriptor show in [6B(1) above]. This procedure is not applicable for separate T-Yields by age and/or density.

B(3) **The insured may request a RMA RO Yield.** The RMA RO yield must be requested by the applicable PRD for the crop year. The RO will establish databases, which may be updated by the insured/AIP in subsequent years. When fewer than four years have been separated, and RMA RO determined yields are used to complete the four-year database, such yields are identified by the "F" yield descriptor.

In order to qualify for optional units the subsequent crop year, the insured MUST submit to the AIP an acceptable production report (by P/T/V) for each optional unit by the PRD.

7 ADDING LAND TO AN EXISTING UNIT (CATEGORY B CROPS) [See Exhibit 36].

8 RETAINING YIELD HISTORY FOR THE SAME LAND

To retain yield history when the basic unit or optional unit is from a valid APH form and the same entity and land is involved:

8A Unit Renumbered Or FSA FSN Reconstituted. Verify that the same entity and land is involved. If the same entity and land, the actual/assigned yield history is retained. Yield limitation provisions, if applicable, will apply.

8B Complete the APH Form for The Current Policy Crop Year. Enter the yield history for all (policy) crop years in the database using current APH rules.

9 AGREEMENT TO COMBINE OPTIONAL UNITS (See following page for Agreement Standards).

| | | |
|---|------------------------|---|
| (6-2003) AGREEMENT TO COMBINE OPTIONAL UNITS (AGREEMENT) | | |
| This is a continuous agreement Refer to Item 1 | | |
| Insured's Name and Address: | | Contract Number: |
| | | Initial Crop Year: |
| | | County/State: |
| Agent's Name and Address: | | AIP's Name and Address: |
| Applicable Crops: | Units Combined: | Legal Description & FSN If applicable: |
| | | |
| | | |
| | | |

Upon our verification and approval of this Agreement, we agree to combine the acreage and production history from separate databases for the combined optional units for the insured crop(s) listed, into a single database by practice, type, variety, or transitional yield map area, as applicable.

1. By signing this Agreement, you agree to farm two or more optional units as a combined unit. Once approved, this option is continuous and remains in effect unless the crop's basic unit structure changes and those changes cause the combined unit structure to be invalid or if the crop's insurance policy is cancelled and continuity of insurance coverage is broken.
2. The Agreement must be submitted to us on or before the production reporting date for the applicable crop(s) and approved by us to be effective for the crop year. If not submitted on or before the crop's production reporting date, the option (if approved) will be effective the succeeding crop year.
3. The optional units being combined must be located in the same county and in separate sections, section equivalents or Farm Service Agency Farm Serial Numbers (FSA FSNs), whichever is applicable.
4. The sections, section equivalents, or FSA FSNs containing the optional units being combined must adjoin (lie next to or be in contact with each other). A copy of an aerial photograph or other map that clearly identifies the sections, section equivalents or FSA FSNs containing the optional units being combined that demonstrates they adjoin must be attached.
5. If you transfer a crop's policy on which the Agreement is in force to a different insurance agency/AIP, the Agreement transfers with the crop's policy and remains in effect and you are not permitted to separate the combined units into additional optional units. You must provide a copy of this Agreement to your new insurance agency/AIP. If the Agreement is not transferred and you divide the combined unit into optional units and the new insurance agency/AIP discovers that you have divided a combined unit listed on this agreement into optional units:
 - a. The acreage and production history from the separate optional unit databases will be combined according to this Agreement, beginning with the crop year that the combined units were separated; and

- b. If any indemnities were paid on the optional units, the approved APH yield will be corrected for such crop years as indicated in a. above and the indemnity will be recalculated. If the recalculated indemnity is less than the indemnity that was paid when you violated the terms of this agreement, you must pay the AIP the difference.
- 6. If the basic unit structure changes after this Agreement is approved, and the combined unit must be divided into more than one basic unit, you must notify us and recertify the acreage and production according to the land that is contained in each basic unit no later than the crop's production reporting date. If you fail to do so, we will assign yields for such crop years that have planted acreage for the applicable crops. The acreage and production and/or assigned yield applicable to the land contained in each basic unit will be used to establish separate databases for the new basic units.

The information I have furnished on this form is complete and accurate and I understand and agree to all of the terms and conditions. I understand that any false statement may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§ 1006 and 1014, 7 U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes.

Insured's Signature: _____ Date: _____

Agent's Signature and Code: _____ Date: _____

AIP's Representative: _____ Date: _____

COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)

To the extent that the information requested herein relates to the information supplier's individual capacity as opposed to the supplier's entrepreneurial (business) capacity, the following statements are made according to the Privacy Act of 1974, as amended (5 U.S.C. 552a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, as amended, (7 U.S.C. 1501 et seq.) and the Federal Crop Insurance Regulations contained in 7 CFR chapter IV.

Collection of the Social Security Account Number (SSN) or the Employer Identification Number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in the Federal crop insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in your operation of 10 percent or more, as a policyholder within the systems maintained by the Risk Management Agency (RMA). Furnishing the SSN/EIN is voluntary; however, failure to furnish that number will result in you being denied program participation and benefits.

The balance of the information requested is necessary for the insurance company and RMA to process this form to provide insurance, provide reinsurance, determine eligibility, determine the correct parties to the agreement, determine and collect premiums or other monetary amounts (or fees), and pay benefits. The information furnished on this form will be used by Federal agencies, RMA employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: RMA contract agencies; employees and loss adjusters; reinsured companies; other agencies within the United States Department of Agriculture; the Internal Revenue Service; the Department of Justice, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response to judicial orders in the course of litigation. Furnishing the information required by this form is voluntary; however, failure to report the correct, complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit; ineligibility for insurance; and a unilateral determination of any monetary amounts due.

NONDISCRIMINATION STATEMENT

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

EXAMPLE 1 - COMBINING UNITS & YIELD HISTORY

The following example illustrates combining the yield history due to a change in basic unit structure (share rented land was purchased and is being added to unit 00202 which is owned by the insured) from two optional unit databases into a single basic unit database when both databases contain actual or assigned yields.

Previous (Policy) Year's Databases (2005)

| 2005 | UNIT 00202 | (NI NFAC) | SEC. 17 |
|-------------|-------------------|------------------|----------------|
| YEAR | PROD. | ACRES | YIELD |
| 1999 | | | |
| 2000 | | | T19 |
| 2001 | | | T19 |
| 2002 | 1200 | 60.0 | A20 |
| 2003 | | 0.0 | Z |
| 2004 | 880 | 40.0 | A22 |

| 2005 | UNIT 00101 | (NI NFAC) | SEC. 17 |
|-------------|-------------------|------------------|----------------|
| YEAR | PROD. | ACRES | YIELD |
| 1999 | | | |
| 2000 | | | |
| 2001 | | | T19 |
| 2002 | 2880 | 90.0 | A32 |
| 2003 | 1680 | 60.0 | A28 |
| 2004 | 1920 | 80.0 | A24 |

Step 1: The 2006 production report indicates for the 2005 APH crop year: NI NFAC practice with 3000 bu. production, 100.0 actual acres and a 30-bu. average yield.

Step 2: Actual acres and production are combined.

$$\begin{array}{l}
 \text{Year} \quad \quad \quad \mathbf{4080} \quad \quad \quad \mathbf{150.0} \\
 \mathbf{2002} \quad (1200[\text{Bu}] + 2880[\text{Bu}]) \div (60.0[\text{acres}] + 90.0[\text{acres}]) = \mathbf{27} \\
 \quad \quad \quad \mathbf{1680} \quad \quad \quad \mathbf{60.0} \\
 \mathbf{2003} \quad (0[\text{Bu}] + 1680[\text{Bu}]) \div (0.0[\text{acres}] + 60.0[\text{acres}]) = \mathbf{28} \\
 \quad \quad \quad \mathbf{2800} \quad \quad \quad \mathbf{120.0} \\
 \mathbf{2004} \quad (880[\text{Bu}] + 1920[\text{Bu}]) \div (40.0[\text{acres}] + 80.0[\text{acres}]) = \mathbf{23}
 \end{array}$$

Step 3: Since 4 years of actual records are available, T-Yields are not used in the database.

Current (Policy) Year's Database (2006)

| | 2006 | UNIT 00200 | NI NFAC | SEC. 17 |
|--------|--------------|-------------------|----------------|----------------|
| Step | YEAR | PROD. | ACRES | YIELD |
| Step 3 | | | | |
| Step 2 | 2002 | 4080 | 150.0 | A27 |
| Step 2 | 2003 | 1680 | 60.0 | A28 |
| Step 2 | 2004 | 2800 | 120.0 | A23 |
| Step 1 | 2005 | 3000 | 100.0 | A30 |
| Step 4 | Total 108/4= | | | 27 |

Most Recent
APH Crop Year

EXAMPLE 2 COMBINING UNITS

The following example illustrates establishing the current (policy) crop year database (2006) when two basic units are combined into a single basic unit due to a change in the basic unit structure. For the prior APH crop year, unit 00101 contained actual and assigned yields. Unit 00102 was added land the prior year and contained ONLY T-Yields of 17 bu.

Previous (Policy) Year's Databases (2005)

| 2005 | UNIT 00100 | (NI NFAC) | SEC. 2 |
|-------------|-------------------|------------------|---------------|
| YEAR | PROD. | ACRES | YIELD |
| 1999 | | | |
| 2000 | 2200 | 55.0 | A40 |
| 2001 | | 0.0 | Z |
| 2002 | | 40.5 | P15 |
| 2003 | 2520 | 60.0 | A42 |
| 2004 | 1210 | 50.0 | A20 |

| 2005 | UNIT 00200 | (NI NFAC) | SEC. 2 |
|-------------|-------------------|------------------|---------------|
| YEAR | PROD. | ACRES | YIELD |
| 1999 | | | |
| 2000 | | | |
| 2001 | | | T17 |
| 2002 | | | T17 |
| 2003 | | | T17 |
| 2004 | | | T17 |
| Total | | | 68 |
| APH | | | 68/4=17 |

For the current (policy) crop year (2006), the insured reported 120 acres and 5760 bushels of production (from both locations) on a combined production report for the most recent APH crop year (2005). Acreage and productivity requirements [stated in Exhibit 36 for added land] were met in 2004, which allows the databases to be combined.

Current (Policy) Year's (2006) Combined Database

| | 2006 | UNIT 00100 | NI NFAC | Sec. 2 |
|---------------|-------------|-------------------|----------------|---------------|
| Step | YEAR | PROD. | ACRES | YIELD |
| Step 2 | 2000 | 2200 | 55.0 | A40 |
| Step 2 | 2001 | | 0.0 | Z |
| Step 2 | 2002 | | 40.5 | P15 |
| Step 2 | 2003 | 2520 | 60.0 | A42 |
| Step 2 | 2004 | 1210 | 50.0 | A20 |
| Step 1 | 2005 | 5760 | 120.0 | A48 |
| Step 4 | | | Total | 165 |
| | | | APH | 165/5=33 |

EXAMPLE 3 - COMBINING UNITS BUT NOT DATABASES

The basic unit for the previous (policy) crop year contained three optional units (00101, 00102 and 00103). Two optional units contained actual yields and one contained T-Yields [See Previous (Policy) Year's Databases below]. This example illustrates maintaining previously established databases for the current (policy) crop year (2006) when three optional units are temporarily combined into a single basic unit (for the basic unit discount or switches to CAT).

Previous (Policy) Year's Databases (2005)

| Unit 00101 | | | | Unit 00102 | | | | Unit 00103 | | | |
|--------------|--------|-------|-------|--------------|--------|-------|-------|--------------|-------|-------|-------|
| Year | Prod. | Acres | Yield | Year | Prod. | Acres | Yield | Year | Yield | Acres | Yield |
| 2001 | 17,170 | 85.0 | A202 | 2001 | | | L174 | 2001 | | | T150 |
| 2002 | 10,450 | 110.0 | A195 | 2002 | | | L174 | 2002 | | | T150 |
| 2003 | 16,200 | 90.0 | A180 | 2003 | 15,000 | 100.0 | A150 | 2003 | | | T150 |
| 2004 | 18,500 | 100.0 | A185 | 2004 | 41,000 | 200.0 | A205 | 2004 | | | T150 |
| Average: 191 | | | | Average: 176 | | | | Average: 150 | | | |

Current (Policy) Year's Databases (2006)

| Step 1 Unit 00100 Record .1 | | | | Step 1 Unit 00100 Record .2 | | | | Step 1 Unit 00100 Record .3 | | | |
|-----------------------------------|--------------|-------|-------|-----------------------------------|--------------|-------|-------|-----------------------------------|--------------|-------|-------|
| Year | Prod. | Acres | Yield | Year | Prod. | Acres | Yield | Year | Yield | Acres | Yield |
| 2001 | 17,170 | 85.0 | A202 | 2001 | | | | 2001 | | | T150 |
| 2002 | 10,450 | 110.0 | A195 | 2002 | | | L174 | 2002 | | | T150 |
| 2003 | 16,200 | 90.0 | A180 | 2003 | 15,000 | 100.0 | A150 | 2003 | | | T150 |
| 2004 | 18,500 | 100.0 | A185 | 2004 | 41,000 | 200.0 | A205 | 2004 | | | T150 |
| Step 2 2005 | 21,450 | 110.0 | A195 | Step 2 2005 | 24,000 | 150.0 | A160 | Step 2 2005 | | | Z |
| Step 3 | Average: 191 | | | Step 3 | Average: 172 | | | Step 3 | Average: 150 | | |

Subsequent (Policy) Crop Year (2007)

For 2007 the previous APH crop year's production (2006) was not reported separately. Record .2 and record .3 were planted and the production was commingled (50,000 bushels / 500 acres = 100 bu per acre). 200 acres were planted on Record .2 (200.0 X 100 = 20,000 bu.) and 300 acres planted on record .3 (300.0 X 100 = 30,000 bu.). The databases are completed using the prorated actual production. No acres were planted on record .1 and its database is updated using zero planted rules. The "PA" yield descriptor must be used to identify prorated actual yields for the 2006 APH crop year.

| Unit 00100 Record .1 | | | | Unit 00100 Record .2 | | | | Unit 00100 Record .3 | | | |
|-------------------------|--------|-------|-------|-------------------------|--------|-------|-------|-------------------------|--------|-------|-------|
| Year | Prod. | Acres | Yield | Year | Prod. | Acres | Yield | Year | Yield | Acres | Yield |
| 2001 | 17,170 | 85.0 | A202 | 2001 | | | | 2001 | | | |
| 2002 | 21,450 | 110.0 | A195 | 2002 | | | | 2002 | | | T150 |
| 2003 | 16,200 | 90.0 | A180 | 2003 | 15,000 | 100.0 | A150 | 2003 | | | T150 |
| 2004 | 18,500 | 100.0 | A185 | 2004 | 41,000 | 200.0 | A205 | 2004 | | | T150 |
| 2005 | 21,450 | 110.0 | A195 | 2005 | 24,000 | 150.0 | A160 | 2005 | | | Z |
| 2006 | | 0.0 | Z | 2006 | 20,000 | 200.0 | PA100 | 2006 | 30,000 | 300.0 | PA100 |
| Average: 191 | | | | Average: 154 | | | | Average: 138 | | | |

EXAMPLE 4 COMBINING UNITS BUT NOT DATABASES

This example, using the same information as Example 3 illustrates maintaining previously established databases for the current (policy) crop year (2006) when optional units 00101 and 00103 are temporarily combined into an optional unit (00101) and optional unit 00102 will be retained.

Previous (Policy) Year's Databases (2005)

| Unit 00101 | | | | Unit 00102 | | | | Unit 00103 | | | |
|--------------|--------|-------|-------|--------------|--------|-------|-------|--------------|-------|-------|-------|
| Year | Prod. | Acres | Yield | Year | Prod. | Acres | Yield | Year | Yield | Acres | Yield |
| 2001 | 17,170 | 85.0 | A202 | 2001 | | | L174 | 2001 | | | T150 |
| 2002 | 10,450 | 110.0 | A195 | 2002 | | | L174 | 2002 | | | T150 |
| 2003 | 16,200 | 90.0 | A180 | 2003 | 15,000 | 100.0 | A150 | 2003 | | | T150 |
| 2004 | 18,500 | 100.0 | A185 | 2004 | 41,000 | 200.0 | A205 | 2004 | | | T150 |
| Average: 191 | | | | Average: 176 | | | | Average: 150 | | | |

Current (Policy) Year's Databases (2006)

| Step 1 Unit 00101 Record .1 | | | | Step 1 Unit 00102 Record .2 | | | | Step 1 Unit 00101 Record .3 | | | |
|-----------------------------------|--------------|-------|-------|-----------------------------------|--------------|-------|-------|-----------------------------------|--------------|-------|-------|
| Year | Prod. | Acres | Yield | Year | Prod. | Acres | Yield | Year | Yield | Acres | Yield |
| 2001 | 17170 | 85.0 | A202 | 2001 | | | | 2001 | | | T150 |
| 2002 | 10,450 | 110.0 | A195 | 2002 | | | L174 | 2002 | | | T150 |
| 2003 | 16,200 | 90.0 | A190 | 2003 | 15,000 | 100.0 | A150 | 2003 | | | T150 |
| 2004 | 18,500 | 100.0 | A185 | 2004 | 41,000 | 200.0 | A205 | 2004 | | | T150 |
| Step 2 2005 | 21,450 | 110.0 | A195 | Step 2 2005 | 24,000 | 150.0 | A160 | Step 2 2005 | | 0.0 | Z |
| Step 3 | Average: 193 | | | Step 3 | Average: 172 | | | Step 3 | Average: 150 | | |

Dividing the Optional Units in a Subsequent Crop Year (2008)

The following illustrates dividing the basic unit into (NACAT → three optional units ← NACAT) in a subsequent crop year (2008). 2006 production was commingled between units 00102 and 00103 and prorated when calculating the 2007 approved yield. The appropriate records were updated with the acres and separated actual production for the most recent APH crop year to qualify for optional units (prorated production calculations are not acceptable records to qualify for optional units).

| Unit 00101 Record .1 | | | | Unit 00102 Record .2 | | | | Unit 00103 Record .3 | | | |
|-------------------------|--------|-------|-------|-------------------------|--------|-------|-------|-------------------------|--------|-------|-------|
| Year | Prod. | Acres | Yield | Year | Prod. | Acres | Yield | Year | Yield | Acres | Yield |
| 2001 | 17,170 | 85.0 | A202 | 2001 | | | | 2001 | | | |
| 2002 | 21,450 | 110.0 | A195 | 2002 | | | | 2002 | | | |
| 2003 | 16,200 | 90.0 | A180 | 2003 | 15,000 | 100.0 | A150 | 2003 | | | T150 |
| 2004 | 18,500 | 100.0 | A185 | 2004 | 41,000 | 200.0 | A205 | 2004 | | | T150 |
| 2005 | 21,450 | 110.0 | A195 | 2005 | 24,000 | 150.0 | A160 | 2005 | | 0.0 | Z |
| 2006 | | 0.0 | Z | 2006 | 20,000 | 200.0 | PA100 | 2006 | 30,000 | 300.0 | PA100 |
| 2007 | 21,120 | 110.0 | A192 | 2007 | 25,500 | 150.0 | A170 | 2007 | 8,000 | 50.0 | A160 |
| Average: 191 | | | | Average: 157 | | | | Average: 140 | | | |

EXAMPLE 5 DIVIDING UNITS

In this example, a basic unit is divided into (NACAT → two optional units ← NACAT). The insured filed acceptable production reports for the current (policy) crop year (2005 APH crop year) for units 00101 and 00102. The same process will be used for insured that start providing separate production reports for acreage that could be separate optional units under additional coverage while still insured under CAT.

**Previous (Policy) Year (2005)
Basic Unit (Sec 1 & 2)**

| 2005 | UNIT 00100 | (SF) | SEC. 1 & 2 |
|-------------|-------------------|-------------|-----------------------|
| YEAR | PROD. | ACRES | YIELD |
| 1999 | 8800 | 200.0 | A44 |
| 2000 | | 0.0 | Z |
| 2001 | | 100.0 | P37 |
| 2002 | 10080 | 210.0 | A48 |
| 2003 | 8000 | 200.0 | A40 |
| 2004 | 4800 | 240.0 | A20 |

**Current (Policy) Year (2006)
Optional Unit - (Sec. 1)**

| 2006 | UNIT 00101 | (SF) | Sec. 1 | |
|-------------|-------------------|-------------|---------------|---------------|
| YEAR | PROD. | ACRES | YIELD | Step |
| 1999 | 8800 | 200.0 | A44 | Step 2 |
| 2000 | | 0.0 | Z | Step 2 |
| 2001 | | 100.0 | P37 | Step 2 |
| 2002 | 10080 | 210.0 | A48 | Step 2 |
| 2003 | 8000 | 200.0 | A40 | Step 2 |
| 2004 | 4800 | 240.0 | A20 | Step 2 |
| 2005 | 4400 | 80.0 | A55 | Step 1 |
| | | | Total | 244/6=41 |
| | | | APH | 41 |

**Current (Policy) Year's
Optional Unit (Sec. 2)**

| | 2006 | UNIT 00102 | (SF) | Sec. 2 |
|---------------|-------------|-------------------|-------------|---------------|
| Step | YEAR | PROD. | ACRES | YIELD |
| Step 3 | 1999 | 8800 | 200.0 | A44 |
| Step 2 | 2000 | | 00 | Z |
| Step 2 | 2001 | | 100.0 | P37 |
| Step 2 | 2002 | 10080 | 210.0 | A48 |
| Step 2 | 2003 | 8000 | 200.0 | A40 |
| Step 2 | 2004 | 4800 | 240.0 | A20 |
| Step 1 | 2005 | | 0.0 | Z |
| Step 4 | | | Total | 183/5=37 |
| | | | APH | 37 |

EXAMPLE 6 DIVIDING UNITS

In this example, 2006 APH crop year production reports were submitted for (NACAT→ two optional units←NACAT). The acreage was previously reported as one unit. Acreage previously reported was recertified for two optional units. The same process will be used for insureds that start providing separate production reports for acreage that could be separate optional units under additional coverage while still insured under CAT.

Previous (Policy) Year (2005)
Basic Unit (Sec. 10 and 11)

| 2005 | | UNIT 00100 | | (SF) |
|------|-------|------------|----------|------|
| YEAR | PROD. | ACRES | YIELD | |
| 1999 | 10400 | 200.0 | A52 | |
| 2000 | | 0.0 | Z | |
| 2001 | | 100.0 | P36 | |
| 2002 | 11340 | 210.0 | A54 | |
| 2003 | 8000 | 200.0 | A40 | |
| 2004 | 4800 | 240.0 | A20 | |
| | | Total | 202/5=40 | |
| | | APH | 40 | |

Current (Policy) Year (2006)
Optional Unit - (Sec. 10)

| 2006 | | UNIT 00101 | | | (SF) |
|------|-------|------------|----------|--------|------|
| YEAR | PROD. | ACRES | YIELD | Steps | |
| 1999 | 4480 | 80.0 | A56 | Step 2 | |
| 2000 | | 0.0 | Z | Step 2 | |
| 2001 | 1200 | 40.0 | A30 | Step 2 | |
| 2002 | 5500 | 100.0 | A55 | Step 2 | |
| 2003 | 2880 | 60.0 | A48 | Step 2 | |
| 2004 | 4200 | 140.0 | A30 | Step 2 | |
| 2005 | 4400 | 80.0 | A55 | Step 1 | |
| | | Total | 274/6=46 | Step 4 | |
| | | APH | 46 | | |

Current (Policy) Year (2006)
Optional Unit (Sec. 11)

| 2005 | | UNIT 00102 | | SF |
|--------|------|------------|-------|----------|
| Step | YEAR | PROD. | ACRES | YIELD |
| Step 3 | 1998 | | | |
| Step 2 | 1999 | 5920 | 120.0 | A49 |
| Step 2 | 2000 | | 0.0 | Z |
| Step 2 | 2001 | 2280 | 60.0 | A38 |
| Step 2 | 2002 | 5840 | 110.0 | A53 |
| Step 2 | 2003 | 5120 | 140.0 | A37 |
| Step 2 | 2004 | 600 | 100.0 | A6 |
| Step 1 | 2005 | | 0.0 | Z |
| Step 4 | | | Total | 183/5=37 |
| | | APH | 37 | |

EXHIBIT 15
EXAMPLE 7 DIVIDING UNITS
BASIC UNITS CHANGE

Previous (Policy) Year (2005)
Basic Unit

| 2005 UNIT 00100 (NISP) | | | |
|------------------------|-------|-------|------------|
| YEAR | PROD. | ACRES | YIELD |
| 2000 | | | |
| 2001 | | 0.0 | N270 |
| 2002 | | 0.0 | N270 |
| 2003 | 20000 | 50.0 | A400 |
| 2004 | 31875 | 75.0 | A425 |
| | | Total | 1365/4=341 |
| | | APH | 341 |

Current (Policy) Year (2006)
Production Report

| 2006 UNIT 00100 (NISP) | | | |
|------------------------|-------|-------|------------|
| YEAR | PROD. | ACRES | YIELD |
| 2001 | | | |
| 2002 | | | T300 |
| 2003 | 20000 | 50.0 | A400 |
| 2004 | 31875 | 75.0 | A425 |
| 2005 | 45400 | 100.0 | A454 |
| | | Total | 1579/4=395 |
| | | APH | 395 |

In this example, the basic unit definition changed and the basic units increased from one unit to two units. The insured filed one policy unit production report according to the previous basic unit definition. For this example, the yield history is simply duplicated to the additional unit. However, separate production reports must be filed the subsequent crop year.

Current (Policy) Year (2006)
Basic Unit

| 2006 UNIT 00100 (NISP) | | | |
|------------------------|-------|-------|------------|
| YEAR | PROD. | ACRES | YIELD |
| 2001 | | | |
| 2002 | | 0.0 | T300 |
| 2003 | 20000 | 50.0 | A400 |
| 2004 | 31875 | 75.0 | A425 |
| 2005 | 45400 | 100.0 | A454 |
| | | Total | 1579/4=395 |
| | | APH | 395 |

Current (Policy) Year (2006)
Production Report

| 2006 UNIT 00200 (NISP) | | | |
|------------------------|-------|-------|------------|
| YEAR | PROD. | ACRES | YIELD |
| 2001 | | | |
| 2002 | | | T300 |
| 2003 | 20000 | 50.0 | A400 |
| 2004 | 31875 | 75.0 | A425 |
| 2005 | 45400 | 100.0 | A454 |
| | | Total | 1579/4=395 |
| | | APH | 395 |

1 PERENNIAL CROP ADDENDUM WORKSHEETS

Perennial crop addendum worksheets are used to collect field inspection data specific to the crop by providing guidelines and underwriting questions pertinent to the crop being inspected. Separate perennial crop addendum worksheets are provided for the following **Category C APH** crops **and includes Pecan Revenue**: Apples, Peaches, Pears, Grapes, Cranberries, Blueberries; and a combined form for Almonds, Citrus, Figs, Fresh Plums, Macadamia Nuts, Prunes, Stonefruit, Texas Citrus Fruit, and Walnuts.

A sample perennial crop addendum worksheet is provided for each of the above crops. Complete a separate addendum worksheet for insurable and uninsurable acreage. Check the appropriate item (i.e., 17) to identify when the worksheet is completed for insurable acreage. Check the appropriate item (i.e., 18) when completed for uninsurable acreage. Use uninsurable acreage addendums to identify acreage uninsurable due to policy minimums or limitations (e.g., age, less than the number of growing seasons designated by the SPOI for Grapes, required minimum production of Apples has not been met, Cranberry bog is being renovated, etc.).

The item numbers and instructions below correspond with the item numbers on the Perennial Crop Addendum Worksheets. The instructions apply to both the insurable acreage and uninsurable acreage addendums. If additional space is needed to answer any item, attach a separate sheet (e.g., a Special Report) and identify each item with the item number of the inspection report. Make the following entries on a block basis.

General Instructions (insured and uninsured addendum worksheets)

Enter the applicant/insured's name, applicable policy crop year, unit number and page number(s) as required.

1A APPLES Information Required

- (1) Divide the orchard into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by practice, type, variety, age, density, T-Yield map area or other characteristics shown on the actuarial documents. Contact the RMA RO for additional block instructions. Include block numbers on the sketch map prepared in item 34 of the Pre-Acceptance Inspection Report. Enter these unique block numbers in column #1, to three places i.e., 001.
- (2) Month and year trees were planted or the month and year the block was grafted to the current variety.
- (3) Number of acres to tenths (0.10). The total acres should match the entries in item #1 of the Pre-Acceptance Inspection Report. Review the APH form to determine if the reported acreage in the acreage column (Col. 17 on the 19-A) on the APH form reflects the insured acreage determined in the inspection. If commingled, the entire commingled acreage as reported must meet the production minimum. When commingled, show all acreage as insurable or uninsurable on one addendum worksheet. Correct the APH form if necessary. Review the APH form for possible prior acreage changes.
- (4) Name(s) of the variety(ies) which constitute(s) this block.
- (5) Number of trees that make up this block.
- (6) Average tree spacing/pattern observed within the block (example: 18X20).
- (7) Appropriate rootstock designation for each block.
- (8) Any appropriate other characteristics from the actuarial documents for each block (e.g., spur vs. non-spur).
- (9) Trellis type for each block (e.g., tatura, slender spindle, etc).
- (10) Type of frost protection used for each block and the average number of times used. If no frost protection system is in place, enter "None."
- (11) Rate each block for air drainage based on slope, presence of air pockets, presence of barriers to the free flow of air, etc. Rate as good, fair or poor based on your inspection.
- (12) Average percent slope for each block.
- (13) Practice NI for non-irrigated blocks. Enter IRR for irrigated blocks and indicate the type of irrigation system. Elaborate in item 15 "remarks" as needed.
- (14) Describe in detail the budwood/bough vitality and condition. Differences in individual blocks, if appropriate.
- (15) Blocks where winter damage has occurred in the past that may affect yields for the current crop year. If damage is noted, explain in detail, showing the month/year and type of freeze damage.
- (16) Additional information such as detailed information on pruning practices, replacement program. Attach additional sheets as necessary.
- (17) Check this block if worksheet is for Insurable Acreage [see (3) above].
- (18) Check this block if worksheet is for Uninsurable Acreage [see (3) above]. Multiple pages should be numbered as needed ("Page ___ of ___").

(Item 17) Insurable Acreage

(Item 18) Uninsurable Acreage

**PRE-ACCEPTANCE INSPECTION REPORT
APPLE ADDENDUM WORKSHEET**

(For illustration purposes ONLY)

| | | |
|---------------------------|------------|-----------|
| APPLICANT/INSURED'S NAME: | CROP YEAR: | UNIT NO.: |
|---------------------------|------------|-----------|

| Block Number 1 | Month/Year Planted or Grafted 2 | Acres 3 | Variety/Type 4 | Number of Trees 5 | Plant Spacing/ Pattern | Rootstock 7 | Spur/ Non Spur 8 | Trellis Type Specify 9 | Frost Protection System/Type/ No. Times 10 | Air Drainage Good/Fair/ Poor 11 | Percent Slope 12 | IRR/NI Type 13 |
|-------------------|---------------------------------------|------------|-------------------|----------------------|---------------------------|----------------|------------------------|------------------------------|---|--|------------------------|----------------------|
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| TOTALS: | | | | | | | | | | | | |

14 Describe in detail current budwood/bough vitality and condition. Note differences in individual blocks if appropriate.

15 Has winter damage, or damage the previous year, occurred which may affect this year's potential production on any block? If yes, list block(s) and explain in detail.

16 Remarks:

1B PEACHESInformation Required

- (1) Divide the orchard into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by practice, type, variety, age, density, **T-Yield map area or other characteristics shown on the actuarial documents**. Contact the RMA RO for additional block considerations. Include block numbers on the sketch map prepared in item 34 of the **Pre-Acceptance Inspection Report**. Enter these unique block numbers in column #1, **to three places i.e., 001**.
- (2) Name(s) of the variety(ies) which constitute(s) this block.
- (3) Type **or other characteristics** (i.e., Early, Mid and Late).
- (4) Number of acres to tenths (0.10) determined using RMA approved acreage measurement methods. The total acres should match the entries in item #1 of the **Pre-Acceptance Inspection Report**. Review the APH form to determine if the reported acreage in the acreage column on the APH form reflects the insured acreage determined in the inspection. **If commingled, the entire commingled acreage is reported together on the APH. Acreage not meeting the age minimum, and separate production is not provided to meet the minimum contained in the crop provisions, must be reported as uninsurable on a separate addendum worksheet**. Correct the APH form if necessary. Review the APH form for possible prior acreage changes.
- (5) **Month and year** trees were **planted** or grafted.
- (6) Number of living trees that make up this block.
- (7) Average tree spacing/pattern observed within the block (Example 18X20).
- (8) **Practice** NI for non-irrigated blocks. Enter IRR for irrigated blocks and indicate the type of irrigation system. Elaborate in item 27 "remarks" as needed.
- (9) Total number of dead, missing and < 4-year-old trees as the number of skips in determining percent stand. If 4-years-old or greater are interplanted and considered to be nonbearing, or the producer indicates they will not be allowed to produce, they should also be considered in determining percent stand, detailed information may be necessary in item 27 "remarks".
- (10) Average length of the fruiting wood (<6", 6-12" or >12").
- (11) Percent of damaged limbs (<16%, 16-50%, >50%).
- (12) Describe evidence of disease noted in your review by block and rate as rare, moderate or severe, as appropriate.
- (13) Average tree trunk diameter in inches.
- (14) Describe the application of pruning practices as annual, biennial or other. Other should be explained in item 27 "remarks" (i.e. winter and summer pruning annually).
- (15) Describe the type of pruning practices conducted by block as hand vs. mechanical.
- (16) Rate each block for air drainage based on slope, presence of air pockets, presence of barriers to the free flow of air, etc. Rate as good, fair or poor based on your inspection.
- (17) Average percent slope for each block.
- (18) Rate the evidence of insect and wildlife pests by block as light, moderate or severe.
- (19) Rate by block the overall weed control management as good, fair, poor.
- (20) If interplanted with another crop, enter the crop other than Peaches, explain in item 27 'remarks'. Enter "No" if another crop is not interplanted.
- (21) Rate by block the evidence of nematode infestations as: light, moderate or severe.
- (22) List blocks where major (> 10%) interplanting of new peach trees has occurred within existing blocks.
- (23) If frost protection equipment is available, describe the type and amount otherwise enter "None".
- (24) Note blocks where winter damage has occurred in the past that may affect yields for the current crop year. If damage is noted, explain in detail, showing the month/year of freeze damage.
- (25) If soil pH may be a problem and you answer no, enter the soil pH or identify blocks below 6.0 pH., use item 27 "remarks" if needed.
- (26) (Self explanatory.)
- (27) Additional information such as detailed information on pruning practices, replacement program. Attach additional sheets as necessary.
- (28) Check this block if the worksheet is for Insurable Acreage **[see (4) above]**.
- (29) Check this block if the worksheet is for Uninsurable Acreage **[see (4) above]**. Multiple pages should be numbered as needed ("Page ___ of ___").

(Item 28) Insurable Acreage

(Item 29) Uninsurable Acreage

| PRE-ACCEPTANCE INSPECTION REPORT PEACH ADDENDUM WORKSHEET (For illustration purposes ONLY) | | | | APPLICANT/INSURED'S NAME: | | | CROP YEAR: | UNIT NO.: |
|---|---|---|---|---------------------------|---|---|------------|-----------|
| | | | | | | | TOTALS | |
| 1 Block Number | | | | | | | | |
| 2 Variety | | | | | | | | |
| 3 Type | | | | | | | | |
| 4 Acres | | | | | | | | |
| 5 Month/Year Planted or Grafted | / | / | / | / | / | / | | |
| 6 No. Of Trees | | | | | | | | |
| 7 Plant Spacing/Pattern | | | | | | | | |
| 8 Irrigated/Nonirrigated Irrigation Type | | | | | | | | |
| 9 Percent Stand/No. of Skips | | | | | | | | |
| 10 Fruiting Wood <6", 6-12", or >12" | | | | | | | | |
| 11 % Damage Limbs: <16%, 16-50%, >50% | | | | | | | | |
| 12 Disease: Rare/Moderate/Severe | | | | | | | | |
| 13 Average Trunk Diameter | | | | | | | | |
| 14 Pruning: Annual/Biennial/Other | | | | | | | | |
| 15 Pruning by Block: Hand/Mechanical | | | | | | | | |
| 16 Air Drainage: Good/Fair/Poor | | | | | | | | |
| 17 Percent Slope | | | | | | | | |
| 18 Insect, Wildlife Pests: Light/Moderate/Severe | | | | | | | | |
| 19 Weed Control: Good/Fair/Poor | | | | | | | | |
| 20 Interplanted With Another Crop (Crop) | | | | | | | | |
| 21 Nematode Prevalence: Light/Moderate/Severe | | | | | | | | |
| 22 List blocks interplanted for renovation purposes | | | | | | | | |
| 23 Frost Protection - System/Type/No. Times | | | | | | | | |
| 24 Explain any tree damage that has occurred in the past five years | | | | | | | | |
| 25 Was the soil pH above 6.0 on ALL blocks? Yes <input type="checkbox"/> No <input type="checkbox"/> | | | | | | | | |
| 26 List blocks which are terraced | | | | | | | | |
| 27 REMARKS: | | | | | | | | |

1C PEARSInformation Required

- (1) Divide the orchard into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by practice, type, variety, age, and density, **T-Yield map area or other characteristics shown on the actuarial documents**. Contact the RMA RO for additional block instructions. Include block numbers on the sketch map prepared in item 34 of the **Pre-Acceptance Inspection Report**. Enter these unique block numbers in column #1, **to three places i.e., 001**.
- (2) **Month and** year trees were **planted** or the year the block was grafted to the current variety.
- (3) Number of acres to tenths (0.10) determined using RMA approved acreage methods. The total acres should match the entries in item #1 of the **Pre-Acceptance Inspection Report**. Review the APH form to determine if the reported acreage on the APH form reflects the insured acreage determined in the inspection. **If commingled, the entire commingled acreage as reported must meet the production minimum. When commingled, show all acreage as insurable or uninsurable on one addendum worksheet**. Correct the APH form if necessary. Review the APH form for possible prior acreage changes.
- (4) Name(s) of the variety(ies) which constitute(s) this block.
- (5) Number of trees that make up this block.
- (6) Average tree spacing/pattern observed within the block (example: 10X20).
- (7) Appropriate rootstock designation for each block.
- (8) Trellis type for each block (e.g., tatura, slender spindle, lincoln canopy, etc.).
- (9) Type of frost protection utilized for each block and the average number of times used. If no frost protection system is in place, enter "None".
- (10) Rate each block for air drainage based on slope, presence of air pockets, presence of barriers to the free flow of air, etc. Rate as good, fair or poor based on your inspection.
- (11) Average percent slope for each block.
- (12) **Practice** NI for non-irrigated blocks. Enter IRR for irrigated blocks and indicate the type of irrigation system. Elaborate in item 15 "remarks" as needed.
- (13) Note blocks where winter damage has occurred in the past that may affect yields for the current crop year. If damage is noted, explain in detail, showing the month/year of freeze damage.
- (14) Describe fireblight protection methods used for the unit, or if appropriate enter "None".
- (15) Additional information such as detailed information on pruning practices, disease program. Attach additional sheets as necessary.
- (16) Check this block if worksheet is for Insurable Acreage **[see (3) above]**.
- (17) Check this block if worksheet is for Uninsurable Acreage **[see (3) above]**. Multiple pages should be numbered as needed ("Page ___ of ___").

(ITEM 16) Insurable Acreage

(ITEM 17) Uninsurable Acreage

**PRE-ACCEPTANCE INSPECTION REPORT
PEAR ADDENDUM WORKSHEET**

(For illustration purposes ONLY)

APPLICANT/INSURED'S NAME:

CROP YEAR:

UNIT NUMBER:

| BLOCK NUMBER 1 | Month/Year Planted or Grafted 2 | ACRES 3 | VARIETY/ TYPE 4 | NUMBER OF TREES 5 | PLANT SPACING/ PATTERN 6 | ROOTSTOCK 7 | TRELLIS TYPE SPECIFY 8 | FROST PROTECTION SYSTEM/TYPE/NO. TIMES 9 | AIR DRAINAGE GOOD/FAIR/POOR 10 | PERCENT SLOPE 11 | IRR/NI TYPE 12 |
|-------------------|---------------------------------------|------------|-----------------------|-------------------------|--------------------------------|----------------|------------------------------|--|--------------------------------------|------------------------|----------------------|
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| TOTALS: | | | | | | | | | | | |

13 HAS WINTER DAMAGE OR DAMAGE THE PREVIOUS YEAR OCCURRED WHICH MAY AFFECT THIS YEAR'S POTENTIAL PRODUCTION ON ANY BLOCK? IF YES, LIST BLOCK(S) AND EXPLAIN IN DETAIL.

14 REMARKS:

15 DESCRIBE FIREBLIGHT PROTECTION METHODS USED FOR THE UNIT.

- (1) Divide the vineyard into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by practice, type, variety, age, and density, **T-Yield map area or other characteristics shown on the actuarial documents**. Contact the RMA RO for additional block instructions. Include block numbers on the sketch map prepared in item 34 of the **Pre-Acceptance Inspection Report**. Enter these unique block numbers in column #1, **to three places i.e., 001**.
- (2) **Month and** year vines were **planted** or the **month and** year the vineyard was grafted to the current variety. Complete item *2 at the bottom of the addendum sheet **if vines have been grafted**.
- (3) Number of acres to tenths (0.10) determined using RMA approved acreage methods. The totaled acres should match the entries in item #1 of the **Pre-Acceptance Inspection Report**. Review the APH form to determine if the reported acreage on the APH form reflects the insured acreage determined during the inspection. **If commingled, the entire commingled acreage is reported together on the APH. The entire acreage as reported must meet the production minimum. All acreage is shown as uninsurable if the minimum production is not applicable, unless based upon the inspection insurance is allowed on such acreage (if damage has occurred an RMA RO review may be required to determine insurability and an RMA RO approved yield is required).** If the production minimum is met, **acreage not meeting the age minimum must be reported as uninsurable on a separate addendum worksheet**. Correct the APH form, if necessary. Review the APH form for possible prior acreage changes.
- (4) Name(s) of the variety(ies) which constitute(s) this block.
- (5) Number of vines planted and the number of bearing vines that make up this block.
- (6) Average vine spacing observed within the block.
- (7) Appropriate rootstock designation in column 7 and indicate the type of Phylloxera resistant rootstock (e.g., susceptible, Axx-1, etc.) in item **7.
- (8) Type and condition of the trellis system. Elaborate in item 15 "remarks" as needed.
- (9) Type of frost protection utilized for each block and the average number of times used. If no frost protection system is in place, enter "None".
- (10) Rate each block for air drainage based on slope, presence of air pockets, presence of barriers to the free flow of air, etc. Rate as good, fair or poor based on your inspection.
- (11) Average percent slope for each block.
- (12) **Practice** NI for non-irrigated blocks. Enter IRR for irrigated blocks and indicate the type of irrigation system. Elaborate in item 15 "remarks" as needed.
- (13) For each block, note any past winter damage that may affect yields for the current crop year. If damage is shown elaborate in ***13 below, indicating the month/year of freeze damage, and crop year when production resumed.
- (14) Describe the method of pruning used and note any blocks that have not been pruned according to the method reported for the vineyard.
- (15) Additional information, attach additional sheets as necessary.
- (16) Check this block if worksheet is for Insurable Acreage **[see (3) above]**.
- (17) Check this block if worksheet is for Uninsurable Acreage **[see (3) above]**.

Multiple pages should be numbered as needed ("Page ___ of ___").

1E CRANBERRIES

- (1) Divide the bog into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by bog at a minimum. List as a separate block, uninsurable or recently renovated acreage within a bog. Contact the RMA RO for additional block instructions. Include block numbers on the sketch map prepared in item 34 of the **Pre-Acceptance Inspection Report**. Enter these unique block numbers in column #1, **to three places i.e., 001**.
- (2) Enter the **month and** year each bog block was established.
- (3) Enter the number of acres to tenths (0.10) determined using RMA approved acreage methods. Acres indicated on bog maps recorded with the marketing organization (e.g., Ocean Spray, Cliff Star, etc.). The total acres should match the entries in item #1 of the **Pre-Acceptance Inspection Report**. Review the APH form to determine if the reported acreage on the APH form reflects the insured acreage determined in the inspection. **If commingled, the entire commingled acreage is reported together on the APH. Acreage not meeting the age minimum must be reported as uninsurable on a separate addendum worksheet.** Correct the APH form, if necessary. Review the APH form for possible prior acreage changes.
- (4) Enter the name(s) of the variety(ies) which constitute(s) this block.
- (5) Percent stand \geq 90% - enter yes or no.
- (6) Complete the specific management questions in item 6 for all cranberry bogs with less than four (4) years of records. Describe in detail any improvements for newly purchased bogs and the prior manager's experience.
- (7) Explain the previous loss history for the last four (4) years. If hail has occurred the last two (2) years or was a secondary cause of loss, describe the severity of the damage in item 19, attaching additional sheets as necessary.
- (8) Describe the use of a frost protection warning system for the bog. If frost protection equipment is available, describe the type and amount. If equipment is present but does not appear to be useable, note in item 19 remarks.
- (9-11) (Self-explanatory.)
- (12) If no frost protection system, enter "None".
- (13) (Self-explanatory.)
- (14) (Self-explanatory.)
- (15) Describe the general condition of bog dikes and banks.
- (16) Evaluate and note pruning and sanding of the Cranberry bog. Determine if the bog is being pruned relative to its management condition.
- (17) Describe last year's and next year's harvesting method, wet and/or dry and the percentage for each method.
- (18) Attach a bog map showing each bog as a separate block. If a bog contains uninsurable acreage or is undergoing partial renovation, list these acres as separate blocks.
- (19) Additional information, attach additional sheets as necessary.
- (20) Check this block if worksheet is for Insurable Acreage **[see (3) above]**.
- (21) Check this block if worksheet is for Uninsurable Acreage **[see (3) above]**.

Multiple pages should be numbered as needed ("Page ___ of ___").

(Item 20) Insurable Acreage

(Item 21) Uninsurable Acreage

**PRE-ACCEPTANCE INSPECTION REPORT
CRANBERRY ADDENDUM WORKSHEET**

(For illustration purposes ONLY)

| | | | | | | | | | |
|--|---------------------------|-------------------|-------------------|--------------------|---|------|-------------|------|------|
| APPLICANT/INSURED'S NAME | | | | | CROP YEAR | | UNIT NUMBER | | |
| BLOCK NUMBER 1 | Month/Year Established | ACRES 3 | VARIETY/TYPE 4 | PERCENT STAND 5 | 6 Complete the following information for Cranberry bogs with less than 4 years of production records: A. Improvements implemented since purchasing the bog. B. Specific management practices utilized each year of operation on this bog. | | | | |
| | / | | | | MANAGEMENT PRACTICE | YEAR | YEAR | YEAR | YEAR |
| | / | | | | FERTILIZATION PROGRAM | | | | |
| | / | | | | PRUNING PROGRAM | | | | |
| | / | | | | SANDING PROGRAM | | | | |
| | / | | | | INSECT PROGRAM | | | | |
| | / | | | | WEED PROGRAM | | | | |
| | / | | | | BOG OXYGEN PROGRAM | | | | |
| | / | | | | WATER SUPPLY | | | | |
| | / | | | | METHOD OF HARVEST | | | | |
| | / | | | | C. Bog manager's prediction of expected yield of this bog for next 4 years. | | | | |
| | / | | | | D. Explain previous bog managers experience. | | | | |
| TOTALS | | | | | | | | | |
| 7 Previous loss history for the last 4 years. | | | | | 14 Describe the insect detection methods used for the bog. | | | | |
| Year: | Cause: | Extent of Damage: | | | 15 Describe the general condition of bog dikes and banks. | | | | |
| Year: | Cause: | Extent of Damage: | | | 16 Describe the pruning/sanding practices used: | | | | |
| Year: | Cause: | Extent of Damage: | | | A. Percent of bog pruned last year _____ %; Percent of bog pruned in last 5 years _____ %. | | | | |
| Year: | Cause: | Extent of Damage: | | | B. Percent of bog Sanded last year? _____ %; Percent of bog sanded in last 5 years _____ %. | | | | |
| 8 Describe the use of a frost warning system for the bog. | | | | | 17 Harvesting method: | | | | |
| 9 Describe presence or absence of backup power source for irrigation system and type of system. | | | | | A. Method of harvest last year? _____ % or _____ Wet or _____ % or _____ Dry | | | | |
| 10 Describe backup security systems utilized for irrigation equipment. | | | | | 18 Attach a bog map showing each bog as a separate block. If a bog contains uninsurable acreage or acreage undergoing partial re-plantation, list such acreage as a separate block. | | | | |
| 11 Average number of times the frost protection system is used each year. | | | | | 19 REMARKS: | | | | |
| 12 If no frost protection system is in place, enter none. | | | | | | | | | |
| 13 By block: Time needed to flood the bog. _____ Time needed to remove the water from the bog. _____ | | | | | | | | | |

1F BLUEBERRIES (High Bush and Rabbit Eye) Information Required

- (1) Divide the field into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by practice, type, variety, and age, T-Yield map area or other characteristics shown on the actuarial documents. Contact the RMA RO for additional block instructions. Include block numbers on the sketch map prepared in item 34 of the Pre-Acceptance Inspection Report. Enter these unique block numbers in column #1, to three places i.e., 001.
- (2) Month and year bushes were originally planted. If bushes have frozen out or have been mowed or cut off for regrowth, explain in detail in item 18 "remarks," using additional sheets as necessary.
- (3) Name(s) of the variety(ies) which constitute(s) this block.
- (4) Number of acres to tenths (0.10) determined using RMA approved acreage methods. Total acres should match the entries in item #1 of the Pre-Acceptance Inspection Report. Review the APH form to determine if the reported acreage in the acreage on the APH form reflects the insured acreage determined in the inspection. If commingled, the entire commingled acreage is reported together on the APH. The entire acreage as reported must meet the production minimum. All acreage is shown as uninsurable when the minimum production is not met. If the production minimum is met, acreage not meeting the age minimum must be reported as uninsurable on a separate addendum worksheet. In addition, any acreage not meeting requirements for adaptability or as uninsurable based upon inspection is reported with any other uninsurable acreage on a addendum worksheet. Correct the APH form if necessary. Review the APH form for possible prior acreage changes.
- (5) Average bush spacing observed within each block. Measure distance between bushes (center to center) in the row and the distance between rows.
- (6) Number of bushes that make up this block.
- (7) Percent stand - based upon a random row count of missing bushes. [See current loss adjustment procedures for minimum sampling methods.]
- (8) Type of frost protection utilized for each block and the average number of times used. If no frost protection system is in place, enter "None".
- (9) Practice NI for non-irrigated blocks. Enter IRR for irrigated blocks and indicate the type of irrigation system. Elaborate in item 18 "remarks" as needed.
- (10) Have the operator provide pH values for each block listed.
- (11) Self-explanatory.
- (12) Describe wildlife control measures used.
- (13) Note blocks where past winter damage has occurred in the past three (3) years that may affect yields for the current crop year. If damage is noted, explain in detail, showing the month/year of freeze damage.
- (14) Report the percent harvested by each method listed.
- (15) Describe the record keeping system utilized: (roadside, U-Pick, fresh market, processing, etc.). Use item 18 "remarks" if necessary.
- (16) Identify how the blueberries are marketed, such as through associations, cooperatives, wholesale, roadside, U-Pick, fresh market, processing, etc.
- (17) Does the applicant own a blueberry harvester?

- (18) Additional information, attach additional sheets as necessary.
 - (19) Check this block if worksheet is for Insurable Acreage [see (4) above].
 - (20) Check this block if worksheet is for Uninsurable Acreage [see (4) above].
- Multiple pages should be numbered as needed ("Page ___ of ___").

(Item 19) Insurable Acreage

(Item 20) Uninsurable Acreage

**PRE-ACCEPTANCE INSPECTION REPORT
BLUEBERRY ADDENDUM WORKSHEET**
(High Bush and Rabbit Eye)
(For illustration purposes ONLY)

APPLICANT/INSURED'S NAME: _____ CROP YEAR: _____ UNIT NO.: _____

| BLOCK NUMBER 1 | Month/Year PLANTED 2 | VARIETY 3 | ACRES 4 | PLANT SPACING 5 | NUMBER BUSHES 6 | PERCENT STAND 7 | FROST PROTECTION SYSTEM TYPE/ AVERAGE TIMES USED 8 | IRR/NI TYPE 9 | pH VALUE 10 |
|-------------------|----------------------------|--------------|------------|-----------------------|-----------------------|-----------------------|---|---------------------|-------------------|
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| TOTALS: | | | | | | | | | |

COMPLETE THE FOLLOWING INFORMATION FOR BLUEBERRY PLANTATION

11. Frost protection backup system: Describe the type of backup system. If no backup system in place, enter "none".

12. Describe wildlife control measures.

13. Has winter damage or damage the previous three (3) years occurred which may affect potential production on any block?

| | | | | | | |
|----------------------------------|----------------|--|----------|--|----------------------|--|
| 14. Percent harvested by method: | % Hand Harvest | | % U-Pick | | % Mechanical Harvest | |
|----------------------------------|----------------|--|----------|--|----------------------|--|

15. Describe record keeping system (e.g., roadside, u-pick, fresh market, process, etc.)

16. Describe how the blueberries are marketed (e.g., associations, cooperatives, wholesale, roadside, u-pick, fresh market, process, etc.)

17. Does applicant own a blueberry harvester?

18. Remarks:

1G BLUEBERRIES (Low Bush) Information Required

- (1) Divide the blueberry farm into as many fields as needed to facilitate collection and reporting of information. Separate fields by uninsured (vegetative) and insured (fruit-bearing) acres. Include field numbers and acres on the sketch map and/or aerial photo prepared in item 34 of the Pre-Acceptance Inspection Report. Enter these field identification numbers in column #1, to three places i.e., 001. If commingled, the entire commingled acreage is reported together on the APH. The entire acreage as reported must meet the production minimum. All acreage is shown as uninsurable if the minimum production is not met. If the production minimum is met, acreage not meeting the age minimum must be reported as uninsurable on a separate addendum worksheet. In addition, any acreage not meeting requirements for adaptability or as uninsurable based upon inspection is reported with any other uninsurable acreage on a addendum worksheet.
- (2) Year of fruit-bearing for the insured crop (insurable every other year, the second growing season following pruning).
- (3) Acres insured (fruiting acres).
- (4) Year of vegetative growth for the uninsured crop (uninsurable the growing season immediately following pruning).
- (5) Acres uninsured (vegetative acres).
- (6) Percent stand - based on visual observations while walking through the field; observe area covered by blueberry plants, weeds, bare areas, rocks, or ledges.
- (7) Have the grower provide pH values for each field. (The optimum pH value for blueberry soils is between 4.3 and 5.0.)
- (8) Practice IRR for irrigated fields and NI for non-irrigated fields. Elaborate in item 16 "remarks" as needed.
- (9) Type of irrigation utilized in each field and the average number of times used. If no irrigation is in place, enter "None".
- (10) Type of mulch used to cover bare areas (for example: hard or softwood bark, sawdust, peat, cedar hair bark, planer shavings, wood chips, paper mill sludge). If mulch is not used, enter "None".
- (11) Describe wildlife control measures used.
- (12) Note fields where past winter damage has occurred in the past (3) years that may affect yields for the current year. If damage is noted, explain in detail, noting the month/year of freeze damage.
- (13) Report the percent harvested by each method listed.
- (14) Describe the record keeping system utilized (processing, fresh market, roadside, U-pick, etc.).
- (15) Identify how the blueberries are marketed, such as through cooperatives, associations, processor, fresh market wholesale, roadside, U-pick, etc.

- (16) Additional information, attach additional sheets as necessary.
 - (17) Check this block if worksheet is for Insurable Acreage [see (1) above].
 - (18) Check this block if worksheet is for Uninsurable Acreage [see (1) above].
- Multiple pages should be numbered as needed ("Page ___ of ___").

1H ALMONDS/CITRUS/FIGS/FRESH PLUMS/MACADAMIA
NUTS/PECANS/PRUNES/STONEFRUIT/WALNUTS

Information Required

- (1) Divide the orchard into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by practice, type, variety, T-Yield map area or other characteristics shown on the actuarial documents, age, and density if practical. Refer to the applicable crop provisions and/or actuarial document for determining insurable and uninsurable acreage. Review the APH to determine commingled production and other addendum worksheet instructions for crops with similar production, age, or production and age minimums. Enter these unique block numbers in column #1 to three places i.e., 001.
- (2) Year trees were set out, the year the block was grafted to the current variety, or the year trees were dehorned. For acreage planted on or after July 1 (Florida Citrus on or after May 1) enter the following year (i.e. planted, grafted or dehorned September 2003 enter 2004) Divide the orchard into as many blocks as needed to facilitate collection and reporting of information. Separate blocks by practice/type, variety, age, and density, and TMA. Enter these unique block numbers in column #1, to three places i.e., 001.
- (3) Number of acres to tenths (0.10) determined using RMA approved acreage methods. When totaled, acres should match the entries in item #1 of the Pre-Acceptance Inspection Report. Review the APH form to determine if the reported acreage in the acreage on the APH form reflects the insured acreage determined in the inspection. Correct the APH form, if necessary. Review the APH form for possible prior acreage changes.
- (4) Name(s) of the variety(ies) which constitute(s) this block.
- (5) Number of trees that make up this block.
- (6) Average tree spacing/pattern observed within the block (Example 18X20).
- (7) Appropriate rootstock designation for each block.
- (8) Appropriate trellis type for each block (e.g., tatura, slender spindle, etc.). For Pecans, evaluate each block for light penetration into the canopy to stimulate nut development and rate: good, fair or poor.
- (9) Type of frost protection utilized for each block and the average number of times used. If no frost protection system is in place, enter "None".
- (10) Rate each block for air drainage based on slope, presence of air pockets, presence of barriers to the free flow of air, etc. Rate as good, fair or poor based on your inspection.
- (11) Average percent slope for each block.
- (12) Practice NI for non-irrigated blocks. Enter IRR for irrigated blocks and indicate the type of irrigation system. Elaborate in item 16 "remarks" as needed.
- (13) For Almonds, determine and enter row-by-row planting pattern by variety within the orchard (first repetition). For example: Carmel/Non-pareil, Non-pareil/Mission, Non-pareil/Non-pareil, etc. If there is a mixture of pattern because of multiple blocks, enter additional information on another sheet and attach to the inspection.
- (14) For Citrus, determine if the frost protection system is adequate for the Citrus (WPF) with frost protection rate.
- (15) Note blocks where past winter damage has occurred which may affect yields for the current crop year. If damage is noted, explain in detail, noting the month/year of freeze damage.
- (16) Additional information, attach additional sheets as necessary.
- (17) Check this block if worksheet is for Insurable Acreage [see (1) above or other crop addendum worksheet instruct.].
- (18) Check this block if worksheet is for Uninsurable Acreage [see (1) above or other crop addendum worksheet instruct.].

Multiple pages should be numbered as needed ("Page ___ of ___").

(Item 17) Insurable Acreage

(Item 18) Uninsurable Acreage

**PRE-ACCEPTANCE INSPECTION REPORT
ALMOND/CITRUS/FIG/FRESH PLUM/MACADAMIA NUTS/PECAN/PRUNE/STONEFRUIT/WALNUT ADDENDUM WORKSHEET**

(For illustration purposes ONLY)

| | | |
|---------------------------|------------|-----------|
| APPLICANT/INSURED'S NAME: | CROP YEAR: | UNIT NO.: |
|---------------------------|------------|-----------|

| Block Number 1 | Month/Year PLANTED 2 | Acres 3 | Variety/Type 4 | Number of Trees 5 | Plant Spacing/ Pattern 6 | Rootstock 7 | Trellis Type Specify 8 | Frost Protection System/Type/ No. Times 9 | Air Drainage Good/Fair/Poor 10 | Percent Slope 11 | IRR/NI Type 12 |
|-------------------|----------------------------|------------|-------------------|----------------------|--------------------------------|----------------|------------------------------|--|--------------------------------------|------------------------|----------------------|
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| TOTALS: | | | | | | | | | | | |

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| 13 Describe the varietal planting pattern (Almonds ONLY). | 14 Is frost protection adequate for citrus (WPF) with frost protection rate? |
|---|--|

| | |
|--|-------------|
| 15 Has winter damage or damage the previous year occurred which may affect this year's potential production on any block? If yes, list block(s) and explain in detail. | 16 REMARKS: |
|--|-------------|

2 EXAMPLES

The following are examples using apples and peaches are in two different regions of the country that may be adapted to fit other regions or other Category C crops.

2A Apples

Use the following forms for the Apple examples:

Producer's Pre-acceptance Worksheet. The producer has certified information for 7 blocks based on age, variety, and density. However, due to reporting as two blocks for examples 2, 3, 5 and 6 the blocks numbers 001-006 become 001 and 007 is 002.

| PAW (Perennial Crops) PRODUCER'S PRE-ACCEPTANCE WORKSHEET (For illustration purposes ONLY) | | | | 1. Applicant's Name: I. M. INSURED | | 2. Policy No.: MPCI # | | 3. Unit No.: 00100 | | 4. Crop: APPLES | | 5. State: CO | |
|--|----------------------------------|-------------|---------------|--|------------------------|--------------------------|---------------------|-------------------------------------|-------------------------------------|--------------------------------|-----------------------|-----------------|--|
| | | | | 6. Legal Description: Sec. 31 T10N R50W | | 7. Crop Year: 2006 | | 8. County: Montrose | | 9. FSA FSN: 8912 | | | |
| Block No. 10 | Mo/Year Planted or Grafted 11 | Acres 12 | Variety 13 | Type 14 | Number of Plants 15 | Plant Spacing 16 | Percent Stand 17 | Density 18 | Practice IRR/NI 19 | Insurable or Uninsurable 20 | Spur or Nonspur 21 | | |
| 001 | 04/1987 | 2.2 | GOLDEN DEL | N/A | 475 | 10X20 | 99 | 218 | IRR | INS | N/A | | |
| 002 | 04/1987 | 3.2 | RED DEL | N/A | 690 | 10X20 | 99 | 218 | IRR | INS | N/A | | |
| 003 | 03/1989 | 1.7 | GOLDEN DEL | N/A | 371 | 10X20 | 100 | 218 | IRR | INS | N/A | | |
| 004 | 03/1989 | 0.7 | RED DEL | N/A | 153 | 10X20 | 100 | 218 | IRR | INS | N/A | | |
| 005 | 05/1990 | 1.4 | GOLDEN DEL | N/A | 305 | 10X20 | 100 | 218 | IRR | INS | N/A | | |
| 006 | 05/1990 | 3.8 | RED DEL | N/A | 692 | 12X20 | 100 | 182 | IRR | INS | N/A | | |
| 007 | 04/2000 | 5.3 | GALA | N/A | 1,802 | 8X16 | 100 | 340 | IRR | INS | N/A | | |
| TOTALS: | | 18.3 | | | 4,488 | | | | | | | | |
| 22. Has damage (ie., disease, hail, freeze) occurred to Trees/Vines/Bushes/Bog or have cultural practices been performed that will reduce the insured crop's production from previous levels? | | | | | | | Yes | <input checked="" type="checkbox"/> | No | | | | |
| 23. Are production methods being used that would reduce production from previous levels? | | | | | | | Yes | <input checked="" type="checkbox"/> | No | | | | |
| 24. Is the current water supply (surface allotment/well) adequate to produce a normal crop for the crop year being certified above? | | | | | | | | | <input checked="" type="checkbox"/> | Yes | | No | |
| I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH yield. I also understand that failure to report completely and accurately may result in avoidance of my Crop Insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730). | | | | | | | | | | | | | |
| 25 Insured's Signature: I. M. INSURED | | | | | | | | | | Date: XX/XX/XX | | | |

12-PAW (Perennial Crops) (See Reverse for Collection of Information and Data [Privacy Act])

EXAMPLES ONLY

COUNTY ACTUARIAL TABLE
FCI-35 COVERAGE AND RATES
2006 AND SUCCEEDING CROP YEARS

ST: COLORADO (08)
CO: Montrose (085)

CROP: APPLES (0054)
PLAN: GYC (86)

TRANSITIONAL YIELD AND YA SUBSTITUTION TABLE

| YEAR | TYPE | PRACTICE | LEAF YEAR | TREES/ACRE | | OTHER | MAP AREA | T-YIELD |
|-------------|------------------|----------------|--------------|------------|------------|-------|-------------|---------------|
| | | | | LOW | HIGH | | | |
| 2006 | 111 Fresh | 002 IRR | 13 | 152 | 299 | | | 445.00 |
| 2006 | 111 Fresh | 002 IRR | 14 | 152 | 299 | | | 470.00 |
| 2006 | 111 Fresh | 002 IRR | 15 | 152 | 299 | | | 500.00 |
| 2006 | 111 Fresh | 002 IRR | 16 | 152 | 299 | | | 500.00 |
| 2006 | 111 Fresh | 002 IRR | 17 | 152 | 299 | | | 500.00 |
| 2006 | 111 Fresh | 002 IRR | 18 | 152 | 299 | | | 500.00 |
| 2006 | 111 Fresh | 002 IRR | 19 | 152 | 299 | | | 500.00 |

EXAMPLES ONLY

COUNTY ACTUARIAL TABLE
FCI-35 COVERAGE AND RATES
2006 AND SUCCEEDING CROP YEARS

ST: COLORADO (08)
CO: Montrose (085)

CROP: APPLES (0054)
PLAN: GYC (86)

TRANSITIONAL YIELD AND YA SUBSTITUTION TABLE

| YEAR | TYPE | PRACTICE | LEAF YEAR | TREES/ACRE | | OTHER | MAP AREA | T-YIELD |
|-------------|------------------|----------------|--------------|------------|------------|-------|-------------|---------------|
| | | | | LOW | HIGH | | | |
| 2006 | 111 Fresh | 002 IRR | <6 | 300 | 599 | | | 200.00 |
| 2006 | 111 Fresh | 002 IRR | 6 | 300 | 599 | | | 200.00 |
| 2006 | 111 Fresh | 002 IRR | 7 | 300 | 599 | | | 335.00 |
| 2006 | 111 Fresh | 002 IRR | 8 | 300 | 599 | | | 425.00 |

EXAMPLES ONLY

COUNTY ACTUARIAL TABLE
FCI-35 COVERAGE AND RATES
2006 AND SUCCEEDING CROP YEARS

ST: COLORADO (08)
CO: Montrose (085)

CROP: APPLES (0054)
PLAN: GYC (86)

TRANSITIONAL YIELD AND YA SUBSTITUTION TABLE

| YEAR | TYPE | PRACTICE | LEAF YEAR | TREES/ACRE | | OTHER | MAP AREA | T-YIELD |
|-------------|------------------|----------------|--------------|------------|------------|-------|-------------|---------------|
| | | | | LOW | HIGH | | | |
| 2003 | 111 Fresh | 002 IRR | 12 | 152 | 299 | | | 380.00 |
| 2003 | 111 Fresh | 002 IRR | 13 | 152 | 299 | | | 410.00 |
| 2003 | 111 Fresh | 002 IRR | 14 | 152 | 299 | | | 445.00 |

3A Apples

EXAMPLE 1 This example demonstrates reporting total production and acreage together for all applicable years in the base period.

The producer certified total production and total acreage as shown on the APH form with all blocks reported together. Since reporting was not by block the standard APH form is used. In this example yield substitution is not applicable because of commingled production with immature acreage; yield descriptor "AY" must be shown. Determining a T-Yield was not required. Approved APH yield is based on a simple 5-year average.

| | | | | | | |
|--|-------------------|-------------------------------|--------------|-------------------------------------|----------|---|
| 6 CROP APPLES (054) PRACTICE IRR. (002) TYPE 111 UNIT NO. 0100 | 7 SECTION | 31 | 15 CROP YEAR | 16 TOTAL PRODUCTION | 17 ACRES | 18 YIELD |
| | TWNSHP | 10N | | | | |
| | RANGE | 50W | | | | |
| | LAND OTHER COUNTY | YES NO | | | | |
| 8 OTHER ENTITY (IES) NONE | | 12 FSA FARM NO. 8912 | | | | |
| 9 RECORD TYPE: CROP YEAR: 2004 | | CROPLAND | | 2001 | 8,346 | 18.3 AY456 |
| PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER NUMBER OF TREES OR VINES 4,488 | | 13 Area Classification | | 2002 | 9,050 | 18.3 AY495 |
| | | | | 2003 | 4,075 | 18.3 AY223 |
| | | | | 2004 | 8,750 | 18.3 AY478 |
| | | 14 TRANSITIONAL YIELD | | 2005 | 10,550 | 18.3 AY577 |
| | | 500 W | | | | 19 TOTAL 2,229 |
| 10 PROCESSOR NUMBER/NAME Any Processor | | 11 OTHER (AVERAGE) 446 | | 20 (A) PRELIMINARY YIELD 446 | | 21 APPROVED APH YIELD 446 bu./Acre for 18.3 Acres (For Verifier use only) |
| | | | | 20 (B) PRIOR YIELD | | |

3B Apples

EXAMPLE 2 This example demonstrates reporting separate production on immature acreage for all years in the base period.

Similar to Example 1, but the producer has certified separate production for mature blocks 001-006 reported together as one block 001 (mature over 15 years of age) and for block 002 (less than 16 years of age) on the APH block production. No "T" factor is applicable on the actuarial documents so the T-Yields shown are not adjusted. The variable T-Yield is determined using the number of years of records for the crop/county. Each individual block will have an APH approved yield. All adjusted yields' YA are less than the average yields that qualify for yield substitution "A". (i.e., Unit 001, 2005 – 1988 = 17 + 1 = 18, 2005 "W" T-Yield 500 X .60 = YA300, 2004 -1988 = 16 + 1 + 17 2004 "W" T-Yield 500 X .60 = YA300. Unit 002, 2005 -2000 = 5 + 1 = 6, 2005 T-Yield 200 X .60 = YA120). Item 4 variety or other characteristics shown on the actuarial documents is not applicable. In the apple examples we show variety/other classifications are not applicable or shown on the actuarial. However, apple varieties in these cases can be shown for AIP tracking purposes.

| 19-A (APH-BP) BLOCK PRODUCTION | | | | | | | | | | | | | | | | | | |
|--|-------------------|--|------------------------|--------------------------------|------------------|------------------------------------|-----------------|---|-------------------------|------------------|-------------------|--------------------|----------|-----------------|-------------|--|--|--|
| (For illustration purposes ONLY) | | | | | | | | | | | | | | | | | | |
| REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM. INCLUDE PRODUCTION THAT IS LESS THAN MINIMUMS AND ZERO PRODUCTION. | | | | | | | | | | | | | | | | | | |
| 1 NAME I. M. INSURED | | | | 2 POLICY NUMBER MPCI | | | | 3 UNIT NUMBER 00100 | | | | | | | | | | |
| 4(a) CROP APPLES | | | | 5 STATE CO | | | | 6 LEGAL DESCRIPTION Sec. 31 T10S R50W | | | | | | | | | | |
| 7 CROP YEAR 2006 | | | | 8 COUNTY MONTROSE | | | | 9 FSA FSN 8912 | | | | | | | | | | |
| 4(b) PRACTICE 002 | | | 4(c) TYPE 111 | | | 4(b) PRACTICE 002 | | | 4(c) TYPE 111 | | | 4(b) PRACTICE | | | 4(c) TYPE | | | |
| 4(d) VARIETY/OTHER N/A RED/GOLD | | | | | | 4(d) VARIETY/OTHER N/A GALA | | | | | | 4(d) VARIETY/OTHER | | | | | | |
| 11 BLOCK NO.: 001 | | | 12 Mo/Yr | | | 11 BLOCK NO.: 002 | | | 12 Mo/Yr 04/2000 | | | 11 BLOCK NO.: | | | 12 Mo/Yr | | | |
| 13 SET OUT YEAR: 1988 | | | 14 DENSITY: 207 | | | 13 SET OUT YEAR: 2000 | | | 14 DENSITY: 340 | | | 13 SET OUT YEAR: | | | 14 DENSITY: | | | |
| 10 YEAR | 15 PRODUCTION | | 16 ACRES | | 17 YIELD | | 15 PRODUCTION | 16 ACRES | | 17 YIELD | | 15 PRODUCTION | 16 ACRES | | 17 YIELD | | | |
| 2001 | 8,346 | | 13.0 | | A642 | | 0 | 5.3 | | T335 | | | | | | | | |
| 2002 | 9,050 | | 13.0 | | A696 | | 0 | 5.3 | | T335 | | | | | | | | |
| 2003 | 3,900 | | 13.0 | | A300 | | 175 | 5.3 | | T335 | | | | | | | | |
| 2004 | 7,960 | | 13.0 | | A612 | | 790 | 5.3 | | T335 | | | | | | | | |
| 2005 | 8,700 | | 13.0 | | A669 | | 1,850 | 5.3 | | A349 | | | | | | | | |
| TOTAL | | | | | 2,919 | | TOTAL | | | | | 1,354 | | TOTAL | | | | |
| 18 T-YIELD ADJ. | | | | | 500 W | | 18 T-YIELD ADJ. | | | | | 335 | | 18 T-YIELD ADJ. | | | | |
| 19 AVERAGE YIELD | 20 APPROVED YIELD | | 584 | | 19 AVERAGE YIELD | 20 APPROVED YIELD | | 339 | | 19 AVERAGE YIELD | 20 APPROVED YIELD | | | | | | | |
| 584 | 21 PRIOR YIELD | | | | 339 | 21 PRIOR YIELD | | | | | 21 PRIOR YIELD | | | | | | | |

EXAMPLE 3 This example demonstrates reporting separate production on immature acreage for some years in the base period and reporting commingled production and acreage for the rest of the years in the base period.

Similar to Example 2, but the producer has certified separate production for only 2004 and 2005, mature blocks 001-006 reported together as one block 001 (mature over 15 years of age), blocks renumbered, and block 002 (less than 16 years of age) is shown on the APH block production. No "T" factor is applicable on the actuarial documents so the T-Yields shown are not adjusted. The variable T-Yield is determined using the number of years of records for the crop/county. Each individual block will have an APH approved yield. Yield substitution is not applicable for 2001-2003 that is commingled and yield descriptor "AY" must be shown; the other yields exceed the substitution yield.

| 19-A (APH-BP) | | | | BLOCK PRODUCTION (For illustration purposes ONLY) | | | |
|--|-------------------|------------------------|--------------|---|-------------------|---|---------------|
| REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM. INCLUDE PRODUCTION THAT IS LESS THAN MINIMUMS AND ZERO PRODUCTION. | | | | | | | |
| 1 NAME I. M. INSURED | | | | 2 POLICY NUMBER MPCI | | 3 UNIT NUMBER 00100 | |
| 4(a) CROP APPLES | | | | 5 STATE CO | | 6 LEGAL DESCRIPTION Sec. 31 T10S R50W | |
| 7 CROP YEAR 2006 | | | | 8 COUNTY MONTROSE | | 9 FSA FSN 8912 | |
| 4(b) PRACTICE 002 | | 4(c) TYPE 111 | | 4(b) PRACTICE 002 | | 4(c) TYPE 111 | |
| 4(d) VARIETY/OTHER N/A RED/GOLD | | | | 4(d) VARIETY/OTHER N/A GALA | | 4(d) VARIETY/OTHER | |
| 11 BLOCK NO.: 001 | | 12 Mo/Yr | | 11 BLOCK NO.: 002 | | 12 Mo/Yr 04/2000 | |
| 13 SET OUT YEAR: 1989 | | 14 DENSITY: 207 | | 13 SET OUT YEAR: 2000 | | 14 DENSITY: 340 | |
| 10 YEAR | 15 PRODUCTION | 16 ACRES | 17 YIELD | 15 PRODUCTION | 16 ACRES | 17 YIELD | 15 PRODUCTION |
| 2001 | 8,346 | 18.3 | AY456 | | | T335 | |
| 2002 | 9,050 | 18.3 | AY495 | | | T335 | |
| 2003 | 4,075 | 18.3 | AY223 | | | T335 | |
| 2004 | 7,960 | 13.0 | A612 | 790 | 5.3 | T335 | |
| 2005 | 8,700 | 13.0 | A669 | 1,850 | 5.3 | A349 | |
| TOTAL | | | 2,455 | TOTAL | | | 1,354 |
| 18 T-YIELD ADJ. | | 500 W | | 18 T-YIELD ADJ. | | 335 | |
| 19 AVERAGE YIELD | 20 APPROVED YIELD | 491 | | 19 AVERAGE YIELD | 20 APPROVED YIELD | 339 | |
| 491 | 21 PRIOR YIELD | | | 339 | 21 PRIOR YIELD | | |
| 19 AVERAGE YIELD | | | | 19 AVERAGE YIELD | | | |
| 20 APPROVED YIELD | | | | 20 APPROVED YIELD | | | |
| 21 PRIOR YIELD | | | | 21 PRIOR YIELD | | | |

3D Apples

EXAMPLE 4 This example is similar to example 1 with only the most recent three years reported, and demonstrates reporting total production and acreage together for less than four years in the base period.

The producer has certified 3 years of production and acreage as shown on the APH form. Using the Weighted Average T-Yield Worksheet, a weighted average leaf year and density is calculated and the T-Yield determined from the actuarial documents, provided for this example. The variable T-Yield is determined based upon the number of years of records for the crop/county, as shown on the APH in this example. Yield substitution is not applicable because of commingled production with immature acreage; yield descriptor "AY" must be shown. Since block production is not applicable the standard APH form is used.

| 6 CROP APPLES (054) | 7 SECTION | 31 | 15 CROP YEAR | 16 TOTAL PRODUCTION | 17 ACRES | 18 YIELD |
|--|--------------------|------------------------|--------------------------|---------------------|-----------------------------|----------|
| PRACTICE IRR. (002) | TWNSHP | 10N | | | | |
| TYPE 111 | RANGE | 50W | | | | |
| UNIT NO. 0100 | LAND OTHER COUNTY | YES NO | | | | |
| 8 OTHER ENTITY (IES) | | 12 FSA FARM NO. 123 | | | | |
| NONE | | | | | | |
| 9 RECORD TYPE: CROP YEAR: 2004 | | CROPLAND | | | | T500 |
| PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, RECORDED BIN MEASUREMENT LIVESTOCK FEEDING RECORDED APPRAISAL FSA LOAN RECORD OTHER NUMBER OF TREES OR VINES 4,495 | | 13 Area Classification | 2003 | 4,075 | 18.3 | AY223 |
| | | | 2004 | 8,750 | 18.3 | AY478 |
| | | | 2005 | 10,550 | 18.3 | AY577 |
| | | 14 TRANSITIONAL YIELD: | | | | |
| | | 500 W | | | | 1,778 |
| 10 PROCESSOR NUMBER/NAME | 11 OTHER (Average) | | 20 (A) PRELIMINARY YIELD | | 21 APPROVED APH YIELD | |
| Any Processor | 445 | | 445 | | 445 bu./Acre for 18.3 Acres | |
| | | | 20 (B) PRIOR YIELD | | (For Verifier use only) | |

EXAMPLE 5 This example is similar to example 4 , with only the most recent three year reported, with the exception of separate reporting by block for the immature acreage. It demonstrates the advantage of reporting by block and using variable T-Yields.

The producer has certified 3 years of production and acreage as shown on the APH form. Separate production records were provided for block 7 (less than 16 years of age). The APH approved yield in this example is based on individual blocks. No yields qualify for yield substitution, because the average yields for all eligible years are equal to or exceed the substitute yield (i.e., 2005/19 – 1 = 18 age W T-Yield 500 X .60 = 300). YA for other years would be done the same way. T-Yield on block 001 did not change for years shown, no years qualify, the lowest yield is the same as YA.

| 19-A (APH-BP) | | | | BLOCK PRODUCTION (For illustration purposes ONLY) | | | |
|--|--|--|--|---|--|---|--|
| REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM. INCLUDE PRODUCTION THAT IS LESS THAN MINIMUMS AND ZERO PRODUCTION. | | | | | | | |
| 1 NAME <p style="text-align: center;">I. M. INSURED</p> | | | | 2 POLICY NUMBER <p style="text-align: center;">MPCI</p> | | 3 UNIT NUMBER <p style="text-align: center;">00100</p> | |
| 4(a) CROP <p style="text-align: center;">APPLES</p> | | | | 5 STATE <p style="text-align: center;">CO</p> | | 6 LEGAL DESCRIPTION <p style="text-align: center;">Sec. 31 T10S R50W</p> | |
| 7 CROP YEAR <p style="text-align: center;">2006</p> | | | | 8 COUNTY <p style="text-align: center;">MONTROSE</p> | | 9 FSA FSN <p style="text-align: center;">8912</p> | |
| 4(b) PRACTICE 002 4(c) TYPE 111 4(d) VARIETY/OTHER RED/GOLD | | | | 4(b) PRACTICE 002 4(c) TYPE 111 4(d) VARIETY/OTHER GALA | | 4(b) PRACTICE 4(c) TYPE | |
| 11 BLOCK NO.: 001 12 Mo/Yr | | | | 11 BLOCK NO.: 002 12 Mo/Yr 04/2000 | | 11 BLOCK NO.: 12 Mo/Yr | |
| 13 SET OUT YEAR: 1989 14 DENSITY: 207 | | | | 13 SET OUT YEAR: 2000 14 DENSITY: 340 | | 13 SET OUT YEAR: 14 DENSITY: | |
| 10 YEAR 15 PRODUCTION 16 ACRES 17 YIELD | | | | 15 PRODUCTION 16 ACRES 17 YIELD | | 15 PRODUCTION 16 ACRES 17 YIELD | |
| 2001 | | | | | | | |
| 2002 | | | | | | T500 | |
| 2003 3,900 13.0 | | | | 175 5.3 | | T335 | |
| 2004 7,960 13.0 | | | | 790 5.3 | | T335 | |
| 2005 8,700 13.0 | | | | 1,850 5.3 | | A349 | |
| TOTAL | | | | TOTAL | | TOTAL | |
| 2,081 | | | | 1,354 | | | |
| 18 T-YIELD ADJ. 500 W | | | | 18 T-YIELD ADJ. 335 | | 18 T-YIELD ADJ. | |
| 19 AVERAGE YIELD 20 APPROVED YIELD 520 | | | | 19 AVERAGE YIELD 20 APPROVED YIELD 339 | | 19 AVERAGE YIELD 20 APPROVED YIELD | |
| 520 21 PRIOR YIELD | | | | 339 21 PRIOR YIELD | | 21 PRIOR YIELD | |

3F Apples

EXAMPLE 6 This example demonstrates reporting uninsurable acreage and is similar to example 5, except the immature block 002 production for 2005 was changed, item 17 yield is shown for example purposes only, to show the minimum production for Colorado of 200 bu/ac has not been met.

The producer has certified 3 years of production and acreage as shown on the APH form. Separate production records were provided for block 002 (less than 16 years of age). The APH approved yield in this example is based on individual blocks. Again no yields qualify for yield substitution.

| 19-A (APH-BP) | | | | BLOCK PRODUCTION (For illustration purposes ONLY) | | | |
|---|-------|------|-------|--|-----|--|--|
| REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM. INCLUDE PRODUCTION THAT IS LESS THAN MINIMUMS AND ZERO PRODUCTION. | | | | | | | |
| 1 NAME <p style="text-align: center;">I. M. INSURED</p> | | | | 2 POLICY NUMBER <p style="text-align: center;">MPCI</p> | | 3 UNIT NUMBER <p style="text-align: center;">00100</p> | |
| 4(a) CROP <p style="text-align: center;">APPLES</p> | | | | 5 STATE <p style="text-align: center;">CO</p> | | 6 LEGAL DESCRIPTION <p style="text-align: center;">Sec. 31 T10S R50W</p> | |
| 7 CROP YEAR <p style="text-align: center;">2005</p> | | | | 8 COUNTY <p style="text-align: center;">MONTROSE</p> | | 9 FSA FSN <p style="text-align: center;">8912</p> | |
| 4(b) PRACTICE 002 4(c) TYPE 111 4(d) VARIETY/OTHER N/A RED/GOLD 11 BLOCK NO.: 001 12 Mo/Yr 13 SET OUT YEAR: 1989 14 DENSITY: 207 | | | | 4(b) PRACTICE 002 4(c) TYPE N/A 4(d) VARIETY/OTHER N/A GALA 11 BLOCK NO.: 002 12 Mo/Yr 04/2000 13 SET OUT YEAR: 2000 14 DENSITY: 340 | | 4(b) PRACTICE 4(c) TYPE 4(d) VARIETY/OTHER 11 BLOCK NO.: 12 Mo/Yr 13 SET OUT YEAR: 14 DENSITY: | |
| 10 YEAR 15 PRODUCTION 16 ACRES 17 YIELD | | | | 15 PRODUCTION 16 ACRES 17 YIELD | | 15 PRODUCTION 16 ACRES 17 YIELD | |
| 2001 | | | | | | | |
| 2002 | | | T500 | | | | |
| 2003 | 3,900 | 13.0 | A300 | 175 | 5.3 | | |
| 2004 | 7,960 | 13.0 | A612 | 790 | 5.3 | | |
| 2005 | 8,700 | 13.0 | A669 | 1,850 | 5.3 | 198 | |
| TOTAL | | | 2,081 | TOTAL | | | |
| 18 T-YIELD ADJ. 500 W | | | | 18 T-YIELD ADJ. N/A | | 18 T-YIELD ADJ. | |
| 19 AVERAGE YIELD 20 APPROVED YIELD 520 | | | | 19 AVERAGE YIELD 20 APPROVED YIELD N/A | | 19 AVERAGE YIELD 20 APPROVED YIELD | |
| 520 21 PRIOR YIELD | | | | 21 PRIOR YIELD | | 21 PRIOR YIELD | |
| I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH Yield. I also understand that failure to report completely and accurately may result in voidance of my crop insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730). | | | | | | | |
| 22 INSURED'S SIGNATURE | | | | | | DATE | |

3F Apples

EXAMPLE 6 Again a weighted average set out year, leaf year and average density must be determined on the mature blocks reported as block 001, and used to determine the T-Yield and for reporting purposes.

| WEIGHTED AVERAGE T-YIELD WORKSHEET (For illustration purposes ONLY) | | | | | | | |
|--|------------------|----------------------------|------------------------------|---------------------------------|-----------------------|--------------------------------|--|
| 1 NAME: I. M. INSURED | | | | 2 POLICY NUMBER: MPCI | | 3 UNIT NUMBER: 00100 | |
| 4(a) CROP: APPLES | | (b) PRACTICE 002 | (c) TYPE 111 | (d) VARIETY/OTHER N/A | 5 STATE: CO | | 6 LEGAL DESCRIPTION: Sec. 31 T10S R50W |
| 7 CROP YEAR: 2006 | | | 8 COUNTY: MONTROSE | | | 9 FSA FSN: 8912 | |
| 10 UNIT NUMBER: 00100 | | | | | | | |
| BLOCK 11 | MONTH/YEAR 12 | SET OUT YEAR 13 | ACRES 14 | EXTENSIONS 15 | DENSITY 16 | ACRES 17 | EXTENSIONS 18 |
| 001 | 04/1987 | 1987 | 2.2 | 4,371 | 218 | 2.2 | 479.6 |
| 001 | 04/1987 | 1987 | 3.2 | 6,358 | 218 | 3.2 | 697.6 |
| 001 | 03/1989 | 1989 | 1.7 | 3,381 | 218 | 1.7 | 370.6 |
| 001 | 03/1989 | 1989 | 0.7 | 1,392 | 218 | 0.7 | 152.6 |
| 001 | 05/1990 | 1990 | 1.4 | 2,786 | 218 | 1.4 | 305.2 |
| 001 | 05/1990 | 1990 | 3.8 | 7,562 | 182 | 3.8 | 691.6 |
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| | | | | | | | |
| | | | | | | | |
| | | 19 TOTALS: | 13.0 | 25,850 | 20 TOTALS: | 13.0 | 2,697.2 |
| 21 WEIGHTED AVERAGE SET OUT YEAR | | | 1988 | 22 WEIGHTED AVERAGE DENSITY | | | 207 |
| 23 TRANSITIONAL YIELD Crop Year – Weighted Average set out year + 1 (2006 - 1988 = 18 + 1 =19) T-Yield 19 th leaf year at 207 Trees/acre = 500 W (weighted) | | | | | | | |

4 Peaches

Use the following forms for the following Fresh (101) Type Peach examples:

Producer's Pre-acceptance Worksheet

T-Yield Table

| PAW (Perennial Crops) PRODUCER'S PRE-ACCEPTANCE WORKSHEET (For illustration purposes ONLY) | | | | 1. Applicant's Name: I. M. INSURED | | | 2. Policy No.: MPCI # | | 3. Unit No.: 00100 | | 4. Crop: PEACHES | | 5. State: AL | |
|--|-----------------------------|-------------|---------------|--|------------------------|---------------------|---------------------------------|-------------------------------------|------------------------------|--------------------------------|----------------------------|----------------------------|------------------------|--|
| | | | | 6. Legal Description: XXXXXXXXX | | | 7. Crop Year: 2006 | | 8. County: AUTAUGA | | | 9. FSA FSN: 8912 | | |
| Block No. 10 | Mo/Yr Set Out/Grafted 11 | Acres 12 | Variety 13 | Type 14 | Number of Plants 15 | Plant Spacing 16 | Percent Stand 17 | Density 18 | Practice IRR/NI 19 | Insurable or Uninsurable 20 | Spur or Nonspur 21 | | | |
| 001 | 04/2001 | 10.0 | RED GLOBE | L (Late) | 1090 | 20X20 | 100% | 109 | IRR | INS | N/A | | | |
| 002 | 05/1997 | 20.0 | HARVESTOR | M (Mid) | 2299 | 18X20 | 95% | 121 | NI | INS | N/A | | | |
| 003 | 04/1998 | 15.0 | EMPRESS | E (Early) | 1308 | 20X20 | 80% | 109 | NI | INS | N/A | | | |
| TOTALS: | | 45.0 | | | 4,697 | | | | | | | | | |
| 22. Has damage (ie., disease, hail, freeze) occurred to Trees/Vines/Bushes/Bog or have cultural practices been performed that will reduce the insured crop's production from previous levels? | | | | | | | Yes | <input checked="" type="checkbox"/> | No | | | | | |
| 23. Are production methods being used that would reduce production from previous levels? | | | | | | | Yes | <input checked="" type="checkbox"/> | No | | | | | |
| 24. Is the current water supply (surface allotment/well) adequate to produce a normal crop for the crop year being certified above? | | | | | | | | <input checked="" type="checkbox"/> | Yes | No | | | | |
| I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH yield. I also understand that failure to report completely and accurately may result in avoidance of my Crop Insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730). | | | | | | | | | | | | | | |
| 25 Insured's Signature: I. M. INSURED | | | | | | | | | Date: XX/XX/XX | | | | | |

12-PAW (Perennial Crops) (See Reverse for Collection of Information and Data [Privacy Act])

FCI-35 COVERAGE AND RATES
2006 AND SUCCEEDING CROP YEARS

ST: ALABAMA (01)
 CO: Autauga (001)

CROP: PEACHES (0034)*1*2
 PLAN: GYC (86)

TRANSITIONAL YIELD AND YA SUBSTITUTION TABLE

| YEAR | TYPE | PRACTICE | LEAF YEAR | TREES/ACRE | | OTHER | MAP | T-YIELD |
|-------------|------------------|----------------|--------------|------------|------------|-------|--------------|---------------|
| | | | | LOW | HIGH | | AREA | |
| 2006 | 101 Fresh | 997 NPS | 4 | 76 | 150 | | early | 55.00 |
| 2006 | 101 Fresh | 997 NPS | 4 | 76 | 150 | | mid | 120.00 |
| 2006 | 101 Fresh | 997 NPS | 4 | 76 | 150 | | late | 130.00 |
| 2006 | 101 Fresh | 997 NPS | 5 | 76 | 150 | | early | 70.00 |
| 2006 | 101 Fresh | 997 NPS | 5 | 76 | 150 | | mid | 135.00 |
| 2006 | 101 Fresh | 997 NPS | 5 | 76 | 150 | | late | 155.00 |
| 2006 | 101 Fresh | 997 NPS | 6 | 76 | 150 | | early | 100.00 |
| 2006 | 101 Fresh | 997 NPS | 6 | 76 | 150 | | mid | 165.00 |
| 2006 | 101 Fresh | 997 NPS | 6 | 76 | 150 | | late | 185.00 |
| 2006 | 101 Fresh | 997 NPS | 7 | 76 | 150 | | early | 105.00 |
| 2006 | 101 Fresh | 997 NPS | 7 | 76 | 150 | | mid | 170.00 |
| 2006 | 101 Fresh | 997 NPS | 7 | 76 | 150 | | late | 190.00 |
| 2006 | 101 Fresh | 997 NPS | 8 | 76 | 150 | | early | 135.00 |
| 2006 | 101 Fresh | 997 NPS | 8 | 76 | 150 | | mid | 190.00 |
| 2006 | 101 Fresh | 997 NPS | 8 | 76 | 150 | | late | 215.00 |
| 2006 | 101 Fresh | 997 NPS | 9 | 76 | 150 | | early | 135.00 |
| 2006 | 101 Fresh | 997 NPS | 9 | 76 | 150 | | mid | 190.00 |
| 2006 | 101 Fresh | 997 NPS | 9 | 76 | 150 | | late | 215.00 |
| 2006 | 101 Fresh | 997 NPS | 10 | 76 | 150 | | early | 125.00 |
| 2006 | 101 Fresh | 997 NPS | 10 | 76 | 150 | | mid | 180.00 |
| 2006 | 101 Fresh | 997 NPS | 10 | 76 | 150 | | late | 205.00 |
| 2006 | 101 Fresh | 997 NPS | 11 | 76 | 150 | | early | 115.00 |
| 2006 | 101 Fresh | 997 NPS | 11 | 76 | 150 | | mid | 170.00 |
| 2006 | 101 Fresh | 997 NPS | 11 | 76 | 150 | | late | 195.00 |
| 2006 | 101 Fresh | 997 NPS | 12 | 76 | 150 | | early | 105.00 |
| 2006 | 101 Fresh | 997 NPS | 12 | 76 | 150 | | mid | 155.00 |
| 2006 | 101 Fresh | 997 NPS | 12 | 76 | 150 | | late | 180.00 |
| 2006 | 101 Fresh | 997 NPS | 13 | 76 | 150 | | early | 85.00 |
| 2006 | 101 Fresh | 997 NPS | 13 | 76 | 150 | | mid | 140.00 |
| 2006 | 101 Fresh | 997 NPS | 13 | 76 | 150 | | late | 160.00 |
| 2006 | 101 Fresh | 997 NPS | 14+ | 76 | 150 | | early | 68.00 |
| 2006 | 101 Fresh | 997 NPS | 11 | 76 | 150 | | mid | 112.00 |
| 2006 | 101 Fresh | 997 NPS | 11 | 76 | 150 | | late | 128.00 |

EXAMPLE 1 This example demonstrates peaches reporting less than the required five years base period and added land with less than four years of the prior producer's hard copy records of production and acreage available.

A Peach producer has certified peach production and acreage (**insurable and uninsurable acreage separately**) by block on three blocks. Block number 001 has met policy minimums for two years with four years certified, block number 002 has four years of data certified, block number 003 was recently acquired and only two years of data are available. The APH approved yield in this example is based on individual blocks. The yields reported by block do not qualify for YA (i.e., block 001 2006-2001 = 5 + 1 = 6 age for 2006; for 2005 6 - 1 = 5, T-Yield 155 X .60 = 93 substitute yield; in 2004 6 -2 = 4, T-Yield 130 X 78 substitute yield; etc.) (T-Yield for block number 003 reflects adjustment due to percent stand, yield descriptor "K" is not shown because this is added land, yield descriptor "NX" is applicable and takes precedence).

| 19-A (APH-BP) | | | | BLOCK PRODUCTION (For illustration purposes ONLY) | | | |
|--|-------|------|------|--|------|---|-----|
| REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM. INCLUDE PRODUCTION THAT IS LESS THAN MINIMUMS AND ZERO PRODUCTION. | | | | | | | |
| 1 NAME <p style="text-align: center;">I. M. INSURED</p> | | | | 2 POLICY NUMBER <p style="text-align: center;">MPCI</p> | | 3 UNIT NUMBER <p style="text-align: center;">00100</p> | |
| 4(a) CROP <p style="text-align: center;">PEACHES</p> | | | | 5 STATE <p style="text-align: center;">AL</p> | | 6 LEGAL DESCRIPTION <p style="text-align: center;">XXXXXXXXX</p> | |
| 7 CROP YEAR <p style="text-align: center;">2006</p> | | | | 8 COUNTY <p style="text-align: center;">AUTAUGA</p> | | 9 FSA FSN <p style="text-align: center;">8912</p> | |
| 4(b) PRACTICE 997 4(c) TYPE 101 L 4(d) VARIETY/OTHER LATE | | | | 4(b) PRACTICE 997 4(c) TYPE 101 M 4(d) VARIETY/OTHER MID | | 4(b) PRACTICE 997 4(c) TYPE 101 E 4(d) VARIETY/OTHER EARLY | |
| 11 BLOCK NO.: 001 12 Mo/Yr 04/2001 | | | | 11 BLOCK NO.: 002 12 Mo/Yr 05/1997 | | 11 BLOCK NO.: 003 12 Mo/Yr 04/1998 | |
| 13 SET OUT YEAR: 2001 14 DENSITY: 109 | | | | 13 SET OUT YEAR: 1997 14 DENSITY: 121 | | 13 SET OUT YEAR: 1998 14 DENSITY: 109 | |
| 10 YEAR 15 PRODUCTION 16 ACRES 17 YIELD | | | | 15 PRODUCTION 16 ACRES 17 YIELD | | 15 PRODUCTION 16 ACRES 17 YIELD | |
| 2001 | | | | | | | |
| 2002 | 0 | 10.0 | T185 | 3,380 | 20.0 | A169 | |
| 2003 | 1000 | 10.0 | T185 | 3,560 | 20.0 | A178 | |
| 2004 | 1,600 | 10.0 | A160 | 3,600 | 20.0 | A180 | |
| 2005 | 2,000 | 10.0 | A200 | 3,700 | 20.0 | A185 | |
| TOTAL | | | 730 | TOTAL | | | 712 |
| 18 T-YIELD ADJ. 185 | | | | 18 T-YIELD ADJ. 180 | | 18 T-YIELD ADJ. 135 X .80=108 | |
| 19 AVERAGE YIELD 20 APPROVED YIELD 183 | | | | 19 AVERAGE YIELD 20 APPROVED YIELD 178 | | 19 AVERAGE YIELD 20 APPROVED YIELD 96 | |
| 183 21 PRIOR YIELD | | | | 178 21 PRIOR YIELD | | 96 21 PRIOR YIELD | |

JUNE 2005
4B Peaches
Example 2

EXHIBIT 16

FCIC 18010

This example is similar to example 1, except only two years were reported and no added land. Production is commingled for types shown as other characteristics or T-Yields on the actuarial, separate acreage information is available. This example demonstrates proper separation and reporting commingled and yield descriptors following procedure in Exhibit 15 6B(2).

A peach producer has certified total production and acreage for two years on the APH. Variable T-Yields (90 percent because the insured provided two years of records) determined on other characteristics age, density, percent stand for each block of acreage certified on the Producer's Pre-acceptance Worksheet (block 003 was adjusted for 80 percent stand item 17). The APH in this example is based on individual blocks required for other characteristics E, M, and L, using [Exhibit 15 6B(2)] for commingled production. Using the current T-Yields and adjusting by year, using the commingled worksheet, the 2004 and 2005 production was separated. The applicable acreage certified by block is shown, yields reported do not qualify for YA., two years with added land yield descriptor "NX" and two 90% T-yields "N". Block 003 is similar to block 001 and 002 but also reflects yield adjusted due to percent stand "K". The yield descriptor "K is not shown for years commingled because this is added land and yield descriptor "NX" takes precedence and must be shown. Yield descriptor "K" is shown for years with T-Yields.

| 19-A (APH-BPW) BLOCK PRODUCTION WORKSHEET | | | | | | | | | | | |
|--|-------------------|-------------------------|--------------|--------------------------------|-------------------|---|---------------|---------------------------------|-------------------|-------------------------|------------|
| (For illustration purposes ONLY) | | | | | | | | | | | |
| REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM. INCLUDE PRODUCTION THAT IS LESS THAN MINIMUMS AND ZERO PRODUCTION. | | | | | | | | | | | |
| 1 NAME I. M. INSURED | | | | 2 POLICY NUMBER MPCI | | | | 3 UNIT NUMBER 00100 | | | |
| 4(a) CROP PEACHES | | | | 5 STATE AL | | 6 LEGAL DESCRIPTION XXXXXXXXX | | | | | |
| 7 CROP YEAR 2006 | | | | 8 COUNTY AUTAUGA | | | | 9 FSA FSN 8912 | | | |
| 4(b) PRACTICE 997 | | 4(c) TYPE 101 L | | 4(b) PRACTICE 997 | | 4(c) TYPE 101 M | | 4(b) PRACTICE 997 | | 4(c) TYPE 101 E | |
| 4(d) VARIETY/OTHER LATE | | | | 4(d) VARIETY/OTHER MID | | | | 4(d) VARIETY/OTHER EARLY | | | |
| 11 BLOCK NO.: 001 | | 12 Mo/Yr 04/2001 | | 11 BLOCK NO.: 002 | | 12 Mo/Yr 05/1997 | | 11 BLOCK NO.: 003 | | 12 Mo/Yr 04/1998 | |
| 13 SET OUT YEAR: 2001 | | 14 DENSITY: 109 | | 13 SET OUT YEAR: 1997 | | 14 DENSITY: 121 | | 13 SET OUT YEAR: 1992 | | 14 DENSITY: 109 | |
| 10 YEAR | 15 PRODUCTION | 16 ACRES | 17 YIELD | 15 PRODUCTION | 16 ACRES | 17 YIELD | 15 PRODUCTION | 16 ACRES | 17 YIELD | | |
| 2002 | | | N167 | | | N162 | | | NK43 | | |
| 2003 | | | N167 | | | N162 | | | NK43 | | |
| 2004 | | 10.0 | NX155 | | 20.0 | NX190 | | 15.0 | NX68 | | |
| 2005 | | 10.0 | NX190 | | 20.0 | NX219 | | 15.0 | NX54 | | |
| TOTAL | | | 679 | TOTAL | | | 733 | TOTAL | | | 208 |
| 18 T-YIELD ADJ. | | 185 | | 18 T-YIELD ADJ. | | 180 | | 18 T-YIELD ADJ. | | 68 X .80 = 54 | |
| 19 AVERAGE YIELD | 20 APPROVED YIELD | 170 | | 19 AVERAGE YIELD | 20 APPROVED YIELD | 183 | | 19 AVERAGE YIELD | 20 APPROVED YIELD | 52 | |
| 170 | 21 PRIOR YIELD | | | 183 | 21 PRIOR YIELD | | | 52 | 21 PRIOR YIELD | | |

Multipurpose Production and Yield Worksheet

| CROP YEAR | 1 | 2 | 3 | 4 | 5 | 6 |
|------------------|----------|----------|-------------|-------------|----------|----------|
| 2005 | LATE | 10.0 | 165 | 1,650 | 1.17 | 190 |
| 2005 | MID | 20.0 | 190 | 3,800 | 1.17 | 219 |
| 2005 | EARLY | 15.0 | 68X.80 = 54 | 810 | 1.17 | 54 |
| | | | | 7,335÷6,260 | 1.17 | |
| | | | | | | |
| | | | | | | |
| 2004 | LATE | 10.0 | 155 | 1,550 | 1.00 | 155 |
| 2004 | MID | 20.0 | 190 | 3,800 | 1.00 | 190 |
| 2004 | EARLY | 15.0 | 85X80 = 68 | 1,020 | 1.00 | 68 |
| | | | | 6,730÷6370 | 1.00 | |

4C Peaches

EXAMPLE 3 Similar to prior examples except all years reported, and block 003 meets criteria for downtrending [Sec. 7F(2)(b)2] and has acreage changes. With revisions in the Producer's Pre-Acceptance Worksheet for acres and percent stand an adjustment in the T-Yield is no longer applicable. This example reflects adjustment and reporting.

For this example, all years in the base period were certified, block 003 was changed to show it was planted in April of 1991, and this block meets the selection criteria for high variability of actual yields. The Producer's Pre-Acceptance Worksheet shows changes in acreage and tree counts by year for block 003. AIP did a Perennial Crop Pre-Acceptance Inspection Report and determined the present acres 12.9 on block 003. This is also shown on Producer's Pre-Acceptance Worksheet. Units or blocks were reviewed and determinations made for meeting the selection criteria shown in [Sec. 7F(2)(b)2]. After completing reviews, block 003 continues to show that the most recent three-year average (123+102+66=291/3=97) exceeds 25% less than the APH average yield (133 X .75 = 100). The adjusted yield is calculated using the applicable adjustment, 80% of the average yield (133 X .80 = DF 106). It is coded with yield indicator "DF" to show adjustment made according to formula. The current acreage was shown by block with the approved yield on the example for ease in completing the acreage report.

| 19-A (APH-BPW) | | | | BLOCK PRODUCTION WORKSHEET | | | | | |
|--|--------------------------------|--------------------|-------------------------|----------------------------------|-------------------------------|---|-------------------------|----------------------|--|
| | | | | (For illustration purposes ONLY) | | | | | |
| REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM. INCLUDE PRODUCTION THAT IS LESS THAN MINIMUMS AND ZERO PRODUCTION. | | | | | | | | | |
| 1 NAME I. M. INSURED | | | | 2 POLICY NUMBER MPCI | | 3 UNIT NUMBER 00100 | | | |
| 4(a) CROP PEACHES | | | | 5 STATE AL | | 6 LEGAL DESCRIPTION XXXXXXXXX | | | |
| 7 CROP YEAR 2006 | | | | 8 COUNTY AUTAUGA | | 9 FSA FSN 8912 | | | |
| 10 YEAR | 4(b) PRACTICE 997 | | 4(d) TYPE 101 | | 4(b) PRACTICE 997 | | 4(c) TYPE 101 | | |
| | 4(d) VARIETY/OTHER LATE | | | | 4(d) VARIETY/OTHER MID | | | | |
| | 11 BLOCK NO.: 001 | | 12 Mo/Yr 04/2001 | | 11 BLOCK NO.: 002 | | 12 Mo/Yr 05/1997 | | |
| | 13 SET OUT YEAR: 2001 | | 14 DENSITY: 109 | | 13 SET OUT YEAR: 1997 | | 14 DENSITY: 121 | | |
| | 15 PRODUCTION | | 16 ACRES | | 15 PRODUCTION | | 16 ACRES | | |
| | 17 YIELD | | | | 17 YIELD | | | | |
| 2001 | 0 | 10.0 | T185 | 2,880 | 20.0 | A144 | 3,100 | | |
| 2002 | 0 | 10.0 | T185 | 3,380 | 20.0 | A169 | 2,500 | | |
| 2003 | 1,000 | 10.0 | T185 | 3,560 | 20.0 | A178 | 1,850 | | |
| 2004 | 1,600 | 10.0 | A160 | 3,600 | 20.0 | A180 | 1,470 | | |
| 2005 | 2,000 | 10.0 | A200 | 3,700 | 20.0 | A185 | 900 | | |
| TOTAL | | | 730 | TOTAL | | | 856 | TOTAL | |
| | | | 185 | | | | 180 | | |
| 18 T-YIELD ADJ. | | | 185 | 18 T-YIELD ADJ. | | | 180 | 18 T-YIELD ADJ. | |
| 19 AVERAGE YIELD | | 20 APPROVED YIELD | | 19 AVERAGE YIELD | | 20 APPROVED YIELD | | 19 AVERAGE YIELD | |
| 183 | | 183/10.0 Ac | | 171 | | 171/20 Ac | | 133 | |
| 21 PRIOR YIELD | | | | 21 PRIOR YIELD | | | | 21 PRIOR YIELD | |
| | | | | 171 | | | | 133 | |
| | | | | | | | | DF 106/12.9Ac | |

RULES FOR COTTON SKIP-ROW PLANTING PATTERNS**1 GENERAL INFORMATION**

From the Definitions section of the Cotton Crop Provisions, "Skip-row" means a planting pattern that:

- 1A** Consists of alternating rows of cotton and fallow land or land planted to another crop the previous fall; and
- 1B** Qualifies as a skip-row planting pattern as defined by the FSA or successor agency.

2 FSA RULES

The FSA Acreage Compliance Determinations Handbook (2-CP) provides the methods of determining acreage of solid plant and skip-row **planted crops**.

See 3B below for further instructions on determining the acreage of skip-row cotton.

3 ACRES CONSIDERED PLANTED

3A Acreage determinations and qualifying skip-row planting patterns must agree with the FSA rules. For irrigated and non-irrigated **practices**, if the skips in any skip-row planting pattern do not meet the FSA requirements for a skip-row planting pattern the entire area is considered devoted to the **crop**. For AUP and ELS Cotton (**cotton**) when the entire area is considered planted to cotton (**solid planted**), use a percent planted factor of 1.00. For MPCl acreage report purposes, the planting pattern established on the final planting date is used for determining acreage and the APH yield for subsequent crop years.

3B See Table 4 for FSA Percent Planted Factors

For all skip-row **crops** (irrigated and non-irrigated), the acreage of **the crop** will be the planted portion of the field as defined by FSA (Also see Cotton AUP and ELS Crop Provisions). Contact the applicable county FSA office for the correct percent planted factor for any row widths and planting patterns or varying row widths and planting patterns not listed in Table 4.

3C Revision of Prior Years' APH due to FSA percentage planting factor changes:

For the 2003 crop year FSA revised their rules concerning the density that a producer's acreage must be planted to be considered a full acre for program purposes. RMA issued Amendment FCIC 18010-03 to the CIH that provided the instructions for revising prior years' acreage and solid-planted yields for the 2003 crop year based on the revised FSA percentage planted factors. In addition, for the 2004 and 2005 crop years AIP's were given the authority to revise prior years' acreage and solid-planted yields on affected databases that had not been planted in the 2003 and 2004 crop years if they had not been previously revised. Refer to the FCIC 18010-03 Amendments to the 2003 CIH, 2004 CIH and the 2005 CIH and for revision instructions.

4 ACREAGE REPORT YIELDS FOR NON-IRRIGATED COTTON SKIP-ROW PLANTING PATTERNS

4A To compute the acreage report yield for non-irrigated skip-row cotton planting pattern(s) carried out, multiply the approved solid-planted yield from the APH form times the yield conversion factor for the qualifying skip-row planting pattern. Irrigated acreage does not qualify for skip-row yield conversion factors.

If the entire area is considered devoted to cotton (solid planted) by FSA, a yield conversion factor of 1.00 must be used. Use the following tables to convert qualifying non-irrigated skip-row cotton yields to a solid-planted basis:

- A(1) Table 1 factors apply to Arkansas, Louisiana, Missouri, and all states east of these states.
- A(2) Table 2 factors apply to New Mexico, and the following counties in Texas: Baylor, Concho, Runnels, Schleicher, Shackelford, Sutton, Taylor, Throckmorton, Valverde, Wilbarger, and all counties west of these counties.
- A(3) Table 3 factors apply to Kansas, Oklahoma, and all Texas counties for which Table 2 does not apply.

5 TABLES - TABLE 1

These factors apply to Arkansas, Louisiana, Missouri, and all states east of these states.

| Planting Pattern <u>1/</u> | Yield Conversion Factor |
|---|-------------------------|
| Solid-planted or non-qualifying Skip-row patterns as determined by FSA. | 1.00 |
| 2 planted X 1 skipped | 1.33 |
| 2 planted X 1 narrow skip (40-40-*24) | 1.23 |
| 2 planted X 1 narrow skip (38-38-*26) | 1.25 |
| 2 planted X 2 skipped | 1.50 |
| 2 planted X 4 or more skipped (fallowed rows) (2x4, 2x6, etc.) | 1.67 <u>2/</u> |
| 4 planted X 1 skipped | 1.20 |
| 4 planted X 2 skipped | 1.33 |
| 4 planted X 4 skipped | 1.33 <u>2/</u> |
| 6 planted X 1 skipped | 1.14 |
| 6 planted X 2 or more skipped | 1.20 <u>2/</u> |
| All Other | As Computed Below |

1/ Row widths are equal unless otherwise indicated.
2/ Factors limited by procedure.
 * Fallow strip (plus one-half row width on either side).

5A Planting Patterns (Table 1)

For planting patterns of unequal row widths within the pattern or row patterns other than those listed above, compute the yield conversion factor as follows:

A(1) **Divide the width in inches** of the area skipped in the pattern (as defined by FSA) by the width in inches of the whole pattern, rounded to 2 decimals.

A(2) **Add 1.00 to the results** obtained in item (1)

Example: 3×1 (40" rows) = $40 \div 160 = .25 + 1.00 = 1.25$

In some areas, mixed patterns are planted such as $4 \times 1 \times 2 \times 1$. To calculate the factor for these patterns, determine the factor for each part (4×1 and 2×1) and compute a weighted factor based on the number of planted rows.

Example: $4 \times 1 \times 2 \times 1$ (40" rows)
 $4 \times 1 = 40 \div 200 = .20 + 1.00 = 1.20 \times 4 = 4.80$
 $2 \times 1 = 40 \div 120 = .33 + 1.00 = 1.33 \times 2 = \underline{2.66}$
 $7.46 \div 6 \text{ rows} = 1.24$

5B The Result Of Item A(2) Must Not Exceed

B(1) **1.67 for any pattern or part** of a pattern of 1 planted row or 2 consecutive planted rows alternating with idle land.

B(2) **1.45 for any pattern or any part** of a pattern of 3 consecutive planted rows alternating with idle land.

B(3) **1.33 for any pattern or part** of a pattern of 4 consecutive planted rows alternating with idle land.

B(4) **1.20 for any pattern or part** of a pattern of 5 or 6 consecutive planted rows alternating with idle land.

B(5) **1.00 for any pattern or a part** of a pattern of 7 or more consecutive planted rows alternating with idle land.

TABLE 2

These factors apply to New Mexico, and the following counties in Texas: Baylor, Concho, Runnels, Schleicher, Shackelford, Sutton, Taylor, Throckmorton, Valverde, Wilbarger, and all counties west of these counties.

| PLANTING PATTERN | YIELD CONVERSION FACTOR |
|--|-------------------------|
| Solid-planted (solid drilled-62") or nonqualifying skip-row patterns as determined by FSA. | 1.00 |
| 1 planted X 1 or more skipped 30" - 35" | 1.14 |
| 1 planted X 1 or more skipped 36" - 62" | 1.28 |
| 1 planted (38") X 1 skipped (34") | 1.28 |
| 1 planted (<30") X 1 skipped (<30") | 1.00 |
| 2 planted X 1 skipped 36" - 62" | 1.42 |
| 2 planted X 1 skipped 30" - 35" | 1.26 |
| 2 planted (30" - 62") X 1 skipped (<30") | 1.00 |
| 2 planted (36" - 62") X 1 skipped (30" - 35") | 1.26 |
| 2 planted (30" - 35") X 1 skipped (36" - 62") | 1.26 |
| 2 planted X 2 or more skipped (36" - 62") | 1.80 |
| 2 planted X 2 or more skipped (30" - 35") | 1.60 |
| 2 planted (30" - 35") x 2 skipped (36" -62") | 1.70 |
| 2 planted (36" - 62") X 2 skipped (30" - 35") | 1.70 |
| 3 planted X 1 skipped (36" - 62") | 1.35 |
| 3 planted X 2 or more skipped (36" - 62") | 1.69 |
| 3 planted X 1 skipped (30" - 35") | 1.20 |
| 3 planted X 2 or more skipped (30" - 35") | 1.50 |
| 4 planted X 1 skipped (36" - 62") | 1.28 |
| 4 planted X 2 or more skipped (36" - 62") | 1.57 |
| 4 planted X 1 skipped (30" - 35") | 1.14 |
| 4 planted X 2 or more skipped (30" - 35") | 1.40 |
| 5 planted X 1 skipped (36" - 62") | 1.14 |
| 5 planted X 2 or more skipped (36" - 62") | 1.43 |

Table 2 cont.

| PLANTING PATTERN | YIELD CONVERSION FACTOR |
|--|-------------------------|
| 5 planted X 1 skipped (30" - 35") | 1.07 |
| 5 planted X 2 or more skipped (30" - 35") | 1.27 |
| 6 planted X 1 skipped (30" - 62") | 1.00 |
| 6 planted X 2 or more skipped (36" - 62") | 1.28 |
| 6 planted X 2 or more skipped (30" - 35") | 1.14 |
| 7 planted X 1 skipped (30" - 62") | 1.00 |
| 7 planted X 2 or more skipped (30" - 62") | 1.10 |
| 8 planted X 1 skipped (30" - 62") | 1.00 |
| 8 planted X 2 or more skipped (30" - 62") | 1.06 |
| 9 planted X 1 or more skipped (30" - 62") | 1.00 |
| 10 or more planted X 1 or more skipped (30" - 62") | 1.00 |

Note: < = less than

In some areas, mixed patterns are planted such as 3X2, 4X1, and 2X2. To calculate yield conversion factor for these patterns, determine a factor for each pattern (3X2, 4X1, and 2X2) and compute a yield conversion factor based on a simple average. If a pattern(s) does not qualify as a skip-row planting pattern as determined by FSA, 1.00 is used for that pattern.

Example: 3X2, 4X1, and 2X2 patterns planted in 40" rows
 3X2 = 1.69
 4X1 = 1.28
 2X2 = 1.80
 $4.77/3 = 1.59$

These factors apply to Kansas, Oklahoma, and all Texas counties for which Table 2 does not apply.

TABLE 3

| PLANTING PATTERN | YIELD CONVERSION FACTOR |
|--|-------------------------|
| Solid planted (solid drilled-62") or Nonqualifying skip-row patterns as determined by FSA. | 1.00 |
| 1 planted X 1 or more skipped (30" - 35") | 1.14 |
| 1 planted X 1 or more skipped (36" - 62") | 1.28 |
| 1 planted (38") X 1 skipped (34") | 1.28 |
| 1 planted (<30") X 1 skipped (<30") | 1.00 |
| 2 planted X 1 skipped (36" - 62") | 1.33 |
| 2 planted X 1 skipped (30" - 35") | 1.26 |
| 2 planted (30" - 62") X 1 skipped (<30") | 1.00 |
| 2 planted (30" - 35") X 1 skipped (36" - 62") | 1.26 |
| 2 planted X 2 or more skipped (36" - 62") | 1.50 |
| 2 planted X 2 or more skipped (30" - 35") | 1.41 |
| 2 planted (30" - 34") X 2 skipped (35" - 62") | 1.46 |
| 2 planted (35" - 62") X 2 skipped (30" - 34") | 1.46 |
| 3 planted X 1 skipped (36" - 62") | 1.31 |
| 3 planted X 2 or more skipped (36" - 62") | 1.45 |
| 3 planted X 1 skipped (30" - 35") | 1.20 |
| 3 planted X 2 or more skipped (30" - 35") | 1.37 |
| 4 planted X 1 skipped (36" - 62") | 1.28 |
| 4 planted X 2 or more skipped (36" - 62") | 1.40 |
| 4 planted X 1 skipped (30" - 35") | 1.14 |
| 4 planted X 2 or more skipped (30" - 35") | 1.33 |

TABLE 3 cont.

| PLANTING PATTERN | YIELD CONVERSIONFACTOR |
|---|------------------------|
| 5 planted X 1 skipped (36" - 62") | 1.14 |
| 5 planted X 2 or more skipped (36" – 62") | 1.34 |
| 5 planted X 1 skipped (30" - 35") | 1.07 |
| 5 planted X 2 or more skipped (30" – 35") | 1.27 |

Note: < = less than

All other skip row patterns having 6 or more planted rows with 1 or more qualifying skip (fallow) row(s) will have the same factors as those shown in Table 2.

In some areas, mixed patterns are planted such as 3X2, 4X1, and 2X2. To calculate yield conversion factor for these patterns, determine factor for each pattern (3X2, 4X1, and 2X2) and compute a yield conversion factor based on a simple average. If a pattern(s) does not qualify as a skip-row planting pattern as determined by FSA, 1.00 is used for that pattern.

Example: 3X2, 4X1, 2X2 patterns planted in 40" rows
 3X2 = 1.45
 4X1 = 1.28
 2X2 = 1.50
 $4.23/3 = 1.41$

TABLE 4

ACRES CONSIDERED PLANTED BY FSA TABLE

| Cropping Definition | Row Width | Percent Planted to Cotton |
|--|---------------|---------------------------|
| 1 planted 1skipped | 40 inch | 50.00% |
| 1 planted 1 skipped | 36 inch | 55.56% |
| 1 planted 1 skipped | 32 inch | 62.50% |
| 1 planted 1 skipped Double at the Turn | 36 or 40 inch | 55.56% |
| 2 planted 1 skipped | 30 to 40 inch | 66.67% |
| 2 planted 2 skipped | 30 to 40 inch | 50.00% |
| 3 planted 1 skipped | 30 to 40 inch | 75.00% |
| 4 planted 2 skipped | 30 to 40 inch | 66.67% |
| 6 planted 2 skipped | 30 to 40 inch | 75.00% |
| 8 planted 1 skipped | 30 to 40 inch | 88.89% |
| 8 planted 2 skipped | 30 to 40 inch | 80.00% |

Note: For all skip-row cotton (irrigated and non-irrigated), the acreage of cotton will be the planted portion of the field as defined by FSA (See Cotton AUP and ELS Crop Provisions). Contact the applicable county FSA office for the correct percent planted factor for any row widths and planting patterns or varying row widths and planting patterns not listed in this table.

6 COMPLETION OF THE COTTON APH FORM

6A Example 1

This example is a two-step process to convert skip-row yields to a solid-plant yield. The insured certified for the most recent six crop years, the following total production and acres considered planted to cotton by FSA.

Next most recent crop year 217,070 lbs. and 620.2 acres
 Next most recent crop year 182,250 lbs. and 450.0 acres
 Next most recent crop year 128,800 lbs. and 400.0 acres
 Next most recent crop year 143,310 lbs. and 510.0 acres
 Next most recent crop year 259,000 lbs. and 700.0 acres
 Most recent crop year 122,010 lbs. and 400.0 acres

The insured carried out a Non-Irrigated 2 X 1 skip-row practice planted in 40-inch rows all years (Table 2 applies).

| YEAR | PROD. | ACRES | YIELD |
|--------------------|---------|------------------------|----------|
| 19XX | 217,070 | 620.2 | A350 |
| 20XX | 182,250 | 450.0 | A405 |
| 20XX | 128,800 | 400.0 | A322 |
| 20XX | 143,310 | 510.0 | A281 |
| 20XX | 259,000 | 700.0 | A370 |
| 20XX | 122,010 | 400.0 | A305 |
| | | | 19.TOTAL |
| 20(A) PLEM.YIELD. | | 21. APPROVED APH YIELD | |
| 20(B) PRIOR YIELD. | | | |

In order to complete the APH form on a solid planted basis, the average yield for the six crop years were transferred to the Total Production Column in another block of the APH form. The average yields are then divided by the applicable yield conversion factor and the result is entered in the Yield Column on the APH form.

| YEAR | AVG. YIELD | YIELD CONV. FACTOR | YIELD |
|--------------------|------------|------------------------|----------|
| 19XX | 350 | 1.42 | A246 |
| 20XX | 405 | 1.42 | A285 |
| 20XX | 322 | 1.42 | A227 |
| 20XX | 281 | 1.42 | A198 |
| 20XX | 370 | 1.42 | A261 |
| 20XX | 305 | 1.42 | A215 |
| | | | 19.TOTAL |
| 20(A) PLEM.YIELD. | | 21. APPROVED APH YIELD | |
| 20(B) PRIOR YIELD. | | | |

6B Example 2

This example illustrates the use of the Multi-purpose Production and Yield Report Worksheet [Sec. 6, F(14)] to arrive at the solid-plant yield for the six years certified. Total production for each of the six years is divided by the appropriate yield conversion factor (for the planting pattern, row spacing and applicable area). The factored production for each crop year is entered in the Total Production Column of the APH form. Acres considered planted to cotton are entered in the Acres Column of the APH form. If gross acres (Col. 4), the appropriate percent factor must be applied. The solid-plant yields for the six crop years for the practice carried out (Non-Irrigated) are entered in the Yield Column of the APH form.

MULTIPURPOSE PRODUCTION AND YIELD REPORT WORKSHEET

| Crop Year | 1 | 2 | 3 | 4 | 5 | 6 |
|-----------|---------|----------|---------|--------|-------|-----|
| 19XX | 217,070 | ÷ 1.42 = | 152,866 | 930.3 | 620.2 | 246 |
| 20XX | 182,250 | ÷ 1.42 = | 128,345 | 675.0 | 450.0 | 285 |
| 20XX | 128,800 | ÷ 1.42 = | 90,704 | 600.0 | 400.0 | 227 |
| 20XX | 143,310 | ÷ 1.42 = | 100,923 | 765.0 | 510.0 | 198 |
| 20XX | 259,000 | ÷ 1.42 = | 182,394 | 1050.0 | 700.0 | 261 |
| 20XX | 122,010 | ÷ 1.42 = | 85,923 | 600.0 | 400.0 | 215 |

APH FORM

| YEAR | FACTORED PROD. | ACRES | YIELD |
|--------------------|----------------|------------------------|----------|
| 19XX | * 152,866 | 620.2 | A246 |
| 20XX | * 128,346 | 450.0 | A285 |
| 20XX | * 90,704 | 400.0 | A227 |
| 20XX | * 100,923 | 510.0 | A198 |
| 20XX | * 182,394 | 700.0 | A261 |
| 20XX | * 85,923 | 400.0 | A215 |
| | | | 19.TOTAL |
| 20(A) PLEM.YIELD. | | 21. APPROVED APH YIELD | |
| 20(B) PRIOR YIELD. | | | |

* = Factored production

6C **Example 3**

The following APH form is for a carryover insured who has an existing database. For the most recent crop year, the insured reported 94,640 pounds of skip-row production and 124.4 gross skip-row acres. A Non-Irrigated (2X1) 40-inch planting pattern was carried out (Table 2 applies). The agent assisted the insured in completing the APH form by dividing the production by the skip-row yield conversion factor (1.42) and multiplying the percent planted factor (.6667) times the acreage planted (for the most recent crop year) and entering this information on the insured's APH form. The approved APH yield is calculated using Category B APH procedure.

| YEAR | FACTORED PROD. | ACRES | YIELD |
|-------|----------------|----------------------------|---------------|
| 19XX | 49,510 | 90.0 | A550 |
| 20XX | 39,900 | 92.2 | A433 |
| 20XX | 60,030 | 88.5 | A678 |
| 20XX | * 20,160 | 80.0 | A252 |
| 20XX | * 28,420 | 81.2 | A350 |
| 20XX | * 66,648 | 83.0 | A803 |
| | | | 19.TOTAL 3066 |
| 20(A) | PLEM.YIELD. | 21. APPROVED APH YIELD 511 | |
| 20(B) | PRIOR YIELD. | | |

* = Factored Yield

6D **Example 4**

In this example, a new insured reported the four most recent crop year's production. Unit 00101's production for the next most recent crop year was commingled between Irrigated and Non-Irrigated skip-row practices [see the example on the following page].

UNIT 00101 - Irrigated practice

| UNIT 00100 | | IRRIGATED | |
|------------------------|------------|------------------------|---------------|
| YEAR | PRODUCTION | ACRES | YIELD |
| 20XX | 29,824 | 64.0 | A466 |
| 20XX | 48,400 | 55.0 | A880 |
| 20XX | *15,400 | 50.0 | A308 |
| 20XX | *36,600 | 52.0 | A704 |
| | | | 19.TOTAL 2358 |
| 20(A) PLEM.YIELD. 590 | | 21. APPROVED APH YIELD | |
| | | 590 | |
| 20(B) PRIOR YIELD. N/A | | | |

* = Irrigated Production Commingled with Non-irrigated Production
 T-Yield = 350

UNIT 00102 - Non-Irrigated Practice

| UNIT 00102 | | NON-IRRIGATED | |
|------------------------|------------|----------------------------|--------------|
| YEAR | PRODUCTION | ACRES | YIELD |
| 20XX | * 37,200 | 200.0 | A186 |
| 20XX | * 28,700 | 140.0 | A205 |
| 20XX | * 11,023 | 151.0 | A73 |
| 20XX | * 36,660 | 244.0 | A150 |
| | | | 19.TOTAL 614 |
| 20(A) PLEM.YIELD. 154 | | 21. APPROVED APH YIELD 154 | |
| 20(B) PRIOR YIELD. N/A | | | |

* Non-irrigated Production Commingled with Irrigated Production and Factored
 T-Yield = 130

6E Example 5

The yield conversion factors for this example were taken from Table 2 of this Exhibit and determined from the following information.

The insured commingled production between irrigated cotton and non-irrigated skip-row cotton. The total production is 32,710 pounds, 50 acres irrigated; 29.4 acres (considered planted to cotton) non-irrigated skip-row, 2X3, 40-inch rows (yield conversion factor 1.80); 26.6 acres (considered planted to cotton) non-irrigated skip-row 2X4, 40 inch rows (yield conversion factor 1.80); 95.0 acres (considered planted to cotton) non-irrigated skip-row 2X1, 40 inch rows (yield conversion factor 1.42).

Step 1: Determine the Irrigated and Non-Irrigated yield [see the commingled production worksheet (Exhibit 9)].

Step 2: Determine the yield factor for the Non-Irrigated skip-row acreage [see skip-row yield determination factor determination].

COMMINGLED COTTON PRODUCTION DETERMINATION

Step 1

| PRACTICE | PLANTED ACRES | 100% "T" YIELD | YIELD EXTENSION | YIELD FACTOR | FACTOR X "T" YIELD |
|----------|---------------|----------------|-----------------|--------------|--------------------|
| IRR | 50.0 x | 350 = | 17,500 | .88 | (350 x .88) = 308 |
| NI | 151.0 x | 130 = | 19,630 | .88 | (130 x .88) = 114 |

Total Production: $32,710 \div 37,130 = .88$

SKIP-ROW YIELD FACTOR DETERMINATION

Step 2:

| NI SKIP ROW | PLANTED ACRES | YIELD CONVERSION | FACTORED ACRES | YIELD CONVERSION FACTOR | SOLID PLANTED YIELD (NI YIELD ÷ YIELD FACTOR) |
|--------------|---------------|------------------|----------------|---|---|
| 2X3(40") | 29.4 x | 1.80 = | 52.9 | 1.56 | $114 \div 1.56 = 73$ |
| 2X4(40") | 26.6 x | 1.80 = | 47.9 | 1.56 | $114 \div 1.56 = 73$ |
| 2X1(40") | 95.0 x | 1.42 = | 134.9 | 1.56 | $114 \div 1.56 = 73$ |
| TOTAL | 151.0 | TOTAL | 235.7 | $235.7 \div 151.0 = 1.56$ | |

1 **FLORIDA CITRUS, MACADAMIA GROVE and TEXAS CITRUS TREE INSPECTION REPORTS.**

1A **FLORIDA CITRUS**

- A(1) **The Florida Citrus Grove Pre-Acceptance.** The Inspection Worksheet and Plat Map form must be filed annually with the acreage report **ONLY** if the total insured citrus crop acreage in the county is 250 acres or more. An AIP grove inspector must complete this inspection worksheet for that crop/county. Each type (Citrus I and Citrus II, etc.) is a different crop. For example, if Citrus I has 25 acres; Citrus II, 45 acres; Citrus III, 90 acres; and Citrus IV, 280 acres; a crop inspection is needed **ONLY** on the Citrus IV crop that exceeds the 250-acre tolerance.

Once the initial inspection is performed for acreage of 250 acres or more, insured's who continue insurance in subsequent crop years will be allowed to self-certify in the remarks section on the original inspection worksheet that no change has occurred. The insured will write "No change for _____ Crop Year," initial and date. If an insured certifies that no change has occurred, a new inspection is not required. If changes have occurred, a new inspection report is required.

- A(2) **The plat map** is part of the "Florida Citrus Grove Pre-Acceptance Inspection Worksheet and Plat Map." It must be completed for an inspection. Significant interplantings, uninsurable trees, trees of differing ages, and tree spacing must be recorded on the plat map so the proper guarantee and insurable acreage can be determined.

Changes in insurable/uninsurable acreage require a new inspection worksheet to be completed.

If the only change is the insurable age class of trees, the insured will certify in the remarks section of the worksheet the "Plot Number" and the change in "Tree Age in Years." Example: The original certification or inspection worksheet plot number 1 showed "5" in the "Tree Age in Years" column. The following year, the trees will be in the "6 to 8 years" age class. The insured will note this change, initial and date in the remarks section of the worksheet. A new inspection is not required.

- A(3) **All acreage determinations/measurements** will be based on land acres, [see **Sec. 7D(3) and the LAM**].

- A(4) **The insured acreage cannot exceed** the physical amount of land acreage. If a producer interplants two citrus crops, the acreage will be prorated according to the percentage of the insurable land acres occupied by the crops interplanted. [See policy for definition of "interplanted."]

EXAMPLE: A producer has 10 acres of grapefruit planted at a spacing of 30 feet x 30 feet, and decides to interplant with early oranges. Orange trees are interplanted between the grapefruit trees within the row. The tree spacing has been changed to 30 feet x 15 feet, but there is no increase in the acreage. There is a 5-acre unit of early oranges and a 5-acre unit of grapefruit, NOT 10 acres of each.

The same instructions apply if more than one citrus fruit is planted on the same acreage; e.g., 10 acres of early (011) and mid-season oranges (012) (50 - 50mix) does not represent 10 acres of early oranges and 10 acres of mid-season oranges.

- A(5) **Insurable acreage and the amount of insurance** within a unit will be determined on a plot basis. A plot (block) is a homogenous planting pattern of a citrus crop that may or may not consist of different tree age classes (0 to 4 years, 5 years, 6-8 years, or 9 years and above). For age classes within the plot that cannot be separately plotted (subplots), use the age class with the greatest percentage of trees in the plot to determine insurable acreage and the amount of insurance. If age classes within a plot can be separately plotted (drawn out), the insurable acreage and amount of insurance are determined for each age class and reported on that basis.

EXAMPLE: A producer has a grove of grapefruit trees. Through attrition, some of the trees older than nine years have been replaced with trees that are in the 1-4 and 6-8-year-old age classes. These trees are planted in a random pattern in a 30x30-foot tree spacing. Separate plots, by age class, cannot be determined. The 9-year or older trees represent the largest percentage in the plot; therefore, the grove will be insured as 9-year-old trees.

If a specific plot could be identified for any age group listed above, that age group **MUST BE** separately reported to determine the guarantee and insurable acreage.

The unit may consist of several plots of the same citrus crop. Each unit and each plot (subplot) within a unit must be separately listed, and the amount of insurance and insurability determined accordingly.

- A(6) **Completion instructions** for preparation of Florida Citrus Grove Pre-Acceptance Inspection Worksheet and Plat Map.

(6)(a) **Heading:**

NAME OF INSURED (OR APPLICANT): Enter the insured's name as it appears on the most recent Policy Confirmation. In the case of a new applicant, enter the name of the applicant as it appears on the application for insurance.

CONTRACT NUMBER: Enter the contract number from the most recent Policy Confirmation. In the case of a new applicant, enter only the 2-digit state and 3-digit county code, e.g., xx-xxx.

COUNTY: Enter the county name and code number.

NAME OF AGENT: Enter the name, address, and phone number of the agent who services or will service this contract, as applicable.

CROP YEAR: Enter the crop year for which the grove inspection is being made.

SEC., TWP., RNG: Enter the legal description (section, township, and range) for the grove location. Complete a separate worksheet for each section. Enter all section numbers in the "Remarks" section of page 1.

PRODUCER'S PHONE NUMBER: Enter the area code and phone number of the insured or prospective insured, as applicable.

(6)(b) Individual Citrus Grove Data:Item #:

- (1) Unit Number: Each insured crop will begin unit numbering with 00100 or 00101. Basic and optional units are allowable as defined in the Florida Citrus Fruit CP.
- (2) Plot Number: By line, enter the plot number as identified on the plat map. Separate plot numbers are required for each type within the insured crop and homogenous planting pattern of the citrus type. A homogenous planting pattern of a variety may or may not consist of different tree age classes (0 to 4 years, 5 years, 6-8 years, or 9 years and above). For age classes within the plot that cannot be separately plotted (subplots), use the age class with the greatest percentage of trees in the plot to determine insurable acreage and the amount of insurance. If the age classes within the plot can be separately plotted (drawn out), the insurable acreage and amount of insurance are determined for each age class and reported on that basis.
- (3) Crop and Variety: Enter the applicable insured citrus crop name, crop code and type (e.g., Type I, 0245, 011).
- (4) Acres in Plot: Enter the plot acres, rounded to the nearest tenth. Drainage ditches and/or canals within the planting pattern between rows and beds may or may not be considered insurable acres, at the insured's (or prospective insured's) discretion.
- (5) Tree Spacing: Enter the average tree spacing, in whole feet, for the plot. If there is a wide variation in spacing, enter "varying." We will consider it practical to separately report differing insurable age and uninsurable trees if they can be separately plotted on the plat map.
- (6) Tree Count: Enter total number of trees on the plot acreage. Enter an estimate (identify as "Est") if accurate determination is impractical.
- (7) Month & Year Set: Enter the month and year of set out for the age class (0 to 4 years, 5 years, 6-8 years, or 9 years and above) with the greatest percentage of trees in the plot.
- (8) Tree Condition: Determine tree condition and enter "excellent," "good," "average," "fair," "poor," or "other," as appropriate. If the trees are suffering from disease, insect damage, or a physiological disorder, explain in REMARKS.
- (9) Tree Age in Years: Enter the tree age class with the greatest percentage of trees in the plot (i.e., 0 to 4 years, 5 years, 6-8 years, or 9 years and above). **Based upon the SET OUT YEAR for the unit/block, which is calculated as follows:**

Spring-Planted prior to May 1 Coming leaf year - 1st full leaf year following setting or grafting. For example, if the trees were set in February of 1997 (2/97), the correct set out year is 1997.

Fall-Planted on or after May 1 Coming leaf year - 1st full year following setting or grafting. For example, if the trees were set in November of 1997 (11/97), the correct set out year is 1998.

If mixed age, density or blocks and indicator W (item 18) is applicable use the Weighted Average T-Yield Worksheet [Sec. 7 I(3)] to determine the weighted average set out year, leave the month and year blank.

- (10) Insurable quality: Per line entry, evaluate and document the insurability of the trees. If the plot contains trees that are damaged, subdivide the plot and use separate lines for insurable and uninsurable acreage.
- (11) Est. Prod., Boxes: By line, enter an estimate of the expected production for the acreage. Acreage with a potential of less than 100 boxes can be insured or excluded from insurance by the insured. If the land is excluded, it is considered not insured; if it is insured, we will consider it to have produced 100 boxes per acre.

EXCLUDED ACREAGE: Identify acreage which is uninsurable due to policy requirements such as age since being set out. Leave unit column (1) blank and enter "excluded" in column (11) for such acreage.

6(c) Plat Map:

- 1 Identify highways and other significant landmarks that can be used to help identify groves' locations.
- 2 Outline citrus plot locations and identify plots by plot number. Draw plots in actual shapes and as close to scale as possible. Indicate which acreage has been excluded from coverage by labeling as "excluded."
- 3 Outline land ownership boundaries in red within each section involved. Indicate land ownership across section lines with tie bars.

6(d) Remarks:

Enter notes pertinent to the grove inspection such as nature and degree of damage, nature of the tree stand, etc.

Once the initial inspection is performed for acreage of 250 acres or more, insured's who continue insurance in subsequent crop years will be allowed to self-certify in the remarks section of the original inspection worksheet that no change has occurred. The insured will write "No change for XXXX Crop Year," initial and date. If an insured certifies that no change has occurred, a new inspection is not required. If changes have occurred, a new inspection report is required.

If the only change is the insurable age class of trees, the insured will certify in the Remarks section of the worksheet the "Plot Number" and the change in "Tree Age in Years." Example: The original inspection worksheet plot number 1 showed "5" in the "Tree Age in Years" column. The following year, the trees will be in the "6 to 8 years" age class. The insured will note this change, initial and date in the Remarks section of the worksheet. A new inspection is not required.

6(e) "For Office Use Only":

The block must be completed by the grove inspector or authorized representative when:

- 1 a self-certification is NOT authorized
- 2 an inspection is required,
- 3 data verification is requested by the AIP, and/or
- 4 the form is otherwise reviewed.
 - a Enter the appropriate "rate map area" from the Actuarial Table in the AREA NUMBER block, e.g., "AAA," "BBB," or "CCC."
 - b Place a check in "blank 1" if no changes are found to be required. Place a check in "blank 2" if a new/revised acreage report must be prepared based on information contained in this report. (If a new/revised acreage report is otherwise necessary, explain in REMARKS.)
 - c Check "yes" or "no" to indicate the grove inspector's or his or her authorized representative's recommendation to accept the current application /acreage report. If "no" is checked, indicate in REMARKS which factors made the application/acreage report unacceptable.
 - d Enter the code number, date of signature, and the signature of the grove inspector or his or her authorized representative.
- 5 **PAGE ___ OF ___ PAGES:** Enter the total number of pages of this form for this contract in the second blank. Enter the order sequence of the particular page in the first blank, i.e., PAGE 2 OF 3 PAGES.

Citrus

FLORIDA CITRUS GROVE PRODUCER PRE-ACCEPTANCE OR INSPECTION WORKSHEET AND PLAT MAP

(For Illustration Purposes ONLY)

| NAME OF INSURED (or applicant) | | | | CONTRACT NUMBER | | COUNTY | | | | | |
|--|--------------|--------------------|-------------------|-------------------------|----------------|--------------------|--------------------|-----------------------|------------------------|-----------------------|--|
| AGENT'S NAME, ADDRESS AND PHONE NO. | | | | CROP YEAR | | SEC | TWP | RNG | | | |
| | | | | PRODUCER'S PHONE NUMBER | | | | | | | |
| INDIVIDUAL CITRUS GROVE DATA: | | | | | | | | | | | |
| UNIT NO. (1) | PLOT NO. (2) | CROP & VARIETY (3) | ACRES IN PLOT (4) | TREE SPACING (5) | TREE COUNT (6) | MONTH & YR SET (7) | TREE CONDITION (8) | TREE AGE IN YEARS (9) | INSURABLE QUALITY (10) | EST. PROD. BOXES (11) | |
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| EXCLUDED ACREAGE (Identify below): (1) FOR PRODUCTION LESS THAN 100 BOXES PER ACRE (2) TREES NOT OF INSURABLE AGE | | | | | | | | | | | FOR OFFICE USE ONLY AREA NUMBER: <input type="checkbox"/> NO CHANGES REQUIRED <input type="checkbox"/> NEW ACREAGE REPORT PREPARED APPLICATION/ACREAGE REPORT RECOMMENDED FOR ACCEPTANCE? Yes <input type="checkbox"/> NO <input type="checkbox"/> DATE _____ CODE NUMBER _____ SIGNATURE OF GROVE INSPECTOR _____ |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

1B MACADAMIA ORCHARD INSPECTION REPORT**B(1) Orchard inspections are administratively required to be performed:**

- (1)(a) For all new applicants;
- (1)(b) For new added land units (not land previously in the operation);
- (1)(c) Whenever any acreage that is added under an existing contract (new acreage not previously in the operation meeting insurability), and
- (1)(d) Whenever initiated by the AIP.

The AIP may inspect any acreage the year following substantial damage.

B(2) Timeliness:

- (2)(a) Inspect all insured acreage, prepare a plat map, and complete a Macadamia Orchard Inspection Report for all acreage listed on the acreage report (insurable and uninsurable).
- (2)(b) Orchard inspections involving applications filed AFTER January 1 (of the INITIAL crop year) will be completed immediately so that the application, if accepted, can be processed before the tenth day following the applicant's signature.
- (2)(c) If the application is accepted after January 1:
 - 1 Insurance against excess wind will attach (for insurable acreage) on the tenth day,
 - 2 In all other instances, insurance attaches on the date the applications accepted.

Reinstatements and successor-in-interest contracts accepted on or after January 1 will require a limited orchard inspection to determine that no damage exists at the time of attachment.

B(3) Unreported Acreage:

If the AIP finds insurable acreage that has not been reported during the insurance period and has not been damaged by an insured peril, prepare a revised acreage report that includes all unreported insurable acreage not entered on the original acreage report.

B(4) Acreage Determinations:

[See Sec. 7 D(3) and the Loss Adjustment Manual (LAM)] for information on non crop acreage deductions and acreage measurement.

B(5) Excluded Acreage:

(5)(a) Macadamia tree acreage is subject to exclusion from coverage when:

- 1 Orchard practices listed on the actuarial documents are not carried out.
- 2 Macadamia trees are maintained or set out for experimental purposes.
- 3 Any insurance application is submitted for the current crop year followed by an unacceptable inspection report.
- 4 Grafted onto existing rootstock or nursery stock within the one-year period prior to the date insurance attaches.

(5)(b) Identify and explain any uninsured acreage in the "Remarks" section of the acreage report.

(5)(c) Excluded acreage. The AIP may exclude from insurance or limit the amount of insurance on any acreage which was not insured the previous crop year.

(5)(d) Any excluded acreage must not be shown on the plat map and the Macadamia Orchard Inspection Report.

C MACADAMIA ORCHARD INSPECTION REPORT INFORMATION**PART I: HEADING****Item****No. Information Required**

1. **Name of Applicant or Insured:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2. **County or Island:** Name of county or island where the macadamia trees are physically located.
3. **Contract Number:** Insured's assigned contract number.

PART II: ORCHARD INFORMATION

4. **Verify Acreage Report:** (Self explanatory) MAKE NO ENTRY.
5. **Name, Address, and Phone Number of Applicant, Insured or Insured's Agent.**
6. **Note condition of other macadamia Orchards owned or operated by the applicant or insured** (If applicable). If necessary, enter additional comments in item 21 "Remarks." Enter "N/A" if not applicable.
7. **Is Orchard Managed by Owner:** Check "Yes" or "No," as applicable. If "No" is checked, enter manager's name, address, and telephone number.
8. **Is Orchard Located In An Established Macadamia Area:** Answer "Yes" or "No"? If "No" is entered, explain general growing conditions and where the orchard is physically located. If additional space is needed, enter additional comments in item 21 "Remarks."

PART III: INDIVIDUAL ORCHARD DATA**Item****No. Information Required**

9. **Unit Number:** Five digit unit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).
10. **Variety:** Appropriate variety name.
11. **Acres in Plot:** Number of acres in plot, rounded to tenths.
12. **Tree Spacing:** Spacing in feet (e.g., 15 x 15). If spacing varies, enter "varying" and explain in item 21 "Remarks."
13. **Tree Count:** Total number of trees in each unit or plot.
14. **Year Set:** Enter the month and year of:
 - a. original planting, or
 - b. replacement, if more than 10 percent of the trees on any unit have been replanted in the previous 5 years.
15. **Tree Condition:** Enter "acceptable" or "unacceptable" as applicable. Explain any "unacceptable" tree conditions in item 21 "Remarks."

16. **Rate Area:** The correct rate class from the actuarial documents. Verify with the Summary of Coverage, and if the rate class is found to be incorrect, revise according to AIP instructions. See the LAM.
17. **Weed Control Measures:** Enter one of the following:
- a. **“CWC”** Chemical Weed Control;
 - b. **“W/O CWC”** Weed Control Without Chemicals,
 - c. **“None”** No Weed Control.
18. **Excluded Acreage:** List acreage of trees excluded from coverage (see item 10 -18 instructions).
- 19A. **Check “A”** if there is nothing indicating a change in the data reported.
- 19B. **Check “B”** if there are changes needed and enter “A Revised Acreage Report,” as applicable.
20. **Remarks:** Note any of the following:
- a. The number of trees in the original planting pattern.
 - b. If more than 10 percent of the trees on any unit have been replaced. Enter the total number of trees per acre in new pattern, and the total number of new trees set out with the appropriate dates.
 - c. If any insurable tree acreage is set out in a new pattern (intersets). Enter the number of trees per acre in a new pattern, and the total number of new trees set out with the appropriate dates.
 - d. Any unusual conditions in the orchard or local growing area.
 - e. Variations in tree spacing within an orchard.
 - f. Any reasons for not recommending insurance coverage.

If more space is needed, enter additional information on a Statement of Facts form and attach it to the inspection report.

21. **Is Application/Acreage Report Recommended For Acceptance:** Check “Yes” or “No” box, as applicable.
22. **Code Number:** Inspector’s code number.
23. **Orchard Inspector’s Signature:** Inspector signs report.
24. **Date:** Inspector enters date of report (MM/DD/YYYY).
25. **Page:** Page numbers (Example: Page 1 of 1, Page 2 of 2, etc.).

**EXHIBIT 18
(FOR ILLUSTRATION PURPOSES ONLY)
MACADAMIA ORCHARD INSPECTION REPORT**

| | | | | | | | | |
|--|--|---|--------------------|---|--|----------------------|--|-----------------------------|
| PART I – HEADING | | | | | | | | |
| 1 NAME OF APPLICANT OR INSURED <p align="center">I.M. Insured</p> | 2 COUNTRY OR ISLAND <p align="center">HAWAII</p> | 3 CONTRACT NUMBER <p align="center">XX-XXX-XXXXX</p> | | | | | | |
| PART II – ORCHARD INFORMATION | | | | | | | | |
| 4 CHECK AND VERIFY ALL ENTRIES ON THE ACREAGE REPORT. IF ANY ENTRIES ARE QUESTIONABLE, DETERMINE ACURACY AND CORRECT IF NECESSARY. | | | | | | | | |
| 5 NAME AND ADDRESS OF APPLICANT/INSURED I.M. INSURED RR ONE HILO, HAWAII PHONE NUMBER (808) XXX-XXX | | 6 NOTE CONDITION OF OTHER MACADAMIA ORCHARDS OWNED OR MANAGED BY APPLICANT OR INSURED <p align="center">N/A</p> | | | | | | |
| 7 IS ORCHARD MANAGED BY OWNER IF "NO" WHO MANAGES IT? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES PHONE NUMBER: () | | 8 IS ORCHARD LOCATED IN AN ESTABLISHED MACADAMIA AREA? <p align="center">YES</p> | | | | | | |
| PART III – INDIVIDUAL ORCHARD DATA | | | | | | | | |
| UNIT NUMBER 9 | VARIETY 10 | ACRES IN PLOT 11 | TREE SPACING 12 | TREE COUNT 13 | YEAR SET 14 | TREE CONDITION 15 | RATE AREA 16 | WEED CONTROL MEASURES 17 |
| 00101 | KAU | 10.0 | 15 X 25 | 1920 | MM/YYYY | ACCEPTABLE | D05 | NONE |
| 00102 | MAKAI | 10.3 | 15 X 25 | 1980 | MM/YYYY | ACCEPTABLE | D05 | NONE |
| 00103 | KAKEA | 5.2 | 15 X 25 | 987 | MM/YYYY | ACCEPTABLE | D05 | NONE |
| 18 EXCLUDED ACREAGE | | | | | | | | |
| LOT 11 | KAU | 6.4 | 15 X 25 | 1235 | MM/YYYY | EXCLUDED | N/A | NONE |
| 19 THE ACREAGE COVERED BY THE ABOVE CONTRACT WAS INSPECTED ON DATE SHOWN BELOW WITH THE FOLLOWING RESULTS: A. <input checked="" type="checkbox"/> NOTHING FOUND TO REQUIRE A CHANGE IN THE DATA REPORTED. B. _____ DATA REPORTED WAS FOUND TO BE SUCH THAT _____ WAS PREPARED. | | | | | 20 REMARKS UNIT 00101: Trees on moderate slope, leeward exposure. UNIT 00102: Some trees on windward exposure. LOT 11: Trees uninsurable. Does not meet minimum age requirements of crop provisions. | | | |
| 21 Is application/acreage report recommended for acceptance? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO | | | | 22 CODE NUMBER <p align="center">XXXX</p> | 23 ORCHARD INSPECTOR'S SIGNATURE <p align="center">I. M. INSPECTOR</p> | | 24 DATE <p align="center">MM/DD/YYYY</p> | |

1D TEXAS CITRUS TREE PRE-ACCEPTANCE GROVE INSPECTION REPORT**D(1) Grove inspections are administratively required to be performed when:**

- (1)(a) An insurable share in any insurable acreage is acquired after coverage begins, but on or before the acreage reporting date for the crop year;
- (1)(b) Initiated by the AIP; or
- (1)(c) Trees have been damaged by uninsured causes the previous crop year.

D(2) Prepare a grove inspection report and a grove location plat map for any acreage requiring a pre-acceptance inspection before insurance is to attach.

- (2)(a) Determine insurable and uninsurable acreage and document any uninsurable, excluded acreage on the grove inspection report and grove location plat map.
- (2)(b) Based on the grove inspection report and grove location plat map, an acreage report is to be prepared according to AIP's instructions to show the correct insured number of acres, separately listing the excluded acreage in the "Remarks" section. A producer-signed acreage report is to be submitted with all new applications.

GROVE LOCATION PLAT MAP EXAMPLE

I.M. Insured
(Name of Insured or Applicant)

XXXXXXXX
(Policy Number)

County Map Number (Photograph or Ownership): _____

Legal Description: _____ Section _____ Township _____ Range _____

Lot 10, 11, 12; blk. 20 Texas Gardens

| | | | | | | | |
|----------|-------|--|--|-------|--|-------|--|
| | | | | | | | |
| | | | | | | | |
| | 00200 | | | 00100 | | | |
| | | | | | | 00300 | |
| Excluded | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

| Unit Number | Plot Number | Type Variety | Acres in Plot or Unit | Estimated Production | Date of Entry |
|-------------|-------------|------------------|-----------------------|----------------------|---------------|
| 00100 | | Early Orange | 13.0 | 7.6 | MM-DD-YYYY |
| 00200 | | Late Orange | 15.2 | 9.4 | MM-DD-YYYY |
| 00300 | | Other Grapefruit | 7.1 | 12.2 | MM-DD-YYYY |
| | | | | | |
| | | | | | |

MM-DD-YYYY
(Date)

I. M. Adjuster
(Signature of Crop Inspector or Adjuster)

1F PREPARATION OF TEXAS CITRUS GROVE INSPECTION REPORT

- (1) PART I - Complete heading.
- (2) PART II - Complete the following information for each unit.
- (3) Distribute as instructed by the AIP.

**Item
No.****Information Required**

1. **Unit Number:** The five-digit Unit Number for the grove inspected.
2. **Type:** Record the Type as follows:

| CROP | TYPE |
|------------------|--------------------------------|
| Citrus Trees I | Early & Midseason Oranges |
| Citrus Trees II | Late Oranges |
| Citrus Trees III | All Other Grapefruit |
| Citrus Trees IV | Rio Red & Star Ruby Grapefruit |
| Citrus Trees V | Ruby Red Grapefruit |
3. **Acres in Plot:** The measured acres in the plot or unit, to the nearest tenth.
4. **Tree Spacing:** The tree spacing in feet. If tree spacing varies, enter "varying" or the predominate pattern and record in the Remarks the other varying patterns.
5. **Tree Count:** The total insurable tree count for the unit.
6. **Month & Year:** The year of:
 - a. original set out; or
 - b. replacement and/or dehorning, if more than 10% of the trees on any unit have been replaced or dehorned in the previous 5 years.
7. **Tree Age/Year:** For acreage planted, grafted, dehorned (on or after July 1, enter the following calendar year (i.e., planted, grafted, or dehorned September 2005 enter 2006).

If there is a variation in the years of set out, use separate lines for each. If actual year of set out is unavailable, enter "Est." after the estimated year (e.g., 1989 Est.).
8. **Tree Condition:** Determine the tree condition and enter "excellent," "good," "average," "fair," or "poor." If tree condition is "poor," explain in the "Remarks" section.
9. **Rate Area:** The rate class determined from the actuarial documents.
10. **Frost Protection Equipment (Weed Control):** Enter the type of weed control used. If no weed control is used, enter "None."

Excluded Acreage: Record any acreage that does not meet insurability requirements as described in items 2 through 9. Explain in the "Remarks" section the reason the acreage was excluded.

Result of Inspection: Check either item 1 or 2 and indicate if a revised acreage report was prepared.

Remarks: Use the "Remarks" section to explain:

- a. The number of trees per acre for the original pattern.
- b. If more than 10% of the trees on any unit have been replaced and/or dehorned, enter the total number of trees and the year [see Par. C 6C of this Exhibit] in which each occurred.
- c. If any insurable acreage of trees was set out in a new pattern (e.g., intersets), enter the number of trees per acre in the new pattern, the total number of new trees set out, and the year [see Par. C 6C of this Exhibit].
- d. Any unusual conditions in the grove.

If more space is needed, use a Special Report and attach to the inspection report.

Recommendations: Check "Yes" or "No" to indicate whether or not acceptance is recommended.

Code No.: Code number of inspector.

Grove Inspector's Signature and Date: Signature of inspector and date of inspection.

TEXAS CITRUS GROVE INSPECTION REPORT
(For Illustration Purposes ONLY)

| | | |
|---|----------------------|-----------------------------|
| Name of Insured or Applicant I. M. Insured | County Any County | Contract Number XXXXXXXX |
|---|----------------------|-----------------------------|

I. (a) Check and verify all entries on the acreage report. If any entries are questionable, determine accuracy and correct if necessary.

(b) Name and address of insured or agent: I.M. Agent, P.O. Box XXX, Any Town, Any State Phone Number XXX-XXX-XXXX

(c) Indicate previous RMA experience or other groves in area: Previous MPCl experience was good.

(d) Is grove managed by owner? Yes No If "no," who manages it? _____ Phone Number _____

(e) Is grove located in an established citrus area? Yes

II.

| Unit No. 1 | Type 2 | Acres in Plot 3 | Tree Spacing 4 | Tree Count 5 | Year Set 6 | Tree Age Year 7 | Tree Condition 8 | Rate Area 9 | Frost Protection Equipment 10 |
|---------------|------------------|--------------------|-------------------|-----------------|---------------|--------------------|---------------------|----------------|----------------------------------|
| 00100 | Early Orange | 13.0 | 16 X 12.5 | 2808 | MM/YYYY | YYYY | Good | D06 | None |
| 00200 | Late Orange | 15.2 | 16 X 12.5 | 3283 | MM/YYYY | YYYY | Good | D06 | None |
| 00300 | Other Grapefruit | 7.1 | 16 X 25 | 582 | MM/YYYY | YYYY | Good | D01 | None |

Excluded Acreage

| | | | | | | | |
|-------------|------|---------|------|------|-----------|--|--|
| Late Orange | 20.0 | 16 X 25 | 1200 | YYYY | Abandoned | | |
|-------------|------|---------|------|------|-----------|--|--|

The citrus acreage covered by the above contract was inspected on date shown below with the following results:

1. _____ Nothing found to require a change in the data reported.

2. Data reported was found to be such that a revised acreage report was prepared.

Remarks: 00100 - 108 trees per acre in original pattern, 910 dehorned 5/YYYY, 494 trees replaced 5/YYYY, 1404 trees interset 5/YYYY

00200-108 trees per acre in original pattern, 988 trees dehorned 6/YYYY, 653 trees replaced 7/YYYY, 216 trees per acre with new pattern, 1,642 new trees set out 5/YYYY

00300 - 108 trees per acre in original pattern, 582 trees dehorned 7/YYYY

| | | | |
|---|-------------------|--|--------------------|
| Is Application/Acreage Report Recommended for Acceptance? Yes <input checked="" type="checkbox"/> No | Code No. xxxxx | Signature of Grove Inspector <i>I. M. Inspector</i> | Date MM-DD-YYYY |
|---|-------------------|--|--------------------|

APH YIELD LIMITATIONS/ADJUSTMENTS

1 EXAMPLE 1

1A **Carryover insured with actual yields.** The following **Corn** example assumes a 100-bu. T-Yield through the 2006 crop year for a carryover insured with two years of low actual yields.

- A(1) **For 2005**, the insured reported an actual yield of 53 bushels per acre for the 2004 crop year due to hail damage. The approved APH yield was calculated by using the actual yield (53 bu.) and three 80 percent T-Yields ($A53 + E80 + E80 + E80 = 293 \div 4 = 73$). Yield substitution under the APH Yield Adjustment was not elected.
- A(2) **For 2004**, the insured reported an actual yield of zero bushels per acre for the previous (2003) crop year. (The corn was flooded out.) Yield substitution under the APH Yield Adjustment is elected.
- (2)(a) Average APH Yield. The zero actual yield is added to the previous production data and two 90 percent T-Yields (90 bu.) are used to complete the 4-year database ($A0 + A53 + N90 + N90 = 233 \div 4 = 58$).
- (2)(b) APH Yield Adjustment (YA). Sixty percent of the T-Yield is substituted for the two low actual yields and two 90 percent T-Yields are used to calculate the adjusted yield ($YA60 + YA60 + N90 + N90 = 300 \div 4 = 75$).
- (2)(c) The 10 Percent Yield Limitation (Cup) is calculated by multiplying the previous year's approved APH yield x .90 ($73 \times .90 = 66$). (Normal rounding rules apply.)
- (2)(d) Yield Floor. **(NACAT→**The insured has provided two years of records and is eligible for the 75 percent yield floor ($100 \text{ bu. T-Yield} \times .75 = 75\text{bu.}$).**←NACAT)**
- (2)(e) Approved APH Yield.
- 1 The cupped yield (66 bu.) and **(NACAT→**the yield floor (75), and the APH Yield Adjustment (75) are compared. The insured may elect to use the yield calculated using yield substitutions under the APH Yield adjustment or the yield floor (75).**←NACAT)**
 - 2 **(CAT→**The cupped yield (66 bu.), the average APH yield (58) and the APH Yield Adjustment (75), if elected, are compared. The approved APH yield selected by the insured is the cupped yield (66 bu.) unless yield substitutions under the APH Yield Adjustment are elected.**←CAT)**
- (2)(f) The premium rate is determined by:
- 1 **(NACAT→**Using the average APH yield (58 bu.) when the approved APH yield is the yield floor. **←NACAT)**
 - 2 **(CAT→**Using the cupped yield (66 bu.), and adding a five (5) percent surcharge when the approved APH yield is the cupped yield.**←CAT)**
 - 3 Using the average APH yield (58 bu.), if the approved APH yield is calculated using yield substitution(s) under the APH Yield Adjustment Election.

2 EXAMPLE 2

2A Carryover insured with actual yields. The following **Cotton example** (solid-planted or irrigated skip-row cotton) assumes a 400-lb. T-Yield through the 2006 crop year, for a carryover insured with five years of actual records which reflect three low actual yields.

- A(1) **For crop year 2005**, the insured reported actual yields of 600 Lbs. (2001 crop year), 245 lbs. (2002 crop year), 0 lbs. (2003 crop year), and 300 lbs. (2004 crop year) per acre. The average APH yield is 286 ($A_{600} + A_{245} + A_0 + A_{300} = 1145 \div 4 = 286$). Yield substitutions under the APH Yield Adjustment election resulted in an approved APH yield of 346 ($A_{600} + A_{245} + 240/A_0 + 300 = 1385 \div 4 = 346$).
- A(2) **For crop year 2006** the insured reported an actual yield of 50 Lbs. per acre for the previous crop year (2005). (The cotton was damaged by drought.)
- (2)(a) **Crop year 2006 average APH yield.** The 50-Lb. actual yield was added to the previous data and used to complete the APH database. $A_{600} + A_{245} + A_0 + A_{300} + A_{50} = 1195 \div 5 = 239$ average APH yield.
- (2)(b) **10 percent yield limitation (Cup)**, is not applicable since the previous year's approved APH yield was calculated using yield substitutions.
- (2)(c) **Yield Floor. (NACAT→**The insured has provided five years of records and is eligible for the 80 percent yield floor (400-lb. T-Yield X .80 = 320 lb.). **←NACAT)**
- (2)(d) **APH Yield Adjustment (YA).** Sixty percent of the T-Yield is substituted (if elected) for the two low actual yields ($A_{600} + A_{245} + 240/A_0 + A_{300} + 240/A_{50} = 1625 \div 5 = 325$).
- (2)(e) **Approved APH Yield.**
- 1 **(NACAT→**The yield floor (320 Lbs.) and the APH average yield (239) are compared. The insured may elect to use the yield calculated using yield substitutions under the APH Yield adjustment (325) or cancel the yield substitution and use the yield floor (320). **←NACAT)**
 - 2 **(CAT→**The average APH yield (239) and the yield calculated using APH Yield Adjustments (325) are compared. The insured may elect to use the yield calculated using yield substitutions (325). **←CAT)**
- (2)(f) **The premium rate is determined** by using the average APH yield (239) for the **(NACAT→**yield floor or **←NACAT)** for the yield calculated using yield substitutions under the APH Yield Adjustment Election.

2B For non-irrigated Cotton planted to a qualifying skip-row pattern, the approved APH yield is calculated on a solid-planted basis; however, the applicable yield conversion factor is applied when determining the approved APH yields for qualifying skip-row patterns.

3 EXAMPLE 3

- 3A **No production records.** A new insured who has produced the insured crop did not provide any production records. The insured is eligible for 65% of T-Yield.

RMA T-Yield is 100

| | |
|------|------------|
| 2001 | S65 |
| 2002 | S65 |
| 2003 | S65 |
| 2004 | <u>S65</u> |
| | 260/4 = 65 |

2005 Approved APH Yield is 65

Yield limitations (Cups) do not apply until the insured provides an actual record or the assigned yield provision is applied.

- 3B **The carryover insured provided 2005 production history.** The actual yield for the most recent crop year has been reported and is used to calculate the approved yield.

| | |
|------|------------|
| 2002 | E80 |
| 2003 | E80 |
| 2004 | E80 |
| 2005 | <u>A95</u> |
| | 335/4 = 84 |

The average yield is 84; the 2005 crop year Approved APH Yield is 84.

- 3C **The carryover insured provided production records for the 2004 and 2005** crop year's. Yield limitation provisions (CUPS) do not apply because the insured provided MORE than the most recent crop year production records.

| | |
|------|------------|
| 2002 | N90 |
| 2003 | N90 |
| 2004 | A40 |
| 2005 | <u>A95</u> |
| | 315/4 = 79 |

The 2006 crop year Approved APH Yield is 79.

- 3D **Assigned Yield.** If the carryover insured did not provide ANY production records for the 2005 crop year, assigned yield provisions apply.

| | |
|------|-----------------------|
| 2002 | E80 |
| 2003 | E80 |
| 2004 | E80 |
| 2005 | <u>P49</u> (65 x 75%) |
| | 289/4 = 72 |

The 2006 crop year Approved APH yield is 72.

3E The carryover insured provided a production report applicable for the 2006 crop year.

The prior year's approved APH yield was 97 and was not a yield floor or calculated using yield substitutions.

| | |
|------------|-----------|
| 2001 | A105 |
| 2002 | A80 |
| 2003 | A98 |
| 2004 | A103 |
| 2005 | <u>A0</u> |
| 386/5 = 77 | |

The average yield is 77; however, the 2006 crop year Yield is CUPPED AT 87 (97 x 90%).

4 CHART

The following chart illustrates if "approved APH yields" are eligible for cups.

| SITUATION | ELIGIBLE FOR CUP? | [REFERENCE] |
|--|--|------------------------------------|
| New insured | No | Sec. 6C(1)(b) Sec. 7H(3)(b) |
| Carryover insured updates with most recent year's history | Yes if 1/ and yield substitution NOT elected | Sec. 6I, Sec. 7J(5)(a) |
| Most recent year was zero planted: | Maybe... | Sec. 6I(4)(b) Sec. 38 Example 5 |
| • Database contains actual history | Yes if 1/ and yield substitution NOT elected | Sec. 6C(1)(b) |
| • Database does not contain actual history | No | Sec. 6C(1)(b) |
| Carryover insured provides additional years of history besides most recent | No | Sec. 6I(6)(c)3 Sec. 7 J(6) |
| Yield floor is higher than cup | No (use yield floor) 2/ | Sec. 6I(4)(d)2 |
| Yield substitution or cup applicable | Yes if 1/ and yield substitution NOT elected (No if yield substitution elected). | Sec. 13D(3)(b) |
| Published T-Yield changes: | Maybe... | Sec. 6 I(6)(c)7 |
| Change is less than a 10% decrease. | Yes if 1/ and yield substitution NOT elected | Sec. 7 J(6)(b)4 |
| Change is greater than a 10% decrease &: | Maybe... | |
| • T-Yield(s) needed to complete the 4-year database. | No | |
| • T-Yield is not needed to complete the database (at least 4-years of other types of yields) | Yes if 1/ and yield substitution NOT elected | |
| Other revisions to previously approved yields | No | Sec. 6I(6)(c)1-8 Sec. 7J(6) |
| Other special cases | No | Sec. 6I(6)(a),(b) Sec. 7J(6) |
| Prior yield used yield floor | No 2/ | Sec. 6I |
| Prior yield used yield substitution | No | Sec. 6I, Sec. 7J(5) |

1/ Prior year's approved APH Yield did not use yield floor (yield floor not applicable to Category C Crops) or yield substitution under the APH Yield Adjustment Election (may elect yield substitution).

2/ Yield Floor does not apply to Category C Crops.

SUMMERFALLOW DATABASES

EXAMPLE 1, CC YIELD HIGHER THAN SF YIELD

Step 1 Calculate the SF yield for a new insured using standard variable T-Yield procedure and compare to the CC approved APH yield. In this example, two years of records have been provided for the crop/county for the current crop year (qualifies for a 90% variable T-Yield). The SF T-Yield = 30; the CC T-Yield = 28. The SF database is retained, but the higher CC database is identified and reported for the SF practice.

| SF | | | |
|-----------|---------|--------------|-----------------|
| APH | CURRENT | YEAR | |
| YEAR | PROD. | ACRES | YIELD |
| 2001 | | | N27 |
| 2002 | | | N27 |
| 2003 | | | N27 |
| 2004 | 4200 | 100.0 | A42 |
| 2005 | | 0.0 | Z |
| | | Total | 123/4=31 |
| 2006 SF | | APH | 31 |

| CC | | | |
|-----------|---------|--------------|-----------------|
| APH | CURRENT | YEAR | |
| YEAR | PROD. | ACRES | YIELD |
| 2001 | | | |
| 2002 | | | N25 |
| 2003 | | | N25 |
| 2004 | 3800 | 100.0 | A38 |
| 2005 | 4000 | 100.0 | A40 |
| | | Total | 128/4=32 |
| 2006 CC | | APH | 32 |

Step 2 Retained SF database updated in subsequent crop year (better than CC yield).

| SF APH - SUBSEQUENT YEAR | | | |
|---------------------------------|-------|--------------|-----------------|
| YEAR | PROD. | ACRES | YIELD |
| 2002 | | | T30 |
| 2003 | | | T30 |
| 2004 | 4200 | 100.0 | A42 |
| 2005 | | 0.0 | Z |
| 2006 | 4500 | 100.0 | A45 |
| | | Total | 147/4=37 |
| 2007 SF | | APH | 37 |

| CC APH - SUBSEQUENT YEAR | | | |
|---------------------------------|-------|--------------|-----------------|
| YEAR | PROD. | ACRES | YIELD |
| 2002 | | | |
| 2003 | | | T28 |
| 2004 | 3800 | 100.0 | A38 |
| 2005 | 4000 | 100.0 | A40 |
| 2006 | 3700 | 100.0 | A37 |
| | | Total | 143/4=36 |
| 2007 CC | | APH | 36 |

EXAMPLE 2, SF YIELD HIGHER THAN CC YIELD

Three years of records have been provided for the crop/county for the current crop year. SF T-Yield = 30; CC T-Yield = 28

In this case, the SF APH would be reported for the SF practice since it is higher than the CC APH.

| SF APH - CURRENT YEAR | | | |
|-----------------------|-------|--------------|-----------------|
| YEAR | PROD. | ACRES | YIELD |
| 2002 | | | T30 |
| 2003 | | | T30 |
| 2004 | 5200 | 100.0 | A52 |
| 2005 | | 0.0 | Z |
| 2006 | 4800 | 100.0 | A48 |
| | | Total | 160/4=40 |
| 2007 SF | | APH | 40 |

| CC APH - CURRENT YEAR | | | |
|-----------------------|-------|--------------|-----------------|
| YEAR | PROD. | ACRES | YIELD |
| 2002 | | | |
| 2003 | | | T28 |
| 2004 | | | T28 |
| 2005 | 3800 | 100.0 | A38 |
| 2006 | 3400 | 100.0 | A34 |
| | | Total | 128/4=32 |
| 2007 CC | | APH | 32 |

ADDITIONAL BEAN PROCEDURE FOR UNITS AND YIELDS BY TYPE**1 DEFINITIONS**

1A Beans. Dry beans and contract seed beans.

1B Dry Beans. The crop defined by the United States Standards for Beans excluding contract seed beans. The insured may elect to insure dry bean acreage grown under contract with a seed company as commercial dry beans provided it is reported as the appropriate type (not contract seed) on the acreage report. The minimum quality standards stated in the seed contract will not apply.

1C Contract Seed Beans. Dry beans grown under the terms of a seed bean processor contract for the purpose of producing dry beans or vegetable beans in a future crop year.

1D Type. A category of beans identified as a type in the SPOI.

2 (NACAT→ UNIT DIVISION FOR DRY AND CONTRACT SEED BEANS

2A Basic Units. Acreage planted to dry beans and contract seed beans are separate basic units. For dry beans and contract seed beans a basic unit is all insurable acreage of dry beans or contract seed beans in the county in which the insured has:

A(1) **100 percent share;** or

A(2) **Is owned by one entity and operated by another** specific entity on a share basis.

2B Optional Units. Basic units determined in A above may be further divided into optional units by:

B(1) **Bean Type** Shown on the SPOI (Dry Beans ONLY, See Par. 3A).

B(2) **Section, Section Equivalent, or FSA FSN** (Dry Beans or Contract Seed Beans IF the contract specifies the number of acres under contract).

B(3) **Irrigated and non-irrigated Practices** (Dry Beans or Contract Seed Beans IF the contract specifies the number of acres under contract).

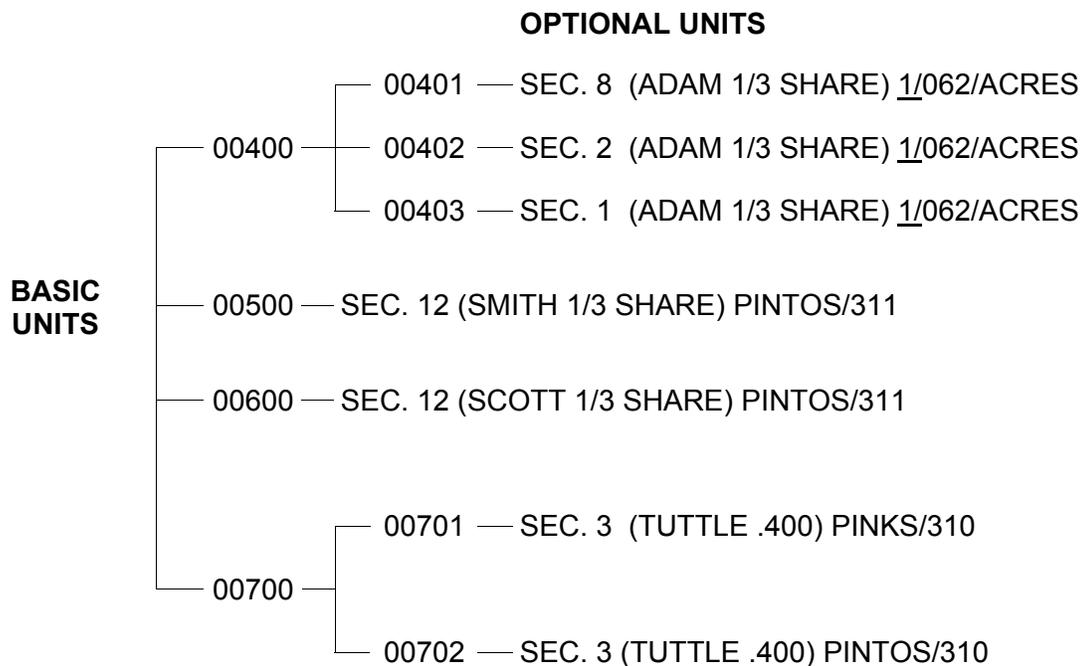
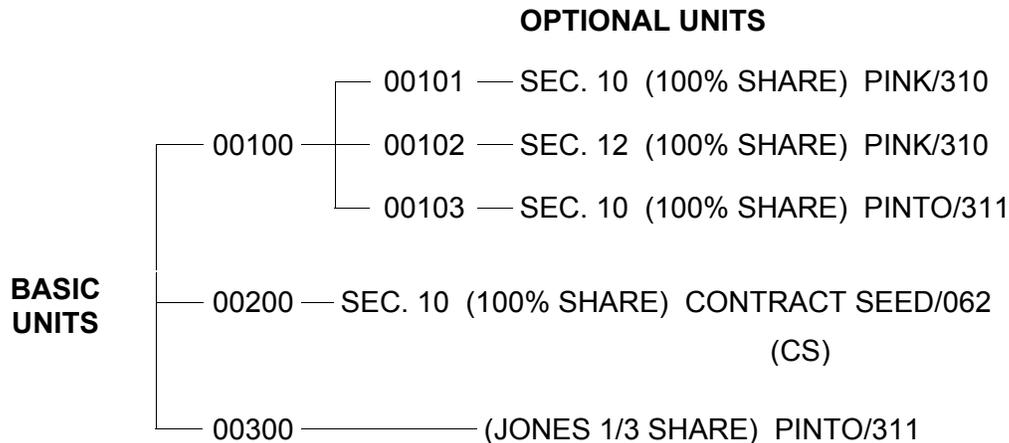
B(4) **Written Unit Agreement** (Dry Beans or Contract Seed Beans IF the contract specifies the number of acres under contract).

Optional units are not available for contract seed beans grown under a seed bean processor contract that specifies ONLY an amount of production.

2C Determining and Numbering Units

Refer to the following examples and Sec. 4, D(3) and (4) for additional unit determination instructions.

Sec. 4, D(5) provides instructions for numbering basic and optional units.



1/ If contract specifies the number of acres. (If contract specified ONLY an amount of production one basic unit.) ←NACAT)

3 BEAN TYPES

3A Special Provisions

The following dry bean types are listed as insurable types on the Actuarial Table (SP). "Type" is synonymous with "class" as used in the U.S. Standards for Beans; however, there may be more than one variety within a class (type). **NACAT** → separate optional unit may be established for each type as provided in the Dry Bean CP ← **NACAT**). A dry bean policyholder MUST insure ALL insurable dry bean types and contract seed beans in the county. Production reports must be filed timely (by unit) for all types of insurable dry and contract seed beans.

- A(1) *Adzuki. Type Code 321.
 - A(2) *Anasazi. Type Code 324.
 - A(3) Baby Lima (characteristic of the Small White Lima of the Henderson Bush, Thoroughgreens, and similar types). Type Code 320.
 - A(4) Black. Type Code 303.
 - A(5) Blackeye (Cowpeas of the Blackeye variety). Type Code 315.
 - A(6) Cranberry (known as Speckled Cranberry and Horticultural Pole). Type Code 304.

 - A(7) Dark Red Kidney. Type Code 305.
 - A(8) Flat Small White (the type as grown in northern Idaho). Type Code 312.
 - A(9) *Garbanzo. Type Code 306.
 - A(10) *Desi Garbanzo. Type Code 325.
 - A(11) Great Northern. Type Code 307.
 - A(12) Large Lima (characteristic of the Large White Pole and Burpee Bush Lima type). Type Code 319.

 - A(13) Light Red Kidney. Type Code 308.
 - A(14) Marrow (not including Red Marrow). Type Code 317.
 - A(15) *Tebo. Type Code 322.
 - A(16) Pea (the type grown in the Great Lakes region known also as Navy beans or Medium White beans). Type Code 309.
 - A(17) Pink (including California Pink). Type Code 310.
 - A(18) Pinto (including the Mexican Pinto type but not the type known as Spotted Red Mexican). Type Code 311.

 - A(19) *Small Kabuli Garbanzo. Type Code 326.
 - A(20) Small Red (known as Red Mexican, California Red, and Idaho Red). Type Code 313.
 - A(21) Small White (grown on the Pacific coast, not including Tepary). Type Code 314.
 - A(22) White Kidney. Type Code 318.
 - A(23) *Yellow. Type Code 323.
 - A(24) Yelloweye. Type Code 316.
- * Types of dry beans recognized as insurable but not defined as a "class" of beans by the United States Standards for Beans.

3B Other Insurable Bean Types:

Contract Seed. Type code 062.

4 LEVEL OF COVERAGE AND PRICE ELECTIONS**4A Levels of Coverage**

One level of coverage (50%, 60%, 65%, 70% or 75%) applies to all types of dry beans and contract seed beans on a policy/county.

4B Price Elections

Price elections for dry beans may vary by type when the SPOI provide different price elections by type. For contract seed beans, the insured may select ONE price election ranging from 60 percent through 100 percent of the contract price.

4C APH Yield Calculation

[For additional instructions for APH procedure not covered in this exhibit, see Sec. 6.]

C(1) **Separate yields are required** to establish or update an approved APH yield for the following:

(1)(a) Insurable dry bean types indicated on the applicable actuarial document for the current crop year.

(1)(b) Units (Basic and (NACAT→Optional ←NACAT).

(1)(c) Irrigated and non-irrigated insurable practices.

C(2) **All insureds** are required to file production reports separately for each insurable type that was grown (by unit).

It is not necessary to create an APH form and calculate an approved APH yield for ALL possible insurable types. However, if a new insurable type is grown on which an approved APH yield has not been calculated [See Exhibit 36.] then the applicable Special T-Yield(s) for an added type will apply.

C(3) **Different T-Yield areas (T-map areas) within a unit.** [See Sec. 6 E(2).]

C(4) **Yield limitation provisions** [See Sec. 6, I].

ADDITIONAL MALTING BARLEY PROCEDURE

(NACAT→

1 APH INSTRUCTIONS FOR BARLEY DATABASES

1A (Option A or B Elected) Approved APH Yield(s)

Under Option A or B, approved APH yield(s) MUST be calculated for Feed Barley. Acreage and production records must meet acceptability requirements outlined in this handbook for APH purposes. All Feed Barley approved APH yields must be calculated according to the Small Grains CP and APH procedures. Feed Barley APH database(s) MUST be established and updated by attributing ALL Barley acres and production (non-Malting varieties, approved Malting varieties, and non-approved Malting varieties) from acceptable records to the applicable Feed Barley database. A separate database must be established for each applicable practice and spring and winter types indicated on the county actuarial table. T-Yields are applicable to Feed Barley databases. Yield limitations (cups and yield floors) and the Yield Adjustment Election (yield substitutions) apply. For instructions concerning Malting Barley Databases when Option A is elected, refer to [Par. C] of this Exhibit.

1B Applicable Grade Standards

The quality standards for approved Malting Barley varieties insured under Option A or Option B are defined in the Malting Barley Price and Quality Endorsement. These standards are used in determining Malting Barley production to count for APH and claims. Failure to meet any of these standards MUST result from INSURABLE CAUSES if such loss in quality is to be recognized in indemnity calculations.

1C Option A

C(1) To Qualify for Option A, each NEW or CARRYOVER insured must provide, no later than the PRD, acceptable Malting Barley production reports, by practice for at least the four most recent APH crop years prior to the crop year immediately preceding the current crop year (a lag year). E.g., for the 2006 (policy) crop year, the 2004, 2003, 2002 and 2001 APH crop years are required. Each Malting Barley APH crop year reported must be accompanied by acceptable records by practice of the SALES of Malting Barley production or proof that production met all quality standards contained in the Malting Barley Price and Quality Endorsement and the ACRES PLANTED TO MALTING VARIETIES. For the purposes of Option A, "sales of Malting Barley" means the production of Malting Barley sold as MALT, and if the local feed price was higher than the local malt price, production sold as feed that meets Malting Barley quality standards. In order to qualify for Option A, the insured must:

- (1)(a) Provide Malting Barley production report by practice, and number of acres planted to Malting Barley varieties by the PRD.
- (1)(b) Indicate on the production report the actual bushels of approved Malting Barley varieties sold as Malting Barley and as Feed Barley. To use the Malting Barley production sold as feed, the insured must provide production records proving:
 - 1 The production met approved Malting Barley quality standards as outlined in the Malting Barley Price and Quality Endorsement, and quality must be determined based on an objective test as defined in the Malting Barley Price and Quality Endorsement;
 - 2 The local feed Barley price was higher than the local Malting Barley price.

Example 1: The producer planted 100 acres of approved Malting Barley varieties, and fifty percent of the production was sold as Malting Barley and fifty percent of the production was sold as feed barley. The production records indicated the production sold as feed was higher than the Malting Barley price and met approved Malting Barley quality standards. Therefore, all of the production is considered as Malting Barley and recorded on the Malting Barley production report.

Example 2: The producer planted 100 acres of approved Malting Barley varieties and all of the production was sold as feed barley. The producer was unable to provide acceptable records indicating the production met the Malting Barley quality standards. In this example, 100 acres and zero production are recorded on the Malting Barley production report.

- C(2) **Insurable Acreage.** All insurable Barley acreage in the county planted to an approved Malting Barley variety in which the insured has a share will be insured. However, the Malting Barley production guarantee per acre will be limited [See (5) below].
- C(3) **Barley APH Databases.** When Option A is elected separate databases must be established for both Feed Barley and Malting Barley. Calculate the approved APH yield for Feed Barley and structure Feed Barley databases [according to Par. 1A of this exhibit].
- C(4) **Option A APH Databases.** An average malting barley APH yield is determined by calculating a simple average of the insured's total Malt Barley yields for each practice (determined from sales records), divided by the number of years of sales records provided.
- (4)(a) **A separate Malt Barley APH database** must be established for each practice. Coverage under Option A will not attach to any practice with less than four years of acceptable Malting Barley records.
- (4)(b) **T-Yields are not applicable** to Option A Malting Barley databases. Yield limitations (cups or yield floors) and the Yield Adjustment Election (yield substitutions) **do not** apply.
- (4)(c) **For each subsequent crop year,** the insured must provide acceptable production reports (accompanied by acceptable records of sales of Malting Barley and acres planted to malting varieties by practice) by the PRD for the APH crop year prior to the crop year immediately preceding the current crop year (a lag year). If the insured fails to do so, insurance will not attach under Option A (assigned yields are not used).

C(5) **Guarantee for Option A.** The approved APH yield used to determine the production guarantee for Option A will be the lesser of:

- (5)(a) **Feed Barley.** The applicable approved APH yield calculated for Feed Barley by unit and practice; or
- (5)(b) **Malting Barley.** The average APH yield calculated by practice [in Par. (4) above] using acceptable Malting Barley production reports/records.
- (5)(c) **For acreage planted after the barley final planting date,** the malting barley production guarantee will be reduced according to the barley late planting provisions [see Sec. 4, D(7)].

1D Option B. Only contracted production is insured under this option.

D(1) **To qualify for Option B,** the insured must submit a copy of the Malting Barley contract for the current crop on or before the acreage reporting date. The Insurance Provider must retain the copy for verification purposes. Contract requirements:

- (1)(a) **Required Production Contract.** The contract must be in writing between the producer and a brewery or business enterprise that produces or sells **MALT** or processed mash to a brewery, or business enterprise owned by such brewery or business; and
- (1)(b) **Obligations.** The contract must contain the amount of contracted production, the purchase price, or method to determine the purchase price, and other such terms that establish the obligations of each party to the agreement.

If the insured fails to provide the contract timely, or any terms are omitted, the AIP may determine the information necessary to provide insurance under Option B or deny the liability provided by Option B.

D(2) **Insurable acreage.** All insurable Barley acreage in the county planted to an approved Malting Barley variety in which the insured has a share will be insured.

D(3) **Feed Barley APH/Databases.** When Option B is elected, calculate the approved APH yield and structure the Feed Barley databases [according to Par. 1A].

D(4) **Option B Yield.** For processing purposes, the yield used to calculate the production guarantee for Option B, will be the result of multiplying the Feed Barley approved APH yield (by unit/location/practice) by a contracted Malting Barley APH/bushel factor (.xxx), not to exceed 1.000. For contracts specifying total bushels from acreage planted in more than one county, the contracted bushels must be prorated to the appropriate counties prior to determining the Feed Barley APH bushel factor [See D(6)].

- (4)(a) **The Option B APH/ bushel factor is calculated by** dividing the number of Malting Barley bushels contracted by the TOTAL weighted bushels of Feed Barley. The weighted Feed Barley bushels are calculated by multiplying the Feed Barley approved APH yield (for the corresponding practice and location) times the acreage planted to an approved variety of Malting Barley (by practice and location corresponding to the Feed Barley approved APH yield). [See Par. 3 of this Exhibit for a sample worksheet (Col. 1-7) and completion instructions. See Example 1, following, for a completed example.]

- (4)(b) Documentation. The calculations used to determine the factor must be documented on a worksheet, signed and dated by agent, and approved by the verifier. It becomes part of the APH file and is subject to verification during the APH review process.
- (4)(c) The approved Option B yield is not required to be calculated and transmitted to RMA on an APH form (type 15 record).
- (4)(d) Acreage Report. The Option B Yield, (the feed barley approved yield multiplied times the Option B APH/ bushel factor) must be entered in the approved APH yield column of the acreage report for processing purposes, and the contracted bushels and APH/bushel factor must be entered in the remarks section.
- (4)(e) For acreage planted after the barley final planting date, the malting barley production guarantee will be reduced according to the barley late planting provisions [see Sec. 4, D(7)].

EXAMPLE 1: Option B APH/Bushel Factor.

The insured's acreage report indicates 120 acres of an approved Malting Barley variety (MB) was planted on acreage corresponding to Feed Barley (FB) unit 00101 and an irrigated practice will be carried out [see worksheet row one]; 80 acres of an approved MB variety was planted on acreage corresponding to FB unit 00102 and that an irrigated practice will be carried out [See worksheet row two]; 60 acres of an approved MB variety was planted on acreage corresponding to FB unit 00200 and a summerfallow (SF) practice will be carried out [See worksheet row three]; and 100 acres of an approved MB variety was planted on acreage corresponding to FB unit 00200 and that a Continuous Cropping (CC) practice will be carried out [See worksheet row four]. The FB approved APH yields are listed for the corresponding acreage in Col. 3 of the worksheet. The insured has additional acreage of FB (not planted to an approved MB variety); however, it is not necessary to enter it on the worksheet. The insured has acceptable Malting Barley contracts with two breweries [See Col.6].

COLUMNS 1-7, WORKSHEET FOR DETERMINING OPTION B APH/BUSHEL FACTOR

| (1) UNIT (FB) | (2) PRAC- TICE | (3) (FB) APH YIELD | (4) PLANTED ACRES(MB) | (5) COL(3) X (4) | (6) CONTRACTED BU(MB) | (7) COL(6) ÷ (5) |
|---------------------|----------------------|--------------------------|-----------------------------|-------------------------|-----------------------------|------------------------|
| 00101 | IRR | 70 | 120.0 | 8,400 | <u>1/</u> 10,000 | |
| 00102 | IRR | 62 | 80.0 | 4,960 | <u>2/</u> 5,000 | |
| 00200 | SF | 48 | 60.0 | 2,880 | | |
| 00200 | CC | 35 | 100.0 | 3,500 | | |
| | | | | TOTAL: 19,740 | TOTAL: 15,000 | FACTOR: .760 |

1/ Contract # A, guaranteed sale price of \$6.50 per cwt.

2/ Contract # B, guaranteed sale price of \$6.80 per cwt.

D(5) **Option B, Additional Value Price Election.** The additional value price election per bushel, NOT TO EXCEED \$2.00 PER BUSHEL, for approved Malting Barley varieties insured under Option B, is the lesser of, as applicable:

(5)(a) The guaranteed sale price per bushel established in the Malting Barley contract (without regard to discounts or incentives) minus the maximum price election for Feed Barley; or

(5)(b) The premium price per bushel (without regard to discounts or incentives) if the sale price is based on a future market price as specified in the Malting Barley contract.

If more than one contract price (sale prices or premium prices) apply to the policy, a weighted average Malting Barley contract price per bushel must be calculated in order to determine the additional value price election. Refer to Par. 3 of this Exhibit for a sample worksheet (Col. 6, 8-12) and completion instructions. See Example 2 following, for a completed example.

EXAMPLE 2: Weighted Average MB Contract Price.

Continuing the previous example, the weighted average Malting Barley contract price is calculated as follows:

COLUMNS 6, 8-12 WEIGHTED AVERAGE MB CONTRACT PRICE WORKSHEET

| (6) CONTRACTED BU. (MB) | (8) PRICE (CWT) | (9) (CWT) FACTOR | (10) PRICE(BU) OR (8)X(9) | (11) DOLLARS (6)X(10) | (12) PRICE:TOTALS COL(11)÷(6) |
|--|--------------------------------|---------------------------------|--|--------------------------------------|--|
| <u>1</u> / 10,000 | \$6.50 | .48 | \$3.12 | \$31,200 | |
| <u>2</u> / 5,000 | \$6.80 | .48 | \$3.26 | \$16,300 | |
| TOTAL: 15,000 | | | | TOTAL: \$47,500 | AVE MB PRICE \$3.17 |

The Additional Value Price Election, not to exceed \$2.00 per bu., is determined by subtracting the maximum price election for Feed Barley from the weighted average Malting Barley price (this example \$3.17 - \$2.15 [maximum Feed Barley price election] = \$1.02).

D(6) Proration of Contracted Bushels to Applicable Counties. When the malting barley contract specifies bushels and the acreage to fulfill the contract is located in more than one county, determine the:

- (6)(a) Weighted feed barley bushels for each county. Multiply the planted acres times the feed barley approved APH yield (by unit, spring or winter types and practice) for each county to determine the feed barley bushels per county. Sum the bushels from all units and practices for each county. E.g.: County A = 19,740 bu. (taken from Example 1, Col 5) and County B = 13,160 bu.
- (6)(b) Total weighted feed barley bushels for all counties by summing the weighted feed barley bushels for the individual counties. E.g., 19,740 + 13,160 = 32,900 total weighted bu.
- (6)(c) Proration factor for each county. Divide the weighted feed barley bushels per county determined in (6)(a) by the total weighted bushels for all counties determined in (6)(b) to calculate a three-decimal factor (.xxx). E.g., 19,740/32,900 = .600; 13,160/32,900 = .400.
- (6)(d) Prorated contracted bushels for each county. Multiply the factor determined in (6)(c) times the contracted bushels. E.g., the total bushels of malt barley contracted is 25,000 bushels. 25,000 X .600 = 15,000 prorated contracted bushels in County A and 10,000 prorated contracted bushels (25,000 X .400) in County B.

The calculations used to determine the factor must be documented on a worksheet, and approved by the verifier. It becomes part of the APH file and is subject to verification during the APH review process.

2 Premium Calculation

The base premium rate for Option A or Option B Malting Barley is the base premium rate for the Feed Barley approved APH yield for the SAME LOCATION and PRACTICE. Formula: (Malt Barley Per-acre Production Guarantee) X (late planting reduction [if applicable]) X (share) X (acres) X (additional value Malt Barley price election) X (base premium rate for Feed Barley) X (rate class option factor) X (.9 [basic unit discount] X (producer premium percentage [for level elected]) = Malt Barley Premium.

3 Option B Worksheets [Refer to the following page for the Option B Worksheet and completion instructions.]

- F (1) **APH/Bushel Factor.** Complete Columns 1-7 to determine the Option B APH/Bushel factor.
- F(2) **Weighted Average Contract Price.** Use Column 6 and complete Columns 8-12 to determine the weighted average Malt Barley contract price when the policy covers more than one contract price and the contract prices are different.

COLUMNS 1-7, WORKSHEET FOR DETERMINING OPTION B APH/BUSHEL FACTOR
 COLUMNS 6, 8-12, WEIGHTED AVERAGE MB CONTRACT PRICE WORKSHEET

| (1) UNIT (FB) | (2) PRAC- TICE | (3) (FB) APH YIELD | (4) PLANTED ACRES (MB) | (5) COL (3) X (4) | (6) CONTRACTED BU. (MB) | (7) COL (6) ÷ (5) | (8) PRICE/ CWT (MB) | (9) (CWT) FACTOR | (10) PRICE/BU: OR COL (8) X (9) | (11) DOLLARS COL (6) X (10) | (12) PRICE:TOTALS COL (11) ÷ (6) |
|---------------------|----------------------|--------------------------|------------------------------|-------------------------|-------------------------------|-------------------------|---------------------------|------------------------|---------------------------------------|-----------------------------------|--|
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | TOTAL: | TOTAL: | FACTOR: | | | | TOTAL: | AVE MB PRICE |

COL

- 1 Enter the Feed Barley (FB) unit number. An entry must be made if for the Feed Barley location, acreage is planted to an approved MB variety. A separate line entry must be made for each practice.
- 2 Enter the applicable FB practice.
- 3 Enter the FB approved APH yield, for each unit and practice on which MB is planted.
- 4 Enter the acres planted to an approved MB variety for each practice. This acreage must correspond to the FB APH by unit and practice.
- 5 Multiply the FB APH yield (Col. 3) times the MB acreage (Col.4). Enter the result in Col. 5 and total the line entries.
- 6 Enter the contracted bushels of Malting Barley (MB). If more than one contract, enter the total contracted bushels for each contract on a separate line. If the contracted bushels represent the insured's share (less than 100%) of the contracted bushels to be grown, the number of contracted bushels may be increased to represent 100% of the bushels from the contracted acreage. For example, if 10,000 bushels were contracted and represented a 75% share, the number of bushels entered in column 6 would be 13,333 (10,000 ÷ .75).
- 7 Divide the total contracted bushels (Col.6) by total bushels (Col. 5) and enter the quotient to three decimal places, not to exceed 1.000. This factor is then multiplied times the FB APH yield (Col. 3) to determine the MB approved yield.

If MORE than one contract price and contract prices are different per bu.:

- 8 If the contract price is per cwt. enter the contract price applicable to the contracted bu. (Col. 6). If the contract price is per bushel leave blank.
- 9 Enter .48 if the contract price is per cwt. If the contract price is per bushel leave blank.
- 10 If the contract price is per cwt., multiply the Price CWT. (Col. 8) by .48 (Col. 9) and enter the resulting price per bushel in Col. 10. Round to nearest cent (.XX). If the contract price is per bushel, enter the contract price applicable to the Contracted Bushels (Col.6).
- 11 Multiply the Contracted Bushels for each contract (Col. 6) times the applicable the Price Per Bu. (Col. 10) and enter the result in Col. 11. Total the Dollars for all contracts.
- 12 Divide the Total Dollars (Col. 11) by the Total Contracted Bushels (Col 6) and enter the quotient as the weighted average MB contracted price (Col.12). Round to the nearest cent (.XX). Deduct the maximum Feed Barley price election from the Average MB price (Col. 12). The remainder not to exceed \$2.00 is the additional value Malt Barley price election.

PARTICIPATION - FLOW CHART

1. Sam Good wishes to use Bo Jack's records. He may do so because Bo receives a share in the crop for the current crop year.

| | |
|-------------------|---|
| CURRENT CROP YEAR | FSA FSN 1000 Section 10 Sam Good 2/3 Bo Jack 1/3 |
|-------------------|---|

2. The farm was renumbered in the most recent crop year, but it is the same land. Bo Jack's records meet the acceptability requirements and may be used for the crop year.

| | |
|--|--|
| MOST RECENT CROP YEAR TO THE CURRENT CROP YEAR | FSA FSN 1000 Section 10 Bo Jack 100% |
|--|--|

3. Bo Jack's records are acceptable so they may be used.

| | | |
|----------------------------|---|----------------------|
| NEXT MOST RECENT CROP YEAR | FSA FSN B-126 Section 10 Bo Jack 100% | (FSA FSN Renumbered) |
|----------------------------|---|----------------------|

4. Bo Jack's records are acceptable so they may be used.

| | |
|----------------------------|---|
| NEXT MOST RECENT CROP YEAR | FSA FSN B-126 Section 10 Bo Jack 100% |
|----------------------------|---|

5. Bo Jack's record are acceptable so they may be used.

| | | |
|----------------------------|---|---|
| NEXT MOST RECENT CROP YEAR | FSA FSN B-126 Section 10 Bo Jack 100% | (FSA FSN Reconstituted Change of ownership) |
|----------------------------|---|---|

6. FSA FSN C-20 consists of the same land and Bo Jack's records are acceptable for the crop year so they may be used.

| | |
|----------------------------|---|
| NEXT MOST RECENT CROP YEAR | FSA FSN C-20 Section 10 Bo Jack 2/3 Don Matt 1/3 |
|----------------------------|---|

7. Bo Jack did not have a share in the crop. A break in continuity occurs. Actual yields are therefore reported for items 1 through 6.

| | |
|----------------------------|--|
| NEXT MOST RECENT CROP YEAR | FSA FSN C-20 Section 10 Don Matt 100 |
|----------------------------|--|

(NACAT→)

**EXAMPLE
HIGH-RISK LAND EXCLUSION OPTION**

| HIGH-RISK LAND EXCLUSION OPTION | |
|---|---|
| This is a continuous Option. Refer to item 5 of this Option. | |
| INSURED'S NAME | CONTRACT NO. |
| ADDRESS | CROP YEAR |
| | IDENTIFICATION NUMBER <input style="width: 20px; height: 15px;" type="text"/> SSN <input style="width: 20px; height: 15px;" type="text"/> TAX |
| CROP(S) | COUNTY |

Upon our approval of this Option, we agree to amend your Federal Crop Insurance Policy to exclude from crop insurance coverage all high-risk land for the identified crop(s) and county in which you have a share, subject to the following terms and conditions:

1. The Option must be submitted to us on or before the final date for accepting applications for the initial crop year in which you wish to exclude high-risk land.
2. In the event of a loss on any insured unit, you must provide separate production records showing planted acreage and harvested production for any acreage which is excluded from crop insurance coverage under this Option.
3. By signing this Option, you are declining crop insurance coverage under the general crop insurance policy and the crop endorsement on your high-risk land.
4. As used in this Option, "high-risk" land is any land to which a high risk classification and premium rate factor are contained on the actuarial document.
5. This Option may be canceled by either you or us for any succeeding crop year by giving written notice on or before the cancellation date provided by the policy, preceding such crop year.
6. You must report, on the acreage report for each crop year, the acreage of the crop planted on high-risk land.
7. All other provisions of the policy not in conflict with this Option are applicable.

| | |
|--|------|
| INSURED'S SIGNATURE | DATE |
| REPRESENTATIVE'S SIGNATURE AND CODE NUMBER | DATE |

"The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§ 1006, 1014; 7 U.S.C. § 1506; 31 U.S.C. §§ 3729, 3730 and other federal statutes." ←(NACAT)

ADDITIONAL FORAGE PRODUCTION PROCEDURE

1 FORAGE PRODUCTION

1A T-Yields

Forage Production insureds with less than four years of actual records must use the current year's variable T-Yield [see Sec. 6, C(1) and (2)].

Yield limitation provisions are applicable if in effect.

1B Approved APH Yields When Types Change

Separate approved APH yields are required for types, i.e., Alfalfa and Alfalfa Grass Mixture, when separate T-Yields are indicated for the respective types on the actuarial table. For an added type, the approved APH Yield for the added type is calculated using the added P/T/V procedures [see Sec. 6, C(6)].

B(1) **Example: Forage Production** initially insured as Alfalfa qualifies as an Alfalfa Grass Mixture when:

- (1)(a) The percent stand falls below 60 percent Alfalfa [See the actuarial documents for percent and additional types]; or
- (1)(b) Does not meet the age of stand limitations and/or the alfalfa plant count required for alfalfa (see Adequate Stand/Minimum Required on the SPOI); but meets the age of stand limitations and alfalfa plant counts required for an Alfalfa Grass Mixture. Forage Production initially insured as Alfalfa or an Alfalfa Grass Mixture qualifies as:
 - 1 A Grass Alfalfa Mixture (if available) when the percent of stand falls below 25 percent alfalfa; or
 - 2 Does not meet the age of stand limitations, or alfalfa plant count required for an Alfalfa Grass Mixture Adequate Stand/Minimum Required; but meets the age of stand limitations and alfalfa plant counts required for a Grass Alfalfa Mixture.

B(2) **If the insured has not produced** the Alfalfa Grass Mixture or Grass Alfalfa Mixture for more than two APH crop years on the unit, added P/T/V provisions apply:

- (2)(a) Determine the number of years of actual/assigned yields for the crop/county for the previously insured type and identify the applicable T-Yield percentage.
- (2)(b) Multiply the T-Yield for the new type by the applicable T-Yield percentage.
- (2)(c) Establish a four-year database for the new type with the resulting Variable T-Yield preceded by the yield type descriptor code "C."
- (2)(d) Cups do not apply the first year this procedure is applicable.

1C Forage Production Underwriting Report

Policy provisions state that insurance will not attach on any acreage that does not have an adequate stand at the beginning of the insurance period. An adequate stand is a population of live forage plants that equals or exceeds the minimum required number of plants per square foot as shown in the SPOI.

All insureds must complete the Forage Production Underwriting Report [see Par. 2] for each field of forage production and submit a copy of the report to the AIP before insurance attaches. Crop inspections if needed, are made before the calendar date for the beginning of the insurance period. If a Claim for Indemnity was filed the preceding crop year and an adequate stand was determined, the Claim for Indemnity Report will be used to determine insurability.

The purpose of the Forage Production Underwriting Report is to identify each field and to certify basic information needed to determine type classification, unit structure, and insurability of the stand (age of stand and adequacy of plant count). This information will be used to update the APH form before requesting an Approved APH Yield for the upcoming crop year, and also to complete the acreage report.

- 1D Completion instructions.** If the insured does not complete the Forage Production Underwriting Report, or does not complete in an acceptable manner, AIPs must obtain the required information or deny coverage for the crop year. If the crop is damaged prior to application or the date insurance should have attached, the insurance does not attach.

| <u>ITEM NO.</u> | <u>INFORMATION REQUIRED</u> |
|-------------------------------------|--|
| 1. Insured's Name | The name of the insured applying for the coverage. |
| 2. State | State name where insured forage production is located. |
| 3. County | County name where insured forage production is located. |
| 4. Crop Year | 4-digit crop year, as defined in the policy. |
| 5. Policy Number | Insured's policy number. |
| 6. Unit Number | 5-digit unit number. |
| 7. FSN/Field ID | The FSA farm serial number (FSN)/Field ID. |
| 8. Legal Description Sec/Twp/Rng | The legal description; Section, Township, and Range where forage production is located. |
| 9. Acres | Total acres in field/subfield. |
| 10. Share | Insured's share in the unit. |
| 11. Shareholder/Farm Name | The name of the shareholder, if the insured's interest is less than 1.000 (100 percent.) |
| 12. Date Seeded Mo/Yr | The month and year the forage was seeded (land completely broken up and reworked). |

13. Forage Plants Per Sq. Ft. The number of forage plants per square foot. Calculate using the following steps:
- Step 1:** Select representative samples from each field or subfield. If the field/subfield consists of: 0.1-10.0 acres, select a minimum of three samples; 10.1-40.0 acres, select a minimum of 4 samples; add one additional sample for each additional 40.0 acres (or fraction thereof) in the field/subfield.
- Step 2:** Select a sample size (area in square feet, e.g., 1 square foot or 2 square feet, etc.) for all samples in the field/subfield. Identify samples in representative areas throughout the field (examples of measuring devices are contained in the FCIC-25150 Forage Loss Adjustment Standards Handbook).
- Step 3:** Count number of insurable live forage plants (alfalfa, clover or other insurable types shown on the county actuarial documents, but not including grass plants) within each sample area. Compute average number of plants/square foot (total number of plants divided by total number of square feet for all samples within a field/subfield).
- Step 4:** Enter separate plant counts for each type that applies.
14. Percent of ground cover, Alf/Clover/Other The percentage of the ground cover that is alfalfa, clover, or other insurable grass as determined by visual inspection. This is to be completed if the SPOI define a type as specified in terms of percentage of ground cover.
15. Crop Practice Enter irrigated or non-irrigated.
16. Plants Other Than Forage List other significantly occurring plants, i.e., grasses, such as brome grass or orchard grass; or weeds, such as cheat grass or kochia.
17. Uninsurable Acres The number of acres based on the seeding date and stand information, rounded to tenths of an acre (overage or inadequate stand).
18. Acres Seeded With Another Crop List the acreage that has been seeded with another crop different than those listed on this form.
19. Remarks Any special information that clarifies items on this form.
20. Insured's Signature The insured must sign this form.
21. Date Date the insured signs this form.
22. Agent's Signature Signature of agent after the insured has signed.
23. Agent's Code Code number of Agent.
24. Date Date the agent signs this form.

2 FORAGE PRODUCTION UNDERWRITING REPORT

| | | | | |
|-------------------------|----------------|-----------------|--------------------|------------------------|
| 1 INSURED'S NAME | 2 STATE | 3 COUNTY | 4 CROP YEAR | 5 POLICY NUMBER |
|-------------------------|----------------|-----------------|--------------------|------------------------|

| Line No. | 6 Unit Number | 7 FSN/ Field ID | 8 Legal Description Sec/Twp/Rng | | | 9 Acres | 10 Share | 11 Shareholder/ Farm Name | 12 Date Seeded Mo/Yr | 13 Forage Plants Per Sq.Ft. Alf/Clover/Other | | | 14 % of Ground Cover Alf/Clover/Other | | | 15 Crop Practice | 16 Plants Other Than Alfalfa |
|----------|---------------|-----------------|---------------------------------|--|--|---------|----------|---------------------------|----------------------|--|--|--|---------------------------------------|--|--|------------------|------------------------------|
| | | | | | | | | | | | | | | | | | |
| 1. | | | | | | | | | | | | | | | | | |
| 2. | | | | | | | | | | | | | | | | | |
| 3. | | | | | | | | | | | | | | | | | |
| 4. | | | | | | | | | | | | | | | | | |
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| 6. | | | | | | | | | | | | | | | | | |
| 7. | | | | | | | | | | | | | | | | | |
| 8. | | | | | | | | | | | | | | | | | |
| 9. | | | | | | | | | | | | | | | | | |
| 10. | | | | | | | | | | | | | | | | | |
| 11. | | | | | | | | | | | | | | | | | |

| | |
|-----------------------------|--|
| 17 Uninsurable Acres | 18 Acres Seeded With Another Crop |
|-----------------------------|--|

19 Remarks

I certify the information provided above, to the best of my knowledge, to be true and complete and that it will be used to determine my loss, if any, to my insured crops. I understand that this Production Worksheet and supporting papers are subject to audit and approval by the company. I understand that this crop insurance is subsidized and reinsured by the Federal Crop Insurance Corporation, an agency of the United States. The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§ 1006 and 1014 , U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes

| | | | | |
|-------------------------------|----------------|-----------------------------|------------------------|----------------|
| 20 Insured's Signature | 21 Date | 22 Agent's Signature | 23 Agent's Code | 24 Date |
|-------------------------------|----------------|-----------------------------|------------------------|----------------|

COLLECTION OF INFORMATION AND DATA (PRIVACY ACT) - To the extent that the information requested herein relates to your individual capacity as opposed to your business capacity, the following statements are made according to the Privacy Act of 1974, as amended (5 U.S.C. 552a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) and the Federal crop insurance regulations contained in 7 C.F.R. chapter IV.

Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in the Federal crop insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in you or your entity of 10 percent or more, as a policyholder within the systems maintained by the Risk Management Agency (RMA). Furnishing the SSN or EIN is voluntary; however, failure to furnish that number will result in denial of program participation and benefits.

The balance of the information requested is necessary for the insurance company and RMA to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The information furnished on this form will be used by Federal agencies, RMA employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: RMA contract agencies, employees and loss adjusters; reinsured companies; other agencies within the United States Department of Agriculture; The Department of Treasury including the Internal Revenue Service; the Department of Justice, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response to judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit; ineligibility for insurance; and a unilateral determination of any monetary amounts due.

FALSE CLAIM STATEMENT - "The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§ 1006 and 1014, 7 U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes."

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

1 RETAINING 10 CROP YEARS OF APH HISTORY

1A Example 1

This example is for a carryover insured who has provided actual yields for crop years 1995, 1996, 1998, 1999, 2000, 2001, 2003, 2004 and 2005. 1997 and 2002 were zero-plant years. The base period for 2004 crop year is the 10 most recent APH crop years. The carryover insured has 9 actual yields in the 2005 APH database.

| 2005 APH DATABASE | RECORDS SUBMITTED 2006 | 2006 APH DATABASE |
|-------------------|------------------------|-------------------|
| 95 A75 | | 95 A75 |
| 96 A74 | | 96 A74 |
| 97 Z | | 98 A65 |
| 98 A65 | | 99 A81 |
| 99 A81 | | 00 A69 |
| 00 A69 | | 01 A73 |
| 01 A73 | | 02 Z |
| 02 Z | | 03 A25 |
| 03 A25 | | 04 A95 |
| 2004 A95 | 2005 A90 | 2005 A90 |
| APH 557/8 = 70 | | APH 647/9 = 72 |

1B Example 2

This example is for a carryover insured who has provided actual yields for crop years 1995, 1996, 1998, 1999, 2000, 2001, 2003, and 2004. The base period for 2006 crop year is the 10 most recent APH crop years. Zero acres planted were reported for crop year 1997, 2002 and 2005. The 2005 APH database is duplicated for the 2006 APH database with the exception of the yield descriptor "Z" deleted for crop year 1997. The carryover insured has 8 actual yields in the 2006 database.

| 2005 APH DATABASE | RECORDS SUBMITTED 2006 | 2006 APH DATABASE |
|-------------------|------------------------|-------------------|
| 95 A75 | | 95 A75 |
| 96 A74 | | 96 A74 |
| 97 Z | | 98 A65 |
| 98 A65 | | 99 A81 |
| 99 A81 | | 00 A69 |
| 00 A69 | | 01 A73 |
| 01 A73 | | 02 Z |
| 02 Z | | 03 A25 |
| 03 A25 | | 04 A95 |
| 04 A95 | 2005 Z | 05 Z |
| APH 557/8 = 70 | | APH 557/8 = 70 |

1C Example 3

This example is for a carryover insured who has provided actual yields for crop years 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, and 2004. The base period for the 2006 crop year is the most recent 10 APH crop years. For crop year 2005, zero acres planted were reported. The 2005 APH database is duplicated for the 2006 APH database. The carryover insured has 10 actual yields in the 2006 database.

| 2005 APH DATABASE | | RECORDS SUBMITTED 2005 | 2006 APH DATABASE | |
|-------------------|-----|---------------------------|----------------------|-----|
| 95 | A75 | | 95 | A75 |
| 96 | A74 | | 96 | A74 |
| 97 | A86 | | 97 | A86 |
| 98 | A65 | | 98 | A65 |
| 99 | A81 | | 99 | A81 |
| 00 | A69 | | 00 | A69 |
| 01 | A73 | | 01 | A73 |
| 02 | A64 | | 02 | A64 |
| 03 | A25 | | 03 | A25 |
| 04 | A95 | 2005 Z | 04 | A95 |
| APH 707/10= 71 | | | APH 707/10= 71 | |

**Special APH Instructions
Contract Seed Beans and Contract Seed Peas**

- 1 SPECIAL APH INSTRUCTIONS [Also see Sec. 6 for general APH procedures].**
- 1A Calculations.** The approved APH yield is calculated and expressed as the current crop year's dollar-per-acre (\$/A) equivalent.
- 1B Separate APH Yields.** Separate approved APH yields are required for Contract Seed types of Dry Beans and Dry Peas, units, different TMA, and different Reference Year Adjustment Factor (RYAF) areas. The RMA RO furnishes separate RYAF annually. These factors are specific for the Contract Seed types of Dry Beans and Dry Peas by area and crop year.
- 1C Enter each crop year's respective RYAF** in col. 1 of the Multi-purpose Production and Yield Report Worksheet [see Sec. 6, Par. F]. If fewer than four years of production have been certified, enter the appropriate RYAF for factoring T-Yields to complete a four-year database. The factored T-Yields are also applicable in calculating Yield Floors.
- When using T-Yields with the RYAF, the published T-Yield is multiplied:
- C(1) By the RYAF for the crop year designated by the double asterisk in the published RYAF document for the applicable crop year [\$580 - see example]; and
- C(2) By the applicable variable T-Yield percentage factor. Individual year RYAF's are not used to adjust the T-Yields except as stated above.
- 1D Enter the total dollars received** (or value of, e.g., production utilized as feed, assigned yields multiplied times acres, etc.) for each crop year in Col. 2 of the worksheet (round to the nearest whole dollar). If fewer than four-years of production have been certified, use the factored T-Yield to complete a four year database. Do not consider a year with zero planted acres a year with actual production.
- 1E Multiply the RYAF** in col. 1 times total dollars, in Col. 2, and enter the resulting product in Col. 3 (round to nearest whole dollar). Transfer the factored dollar value(s) (Col. 3) to Total Production Column on the APH form. [See separate instructions for using a standard RYAF when calculating T-Yields.]
- 1F Enter the planted acres** in the Acres Column on the APH form for each crop year certified.
- 1G Divide factored dollars** (Col. 16) by planted acres (Col. 17) and enter resulting quotient in the Yield Column on the APH form. (Round to nearest whole dollar.) Substitute yields [calculated according to Section 13 APH Yield Adjustment procedure are also entered in Col. 18; see also 1L].
- 1H Total the factored average dollar values** (Col. 18) and enter the total in the Total Block on the APH form.
- 1I Divide the total** (Block 19) by the number of years that have yields, including T-Yields (Col. 18). Enter the result in the Preliminary Yield Block on the APH form as the preliminary yield in whole dollars per acre.
- 1J To express the prior year's approved yield** in current dollars-per-acre equivalent, multiply the previous year's approved APH yield (in dollars per acre) by the most recent year's RYAF. See APH block 20 (B) in example 2A.

- 1K** Any yield limitation (cup) provisions, if applicable, apply to carryover policies. Multiply the previous year's approved APH yield (in dollars per acre) by the most recent year's RYAF and compare it to the current year's preliminary yield. If necessary, apply the yield limitation and enter the approved APH yield.
- 1L** APH Yield Adjustment [Section 13 provisions]. The substitute yield is derived by multiplying the applicable published T-Yield by the RYAF for the crop year designated within the published RYAF document by 60%. [See also 1G]. For crop years 2002 and prior, use the 1987 factor; T-Yields for crop years 2003 and later are expressed in 2002 dollar equivalents and are therefore adjusted by the 2002 RYAF; see example 2C).
- 1M** For the computer printed Production and Yield Reports for carryover policies; steps three through seven are handled on one page per unit [see following examples]. Actual dollars are entered in the column labeled "total dollars." Final factored average dollar per acre is calculated by dividing "total dollars" by "planted acres" and multiplying times the RYAF. The resulting value is entered in the column labeled "average value." Round to whole dollars per acre after each arithmetic step.
- 1N** It is necessary to convert the approved APH yield from dollars per acre (\$/A) to pounds per acre (#/A) for entry on the acreage report. Divide the approved APH yield by the contract price(s) per pound. A separate line entry is required for each different contract price.

[Examples 2A, 2B, & 2C of this exhibit do not have the applicable CURRENT CROP YEAR RYAFs. The RMA RO issues them for each CURRENT CROP YEAR. CURRENT CROP YEAR RYAFs must be used when calculating approved APH yields.]

EXAMPLE

2A Multi-purpose Production and Yield Report Worksheet Example:

Use this worksheet to determine the factored production to be entered on the APH form.
 (Example: Magic Valley Idaho producer of Contract Seed Beans)

| CROP YEAR | 1 | 2 | 3 | 4 | 5 | 6 |
|------------------|--------|--------|--------|---|---|---|
| | RYAF | TOT \$ | FAC \$ | | | |
| 2000 | 1.07 | 7159 | 7660 | | | |
| 2001 | 1.09 | 8631 | 9408 | | | |
| 2002 | 1.07 | ---- | ---- | | | |
| 2003 | 1.01 | 16868 | 17037 | | | |
| Factored T-Yield | **1.07 | T-580 | F621 | | | |

| | | | | | |
|---|---|--|--|--|---------------|
| 6 CROP Dry Beans (0047) | 7 SECTION 36 | 15 CROP YEAR | 16 TOTAL PRODUCTION * | 17 ACRES | 18 YIELD |
| PRACTICE IRR. (002) | TWNSTP 10S | | | | |
| TYPE C.S.B. (062) | RANGE 10W | | | | |
| UNIT NO. 00200 | LAND OTHER COUNTY YES NO | | | | |
| 8 OTHER ENTITY (IES) | 12 FSA FARM NO. | | | | |
| NONE | 1001 | | | | |
| 9 RECORD TYPE: CROP YEAR: | 13 RMA YIELD: | 1999 | **2002 RYAF | F621 | |
| | | 2000 | 7660 | 15.0 | A511 |
| | | 2001 | 9408 | 14.0 | A672 |
| | | 2002 | | | Z |
| | | 2003 | 17037 | 25.8 | A660 |
| | | | | | 19 TOTAL 2464 |
| 10 PROCESSOR NUMBER/NAME *Factored \$ Production | 11 OTHER Contract Prices .30, .40 (if available) | 14 TRANSITIONAL YIELD: DY= 580 (1.07)= F621 | 20 (A) PRELIMINARY YIELD 616 20 (B) PRIOR YIELD 600 600 x 1.01 (2003 RYAF) = 606 | 21 APPROVED APH YIELD (For Verifier use only) | |

2B APH, CSA (Contract Seed Beans) Example:

XXXX DRY BEANS (047)
PRODUCTION AND YIELD REPORT

| NAME: GARDENSEED, GROWER ADDRESS: RR # 1 TOWN, ST. ZIP PHONE: (XXX)-XXX-XXXX (Magic Valley Idaho Example) | | | ANY AGENT 99 ANY AIP 999 | | |
|--|--------------------|---------------|---|---------------|------------------------|
| SERVICE OFFICE: C. I. AGENT ADDRESS: 101 N. MAIN ST. TOWN, ST. ZIP COMPANY: INS. AGENCY INC. | | | AGENT CODE: XXXXXXXX COMPANY CODE: XXXXX | | |
| UNIT NO. - 00200 | | | FSA FSN: XXXX | | |
| LEGAL DESCRIPTION: W½ 36 10S 16E OTHER ENTITY: NONE PROCESSOR NUMBER/NAME: PRACTICE: IRRIGATED (002) TYPE: CONTRACT SEED (062) | | | | | |
| CROP YEAR | REF YEARADJ FACTOR | TOTAL DOLLARS | FACTORED DOLLARS | PLANTED ACRES | FACTORED AVERAGE VALUE |
| 1994 | 1.16 | | | | |
| 1995 | 1.09 | | | | |
| 1996 | 0.96 | | | | |
| 1997 | 0.98 | | | | |
| 1998 | 1.02 | | | | |
| 1999 | 1.03 | | | 0.0 | F621 |
| 2000 | 1.07 | 7159 | 7660 | 15.0 | A511 |
| 2001 | 1.09 | 8631 | 9408 | 14.0 | A672 |
| 2002 | 1.07 | 0 | 0 | 0.0 | Z |
| SUBTOT | | | | | |
| 2003 | 1.01 | 16868 | 17037 | 25.8 | A660 |
| AREA: TOTAL OF AVERAGE YIELDS TRANSITIONAL YIELD: \$580/A PRIOR APPROVED APH YIELD X RYAF = (1.07): 621 PRELIMINARY YIELD: 616 | | | | | 2464 |
| | | | | | APP. APH YIELD 616 |

For this example, the T-Yield is \$580 per acre. The factored T-Yield is determined by multiplying the published T-Yield by the RYAF designated with the double asterisk on the RYAF document issued for the applicable crop year (since the published T-Yields are expressed in dollar equivalents for the designated crop year). The factored T-Yield shown in this example is determined as follows: T-Yield (\$580/Acre x RYAF (1.07)) = a factored T-Yield of \$621. The factored T-Yield is then multiplied by the applicable variable T-Yield percentage factor.

2C Example of 2004 Reference (Base) Year Adjustment Factors:

| CROP YEAR | Contract Seed (Wrinkled) Dry Peas | | | | | |
|--------------|-----------------------------------|---------|--------------------|--------------------|-----------------|---------------|
| | Columbia Basin | Palouse | Blue Mts. WA/OR | Treasure Valley | Magic Valley | S.E. Idaho |
| * 1987 | 1.25 | 1.21 | 1.17 | -- | 1.28 | 1.28 |
| 1988 | 1.25 | 1.23 | 1.18 | -- | 1.28 | 1.28 |
| 1989 | 1.04 | 1.07 | 1.02 | -- | 1.07 | 1.07 |
| 1990 | 1.01 | 1.04 | 0.98 | -- | 1.03 | 1.03 |
| 1991 | 1.05 | 1.04 | 1.01 | -- | 1.09 | 1.09 |
| 1992 | 1.13 | 1.11 | 1.07 | -- | 1.14 | 1.14 |
| 1993 | 1.07 | 1.03 | 1.03 | -- | 1.10 | 1.10 |
| 1994 | 1.12 | 1.10 | 1.07 | -- | 1.15 | 1.15 |
| 1995 | 1.06 | 1.03 | 1.01 | -- | 1.08 | 1.08 |
| 1996 | 0.98 | 0.97 | 0.96 | -- | 0.99 | 0.99 |
| 1997 | 1.00 | 0.96 | 0.96 | -- | 1.02 | 1.02 |
| 1998 | 1.03 | 1.01 | 0.99 | -- | 1.04 | 1.04 |
| 1999 | 1.10 | 1.09 | 1.07 | -- | 1.11 | 1.11 |
| 2000 | 1.16 | 1.17 | 1.15 | -- | 1.17 | 1.17 |
| 2001 | 1.15 | 1.18 | 1.14 | -- | 1.18 | 1.18 |
| **2002 | 1.13 | 1.15 | 1.12 | -- | 1.15 | 1.15 |
| 2003 | 1.02 | 1.02 | 1.01 | -- | 1.02 | 1.02 |

| CROP YEAR | Contract Seed (BVGS) Dry Beans | | | | | |
|--------------|--------------------------------|---------|--------------------|--------------------|-----------------|---------------|
| | Columbia Basin | Palouse | Blue Mts. WA/OR | Treasure Valley | Magic Valley | S.E. Idaho |
| * 1987 | 1.54 | -- | -- | 1.52 | 1.58 | -- |
| 1988 | 1.47 | -- | -- | 1.46 | 1.52 | -- |
| 1989 | 1.12 | -- | -- | 1.08 | 1.12 | -- |
| 1990 | 1.01 | -- | -- | 0.97 | 1.01 | -- |
| 1991 | 1.11 | -- | -- | 1.11 | 1.16 | -- |
| 1992 | 1.18 | -- | -- | 1.17 | 1.22 | -- |
| 1993 | 1.14 | -- | -- | 1.13 | 1.17 | -- |
| 1994 | 1.13 | -- | -- | 1.13 | 1.16 | -- |
| 1995 | 1.08 | -- | -- | 1.07 | 1.09 | -- |
| 1996 | 0.98 | -- | -- | 0.96 | 0.96 | -- |
| 1997 | 0.97 | -- | -- | 0.98 | 0.98 | -- |
| 1998 | 1.00 | -- | -- | 1.00 | 1.02 | -- |
| 1999 | 1.01 | -- | -- | 1.01 | 1.03 | -- |
| 2000 | 1.04 | -- | -- | 1.05 | 1.07 | -- |
| 2001 | 1.06 | -- | -- | 1.07 | 1.09 | -- |
| **2002 | 1.04 | -- | -- | 1.04 | 1.07 | -- |
| 2003 | 1.01 | -- | -- | 1.01 | 1.01 | -- |

(**) Use for factoring current Determined Yields (*) Use for factoring 2002 & prior Determined Yields [YA].

----- Columbia Basin -----
 State - OREGON Counties - Gilliam, Morrow
 State - WASHINGTON Counties - Adams, Franklin, Grant
 ----- Palouse -----
 State - IDAHO Counties - Benewah, Clearwater, Idaho, Kootenai, Latah, Lewis,
 Nez Perce
 State - WASHINGTON Counties - Spokane, Stevens, Whitman
 ----- Blue Mts. OR/WA -----
 State - OREGON Counties - Umatilla, Union
 State - WASHINGTON Counties - Asotin, Columbia, Garfield, Walla Walla
 ----- Treasure Valley -----
 State - IDAHO Counties - Ada, Canyon, Owyhee, Payette, Washington
 State - OREGON Counties - Malheur
 ----- Magic Valley -----
 State - IDAHO Counties - Blaine, Cassia, Elmore, Gooding, Jerome,
 Lincoln, Minidoka, Twin Falls
 ----- S.E. Idaho -----
 State - IDAHO Counties - Bannock, Bingham, Bonneville, Butte, Clark, Franklin, Fremont, Jefferson, Madison,
 Power

3 Reserved.

1 PRE-ACCEPTANCE ANNUAL CROP INSPECTION (NEW APPLICATIONS) FOR INSURABILITY OF A CROP PLANTED PRIOR TO ACCEPTANCE OF APPLICATION**1A Acreage planted prior to SCDs**

When a new application for sugar beets is signed after insurable acreage is planted, an inspection is required **to determine insurability**. The agent/representative will provide the applicant's/insured's name, address, telephone number, and unit location (including legal description) to the AIP responsible for assigning inspections. AIP inspectors will forward all documents to the AIP verifier after completing the inspection.

1B Inspections

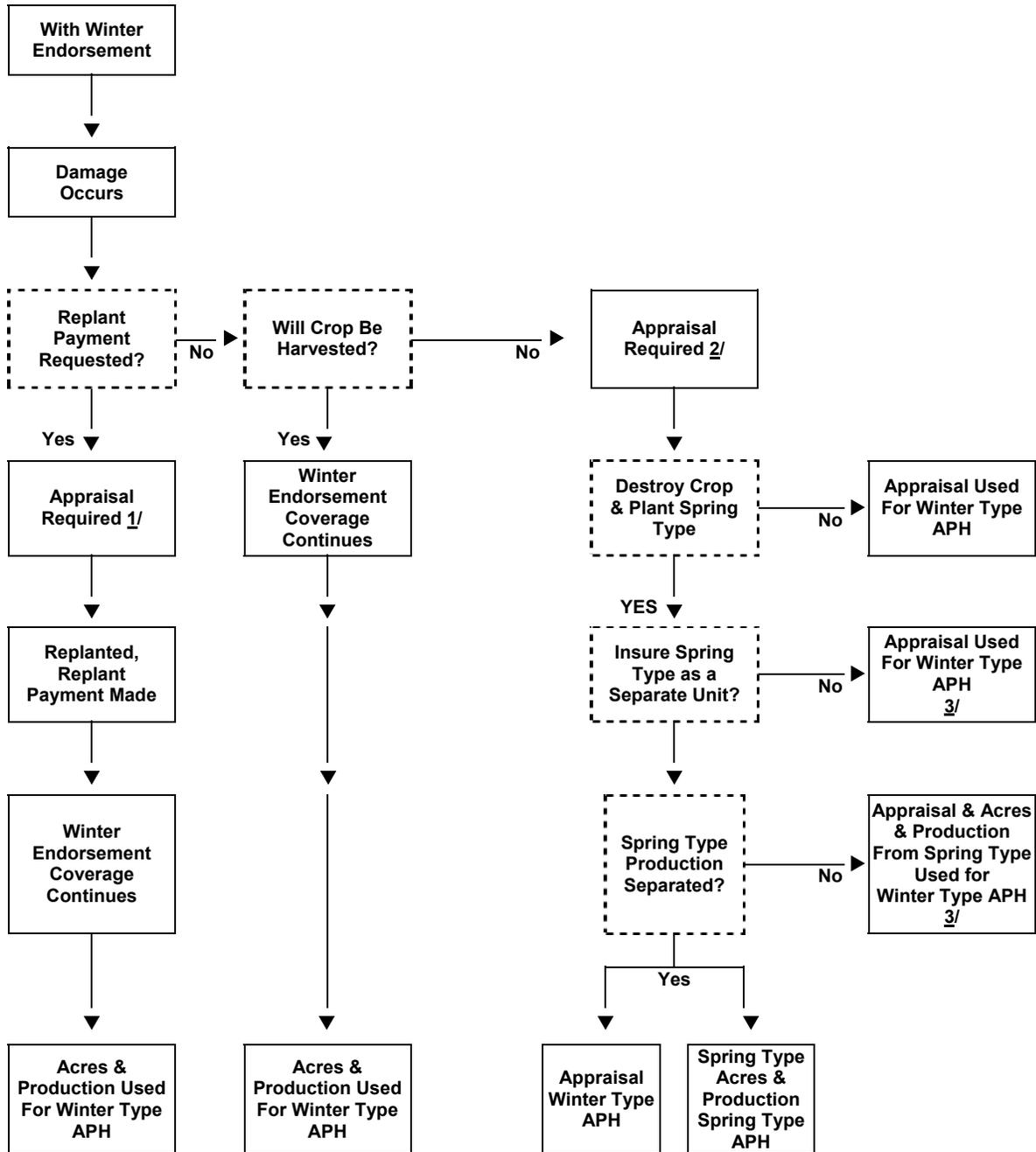
Inspections must be assigned to an inspector within five working days of receipt of the request but no later than 10 calendar days after the SCD. Arrangements must be made to prevent delaying the yield verification process. Inspectors should make appointments with the insureds so they can be present to answer any questions and provide authorized access to the unit(s) to be inspected. All production reports, completed inspection reports and supporting documentation must be received by the AIP verifier no later than 20 calendar days after the PRD. The items shown below are required and must be documented on the inspection report [see Par. C], along with any other material circumstances observed by the inspector.

Item No.

- (1) Identification information - name of crop, unit number, crop year, contract number, name and address of insured.
- (2) Acreage and location - planted insurable acreage and location information, including legal description.
- (3) Crop information - overall crop condition.
- (4) Special hazards - note any hazards (flood etc.).
- (5) Management practices - document any improper farming practices (poor weed control, etc.) and comment on overall unit condition.
- (6) Recommendation - recommend acceptance, rejection, or acceptance with an RMA RO rate and/or coverage review.
- (7) Date of inspection, signature, code number and title of person making inspection.

Distribution: Original - AIP Verifier
First Copy - Insured's file,
Second Copy - Inspector's option.

(NACAT) FLOW CHART - BARLEY OR WHEAT WITH WINTER COVERAGE ENDORSEMENT



1/ Must Qualify for Replant Payment

2/ Appraisal for Potential Production Used for Winter Type APH

3/ If Winter Type & Spring Type Production Commingled,
Also Use Acres & Production from Spring Type for Winter Type APH



**REQUESTS FOR HYBRID
SEED CORN OR HYBRID SORGHUM APPROVED YIELDS**

The AIP must request approved yields from the RMA RO to determine hybrid seed corn or hybrid sorghum seed indemnities. Refer to the following chart and forms for loss notification and yield issuance processes. To calculate an approved yield for each insured hybrid cross, two types of yield history must be obtained from the seed company.

1 ACTUAL YIELD HISTORIES FOR PRIOR AND CURRENT HYBRID CROSSES

1A Yield History From The Prior Crop Year. Each year a seed company must report all actual and expected yields for all hybrid crosses produced in the previous year. The RMA Actuarial Division requests this data in correspondence sent directly to seed companies each year. From this prior yield data, RMA determines a Yield Base Factor (YBF) that is used to calculate approved yields when actual yield history is limited for a hybrid cross the seed company intends to produce.

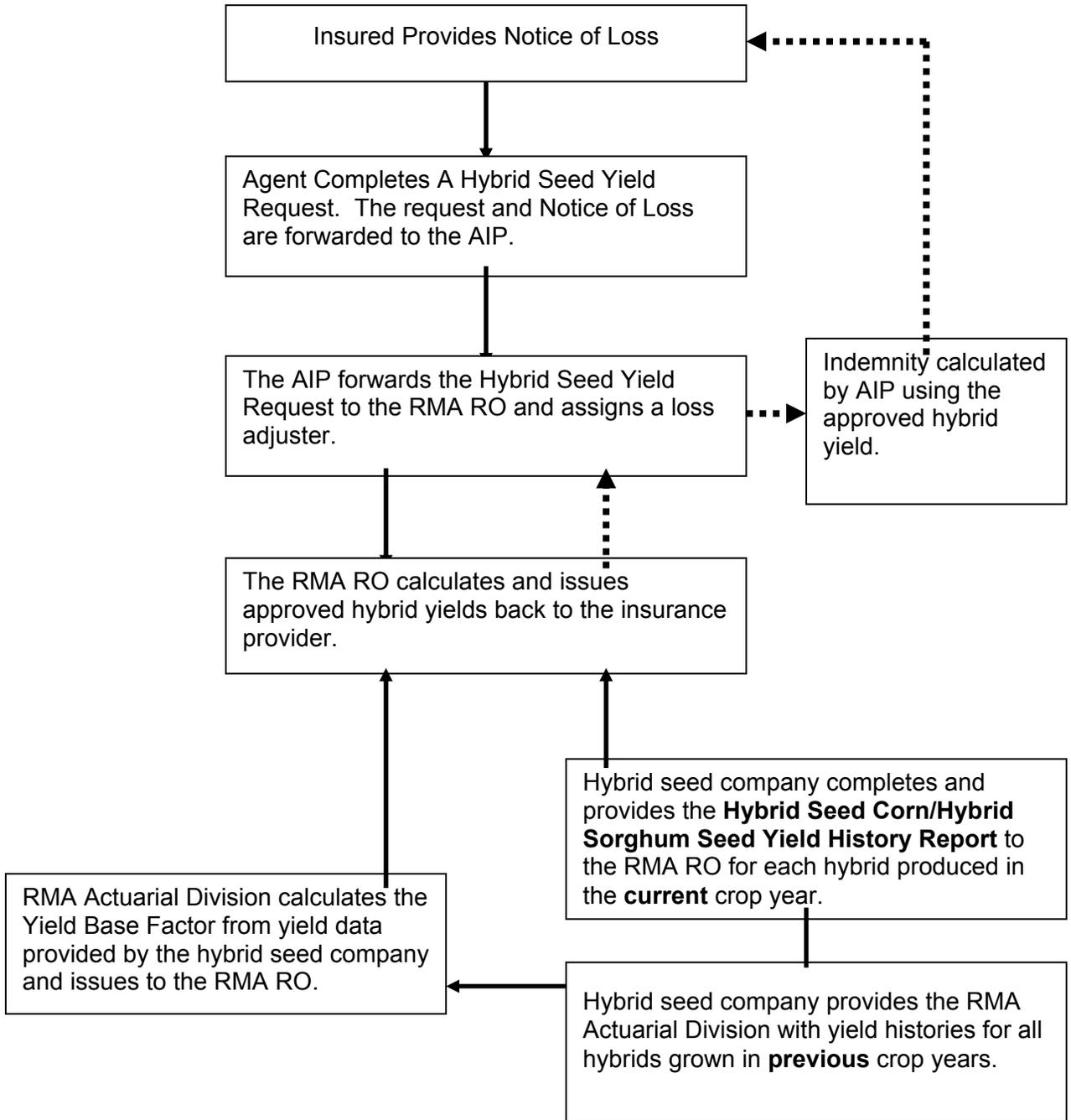
1B Yield History For Specific Hybrid Crosses To Be Produced In The Current Crop Year. When the RMA Actuarial Division requests prior yield data, it also informs the seed company that a Hybrid Seed Corn/Hybrid Sorghum Seed Yield History Report must be completed and submitted the appropriate RMA RO for each hybrid cross the seed company intends to produce in the current crop year. This report must be completed by the seed company, by plant/facility location, by practice, for each hybrid cross identification. Yield information from this report and the YBF are used to calculate the approved yield for each hybrid cross by seed company plant location.

2 ISSUANCE OF APPROVED YIELDS

The RMA RO calculates and issues approved yields for hybrid crosses when:

- 2A A “Hybrid Seed Yield Request”** prepared by the AIP is received by the RMA RO;
- 2B The YBF** has been calculated by the RMA Actuarial Division from data supplied by the seed company; and
- 2C The “Hybrid Seed Corn/Hybrid Sorghum Seed Yield History Report”** has been completed by an authorized seed company representative and received by the RMA RO.

**HYBRID SEED CORN OR HYBRID SORGHUM SEED
NOTICE OF LOSS AND APPROVED YIELD PROCESSES**



Hybrid Seed Yield Request

Agent's Name and Mailing Address

AIP's Name and Mailing Address

Seed Company's Name and Mailing Address

| | | |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Plant Location:

Phone Numbers

| | | |
|-----------|-----------|-----------|
| () _____ | () _____ | () _____ |
|-----------|-----------|-----------|

Name of Seed Company Representative

| Policyholder's Name | State & County of Insured Crop | No. Acres | Hybrid Identification |
|---------------------|--------------------------------|-----------|-----------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

| | |
|--------------------|-------|
| _____ | _____ |
| Signature of Agent | Date |

| | |
|-----------------------|-------|
| _____ | _____ |
| Signature of AIP Rep. | Date |

**HYBRID SORGHUM SEED YIELD HISTORY REPORT
FOR**

HYBRID IDENTIFICATION: _____ **(Code may be utilized)**

Type of Sorghum Seed (please check one) Grain Sudan Forage

Type Of Cross: Single Modified Single Three Way Four Way
(please check one)

Planting Method: Straight-Away Split Are the male (pollinator) rows inter-planted? Yes No

| | |
|--------------------------------|----------------------------------|
| SEED COMPANY: | FACILITY/PLANT COMPLETE ADDRESS: |
| FACILITY/PLANT LOCATION: | |
| FACILITY/PLANT REPRESENTATIVE: | |
| FACILITY/PLANT PHONE: | |

For the above specified hybrid seed identification, the expected or anticipated field production yield is _____ bushels per female acre.

Yield must be on the basis as the yields provided below. Growing Area/Countries:

ACTUAL YIELD DATA FOR ALL GROWERS FOR ABOVE HYBRID IDENTIFICATION AT THIS SPECIFIC PLANT LOCATION

IRRIGATED PRODUCTION AND ACREAGE

| | Crop Year | Total Female Field Production (Bu.) | Total Female Acres Planted (Acres) | Yield = Female Production / Female Acres Planted |
|--|-----------|-------------------------------------|------------------------------------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

The field production data must be based on determinations obtained and calculated on harvested production delivered to the plant prior to any production entering the seed conditioning process. Hence, the field production data and the bushels per total planted female acre yield are accepted by FCIC as harvested production leaving the field and delivered to the seed company's plant prior to entering any of the seed conditioning process (i.e., drying, shelling, screening, etc.) only! The reported amount of harvested production must be adjusted by you for moisture, shelling factor, and foreign material (i.e., husks, stalks, etc.) as necessary. When applicable, the production data reported must include the production figures determined for calculating any prior indemnified losses.

You must check one of the following letters that describes the manner in which you have determined/calculated the requested information and yield data.

For the purpose of determining the quantity of mature field production:

- A) Harvested seed production was adjusted to .12 percent for each .1 percentage point of moisture to 13.0; or
- B) All records of harvested seed production provided by the seed company were adjusted to a basis of 13.0 percent moisture and 56 - pound test weight.

CERTIFICATION: I certify that to the best of my knowledge and belief, the information and data shown for the above - Identified hybrid on the seed company's individual facility/plant location is correct and the practices used to produce the stated results are continuing and consistent to produce the same results.

Signature of Seed Company's Facility/Plant Representative

Date

SHELLING PERCENTAGE CHART FOR CLEAN UNSHELLED ALMONDS

The varietal shelling percentages applicable to unshelled almonds for APH purposes are as follows:

| VARIETY | AVERAGE SHELLING PERCENT |
|--------------------|--------------------------|
| Aldrich | 60 |
| Butte..... | 60 |
| Carmel | 65 |
| Carrion | 60 |
| Dottie Won | 50 |
| Fritz | 55 |
| Harvey..... | 65 |
| IXL..... | 50 |
| Jeffries | 70 |
| Jordanolo | 65 |
| Le Grand | 60 |
| Livingston..... | 65 |
| Merced | 70 |
| Milow | 65 |
| Mission..... | 50 |
| Monarch | 48 |
| Mono | 50 |
| Monterey..... | 55 |
| Ne Plus Ultra..... | 65 |
| Non Pariel | 70 |
| Norman | 60 |
| Padre | 55 |
| Pearl..... | 55 |
| Peerless | 45 |
| Price..... | 65 |
| Ripon..... | 45 |
| Rosetta..... | 50 |
| Ruby..... | 55 |
| Sauret I | 65 |
| Sauret II | 65 |
| Solano..... | 65 |
| Sonora | 70 |
| Thompson | 70 |
| Tokyo | 55 |
| Valenta..... | 55 |
| Vesta..... | 51 |
| Woods Colony..... | 65 |
| Yosemite | 47 |

Example, 54,688 pounds of unshelled Norman almonds, which have a conversion factor of 60 percent. $54,688 \times .60 = 32,813$ pounds of shelled Norman almonds.

Refer to the Almond loss handbook for additional varieties and shelling percentages: Avalon – 64, Kapareil – 68, etc.

1 ENTITIES: DEFINITION, DETERMINATION, AND DOCUMENTATION

The following provides the criteria, required documentation, and proper identification numbers required to process each type of entity listed. [For data processing instructions and codes, see Appendix III, Data Acceptance Handbook.]

An Employer Identification Number (EIN) may be used only by the person for which it was established. Failure to report the insured's Social Security Number (SSN) or EIN by SCD is not acceptable and insurance will not be provided. Correction of the insured's identification number may be made after the SCD date but must be made on or before the ARD and requires the insured's signature. If the policyholder does not correct his/her identification number by the ARD, the policy is void. AIPs may correct errors on identification numbers after the ARD, if the incorrect identification number is the result of an AIP error (e.g. a processing or keying error) and the person with the incorrect I.D. number is otherwise eligible, however the AIP may incur a penalty.

- 1A** **If the entity status of an insured changes after the SCD**, the policy will terminate as of the date of change if the event, (e.g. entity is dissolved, etc.) occurs before insurance attaches for any crop year. If the event occurs after insurance attaches for any crop year, the policy will continue in force through the crop year and terminate at the end of the insurance period. Any indemnity will be paid to the person(s) determined to be beneficially entitled to the indemnity.

Changes to an entity status become applicable the following crop year. The changes, including any additions, must be reported by the next sales closing date applicable under the policy. For example, if an individual marries after SCD this change must be reported the following year for that crop or at the next sales closing date to avoid penalty.

1B Entity Verification

When taking an application, verify that the entity is correct and documented according to the entity definitions. [See Par. 1-9] Incorrect entities may result in an invalid policy.

1C Substantial Beneficial Interest (SBI)

A SBI is defined as an interest held by any person of at least 10 percent interest in the insured. All persons with a SBI in a person must be listed and the SSN or EIN of each SBI provided. The spouse of any individual applicant or individual insured will be considered to have a SBI in the applicant/insured unless they can prove they are legally separated or otherwise legally separate under state law. Any child of an individual applicant/individual insured will not be considered to have a SBI in the applicant/insured, unless the child has a separate legal interest.

C(1) For example: There are two partnerships that each have a 50 percent interest in the policyholder. Each partnership is made up of two individuals, each with a 50 percent share in each applicable partnership. Each individual would be considered to have a 25 percent interest in the policyholder/applicant, and both the partnerships and the individuals would have a SBI in the policyholder/applicant. The spouses of the individuals would not be considered to have a SBI unless the spouse was one of the individuals that made up the partnership.

C(2) Example 2: If instead, each partnership is made up of six individuals with equal interest, then each would only have an 8.33 percent interest in the policyholder and although the partnership would still have a SBI in the insured/applicant, the individuals would not for the purposes of SBI reporting.

- C(3) **SBI information must be provided by the applicable SCD** for new applications and for carryover insureds. SBI information collected must be provided to an assuming AIP for any policy that is transferred.
- C(4) **For both new applications and carryover policies,** the following requirements apply:
- (4)(a) If the SSN, EIN, or identification number is incorrect, corrections must be provided by the ARD. Errors (e.g., a processing or keying error) made by the AIP may be corrected after the ARD, penalties may apply.
- (4)(b) If an eligible person with a SBI is not reported, the policy is reduced by the SBI's interest in the insured.
- (4)(c) If an ineligible person with a SBI is not reported, the policy is void, not just reduced. No indemnity, prevented planting payment or replanting payment will be owed for any crop. If any such payment was received, it must be repaid.
- (4)(d) If an ineligible person's SSN, EIN, or identification number with a SBI is included on the application, the policy will not be void but reduced by the SBI's interest in the insured.
- (4)(e) If the insured includes an ineligible person's SSN, EIN, or identification number on their application, and does not include the ineligible person's share on the acreage report, the policy will not be void but reduced by the SBI's interest in the insured.

2 **INDIVIDUAL ENTITIES**

Policies written as an individual entity require a SSN or, when applicable, an EIN. When an EIN is applicable, the insured must be listed as a person with a SBI and his or her SSN provided.

2A **Individual Entities: Individuals**

- A(1) **The applicant must be competent**, of legal age (18 years of age or older) and capable to enter into a binding contract, and have the authority to fulfill the requirements of the contract. [If the applicant is less than 18 years old, see Par. D of this Sec.]
- A(2) **The applicant incurs debt** (if any) related to production, stores or markets in his or her name and receives proceeds.
- A(3) **The application covers only the individual's share**, including the individual's share as a co-owner, joint operator, or partner, provided the co-ownership, joint operation, or partnership is not insured separately. [See Par. 3 for Landlord/Tenant requirements.]
- A(4) **When more than one member** of a family in the same household applies for insurance, or the applicant resides in the household of an insured, applicants must provide evidence on a signed statement indicating separate insurable shares. Not applicable in most cases to spouses [see Par. 2G].

2B Individual Entity: An Individual Operating as a Company/Small Business

The guidelines for an individual operating as a company are identical to those for an individual. The application must be signed by the owner or authorized representative of the company. A statement from the company listing the authorized representative must be maintained in the insured's file folder. A company for this purpose is not a corporation.

2C Individual Entity: Joint and Survivor Interests

"Joint and Survivor Interests" are applicable in "community property" states in which a husband and wife have joint and survivor interest in insurable acreage, and in states where such an interest may be created by deed. In such states, the application is completed in the name of the joint and survivor interest (e.g., "John W. Doe, James C. Smith"). All persons with an SBI in the insured entity must be listed and the SSN/EIN of each SBI provided.

- C(1)** Both parties must sign the application. Exceptions: husband and wife, or when a statement is prepared and signed by both parties showing the authority of either to act as agent for the other for crop insurance purposes.
- C(2)** If either party dies, the contract continues, but a successor-in-interest application must be obtained. [For additional instructions concerning the effective crop year for which the successor-in-interest application must be prepared, see Sec. 4, Par. C(8).]

2D Individual Entity: Minors or Mental Incompetents

- D(1)** A minor must provide evidence that an insurable share exists, and a court-appointed guardian or a parent must co-sign the application. (CAT→ A minor who is competent or capable of entering into a binding contract may insure a crop at the CAT level without a co-signer←CAT.)
- D(2)** A mental incompetent may be insured ONLY if a court-appointed guardian signs the documents.
- D(3)** A written statement describing the farming operation and the insurable share must be provided and maintained in the insured's file folder in the service office.
- D(4)** When the minor becomes capable of entering into a binding contract or when incompetency is dissolved, a successor-in-interest application is required. [For instructions concerning the effective crop year for which the successor-in-interest application must be prepared, see Sec. 4, C(8).]
- D(5)** When a parent or court-appointed guardian co-signs the application, it must contain a statement guaranteeing payment of the annual premium.

2E (CAT→Individual Entity: Undivided Interests

Landowners with an undivided interest in land may insure crops on such land under one policy subject to ALL of the following conditions:

- E(1)** The policy covers only insured crop(s) grown on land with an undivided interest. None of the landowners may have other land on which CAT is required.
- E(2)** The total liability for each crop insured under an undivided interest policy must not exceed \$2500.

E(3) The landowner designated as the named insured is responsible for:

- (3)(a) Furnishing proof that an undivided interest in the land exists to the Insurance Provider;
- (3)(b) Furnishing an agreement signed by all parties authorizing insurance under one policy and designating landowner responsible for fulfilling all contractual requirements (e.g., file acreage reports, provide APH production reports, give notice of damage etc.) to the Insurance Provider;
- (3)(c) Furnishing names and the SSN/EIN of all landowners to the Insurance Provider;
- (3)(d) Applying for insurance and paying any applicable administrative fee(s) to the Insurance Provider; and
- (3)(e) Distributing any indemnity payments (made to the named insured under his/her SSN/EIN number) to other producers sharing in the crop.

E(4) All landowners must be listed as an SBI without regard to their actual interest in the land. ←CAT)

2F Individual Entity: Competent Individuals Represented by Appointees

If the application is signed by someone other than the individual entity, a Power of Attorney giving that person authority to sign must be maintained in the insured's file folder. The Power of Attorney must be legally executed [See Section 4 Par. F (5)].

2G Individual Entity: Spousal/Married Individual

If an insured is married, his/her spouse is considered to receive a benefit from the farming operation and therefore presumed to have a 50 percent share of the spousal entity/married individual and a SBI for crop insurance program reporting purposes **unless they are legally separated or separate under state law**. SBI information (including the spouse's SSN) must be provided by the applicable sales closing date. Information collected for the spouse under this provision must be provided to an assuming company for any policy that is transferred.

SSN/EIN for spouses must be reported for married individuals. The spouse's share will be presumed to be 50 percent in the entity.

G(1) Only one contract is allowed when the insurable share is owned by husband and wife even if:

- (1)(a) FSA recognizes a married couple who shares in the same farming operation as two "persons" for the purpose of farm program limitations and requires only one contract to participate in FSA programs to be signed by the married couple. Such married couples are considered to be a spousal entity/**married individual** for crop insurance purposes.

- (1)(b) They are sole owners of land and farm as landlords, owner-operators, or as tenants independently of their spouses. For example, if a wife separately owns land which is operated and managed by the husband as head of a family farming enterprise, only one policy is allowed for the family operation and share. This is also true if such land is all or part of the land farmed by the husband as owner-operator with the proceeds deposited in either the husband's bank account or a joint bank account. In such instances, only one application in the husband's name, wife's name, or both names as co-owners is required or allowed, and either spouse may sign the insurance documents.

G(2) **Separate policies for spouses** are allowed only when the spouses are legally separated or separate under state law.

3 **LANDLORD/TENANT**

Any person (individual, spousal/married individual, partnership, corporation, etc.) may insure a landlord's and/or tenant's share(s). The application must clearly state the tenant will insure the landlord's share or landlord will insure the tenant's share; otherwise, the landlord or tenant must have separate contracts. Evidence of the other party's approval (lease, power of attorney, etc.) must be provided to the Insurance Provider and placed in the insured's file. The landlord(s) or tenant(s) insured by a person must be listed as an SBI on the entity's application **even if their share is less than 10%**. Additionally, the percentage shares of all persons must be shown in the remarks section of the acreage report or documented and attached to the acreage report. If a person is sharing with multiple landlords/tenants, only one application/contract is allowed per person. [See Sec. 4 C(1)(b).]

4 **PARTNERSHIPS**

A partnership is a written or oral contract between two or more persons. The essential element of a partnership which distinguishes it from other forms of joint ventures is that each partner has authority to enter into contracts and bind all other members to such contracts. The Partnership entity type includes General Partnerships, Limited Partnerships and Limited Liability Partnerships. An EIN is required for entities that are insured as a partnership. All persons with an SBI in the partnership must be listed and the SSN/EIN of each SBI provided with at least two SBIs provided.

4A **The death, declaration of incompetence, or withdrawal of a partner** terminates the partnership, unless a written partnership agreement provides otherwise. **If such event occurs after coverage begins for any crop year, the policy will continue in force through the crop year and terminate at the end of the insurance period. Any indemnity will be paid to the person or persons determined to be beneficially entitled to the indemnity.**

4B **Crops to be insured under the partnership** are those in which the partnership has a share and require only one application.

4C **If the entire share of the partnership** is not to be insured, an application to cover the share of an individual holding an interest in the partnership may be obtained. This application also covers any other individual interest the applicant may have.

4D **If at least two or more persons** do not have a SBI in the partnership, documentation must be obtained from the insured verifying a single SBI. [See Appendix III for instructions to process partnerships without at least two SBIs.]

5 **JOINT OPERATIONS/JOINT VENTURES/CO-OWNERSHIP**

An entity composed of two or more parties who engage in a farming operation jointly; pool their resources; contribute land, labor, or machinery; share in expenses; and at the end of the year, divide the profits according to their interests. No person is authorized to bind any other person in any business transaction (as is possible under a partnership).

5A **The application must be signed** by all parties or by the authorized representative. If an authorized representative signs, an agreement must be executed by co-owners or joint operators giving the representative authority to sign and maintained in the insured's file folder.

5B **If the entire share of the joint operation/joint venture/co-ownership** is not to be insured, an individual application may be obtained to cover the individual share of a co-owner or joint operator and any other individual interest the applicant may have.

5C **Death or withdrawal** of one of the parties terminates the insurable interest at the end of the crop year. If such event occurs after coverage begins for any crop year, the policy will continue in force through the crop year and terminate at the end of the insurance period. Any indemnity will be paid to the person or persons determined to be beneficially entitled to the indemnity if a transfer of right to indemnity is not completed.

5D **A SSN or EIN** is required for joint operations/joint ventures/co-ownership. All persons with an SBI in the entity must be listed and the SSN/EIN of each SBI provided. At least two SBIs must be provided if an EIN is used for the joint operation/joint venture/co-ownership ID. If a member's SSN/EIN is used for the joint operation/joint venture/co-ownership ID, at least one SSN/EIN of a member must be provided.

5E **If the SBI requirements in 5D are not met,** documentation must be obtained from the insured verifying a single SBI. [See Appendix III for instructions to process partnerships without at least two SBIs.]

6 **CORPORATIONS**

A corporation is a legal entity created and operating under state laws of incorporation. The corporation may insure its share as landlord, owner-operator, operator, or tenant.

6A **An application** must be signed by a person authorized to enter into contracts.

6B **A statement** must be provided to the Insurance Provider stating where the articles of incorporation/organization are on file.

6C **An EIN/SSN is required** for entities that are insured as corporations. All persons/entities with a SBI in the entity must be listed and the SSN/EIN of each SBI provided. [See Par. 1C]

6D **If at least one person** does not have a SBI in the corporation, documentation must be obtained from the insured verifying there is not a SBI.

6E **Changing officers or stockholders** does not affect continuity of the policy.

Limited Liability Companies (LLCs) are considered to be an entity type of Corporation for crop insurance purposes. Refer to the LLC's operating agreement to determine if changing members affect the continuity of the LLC and therefore the continuity of the policy.

7 **ESTATES**

The application covers the share owned by an estate and must be signed by the authorized court-appointed officer or executor. An SSN or EIN is required for estates.

7A **Upon settlement of the estate** and the discharge of the court-appointed officer, the contract is canceled and a new application is required to maintain insurance protection.

7B **Removal or discharge** of a court-appointed officer and appointment of another does not terminate the contract.

8 **TRUSTS**

The application covers the trust's interest, not the beneficiaries' interest. The application must be signed by the administrator or trustee appointed to administer the business affairs of the trust. An SSN or EIN is required for trusts.

8A **Irrevocable trusts** require an EIN and/or SSN.

8B **Revocable trusts** are processed using the same guidelines as individual entities. (e.g., If operating as an individual and a revocable trust, the revocable trust's interest would be covered by the individual policy. If both spouses have a revocable trust, the trusts would be covered under the spousal/married individual policy.) A SSN or EIN is required for trusts. The grantor of a revocable trust has a SBI in the trust.

8C **Trusts administered by The Bureau of Indian Affairs.** Native American land is frequently held in trust by the Bureau of Indian Affairs (BIA) or Tribal governing body and leased to operators. Native American land held under trust is processed in the same manner as land held in an irrevocable trust. The name of the trust is the named insured. Often BIA trusts are referred to as allotments, identified by an allotment number (i.e., BIA Allotment Number 0006). A separate policy is required for each allotment with different individual owners. Linkage for certain USDA farm program benefits for individual Native Americans who own parcels of an allotment are established by that trust.

If the trust agreement provides that operators of leased land purchase crop insurance, a power of attorney will be executed by the BIA granting the operator the authority to purchase crop insurance on behalf of the trust.

If the BIA trust does not have an EIN, a nine-digit number may be established as follows: the first two digits identify the state, the next three the county, and the last four the allotment number.

9 **OTHER ENTITIES**

The following entities are generally assigned an EIN for tax purposes

9A **Receiver or Liquidator.** Receivers or liquidators may insure crops under their administration. The application must be signed by the person authorized by the court to administer business of the receivership.

9B **Public Agencies.** State, county, or municipal offices may insure their share. The application must be signed by the person having authority to enter into a contract for the entity.

(B)(1) **State-owned entity** may insure their share. The application must be signed by the person having authority to enter into a contract for the entity.

(B)(2) **County-owned entity** may insure their share. The application must be signed by the person having authority to enter into a contract for the entity.

(B)(3) **City-owned entity** may insure their share. The application must be signed by the person having authority to enter into a contract for the entity.

(B)(4) **Public schools** may insure their share. The application must be signed by the person having authority to enter into a contract for the entity.

9C **Association, Clubs, Private Schools and/or Tax-Exempt Organizations.** To act as a representative for any principal, an entity (individual, etc.) must provide evidence of authority (preferably a power of attorney) or a signed statement indicating where such authority can be verified. If authority is by verbal agreement, a statement is required from the principal for verification. The signature of the person having authority to enter into a binding contract for the entity is required.

10 ENTITIES AND DOCUMENTATION

| ENTITY | APPLICATION | SIGNATURE(S) REQUIRED | DOCUMENTATION NEEDED | ID NUMBER |
|--|--|---|--|--|
| INDIVIDUAL | John C. Doe | John C. Doe | None | Individual EIN or SSN <u>1</u> |
| INDIVIDUAL | Northam Land Company c/o James T. Anderson | Northam Land Company By James T. Anderson, Sole Owner | None | EIN or SSN of The Owner <u>1</u> |
| INDIVIDUAL (Female) | Anna M. Smith (Not Mrs. John C. Smith) | Anna M. Smith (Not Mrs. John C. Smith) | None | EIN or SSN of Individual <u>1</u> |
| INDIVIDUAL (Joint & Survivor & Interest) | John W. Doe or Mary C. Doe | (Both must sign) John W. Doe Mary C. Doe | If they are not spouses, statements signed by both parties showing authority of one to act for the other | EIN or SSN of Individual <u>1</u> |
| INDIVIDUAL (Minor, Natural Guardian) | John Doe, (minor) by Fred Doe, Guardian | Fred Doe, Guardian for John Doe, and John Doe | Statement signed by minor and guardian showing qualifications as separate entity | EIN or SSN of Minor <u>1</u> |
| INDIVIDUAL (Minor Unable To Enter Into Contracts or Incompetent with Court-Appointed Guardian) | Frank W. Doe c/o John H. Doe, Guardian | John H. Doe Guardian for Frank W. Doe, | Statements signed by court-appointed guardian showing where court decree can be verified | EIN or SSN of Minor or Incompetent <u>1</u> |
| INDIVIDUAL (Authorized Signature) | John C. Doe c/o Richard C. Roe, Authorized Representative | John C. Doe By Richard C. Roe, Under Power of Attorney | Power of Attorney | Individual EIN or SSN of insured <u>1</u> |
| INDIVIDUAL (Undivided Interest) | John C. Doe | John C. Doe | Copy of agreement designating responsible person | Named Insured EIN or SSN <u>2</u> |
| INDIVIDUAL (SPOUSAL) | John C. Doe | John C. Doe | None | Individual EIN or SSN <u>1</u> and <u>3</u> |
| ENTITY INSURING A LANDLORD'S OR TENANT'S SHARE | John C. Doe | John C. Doe | None | Individual EIN or SSN <u>1</u> , <u>2</u> , <u>3</u> or <u>4</u> |
| JOINT VENTURES | James L. Smith and John A. Brown, Joint Venture | (All must sign) James L. Smith John A. Brown | None if all sign, or Power of Attorney authorizing signature | Joint Interest EIN or SSN's <u>2</u> |
| JOINT OPERATORS | James L. Smith and John A. Brown, Joint Operators | | | |
| CO-OWNERS | James L. Smith and John A. Brown, Co-Owners | | | |

1 If EIN, individual MUST be listed as SBI and SSN provided.

2 All ENTITIES/PERSONS insured must be listed as SBI and EIN or SSN provided.

3 SSN of spouse must be listed as a SBI.

4 SSN/EIN of any individual/entity with a SBI.

| ENTITY | APPLICATION | SIGNATURE(S) REQUIRED | DOCUMENTATION NEEDED | ID NUMBER |
|------------------------------------|---|---|---|---|
| PARTNERSHIP (Written or Oral) | Jones and Smith, A Partnership c/o Sam Jones | Jones and Smith, A Partnership By Sam Jones, A Partner | Statement signed by all partners certifying they are members of the partnership or copy of written partnership agreement signed by all partners | Partnership EIN <u>4</u> |
| CORPORATION (with stockholders) | ABC Company, Inc. c/o Richard Roe, (Title) First National Bank of Dallas c/o John H. Doe, (Title) | ABC Company, Inc. By Richard Roe, (Title) First National Bank of Dallas By John H. Doe, (Title) | Statement where articles of incorporation/organizati on are on file. Application must be signed by authorized person. | EIN For the Corporation <u>4</u> |
| ESTATE | Estate of Richard Roe, Deceased, c/o John H. Doe, Executor (or Administrator) | Estate of Richard Roe, Deceased, by John H. Doe Executor (or Administrator) | Statement advising where authority can be found | Estate EIN or Deceased SSN or EIN |
| TRUST | John H. Doe Trust, c/o Richard Roe, Trustee or Administrator | John H. Doe, Trust by Richard Roe, Trustee or Administrator | Statement advising where authority can be found | EIN for Trust Or SSN Reported for the Trust <u>4</u> and <u>3</u> if applicable |
| | Jones, Brown, Smith c/o Richard Roe, Trustee | Jones, Brown, Smith By Richard Roe, Trustee | | EIN of Trust or SSN Reported for the Trust <u>3</u> (if applicable) and <u>4</u> |
| TRUST - IRREVOCABLE | Ralph R. Doe, Trust, c/o Richard Roe , Trustee or Administrator | Ralph R. Doe Trust, c/o Richard Roe, Trustee or Administrator | Statement advising where authority can be found | EIN for Trust or SSN Reported for the Trust <u>4</u> |
| TRUST - REVOCABLE | John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator | John H. Doe, Trust, c/o Richard Roe, Trustee or Administrator | Statement advising where authority can be found | EIN for Trust or SSN Reported for the Trust <u>3</u> (if applicable) and <u>4</u> . SSN of Grantor <u>4</u> |
| TRUST - BIA | (Name of Trust) BIA Trust 0016 | BIA Trust 0016 by John Doe Trustee or Power of Attorney | Statement advising where authority can be found | State County BIA# Example: 01 201 0016 |
| RECEIVER OR LIQUIDATOR | XYZ Company c/o John H. Doe, Receiver (or Liquidator) | XYZ Company By John H. Doe, Receiver or Liquidator & Court- Appointed | Statement advising where authority can be found | EIN of Named Insured or Correspondent's EIN |

- 1 If EIN, individual MUST be listed as SBI and SSN provided.
- 2 All ENTITIES/PERSONS insured must be listed as SBI and EIN or SSN provided.
- 3 SSN of spouse must be listed as a SBI.
- 4 SSN/EIN of any person with a SBI.

| ENTITY | APPLICATION | SIGNATURE(S) REQUIRED | DOCUMENTATION NEEDED | ID NUMBER |
|---|--|---|---|--------------------------|
| PUBLIC AGENCY State-owned entity | State of Ohio, Board of Aeronautics, c/o John H. Doe, Director | State of Ohio, Board of Aeronautics, By John H. Doe, Director (Other Authorized Title Acceptable) | Statement advising where authority can be found | EIN |
| PUBLIC AGENCY County-owned entity | Brown County Farms c/o Richard R. Roe Farm Manager | Brown County Farms By Richard R. Roe, Farm Manager (Other Authorized Title Acceptable) | Statement advising where authority can be found | EIN |
| PUBLIC AGENCY City-owned entity | Fairtown Farms c/o I.M. Boss, City Mgr. | Fairtown Farms By I.M. Boss, City Mgr. (Other Authorized Title Acceptable) | Statement advising where authority can be found | EIN |
| PUBLIC AGENCY Public School -owned entity | USD #123, c/o Superintendent Bob Jones | USD #123 Farms By Superintendent Bob Jones (Other Authorized Title Acceptable) | Statement advising where authority can be found | EIN |
| ASSOCIATION, CLUBS, PRIVATE SCHOOLS, TAX-EXEMPT ORGANIZATIONS | Park and Recreation Association c/o John H. Doe, Treasurer | Park and Recreation Association By John H. Doe, Treasurer | Statement advising where authority can be found | EIN for the Organization |

- 1 If EIN, individual MUST be listed as SBI and SSN provided.
- 2 All ENTITIES/PERSONS insured must be listed as SBI and EIN or SSN provided.
- 3 SSN of spouse must be listed as a SBI.
- 4 SSN/EIN of any individual/entity with a SBI.

IRRIGATED PRACTICE GUIDELINES**1 IRR. PRACTICE GUIDELINES FOR PLANTED OR PERENNIAL CROP ACREAGE**

The following guidelines are provided to enable insureds to properly report planted or perennial crop acreage to be insured under the irrigated practice in order to receive maximum protection under their crop insurance contract. It is very important that these guidelines be utilized to document whether, at the time insurance attaches, there is a REASONABLE EXPECTATION of receiving adequate water to carry out a good irrigation practice for the acreage reported under the irrigated practice.

1A Definitions. The following definitions are provided to facilitate a uniform understanding of the standards and guidelines for the irrigated practice for planted or perennial crop acreage.

A(1) **Acreage Insurable under the Irrigated Practice.** Insurable acreage for which the insured can demonstrate, to the insurer's satisfaction, that adequate facilities and water existed, at the time insurance attached*, to carry out a good irrigation practice for the insured crop.

* The insured is responsible for demonstrating that, at the time insurance attached, there was a REASONABLE EXPECTATION of receiving adequate water to carry out a good irrigation practice on acreage insured under the irrigated practice.

A(2) **Reasonable Expectation,** at the Time Coverage Begins, of Receiving Adequate Water to Carry Out a Good Irrigation Practice. If the insured knew or had reason to know that the amount of his/her irrigation water may be reduced before coverage begins, no reasonable expectation exists.

A(3) **Adequacy of Water.** The determination of the adequacy of water will be based upon: (a) the water available (at the time insurance attaches) from the irrigation water supply, soil moisture levels, and, as applicable, snow pack storage levels; AND (b) supplementary precipitation which would normally be received, after insurance attaches, during the period that a good irrigation practice is normally carried out. Consideration will also be given to the factors identified in [subparagraph B(5)] below, including the legal entitlement or rights to water.

A(4) **Good Irrigation Practice.** Application of adequate water in an acceptable manner, at the proper times to allow production of a normal crop which is often identified as the approved Actual Production History (APH) yield for crops under APH.

A(5) **Irrigation Water Supply.** The water source and means for supplying irrigation water, without regard to the equipment or facilities. This includes the water source AND dams, canals, ditches, pipelines, etc., which contain the water for movement from the source to the acreage and (a) are not under the control of the insured, or (b) routinely deliver water to acreage in addition to that which is owned or operated by the insured. It DOES NOT INCLUDE any irrigation equipment or facilities.

A(6) **Irrigation Equipment and Facilities.** The physical resources, other than water, used to regulate the flow of water from a water source to the acreage. This includes pumps, valves, sprinkler heads, and other control devices. It also includes pipes or pipelines which (1) are under the control of the insured or (2) routinely deliver water only to acreage which is owned or operated by the insured. A center pivot system is considered irrigation equipment and facilities.

- A(7) **Adequacy of Irrigation Facilities.** Irrigation facilities are considered adequate if it is determined that, at the time insurance attaches to planted or perennial acreage, they will be available and usable at the times needed and have the capacity to timely deliver water in sufficient quantities to carry out a good irrigation practice for the acreage insured under the irrigated practice.
- A(8) **Water Source.** The source from which water is made available. This includes wells, lakes, reservoirs, streams, aquifers, etc.

1B Reporting Requirements under Irrigated Practice

- B(1) **Failure of acreage** to qualify for insurance under the irrigated practice will result in such acreage being insured under a practice other than irrigated. If no other appropriate practice is available for the acreage, insurance will not be considered to have attached on the acreage.
- B(2) **Failure to carry out a GOOD IRRIGATION PRACTICE** on acreage properly insured under the irrigated practice will result in an appraisal for uninsured causes against such acreage, unless the failure was caused by unavoidable failure of the irrigation water supply after insurance attached. If a loss is evident, acreage reported as an irrigated practice that qualified as an irrigated practice at the time insurance attached cannot be revised to a non-irrigated practice after the acreage reporting date even if liability stays the same or decreases, even if the insured never applied any water.
- B(3) **For loss purposes**, insureds are required to keep their production records separate for acreage insured under the irrigated practice, acreage insured under a practice other than irrigated (or with no practice applicable), and uninsured acreage.
- B(4) **Insureds are expected to be prepared** to provide documentation of the factors which were considered in reporting acreage to be insured under the irrigated practice.

- B(5) **Factors to consider in determining planted or perennial crop acreage** to be reported and insured under an irrigated practice include, but are not limited to:
- (5)(a) Water source history, trends, and forecasting reliability;
 - (5)(b) Supplemental water supply availability and usage (including return flow);
 - (5)(c) Pumping plant efficiency and capacity;
 - (5)(d) Water distribution uniformity and flexibility of the system or district;
 - (5)(e) Water requirements (amount and timing) of all crops to be irrigated;
 - (5)(f) Water rights (primary, secondary, urban versus agricultural use, etc.);
 - (5)(g) Contingency plans available to handle water shortages;
 - (5)(h) Acres to be irrigated, amount of water to be applied, and expected yield;
 - (5)(i) Ownership of water (state or federal versus landowner);
 - (5)(j) Use of meters and other measuring devices or methods;
 - (5)(k) Soil types, soil moisture levels, and pre-plant irrigation needs;
 - (5)(l) Water conserving methods, devices, and plans utilized;
 - (5)(m) Past crop planting history, trends, and recommended local practices;
 - (5)(n) Prudent activities and practices utilized by non-insured producers;
 - (5)(o) Irrigation water supply (both quantity and quality) and facilities;
 - (5)(p) Recommendations from local County Extension Service (CES) or National Resource Conservation Service (NRCS), and other source recognized by CES or NRCS to be an expert in this area) regarding irrigation and crop production; and
 - (5)(q) Information the insured knew (or should have known), and when the insured knew (or should have known) such information.

The AIP will use the above, and any other appropriate factors necessary, to verify whether acreage was properly reported under the irrigated practice. Insureds who need assistance in determining the proper acreage to report for insurance under an irrigated practice should contact their crop insurance agent for information and assistance.

1C **Irrigation Practice Guidelines for Prevented Planting Coverage** Under the prevented planting provisions in the BP and applicable CP, insureds may be able to receive a prevented planting payment for acreage historically grown under an irrigated practice if there is not a reasonable expectation of having adequate water (due to an insured cause of loss occurring in the prevented planting insurance period) on the final planting date (or within the late planting period if the insured elects to try to plant the crop) to carry out an irrigated practice, provided all other prevented planting provisions have been met.

C(1) Additional Definitions

(1)(a) **Reasonable Expectation (Probability)**. If the insured knew or had reason to know that his/her water may be reduced or cut off during the irrigation season by the time frames stated above, then no reasonable expectation exists.

(1)(b) **Irrigation Water Supply**. [See Par. 1A(5) of this Exhibit for definitions].

(1)(c) **Water Source**. (See Par. 1A(8) of this Exhibit for definition).

C(2) Prevented planting payments may be allowed when an insured peril that occurs on or after the applicable SCD [see below] causes failure of the irrigation supply, and all other requirements for prevented planting have been met.

(2)(a) **For carryover insureds**, the SCD for the previous crop year.

(2)(b) **For new insureds**, the SCD for the current crop year.

C(3) Acreage historically grown under an irrigated practice for which the insured had no reasonable expectation of having adequate irrigation water by the final planting date (or within the late planting period, if applicable), may be eligible for an irrigated prevented planting payment even if the acreage could have been planted with a non-irrigated practice and the producer elects not to plant.

C(4) Insureds are expected to be prepared to provide documentation of the factors which were considered in reporting that there was no reasonable expectation of receiving adequate irrigation water for the acreage reported as prevented planting under an irrigated practice.

RMA RO DETERMINED YIELD REQUEST

| | |
|--|---|
| Agency or Service Office Name & Address | Servicing Office Name & Address |
| | |
| | |
| Agent Code: | Company RO Code: |
| E-mail Address: | E-mail Address: |
| Phone: | Phone: |
| 1. Producer Name (as shown on the application): | 2. State County |
| | 3. Policy Number: |
| Address: | 4. Social Security/Tax Id Number: |
| | 5. Producer is: Landlord <input type="checkbox"/> Operator <input type="checkbox"/> Owner/Operator <input type="checkbox"/> |

(City) (State) (Zip Code)

6. Provide the following information for the request.

| Land Desc. (1/4 Sec) | TWP | Range | Crop Name | Unit No. | Whole Acres | Plant Date | FSA Farm/Tract CLU/Field Numbers | Practice | Type/ Class/ Variety | Ins. Share | Name of other person(s) sharing in crop (print) |
|-------------------------|-----|-------|-----------|----------|-------------|------------|-------------------------------------|----------|----------------------------|------------|--|
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7. Reason for RO Yield Request:

| | | | |
|---|--|---|---|
| Master Yield <input type="checkbox"/> | Change in Cultural Practices/Productivity <input type="checkbox"/> | Minimum Production Requirement <input type="checkbox"/> | Change in Entity/Land <input type="checkbox"/> |
| Underage Crop <input type="checkbox"/> | Yield Variance <input type="checkbox"/> | New Producer and Variable T-Yield Exceptions <input type="checkbox"/> | Revised or Corrected APH <input type="checkbox"/> |
| Higher Yield Request <input type="checkbox"/> | Downward Yield Trend <input type="checkbox"/> | Organic <input type="checkbox"/> | Other <input type="checkbox"/> |

8. Explain reason(s) for RO determined yield request:

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CONTINUED ON REVERSE SIDE

RMA RO Determined Yield Request (Reverse Side)

9. Submission Checklist (check all that apply):

| Documents | Included |
|--|--------------------------|
| Application/ Policy Declaration Page | <input type="checkbox"/> |
| Current Updated APH (Production & Yield Report) for unit(s) | <input type="checkbox"/> |
| Copy of Records meeting RMA Provisions for the crop | <input type="checkbox"/> |
| Photos/Maps/Aerial Photos (with field boundaries highlighted) | <input type="checkbox"/> |
| *APH Block Production | <input type="checkbox"/> |
| *Weighted Average T-Yield Worksheet(s) | <input type="checkbox"/> |
| *Producers Pre-Acceptance Worksheet(s) | <input type="checkbox"/> |
| *Pre-Acceptance Perennial Crop Inspection Report and Addendum Sheets | <input type="checkbox"/> |
| Master Yield Summary APH | <input type="checkbox"/> |
| Other: | <input type="checkbox"/> |

***Category C Crops Only**

| | | | | |
|---|------|--|------|---|
| I hereby certify that to the best of my knowledge and belief the information contained herein and supporting documentation submitted for the designated crop on the above identified farm(s) is accurate and correct. | | I have reviewed the above information and to the best of my knowledge and belief it represents accurate information. | | I recommend that the requested be approved. |
| Signature of Producer | Date | Signature of Agent | Date | Signature of Company Representative |
| | | Print Agent Name | | Print Company Representative Name |

COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)

To the extent that the information requested herein relates to your individual capacity as opposed to your business capacity, the following statements are made in accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) and the Federal crop insurance regulations contained in 7 C.F.R. chapter IV.

Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in the Federal crop insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in you or your entity of 10 percent or more, as a policyholder within the systems maintained by the Federal Crop Insurance Corporation (FCIC). Furnishing the SSN or EIN is voluntary; however, failure to furnish that number will result in denial of program participation and benefits.

The balance of the information requested is necessary for the insurance company and RMA to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The information furnished on this form will be used by Federal agencies, RMA employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: RMA contract agencies, employees and loss adjusters; reinsured companies; other agencies within the United States Department of Agriculture; The Department of Treasury including the Internal Revenue Service; the Department of Justice, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response to judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit; ineligibility for insurance; and a unilateral determination of any monetary amounts due.

NONDISCRIMINATION STATEMENT

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, and Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

1 YIELD DETERMINATIONS FOR COMBINED OR DIVIDED PRACTICES, TYPES, VARIETIES (P/T/V), OR T-YIELD MAP AREAS

This procedure applies to both Category B and C crops when P/T/V or TMAs requiring separate APH yields change (are combined or divided) for the current crop year. The procedure must be applied for each P/T/V/TMA by unit. For the current crop year and subsequent crop years, insureds must file production reports according to the applicable P/T/V/TMA. The initial year P/T/V/TMA databases are combined or divided: **1) cups do not apply; 2) any existing SA T-Yields still needed to complete the databases are recalculated based upon the resulting P/T/V/TMAs [See Ex. 36].** If practice and type change on the crop for the same crop year (i.e., Winter and Spring Wheat types; Summerfallow Practice, Continuous Cropping Practice, General Practice, etc.), types should be combined/divided prior to combining/dividing practices.

For the purposes of reporting or re-designating grade quality percentages which are utilized by a crop's quality endorsement, (e.g., apples, potatoes, etc.), references to "production" shall be applicable since these percentages are determined from measured production at a specific grade compared to the corresponding total production. [See Example 5.]

1A Combining APH Databases [See Exhibit 15 for combining or dividing exceptions/restrictions.]

When more than one P/T/V/TMA requiring separate APH yields has been combined into a P/T/V (e.g., continuous and summerfallow into a non-irrigated practice) or TMA requiring a separate APH yield, use the following instructions.

A(1) **If a single database** (one P/T/V or TMA reported) CONTAINS ACTUAL OR ASSIGNED YIELD(S), use the following procedure. [See Example 1].

- Step 1** Complete the most recent year (**2005** for most crops) in the database by using the current production report(s) filed for the most recent APH crop year. For carryover insureds, if acceptable production report(s) are not filed for the previous (policy) year and insurable acreage was planted, use the assigned yield. Zero-planted acres are used to indicate that continuity of records is maintained.
- Step 2** Retain all actual and assigned yields and acres.
- Step 3** Remove T-Yields in the database and if less than 4 years of actual and/or assigned yields, enter the applicable variable T-Yield (by P/T/V/TMA) to establish a 4-year database. If a T-Yield is not established, an RMA RO Determined Yield will be necessary.
- Step 4** Calculate the approved APH yield using the applicable Category B or C procedure.

A(2) **If more than one database** (more than one P/T/V/TMA was reported which has been combined into a single APH yield) CONTAINS ACTUAL AND/OR ASSIGNED YIELDS, use this procedure [see Example 2].

- Step 1** Complete the most recent crop year (**2005** for most crops) in the database by using the current production reports filed for the previous (policy) year. If separate production reports are filed according to the previous (policy) year's requirements (more than one P/T/V/TMA), combine the acres and production from the separate production reports. For carryover insureds, if acceptable production report(s) are not filed for the previous (policy) year and insurable acreage was planted, use the assigned yield. If insurable acreage was planted on more than one P/T/V/TMA, use a simple average of the prior approved APH yields for the applicable P/T/V/TMAs times .75. If separate production reports are

filed according to the previous (policy) year's requirements (more than one P/T/V/TMA): 1) combine the acres and production into the applicable P/T/V/TMA [See instructions for A.2. Step 2]; 2) if zero planted, enter "Z" in the yield column when sufficient space exists in the database.

- Step 2** Combine the total production (Col. 16) and actual acres (Col. 17) for each APH crop year (for the yields that are being combined). For APH crop years with assigned yields, multiply the planted acres times the assigned yield to establish a production amount and handle in the same manner as a year with actual yields. Divide the combined production by the combined acres for corresponding crop years. Next, enter the combined total production, acres and average yields in the current crop year's database. For crop years in which no acres have been planted, enter "Z" in the yield column if sufficient space exists in the database. Zero-planted acres are used to indicate that continuity of records is maintained for the P/T/V/TMAs being combined.
- Step 3** If less than 4 years of actual and assigned yields for the crop, enter the applicable variable T-Yield (by P/T/V/TMA) in the yield column (Col. 18) to establish a 4-year database. If no T-Yield established, an RMA RO Determined Yield is necessary. [See Exhibit 34 for RMA RO Determined Yield Request.] **If SA T-Yields were applicable in the prior year and there are less than 4 years of actual and assigned yields for the database, recalculate the SA T-Yields using the simple average of approved yields for all APH databases by P/T/V/TMA [See Ex. 36] and enter the recalculated SA T-Yield in the yield column (Col. 18) to establish a 4-year database.**
- Step 4** Calculate the approved APH yield using the applicable Category B or C current procedure.

1B Dividing APH Databases

When a P/T/V or TMA that required a separate APH Yield [See TMA exception in Sec. 6, E(1)2] is divided into more than one P/T/V/TMA requiring separate APH yields (databases), the insured must establish production and acreage history according to the new actuarial structure as follows.

An existing APH database established for one P/T/V/TMA may not be duplicated to establish an APH database for a different P/T/V/TMA for those P/T/V/TMA that require separate APH yields (databases).

- B(1) **For the most recent APH crop year**, acceptable production report(s) MUST be filed according to P/T/V/TMAs requiring separate APH yields for the current crop year. If not:
- (1)(a) For carryover insureds, assigned yields will apply to databases with planted insurable acreage the for most recent APH crop year. For databases with no planted insurable acres, enter zero acres and a "Z" in the yield column (if sufficient space in the database) to indicate that continuity of records is maintained.
- (1)(b) For new insureds, follow standard APH procedures (actual records, variable T-Yields, etc.) for establishing separate databases according to P/T/V/TMAs applicable for the current crop year. [Refer to Sec. 6, E(2) and Sec. 9, C(3).]

- B(2) **Prior Production and Acreage History**. The insured must separate all prior production and acreage history according to the new actuarial structure using one of the following methods [(2)(a) thru (2)(c) below] in the order listed [see (2)(d) Example below]. Only one of the three methods below may be elected within a crop year for the crop/county and the selected method applies across all units by P/T/V/TMA for that crop year.
- (2)(a) **Actual record certification/re-certification** of separate production from known acres by P/T/V/TMA for the new actuarial structure [see B (3) below]. When types or varieties are separated and the production was not commingled but was reported together according to the previous actuarial structure, the acreage and production must be recertified separately (e.g., production is not commingled between grape varieties and the previous actuarial indicated several varieties of grapes insured under one group; for the current year one variety was removed from the group and made insurable as a separate type).
- (2)(b) **Apportion commingled production** by P/T/V/TMA if different T-Yields have been established for the new actuarial structure using acreage records provided by the insured. Use the commingled production worksheet [see B (4) below and Sec. 6, E for instructions]. If the T-Yields are the same, prorate the production to planted acres of the applicable P/T/V according to [Section 10C(3)(b)].
- (2)(c) **Attribute the acres and production** to the P/T/V/TMAs for the new actuarial structure that normally has in the highest yield (i.e., highest T-Yield or, if the T-Yields are the same, the highest yielding P/T/V designated by RMA) [see B (5) below].

Exception: On any unit for any year, if only one P/T/V/TMA was planted on the unit, that unit's actual acres and production may be re-certified without regard to instructions for apportioning or attributing the acreage and production for other units for that year. **Hard copy records of production previously reported will not be required for years outside the APH record retention period.** For example, in 2004 the producer had two units planted. On one unit both SF and CC practices were planted; on the second unit only CC acreage was planted and the producer may re-certify the CC acreage as actually planted (SF acreage will be re-certified as zero planted).

(2)(d) **Example:**

APH records are separated one year at a time from most current to least current (If method [a] is selected the producers must re-certify year by year until records are not available and then move to method [b], then to method [c]. Once a producer elects [b or c], he/she cannot go back to the prior method.

Crop years 2005 to 1997 are being separated for the 2006 crop year.

The insured certifies actual production and acreage records, by P/T/V/TMA for the 2005 crop year for the new actuarial structure. The insured uses actual production and acreage records to re-certify the 2004 APH records by the P/T/V/TMA for the new actuarial structure. Acceptable records are not available to re-certify other prior years.

The insured provides acreage records to apportion 2002 production (2001 and prior years may not be separated based on re-certified production and acres. Prior years may only be separated by apportioning or attributing. [See Exception above].)

The insured cannot apportion the 2001 crop year because separate acreage records are not available. The insured must then attribute 2001 and prior years' acres and production to the highest-ranking P/T/V or TMA. (Attributing is mandatory for 2000 and prior crop years. [See Exception above.])

B(3) **If production is certified/re-certified** to the P/T/V/TMAs requiring separate APH yields, follow standard APH procedures:

Step 1 Acceptable production report(s) MUST have been filed according to P/T/V/TMAs requiring separate APH yields for the current crop year. [Refer to Sec.6, E(2).] If acceptable production reports are not filed for carryover insureds, enter the assigned yield.

Step 2 Enter the certified/re-certified production, acres, actual yields, and assigned yields (for carryover insureds) into the database.

Step 3 If less than 4 years of acceptable records are available and other production history is not available that could be apportioned or attributed, enter the applicable variable T-Yield to establish a 4-year database. If no T-Yield has been established, an RMA RO Determined Yield is necessary. [See Exhibit 34 for RMA RO Determined Yield Request. (If SA T-Yields were applicable in the prior year and there are less than 4 years of actual and assigned yields for the database, recalculate the SA T-Yields using the simple average of approved yields for all APH databases by P/T/V/TMA [See Ex. 36] and enter the recalculated SA T-Yield in the yield column (Col. 18) to establish a 4-year database.)

Step 4 Calculate the approved APH yield according to applicable Category B or C procedure.

B(4) **If production is apportioned** to the P/T/V/TMAs requiring separate APH yields, the commingled production worksheet must be used. [See Example 3.]

Step 1 Acceptable production report(s) MUST have been filed according to P/T/V/TMAs requiring separate APH yields for the current crop year. [Refer to Sec.6, E(2).] If acceptable production reports are not filed for carryover insureds, enter the assigned yield.

Step 2 Enter the acres, apportioned production and yields, and assigned yields (for carryover insureds) in the database.

Step 3 If less than 4 years of acceptable records are available and other production history is not available that could be attributed, enter the applicable variable T-Yield to establish a 4-year database. If no T-Yield has been established, an RMA RO Determined Yield is necessary. [See Exhibit 34 for RMA RO Determined Yield Request.] (If SA T-Yields were applicable in the prior year and there are less than 4 years of actual and assigned yields for the database, recalculate the SA T-Yields using the simple average of approved yields for all APH databases by P/T/V/TMA [See Ex. 36] and enter the recalculated SA T-Yield in the yield column (Col. 18) to establish a 4-year database.)

Step 4 Calculate the approved APH yield according to applicable Category B or C procedure.

B(5) **If production is not certified/re-certified or apportioned** to the P/T/V/TMAs requiring separate APH yields, the acreage and production is **attributed** to the P/T/V/TMA that has the highest T-Yield (i.e., if the non-irrigated practice divided into summerfallow and continuous cropping, attribute the production to the summerfallow practice) or, if the T-Yields are the same, to the highest yielding P/T/V designated by RMA . [See Example 4.]

(5)(a) For the P/T/V/TMA with the highest T-Yield:

- Step 1** Acceptable production report(s) MUST have been filed according to P/T/V/TMAs requiring separate APH yields for the current crop year. [Refer to Sec.6, E(2).] If acceptable production reports are not filed for carryover insureds, enter the assigned yield.
- Step 2** Enter the production, acres, actual yields, and assigned yields (for carryover insureds) acres in the database.
- Step 3** If less than 4 years of acceptable records are available, enter the applicable variable T-Yield (by P/T/V/TMA) to establish the new 4-year database. If no T-Yield has been established, an RMA RO Determined Yield is necessary. [See Exhibit 34 for RMA RO Determined Yield Request.] **If SA T-Yields were applicable in the prior year and there are less than 4 years of actual and assigned yields for the database, recalculate the SA T-Yields using the simple average of approved yields for all APH databases by P/T/V/TMA [See Ex. 36] and enter the recalculated SA T-Yield in the yield column (Col. 18) to establish a 4-year database.**
- Step 4** Calculate the approved APH yield using applicable Category B or C procedure.

(5)(b) For the P/T/V/TMAs with lower T-Yields:

- Step 1** Acceptable production report(s) MUST have been filed according to P/T/V/TMAs requiring separate APH yields for the current crop year. [Refer to Sec. 6, E(2).] If acceptable production reports are not filed for carryover insureds, enter the assigned yield.
- Step 2** Divide the **lower** T-Yield published for each applicable P/T/V or TMA by the **highest** P/T/V/TMA T-Yield published to determine a percentage factor. For example, CC T-Yield of **32 (lower)** divided by the SF T-Yield of 40 (**highest**): $32/40 = .80$ (rounded to two places) or **80** percent.
- Step 3** Apply the percentage factor (by P/T/V/TMA) determined in Step 2 to the approved APH yield for the **highest** T-Yield P/T/V/TMA to determine a Determined Yield for the **lower** T-Yield P/T/V/TMAs. e.g., Summerfallow approved APH yield of **29** x **.80** = **23**. The Determined Yield will not exceed the **lower** T-Yield for each applicable P/T/V/TMA for any year acreage and production is attributed. The Determined Yield will be identified with a "F" Yield descriptor.
- Step 4** Calculate the approved APH yield following the applicable Category B or C procedure.

1C No Actual or Assigned Yields

If there are no actual or assigned yields in the databases being combined or divided:

- Step 1** Acceptable production report(s) MUST have been filed according to P/T/V/TMAs requiring separate APH yields for the current crop year. For carryover insureds, if acceptable production report(s) are not filed for the current crop year and insurable acreage was planted for the previous policy year, enter the assigned yield. For zero-planted, enter "Z" in the yield column if sufficient space exists in the database. Zero-planted acres are used to indicate that continuity of records is maintained. For new insureds, standard APH procedures (actual records, variable T-Yields, new producer, etc.) apply according to the applicable P/T/V/TMA for the current crop year.
- Step 2** Complete the 4-year database with the current variable T-Yield (by P/T/V/TMA). If no T-Yield has been established, an RMA RO Determined Yield will be necessary. [See Ex. 34 for RMA RO Determined Yield Request.]
- Step 3** Calculate the approved APH yield using applicable Category B or C procedure.

2 EXAMPLES

Example 1 and 2 illustrate establishing a database when NI Following Another Crop (FAC) and NI Not Following Another Crop (NFAC) have been combined into a non-irrigated (NI) practice. For this example the NIFAC database is converted to the new practice.

2A Example 1

For the previous (policy) year, a single database, FAC, contained actual or assigned yields. The current T-Yield for NI is 17.

| 2005 UNIT 00100 NI FAC | | | |
|-------------------------------|-------|-------|-------|
| YEAR | PROD. | ACRES | YIELD |
| 99 | | | |
| 00 | 2200 | 55.0 | A40 |
| 01 | | 0.0 | Z |
| 02 | | 40.5 | P12 |
| 03 | 2520 | 60.0 | A42 |
| 2004 | 1210 | 50.0 | A20 |

| 2006 UNIT 00100 NI | | | | |
|---------------------------|-------------|--------------|------------|---------------|
| YEAR | PROD. | ACRES | YIELD | Step |
| 99 | | | | Step 3 |
| 00 | 2200 | 55.0 | A40 | Step 2 |
| 01 | | 0.0 | Z | Step 2 |
| 02 | | 40.5 | P12 | Step 2 |
| 03 | 2520 | 60.0 | A42 | Step 2 |
| 04 | 1210 | 50.0 | A20 | Step 2 |
| 2005 | 5760 | 120.0 | A48 | Step 1 |
| | | Total | 162/5=32 | Step 4 |
| | | APH | 32 | |

2B Example 2

The following example illustrates combining non-irrigated (NI) Following Another Crop (FAC) and NI Not Following Another Crop (NFAC) databases containing actual yields into a single NI database. The databases below are considered the previous (policy) year's databases.

| 2005 | | UNIT | NI FAC | |
|-------------|-------|--------------|---------------|--|
| | | 00100 | | |
| YEAR | PROD. | ACRES | YIELD | |
| 00 | | | N13 | |
| 01 | | | N13 | |
| 02 | 1200 | 60.0 | A20 | |
| 03 | | 0.0 | Z | |
| 2004 | 880 | 40.0 | A22 | |

| 2005 | | UNIT | NI NFAC | |
|-------------|-------|--------------|----------------|--|
| | | 00100 | | |
| YEAR | PROD. | ACRES | YIELD | |
| 00 | | | | |
| 01 | | | T17 | |
| 02 | 2880 | 90.0 | A32 | |
| 03 | 1680 | 60.0 | A28 | |
| 2004 | 1920 | 80.0 | A24 | |

Step 1: The current production report (**2006**) indicates for the **2005** crop year: NI NFAC practice with 3000 bu. production, 100.0 actual acres and a 30 bu. average yield.

Step 2: Actual acres and production are combined.

| | | |
|-------------|---|--------------|
| Year | 4080 | 150.0 |
| 2002 | $(1200[\text{FAC}] + 2880[\text{NFAC}] / (60.0[\text{FAC}] + 90.0[\text{NFAC}]) = 27$ | 60.0 |
| 2003 | $(0[\text{FAC}] + 1680[\text{NFAC}] / (0.0[\text{FAC}] + 60.0[\text{NFAC}]) = 28$ | 120.0 |
| 2004 | $(880[\text{FAC}] + 1920[\text{NFAC}] / (40.0[\text{FAC}] + 80.0[\text{NFAC}]) = 23$ | |

2005 Non-Irrigated Database (00100)

| Step | YEAR | PROD. | ACRES | YIELD |
|---------------|-------------|-------------|--------------|------------|
| Step 2 | 02 | 4080 | 150.0 | A27 |
| Step 2 | 03 | 1680 | 60.0 | A28 |
| Step 2 | 04 | 2800 | 120.0 | A23 |
| Step 1 | 2005 | 3000 | 100.0 | A30 |
| Step 3 | | | Total | 108/4=27 |
| | | | APH | 27 |

2C Example 3

In this example the non-irrigated yield has been divided into SF and CC practices. The insured apportioned production using the commingled production worksheet by CC and SF practice, which was previously reported as non-irrigated. Current crop year production reports were also submitted for CC and SF practices.

| 2005 | | UNIT 00100 | NI | |
|-------------|-------|-----------------------|-----------|--|
| YEAR | PROD. | ACRES | YIELD | |
| 1999 | 8800 | 200.0 | A44 | |
| 2000 | | 0.0 | Z | |
| 2001 | | 100.0 | P32 | |
| 2002 | 10080 | 210.0 | A48 | |
| 2003 | 8000 | 200.0 | A40 | |
| 2004 | 4800 | 240.0 | A20 | |

| 2006 | | UNIT 00100 | SF | | |
|-------------|-------------|-----------------------|------------|---------------|--|
| YEAR | PROD. | ACRES | YIELD | STEP | |
| 1999 | 4000 | 80.0 | A50 | Step 2 | |
| 2000 | | 0.0 | Z | Step 2 | |
| 2001 | | 100.0 | P32 | Step 2 | |
| 2002 | 5360 | 100.0 | A54 | Step 2 | |
| 2003 | 2784 | 60.0 | A46 | Step 2 | |
| 2004 | 3080 | 140.0 | A22 | Step 2 | |
| 2005 | 4400 | 80.0 | A55 | Step 1 | |
| Total | | | 259/6=43 | Step 4 | |
| APH | | | 43 | | |

Commingled Production Worksheet

| Crop Year | 1 | 2 | 3 | 4 | 5 | 6 |
|-----------|----|----|-------|------|------|------|
| 1999 | SF | 40 | 80.0 | 3200 | 1.25 | 4000 |
| 1999 | CC | 32 | 120.0 | 3840 | 1.25 | 4800 |
| 2002 | SF | 40 | 100.0 | 4000 | 1.34 | 5360 |
| 2002 | CC | 32 | 110.0 | 3520 | 1.34 | 4717 |
| 2003 | SF | 40 | 60.0 | 2400 | 1.16 | 2784 |
| 2003 | CC | 32 | 140.0 | 4480 | 1.16 | 5197 |
| 2004 | SF | 40 | 140.0 | 5600 | 0.55 | 3080 |
| 2004 | CC | 32 | 100.0 | 3200 | 0.55 | 1760 |

| 2006 | | Unit 00100 | CC | | |
|-------------|-------|-----------------------|-----------|---------------|--|
| YEAR | PROD. | ACRES | YIELD | STEP | |
| 1999 | 4800 | 120.0 | A40 | Step 2 | |
| 2000 | | 0.0 | Z | Step 2 | |
| 2001 | | 0.0 | Z | Step 2 | |
| 2002 | 4717 | 110.0 | A43 | Step 2 | |
| 2003 | 5197 | 140.0 | A37 | Step 2 | |
| 2004 | 1760 | 100.0 | A18 | Step 2 | |
| 2005 | | 0.0 | Z | Step 1 | |
| Total | | | 138/4=35 | Step 4 | |
| APH | | | 35 | | |

2D Example 4

In this example, the non-irrigated yield has been divided into SF and CC practices. The insured did not re-certify production that was previously reported as non-irrigated. The commingled production worksheet cannot be used to apportion production because the insured did not have separate records of acres by practice. Current production reports were submitted for SF and CC practices for the most recent year. The actual acres and production are charged to the higher yielding SF practice. If acceptable records had not been submitted for the 2005 crop year, the assigned yield would have been used.

| 2005 | UNIT 00100 | NI | |
|------|------------|-------|-------|
| YEAR | PROD. | ACRES | YIELD |
| 99 | 11,600 | 200.0 | A58 |
| 00 | 4,800 | 100.0 | A48 |
| 01 | 2,900 | 100.0 | A29 |
| 02 | 10080 | 210.0 | A20 |
| 03 | 8000 | 200.0 | A15 |
| 04 | 4800 | 240.0 | A5 |
| | | | |

| 2006 | UNIT 00100 | SF | | |
|------|------------|-------|----------|--------|
| YEAR | PROD. | ACRES | YIELD | Step |
| 99 | 11,600 | 200.0 | A58 | Step 2 |
| 00 | 4,800 | 100.0 | A48 | Step 2 |
| 01 | 2,900 | 100.0 | A29 | Step 2 |
| 02 | 10080 | 210.0 | A20 | Step 2 |
| 03 | 8000 | 200.0 | A15 | Step 2 |
| 04 | 4800 | 240.0 | A5 | Step 2 |
| 2005 | | 0.0 | Z | Step1 |
| | | Total | 175/6=29 | Step 4 |
| | | APH | 29 | |

Example 4 (CC)

The CC (00100) database is established using the percentage relationship between the T-Yield for the CC practice and T-Yield for the SF practice. The resulting relationship is used as a percentage of the SF approved APH yield to calculate the Determined Yield (F). E.g., CC "T" = 32 and SF "T" = 40. Therefore, 32/40=.80 and the SF approved yield of 29 x .80 = F23.

| 2006 | Unit 00100 | CC | | |
|------|------------|-------|----------|--------|
| YEAR | PROD. | ACRES | YIELD | Step |
| 01 | | | | |
| 02 | | | F 23 | Step 3 |
| 03 | | | F 23 | Step 3 |
| 04 | | | F 23 | Step 3 |
| 2005 | 800 | 100.0 | A8 | Step 1 |
| | | Total | 77/4= 19 | Step 4 |
| | | APH | 19 | |

2D Example 5

In this example, the non-irrigated yield has been divided into SF and CC practices. The insured had added this land as a separate optional unit in 2003 with a SA T-yield of 29. The insured re-certified production that was previously reported as non-irrigated. Current production reports were submitted for SF and CC practices for the most recent year. The insured's calculated SA T-Yield for 2006 for SF is 25 and for CC is 20. If acceptable records had not been submitted for the 2005 crop year, the assigned yield would have been used.

| 2005 | UNIT 00100 | NI | |
|------|---------------|-------|-------|
| YEAR | PROD. | ACRES | YIELD |
| 01 | | | L29 |
| 02 | | | L29 |
| 03 | 8000 | 200.0 | A15 |
| 04 | 4800 | 240.0 | A5 |

| 2006 | UNIT 00100 | SF | | |
|-------------|---------------|------------|----------------|--------|
| YEAR | PROD. | ACRES | YIELD | Step |
| 01 | | | L25 | Step 3 |
| 02 | | | L25 | Step 3 |
| 03 | 8000 | 200.0 | A15 | Step 2 |
| 04 | | 0.0 | Z | Step 2 |
| 2005 | 3750 | 125 | A30 | Step1 |
| | | Total | 95/4=24 | Step 4 |
| | | APH | 24 | |

Example 5 (CC)

| 2006 | Unit 00100 | CC | | |
|-------------|-------------|------------|------------|--------|
| YEAR | PROD. | ACRES | YIELD | Step |
| 02 | | | L20 | Step 3 |
| 03 | | | L20 | Step 3 |
| 04 | 4800 | 240.0 | A5 | Step 3 |
| 2005 | 2500 | 100 | A25 | Step 1 |
| | | Total | 70/4=18 | Step 4 |
| | | APH | 18 | |

ADDED LAND AND ADDED PRACTICE/TYPE/VARIETY (P/T/V)

The following procedures are applicable for all Category B APH Crops **except** when Master Yields are available in the county for the crop [see Ex. 7]; this restriction applies beginning with land added for the 2004 and subsequent crop years. [See also Ex. 15, Combining and Dividing Basic and Optional Units.]

1 DEFINITIONS

Added Land is cropland acreage (irrespective of crops) added to the insured person's farming operation within the county for the current crop year [See Ex. 32 for insured person information]. For crops with a lag year, the previous crop year is used to determine the added land instead of the current crop year. For acreage to be considered added land, the insured must not have been previously engaged in farming for a share of any crop on that acreage.

Added Land/New Database With Records is added land or a new database for which acceptable production reports, based upon the production records obtained from a person sharing [see Sec. 4C (12)] in the crop/P/T/V's production for the current crop year or transferred APH data, HAVE BEEN filed by the PRD for the current crop year by the insured or to which assigned yields apply. [Refer to Sec. 3, Definitions, Assigned Yield for assigned yield information and to Par. 2A of this Exhibit for calculation instructions.]

Added Land/New Database Without Records is added land or a new database for which acceptable production reports HAVE NOT been filed by the PRD for the current crop year and has not been planted to the crop by the insured or to which assigned yields do not apply. [See Par. 2B-2C of this Exhibit.]

Added Crop/P/T/V is a P/T/V (as identified by the actuarial document) of the insured crop that requires an APH yield for that P/T/V for which the insured person has NOT been previously actively engaged in farming for a share of that P/T/V's production. Added PTV procedures are administered on a county, crop, and basic unit basis. [Refer to Par. 2E of this Exhibit.]

Cropland Acreage is FSA agricultural use acreage devoted to the production of annual and perennial crops including fallow acreage, NOT just the acreage planted to insured crops or program payment acreage. [Refer to Par. 4 of this Exhibit.]

Cropland Acreage Limitations are the criteria that establish the total cropland acreage that may be added to the insured's farming operation (640 acres) of cropland acreage that may be added to an existing basic or optional unit or added as a separate optional unit without an RMA RO review; and the maximum of 2,000 cropland acres added to the operation that may be submitted for RMA RO review. [See Par. 3, of this Exhibit]

Existing Units are basic or optional units for the crop that were in the insured entity's farming operation the previous crop year that **remain** in the farming operation for the current crop year. If units that were in the farming operation the previous crop year are divided or combined for the current crop year, existing units are the units as structured for the current crop year. Units that are no longer a part of the policyholder's farming operation for the current crop year (sold, lost the lease, no longer renting, etc.) are not considered to be existing units.

New Databases are APH databases, as required by procedure, that were not established prior to the current insurance year. [Refer to Sec. 6, Par. C(3) and Ex. 37 for procedures relating to new producers.]

Simple Average T-Yields (SA T-Yields) may be used in place of variable T-Yields for qualifying databases. SA T-Yields are calculated by determining a simple average of all existing units APPROVED APH yields by P/T/V/TMA whose databases contain at least one actual or assigned yield for the crop for the insured's farming operation in the county for the applicable crop policy. [Refer to Par. 2C of this Exhibit]

Variable T-Yield percentages and yield descriptors are the same as for regular APH procedure. [Refer to Sec. 6, Par. C(1), C(2), and Par D.]

2 YIELD DETERMINATION PROCEDURES

Depending on the situation, new databases for added land/crop/P/T/V's are established using one of the following methods:

2A Actual/assigned Yield(s). Regular APH procedures apply when acceptable production reports based on production records obtained from another person sharing in the insured crop/P/T/V's production for the current crop year [see Sec. 10, Par. E] or transferred APH data [see Sec. 4, Par. C (12)] have been FILED by the PRD for the current crop year and/or assigned yield(s) are applicable.

A(1) Actual yields from another person sharing must account for all units shared with that person for the year(s) certified. SA T-Yields may not be used to establish a yield for other databases rented (share or cash lease) with the same person for the same crop/P/T/V. If records are unavailable for other databases shared with the same person for the same crop/P/T/V, variable T-Yields will apply

A(2) Use variable T-Yields to complete the database when less than four years of actual/assigned yields are available [See Sec. 6, Par. C(2).] Exception: 100 percent of the high-risk T-Yield is used instead of the variable T-Yield, if high-risk T-Yield is applicable.

A(3) Added land that could qualify as separate optional units can be established as one database only by an Agreement to Combine Optional Units [see Ex. 15, Par. 3B].

A(4) When using actual records from another person sharing in the insured crop/P/T/V, approved APH yields for added land/P/T/V are also subject to:

(4)(a) Yield substitutions and yield limitations, if applicable [see Sec. 13 and Sec. 6 Par. I]

(4)(b) Yield reductions/adjustments for excessive actual yields, inconsistent approved APH yields when insured acreage limitations are also exceeded and different production methods likely to result in lower yields [See Ex. 6].

2B Variable T-Yields. When acceptable production reports have not been filed and/or assigned yields are not applicable, variable T-Yields must be used if the acreage is: 1) a separate basic or optional unit and does not qualify for the SA T-Yield, 2) a separate basic or optional unit and the SA T-Yield is less than the variable T-Yield, 3) added to an existing unit and does not qualify for the existing unit's yield or 4) partially or entirely located in a TMA with a lower T-Yield than the existing unit if TMAs are applicable 5) subject to a lower T-Yield for any reason. Exception: for high-risk land where a high-risk T-Yield is applicable, 100 percent of the high-risk T-Yield is used instead of the variable T-Yield.

B(1) **Establish new databases** by entering the applicable variable T-Yield for each of the four most recent crop years.

(1)(a) Yield descriptors. Variable T-Yields for new databases are identified by yield descriptors (“S”, “E”, “N”, or “T”) indicating the number of years used to determine the variable T-Yield percentage. [See Sec. 6, Par. C(2) and Par. D for additional information.]

(1)(b) Yield indicators. When variable T-Yields are used to establish databases for added land, AIPs must identify databases for such land with yield indicators for data processing purposes [see 2F]. Yield indicators must be submitted to RMA as long as variable T-Yield(s) are contained in the database.

B(2) **In subsequent crop years:** Update databases by removing a variable T-Yield for each actual or assigned yield. The variable T-Yield percentage (if less than 100%) will change as actual/assigned yields are added.

EXAMPLE: A separate database is required and records were not provided for the added land; the insured has two years of actual yields for the crop/county (other databases). For each subsequent year, an actual yield is provided. The following chart illustrates replacing variable T-Yields (based on a 100-bu. T-Yield) with actual yields. [See Par. 9B for additional examples.]

| 1st YEAR | 2 nd YEAR | 3rd YEAR | 4th YEAR |
|----------|----------------------|----------|----------|
| N90 | T100 | T100 | T100 |
| N90 | T100 | T100 | A110 |
| N90 | T100 | A110 | A120 |
| N90 | A110 | A120 | A50 |

2C **Simple Average T-Yields (SA T-Yields).** Based upon insured’s request, SA T-Yields (by P/T/V, if applicable) may be calculated and used to establish new databases (without records) if the **insured’s** existing units have database(s) containing actual/assigned yields for the same P/T/V/TMA (if P/T/V/TMA is applicable). SA T-Yields are applicable only on land that qualifies as a **separate basic or** optional unit. However, if the new database is for land added to the operation or for a new crop initially insured in 2000 or a subsequent crop year, cropland acreage limitations are required prior to using the SA T-Yield. [See Par. 3].

C(1) **Calculate SA T-Yields** for the initial year the database is established by determining a simple average **of all existing units APPROVED APH yields by crop/P/T/V/TMA whose databases contain actual/assigned yields for the insured’s farming operation in the county (excluding high-risk land units excluded and insured under a separate CAT policy).**

(1)(a) **Calculate separate SA T-Yields** by crop/P/T/V/**TMA** (including areas/acreage assigned high-risk T-Yields), if applicable. However, SA T-Yields may be calculated from databases **in** TMA with T-Yields equal to or lower than the acreage being added if database(s) with actual yields from the same **TMA** are not available.

1 For high-risk land assigned high-risk T-Yields, SA T-Yields may be calculated only if databases (containing actual/assigned yields) are for high-risk areas with the same high-risk T-Yield as the added land. Otherwise, 100 percent of the high-risk T-Yield **is** used instead of the SA T-Yield.

2 Reductions/adjustments for excessive actual yields, inconsistent approved yields when insured acreage limitations are exceeded and different production methods likely to result in lower yields [See Ex. 6], if applicable, must be made prior to calculating the individual approved APH yields used to calculate SA T-Yields. If these conditions are discovered after the SA T-Yield is calculated, the SA T-Yield must be corrected to reflect any adjusted approved yields.

3 Round the SA T-Yield according to [Section 4, Par. B(4)].

(1)(b) Compare the SA T-Yield to the variable T-Yield for the same P/T/V and use the higher of the two.

C(2) **Enter SA T-Yields** for the four most recent crop years in the database. Update databases in subsequent years with actual/assigned yields and remove one SA T-Yield for each actual or assigned yield entered. SA T-Yields are not recalculated when updating the database in subsequent years unless a correction in the yields for the APH databases originally used to determine the SA T-Yield is made or RMA combines or divides P/T/V/TMA [See Ex. 35]. SA T-Yields are not set if the basic or optional unit structure changes and databases are combined or divided; however, variable T-Yields will apply when less than 4 years of actual/assigned yields are applicable, ([See Ex. 15] for instructions on combining or dividing APH databases).

The SA T-Yield must be preceded by the appropriate yield descriptor:

(2)(a) “L” if for added land;

(2)(b) “C” if for a new database for new crop/P/T/V.

Example: An initial added land database with an SA T-Yield based on a simple average of three existing APH databases with approved APH yields containing at least one actual/assigned yield. $(140 + 100 + 120) \div 3 = 120$ bu.

| Year | Prod. | Acres | Yield |
|------|-------|-------|-------|
| 20XX | | | L120 |

For data processing/submission purposes, yield indicator “A” must also be submitted.

2D **Using the Existing Unit’s APH Yield.** In order for land to be added to an existing basic or optional unit and use the existing unit’s APH yield, cropland acreage limitations must be administered [See Par. 3 of this Exhibit] and the added land:

D(1) **Must be physically located in the same or higher TMA** as the existing unit (by crop, P/T/V), if T-Yield maps are applicable; or

D(2) **Must be physically located in a high-risk TMA** (including high-risk T-Yields assigned by written agreement,) and has the same high-risk T-Yield as the existing unit (by crop, P/T/V).

D(3) **Does not qualify as a separate optional unit,** it must be added to the existing basic or optional unit.

D(4) **Qualifies as a separate optional unit** and the insured agrees to the requirements in [Ex. 15 Par. 3E]. If the insured does not adhere to these requirements, a separate database must be established and maintained. The added land database will be completed using the variable T-Yields or SA T-Yields, if eligible.

(4)(a) If eligible to use the SA T-Yield and there are multiple databases within the existing unit, use the simple average of those databases approved APH Yields as the SA T-Yield to complete the added land database.

(4)(b) If eligible to use the SA T-Yield and there is only one database within the existing unit, use its approved yield as the SA T-Yield to complete the added land database.

(4)(c) If ineligible to use the SA T-Yield, use variable T-Yields to complete the added land database

2E Added Crop/P/T/V Yield Instructions. The following procedures apply when a policyholder grows a crop/P/T/V for the first time or within the farming operation (SA T-Yields are not applicable):

E(1) **With Records.** Insureds who submit acceptable production reports by the PRD for the current crop year will have approved APH yields calculated using standard APH procedures. **The approved APH yields for added crop/P/T/V are also subject to adjustments/reductions for excessive actual yields, reductions for inconsistent approved yields when insured acreage limitations are also exceeded and different production methods likely to result in lower yields [See Ex. 6].**

E(2) **Without Records.** Use variable T-Yields or, if an irrigated or summerfallow practice, use the special procedures for irrigated or summerfallow practices. [See Par. 10 of this Exhibit and Sec. 6, J(15)(h)3.]

E(3) **Variable T-Yields** are entered in the four most recent crop years in the database and preceded by appropriate yield descriptor (“S”, “E”, “N” or “T”).

2F Added Land Descriptors and Identifiers:

Yield indicators apply only to added land databases, not to new crop/P/T/V or added P/T/V databases.

| Insured | Added Land | Added Land APH | Yield Descriptor | Yield Indicator |
|---|---|------------------------------|------------------|-----------------|
| New Producer; no history [See Ex. 37] | Separate basic or optional unit | 100% T-Yield | IL” | [n/a] |
| New Producer; 1-2 years of history [See Ex. 37] | Separate unit eligible for SA T-Yield | SA T-Yield | IL | A |
| | Separate unit not eligible for SA T-Yield | 100% T-Yield | IL | B |
| | Separate unit SA T-Yield lower than variable T-Yield | 100% T-Yield | IL | C |
| | Added to existing unit and eligible to use existing APH | Existing APH as a SA T-Yield | Existing APH | [n/a] |
| | Added to existing unit but not eligible to use existing APH so separate database required | 100% T-Yield | IL | B |
| Not a New Producer | Separate unit eligible for SA T-Yield | SA T-Yield | L | A |
| | Separate unit not eligible for SA T-Yield | Variable T-Yield | S, E, N, T | B |
| | Separate unit eligible for SA T-Yield but lower than variable T-Yield | Variable T-Yield | S, E, N, T | C |
| | Added to existing unit but not eligible to use existing APH | Variable T-Yield | S, E, N, T | B |
| | Added to existing unit and eligible to use existing APH | Existing APH as a SA T-Yield | Existing APH | [n/a] |

3 CROPLAND ACREAGE LIMITATIONS

Cropland acreage limitations are used to determine whether SA T-Yields may be used, if applicable, or if land may be added to an existing unit and use its yield/database without an RMA RO underwriting review [see also Ex. 15 for additional limitations].

3A Years Prior to 2000. New databases for land contained in the farming operation prior to 2000 are not subject to acreage limitations.

3B 2000 and Subsequent Years. Land added to the farming operation or a new crop initially insured in 2000 or in a subsequent crop year is subject to cropland acreage limitations prior to calculating SA T-Yields for new databases. The amount of cropland acreage added is based on the year added; however, the cropland acreage limitations in effect the year the SA T-Yield is requested will be used to determine eligibility for use of SA T-Yield. (For example, 2,500 cropland acres were added to the farming operation in 2002 and a new crop (Grain Sorghum) added in 2006. The cropland acreage being added is based on the year it is added, in this case 2,500 acres. However, the total acres being added is 2,000 acres or greater and would be ineligible for use of the SA T-Yield. If less than 2,000 cropland acres had been added and if qualified, the SA T-Yield is based on approved APHs for the crop year 2006). Producers may request SA T-Yields for crops not previously insured in the county; however, if the cropland acreage limitations are exceeded, an underwriting review must be requested from the RMA RO. [See Par. 2C and 2D for calculation instructions and Par. 4 for cropland acreage determinations.] Cropland acreage limitations do not apply if a new database is required for a new P/T/V (first crop year the P/T/V is produced on the unit) unless it is produced on added land and the use of the SA T-Yield is requested.

3C If a separate basic or optional unit, SA T-Yields may be used to establish new databases (without records) for added land, added crop by P/T/V if the cropland acres added:

C(1) **Do not exceed 640 acres.** The total cropland acres to be added (all units) to the existing farm operation do not exceed **640 cropland acres** (without respect to crops); the AIP will calculate an SA T-Yield. The approved APH yield will be the higher of the SA T-Yield or the variable T-Yield. [See Par. 3 for cropland acreage determinations.] Use an "A" yield indicator if the SA T-Yield is higher or a "C" yield indicator if the variable T-Yield is higher for data processing purposes for these situations.

Policies with enterprise units may have databases established and transmitted to the RMA for the underlying units.

C(2) **The total cropland acres** to be added (for all units) to the existing farm operation exceed **640 but are less than 2,000 cropland acres** (without respect to crop), and the RMA RO performs an underwriting review and approves the use of the SA T-Yield. [See Par. 4 for instructions.] When use of the SA T-Yield is approved by the RMA RO, the AIP calculates it the initial year a database is established for the crop by P/T/V then compares the SA T-Yield to the variable T-Yield and uses the higher of the two yields to establish the database.

If use of a SA T-Yield is not approved when an underwriting review is required by the RMA RO or cropland acreage limitations are not administered by the AIP, the AIP must determine a variable T-Yield according to [Par 2B]. Such databases may not be combined with an existing unit in a subsequent crop year, until at least four years of actual/assigned yields have been entered in the database [see Ex. 15, Par. 3E]. "B" Yield indicators are required for data processing purposes for these situations.

- C(3) **2,000 Cropland Acres or greater.** SA T-Yields may not be used if the total cropland acres being added to the operation is 2,000 cropland acres or greater; the variable T-Yield must be used to establish new databases in these instances. Such databases may not be combined with an existing unit in a subsequent crop year, until at least four years of actual/assigned yields have been entered in the database [see Ex. 15, Par. 3E].
- 3D If Added to an Existing Basic or Optional Unit.** The yield of the existing unit for the crop by P/T/V (without records) will apply if:
- D(1) **The added land qualifies as an optional unit** according to the crop policy, the requirements of Par. 3D(3) and 3D(4) and of [Ex. 15, par.3E] must be met before the yield of the existing unit will apply to the added land.
- D(2) **The added land does not qualify as an optional unit,** the yield of the existing unit will apply to the added land provided the requirements of Par. 3D(3) and 3D(4) are met.
- D(3) **The total cropland acres** to be added (for all units) to the existing farm operation do not exceed 640, (without respect to crop), the APH yield of the existing unit will apply. A yield indicator is not required.
- D(4) **The total cropland acres to be added (for all units)** to the existing farm operation **exceed 640** but are less than **2,000 cropland acres** (without respect to crop), and the RMA RO performs an underwriting review and approves its use. The insured may request by the applicable deadline an underwriting review by the RMA RO to determine if the existing unit's APH yield may be used. [See Par. 4 for additional instructions.] If the RMA RO does not approve use of the existing unit's yield/database or an RMA RO underwriting review is not requested:
- (4)(a) **Use regular variable T-Yield procedure** for the added acreage, establish a separate database, and maintain it until T-Yields are no longer required. [See 2B of this Exhibit for variable T-Yield instructions.]
- (4)(b) **Separate databases must be maintained** within the existing unit until there are four years of actual/assigned yields.
- (4)(c) **If the added land database is separated from the existing unit** in a subsequent crop year, ONLY the APH history associated with the added land may be transferred to the new unit's database. Use variable T-Yields to complete the four-year database if less than four actual/assigned yields.
- (4)(d) **For data processing purposes,** use a "B" yield indicator.

4 CROPLAND ACREAGE DETERMINATIONS

Cropland acreage contained in an existing unit or for added land means the cropland acres owned, leased, cash rented, share rented, etc. (as applicable for the unit structure), for the current crop year.

4A 640- and 2,000-Acre Determinations. Cropland acres for all added land (including added land with records) must be included for the purpose of determining the 640-acre and **2,000-**acre limit.

4B Example of Total Cropland Acres Added: For the previous crop year, the insured had one existing 100 percent share basic unit that was divided into two optional units, 00101 contained 400 cropland acres and 00102 contained 600 cropland acres. For the current crop year, the insured continues to operate those farms; however, two additional tracts of land were cash rented, FSN #1 containing 400 cropland acres, FSN #2 containing 300 cropland acres. The insured wishes to add each as a separate optional unit. The total cropland acres to be added is 700, which exceeds the 640-acre limit but is less than the **2,000-**acre maximum.

5 RMA RO UNDERWRITING REVIEWS

If the cropland being added exceeds the 640-acre limitation but does not exceed the 2,000-acre maximum and the insured submits a signed request by the applicable deadline and provides the required documentation, the RMA RO will perform an RMA RO underwriting review to determine the appropriate yield method to be used for the added land.

5A **Requests must be postmarked**, or received by FAX, no later than 20 calendar days after the acreage reporting date and received in the RMA RO no later than 10 calendar days thereafter, regardless of method of transmittal. AIPs should encourage the submission of requests by the PRD [See Par. 6, Added Land Request Form.]

5B **Productivity of the added land** must be equal to or exceed 85 percent of the existing unit's yield capability before the use of the existing unit's approved APH yield will be approved. **If added as a separate basic or optional unit, productivity of the added land must be equal to or exceed 85 percent of all existing units' yield capability before use of the SA T-Yield will be approved.** Productivity comparisons of the added land to the existing unit will be made using one or more of the following productivity indicators:

B(1) **The actual production history** by crop by P/T/V (if applicable) of the added land for the previous crop year(s) from the previous operator/tenant and submitted by the insured.

B(2) **Soil survey maps** to determine similar soil types or other climate or elevation data used by the RMA RO to determine similar agronomic conditions.

B(3) **Natural Resource Conservation Service** Soil Survey information.

B(4) **RMA Actuarial Maps** (past or present).

5C **The RMA RO may utilize factors** other than just the productivity of the added land when determining the appropriate yield method to be used for the added land. For example, the SA T-Yield may be based on a relatively small acreage in comparison to the amount of land being added (i.e., SA T-Yield based on three optional units averaging less than 25 planted acres and the total cropland added is 500 acres). In an instance such as this, the RMA RO may determine whether the use of a SA T-Yield based on a small acreage is an appropriate method for determining a T-Yield for the added land. The variable T-Yield (with a "B" yield indicator) will be used in those instances where the SA T-Yield is inappropriate.

5D **The RMA RO will notify** (postmark if mailed) the AIP of the approved yield determination method(s) no later than 20 days after the receipt of the request and required documentation.

6 ADDED LAND REQUEST

The added land request may be used when acreage limitations are exceeded for added land and the insured requests use of the SA T-Yield or the existing yield/database of an existing unit. If the form is not used, the AIP must submit a request that provides the same information. The insured must sign any request to use the SA T-Yield.

ADDED LAND REQUEST

| | | | | | |
|---|---------|------------|---|--|--------|
| Agency or Service Office Name & Address | | | Servicing Office Name & Address | | |
| | | | | | |
| | | | | | |
| Agent Code: | | | Company RO Code: | | |
| E-mail Address: | | | E-mail Address: | | |
| Phone: | | | Phone: | | |
| 1. Producer Name (as shown on the application): | | | 2. State | | County |
| | | | 3. Contract Number: | | |
| Address: | | | 4. Social Security/Tax Id Number: | | |
| | | | 5. Producer is: | | |
| | | | Landlord <input type="checkbox"/> Operator <input type="checkbox"/> Owner/Operator <input type="checkbox"/> | | |
| (City) | (State) | (Zip Code) | | | |

6. Provide the following information for the request.

| BASIC UNIT NO. | FSN & TRACT* 1 EXISTING LAND 2 ADDED LAND (AL) | LAND DESCRIPTION* (Legal if units are based on Sec.) (CLU/Field # if units are based on FSN's) | AL CROPLAND ACRES | EXISTING UNIT CROPLAND ACRES | REQUEST TYPE** (E, S or B) | CROP(S) | UNIT | PRAC-TICE | TYPE/ CLASS/ VARIETY |
|----------------|--|--|-------------------|------------------------------|-------------------------------|---------|------|-----------|----------------------|
| | 1 | | | | | | | | |
| | 2 | | | | | | | | |
| | 1 | | | | | | | | |
| | 2 | | | | | | | | |
| | 1 | | | | | | | | |
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| | 2 | | | | | | | | |
| | 1 | | | | | | | | |
| | 2 | | | | | | | | |

* An entry for the existing land and for the added land is needed for these columns.
 ** Added to an **existing unit**, enter "E" – added as a **separate optional unit**, enter "S"
 —added as a basic unit, enter "B"

Added Land Request (Reverse Side)

7. Submission Checklist (check all that apply):

Documents

Included

Acceptable APH form for the current crop year.

Cropland acres, e.g., FSA 578 or 156 EZ for the current or previous crop year, or other documentation that indicates: cropland acres; legal description; ownership; share; cash rent or lease agreements.

FSA Aerial photos (farm boundaries clearly marked) with legal descriptions, FSN's and tract numbers as appropriate for both the added land and the existing land. Include a Highway map showing location of land for areas where section, township, range are not available.

APH form from previous operator/tenant (only if the insured wishes APH yields to be considered for productivity comparisons).

A copy of the page(s) of the county Soil survey, with the exact location of the field(s) clearly marked

Other:

ADDITIONAL INFORMATION DETAILS:

If land is not being added for the current crop year document the year the land was actually added to the operation. _____

I hereby request an RMA RO underwriting review to determine the appropriate APH calculation method(s) to calculate my insurance guarantee for land added to my operation. Insured crops for which this request is being made are listed in item 6. I understand that crop(s) not included on the request will use variable T- Yields if applicable.

| | | | | |
|---|------|--|------|---|
| I hereby certify that to the best of my knowledge and belief the information contained herein for the designated crop(s) on the above identified farm(s) is accurate and correct. | | I have reviewed the above information and to the best of my knowledge and belief it represents accurate information. | | I recommend that the requested be approved. |
| Signature of Producer | Date | Signature of Agent | Date | Signature of Company Representative |
| | | Print Agent Name | | Print Company Representative Name |

COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)

To the extent that the information requested herein relates to your individual capacity as opposed to your business capacity, the following statements are made in accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) and the Federal crop insurance regulations contained in 7 C.F.R. chapter IV.

Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in the Federal crop insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in you or your entity of 10 percent or more, as a policyholder within the systems maintained by the Federal Crop Insurance Corporation (FCIC). Furnishing the SSN or EIN is voluntary; however, failure to furnish that number will result in denial of program participation and benefits.

The balance of the information requested is necessary for the insurance company and RMA to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The information furnished on this form will be used by Federal agencies, RMA employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: RMA contract agencies, employees and loss adjusters; reinsured companies; other agencies within the United States Department of Agriculture; The Department of Treasury including the Internal Revenue Service; the Department of Justice, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response to judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit; ineligibility for insurance; and a unilateral determination of any monetary amounts due.

NONDISCRIMINATION STATEMENT

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, and Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

7 P/T/V's COMBINED OR DIVIDED

If P/T/V's are combined or divided (on the actuarial document) in subsequent (policy) crop years, [see Ex. 35] for instructions.

8 ADMINISTRATION AND RESPONSIBILITIES

8A Policyholder Responsibilities.

A(1) **Policyholders adding land as a separate optional unit** and using SA T-Yields must not have previously produced the crop on the land and certify to such.

A(2) **Insureds who wish to use the SA T-Yield** must request use of the SA T-Yield (or added land that does not qualify as a separate optional unit according to the crop's policy to an existing unit and use the existing unit's approved APH yield), preferably by the PRD but no later than the acreage reporting date. Land that may qualify as a separate optional unit according to the crop's policy may only be added to an existing unit by following [Ex. 15, Par. 3E]. If a request for use of SA T-Yields was not submitted or not submitted timely for an insured crop the initial year land was added, a request may be submitted the following crop year only; however, SA T-Yields may only be used to establish APH yields for databases where the crop has not been planted. Exception: if insurance is later obtained for a crop/P/T/V not insured when the land was added **and the crop has not been planted on the land**, a request may be made the first crop year the crop is insured (i.e., SA T-Yields are requested the initial year land is added for wheat and corn, which are insured crops; the insured adds insurance for soybeans in a subsequent year and may request a SA T-Yield at that time; however, the insured must submit documentation for the year the land was added (cropland acreage limitations apply the initial year the land is added) and all requirements of this Exhibit will apply and any approved SA T-Yields will be calculated for the initial year the database is established.)

A(3) **Requests for RMA RO Reviews.** Insureds who wish to use SA T-Yields for a separate optional unit, or add land to an existing unit and use the existing unit's approved APH yield, must provide the required supporting documentation to the agent, preferably by the PRD but no later than acreage reporting date the initial year the land is added [see below for exceptions]. Supporting documentation consists of the following:

(3)(a) A written signed request containing the following statement:

"I hereby request an RMA RO underwriting review to determine the appropriate APH calculation method(s) to calculate my insurance guarantee for land added to my operation. Insured crops for which this request is being made are as follows:

" _____, _____, _____, _____."

"I understand that crop(s) not included on the request will use variable T-Yields if applicable."

(3)(b) Acceptable APH forms for the insured crop(s) filed for the current crop year.

(3)(c) Cropland acres contained in the added land and existing unit(s) for the current crop year in the farming operation. A copy of applicable FSA-578's or FSA-156EZ for the current or the previous crop year may be used as documentation. If the FSA-578 or FSA-156 EZ is not used, a copy of other documents may be provided that indicate ownership, share, cash rent, lease agreements, insurance records, etc., indicating cropland acres.

- (3)(d) APH forms from the previous operator/tenant for the insured crop(s) for the previous crop year, showing the production history and the approved APH yield(s) for the affected acreage **only if** the insured wishes APH yields to be considered for productivity comparisons.
- (3)(e) Aerial photo copies and complete legal descriptions (including tract and field numbers if required by the RMA RO) for the added land and existing units for which the request is being made.
- (3)(f) Agreement to combine optional unit if land is being added to an existing unit (if applicable).

If a request for RMA RO review was not submitted or not submitted timely for an insured crop the initial year land was added, a request may be submitted the following crop year only; however, SA T-Yields may only be used to establish APH yields for databases where the crop has not been planted. Exception: if insurance is later obtained for a crop/P/T/V not insured when the land was added, a request for RMA RO review may be made the first crop year the crop is insured (i.e., RMA RO review is requested the initial year land is added for wheat and corn, which are insured crops; the insured adds insurance for soybeans in a subsequent year and may request a RMA RO review at that time; however, the insured must submit documentation for the year the land was added (cropland acreage limitations apply the initial year the land is added) and all requirements of this Exhibit will apply and any approved SA T-Yields will be calculated for the initial year the database is **established (if the crop has not been planted on that database)**).

8B Agent/Representative Responsibilities. For added land/P/T/V without records and a separate APH yield (database) is required [see Par. 2A, 2B(2), and 2C(2)], the agent/representative must complete items 6-14 of the APH form [see Sec. 9D(2)] or comparable items for other APH forms developed according to RMA approved standards.

8C AIP Responsibilities. AIPs must notify insureds of SA T-Yield procedures prior to the PRD. If acreage is indicated on the acreage report that may qualify for the use of SA T-Yields, the AIP has the option of contacting the insured and explaining the requirements. If the insured wishes to use the SA T-Yields or adds land to an existing unit and wishes to use the approved APH yield of the existing unit and provides the required documentation, the AIP calculates the approved APH yields for units that do not exceed the cropland acreage limitations.

- C(1) For acreage that exceeds the cropland acreage limitations but do not exceed the 2000 cropland acre maximum, the AIP will forward the request and documentation to the applicable RMA RO. Requests to the RMA RO must be submitted no later than the applicable deadline.
- C(2) For policies selected for APH reviews the year databases are initially established with SA T-Yields, verify that the insured has not previously been actively engaged in farming for a share of the crop/P/T/V's production (any crop's production if on added land).
- C(3) Prior to the payment of a claim for indemnity for databases initially established with SA T-Yields, verify **OR** obtain a certification statement that the insured has NOT previously been actively engaged in farming for a share of the crop/P/T/V's production. If such acreage does not meet the requirements, the APH yield must be recalculated using variable T-Yields and corrected according to APH review tolerances.

9 EXAMPLE OF COMPLETED DATABASES

Example 1: ADDED LAND WITH RECORDS COMBINED WITH AN EXISTING UNIT

The following example illustrates combining an existing unit's database and added land with records into a single unit database. Both databases contain actual and/or assigned yields and cannot be further divided into optional units. The insured share-rented another farm (FSA FSN) from the same landlord who was insured the previous (policy) crop year and who has an established database.

Previous (Policy) Crop Year Databases (2005)

| ADDED LAND/LANDLORD A | | | |
|-----------------------|------------|--------|---------|
| 2005 | UNIT 00100 | NI FAC | Sec. 10 |
| YEAR | PROD. | ACRES | YIELD |
| 01 | 640 | 40.0 | A16 |
| 02 | 700 | 50.0 | A14 |
| 03 | 1200 | 60.0 | A20 |
| 04 | 880 | 40.0 | A22 |

| EXISTING UNIT/LANDLORD A | | | |
|--------------------------|------------|--------|---------|
| 2005 | UNIT 00100 | NI FAC | Sec. 10 |
| YEAR | PROD. | ACRES | YIELD |
| 01 | 1400 | 70.0 | A20 |
| 02 | 2880 | 90.0 | A32 |
| 03 | 1680 | 60.0 | A28 |
| 04 | 1920 | 80.0 | A24 |

Step 1: The 2006 production report indicates for the 2005 crop year: NI FAC with 3000 bu. production, 100.0 actual acres and a 30 bu. average yield.

Step 2: Actual acres and production are combined.

| | | |
|------|---|--------------|
| Year | 2040 | 110.0 |
| 01 | (640[Bu] + 1400[Bu]) ÷ (40.0 [acres] + 70.0[acres]) = 19 | 140.0 |
| 02 | (700[Bu] + 2880[Bu]) ÷ (50.0 [acres] + 90.0[acres]) = 26 | 120.0 |
| 03 | (1200[Bu] + 1680[Bu]) ÷ (60.0[acres] + 60.0[acres]) = 24 | 120.0 |
| 04 | (880[Bu] + 1920[Bu]) ÷ (40.0[acres] + 80.0[acres]) = 23 | |

| 2006 UNIT 00100 NI FAC | | | | |
|------------------------|-----------|-------|-------|------------|
| Step | YEAR | PROD. | ACRES | YIELD |
| Step 2 | 01 | 2040 | 110 | A19 |
| Step 2 | 02 | 3580 | 140.0 | A26 |
| Step 2 | 03 | 2880 | 120.0 | A24 |
| Step 2 | 04 | 2800 | 120.0 | A23 |
| Step 1 | 05 | 3000 | 30.0 | A30 |
| Step 3 | | | Total | 122/5=24 |
| | | | APH | 24 |

Step 3: The actual yields are totaled and divided by five to determine the preliminary/approved APH yield.

Example 2: SEPARATE DATABASE REQUIRED

The following example illustrates establishing current databases for a basic unit. The added land did not have records, exceeded cropland acreage limitations but did not exceed the 2000 cropland acreage maximum, and the RMA RO did not authorize the use of the existing unit's APH yield for the added land.

Current Crop Year Databases (2006)

| EXISTING UNIT/100 PERCENT | | | | ADDED LAND/CASH RENTED | | | |
|---------------------------|------------|--------|----------|------------------------|------------|--------|---------|
| 2006 | UNIT 00100 | NI FAC | | 2006 | UNIT 00100 | NI FAC | |
| YEAR | PROD. | ACRES | YIELD | YEAR | PROD. | ACRES | YIELD |
| 01 | 2200 | 55.0 | A40 | 01 | | | |
| 02 | | 0.0 | Z | 02 | | | T17 |
| 03 | | 40.5 | P15 | 03 | | | T17 |
| 04 | 2520 | 60.0 | A42 | 04 | | | T17 |
| 05 | 1210 | 50.0 | A20 | 05 | | | T17 |
| | | Total | 117/4=29 | | | Total | 68/4=17 |
| | | APH | 29 | | | APH | 17 |

For the subsequent crop year, the insured provides separate production reports and requests separate optional units.

Subsequent Crop Year Databases (2007)

| EXISTING UNIT/100 PERCENT | | | | ADDED LAND/CASH RENTED | | | |
|---------------------------|------------|--------|----------|------------------------|------------|--------|---------|
| 2006 | UNIT 00101 | NI FAC | | 2006 | UNIT 00102 | NI FAC | |
| YEAR | PROD. | ACRES | YIELD | YEAR | PROD. | ACRES | YIELD |
| 01 | 2200 | 55.0 | A40 | 01 | | | |
| 02 | | 0.0 | Z | 02 | | | |
| 03 | | 40.5 | P15 | 03 | | | T17 |
| 04 | 2520 | 60.0 | A42 | 04 | | | T17 |
| 05 | 1210 | 50.0 | A20 | 05 | | | T17 |
| 06 | 1280 | 40.0 | 32 | 06 | 3300 | 150.0 | A22 |
| | | Total | 149/5=30 | | | Total | 73/4=18 |
| | | APH | 30 | | | APH | 18 |

10 UNDERWRITING GUIDELINES FOR DETERMINED IRRIGATED YIELDS

Not applicable to acreage assigned high-risk T-Yields **or if carried out on added land** unless acceptable production reports are filed for the non-irrigated practice based on records from another person sharing in the crop.

10A Qualifying for Determined Irrigated (IRR) Yields

The AIP may approve a determined yield for an irrigated practice the **FIRST TIME** the irrigated practice qualifies as an added practice ON A UNIT provided:

- A(1) **A non-irrigated (NI) practice** has been carried out on the crop and acceptable production reports have been provided for the NI practice;
- A(2) **The NI practice for the same unit/location** (farm/legal description/location if the irrigated unit is a separate optional unit) has a higher APH yield than the yield available for the IRR practice using Variable T-Yield procedures that apply for the added IRR practice when no IRR records are available for the unit.
- A(3) **The situation does not require an RMA RO approved APH yield. For situations requiring an RMA RO approved yield, a request for a Determined Irrigated Yield must be sent to the RMA RO for approval.**

10B Request Requirements

- B(1) **Request Deadlines.** A written request for a determined IRR yield must be received by the verifier no later than 20 calendar days after the PRD.
- B(2) **Records Are Required.** Copies of the production reports for the most recent crop year must be provided to the verifier. Legal descriptions of the unit(s) for which the determined yield for the IRR practice is being requested must also be provided.
- B(3) **Irrigation System Documentation.** Documentation must indicate the facilities and water supply are adequate to meet a good irrigation practice. The water must be artificially applied during the growing season by appropriate systems and at the proper time with the intention of providing the quantity of water needed to produce at least the yield (approved APH) used to establish the irrigated production guarantee on the irrigated acreage planted to the insured crop under the IRR practice.

10C Underwriting Guidelines for Establishing Determined Irrigated Yields

- C(1) **Determine A T-Yield Reference Factor.** Determine the location where the IRR practice will be carried out. Determine the approved APH yield for the NI practice applicable to the same unit/location. This is the NI reference unit. Compare the NI APH yield for the reference unit to the variable T-Yield that would apply to the IRR practice. If the NI APH yield for the reference unit is less than the variable T-Yield for the IRR practice, the unit DOES NOT qualify for the determined Factored T-Yield. The variable T-Yield for the IRR practice applies.

If the NI APH yield for the reference unit is greater than the yield available for the IRR practice using variable T-Yield procedures, identify the reference unit number in the "other" block on the APH form documenting the determined irrigated yield. Divide the approved NI APH yield by the applicable NI T-Yield and determine a reference factor (to two decimal places).

If the reference unit contains more than one NI yield, calculate a reference factor for each NI yield and then determine a simple average reference factor.

The maximum reference factor allowed is determined by the number of years of actual yields provided for the crop/county:

(1)(a) 1.20 if one or two years,

(1)(b) 1.30 if three years, and

(1)(c) 1.40 if four or more years.

Example 1: The reference unit's (00100, N1/2 Sec. 15) NI practice approved APH Yield is 425 lbs. The NI 100 percent T-Yield is 320 lbs. $425/320 = 1.33$.

Four years of actual yields have been provided for the crop in the county.

- C(2) **Compute The Factored Irrigated T-Yield.** Multiply the T-Yield reference factor [determined in C(1) above for the reference unit] times the 100 percent T-Yield for the IRR practice.

Example 1, continued: An IRR practice is added to N1/2 Sec. 15 (it becomes part of unit 00102) and the 100 percent T-Yield is 400 lbs. The factored IRR T-Yield for the IRR practice is 1.33 [determined in C(1) above] x 400 (the 100 percent IRR T-Yield) = 532 lbs.

- C(3) **Select An Existing Irrigated Yield.** If any IRR records have been provided for any unit for the crop, select the approved APH yield for the unit (basic or optional) containing records for the IRR practice that is physically located nearest to the reference unit. If more than one unit with IRR records are located an equal distance from the reference unit, use the IRR unit with the most years of records.
- C(4) **Assign The Determined Irrigated Yield.** If IRR records have been provided for any unit for the crop, the determined IRR yield is the lesser of the factored IRR T-Yield for the reference unit or the IRR yield [determined in C(3)]. If NO IRR records have been provided, the determined irrigated yield is the factored IRR T-Yield [determined in C(2)].

Example 1, continued: The nearest unit's approved APH yield that has records for the IRR practice is 550 lbs. The Determined IRR Yield is the factored IRR T-Yield of 532 lbs. [as determined in C(2) above] (it is less than the approved IRR yield for the nearest unit of 550 lbs.) Compare the Determined Irrigated Yield (532 lbs.) to the added practice Variable T-Yield (400 lbs. 100% of IRR T-Yield) [calculated according to Par. C(3)] and use whichever is higher.

Example 2: The NI approved APH yield for the reference unit (0100) is 420 lbs. The factored IRR T-Yield is 480 lbs. $420/320$ (100% NI T-Yield) = 1.20 (1.31 limited to 1.20 because two years of actual yields were provided) x 400 (100% IRR T-Yield).

The factored IRR T-Yield (480 lbs.) is compared to the approved APH IRR yield (460 lbs.) for the nearest unit (00200) on which irrigated records are available and the added practice Variable T-Yield (400 lbs.). In this example, the determined IRR Yield is limited by the approved IRR APH yield to 460 lbs.

10D **Documenting the Determined Irrigated Yield**

Four determined IRR yields are entered in the yield column of the APH form preceded by the yield descriptor "C". For subsequent crop years, the determined IRR T-Yield is used to complete the 4-year database until four years of actual and/or assigned yields are available. The request for the determined IRR yield, supporting documentation, and determined IRR yield calculations must be retained and provided if the policy is selected for an AIP APH field review or RMA compliance review.

NEW PRODUCER AND VARIABLE T-YIELD EXCEPTIONS**1 QUALIFYING AS A NEW PRODUCER**

PROVISIONS FOR CATEGORY B CROPS

[See Sec. 3 for definition.] Actively engaged in farming for a share of an insured crop's production in the county is hereafter referred to as "produced the crop."

Examples: The insured started farming in 2004 and produced the insured crop in 2004 and 2005. In this instance, the insured qualifies as a New Producer but must provide production reports for the insured crop for the 2004 and 2005 crop years to use the 100 percent T-Yield in the APH yield calculation. If the insured had also produced the insured crop prior to the 2004 crop year, the insured would not qualify as a New Producer.

Insureds who have produced the insured crop for more than two APH crop years in other county(ies) qualify as a New Producer of the insured crop if they have not produced the insured crop in a county for more than two crop years.

1A New Producers who have not produced the insured crop in the county.

- A(1) **Initial Year.** The applicable 100 percent T-Yield is the approved APH yield the initial year of insurance [see Sec. 6, Par. C(3)(a) and Par. 4 of this exhibit for an example]; or
- A(2) **If sharing in the insured crop** for the current crop year with another person(s), New Producers may file acceptable production reports by the PRD based on acreage and production records obtained from the other person(s). If so, standard APH procedures apply [see Sec. 10, E].

1B New Producers who have produced the insured crop for one or two crop years are required to provide production reports (on land contained in the current farming operation) for such crop years.

- B(1) **When such production reports are filed**, verifiers use a combination of actual yields and 100 percent of the applicable T-Yield to calculate the approved APH yield until four years of actual and/or assigned yields are provided [see Par. 4].
- B(2) **If the required production reports are not filed** the initial year the APH yield is established, the approved APH yield is calculated using:
- (2)(a) 65 percent of the T-Yield if no production reports are provided [see Sec. 6, Par. C(1)].
- (2)(b) one actual yield and three 80 percent T-Yields if only the most recent crop year is provided and the insured has produced the insured crop two years [see Sec. 6, Par. C(2)(a)1].
- B(3) **In subsequent crop years**, if required production reports are not provided assigned yield provisions apply [see Sec. 6, Par. C(1)].
- B(4) **Added land/new P/T/V.** If new land/P/T/V is added and the insured still qualifies as a New Producer for the crop/county, set up the new database(s) according to:
- (4)(a) New Producer procedures; or
- (4)(b) Added land/new database procedures (See Ex. 36).

- 1C** **Formation of New Entities.** Formation of a new entity (corporation, partnership, trust, etc.) comprised of one or more individuals does not automatically qualify the entity as a new producer. Although the entity may not have records as such, individuals comprising the entity may have produced the insured crop in the county during the base period. If the individuals have produced the insured crop for two crop years or less, the entity may qualify as a new producer. If production reports are filed for these crop year(s) for the insured crop on land that is operated by the new entity, the approved APH yield is calculated using the actual yields and 100 percent of the applicable T-Yield. If the new entity does not qualify as a new producer because entity members have produced the crop more than two year's refer to [Section 10 Par. G].
- 1D** **Dissolution of Entities.** Dissolution of an entity (corporation, partnership, trust, etc.) comprised of one or more individuals does not automatically qualify the individual(s) previously involved in the entity as new producers. It is necessary to determine how many crop years the previous entity produced the insured crop in the county during the base period. If the previous entity produced the crop for two crop years or less and production reports are filed for these crop years on land that is now operated by the individual, the approved APH yield is calculated using actual yields and 100 percent T-Yields.
- 1E** **Existing Entities.** Although an existing entity may not have produced a crop previously in the county, individuals/members comprising the entity may have produced the insured crop in the county previously. If the individuals/members have produced the insured crop in the county for two crop years or less, the entity may qualify as a new producer. If the production reports are filed for the crop year(s) for the insured crop on land that is operated by the entity, the approved APH yield is calculated using the actual yields and 100 percent of the applicable T-Yield. If the entity does not qualify as a new producer because entity members have produced the crop more than two years, refer to [Section 10 Par. G].
- 1F** **Previously a SBI holder/member of an entity.** If an individual/entity previously held or continues to hold an SBI in an entity that produced the insured crop in the county for two crop years or less, the individual or entity may qualify as a new producer. If production reports are filed for the crop year(s) for the insured crop on land that is operated by the entity, the approved APH yield is calculated using the actual yields and 100 percent of the applicable T-Yield. If the individual/entity does not qualify as a new producer because of previously having an SBI in an entity producing the crop more than two years, refer to [Section 10 Par. G] when land is being transferred.

2 SITUATIONS FOR WHICH RMA YIELD DETERMINATIONS MAY BE REQUESTED

- 2A** **Persons (individuals or entities) who have, or whose members have, produced the insured crop for more than two crop years** in the county do not qualify as new producers. However, if records ARE NOT available or are available for two APH crop years or less for ANY of the land in the insured's current farming operation for the crop in the county, APH procedure may limit the approved APH yield to less than 100 percent of the "T" Yield unless a yield is requested and granted from the RMA RO for the following situations.
- A(1) **The insured produced the crop on a farming operation** for more than two crop years, stopped farming ALL land in that farming operation, and has produced the crop on entirely different land for two APH crop years or less in the county.

- A(2) **Change of entity.** A new entity has been created or an existing entity begins to produce a crop and production records are not available on ANY land in the entity's current farming operation or two APH crop years or less are available; however, individual(s) member(s) that comprise the entity have produced the crop for more than two crop years on other land in the county. Production records for the individual(s) member(s) must be provided for those crop years.
- A(3) **An entity has been dissolved** and production records are not available on ANY land in the individual's current farming operation or two APH crop years or less are available; however, the individual as a member of the former entity has produced the crop for more than two crop years on other land in the county.
- A(4) **An individual or entity (or member of the insured entity) has NOT** produced or shared in the crop for more than two APH crop years in the county in the last 10 calendar years preceding the current crop year (11 calendar years for crops with a lag year).
- 2B** **Request Requirements.** To be considered by the RMA RO, all requests for determined yields must be signed by the production reporting date and received in the RMA RO no later than 20 calendar days after the production reporting date. The request must include the records of acreage and production (APH), available from the land on which the insured crop was produced. Legal descriptions and aerial photos or maps locating all acreage in the county. Land that RMA RO determined yields are being requested, should be clearly identified separately from land on which the insured crop was produced. [See Exhibit 34 for RMA RO Determined Yield Request.]
- 2C** **Yield Guidelines.** RMA RO determined yields are based on soil productivity of the land in the current operation and the management ability demonstrated by the actual yields submitted. They are limited to 65-100 percent of the applicable T-Yield. The RMA RO will issue the percent of T-Yield on a letter. The AIP will take the percentage of T-Yield thus issued times the current T-Yield and apply with an "F" descriptor. The same percentage will be applied when T-Yields are updated by RMA.
- 3** **DOCUMENTATION OF NEW PRODUCER STATUS**

New producers and AIPs must document the new producer status and approved APH yields by completing and signing APH forms and certifying [in block 11 "Other" of the APH form] the crop years the insured has produced the insured crop [see Par. 4 and 5 examples below]. The deadline for documenting new producer status is the PRD. Exception, if the agent/representative fails to correctly identify the new insured as a New Producer, the error may be corrected up until the acreage reporting date with AIP approval. Separate four-year databases must be established for each unit (by P/T/V) and/or for each TMA. Verification of "New Producer" status is required by the AIP prior to payment of a claim for indemnity and for policies selected for APH reviews. In some instances, the producer's status may be verified by contacting the applicable FSA office or by using RMA's experience listings.

4 EXAMPLE - NEW PRODUCERS WITHOUT PRODUCTION RECORDS

In this example database, the insured started to farm for the current crop year and records are not available from another producer. In this case, the approved APH yield is 100 percent of the applicable T-Yield.

| Current Year | Year 2 | Year 3 | Year 4 |
|--------------|--------|--------|--------|
| I100 | I100 | I100 | I100 |
| I100 | I100 | I100 | I100 |
| I100 | I100 | A110 | A110 |
| I100 | A110 | A120 | A120 |
| | | | Z |

5 EXAMPLE - NEW PRODUCER WITH PRODUCTION RECORDS

In this example database, the insured has been farming for two years and produced the insured crop for two crop years. Production reports were filed containing actual yields for the two crop years. The "current year" is the initial crop year the insured qualified as a new producer. The "I" yield descriptor is retained in an individual database containing T-Yields until the database contains three years of actual/assigned yields.

| Current Year | Year 2 | Year 3 | Year 4 |
|--------------|--------|--------|--------|
| I100 | T100 | T100 | A40 |
| I100 | A40 | A40 | A140 |
| A40 | A140 | A140 | A110 |
| A140 | A110 | A110 | Z |
| | | Z | A138 |

ORGANIC CROP UNDERWRITING PROCEDURES

- 1 **DEFINITIONS** [For additional definitions that may be applicable for organic farming practices See Section 3.]

Buffer Zone - A parcel of land, as designated in the insureds organic plan, that separates agricultural commodities grown under organic practices from agricultural commodities grown under non-organic practices, and used to minimize the possibility of unintended contact by prohibited substances or organisms.

Buffer zone acreage - Acreage of the insured crop located in a buffer zone.

Certificate - A written document issued annually that identifies the name of the person certified, effective date of certification, certificate number, types of products certified, and name and address of the certifying agency.

Certification - A determination made by a certifying agency that the production or handling operation is in compliance with the certifying agency's certification standards.

Certified Organic Acreage - Acreage in the certified organic farming operation that has been certified by a certifying agent as conforming to organic standards in accordance with 7 CFR part 205.

Certifying Agent - 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.

Denial of certification - A determination made by a certifying agency that a grower who has applied for certification is NOT able to comply with the certifying agency's certification standards.

Drift - The physical movement of prohibited substances from the intended target site onto an organic operation or portion thereof.

National List - A list published by USDA Agriculture Marketing Service for the National Organic Program of allowed and prohibited substances.

National Organic Program (NOP) - USDA authorized by the Organic Foods Production Act for implementing regulations.

Nonorganic farming practice - A practice commonly recognized in a conventional farming operation by which synthetic pesticides and fertilizers are used.

Nonsynthetic (natural) - A substance originated from mineral, plant or animal matter that does not undergo a synthetic process.

Organic Agricultural Industry - Persons who are employed by the following organizations: Appropriate Technology Transfer for Rural Areas, Sustainable Agriculture Research and Education or the Cooperative State Research, Education and Extension Service, 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 Farming Operation. An operation that uses organic farming practices to produce organic agricultural commodities.

Organic Farming Practice - A system of plant production practices approved by a certifying agent in accordance with 7 CFR part 205.

Organic Foods Production Act (OFPA) - The statute enacted in 1990 as amended (7 U.S.C. 6501 et seq.) mandating the development of national standards for the production and handling of foods labeled as organic.

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

Organic Standards - Standards in accordance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) and 7 CFR part 205.

Revoked certification - An organic operation that was originally certified and certification is subsequently revoked by the certifying agency. The organic operation (or person(s) involved with the organic operation) whose certification has been revoked will be ineligible to receive certification for a period of 5 years following the date of such revocation, except the Secretary of Agriculture may, when in the best interest of the certification program, reduce or eliminate the period of ineligibility.

Split Farming Operation - An operation that uses conventional, sustainable and organic farming practices to produce both organic and nonorganic agricultural products.

Suspended certification - An organic operation that was originally certified; however, certification for the operation or portion of the operation is subsequently suspended by the certifying agency.

Synthetic - A substance originated from a manufactured chemical process or by a process that chemically changes a substance extracted from naturally occurring plant, animal, or mineral sources, except that such term shall not apply to substances created by naturally occurring biological processes.

Transitional Acreage - Acreage on which organic farming practices are being followed that does not yet qualify to be designated as organic acreage.

2 COVERAGE AVAILABILITY**2A Insurance Coverage**

Insurance coverage is available for certified organic acreage and transitional acreage (acreage being converted to certified organic acreage in accordance with an organic plan) as follows:

A(1) If a premium rate, for an organic farming practice, is specified on the actuarial documents (beginning with the 2004 crop year), certified organic and transitional acreage MUST be insured on the crop policy; or

A(2) If NO premium rate, for an organic farming practice, is specified on the actuarial documents:

(2)(a) The insured must request insurance coverage by written agreement. Written agreements are not available for CAT, IP, and RA and pilot program crops unless permitted by the crop provisions. [Refer to the FCIC 24020 Written Agreement Handbook for information on submitting a request for coverage by written agreement]; or

(2)(b) The acreage designated on the insured's organic plan as certified organic or transitioning to organic is uninsurable and must be reported as uninsured acreage.

A(3) The organic farming practice (as defined in the BP) does not apply when the insured does not follow the basic requirements specified in [3A(1) and (2)] below. Therefore, the same policy terms and conditions for conventional and sustainable farming practices will apply. Appraisals for production lost due to uninsured causes may apply for not following the recommended weed or disease control measures recommended for conventional and sustainable farming practices.

2B NOP Exemption

An insured that grows crops organically, whose annual gross agricultural income from organic sales totals \$5,000 or less, is exempt from certification. In order to receive insurance coverage under an organic farming practice, the insured must submit to the insurance provider by the acreage reporting date:

B(1) An organic plan approved by a certifying agency. The organic farming practice does not apply when the exempt insured does not provide written documentation from a certifying agent indicating an organic plan is in effect for the acreage.

B(2) Records from an exempt organic farming operation must list and show all production and handling activities of the farming operation in sufficient detail. The records must be maintained for at least 3 years, and be available upon request.

3 GENERAL INFORMATION**3A Basic Requirements for Certified Organic Acreage**

A(1) Insureds using an organic farming practice that produce or handle crops or other agricultural products that are intended to be sold, labeled, or represented as “100 percent organic,” “organic,” or “made with organic” (specified ingredients or food group(s) must be certified according to the **OFPA and NOP standards.**

A(2) Insureds must submit to the AIP an organic plan and written certification (certificate) in effect from a certifying agency that shows the name of the person(s) certified, effective date of certification, certificate number, **types of commodities certified [refer to (a) and (b) below],** and name and address of the certifying agency. A certificate issued to an operator/tenant may be used to qualify the same acreage for a landlord or similar arrangement provided the type of share arrangement between the individual/entity/partnership is identified on the organic plan and certificate.

(a) The NOP standards on “Granting Certification” [7 CFR part 205.404(b)] states “The certifying agency must issue a certificate for the organic operation which specifies the (1) . . . (2) . . . (3) “Categories of organic operation, including crops, wild crops, livestock, or processed products produced by the certified operation.”

(b) The “types of commodities” certified [as stated in section 37(c)(1) of the BP] are considered to be the “categories” listed [in 7 CFR part 205.404(b) quoted in (a) above]. To qualify for this portion of the requirements for the certified organic coverage for insured crops as stated in the BP, the certificate must list the name of the crops (not livestock, wild crops, or processed products) on the certificate. It does not have to list every crop the insured might plant. Since the certificate is not issued every year, as stated in (a) above, it is possible that the certificate may not list every insured crop the insured may plant and insure.

EXAMPLE: A written certificate was issued in 2005 and lists: corn, oats, dry beans, and wheat. The next crop year, the insured plants canola, flax, and dry peas, which are not listed on the certificate, and the organic plan has not yet been updated for the current crop year to show these crops. In this case, the type of organic operation is still “crops,” and as long as the canola, flax, and dry peas were grown on ground that had previously been identified in the organic plan to be certified organic, they would be insured under the organic practice, as “certified organic.” However, the “Certificate” lists livestock or the type of livestock, such as hogs, sheep, cattle, etc., then the commodity certified would not be “crops”; but “livestock”. Therefore, the crops (i.e., corn, dry beans, wheat, canola, flax, etc.) cannot be considered certified organic under that “Certificate”.

A(3) Insureds shall immediately notify the AIP of any application of a prohibitive substance (non-synthetic or synthetic), including drift, **onto any certified organic field, production unit, site, facility or product that is part of the organic farming operation.**

3B Basic Requirements for Transitional Acreage

- B(1) Insureds converting their transitional acreage** to certified organic acreage must have an organic plan and written documentation from a certifying agency. The organic plan must list the crops that are in transition for organic certification and must include all acreage including sustainable and conventional acreage in the farming operation.
- B(2) If the insured does not have an organic plan** or written documentation in effect from a certifying agency and the acreage does not meet the policy definition of “organic farming practices” (as defined in the BP), the same policy terms and conditions that apply to conventional and sustainable farming practices will apply to the acreage.
- B(3) Notification regarding the application of a prohibitive substance** or drift as specified in [3A(3) above] also applies to transitional acreage.
- B(4) Although an organic plan and written documentation is required** for crop insurance purposes, the transitional acreage is not considered by NOP to be “certified organic”.

3C Recordkeeping Requirements

An insured with a split farming operation must maintain and provide separate records for conventional, transitional, and certified organic acreage. Records of acreage and production are not required if an insured picks up new acreage that initially qualified as certified organic or transitional acreage, or acreage that was farmed previously and the insured is not using crop history from another person.

The insured must provide to the AIP:

- C(1) Records of acreage and production** from the operation that show the exact location of each field for transitional, certified organic, buffer zone, and conventional acreage not maintained under an organic farming practice. An on-site inspection report completed by an inspector as defined in the NOP standards may be used for the current crop year. Variable T-Yields will apply; special procedures for added land P/T/V [Exhibit 36] and New Producers [Exhibit 37] do not apply.”
- C(2) Records of acreage and production applicable** to the organic farming operation must be maintained and be available (or applicable certified documentation), if the acreage was not in production.
- C(3) Records must fully disclose** all activities and transactions of the organic farming operation in sufficient detail to be readily understood and audited.
- C(4) Records must be maintained** for a period of 5 years as specified in the OFPA and the NOP standards.

3D Denial of Certification, Suspended or Revoked Acreage

If the certifying agency issues a denial of certification on all or a portion of the insured's organic farming operation, the acreage or a portion of the acreage not certified cannot be insured under an organic farming practice.

D(1) If the acreage certification is suspended or revoked by the certifying agent:

(1)(a) Before the ARD, the acreage will be considered uninsurable under the organic farming practice.

(1)(b) After the ARD, the organic acreage for the remainder of the crop year will remain insured under the reported practice for which it qualified at the time the acreage was reported, except in cases where the insured knowingly did not following good farming practices or good organic farming practices.

D(2) The insured of a certified operation (or person(s) involved with the organic operation whose certification has been suspended or revoked will be ineligible to receive certification under an organic farming practice as specified in the OFPA and NOP standards.

4 UNIT DETERMINATION

The BP provide instructions for establishing separate optional units for crops grown and acreage insured under an organic farming practice.

5 PRICE ELECTIONS, DOLLAR AMOUNTS OF INSURANCE, AND PREMIUM DETERMINATION

Price elections or dollar amounts of insurance applicable to both certified organic and transitional crops will be the same price elections or dollar amounts of insurance for conventional crops published by RMA as shown on the actuarial documents.

Unless separate practices for certified organic and transitional crops are identified on the actuarial document, the premium for certified organic and transitional crops is determined by multiplying the premium rate for the conventional practice or type by the organic premium factor. Buffer zone acreage will be insured using the price election or dollar amount of insurance and organic premium factor applicable to the certified organic or transitional acreage that it buffers.

6 QUALITY ADJUSTMENT

There is no additional quality adjustment for certified organic and transitional acreage. The quality adjustment procedures that apply to conventional acreage also apply to certified organic, transitional, or buffer zone acreage. Refer to the BP, CP and SP for information on quality adjustment.

7 PREVENTED PLANTING

Refer to the BP for crops grown under organic farming practices that may be eligible for prevented planting payments.

Prevented planting coverage will not be provided for any acreage grown under an organic farming practice in excess of the number of acres (including prevented planted and planted acres) shown on the acreage report and may not exceed the number of acres specified under the organic plan.

Prevented planting coverage will be provided for organic acreage if such prevented planting acreage is identified as transitional, certified organic or buffer zone acreage in the organic plan in accordance with the BP of Insurance and applicable crop provisions.

8 SPECIAL ACREAGE REPORTING INSTRUCTIONS

The insured must submit the acreage report, by the acreage reporting date, and use separate lines entries for the certified organic or transitional acreage.

The acreage identified on the acreage report as (OT) transitional and (OC) certified organic acreage will be used to accumulate transitional and certified organic APH. The buffer zone acreage will be included in the organic acreage of the unit that it buffers either transitional or certified organic acreage and reported on the same basis.

9 LOSS ADJUSTMENT INSTRUCTIONS

[Refer to the Loss Adjustment Manual Standards, FCIC 25010, for loss adjustment procedures that apply to organic farming practices.]

10 APH YIELD DETERMINATION AND REPORTING INSTRUCTIONS

10A Certified Organic and Transitional Yield Data

Separate certified organic and transitional yield data first by unit, practice, type, and variety and second by certified organic and transitional acreage.

A(1) Certified Organic APH

(1)(a) **If less than 4 years of certified organic yield history** is available, the insurance provider must use up to the most recent 4 years of the insured's actual yields from the transitional APH database for the missing year(s), in place of variable T-Yields. The production and acreage for the transitional yields are not shown in the certified database.

(1)(b) **If transitional acreage is not available**, the applicable variable T-Yields must be used to complete the certified organic database. The actual transitional yields or variable T-Yields will be replaced by actual certified organic yield data as it is collected. Only actual transitional yields (actual/assigned yields) for the most recent 4 years may be substituted for T-Yields.

(1)(c) **The certified organic yield data will be maintained** in the certified organic APH database.

A(2) Transitional APH

(2)(a) **DO NOT use conventional acreage APH** data to complete the transitional database.

(2)(b) **If there is less than 4 years of actual transitional yields** in the database, use the applicable variable T-Yields to complete the transitional database. The variable T-Yields will be replaced by actual transitional yield data as it is collected.

(2)(c) **The insured's actual transitional yields will be maintained** in the transitional APH database.

10B APH Yield Determination

B(1) [Refer to Section 6 for general instructions regarding Category "B" crop procedures.]

B(2) [Refer to Section 7 for general instructions regarding Category "C" crop procedures.] Separate records must be established for new acreage in transition to certified organic acreage, unless the acreage is from the same block or other blocks of the same age, density, and variety.

B(3) [Refer to Exhibit 7 for general instructions regarding Master Yields (MY) and procedures.] MY procedures may be selected on a crop basis and must be established by P/T/V/TMA. When selected for a crop, MY's apply to conventional, transitional acreage converting to organic, and certified organic acreage.

(3)(a) **Separate MY are required for** conventional, transitional, and certified organic acreage.

(3)(b) **If there are less than 4 years of certified organic MY history**, complete the Master Yield Summary with the transitional acreage MY, if applicable, in place of the T-Yield. Once 4 years of actual or assigned yields are available for the certified organic Master Yield Summary, use these yields to calculate the average yield.

B(4) [Refer to the WAH for instructions regarding Written Agreements.]

10C Reporting Instructions

separate databases are required for certified organic, transitional, and conventional farming practices. The data collected will be reported and maintained in separate databases and identified:

C(1) Option codes (OC) for "certified organic" (OT) for "transitional" acreage. The option codes are used to accumulate yield history for organic crops.

C(2) Yield Descriptors “V” for certified organic or “G” for transitional acreage. The yield descriptors are used to identify the types of yields entered in the APH databases and must be indicated on Type 15 APH records transmitted to RMA. [Refer to Exhibit 5 for additional yield descriptors and Appendix III for additional reporting instructions.]

EXAMPLE: Use “V” or “G” in conjunction with “_Y” (“VY” or “GY”) when the actual certified organic or transitional yield does NOT qualify for the APH yield adjustment election (60% T-Yield substitution).

| Option Codes | Yield Descriptors | Type of Actual Production History |
|--------------|-------------------|---|
| “OC” | “V” | Certified organic acreage |
| “OT” | “G” | Transitional acreage being converted to certified organic |

11 CERTIFIED ORGANIC AND TRANSITIONAL APH DATABASE EXAMPLES

11A APH Database Records

EXAMPLES 1 (a) - (g) illustrates the conversion of conventional acreage to certified organic acreage.

EXAMPLES (1)(a)-(b) illustrates for 2000 crop year, the producer converted the conventional acreage. Since the producer has NO prior organic farming history, for the 2001 crop year, 4 T-Yields are given and identified in the Transitional APH database

| 1(a) CONVENTIONAL DATA | | | |
|------------------------|------------|----------------|--------------|
| Crop Year: 2000 | | Unit No. 00101 | |
| Year | Total Prod | Acres | Yield |
| 1990 | 5120 | 160.0 | A32 |
| 1991 | 5760 | 160.0 | A36 |
| 1992 | 6240 | 160.0 | A39 |
| 1993 | 5440 | 160.0 | A34 |
| 1994 | 4960 | 160.0 | A31 |
| 1995 | 5600 | 160.0 | A35 |
| 1996 | 5280 | 160.0 | A33 |
| 1997 | 5920 | 160.0 | A37 |
| 1998 | 6080 | 160.0 | A38 |
| 1999 | 6400 | 160.0 | A40 |
| | | Total | 355/10= 35.5 |
| | | APH | 36 |

| 1(b) TRANSITIONAL (OT) APH DATA | | | |
|---------------------------------|------------|----------------|------------|
| Crop Year: 2001 | | Unit No. 00102 | |
| Year | Total Prod | Acres | Yield |
| 1997 | | | T35 |
| 1998 | | | T35 |
| 1999 | | | T35 |
| 2000 | | | T35 |
| | | Total | 140/4 = 35 |
| | | APH | 35 |

EXAMPLE 1 (Continued)

EXAMPLES (1)(c)-(g) illustrates accumulation of actual transitional APH for the 2002-2004 crops. As the actual transitional yields are accumulated, these yields will replace the T-Yields in the database.

| 1(c) TRANSITIONAL (OT) APH DATA | | | |
|---------------------------------|------------|----------------|------------|
| Crop Year: 2002 | | Unit No. 00102 | |
| Year | Total Prod | Acres | Yield |
| 1998 | | | T35 |
| 1999 | | | T35 |
| 2000 | | | T35 |
| 2001 | 5600 | 160.0 | G35 |
| | | Total | 140/4 = 35 |
| | | APH | 35 |

| 1(d) TRANSITIONAL (OT) APH DATA | | | |
|---------------------------------|------------|----------------|---------------|
| Crop Year: 2003 | | Unit No. 00102 | |
| Year | Total Prod | Acres | Yield |
| 1999 | | | T35 |
| 2000 | | | T35 |
| 2001 | 5600 | 160.0 | G35 |
| 2002 | 5760 | 160.0 | G36 |
| | | Total | 141/4 = 35.25 |
| | | APH | 35 |

| 1(e) TRANSITIONAL (OT) APH DATA | | | |
|---------------------------------|------------|----------------|------------|
| Crop Year: 2004 | | Unit No. 00102 | |
| Year | Total Prod | Acres | Yield |
| 2000 | | | T35 |
| 2001 | 5600 | 160.0 | G35 |
| 2002 | 5760 | 160.0 | G36 |
| 2003 | 6080 | 160.0 | G38 |
| | | Total | 144/4 = 36 |
| | | APH | 36 |

| 1(f) TRANSITIONAL (OT) APH DATA | | | |
|---------------------------------|------------|----------------|------------|
| Crop Year: 2005 | | Unit No. 00102 | |
| Year | Total Prod | Acres | Yield |
| 2000 | | | T35 |
| 2001 | 5600 | 160.0 | G35 |
| 2002 | 5760 | 160.0 | G36 |
| 2003 | 6080 | 160.0 | G38 |
| 2004 | | 0.0 | Z |
| | | Total | 144/4 = 36 |
| | | APH | 36 |

| 1(g) TRANSITIONAL (OT) APH DATA | | | |
|---------------------------------|------------|----------------|------------|
| Crop Year: 2006 | | Unit No. 00102 | |
| Year | Total Prod | Acres | Yield |
| 2000 | | | T35 |
| 2001 | 5600 | 160.0 | G35 |
| 2002 | 5760 | 160.0 | G36 |
| 2003 | 6080 | 160.0 | G38 |
| 2004 | | 0.0 | Z |
| 2005 | | 0.0 | Z |
| | | Total | 144/4 = 36 |
| | | APH | 36 |

EXAMPLE (1)(g) illustrates an actual transitional APH database after the transitional acreage qualifies as certified organic acreage. For the 2005-2006 crop years, "Z" is entered in the actual transitional APH database.

EXAMPLES 2(a)-(b) illustrates the accumulation of actual certified organic APH data. In this example, the producer's actual transitional yield history is used to complete the certified organic database. To complete the certified organic database, use ONLY the actual transitional yields. Do NOT use the transitional production and acres in the certified organic database.

| 2(a) CERTIFIED ORGANIC (OC) APH DATA | | | |
|--------------------------------------|------------|----------------|------------|
| Crop Year: 2005 | | Unit No. 00102 | |
| Year | Total Prod | Acres | Yield |
| 2001 | | | G35 |
| 2002 | | | G36 |
| 2003 | | | G38 |
| 2004 | 6240 | 160.0 | V39 |
| | | Total | 148/4 = 37 |
| | | APH | 37 |

| 2(b) CERTIFIED ORGANIC (OC) APH DATA | | | |
|--------------------------------------|------------|---------------|---------------|
| Crop Year: 2006 | | Unit No.00102 | |
| Year: | Total Prod | Acres | Yield |
| 2002 | | | G36 |
| 2003 | | | G38 |
| 2004 | 6240 | 160.0 | V39 |
| 2005 | 6400 | 160.0 | V40 |
| | | Total | 153/4 = 38.25 |
| | | APH | 38 |

EXAMPLES 3(a)-(b) illustrates for the 2005 crop year, a situation in which the producer informed the certifying agency of spraying (or drift) onto the organic acreage. The certifying agency did not issue a certificate for the acreage. The following crop year (2006 crop year), the producer submitted a new organic plan to the certifying agency for approval and transitioned the acreage for 36-months towards full organic certification by 2009.

| 3(a) CERTIFIED ORGANIC (OC) APH DATA | | | |
|--------------------------------------|------------|---------------|------------|
| Crop Year: 2005 | | Unit No.00102 | |
| Year | Total Prod | Acres | Yield |
| 2001 | | | G35 |
| 2002 | | | G36 |
| 2003 | | | G38 |
| 2004 | 6240 | 160.0 | V39 |
| | | Total | 148/4 = 37 |
| | | APH | 37 |

| 3(b) TRANSITIONAL (OT) APH DATA | | | |
|---------------------------------|------------|---------------|------------|
| Crop Year: 2006 | | Unit No.00102 | |
| Year | Total Prod | Acres | Yield |
| 2001 | 5600 | 160.0 | G35 |
| 2002 | 5760 | 160.0 | G36 |
| 2003 | 6080 | 160.0 | G38 |
| 2004 | | 0.0 | Z |
| 2005 | 4960 | 160.0 | G31 |
| | | Total | 140/4 = 35 |
| | | APH | 35 |

EXAMPLE 4(a)-(b) illustrates a revoked certification by the certifying agency for the 2005 crop year. After the acreage reporting date, the acreage qualified as certified organic acreage. The certification, however, was later revoked by the certifying agency. The APH is reported under the organic farming practices that it qualified at acreage reporting and remains insured under the same farming practices for the remainder of the crop year. The acreage may not be reported under the organic farming practice for five years.

| 4(a) CERTIFIED ORGANIC (OC) APH DATA | | | |
|--------------------------------------|------------|----------------|--------------|
| Crop Year: 2006 | | Unit No. 00102 | |
| Year | Total Prod | Acres | Yield |
| 2002 | | | G36 |
| 2003 | | | G38 |
| 2004 | 6240 | 160.0 | V39 |
| 2005 | 5760 | 160.0 | V36 |
| | | Total | 149/4= 37.25 |
| | | APH | N/A* |

*Although the acreage is reported under organic farming practice that it qualified for the 2005 crop year, the acreage does not qualify under the organic farming practice for the 2006 crop year.

| 4(b) CONVENTIONAL DATA | | | |
|------------------------|------------|----------------|--------------|
| Crop Year: 2006 | | Unit No. 00101 | |
| Year | Total Prod | Acres | Yield |
| 1996 | 5280 | 160.0 | A33 |
| 1997 | 5920 | 160.0 | A37 |
| 1998 | 6080 | 160.0 | A38 |
| 1999 | 6400 | 160.0 | A40 |
| 2000 | 6720 | 160.0 | A42 |
| 2001 | | 0.0 | Z |
| 2002 | | 0.0 | Z |
| 2003 | | 0.0 | Z |
| 2004 | | 0.0 | Z |
| 2005 | | 0.0 | Z |
| | | Total | 365/10= 36.5 |
| | | APH | 37 |

11B APH Data Records For Category “C” Crops

Below is a conventional farming operation that later became a split farming operation. All practices (conventional, transitional, and certified organic) are shown in Examples B(1)-B(6) in which the unit of measure is bushels/boxes. The APH history is as follows:

- B(1)** Illustrates, for the 2001 crop year, ALL acreage which is classified as conventional acreage;
- B(2)** Illustrates, conventional acreage;
- B(3)** Illustrates, transitional acreage for the 2001-2003 crop years in which a part of the conventional acreage is transitioned under the organic farming practices and is classified as transitional acreage;
- B(4)** Illustrates certified organic APH data for the 2004 crop year in which 16.3 acres of the transitional acreage becomes classified as certified organic acreage; and
- B(5)** Illustrates an apple orchard that contains 3 blocks of apples for the 2006 crop year in which one block was denied certification.

B(6) Illustrates maintenance of the transitional APH database after transitional acreage qualifies as certified organic acreage.

EXAMPLE B(1) illustrates ALL Practices (Conventional, Transitional and Certified Organic)

| | | | | | |
|---|--|-----------------|-----------------------|-------------------------|--------------------|
| Crop: Apples (054) Practice: IRR (002) Type 111 Unit No. 00100 | Section: 1 | | | | |
| | Township: 45S | Crop Year | Total Prod | Acres | Yield |
| OTHER ENTITY (IES) NONE | Range: 5W Land Other County Y or N | | | | |
| DATABASE TYPE: CROP YEAR: PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, DATABASEED BIN MEASUREMENT LIVESTOCK FEEDING DATABASEED APPRAISAL FSA LOAN DATABASE OTHER NUMBER OF TREES OR VINE 14,495 | FSA FARM NO. 8912 | 2001 | 24,616 | 26.3 | A936 |
| | CROPLAND | 2002 | 32,950 | 26.3 | A1253 |
| | AREA CLASSIFICATION | 2003 | 36,569 | 26.3 | A1390 |
| | | 2004 | 43,050 | 26.3 | A1637 |
| | | 2005 | 41,998 | 26.3 | A1597 |
| | | | | | Total 6,813 |
| | Processor Number/Name Any Processor | Other (Average) | Trans. Yield 1,108 | (A) Preliminary Yield | Approved APH Yield |
| (B) Prior Yield | | | | (For Verifier use only) | |

EXAMPLE B(2) illustrates acreage insured under the conventional farming practices.

| | | | | | | |
|---|--------------------------|-----------------------------|--------------------------------|---|-------|----------------|
| Crop: Apples (054) Practice: IRR (002) Type 111 Unit No. 00101 | Section: 1 | | | | | |
| | Township: 45S | Crop Year | Total Prod | Acres | Yield | |
| OTHER ENTITY (IES) NONE | Range: 5W | | | | | |
| | Land Other County Y or N | | | | | |
| DATABASE TYPE: CROP YEAR: PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, DATABASEED BIN MEASUREMENT LIVESTOCK FEEDING DATABASEED APPRAISAL FSA LOAN DATABASE OTHER NUMBER OF TREES OR VINE 14,495 | FSA FARM NO. 8912 | 2001 | 24,616 | 26.3 | A936 | |
| | CROPLAND | 2002 | 13,000 | 10.0 | A1300 | |
| | AREA CLASSIFICATION | 2003 | 14,000 | 10.0 | A1400 | |
| | | 2004 | 16,500 | 10.0 | A1650 | |
| | | 2005 | 17,000 | 10.0 | A1700 | |
| | | | | | | Total 6,986 |
| | | | | | | |
| Processor Number/Name Any Processor | Other (Average) | Transitional Yield 1,108 | (A) Preliminary Yield 1,397 | Approved APH Yield 1,397 box/ac. 10.0 acres | | |
| | | | (B) Prior Yield | (For Verifier use only) | | |

EXAMPLE B(3) illustrates transitional acreage converting to organic acreage in which the transitioning phase is 36-months. The transitional acreage is insured under an organic farming practice provided the insured have an organic plan and written documentation from a certifying agency.

| | | | | | |
|--|--------------------------|-----------------------------|--------------------------------|---|---------------|
| Crop: Apples (054) Practice: IRR (002) Type 111 Unit No. 00102 | Section: 1 | | | | |
| | Township: 45S | Crop Year | Total Prod | Acres | Yield |
| OTHER ENTITY (IES) NONE | Range: 5W | | | | |
| | Land Other County Y or N | | | | |
| DATABASE TYPE: CROP YEAR: PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, DATABASEED BIN MEASUREMENT LIVESTOCK FEEDING DATABASEED APPRAISAL FSA LOAN DATABASE OTHER NUMBER OF TREES OR VINE 4,495 | FSA FARM NO. 8912 | 2001 | | | T1108 |
| | CROPLAND | 2002 | 19,950 | 16.3 | G1224 |
| | AREA CLASSIFICATION | 2003 | 22,569 | 16.3 | G1385 |
| | | 2004 | 26,550 | 16.3 | G1629 |
| | | 2005 | | 0.0 | Z |
| | | | | | Total 5346 |
| | | | | | |
| Processor Number/Name Any Processor | Other (Average) | Transitional Yield 1,108 | (A) Preliminary Yield 1,337 | Approved APH Yield 1,337 box/ac. 10.0 acres | |
| | | (B) Prior Yield | | (For Verifier use only) | |

EXAMPLE B(4) illustrates acreage that qualified as certified organic acreage for the 2005 crop year. The certified organic acreage is insured under an organic farming practice provided the insured have an organic plan and a certificate (certification) from a certifying agency.

| Crop: Apples (054) Practice: IRR (002) Type 111 Unit No. 00102 | Section: 1 | <table border="1"> <thead> <tr> <th>Crop Year</th> <th>Total Prod</th> <th>Acres</th> <th colspan="2">Yield</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td colspan="2"> </td></tr> <tr><td>2002</td><td> </td><td> </td><td colspan="2">G1224</td></tr> <tr><td>2003</td><td> </td><td> </td><td colspan="2">G1385</td></tr> <tr><td>2004</td><td> </td><td> </td><td colspan="2">G1629</td></tr> <tr><td>2005</td><td>24,998</td><td>16.3</td><td colspan="2">V1534</td></tr> <tr><td colspan="3"> </td><td colspan="2">Total 5772</td></tr> </tbody> </table> | | | | Crop Year | Total Prod | Acres | Yield | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | 2002 | | | G1224 | | 2003 | | | G1385 | | 2004 | | | G1629 | | 2005 | 24,998 | 16.3 | V1534 | | | | | Total 5772 | |
|--|--|--|--|--|--|------------|------------|-------|-------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|------|--|--|-------|--|------|--|--|-------|--|------|--|--|-------|--|------|--------|------|-------|--|--|--|--|------------|--|
| | Crop Year | | | | | Total Prod | Acres | Yield | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 2002 | | | G1224 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2003 | | | G1385 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2004 | | | G1629 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2005 | 24,998 | 16.3 | V1534 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Total 5772 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| OTHER ENTITY (IES) NONE | Township: 45S Range: 5W Land Other County Y or N | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DATABASE TYPE: CROP YEAR: PRODUCTION SOLD/COMMERCIAL STORAGE ON FARM STORAGE, DATABASEED BIN MEASUREMENT LIVESTOCK FEEDING DATABASEED APPRAISAL FSA LOAN DATABASE OTHER NUMBER OF TREES OR VINE 4,495 | FSA FARM NO. 8912 CROPLAND AREA CLASSIFICATION | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Processor Number/Name Any Processor | Other (Average) 1,443 | Transitional Yield 1,108 | (A) Preliminary Yield 1,443` (B) Prior Yield | Approved APH Yield 1,443 box/ac. 10.0 acres (For Verifier use only) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

EXAMPLE B(5) illustrates an apple orchard that contains three blocks of apples. For the 2006 crop year, the certifying agent issues a certificate that lists block 001 and block 002; but, denies certification for block 003. Variety/Other is not applicable on the actuarial, the code for the organic factor and type were shown to aid in identification.

| 19-A (APH-BPW) BLOCK PRODUCTION WORKSHEET (For illustration purposes only) REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM. INCLUDE PRODUCTION THAT IS LESS THAN MINIMUMS AND ZERO PRODUCTION. | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|---------------------|--|--|-------------------|--|---|----------|---------------|--|---------------------|--|----------|----------------|--|--|-------------------|--|--|----------------|--|--|-----|--|--|
| 1 NAME <p style="text-align: center;">I. M. INSURED</p> | | | | 2 POLICY NUMBER <p style="text-align: center;">MPCI</p> | | | | 3 UNIT NUMBER <p style="text-align: center;">00100</p> | | | | | | | | | | | | | | | | | | |
| 4 CROP <p style="text-align: center;">APPLES</p> | | | | 5 STATE <p style="text-align: center;">CO</p> | | | | 6 LEGAL DESCRIPTION <p style="text-align: center;">Sec. 31 T10S R50W</p> | | | | | | | | | | | | | | | | | | |
| 7 CROP YEAR <p style="text-align: center;">2006</p> | | | | 8 COUNTY <p style="text-align: center;">MONTROSE</p> | | | | 9 FSA FSN <p style="text-align: center;">8912</p> | | | | | | | | | | | | | | | | | | |
| | | | 4 PRACTICE 002 | | | 4 TYPE 111 | | | | | | 4 PRACTICE 002 | | | 4 TYPE 111 | | | | | | | | | | | |
| | | | 4 VARIETY/OTHER N/A | | | OC RED/GOLD | | | | | | 4 VARIETY/OTHER N/A | | | OC GALA | | | | | | | | | | | |
| 11 BLOCK NO.: | | | 001 | | | 12 Mo/Yr 05/1989 | | | | | | 11 BLOCK NO.: | | | 002 | | | 12 Mo/Yr 04/1996 | | | | | | | | |
| 13 SET OUT YEAR: | | | 1989 | | | 14 DENSITY: 207 | | | | | | 13 SET OUT YEAR: | | | 1996 | | | 14 DENSITY: 340 | | | | | | | | |
| 10 YEAR | | | 15 PRODUCTION | | | 16 ACRES | | | 17 YIELD | | | 15 PRODUCTION | | | 16 ACRES | | | 17 YIELD | | | | | | | | |
| 2001 | | | 5,850 | | | 13.0 | | | V450 | | | | | | | | | | | | | | | | | |
| 2002 | | | 5,200 | | | 13.0 | | | V400 | | | | | | | | | G357 | | | | | | | | |
| 2003 | | | 6,500 | | | 13.0 | | | V500 | | | 2,330 | | | 5.3 | | | V440 | | | | | | | | |
| 2004 | | | 6,175 | | | 13.0 | | | V475 | | | 2,120 | | | 5.3 | | | V400 | | | | | | | | |
| 2005 | | | 6700 | | | 13.0 | | | V515 | | | 2,650 | | | 5.3 | | | V500 | | | | | | | | |
| | | | TOTAL | | | 2,340 | | | | | | TOTAL | | | 1,697 | | | | | | | | | | | |
| | | | 18 T-YIELD ADJ. | | | | | | | | | 18 T-YIELD ADJ. | | | | | | | | | | | | | | |
| 19 AVERAGE YIELD | | | 471 | | | 20 APPROVED YIELD | | | 468 | | | 19 AVERAGE YIELD | | | 424 | | | 20 APPROVED YIELD | | | N/A | | | | | |
| | | | 21 PRIOR YIELD | | | 456 | | | | | | 424 | | | 21 PRIOR YIELD | | | 372 | | | 386 | | | | | |
| | | | | | | | | | | | | | | | | | | | | | 21 PRIOR YIELD | | | 335 | | |
| I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH Yield. I also understand that failure to report completely and accurately may result in voidance of my crop insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730). | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22 INSURED'S SIGNATURE | | | | | | | | | | I. M. INSURED | | DATE | | XX/XX/XX | | | | | | | | | | | | |

EXAMPLE B(6) Illustrates the transitional APH after transitional acreage qualifies as certified organic acreage. Variety/Other is not applicable on the actuarial, the code for the organic factor and type were shown to aid in identification.

| 19-A (APH-BPW) BLOCK PRODUCTION WORKSHEET (For illustration purposes only) INCLUDE PRODUCTION THAT IS LESS THAN MINIMUMS AND ZERO PRODUCTION REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM. | | | | | | | | | | | | | | | | | | | | |
|---|---------------------------------------|--|-------------------|--|---------------------------------------|--|--|---|---------------------------------------|-------------------|------------|----------------|--|--|------------------|--|-------------------|--|-----|--|
| 1 NAME <p style="text-align: center;">I. M. INSURED</p> | | | | 2 POLICY NUMBER <p style="text-align: center;">MPCI</p> | | | | 3 UNIT NUMBER <p style="text-align: center;">00100</p> | | | | | | | | | | | | |
| 4 CROP <p style="text-align: center;">APPLES</p> | | | | 5 STATE <p style="text-align: center;">CO</p> | | | | 6 LEGAL DESCRIPTION <p style="text-align: center;">Sec. 31 T10S R50W</p> | | | | | | | | | | | | |
| 7 CROP YEAR <p style="text-align: center;">2006</p> | | | | 8 COUNTY <p style="text-align: center;">MONTROSE</p> | | | | 9 FSA FSN <p style="text-align: center;">8912</p> | | | | | | | | | | | | |
| | 4 PRACTICE 002 | | | 4 TYPE 111 | | | | 4 PRACTICE 002 | | | 4 TYPE 111 | | | | | | | | | |
| | 4 VARIETY/OTHER N/A OC RED/GOLD | | | 4 VARIETY/OTHER N/A OC GALA | | | | 4 PRACTICE 002 | | | 4 TYPE JON | | | | | | | | | |
| | 11 BLOCK NO.: 001 12 Mo/Yr 05/1989 | | | | 11 BLOCK NO.: 002 12 Mo/Yr 04/1996 | | | | 11 BLOCK NO.: 003 12 Mo/Yr 04/1996 | | | | | | | | | | | |
| | 13 SET OUT YEAR: 1989 14 DENSITY: 207 | | | | 13 SET OUT YEAR: 1996 14 DENSITY: 340 | | | | 13 SET OUT YEAR: 1996 14 DENSITY: 340 | | | | | | | | | | | |
| 10 YEAR | 15 PRODUCTION | | 16 ACRES | | 17 YIELD | | | 15 PRODUCTION | | 16 ACRES | | 17 YIELD | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| 2000 | | | | | | | | 1,100 | | 5.3 | | G208 | | | | | | | | |
| 2001 | | | 0.0 | | Z | | | 1,550 | | 5.3 | | G292 | | | | | | | | |
| 2002 | | | 0.0 | | Z | | | 1,890 | | 5.3 | | G357 | | | | | | | | |
| 2003 | | | 0.0 | | Z | | | | | 0.0 | | Z | | | | | | | | |
| 2004 | | | 0.0 | | Z | | | | | 0.0 | | Z | | | | | | | | |
| 2005 | | | 0.0 | | Z | | | | | 0.0 | | Z | | | | | | | | |
| | TOTAL | | | | | | | TOTAL | | | | | | | | | | | | |
| | 18 T-YIELD ADJ. | | | | 18 T-YIELD ADJ. | | | | 18 T-YIELD ADJ. | | | 555 | | | | | | | | |
| | 19 AVERAGE YIELD | | 20 APPROVED YIELD | | N/A | | | 19 AVERAGE YIELD | | 20 APPROVED YIELD | | N/A | | | 19 AVERAGE YIELD | | 20 APPROVED YIELD | | 369 | |
| | 21 PRIOR YIELD | | | | 21 PRIOR YIELD | | | | 369 | | | 21 PRIOR YIELD | | | | | | | | |
| I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH Yield. I also understand that failure to report completely and accurately may result in voidance of my crop insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730). | | | | | | | | | | | | | | | | | | | | |
| 22 INSURED'S SIGNATURE <p style="text-align: center;">I. M. INSURED</p> | | | | | | | | DATE <p style="text-align: center;">XX/XX/XX</p> | | | | | | | | | | | | |

Reserved.

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