

2013 FCIC 18010 Crop Insurance Handbook (CIH) Summary of Changes

Listed below is a summary of the changes being made to the FCIC 18010 Crop Insurance Handbook for 2013 that have the most significant impact. Minor changes and corrections are not included in this listing.

Reference	Description of additions, changes or clarifications:
Sec. 2 – General Program Requirements	
2C(3)(c) & 2H(f)	Removed language for duplicate policies and separate administrative fees regarding specialty type soybeans due to release of 2012 Specialty Trait Soybeans.
Sec. 3 – Application for Insurance	
3C(1)(a)	Removed specialty soybeans from the exception allowing different plan elections by type due to release of 2012 Specialty Trait Soybeans.
Sec. 4 – Endorsements and Options	
4A(6)	Added Table Grape Protective Cover Option as an option that applies to CAT policies.
4B(2)	Added exception that variable T-Yield percentage will be based the number of years of yields reported by crop/county instead of crop/policy.
4J(3)	Changed Option I to Minimum Value Option and removed Option II for Fresh Market Tomato (Dollar Plan) Minimum Value Option.
4O	Added Table Grape Protective Cover Option procedure.
Sec. 6 – Servicing and Administrative Requirements	
6B(2)	Clarified the different types of acreage, added a new acreage type and added references for the different acreage types.
Sec. 9 - Planting Provisions	
9B(2) and 9C	Updated tables for onions due to 2013 Onion CP.
9C(1)(c)	Clarified when a policy is transferred to another AIP with the same optional PP coverage election as on the original policy, it is not considered an increase in PP coverage.
9C(2)(c)	Corrected chart summarizing the effects that planting a second crop and double cropping have on PP payments and the premiums of a first insured crop.
9C(4)(c)	Incorporated MGR-11-003 regarding acceptable records for proving double cropping history.
9C(6)	Changed reference to FCIC 25370 for determining PP acres and reporting requirements.
Sec. 13 – Production Reports and APH Databases	
13A(2)(g) <u>3</u>	Clarified any production from short rated acreage must be reported on the production report as uninsured production.
13A(2)(g) <u>4</u>	Clarified production from appraisals made for production lost due to uninsurable causes of loss is reported on the production report as uninsurable cause of loss appraisals.
13A(2)(g) <u>5</u>	Clarified production from appraisals obtained from only a portion of the acreage in a field that remains unharvested is reported as uninsured production.
13A(4)(b)	Clarified the yield descriptor “U” applies to avocados and in what situations the “U” descriptor should be used.
13A(5)	Clarified the agent code is reported on the production report and added uninsurable cause of loss appraisals as required information under the insurability element.

Sec. 14 – Production Evidence	
14D(6)	Clarified pick, machine harvest, and daily sales records alone are acceptable production records, unless the policy requires a pre-harvest appraisal.
14D(6)(a)	Clarified a pre-harvest appraisal is used as supporting documentation in conjunction with pick records, machine harvest records, and/or daily sales records, if a pre-harvest appraisal is required by the policy.
14D(6)(c)	Incorporated PM-11-054, adding machine harvest records and their requirements as an acceptable production record.
14D(6)(e)	Incorporated PM-11-054, adding tax records alone are not considered acceptable production records except for vertically integrated producers and that tax records may be used in combination with other records for verification.
14F(2)	Incorporated PM-11-054, adding production evidence contained in 14D can be submitted as acceptable production records, as well as, certified scale weight records and tax records.
14F(4)	Clarified how AIPs are to determine reasonableness of the vertically integrated producer's production.
Sec. 15 – Category B Crop Procedures	
15A(4)	Removed Pilot T-Yields for New Producer because any remaining 110 percent T-Yields were required to be replaced with 100 percent of the applicable T-Yield in 2011.
15A(5)	Corrected date for RO Determined Yield Request from ARD to PRD, to correspond with procedure provided in 15F(2)(a) <u>1</u> .
15G	Added an exception to allow a combination of Master Yield and approved APH yields for the same crop/county policy in certain situations.
15I(4)(c)	Clarified that Added Land/New Crop/P/T Request must be signed by the insured to be acceptable.
15I(4)(f) <u>2</u>	Changed acreage in example from 500 to 700 to be consistent with when a RO review is required.
15K(3)(a) <u>1</u>	Updated quality adjustment to be consistent with current ELS cotton and cotton crop provisions.
Sec. 16 – Category C Crop Procedures	
16C(1)(a)	Added the month to show how the calendar year in the example was calculated.
16D(3)	Removed references to Florida citrus (now located in Section 20), clarified that Spur and Nonspur is only a designation for apples when listed within the actuarial documents, and clarified insureds must answer "Yes" to the applicable PAW question if changing practices from conventional to organic.
16D(4)	Removed references and exceptions for Florida citrus.
16E(1)	Removed references to Florida citrus and Texas citrus tree.
16G(1)	Clarified that an insured may report production and an AIP may (not must) establish an APH database by block.
16G(3)(e) <u>3&4</u>	Updated references.
16H(8)(g) <u>4</u>	Corrected references to show which formula AIPs use to calculate the approved APH yield.
16I(2)(b) <u>1</u>	Clarified exception to allow more time to obtain the insureds signature for the RO Determined Yield request (requests must be signed and received by the RO no later than 60 calendar days after the PRD).
16I(2)(b) <u>1</u>	Added an exception for RO Determined Yield requests to be accepted by the RO when the insured notifies the AIP of a change in practice.
16J(2)	Clarified that insureds, without separate records by unit of fresh apple production in one or more of the last four years, but with records of total fresh apple production, may still be able to qualify for the fresh apple price.

16J(8)	Added machine harvest records as another acceptable verifiable record for grapes
16K(1)	Clarified that insureds who do not have separate records by unit of fresh apple production in one or more of the last four years but do have records of total fresh apple production, may still be able to qualify for the fresh apple price.
Sec. 18 – Category B Crop Procedures	
18D(4)	Clarified that crop rotation or other situations that inappropriately trigger an inconsistent yield can be considered when determining whether a valid agronomic basis exists for an inconsistent yield.
Exh. 4	
4A	Corrected Potato Certified Seed Endorsement to indicate that CAT coverage is not available. Removed Short-Rate Adjustment, since it is not an option or endorsement. Added Soybean Contract Price Option. Added Table Grape Protective Coverage Option. Removed Corn Biotech Endorsement.
Exh. 12	
12B	Added that a percent planted factor will not be used to determine the number of planted acres of cotton or ELS cotton planted in a 2 rows planted 1 row skipped with a row width of 30 inches between the 2 planted rows and a 20 inch skipped area (sometimes referred to as a “30/50” planting). FSA determined that IRR and NI cotton and ELS cotton planted in such a pattern is NOT a skip-row planting.
Exh. 15	
15G(1)(k)	Clarified how assigned yield provisions are applied to Contract Seed Bean/Contract Seed Peas with Reference Year Adjustment Factors.
Exh. 16	
16O	Updated the Apple examples to reflect the new apple procedure. Also, added examples demonstrating different scenarios for when insureds may or may not qualify for the fresh apple prices based on their records of total production.

**United States
Department of
Agriculture**



**Federal Crop
Insurance
Corporation**



**Risk
Management
Agency**



**Product
Administration
& Standards
Division**

**FCIC 18010
(6-2011)**

**FCIC 18010-01
(8-2011)**

**FCIC 18010-02
(6-2012)**

2013 CROP INSURANCE HANDBOOK (CIH)

Underwriting and Actual Production History (APH)
Standards for FCIC Programs Administered under
the Common Crop Insurance Policy Basic
Provisions and APH Administrative Regulations.

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

FEDERAL CROP INSURANCE CORPORATION DIRECTIVE		NUMBER: 18010-02 (6-2012) 18010-01 (8-2011) 18010 (6-2011)
SUBJECT: AMENDMENTS TO THE FCIC 18010 CROP INSURANCE HANDBOOK (CIH) FOR THE 2013 AND SUCCEEDING CROP YEARS	DATE: June 29, 2012	
	OPI: Product Administration and Standards Division	
	APPROVED: <i>/s/ Tim B. Witt</i> Deputy Administrator, Product Management	

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC APPROVED UNDERWRITING STANDARDS FOR POLICIES ADMINISTERED UNDER THE COMMON CROP INSURANCE POLICY BASIC PROVISIONS AND THE ACTUAL PRODUCTION HISTORY ADMINISTRATIVE REGULATION FOR 2013 AND SUCCEEDING CROP YEARS.

Effective Date. The standards in this handbook are effective upon approval for the 2013 and succeeding crop years and are not retroactive to any 2012 or prior crop year determinations. The procedures in this handbook apply to those crop policies with a contract change date that occurs after its approval. RMA may issue Bulletins that amend or clarify these standards prior to incorporation into the next issuance of the FCIC 18010.

Series Replaced. The FCIC amendments dated 2013 replaces the following issuances:

- 1 Handbooks:**
FCIC 18010-1 (8-2011); FCIC 18010 (6-2011)
- 2 Product Management Informational Memorandums:**
PM-11-054 Acceptable Records for Vertically Integrated Producers
- 3 Manager's Bulletins:**
MGR-11-015 Verifiable Record Requirements to Qualify for Fresh Apple Production by Unit

2 Filing Instructions:

FCIC 18010 Page Control Chart			
Remove Pages		Insert Pages	
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757-760	June 2011	757-760.4	June 2012

Handbook Distribution. Risk Management Agency Directors, Branch Chiefs, Washington, D.C., and Kansas City; Regional and Risk Compliance Field Offices; Approved Insurance Providers, National Appeals Division, National Crop Insurance Services, Crop Insurance Research Bureau; and the RMA public website at www.rma.usda.gov

2 GENERAL PROGRAM REQUIREMENTS

The policy consists of the applicable actuarial documents, the CEPP, other endorsements or options, the SP, the CP, the BP and WA, if applicable. The actuarial documents contain information for the crop year which shows available crop policies, coverage levels, prices, premium rates, premium adjustment percentages, practices, or types of the insurable crop, insurable acreage and other related information regarding crop insurance in the county.

A Insurance Availability.

- (1) **Actuarial Documents.** Insurance is available when necessary crop information is included in the actuarial documents.
- (2) **Written Agreements.** When insurance is not available, an insured may request coverage by WA if authorized by the policy. A WA 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. See Exh. 2 for types of WA authorized, deadlines and supporting documentations. Refer to the FCIC 24020 WAH for processing of actuarial requests and written agreements.

B Eligible crops.

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 [Para. B(4)] of this Section for insurance limitations concerning multiple crops planted on the same acreage for harvest during the same crop year.

- (1) **See [Exh. 2] for a listing of:**
 - (a) Eligible Crops;
 - (b) Applicable Policies;
 - (c) Coverage;
 - (d) Plans;
 - (e) APH Tolerances;
 - (f) Availability of Late and Prevented Planting Coverage;
 - (g) Availability of Replant Coverage;
 - (h) Units of Measure;
 - (i) Unit Availability; and
 - (j) High-Risk Land Exclusion Availability.

- (2) **Insurable Practices/Types (P/T).** The policy may provide for or exclude from insurability certain P/T. Insurable P/T for a crop are provided in the actuarial documents. Practice (P) refers collectively to Irrigation Practice, Cropping Practice, Organic Practice and Interval when listed in the actuarial documents for a crop. Type (T) refers collectively to Commodity Type, Class, Subclass, and Intended Use when listed in the actuarial documents for a crop.
- (3) **CP with More Than One Insurable Crop.** The following CPs provide coverage for multiple crops: AZ & CA Citrus, Coarse Grains, Florida Citrus, Grapes (CA only), Small Grains, Stonefruit, Texas Citrus Fruit, Texas Citrus Trees, Nursery, and Tobacco. These CPs allow insureds to designate which of the crop(s) is to be insured and may indicate which type(s) or variety(ies) (e.g., Fresh Apricots and Processing Apricots insured under the Stonefruit CP) are separate insured crops. Refer to the applicable CP [Insured Crop section] or the SP to determine the separate insurable crops. [See Sec. 2H for Administrative Fees].
- (4) **Limitations for First and Subsequent Crops Benefit.**
- (a) **First Insured Crop Limitations.** First insured crop limitations may apply to acreage planted to a first insured crop which has suffered an insurable loss. This excludes acreage that qualifies for double cropping. [See Sec. 9C(4) for more information on double cropping]. 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:
- 1 Collect an indemnity payment that is equal to 100 percent of the insurable loss for the first insured crop, and
 - 2 Elect not to insure second crop acreage on the same acreage, even if the insured has a policy for a second crop. This is considered uninsured acreage, [see Sec. 6B] for acreage reporting requirements of such acreage.
- (b) **Second Crop Limitations.** When 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. A subsequent crop, such as a third crop, planted on the same acreage does not limit an indemnity being paid on the second crop. [See Sec. 9C(5) for more information on second crop].
- 1 Indemnity payment is limited to 35 percent of the insurable loss for the first insured crop. The person insuring the first crop will be responsible for 35 percent of the first crop's premium, and
 - 2 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.

- (c) Third or subsequent insured crop limitations. Acreage of a crop planted following a second crop or acreage of a crop planted following a prevented planted second insured crop which followed an insured first crop is not insurable unless:
- 1 It is generally recognized for the area to plant three or more crops for harvest on the same acreage in the same crop year by agricultural experts or organic agricultural experts;
 - 2 Additional coverage is offered for the third or subsequent crop; and;
 - 3 The insured provides acceptable records that show:
 - a 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
 - b 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 Para. 3.

- (d) [See Sec.15A(11) to determine possible impact to future years' APH.]

C Duplicate Policies Are Not Permitted.

Duplicate policies exist when more than one policy is in force for the same crop/county and for the same person, or for a spouse, child or other member of the household who does not have a separate farming operation or share in the crop. RMA will edit AIP data submitted to RMA to identify and report potential duplicate policies to AIPs to assist them with their duplicate policy resolution. AIP's must use RMA's system to determine if more than one policy is in force.

- (1) **If discovered** that duplicate policies exist and:
- (a) Both are additional coverage policies or both are CAT policies, the policy with the earliest application date will be in force. The other policy will be void, unless both policies are with:
 - 1 The same AIP and the AIP agrees otherwise. However, only one policy may remain in force; or
 - 2 Different AIPs, and after consulting with the insured, both AIPs agree otherwise. However, only one policy may remain in force.

- (b) One is an additional policy and the other is a CAT policy:
- 1 The additional coverage policy will apply if both are insured with the same AIP, or if insured with different AIPs and both agree.
 - 2 If both AIPs do not agree, the policy with the earliest application date will be in force and all other policies for the crop will be void.

(2) **If the AIP determines duplicate coverage exists** and was intentional, the insured may be subject to fraud provisions stated in the BP.

(3) **Duplicate Policy Exceptions: RMA does not consider the following as a duplicate policy if** [see Sec. 2H for administrative fee requirements]:

- (a) High-Risk Land Exclusion Option is elected. The insured must exclude high-risk land from an additional coverage policy and obtain a CAT policy for the high-risk land with the same AIP.

If the additional and CAT coverage policies are not insured with the same AIP, it is acceptable the first effective crop year for the policies to remain with the respective AIPs unless the AIPs involved agree otherwise. For example, an additional coverage policy written with AIP A, and a CAT policy is written with AIP B, the CAT policy written with AIP B may remain in effect or may be canceled and rewritten with AIP A.

However, the following crop year both policies (additional coverage and CAT) must be written with the same AIP.

- (b) Hybrid Seed Corn or Hybrid Sorghum Seed is grown under contract with more than one seed company. The CP allow a separate policy for acreage grown with each different seed company. The policies do not have to be insured with the same AIP; however, all acreage of the insured crop in the county must be insured.
- (c) Specialty types listed on the SP for barley are excluded from a revenue protection policy and insured under the yield protection policy in order to receive a contract price.
- (d) Crops insured under AGR or AGR-Lite policies, are also insured under the BP. [See Para. D(2) below].

- (f) Separate administrative fees are due when the CP/SP authorize different plans of insurance for crop types and the insured elects to insure a type(s) under a different plan of insurance.

Example: An insured has three types of **barley: malting, waxy hulless**, and all others. If the insured elects to exclude the **malting** type from the revenue protection plan and insures the **malting** type under the yield protection plan and insures the remaining two types under the revenue protection plan, separate administrative fees are due for the yield protection plan and revenue protection plan (i.e., two administrative fees are due).

- (3) **Third-Party Prohibition Regarding Administrative Fees.** AIPs, agents, producer associations, grower groups, farm cooperatives, etc., may not pay administrative fees for insureds. Only those persons acting in place of the insured under a power of attorney, landlord/tenant agreement, or a legal guardianship, may pay the administrative fee.

Exception: If State law permits a licensing fee to be paid by an AIP to a cooperative association or trade association and rebate to an insured through the payment of CAT administrative fees, a cooperative association or trade association located in that State may pay, on behalf of a member of the association in that State or contiguous State who consents to be insured under such arrangement, all or a portion of the administrative fee required for CAT.

- (4) **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 Exh. 1B for definition of a limited resource farmer].

- (a) **Request to Waive Administrative Fees.** To be exempt from payment of administrative fees, a Request to Waive Administrative Fees must be submitted to the AIP using the Limited Resource Farmer/Rancher Assessment Tool (www.lrfatool.sc.egov.usda.gov).

1 At the time of application, on or before the SCD, for new insureds.

2 Annually by the crop's final ARD, for carryover insureds.

The insured must provide proof of qualifying income or certify on the waiver request that he or she qualifies as a limited resource farmer. [See the DSSH for applicable form development instructions].

- (b) **Insured's Certification.** If the insured certifies eligibility and the AIP has reason to question the insured's eligibility, the AIP may require proof of income (e.g., income tax returns) for the previous two years prior to allowing the insured to qualify for a limited resource farmer status.

- (c) AIP Acceptance. The AIP must approve or reject the Request to Waive Administrative Fees.
- 1 If the insured does not qualify as a limited resource farmer, the AIP shall:
 - a Provide notice to the insured the administrative fee must be paid according to policy terms; and
 - b Terminate the policy and the person will become ineligible for insurance coverage, if the administrative fee is not paid according to policy terms.
 - 2 If adequate proof is not provided and it is found that the insured 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.
- (d) If selected for review, eligibility for waiver of administrative fees must be verified and the insured will be required to provide proof of gross income.

I Deadlines that Fall on Weekends or Federal Holidays.

Deadlines, such as the SCD, PRD, and ARD, falling on Saturdays, Sundays, or Federal legal holidays are extended to the next business day. However, this extension will not affect any subsequent deadlines, which will remain based on the original deadline. For example, the PRD is earlier of 45 days after the cancellation date or the ARD, if the cancellation date falls on a Sunday (3/15), the count of 45 days to determine the PRD begins with the original cancellation date, not on Monday (3/16).

J 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.

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

5 The insured or anyone assisting the insured has falsely and/or fraudulently concealed either the fact that the insured is restricted from receiving benefits under the Act or that action is pending which may restrict eligibility to receive such benefits.

(b) If a policy is voided in accordance with B(3)(a)1, 2, 4 or 5 above, the insured must:

1 Repay any indemnity, PP payment or replanting payment that may have been paid for all applicable crops and crop years; and

2 Pay an amount equal to 20 percent of the premium that would have otherwise been required.

a Any previously paid premium or administrative fees in amount in excess of the amount in 2 above, shall be returned by the AIP to the insured.

b If the crop has been planted, regardless of whether the ARD has passed, the insured must pay an amount equal to 20 percent of premium that would have been required on the planted acres if the policy was not voided; or

c If no acreage of the crop has been planted, no amount is due.

(4) **Mutual consent cancellation for new insureds.**

(a) Requirements.

A new insured may, with the consent of the AIP, cancel a crop policy if either of the following are met:

1 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 for a unit of the crop and the approved APH yield is not acceptable to the new insured.

An AIP's consent to cancel the policy is at the discretion of the AIP. The opportunity to cancel a policy according to this paragraph applies to new insureds only.

(b) Deadline for requesting cancellation.

Requests to cancel a policy must be filed within 30 calendar days of the date the approved APH yield was mailed or otherwise made available to the new insured. A request to cancel a policy shall be considered filed on the day the request is personally delivered to the AIP or the postage date on a properly addressed envelope/package.

- (c) Denial of request for cancellation.

When the AIP denies a request to cancel a policy, the new insured may request mediation or arbitration of the decision according to [Sec. 8].

C Insurance Choices.

- (1) **Basic Information.** Coverage is determined by the insurance plan, level of coverage, and price. The insurance plan, level of coverage and price is chosen at the time the Application, or the Policy Change in subsequent years, is completed. The level of coverage and price elected may be changed if requested in writing on or before the applicable SCD for the insured crop.

The same plan of insurance, level of coverage, and percentage of the available price election or projected price must be selected for the crop for all insurable acreage in the county unless one or more of the following exceptions apply:

- (a) The applicable CP/SP allows an exception by individual crop or type (e.g., price elections by dry bean type in the actuarial documents, coverage levels by grape type in the SP, plan election for specialty types of barley);
- (b) High-risk land excluded from an additional coverage policy and insured separately under a CAT policy; or
- (c) Hybrid Seed Corn or Hybrid Sorghum Seed grown under contract with more than one Seed Company insured under separate policies.

If the above requirements are met, separate administrative fees may be required. [See Sec. 2H(1) for administrative fee schedule].

- (2) **Plan of Insurance.** The BP provides coverage for multiple plans of insurance, which vary by crop and are identified in the actuarial documents. Plans of insurance include: [See Exh. 2A for a detailed list of plans of insurance by crop].
- (a) Actual Production History Plan provides protection from loss of production for crops for which revenue protection is not available.
- (b) Revenue Protection Plan provides protection for loss of revenue and/or production for certain crops with revenue protection selected. This plan replaced Crop Revenue Coverage, and Revenue Assurance With Fall Harvest Option Plans.
- (c) Revenue Protection with Harvest Price Exclusion provides protection for loss of revenue and/or production for certain crops and excludes the use of the harvest price in the determination of the revenue protection guarantee. This plan replaced Income Protection, Indexed Income Protection, and Revenue Assurance Without the Fall Harvest Price Option.

4 ENDORSEMENTS AND OPTIONS

Endorsements and/or options are available for some CP that add supplemental coverage, exclude coverage or otherwise modify coverage. An endorsement or option generally must be applied for on or before the SCD. Endorsements and options do not automatically transfer when a cancellation/transfer is executed by the insured. Endorsements and options must be specified on the Application or other applicable forms if they are to be in effect for the current crop year. The endorsements and/or options are not limited to those discussed in this section.

[Refer to Exh. 4A for a listing of applicable Options and Endorsements]. The actuarial documents may also provide options and endorsements that may be selected by the insured.

A Catastrophic Risk Protection Endorsement.

An endorsement that attaches to each crop policy and modifies its terms and conditions when Catastrophic Risk Protection coverage is elected. When elected, the endorsement:

- (1) **Limits the coverage level and price election.**
- (2) **Restricts or changes the unit structure to BUs** by share.
- (3) **Removes replant payment provisions.**
- (4) **Does not allow the exclusion of hail and fire coverage.**
- (5) **Removes the availability of WA.**
- (6) **Excludes options or endorsements,** except YA, Frost Protection Option, **Table Grape Protective Cover Option** and Sorghum Silage Endorsement.

B High-Risk Land Exclusion Option.

The BP provides insurance coverage on all insurable acres planted to a crop in the county. When coverage and rates are provided in the actuarial documents for high-risk land, insureds are required to insure the high-risk land at an increased cost reflective of the associated increase in risk. Insureds who do not wish to insure high-risk land on an additional coverage policy may amend the BP by signing and submitting the High-Risk Land Exclusion Option (by crop(s) and policy) to the AIP.

Insureds are responsible to contact the FSA office for guidance relating to any FSA programs that may require crop insurance coverage prior to excluding acreage under the high-risk land exclusion option.

- (1) **The High-Risk land Exclusion Option** is designed to exclude from additional coverage all high-risk land by crop and county:
 - (a) **For exclusion purposes,** high-risk land is defined as land which a high-risk classification is provided in the actuarial document.

- (b) The CAT policy must be obtained from the same AIP as the additional coverage. If revenue coverage is elected and high-risk land is excluded, the CAT coverage, if elected, will be the yield protection coverage only for the excluded high-risk land.
- (2) **If the High-Risk Land Exclusion Option** is exercised and that land is insured under a CAT policy, the CAT policy is considered a separate crop for administrative fee, unit division, added land and all other insurance purposes.

Exception: **The number of years of actual/assigned yields for yield floor and percent of variable T-Yields will be determined by crop/county for both policies.**

- (3) **Deadlines.**
- (a) Application. Must be elected on or before the applicable SCD (by crop and policy). The option is continuous until canceled;
- (b) Cancellation. Must occur on or before the cancellation date of the applicable CP. Once the cancellation date has passed, the option cannot be canceled or otherwise rendered ineffective by either the AIP or the insured for that crop year;
- (c) Transfer. If the policy is transferred to a different AIP or a different plan, a new option must be signed by the insured and submitted to the AIP on or before the applicable SCD.
- (4) **Locations Available.** The option is available for land located in high-risk areas identified in the actuarial documents.
- (5) **Reporting Excluded Acreage.** Acreage planted on high-risk land must either be insured or uninsured by the following classifications:
- (a) No Coverage. Acreage planted on the excluded high-risk land, if not insured under a CAT policy, must be reported as uninsured acreage on the acreage report. Separate production records showing planted acreage and harvested production from the excluded high-risk land must also be maintained and reported by the insured on the Production Report.
- (b) CAT Coverage. If the crop on the excluded high-risk land is insured under a CAT policy, such acreage and production must be reported for APH purposes under the CAT policy.

I Fresh Market Pepper Minimum Value Options.

The Fresh Market Pepper Minimum Value Option permits the insured to select either Option I or Option II of the Minimum Value Option for Fresh Market Peppers for which the actuarial documents designate rates for this option.

(1) Deadlines.

- (a) Application. For a new insured, the option must be elected on or before the SCD. This option is continuous once elected, unless canceled. This option only applies to policies with additional coverage.
- (b) Cancellation. The option may be canceled for any succeeding crop year by giving written notice on or before the cancellation date provided by the CP.
- (c) Transfer. If the policy is transferred to a different AIP, a new option must be signed by insured and submitted to the AIP on or before the applicable SCD.

(2) Option I. Allows the total value of the harvested production to be determined as follows:

- (a) Sold Production. The dollar amount obtained by subtracting the allowable cost contained in the SP from the price received for each box of peppers (this result may not be less than the minimum value option price contained in the SP for any box of peppers), and multiplying this result by the number of boxes of peppers sold; and
- (b) Marketable Production Not Sold. The dollar amount obtained by multiplying the number of boxes of such peppers on the unit by the minimum value shown on the SP 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).

(3) Option II. The total value of harvested production will be as provided [in (2) above], except that the dollar amount [in (2)(a) above], may not be less than the minimum value option price in the applicable SP.

J Fresh Market Tomato (Dollar Plan) Minimum Value Option.

The Fresh Market Tomato Minimum Value Option permits the insured to select the Minimum Value Option for Fresh Market Tomatoes for which the actuarial documents designate and rates for this option.

(1) Deadlines.

- (a) Application. Must be elected on or before the SCD. The option is continuous until canceled and only applies to policies with additional coverage.
- (b) Cancellation. The option may be canceled for any succeeding crop year by giving written notice on or before the cancellation date provided by the CP.
- (c) Transfer: If the policy is transferred to a different AIP, a new option must be signed by insured and submitted to the AIP on or before the applicable SCD.

(2) Minimum Value Option. This option allows the total value of the harvested production to be determined as follows:

- (a) Sold Production. The dollar amount obtained by subtracting the allowable cost contained in the SP from the price received for each carton of **fresh market** tomatoes **in the load** (this result may not be less than the minimum value option price contained in the SP for any carton of tomatoes **sold**), and multiplying this result by the number of cartons of tomatoes sold; and,
- (b) Marketable Production Not Sold. The dollar amount obtained by multiplying the number of cartons of **such fresh market** tomatoes on the unit by the minimum value shown on the SP for the planting period (harvested production that is damaged or defective due to insurable causes and is not **sold** will not be counted as production).

- 3 Liability under the endorsement is determined by multiplying the production guarantee of the Northern Potato policy by the price for certified seed potatoes shown in the actuarial documents.
- 4 The Northern Certified Seed Potato liability will be limited when planted acreage is greater than 125% of the average number of acres, within the county, entered into and passing the state certification program in the three previous years. If the acreage is greater than 125%, 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. 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;
- b Multiply the result above (not to exceed 1.0) by the production guarantee for certified seed for the current crop year.

Exception: An insured may request a written agreement to minimize or negate the reduction in the production guarantee, [refer to WAH (SP request type)].

- (e) Northern Potato Storage 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 insured also elected coverage under the Northern Potato Quality Endorsement); or
- 3 Unknown internal defects, low specific gravity, dark fry color or low Agtron rating (applicable only if the insured also elected coverage under the Northern Potato Processing Quality Endorsement).

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.

N Pear Quality Adjustment Endorsement.

This endorsement provides a quality adjustment provision for pears in all applicable states, except California. The actuarial document designates a premium rate for this option:

- (1) **Deadlines.**
 - (a) Application. Must be elected on or before the fall SCD. The option is continuous until canceled;
 - (b) Cancellation. The endorsement may be canceled for any succeeding crop year by giving written notice on or before the cancellation date provided by the CP;
 - (c) Transfer. If the policy is transferred to a different AIP, a new endorsement must be signed by insured and submitted to the AIP on or before the applicable SCD.

- (2) **Damaged Production.** 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:
 - (a) 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;
 - (b) 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 (a) and (b) 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.

O Table Grape Protective Cover Option.

This option is applicable for late harvest Table Grapes in California if available in the actuarial documents. Table grapes are considered late harvest if the end of insurance date is October 31, or later.

- (1) **Deadlines.**
 - (a) Application. Must be elected on or before the ARD. The option is continuous until canceled;
 - (b) Cancellation. The option may be canceled for any succeeding crop year by giving written notice on or before the cancellation date provided by the CP;

- (c) **Transfer.** If the policy is transferred to a different AIP, a new option must be signed by insured and submitted to the AIP on or before the applicable ARD.
- (2) **Coverage.** This option provides for a premium reduction to all acreage of the insured crop for the policy that is adequately protected by a plastic coverage.
- Adequate protection means the placement of a plastic film cover over the grape vines starting at one end of the trellis and continuing uninterrupted to the other end, securely tied down.
- (a) **If protection was not properly utilized or not properly reported at any time,** the indemnity for the unit will be reduced by the percentage of premium reduction allowed for the option.
- (b) **When requested, the insured must provide** records showing the purchase of protection materials for acreage on which the protection was applied.
- (3) **CAT Coverage.** This option is considered a premium rate discount and is not an extension to the coverage available; therefore, the option is available for CAT coverage.

RESERVED

ELEMENT	REQUIRED INFORMATION:
DATE PLANTING COMPLETED	Enter the date that the insured crop was planted on the unit [see (3) below]. Required for all planted acreage.
AREA CLASSIFICATION	Enter the map area classification, if applicable.
ACREAGE TYPE	Identify whether acreage is: Insured (planted); Insured - Acreage emerging from CRP the initial crop year [See 15H(1)]; Insured - New breaking acreage insured in accordance with the policy (e.g., less than 5% of insured acreage planted in the unit) the initial crop year and the insured is able to substantiate the acreage has previously been in production [See 15H(2)(a)1ai]; Insured – New breaking acreage insured in accordance with the policy (e.g., less than 5% of insured acreage planted in the unit) the initial crop year and the insured is unable to substantiate the acreage has previously been in production [See 15H(2)(a)1aii]; Insured – New breaking acreage insured by NB WA and the insured is able to substantiate the acreage has previously been in production [See 15H(2)(a)1aiii]; Insured – New breaking acreage insured by NB WA and the insured is unable to substantiate the acreage has previously been in production [See 15H(2)(a)1aiv]; Prevented planting; Uninsured [See 6B(7)]; Uninsurable [See 6B(6)]; Uninsurable due to 2 nd crop provisions [See 6B(6)(h)]; Uninsurable due to new breaking [See 15H(2)(a)1av]; Uninsurable due to new breaking and the insured cannot substantiate the acreage has previously been in production [see 15H(2)(a)1avi]; Unreported acreage (within the same unit) [See 6B(8)]; Unreported units[See 6B(8)]; Zero acreage report for unit [See 6B(9)]; or Zero acreage report for county [See 6B(9)].
REMARKS	Document pertinent information.
INSURED'S SIGNATURE AND DATE	Insured must sign and date.
AGENT INFORMATION	Enter Agent's name, address, telephone number, and agent code number.
AGENT'S SIGNATURE AND DATE	Agent must sign and date.

** It is RMA's intention that over the coming years, the FSA Farm/Tract/Field Number will be captured for all acreage. This will assist in improved underwriting controls, tracking of yields, rating, etc. Additionally, collecting this information for insurance purposes will facilitate RMA sharing of such data for USDA program purposes through CIMS and other means. AIPs are encouraged to collect and report FSA Farm /Tract/Field Numbers for as many of their insureds as possible utilizing CIMS, AIP map-based acreage reporting systems linking to CLU layers or collection from the insured. [See SRA Appendix III for AIP's reporting requirements for FSA Farm/Tract/Field Number.] When the AIPs report this information without obtaining it from the insured, the Farm/Tract/Field numbers are not required to appear on the printed acreage report to be certified by the insured.

(3) **Date the Insured Crop was Planted on the Unit.**

- (a) For acreage planted on or before the final planting date, the last date of planting and the total acres planted; and
 - (b) For acreage planted during the late planting period, the date of planting and the number of acres planted per day. Failure to report the number of planted acres on a daily basis, will result in all acreage planted during the late planting period being presumed to have been planted on the last day planting took place during the late planting period. [See Sec. 9B for additional late planting requirements].
- (4) **Prevented Planting Acreage.** [See FCIC 25370 Prevented Planting Loss Adjustment Standards Handbook] to determine the number of PP acres and for PP acreage reporting requirements.
- (5) **Insurable Acreage.** All acreage planted to the insured crop in the county in which the insured has a share is insurable if the acreage has been planted and harvested or insured (including insured acreage that was prevented from being planted) in any one of the three previous crop years. Production from insurable acreage must be reported on a Production Report and APH Database. [See Sec. 13 A and B for requirements and exceptions].

Acreage that has not been planted and harvested (grazing is not considered harvested) or insured (i.e., insured acreage that failed and was appraised by an AIP would be insurable) in at least one of the three previous crop years may still be insurable if:

- (a) Such acreage was not planted:
 - 1 In at least two of the three previous crop years to comply with another USDA program;
 - 2 Due to a qualifying crop rotation, the acreage would not have been planted in the previous three years (e.g., a crop rotation of corn, soybeans, and alfalfa; and the alfalfa remained for four years before corn was planted again); or
 - 3 Because a perennial tree, vine, or bush crop was on the acreage in at least two of the three previous crop years;
- (b) Such acreage constitutes five percent or less of the insured planted acreage on the unit;
- (c) Such acreage was not planted or harvested because:
 - 1 It was pasture or rangeland;
 - 2 The insured crop is pasture or rangeland; and
 - 3 The CP, SP, or a WA specifically allows for insurance on such acreage; or
- (d) The CP, SP, or a WA specifically allow insurance for such acreage.

CROP LP GUIDELINES

[See the following page for footnotes.]

THE INSURED CROP IS:	PLANTED DURING THE LP PERIOD <u>1</u> /:	PLANTED AFTER THE LP PERIOD OR IF NO LP PERIOD AFTER FINAL PLANTING DATE AND ACREAGE WAS PREVENTED FROM PLANTING BY FPD OR DURING LP PERIOD, IF APPLICABLE:
	THE PRODUCTION GUARANTEE IS:	
Canola/Rapeseed, Coarse Grains (Corn, Grain Sorghum, and Soybeans), Dry Beans, Dry Peas, Hybrid Sorghum Seed, Mustard, Popcorn <u>2</u> /, Safflower, Silage Sorghum, Small Grains (Barley, Flax, Oats, Rye, and Wheat <u>3</u> /), Sunflower Seed and acreage planted after the final planting date is:	Reduced 1% per day for each day planted after the final planting date (up to a maximum of 25 days).	For Additional Coverage 60, *65, or *70% For CAT Coverage 60%
Millet and acreage is planted after the final planting date is:	Reduced 1% per day for the 1 st 10 days and 3% per day the 11th through the 20th day after the final planting date (up to a maximum of 20 days).	For Additional Coverage 60, *65, or *70% For CAT Coverage 60%
Rice and Sugar Beets <u>4</u> / and acreage planted after the final planting date is:	Reduced 1% per day for each day planted after the final planting date (up to a maximum of 25 days).	For Additional Coverage 45, *50, or *55% Onions limited to 45% Coverage For CAT Coverage 45%
Potatoes (Central and Southern, Northern) and acreage planted after the final planting date is:	Reduced 1% per day for each day planted after the final planting date (up to a maximum of 25 days).	For Additional Coverage 25, *30, or *35% For CAT Coverage 25%
Cotton, Hybrid Seed Corn and Peanuts and acreage planted after the final planting date is:	Reduced 1% per day for each day planted after the final planting date (up to a maximum of 25 days).	For Additional Coverage 50, *55, or *60% For CAT Coverage 50%
ELS Cotton and acreage planted after the final planting date is:	No LP period , refer to third column.	For Additional Coverage 50, *55, or *60% For CAT Coverage 45%
Green Peas <u>2</u> /, Processing Beans <u>2</u> / and Processing Sweet Corn <u>2</u> / and acreage planted after the final planting date is:	No LP period unless allowed by the SP , if allowed, the production guarantee is reduced as indicated by the SP (up to the maximum days indicated). If no LP period indicated by SP, refer to the third column.	For Additional Coverage 40, *45, or *50% <u>3</u> / For CAT Coverage 40% <u>3</u> /
Onions and Tobacco and acreage planted after the final planting date is:	The production guarantee is reduced 1% per day for the 1 st 10 days and 2% per day 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.	For Additional and CAT Coverage 35%

- * If additional levels of PP coverage are available and elected. Refer to the actuarial documents to determine if additional PP coverage is available.
- 1/ The CP may indicate a different percentage coverage reduction and/or the CP or SP may modify the number of days contained in the late planting period.
- 2/ Requires written approval from the processor by the ARD that it will accept the production from the late planted acres.
- 3/ Wheat or Barley acreage covered by the Winter Coverage Endorsement does not have a LP Period.
- 4/ LP is not available in California counties with an April 30 contract change date and a July 15 cancellation date.

C Prevented Planting.

Coverage for eligible PP acreage is provided by the BP and CP. Crops for which PP coverage is provided 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 for additional details, situations and examples].

THE INSURED CROP IS...	THE COVERAGE ELECTED IS...	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, Buckwheat, 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%
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, Cottonseed, Hybrid Seed Corn, or Peanuts	Additional	50, *55, or *60% <u>3/</u>
	CAT	50%
Potatoes	Additional	25, *30, or *35%
	CAT	25%
Onions or Tobacco	Additional	35%
	CAT	35%

* If additional levels of coverage are available and elected. Refer to the 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).

- (1) **PP Coverage Levels.** The CP indicate the coverage level that automatically applies to PP acreage of the crop. The actuarial documents 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 actuarial documents and require additional premiums. Insureds with additional coverage that wish to increase the PP coverage to an optional coverage level (provided by the applicable actuarial documents) must elect the increased PP coverage level on or before the SCD for the crop.
- (a) The election must be made on the Application or, for carryover insureds, on a Policy Change. The option is continuous until cancelled and it may be cancelled for any succeeding crop year by giving notice on or before the cancellation date.
- (b) Optional Coverage Not Elected. If an optional level of 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).
- (c) When the Coverage Level May Not be Increased. Insureds may not increase their elected or assigned PP coverage level for any crop year if a cause of loss that could prevent planting (even though it is not known whether such cause will actually prevent planting) has occurred during the PP insurance period and prior to the time the insured requests to change the PP coverage level. **When a policy is transferred to another AIP and the transfer application has the same optional PP coverage election as on the previous policy, it is not considered an increase in PP coverage.**
- (2) **PP Payment Limitations.** The premium for eligible PP acreage of the first insured crop is the same as for timely planted acreage, except for PP acreage that is limited to 35 percent of the PP payment. When PP acreage is limited to 35 percent of the PP payment, the insured is responsible for paying 35 percent of the first insured crop's premium. However, if the premium (gross premium minus the subsidy) for PP acreage exceeds the liability, coverage for that acreage is not provided, no premium is due and no PP payment will be paid.
- (a) Situations that Limit PP Payments. PP acreage that is not eligible for double cropping is limited to 35 percent of the first insured crop's PP payment if (the limitation applies anytime any of the following occur):
- 1 A second crop is planted for harvest after the first insured crop's late planting period or after the final planting date if no late planting period is applicable (if second crop is planted by someone other than the insured, the limitation still applies);
 - 2 A volunteer or cover crop [see FCIC 25370, [Prevented Planting Loss Adjustment Standards Handbook](#) for further clarification of cover crop] is hayed (including swathed or windrowed) or grazed

after the late planting period or after the final planting date if no late planting period is applicable, and prior to November 1;

- 3 A volunteer or cover crop planted after the late planting period or after the final planting date, if no late planting period is applicable, is harvested (other than haying or grazing) at any time; or
- 4 Cash rent or any compensation is received or will be received for use of the PP acreage for any agricultural use (growing a crop, haying, grazing, etc.). This does not apply when the acreage is cash rented for nonagricultural use, such as hunting.

(b) PP Acreage Not Eligible for a PP Payment [Also see Para. C(10)]. PP coverage is not provided and no premium is due for any acreage on which:

- 1 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:
 - a The double cropping requirements have been met [see Para. C(3)];
 - b The crop planted was a cover crop; or
 - c No benefit, including any benefit under any USDA program, was derived from the crop; or
- 1 Any volunteer or cover crop is hayed (including swathed or windrowed), 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.

(c) This chart summarizes the effects planting a second crop and double cropping requirements have on PP payments and premiums of a first insured crop.

ACREAGE OF 1 ST INSURED CROP WAS PP:			
Is a 2 nd crop planted on the same acres?	Does the acreage qualify for double cropping?	Is the 2 nd crop planted on or before the final planting date or during the late planting period of the 1 ST insured crop?	Then the applicable percent of PP payment and premium for 1 ST insured crop is <u>1/</u> :
NO	Not applicable	Not applicable	100%
YES	NO	NO	35%
YES	NO	YES	NONE
YES	YES	NO	100%
YES	YES	YES	NONE

1/ Additional restrictions may apply [see Para. C(2)(a) and C(9)].

- (3) **Double Cropped.** If all of the double cropping qualifications [see Para. C(4)] are met, the insured may receive a full PP payment in the following situations:
- (a) First insured crop was PP and the second crop is planted on the same acreage in the same crop year, regardless of whether or not the second crop is insured or sustains an insurable loss;
 - (b) First insured crop was PP and the subsequent insured crop is prevented from being planted on the same acreage in the same crop year (cannot call the subsequent PP crop a second crop since it is not a planted crop; refer to definition of second crop);
 - (c) First insured crop is planted and the subsequent insured crop is prevented from being planted on the same acreage in the same crop year (cannot call the subsequent PP crop a second crop since it is not a planted crop; refer to definition of second crop); and
 - (d) First planted crop for the crop year is uninsured but insurance is available for the uninsured crop and a subsequent insured crop is prevented from being planted on the same acreage in the same crop year (the PP crop would be the first insured crop).
- (4) **Double Crop Qualifications.** As indicated in Para. C(3) to qualify as double cropped each of the following conditions must be met:
- (a) Recognized Practice. It is a practice that is generally recognized by agricultural experts or organic agricultural experts in the area to plant the second crop (subsequent PP crop when both crops have been prevented from being planted) for harvest following harvest of the first insured crop;
 - (b) Additional Coverage is Available. Additional coverage insurance offered under the authority of the Act is available for the current crop year in the county on both 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;

(c) Double Crop Records are Provided. The insured must provide acceptable records of acreage and production that show the insured has double cropped acreage, or the specific acreage has been double cropped, in at least two of the last four crop years in which the insured crop was planted in the county for which the PP claim is being made.

1 Production records must indicate the production from acreage that is double cropped separate from acreage that is not double cropped.

Exception: For commingled production, the AIP may allocate the production in proportion to the liability for the acreage that was and was not double cropped [Refer to LAM PAR. 126 and PAR. 53]. The AIP may divide the total production by the total acres to allocate commingled production for the following situations: the liability per acre is the same for the crop on the acreage that was and was not double cropped, crop was not insured or was not an insurable crop, or liability is not known or is not readily available to be obtained (e.g., year in question is 10 or 11 years ago and was insured with different AIP). The AIP must determine the amount of allocated production is reasonable compared to the average yields per acre for the area and that all such production would not have reasonably come from only the first crop acreage or the second crop acreage.

2 Acceptable records include APH acreage and production records such as settlement sheets, bin measurements, FSA maps and FSA 578's that identify the acreage, production and location from which the production came.

3 When one crop is planted and another crop is prevented from being planted, the records must indicate that the crop that is PP in the current crop year was double cropped in at least two of the last four crop years in which it was grown.

4 If a PP payment was made and a subsequent crop is PP on the same acreage in the same crop year, the insured's records must indicate that the subsequent crop was double cropped in at least two of the last four crop years in which it was grown.

5 If the records the insured provides are from acreage that:

a The insured double cropped, the eligible double cropping acreage may be used for any acreage of the insured crop in the county.

- b Another producer(s) double cropped, the history of double cropping may only be used for the same physical acres from which the double cropping records were provided (e.g., insured acquired double cropped acreage).
- (5) **Second Crop.** Provisions regarding second crops, used in conjunction with double crop requirements if applicable, determine whether an insured is eligible for PP payments and whether first crop PP payments are reduced when a second crop is planted. If a second crop is not planted on the PP acreage for harvest in the same crop year or, if a second crop is planted on PP acreage that meets double crop requirements, insureds may collect 100 percent of the PP payment (or indemnity) for the first insured crop.
- (6) **Reporting PP Acreage.** [See FCIC 25370, [Prevented Planting Loss Adjustment Standards Handbook](#) to determine the number of PP acres and for PP acreage reporting requirements.]
- (7) **Eligible PP Acres.** The maximum number of insurable acres that may be eligible for a PP payment for any crop that has PP coverage provided by the crop's policy.
- (a) Eligible PP acreage is determined separately by crop. [See also Para. (7)(f) and (7)(g)].
- (b) The total number of eligible PP acres for all crops cannot exceed the number of acres of cropland (available for planting) in the insured's farming operation for the current crop year, unless the insured is eligible for double cropping on such crop(s).
- (c) PP acres planted to a second crop are only included when determining eligible acres if double cropping requirements are met.
- (d) Eligible acres for a crop are reduced by subtracting the number of acres (including insured and uninsured acreage) of the crop that are timely and late planted.
- (e) PP eligible acreage is determined differently for various crops with PP coverage according to the charts identified in [Para. (7)(f) and (g)]. Regardless of the number of eligible acres determined in accordance with the following charts, PP coverage may be limited as specified in [Para. C(9)].

- 5 Applicable yield history from harvested acreage, appraised potential production determined by an RO, FSA, or AIP representative and/or yields as indicated in Para. 4 above for the previous APH crop year(s).
- a If acreage of the crop was destroyed/put to another use and an appraisal of the potential production was not made (not requested for APH database purposes or no claim), the production report will indicate the planted acres and a yield of zero.
- b The production report must include planted insurable acreage for Category B crops. For Category C Crops see Sec. 16 for instructions concerning how to report insurable and uninsurable acreage.
- (g) Report production from the following on a production report but do not include in the APH database:
- 1 Uninsured Acreage and Production. For Category B crops, if the production from uninsured and insured acreage is not commingled, the uninsured production must be reported on a production report but not included in the APH database. 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. Separate APH database for such acreage and production are not established.
- For Category C crops uninsured acreage and production [see Sec. 16].
- 2 Uninsurable Acreage and Production. If the production from uninsurable and insurable acreage is not commingled, it must be reported on a production report but not included in the APH database. A production report containing the acreage and production of uninsured acreage of a second crop that the insured elected not to insure to collect a full indemnity on the first insured crop planted on the same acreage is required [see Sec. 2B(4)]. [See Sec. 6B(6) for information on uninsurable acreage.]
- The production report for uninsurable acreage must be identified as “uninsurable acreage” and is not used to calculate the actual yield for the APH crop year. Separate APH Databases for such acreage and production are not established.
- For Category C crops, separate APH database for such acreage and production are not established. [See Sec. 16].

Exception: Previously uninsurable acreage, crops, practices, or types made insurable by RMA may be reported by insureds and have APH databases established that contain such production history if all record requirements are met.

- 3 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 will be reported on the production report as uninsured production. The production will not be used to calculate the approved APH Yield, if the AIP was notified, prior to the published date in the SP, that the insured intended to destroy acreage of the crop prior to harvest either by grazing or mechanical means.

 - a 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.
 - b If the 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.
- 4 Appraisals made for production lost due to insurable or uninsurable causes of loss (e.g., chemical drift, fire, terrorism, etc.). The appraised production from uninsurable causes of loss must be reported on the production report as an uninsurable cause of loss appraisal.
- 5 Appraisals obtained from only a portion of the acreage in a field that remains unharvested after the remainder of the crop within the field has been destroyed or put to another use must be reported on the production report as uninsured production, unless the appraisals were taken from representative samples are left in accordance with the CP.

- (3) **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. All years' actual yields reported for use on the production report must be continuous.
- (a) **Zero Acreage Reports.** A valid acreage 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. This applies to Category B crops only, unless the exception in [A(4)(b)] is met.
- (b) **For new insureds,** there may be no break in the continuity of years for which production is certified for all units for a production report to be acceptable. [See exception in A(4)]. If an insured omits a crop year that he or she received a share of the crop's production, continuity is broken that crop year and acreage and production provided on the production report prior to that crop year is not used. Variable T-Yields will be used to complete the APH database, if necessary.
- (c) **For carryover insureds,** if acceptable production reports are not submitted or acceptable production evidence is not provided when requested, OUs are not allowed on the policy and assigned yields apply to all units (unless a unit has a claim for indemnity to determine the actual production and yield. In this instance, the production to count from the claim is used to determine production for the applicable unit).

However, assigned yields are used to maintain continuity of records and previously reported yields in the APH database will continue to be used. [see 6B(6)(b) for exception]. Loss of OUs does not require combination of OU APH databases. [Refer to Sec. 16 and 20 for Category C crops and Pecan Revenue].

- (4) **Break in Continuity.** If a break in continuity of production reports occurs for a crop year due to the insured having 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, prior production reports and records may be used as follows:
- (a) For Category B Crops, for new insureds, with verifier approval. If the verifier approves use of the production reports prior to the break in continuity, enter a “Z” in the crop year that broke continuity and calculate the approved APH yield according to the current procedure.
- (b) For Category C Crops, when the insured (new or carryover) certifies the acreage and production and provides acceptable production evidence for the crop year (obtained from an insured who had an interest in the crop that crop year). If such records are not available or were not provided for such crop years:
- 1 For Avocados, Lowbush Blueberries in Maine , Table Grapes and, Grapes with Flame Seedless, and Thompson Seedless types, a yield descriptor of “U” is entered in the APH databases for the applicable year that the crop was insured either:
 - i Under a different crop policy (e.g., grapes); or
 - ii For a change in management practices, such as buckhorning or stumping for avocados and mowing for blueberries.

Although acres are reported, the crop years with a “U” yield descriptor are not considered APH crop years but are considered a year for determining the base period [see also Sec. 16H(7) Added Land/New Producer Procedures].
 - 2 For all other crops/types:
 - i An RO determined yield may be requested. New insureds must include records for the crop years prior to the break in continuity. Both new and carryover insureds must certify to the circumstances causing the break in continuity.

The RO will review the production history (including claims history), determine if the prior years’ production history may be used and the applicable yield (“F” yield descriptor) that is substituted for the missing year(s).
 - ii If an RO determined yield is not requested, “Z”s are not entered for such crop years to maintain continuity of production reports.

(5) **Required Elements of Production Report.**

- (a) Production must be reported by crop year for each unit, share arrangements (landlord or tenant), different P/T/TMA and other characteristics. Production may be reported at a field/CLU basis.
- (b) Required elements and information for a production report [See Exh 13A for completed examples of the Production Report]:

ELEMENT	REQUIRED INFORMATION:
STATE COUNTY POLICY No.	State, county and policy number to which the report pertains.
INSURED'S NAME ADDRESS PHONE No. AGENT CODE	Name, address, phone number and agent code.
AIP	AIP's name and address.
CROP/PRACTICE/TYPE/TMA/OTHER CHARACTERISTICS/UNIT No.	Crop name, P/T/TMA/Other characteristics and unit number. Enter the abbreviation for the P/T.
LEGAL DESCRIPTION	Enter the section, township and range, or other descriptions for land if rectangular survey is not applicable. This may include GPS coordinates or other land identification. If additional space is needed, attach a supplemental sheet.
FSA FARM/TRACT/FIELD NUMBER	FSA Farm/Tract/Field number is optional unless: Units are based on FSA FN, then the FSA FN is required; or Acreage emerging from CRP or new breaking is applicable in the initial or any subsequent crop years. [See Sec. 15H]
OTHER PERSONS	Enter the names of other persons with an insurable share in the crop acreage (not SBIs). If none, enter "NONE".
RECORD TYPE	Indicate the type of acceptable records maintained for the last year in the base period: Production Sold/Commercial Storage; Farm Stored Measured by Insured, Pick/Daily Sales Records, Automated Yield Monitoring System, Farm-Stored Measured by Authorized Representative, Livestock Feeding Records, Claim for Indemnity, Appraisal (non-loss), Field Harvest Records, and/or Other. [See Sec. 14 for description of types of records].
PROCESSOR NUMBER/NAME	If applicable, enter the processor contract number(s) and processor name.
NUMBER OF TREES/VINES	Total number of trees or vines for perennial crops, if applicable.

ELEMENT	REQUIRED INFORMATION:
OTHER	<p>For Category C crops, enter 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;</p> <p>For alfalfa seed, forage production, forage seeding, mint and sugarcane enter the applicable planting dates;</p> <p>For green peas, enter the contract price;</p> <p>For Sugarcane and Sugar Beets, enter the percent of sugar;</p> <p>For potatoes insured under the Northern Potato Quality Endorsement, enter the Northern Potato option percentages (for the most recent year in the base period);</p> <p>For new producers of the crop, enter the crop years they have produced the crop (e.g., 2010 and 2011). See individual crop examples in [Exh. 13] for completed samples. If not applicable, leave blank; and</p> <p>For skip-row corn insurable in certain counties in Colorado, Kansas and Nebraska through a SP, and for all skip-row cotton, enter the skip-row planting pattern and row width code.</p>
INSURABILITY	<p>Indicate whether acreage and production being reported is from insurable, uninsurable, uninsurable cause of loss appraisal, uninsured acreage or from acreage on which a PP payment was reduced due to a second crop being planted.</p>
AREA CLASSIFICATION	<p>Enter the map area classification from the actuarial documents if applicable. If not applicable, leave blank.</p>
CROP YEAR	<p>Enter the appropriate year for the annual production and yield being reported.</p>
MULTI CROP YEAR REPORTING REASON	<p>Enter applicable reason an insured is reporting a crop year other than the most recent APH crop year. Insureds may certify production reports for crop years other than the most recent for various reasons, including:</p> <ul style="list-style-type: none"> a) certification of crop years not previously certified; b) correction; c) replacement of temporary yield; d) replacement of assigned yield; e) certification by new insured; f) certification using another producer's history for new acreage; g) recertification for new actuarial offer; h) recertification for new unit structure; or i) other. <p>If not applicable, leave blank. [See Sec. 13A(2)(e)].</p>

(6) **Pre-Harvest Appraisals, Pick Records, Machine Harvest Records, Daily Sales Records and Tax Records.**

(a) Pre-Harvest Appraisals.

1 A pre-harvest appraisal, performed by the AIP or RMA, may be required by the policy if production is marketed directly to consumers. This appraisal is used as supporting documentation in conjunction with pick records, machine harvest records, and/or daily sales records.

Exception: For vertically integrated producers [see Sec. 14F], a pre-harvest appraisal alone is an acceptable production record.

2 RMA may waive the requirement for a pre-harvest appraisal if both of the following are met:

a Actuarial documents for the crop allow for waiver.

b RMA determines, based on evidence provided by the insured, that acceptable substantiating evidence is being maintained by the insured.

(b) Pick Records. Pick records alone are considered acceptable production records unless the policy requires a pre-harvest appraisal.

Pick records must be legible and include all of the following to be acceptable:

1 Name of individual paid. Pick record must indicate the name of the individual(s) paid by the grower for the harvest of the crop.

2 Price paid. The insured must identify the price paid, per volume picked, for picking the crop. The price paid must be on the basis of the insurable unit of measure and weight.

3 Photocopy of all pick records. Upon request of RMA or the AIP, a photocopy of all pick records for the applicable crop year must be provided by the insured. The photocopies must be of the actual daily running tallies of production harvested by each picker.

If the AIP determines it is not feasible to provide a photocopy of all pick records, a summary that itemizes each picker's total with an example of the pick records used to calculate the total may be acceptable.

- 4 Verifiable proof of payment to picker(s). Pick records must be accompanied by verifiable proof of payment to the picker(s) for the harvesting of the crop. Either of the following is acceptable verifiable proof of payment.
- a Photocopy of cancelled check(s) to picker showing the banking institutions stamp of payment.
 - b Photocopy of payments made to Social Security Administration for tax payments made on behalf of picker(s).
- 5 Calculation to determine total production. Pick records must include the calculations used to determine the total production certified by the insured. The calculations may be provided on a cover page for the pick records. All calculations must be on the basis of the insurable unit of measure and weight. The AIP must verify all calculations.

- (c) **Machine Harvest Records.** Machine harvest records alone are considered acceptable production records unless the policy requires a pre-harvest appraisal.

Machine harvest records must be legible and include all of the following to be acceptable:

- 1 The insured's name;
- 2 The name of the crop;
- 3 The date of harvest;
- 4 The unit number or the location of the production;
- 5 The practice, type, and crop year; and
- 6 The quantity of weighed production.

- (d) **Daily Sales Records.** Daily sales records alone are considered acceptable production records unless the policy requires a pre-harvest appraisal.

Daily sales records must meet both of the following to be acceptable.

- 1 Photocopy of daily account ledger. A photocopy of the insured's actual daily account ledger is required.
- 2 Verification of income. Daily sales records must be accompanied by tax forms or other receipts verifying income from the sale of the crop.

- (e) Tax Records. Unless otherwise stated [see Sec.14F(2)], tax records alone are not considered acceptable production records. AIPs may use tax records in combination with other records for verification, such as to substantiate direct sales (e.g., identify income and production derived from the sale); or verification of payments paid to pickers when pick records are provided.
- (g) Unacceptable Records. Production summaries or estimates of production are not acceptable regardless of who provides the summary or estimate.

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F Records From Vertically Integrated Producers.

- (1) **Vertically Integrated Producer.** A producer is vertically integrated when all stages of production of a crop, from acquisition of materials to the retailing or use of the final product, are controlled by:
- (a) One person; or
 - (b) Different persons that are related.
- (2) **Acceptable Records for Vertically Integrated Producers.** When an insured is vertically integrated and cannot provide records of production from a disinterested third party, the production evidence listed in 14D can be submitted independently as acceptable production records. In addition, records contained in (a) and (b) may be provided as acceptable stand-alone production records.
- (a) **Certified Scale Weight Records.** Certified scale weight records alone are considered to be acceptable production records, unless the CP requires a pre-harvest appraisal.

Certified scale weight records must be legible and include all of the following to be acceptable:
 - 1 The insured's name;
 - 2 The name of the crop;
 - 3 The date of harvest or the date weighed;
 - 4 The unit number or the location of the production;
 - 5 The practice, type, and crop year; and
 - 6 The quantity/weighed production. For wineries that process their own grapes, the weight can be recorded on the form used for reporting to the Alcohol and Tobacco Tax and Trade Bureau.
 - (b) Tax records, [see Sec. 14D(6)(e)].
- (3) **Required Documentation.** Documentation of the vertically integrated insured's internal control procedures/processes must detail how their production is kept separate from production from other producers.
- (4) **Reasonableness of Production.** If the vertically integrated producer's production appears to be questionable, AIPs must determine whether the production is reasonable. AIPs may compare the insured's production with other similarly situated producers in the area (e.g., same crop/practice, same farming practices) or consult agricultural experts in the area familiar with average crop production. Additional records may be required to further support production.

G Use of Another Producer's Records.

- (1) **Requirements.** Another person's production records may be used by an insured as verifiable records to substantiate total production certified by the insured if all the following are met.
- (a) **Share of the crop.** Both the insured and the other person, whose records the insured wishes to use, have a share in the applicable crop for the current crop year.
 - (b) **Account for all production.** The other person's records account for that person's total production of the crop in the county for the applicable crop year. However, the insured may only certify production history from the specific acreage they share in the crop.
 - (c) **Acceptable.** The other person's records meet the requirements of an acceptable record as provided in [Para. D and/or E].
 - (d) **Permission.** The insured obtains permission of the other person to use the data in their APH database or obtains copies of the other person's production records for the applicable crop year.

The insured must have a POA or other form of written authorization allowing the insured to use the production records in the other person's APH database.

(2) **Using Another Insured's APH Database Production.**

- (a) **Non-actual yields.** When an insured uses production from another person's APH database, non-actual yields, such as SA T-Yields and assigned yields, cannot be transferred or used as verifiable production evidence. In addition, assigned yields break continuity of records for the insured using the other person's records.
- (b) **Years of production.** When an insured uses production from another person's APH database, data from all years for which acreage and production was reported must be used.

Exception: The number of years of data an insured can use from another person's APH database is limited to the number of years the insured reported production on other units.

15 CATEGORY B CROP PROCEDURES**A APH Database Establishment Methods.**

APH yield determination methods provide flexibility the initial year of insurance for insureds that do not furnish acceptable records. For insureds that provide less than four years of actual yields, variable T-Yields are used to complete four-year APH databases [See Sec. 15A(1)-(2)]. When four or more years of actual yields are available in an APH database, T-Yields are not used. Insureds must provide production reports for subsequent crop years in accordance with the policy.

A minimum of four years of yields are required in each APH database to calculate approved APH yields. Follow the instructions below for establishing APH databases:

- (1) **No Actual or Assigned Yields.**
 - (a) New insureds who have not produced the crop may qualify as a New Producer. [See Sec. 15E].
 - (b) 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, the new insured may request a RO determined yield. [See Sec. 15F].
 - (c) New insureds must request approved APH yields by completing and signing a Production Report. Separate four-year APH databases are required for each unit (by P/T and for each TMA). Each APH database must contain four 65 percent T-Yields. AIPs must quote the applicable 65 percent T-Yield as the preliminary yield. The verifier must approve all approved APH yields.
 - (d) 65 percent T-Yields are not set in the APH database. APH databases must be updated each year with any actual or assigned yields and appropriate percentage of the variable T-Yield. The 65 percent variable T-Yield applies only one year, unless zero-acreage of the crop is planted.
 - (e) OUs are not authorized.

- (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.
- (a) **Less than Four Years of Actual/Assigned Yields.** When less than four years of actual/assigned yields are available for an APH database, the average APH yield is determined by a simple average of the insured's actual/assigned yields and applicable variable T-Yields used to complete the four year minimum APH database divided by four.
- (b) **Four or More Years Actual/Assigned Yields.** When four or more years of actual/assigned yields are available for an APH database the average APH yield is determined by a simple average of the insured's actual/assigned yields divided by the number of years of actual/assigned yields contained in the APH database.
- (3) **New Producer.** A new producer is 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. 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 the county for more than two crop years. [See Para. 15E for instructions to calculate an approved APH yield for persons qualified as a new producer.]
- (4) **RO Determined Yields.** In certain situations, an RO determined yield may be requested by the insured through their AIP by the **PRD** [See Sec. 15F].
- (5) **Added Land/New Crop/P/T.** Variable T-Yields will be used for added land or new crop/P/T based on the years of actual/assigned yields for the insured crop and county unless the added land or new crop/P/T qualifies for use of the SA T-Yield or the insured qualifies to use another producer's production history to establish the APH database. [See Sec. 15I and 15J]. Refer to SF APH database instructions in [Sec. 12B] when a SF practice is carried out for the first time for Wheat, Barley, and Oats on the same unit as the CC practice has been carried out.
- (6) **Determined Irrigated Yields.** In lieu of the variable T-Yield, an AIP may approve a determined yield for an IRR practice the first time the IRR practice is carried out on a unit, if certain conditions are met. [See Sec. 12A(2) for instructions of when determined irrigated yields are available and all applicable calculations.]
- (7) **High-Risk Land.** Variable T-Yields do not apply to acreage with less than four years of actual/assigned yields that is located on high-risk or unrated land with high-risk T-Yields. One hundred percent of the high-risk T-Yield assigned applies. Use yield descriptor "F."

- (8) **Master Yields.** A MY is an optional yield calculation method in addition to standard APH databases. Insureds that qualify for MY must request initial MY and provide the required documentation no later than the PRD. MY are available for select crops, practices, and locations. [See Sec. 15G for MY procedures, crops and applicable locations (states)].
- (9) **CRP and New Breaking Acreage.** [See 15H for procedure to calculate an approved APH yield for acreage emerging from CRP and/or new breaking].
- (10) **APH database requirements for PP Acreage when PP payments are limited.**
A yield will be assigned for APH database 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. 9C(2)(a) for situations when PP acreage is not eligible for double cropping and limited to 35 percent of the PP payment.] Separate yields must be assigned for each P/T/TMA requiring separate approved APH yields. [See Para. C(1)].
- (a) **Only the first insured crop's 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. For example, 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 database purposes will be assigned for 200 acres of PP corn.
- (b) **If the unit contained only PP acreage** on which the PP payment was limited, 60 percent of the applicable approved APH yield (for the unit/P/T/TMA) 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.
- (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 applicable approved APH 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 2011 APH crop year reported for the 2012 (policy) crop year and for succeeding crop years.

Example: 10 acres PP was planted to a second crop. The approved APH 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 Production Report and included in the APH database used to calculate the APH yield for the unit for the applicable P/T/TMA. 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.

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

(11) **Approved APH Yield Reductions.** [See Sec. 18 for APH yield reduction instructions]. Approved APH yields calculated for a practice (including transitional and certified organic acreage), or type (P/T) of the insured crop, are required to be reduced for the following situations when they are discovered.

- (a) Excessive actual yields. Any reported actual yield identified as excessive requires 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 approved APH yield. For carryover insureds, assigned yields will apply.
- (b) Inconsistent approved APH yields when acreage limitations are exceeded.

- (c) Different production methods that are likely to result in a lower yield than the production method upon which the approved APH yield is based are carried out for the crop year.
- (12) **Yield Limitations.** Cups and yield floors are yield limitations that are designed to mitigate the effect of catastrophic years on approved APH yields. Cups are applicable for carryover insureds and yield floors are applicable for new or carryover insureds insuring Category B crops with T-Yields in the actuarial documents. [See Sec. 15D].
- (13) **APH Database Yield Adjustment.** For APH database calculation purposes, insureds may substitute 60 percent of the applicable T-Yield for actual yields that are less than 60 percent of the applicable T-Yield to mitigate the effect of catastrophic years for low actual yields caused by drought, flood, or other natural disasters. [See Sec. 17].

B T-Yields.

If less than four years of actual and/or assigned yields are available in an APH database (unit/P/T/TMA), the APH 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.

- (1) **T-Yield Methods.** T-Yields are published in the actuarial documents. The T-Yields will be used to calculate variable T-Yields by crop and county, when necessary to calculate approved APH yields.
 - (a) T-Yield Percentage. [See Sec. 13(B)(2)].
 - (b) T-Yields contained in carryover insureds' APH databases must be replaced with the current crop year's T-Yields.
 - (c) T-Yields are established by:
 - 1 Insurable P/Ts. Separate approved APH yields are required for each P/T in the actuarial documents. Separate APH databases must be established for each P/T. [Exception: Refer to Sec. 12C for establishing skip-row APH databases for corn and cotton. [See Para. K for individual crop instructions].

Note: Previously established APH databases consisting of production from two or more P/Ts with same T-Yields must be separated. In these instances only, APH databases may be replicated. Production must be kept separate in subsequent years.

For example, in prior years only one APH database was required for IBR and NIBR sunflowers with the same T-Yield. Beginning with the 2011 crop year, this sunflower APH database must be separated into IBR and NIBR databases accordingly.

- 2 Map Areas. In addition to P/Ts, 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 databases.

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 databases 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 documents 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 a four-year database, they are not reduced by the variable T-Yield percentage if less than three years of actual and/or assigned yields are available for the crop. Separate APH databases are required and must be maintained for land with high-risk T-Yields. High-risk T-Yields are preceded by the yield descriptor "F" when used to calculate the approved APH yield.

C Reporting Production for P/T/TMAs.

Reporting production for P/T/TMAs, including land with different high risk T-Yields, indicated by the actuarial documents:

- (1) **Separate Production.** A yield must be determined for each P/T/TMA by establishing a separate APH database using the separated acres and production. An APH database established for one P/T/TMA may not be duplicated to establish an APH database for a different P/T/TMA.
- (2) **Separating Commingled Production.** When production for P/T/TMAs has been commingled, separate production must be determined for each P/T/TMA if:
 - (a) The insured provides a yield by P/T/TMA from past production records, accounts for total disposition, and the verifier considers resulting yields reasonable; or
 - (b) The production is apportioned using the Multi-Purpose Production and Yield Report Worksheet by following the Multi-Purpose Production and Yield Worksheet instructions [See. Exh. 15A]; or

F RO Determined Yields.

- (1) **Situations for which a RO determined yield may be requested for Category B crops.** [Refer to Sec. 7C(9)(a) for verifier responsibilities for RO determined yields].
- (a) **New Producer/Variable T-Yield exceptions.**
- 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.
- 2 A person (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). Additionally, a person may qualify for OUs based on intent to maintain separate acreage and production records according to OU provisions.
- (b) **Change in person/land.**
- 1 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, person(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 person(s) must be provided for those crop years.
- 2 A person has been dissolved and production records are not available on any land in the insured's current farming operation or two APH crop years or less are available; however, the insured as a member of the former person has produced the crop for more than two crop years on other land in the county.
- (c) **Master Yields**, as provided in [Sec. 15G].
- (d) **Other.** RMA may authorize, in writing, other situations eligible for a RO Determined Yield Request.

- (2) **Request Requirements.** To be considered by the RO, the request must include:
- (a) **A RO Determined Yield Request [see DSSH for form].**
- 1 Signed by the PRD;
 - 2 Received by the RO no later than 20 calendar days after the PRD;
 - 3 Include the legal description of the land (in areas where legal descriptions are available); and
 - 4 Include FSA Farm/Tract/Field Number, if available.
- (b) **Additional documentation** consisting of:
- 1 For units in which RO determined yields are requested,
 - a APH databases for the current crop year or prior crop year if the current crop year is not available, or
 - b Signed production reports for the current crop year;
 - 2 Verifiable records of actual yields if required by the RO;
 - 3 FSA aerial photograph or an acceptable GIS/GPS map, or other legible map issued by a state or federal agency delineating field boundaries if required by the RO.
 - a Identify the fields, where the insured intends to plant the crop, or
 - b Where the crop is planted, for which a request for written agreement is requested;
 - 4 Other information requested by the RO; and
 - 5 For Master Yields Only: Master Yield Summary APH databases and at least the four most recent APH crop years of continuous production reports.

(3) **Yield Guidelines.**(a) RO determined yields are:

1 Based on soil productivity of the land in the current operation and the management ability demonstrated by the actual yields submitted.

1 Limited to 65-100 percent of the applicable T-Yield.

(b) The RO will issue the percent of T-Yield on a letter.(c) The AIP will multiply the percentage of T-Yield issued by the current T-Yield and apply an "F" descriptor.

1 The same percentage will be applied when T-Yields are updated by RMA.

2 The "F" yield descriptor and RO determined yield is only retained in an APH database until the percentage of the variable T-Yield for the crop exceeds the RO determined yield.

Example: The RO determined yield is 70 percent of the applicable T-Yield used to establish a four year database. When the insured adds an actual yield in a subsequent year, the percent of the applicable variable T-Yield is increased to 80 percent (one year of actual and three 80 percent variable T-Yields).

G Master Yields.

Master Yields are available for some crops and locations authorized by RMA where crop rotation and land leasing practices limit the APH crop years of yield history available on individual units and APH databases. [See Ex. 15B]. Data from all acreage of the crop the operator has in the county (identified by unit and by practice, type, variety (P/T), 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 approved APH yields (calculated by using standard APH database procedures) may not be established on the same policy (crop and county).

Exceptions: Master Yields do not apply to any acreage emerging from CRP or New Breaking the initial year of planting. This acreage must be established with an APH database as provided in [Para 15H]; however, master yields will continue to apply to all other APH databases for the crop in the county. In subsequent crop years, the CRP or New Breaking Acreage must be combined with the master yield for the crop/county.

Master Yields do not apply to an APH database utilizing a different production method requiring the approved APH yield to be adjusted according to Sec. 18E(3). The master yields will continue to apply to all other APH databases for the crop in the county.

The approved Master Yield (by P/T) applies to all individual units within the Master Yield area at a minimum on a policy basis unless otherwise authorized by an RO. Units with four or more years of records also use the Master Yield (by P/T) as the approved APH yield. In addition, SA T-Yield procedure for Added Land or New Crop/P/T APH Databases is not applicable where master yields are available.

(1) Initial Master Yield Approval Authorities.

(a) AIP Authorized Master Yields. Initial training is mandatory for an AIP to approve master yields. A minimum of one representative per AIP must attend initial training from any RO to approve Master Yields for any region, and in some instances additional update training may also be required by RMA.

1 Situations that require referral of the master yield request to the RO for approval:

a When RMA withdraws an AIP's authority to calculate initial Master Yields based upon an inordinate number of Master Yields being calculated incorrectly.

b When AIPs elect not to be responsible for the approval of initial Master Yields.

- c Request to transfer a Master Yield:
 - i to an adjacent county; or
 - ii to person(s) who participated in the creation of a master yield credited to another person.

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- c **Example 3:** Insured A purchases 2,100 cropland acres in the current crop year. Insured A has six OUs in his farming operation, with each unit having three years of actual soybean production. Insured A is going to add the 2,100 cropland acres of Added Land to his existing OUs, and plant soybeans on all 2,100 acres in the current crop year.

The Added Land does not qualify as a new BU or separate OUs. Since more than 2000 cropland acres were added, a separate APH database, by crop/P/T, within the existing unit must be established for the added land using the applicable variable T-Yield.

(4) **RMA RO Underwriting Reviews for Added Land (Added Land/New Crop/Practice/Type Request)**

- (a) When to Submit Requests for a RMA RO Underwriting Review. A request for RMA RO underwriting review for added land that is greater than or equal to 640 acres and is less than 2000 acres for land added as a new BU(s) or separate OU(s), or use of existing unit's approved APH yield, for added land that does not qualify as a separate BU(s) or OU(s), must be submitted on an Added Land/New Crop/P/T Request by the ARD of the crop year the land is added to the farming operation.

Exception: A request to use the SA T-yield for a new crop/P/T database may be submitted in a subsequent year, for an APH database where the crop has not been produced by the insured. Cropland acreage limitations will be based on the crop year the cropland acreage is added to the farming operation. However, SA T-Yields are calculated based on the year the APH database is established.

- (b) Added Land/New Crop/P/T Request and Supporting Documentation. AIPs must develop an Added Land/New Crop/P/T Request to be used for requesting a RMA RO underwriting review for use of an SA T-Yield that contains all required information according to DSSH. Supporting documentation includes all of the following:

- 1 APH database for the insured crop(s) for the current crop year;
- 2 Total added land acres (acres that meet the definition of cropland) being added to the farming operation;

- 3 Total cropland acres in the existing unit(s) of the farming operation for the current crop year. A copy of the applicable FSA-578s or FSA-156EZ for the applicable year(s) may be used as documentation for determining total cropland acres on the farm if required by the RO. In the absence of FSA-578 or FSA-156EZ, other documents that provide the required information may be used, such as lease agreements, insurance records, or tax records;
- 4 APH databases from the previous producer for the previous crop years, showing the production history and approved APH yield(s) for the applicable acreage, if the insured wishes such records to be considered for productivity comparisons;
- 5 Copies of aerial photos of both the added land and the existing unit(s) if required by the RO. RO may require tract and field numbers on aerial photos;
- 6 Copies of complete legal descriptions of the added land and the existing unit(s), as well as the applicable FSA Farm, Tract and Field numbers, if available. If section, township and range are not available, a highway map showing the location of the land must be included;
- 7 Agreement to combine OUs, if applicable;
- 8 Copy of the page(s) of the county soil survey, with the exact locations of the field(s) clearly marked if required by the RO; and
- 9 Other information requested by RMA RO.

(c) Added land/New Crop/P/T request requirements.

- 1 Insured must submit a **signed** Added Land/New Crop/P/T Request and required supporting documentation to the AIP, preferably by the PRD, but no later than the ARD.
- 2 **An** Added Land/New Crop/P/T Request **signed by AIP** and **agent with** all required supporting documentation shall be sent to RMA RO by the AIP [see Para. (4)(b) above for supporting documentation requirements].
 - a The Added Land/New Crop/P/T Request and required documentation may be mailed, faxed or transmitted electronically to the applicable RMA RO.

- b The Added Land/New Crop/P/T Request and required documentation must be postmarked, or received by fax or other electronic transmission by the RMA RO no later than 30 calendar days after the ARD.
- 3 An Added Land/New Crop/P/T Request should include all crops for which the insured has an approved APH yield with at least one actual/assigned yield, even if the insured does not plan to plant the crop on the added land.
- a **Example 1:** Insured A cash leased 700 cropland acres in 2012 adding it to his farming operation as two separate OUs and plans to produce wheat and soybeans only on the added land. Insured A produces wheat, corn and soybeans on his farming operation; however, Insured A only requests use of the SA T-Yield for wheat and soybeans. In 2013, Insured A decides to produce corn on some of the land added in crop year 2012 and requests use of the SA T-Yield for corn. Insured A has not produced corn on any of the 700 acres.

The cropland acreage limitations are determined based on the crop year the land was initially added (2012). However, in 2013 Insured A may submit a request for RMA RO underwriting review to determine the appropriate yield method for corn on the 700 acres because Insured A has never participated in the production of corn on any of the 700 acres. If use of the SA T-Yield is approved by RMA RO, the SA T-Yield will be calculated based on the crop year the APH database(s) for corn are established (2013), not the crop year the land was added to the farming operation (2012).

- b **Example 2:** Same as example 1, except in 2012 Insured A planted corn on one of the new separate OUs comprising the added land. Insured A did not request a RMA RO underwriting review for corn before the corn was planted in 2012.

In 2013, Insured A may submit a request for RMA RO underwriting review to determine the appropriate yield method for the acreage in the separate OU on which Insured A has never participated in the production of corn. If use of the SA T-Yield is approved by RMA RO, the SA T-Yield will be calculated based on the crop year the APH database for corn is established (2013), not the crop year the land was added to the farming operation (2012). SA T-Yields **cannot** be used for the corn APH database of the separate OU where Insured A planted corn in 2012.

- (d) AIP Review and Submission of Added Land/New Crop/P/T Request. When the total land being added to an insured's farming operation is greater than or equal to 640 cropland acres, but less than 2,000 cropland acres, and the insured timely submits a written request for RMA RO underwriting review, including all required documentation, the AIP will:

- 1 Review the request to determine whether all requirements are met;
- 2 Ensure all required supporting documentation is provided;
- 3 Calculate SA T-Yield, as applicable;
- 4 Sign the request, provided all requirements are met; and
- 5 Forward the request, including all required documentation, to RMA RO, provided all requirements are met.

If the request does not contain all required information, or all required supporting documentation is not included, AIP shall not forward the request to RMA RO.

- (e) When RMA RO will Perform an Underwriting Review. RMA RO will perform an underwriting review to determine the appropriate yield method to be used for added land for the requested crop when:

- 1 The total acres being added to the farming operation is greater than or equal to 640 cropland acres, but is less than 2,000 cropland acres; and
- 2 Both of the following are postmarked, or received by fax or other electronic transmission, no later than 30 calendar days after the ARD, regardless of the method of transmittal:
 - a A signed written request for RMA RO underwriting review; and
 - b All required documentation according to [Para. (4)(b)]

RMO RO will not perform an underwriting review unless both a signed request and all required documentation are submitted to the RMA RO.

SA T-Yield or the approved APH yield of the existing unit shall not be approved for land on which the insured has produced the crop.

(f) RMA RO Review.

- 1 Productivity of Added Land
 - a To be approved to use the SA T-Yield, the productivity of the added land must equal or exceed 85 percent of the simple average of all the existing units yield capability in the insured's farming operation if the land is being added as a new BU(s) or separate OU(s).
 - b To be approved to use an existing unit's approved APH yield, the productivity of the added land must equal or exceed 85 percent of the existing unit's yield capability.
 - c RMA RO will use one or more of the following indicators to determine the productivity of the added land, and the productivity of the land in the applicable existing unit(s). The results will be compared to determine whether the productivity of the added land equals or exceeds 85 percent of the applicable existing unit(s) productivity.

- i The actual production history of the added land, by crop/P/T, if applicable, for the previous crop year(s). To use the actual production history of the added land, the insured must obtain such records from the previous owner/operator/tenant, and submit such records with the signed request.
- ii Soil survey maps to identify similar soil types, elevation or climate data to determine similar agronomic conditions.
- iii Soil survey information from the NRCS.
- iv RMA Actuarial Maps (past or present).
- v Other factors.

2 Using Factors Other Than Productivity of the Added Land.

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 (e.g., SA T-Yield based on three OUs averaging less than 25 planted acres and the total cropland added is 700 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.

- (g) RMA RO Notification to AIP. RMA RO will notify the AIP, in writing, of its determination no later than 20 days after receipt of the signed request and all required documentation. If the notification is mailed, it must be postmarked no later than 20 days after receipt of the timely filed signed request/documentation.

- bb If a different or additional type (applicable in grain and silage counties), on a unit basis, is insured for the current crop year than the type for which the APH database was established:
- aaa If the entire unit is insured as grain for the current crop year, and the previous year's APH database was established on a silage basis, any actual and/or assigned yields must be converted to bushels and **an** APH database **must be** established for grain.
- bbb If the entire unit is insured as silage for the current crop year, and the previous year's APH database was established on a grain basis, any actual and/or assigned yields must be converted to tons and **an** APH database **must be** established for silage.
- cc If both grain and silage is insured on the same unit, if the previous production history indicates type, use the grain actual yield(s) to calculate the approved APH yield for grain and the silage actual yield(s) for silage. If records are for one type, any actual and/or assigned yields must be converted to the other type and **an** APH database **must be** established for the other type.
- 6 Grain Sorghum. Separate production reports and APH databases are required for practices specified in the actuarial documents and skip-row planting patterns when applicable.
- 7 Skip-Row Corn and Grain Sorghum. See Sec. 12C for special production reporting instructions for skip-row planted crops

(3) **Cotton and ELS Cotton.** [See Sec. 12C and Ex.12B]

(a) **Determining APH Production.**

1 Quality Adjustment.

a To be eligible for quality adjustment: the damage to mature white Cotton or ELS cotton must be due to insured causes. ELS cotton must have been ginned at a gin using roller equipment. Such production will be reduced if Price A is less than 85 percent of Price B.

i Price B for Cotton is defined as the Upland Cotton National Average Loan Rate determined by FSA, or as specified in the SP.

ii Price B for ELS Cotton is defined as the Extra Long Staple Cotton National Average Loan Rate determined by FSA, or as specified in the SP.

iii Price A is defined as the loan value per pound for the bale determined in accordance with the applicable FSA Schedule of Premiums and Discounts for the applicable crop year, or as specified in the SP.

b If eligible for quality adjustment, the amount of production will be determined by multiplying the number of pounds of production by the factor derived from dividing Price A by 85 percent of Price B.

2 Production Lost to Fire Before it was Ginned.

If a claim for indemnity was not filed, harvested production in modules that was lost due to fire before it was ginned (e.g., modules burned in the field or after delivery to the gin) may be reported for APH purposes if the insured certifies the production and gin/fire insurance records/other measurements and the lost production can be accurately documented.

a Gin/fire insurance records indicating the net pounds of production lost (by unit), may be used as production evidence to document the production and number of modules lost.

b Module measurements taken prior to the destruction of the modules, may be used if the modules were burned prior to weighing or tagging if gin/fire insurance records are not applicable. The size and number of modules lost must be documented in a manner that is acceptable to the AIP.

Specifications, provided by the insured, of the module maker(s) used to make the modules that were lost, may be used to verify the size of modules reported. If module or trailer measurements are used to document such production, the net pounds of cotton production must be determined according to the instructions contained in the Cotton Loss Adjustment Standards Handbook.

- 3 Separate production reports are required to establish or update an APH yield for Cotton and ELS Cotton.
- 4 Cotton planted in a skip-row pattern must be converted to a solid planted basis in order to provide an APH yield that may be used for solid planted or any skip-row pattern the insured may carry out. See Sec. 12C(4) for production reporting and conversion instructions for non-irrigated skip-row Cotton or ELS Cotton.

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- (2) **Arizona-California Citrus and Texas Citrus Fruit.** The following formula is used to determine the age/leaf year.

X= Crop Year
Y= Set Out/Graft year

Formula: $X - Y = \text{Age/Leaf Year}$

- (a) **Policy Crop Year.** The policy crop year is designated by the calendar year following the year in which bloom is normally set.
- (b) **Set Out/Graft Year.** The set out/graft year is the actual calendar year for blocks planted/grafted before July 1. For blocks planted/grafted on or after July 1, the set out/graft year shall be the year following the calendar year in which set out/graft actually occurred.

Example 1: An insured insures a grove planted in **April** 2006 for the 2012 crop year. Crop year =2012 and set out year= 2006. See the calculations for this example below using the age/leaf year formula.

$2012 - 2006 = 6 \text{ Age/Leaf Year}$

- (c) **Macadamia Nuts:** Age is defined as the number of complete 12-month periods that have elapsed since the month the trees were set out or were recently grafted, whichever is later. Crop year is defined as a period beginning with the date insurance attaches extending through the normal harvest time and designated by the calendar year in which the insurance period ends. An age determination will be made for each unit, or portion thereof, as of January 1 of each crop year.

1 Macadamia Nut Age/Leaf Formula:

X= Policy Crop Year
Y= Set Out/Graft Year

$(X - Y) - 2 = \text{Age/Leaf Years}$

Example: For crop year 2011, January 1, 2010 is used when determining age. Age in crop year 2011 on Macadamia Nuts for trees set out in April of 2004 will be 5 leaf years. See the calculations below based on the age/leaf year formula.

$(2011 - 2004) - 2 = 5 \text{ Age/Leaf Years}$

- 2 The Twelve Month Period. The twelve month period is defined as the actually twelve months that have passed since the crop was set out/grafted. For the example referenced above in (2)(b), the 12-month period would be determined as follows for the 2011 crop year:

SET OUT/GRAFTED	12 MO. PERIOD	CROP YEAR	AGE
April 2004	Jan. 1, 2005	2006	0
	Jan. 1, 2006	2007	1
	Jan. 1, 2007	2008	2
	Jan. 1, 2008	2009	3
	Jan. 1, 2009	2010	4
	Jan. 1, 2010	2011	5

D Producer's Pre-Acceptance Worksheet (PAW).

The PAW is an insured's self certification of the planting and other conditions of the perennial crop used by the AIP to determine insurability and other requirements in accordance with the policy.

- (1) **PAW Due Date.** PAW must be completed by the PRD.
- (2) **Insureds must submit a PAW.** Each insured must complete a PAW every year. For Texas Citrus Fruit, a PAW is not required for new insureds because a PAIR is required; however, in subsequent years a carryover insured must complete a PAW.

If the insured does not complete a PAW, AIPs must either:

- (a) Obtain the required information from the insured;
- (b) Conduct a PAIR to determine the required information; or
- (c) Deny coverage for the crop year.

The AIP representative may assist the insured with the PAW completion.

(3) **PAW Completion Requirements.** A PAW is required for each unit.

ELEMENT	REQUIRED INFORMATION
<p>BLOCK NUMBER</p>	<p>Enter block number If applicable.</p> <p>When reporting by block, show block numbers to three places (i.e., 001).</p> <p>Multiple blocks being reported together as one block must be shown with one block number and must match the block number shown on the APH database. However, if separate information is available by individual block, separate line entries may be made on the PAW.</p> <p>Separate APH database/reporting by block (plot) number is required:</p> <p>For each P/T/TMA/other characteristics provided in the actuarial document(s), include variety whether specified on the actuarial document(s) or not, age, and density within the insured crop; and</p> <p>Prepare a sketch map or provide an aerial map demonstrating the location of each block, designate unique number for each block reported. Enter these numbers along with the block number in the block number column. Complete the items applicable to the crop for each block.</p>
<p>MONTH/YEAR PLANTED</p>	<p>Enter the month and year trees/vines/bushes/bogs were planted.</p>
<p>MONTH/YEAR GRAFTED</p>	<p>Month and year of grafting to the current variety, if applicable; otherwise, enter N/A.</p> <p><u>For Texas Citrus Fruit:</u> If trees were dehorned within the last 8 policy crop years, enter “dehorned” and the month and year dehorned.</p> <p><u>For Florida Avocados:</u> Enter the year the trees were grafted to the current variety or stumped (trees were reduced to 4-6 foot height by removing all branches and foliage), or buckhorned (to prune any limb at a diameter of at least four inches).</p>
<p>VARIETY</p>	<p>Name(s) of the variety(ies) contained in this block whether specified in the actuarial document(s) or not.</p>

ELEMENT	REQUIRED INFORMATION
TYPE	Type applicable (e.g. blueberry: Highbush or Rabbiteye) or other characteristic in actuarial document(s) (e.g., peaches Early, Mid or Late).
NUMBER OF PLANTS	<p>For all crops except cranberries and lowbush blueberries: Enter the number of bearing plants (trees/vines/bushes), which make up the block.</p> <p>For cranberries and lowbush blueberries: Not applicable.</p>
PLANT SPACING	<p>For all crops except cranberries and lowbush blueberries: Average tree/vine/bush spacing and/or pattern observed within this block (example 18.5 X 20).</p> <p>[See Exh. 16N for other patterns].</p> <p>For cranberries and lowbush blueberries: Not applicable.</p>
PLANTING PATTERN	<p>For all crops except cranberries and lowbush blueberries:</p> <p>Completed for tree/vine/bush perennial crops: Enter:</p> <p>“S” for Square Planting Pattern “B” for Hedgerow or Border Planting Pattern “Q” for Quincunx Planting Pattern “H” for Hexagonal Planting Pattern “D” for Double Row Planting Pattern “O” for Other Planting Pattern</p> <p>For cranberries and lowbush blueberries: Not applicable.</p>
DENSITY	<p>For all crops except cranberries and lowbush blueberries:</p> <p>Calculate the plant density (number of trees/vines/bushes per acre) as follows: number of square feet per acre ÷ number of square feet per tree (based on the current planting pattern). There are 43,560 square feet per acre.</p> <p>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.</p> <p>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.</p> <p>For cranberries and lowbush blueberries: Not applicable.</p>

ELEMENT	REQUIRED INFORMATION
<p>ACRES</p>	<p>Number of original planted acres to tenths (0.10).</p> <p>It is the carryover insured's responsibility to account for all prior acreage reported. Removed blocks, shown on the APH, should continue to be shown on the PAW until they roll out and no longer remain on the APH database, (e.g., line through block entries and show removal date, [see 16B(3)]).</p>
<p>PERCENT STAND</p>	<p><u>For all crops except cranberries and lowbush blueberries:</u> The insured must identify the percent stand from the initial planting pattern and planted acres.</p> <p>Calculate the percent stand by dividing the number of insurable trees/vines/bushes by the product of density multiplied by original acres.</p> <p>Example: 10 acres were initially planted in an 18 x 20 planting pattern with 121 trees per acre. The insured reports 968 trees; the percent stand would be 80 percent [968 trees / (121 trees/acre x 10 acres)]. The percent stand column would display 80% stand and in the acres column there would be 10 acres. The Acreage Report would reflect 8.0 insurable acres due to the removal of 2.0 acres of trees.</p> <p><u>For cranberries:</u> Not applicable.</p> <p><u>For lowbush blueberries:</u> Enter the estimated percent plant cover (less 5 percent for shrinkage).</p>
<p>PRACTICE</p>	<p>Designate if the block is:</p> <p>(a) Irrigated or non-irrigated; and/or</p> <p>(b) Certified organic or acreage transitioning to organic.</p>
<p>INSURABLE OR UNINSURABLE</p>	<p>Designate whether this block has met insurability requirements. Refer to the policy provisions, the actuarial document(s), and this procedure for determining insurable and uninsurable acreage.</p> <p>Example: Acreage must be reported as uninsurable when minimum requirements are not met for:</p> <p>(a) Age;</p> <p>(b) Yield per acre; and/or</p> <p>(c) Age and yield per acre.</p> <p>When minimum production requirements, age, or a combination of production and/or age are not met, acreage must be reported as uninsurable. When prior production or acreage is commingled, the entire commingled acreage must meet the production minimum requirements for insurability. Acreage that is combined to meet insurability requirements may require additional yield adjustment by the AIP or should be submitted as an RO Determined Yield Request.</p>

ELEMENT	REQUIRED INFORMATION
SPUR OR NONSPUR (APPLES ONLY)	Designate as Spur or Nonspur for Apples when the Actuarial Documents contain these designations.
TOTALS (FOR ACRES AND NUMBER OF PLANTS)	This is the last row in the table on the form used to enter the summation of the total acres and total number of plants.
IMPORTANT: Prior to answering these questions, the average yield from the preliminary APH database must be calculated.	
HAS DAMAGE (E.G., DISEASE, HAIL, FREEZE) OCCURRED TO TREES/VINES/BUSHES/BOG THAT WILL REDUCE THE INSURED CROP'S PRODUCTION FROM PREVIOUS CROP YEARS?	If the insured answers "YES," hard copy records of acreage and production are required.
HAVE PRACTICES OR PRODUCTION METHODS (E.G. REMOVAL, DEHORNING, GRAFTING, TRANSITIONING TO ORGANIC) BEEN PERFORMED THAT WILL REDUCE THE INSURED CROP'S PRODUCTION FROM PREVIOUS CROP YEARS?	If the insured answers "YES," hard copy records of acreage and production are required. Insureds must answer yes if changing practices from conventional to organic. Additionally 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 last inspected).
IS THE CURRENT WATER SUPPLY (SURFACE ALLOTMENT/WELL) ADEQUATE TO PRODUCE A NORMAL CROP FOR THE CROP YEAR BEING CERTIFIED ABOVE?	If the insured answers "NO", hard copy records of acreage and production are required.
FOR FLORIDA AVOCADOS ONLY: DO THE TREES HAVE SUFFICIENT VIGOR TO PRODUCE THE AVERAGE YIELD COMPUTED FOR THIS UNIT?	<u>For all Crops except Florida Avocados:</u> N/A <u>For Florida Avocados Only:</u> Prior to answering this question the average yield from the preliminary APH based upon certified data must be calculated. If the insured answers NO to this question, a PAIR and hardcopy records of acreage and production are required.
FOR FLORIDA AVOCADOS ONLY: IS THE OPERATOR USING ORGANIC OR OTHER UNCONVENTIONAL FARMING PRACTICES? IF YES, HOW LONG?	<u>For all crops except Florida Avocados:</u> N/A <u>For Florida Avocados Only:</u> If the insured uses organic farming practices or other unconventional practices and answers YES to this question, indicate the number of years farmed under this practice. A PAIR and hardcopy record of acreage and production are required.

(4) **AIPs must review the PAW.** The AIP must use the information provided by the insured annually on the PAW to determine:

- (a) The insurable acreage for the current crop year;
- (b) Whether a PAIR must be conducted by the AIP;

PAW triggers a PAIR and a RO Determined Yield for Insurability when the insured answers:

- 1 Yes to the PAW question: Has damage (e.g., disease, hail, freeze) occurred to Trees/Vines/Bushes/Bog that will reduce the insured crop's production from previous crop years?; and/or
- 2 Yes to the PAW question: Have practices or production methods (e.g. removal, dehorning, grafting, transitioning to organic) been performed that will reduce the insured crop's production from previous crop years?; and/or

Exception For certified organic [see Sec. 11F and 11G]; and/or

Exception In lieu of acreage reductions, RO Underwriting Guidelines may provide procedures for acreage that has been grafted, buckhorned, dehorned, or stumped;

- 3 No to the PAW question: Is the current water supply (surface allotment/well) adequate to produce a normal crop for the crop year being certified above?

Exception Unless otherwise provided in this procedure, the policy, or RO Underwriting Guidelines.

- 4 For Florida Avocados only:

- a No to the PAW question: Do the trees have sufficient vigor to produce the average yield computed for this unit?; and/or
- b Yes to the PAW Questions: Is the operator using organic or other unconventional farming practices?

(c) Whether the approved APH yield should be adjusted; or

(d) Whether the crop meets the policy insurability requirements in accordance with these procedures, the policy or any applicable RO Underwriting Guidelines.

E Perennial Crop Pre-Acceptance Inspection Report (PAIR).

PAIRs [see DSSH] are underwriting tools used by the AIP designed to establish insurability of the crop, evaluate the risk to be assumed by the AIP and verify information provided by the insured on the PAW. If the PAIR discloses that information provided on the PAW was incorrect or incomplete, the PAW must be corrected.

The PAIR must include the applicable CAW(s).

(1) A PAIR is required.**(a) For the current crop year when:**

- 1 Required by the policy, SP, or for WA to determine insurability;
- 2 The person is a new insured under the Texas Citrus Crop Provisions;
- 3 Triggered by the PAW, [See 16D(4)(b)];
- 4 An insured either does not complete a PAW or does not complete a PAW in an acceptable manner (e.g., does not reconcile to information contained in the APH database ([see Sec. 13A(2)(d) for amended Production Records, see Sec. 6B(2) for Revised Acreage Reports, and/or see LAM] for additional information on Revised Acreage Reports);
- 5 Requested in writing by RMA PM for county crop programs;
- 6 Requested by the RO if:
 - a A PAIR has not been performed; or
 - b A new PAIR is necessary for the RO to approve a RO determined yield.
- 1 When the AIP is required by the policy provisions to conduct a PAIR and agree in writing as a condition of insurance attaching (these situations are not WA, [see Sec. 4G of the WAH], e.g., Stonefruit and Figs); and/or

(b) Within the most recent five years:

- 1 For RO Determined Yield Requests unless the RO Determined Yield Request was triggered by the PAW, [see (1) a 3]; and/or
- 2 For blocks with an APH database that is identified with high variability of actual yields, See [16H(8)].

Exception: An assuming AIP may use a ceding AIPs PAIR when provided by the ceding AIP.

- (2) **PAIR Waivers.** PAIRs may be waived by RMA, in writing, when an excessive number of policies require PAIRs that cannot be feasibly accomplished. The RO may provide written approval to the AIP authorizing PAIR waivers when the AIP:
- (a) Submits a written request to the RO which specifies the reason PAIR waivers should be authorized: and
 - (b) Provides documentation which clearly indicates that excessive PAIRs would be required and other reasonable means exist to assess the impact to the perennial crop.
- (3) **PAIR Deadlines.** The PAIR must be completed within 30 calendar days after the PRD. When a PAIR is required for a RO Determined Yield Request, it must be received in the RO no later than 30 calendar days after the PRD.
- (a) Extensions of Deadlines. When an AIP expects that PAIRs cannot be completed within the established deadline, they must notify the RO in writing to request an extension of the PAIR deadline. The request must include the reason for the extension (e.g., volume of policies requiring a PAIR, access to production records, etc.). The RO will establish a revised deadline based upon the information provided with the AIPs request; however, the RO will not extend the deadline beyond 60 calendar days after the PRD.
- If the deadline for the RO Determined yield request is extended in accordance with [Sec 16I(2)(b) 2 a i bb], the PAIR deadline is extended accordingly but must be completed and submitted with the request.
- (b) PAIR Not Completed by Deadline for RO Determined Yield Requests: A RO Determined Yield will not be issued.

Exception: A RO Determined Yield request will still be accepted when the request results in a lower APH yield.

(4) **PAIR Completion Requirements.**

- (a) **Supporting Documentation.** The AIP may request that the insured provide acceptable supporting acreage and production evidence to assist with the completion of the PAIR.
- (b) **Insurable and Uninsurable Acreage.** Complete a separate CAW by crop for insurable and uninsurable acreage. Each CAW must identify whether it is for insurable or uninsurable acreage.
- (c) **Acreage Damage.**
- 1 PAIRs involving applications. Once the acreage is inspected and the application accepted, subsequent damage from insured cause(s) is covered.
- a 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.
- b 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 to the damaged units.
- 2 PAIRs for carryover insureds. If insurance is requested on added acreage that is damaged prior to the PAIR, the request is rejected on a unit basis and insurance does not attach.

ELEMENT	REQUIRED INFORMATION
<p>DESCRIBE IN DETAIL THE IRRIGATION WATER SOURCE.</p> <p>SURFACE:</p> <ul style="list-style-type: none"> • %OF TOTAL SUPPLY; • IRRIGATION DISTRICT NAME ; • ALLOCATION LAST YEAR % OF NORMAL; • EXPECTED ALLOCATION THIS YEAR % OF NORMAL. <p>IRRIGATION:</p> <ul style="list-style-type: none"> • WELLS: % OF NORMAL; • HOW MANY WELLS?; • TOTAL GALLONS PER MINUTE? <p>WATER OBTAINED THROUGH WATER TRANSFER:</p> <ul style="list-style-type: none"> • ACRE FEET PER ACRE 	<p>Describe in detail the irrigation source(s).</p> <p>Obtain from the insured, water source(s) and irrigation district(s) from which water is allocated, allocation percentage, and irrigation well information.</p> <p>Include any information regarding water obtained through water transfers and any potential curtailment of current and future water supplies.</p>
<p>IS THE UNIT SUBJECT TO ABOVE NORMAL FLOOD HAZARD?</p> <p>IF SO, EXPLAIN.</p>	<p>Determine whether any abnormal flood hazards exist.</p> <p>Explain in detail.</p>
<p>ARE THERE SOIL LIMITATIONS (E.G., SLOPE, DEPTH, DRAINAGE, pH, SALINE/ALKALI, TOXICITY)?</p> <p>IF SO, EXPLAIN.</p>	<p>Discuss with the insured (and perform an assessment) to determine any potential soil limitations (e.g., slope, depth, drainage, pH, saline, or alkaline toxicity, etc.).</p> <p>Other resources should also be considered when appropriate, such as soil maps.</p> <p>Areas of frequent replanting or stunted growth may indicate that soil limitations exist.</p> <p>Explain in detail.</p>
<p>DESCRIBE IN DETAIL THE PRUNING PRACTICES USED; DATE NORMALLY COMPLETED, AND INDICATE WHETHER PRUNING IS ANNUAL OR BIENNIAL.</p>	<p>Describe in detail the pruning practices used, date normally completed, and whether pruning is annual, biennial, etc.</p> <p>Indicate if there is excessive pruning or top working which affect production of the crop to be insured.</p>

ELEMENT	REQUIRED INFORMATION
<p>DESCRIBE IN DETAIL THE VARIETIES BEING USED AS POLLINATOR(S).</p> <p>INCLUDE VARIETY, LOCATION, QUANTITY, DENSITY, AND CONFIGURATION.</p>	<p>Describe in detail the varieties used as a pollinator when applicable.</p> <p>Include variety, location, quantity, density, and configuration (e.g. Golden Delicious pollinizers every 4th row = 25%).</p> <p><u>For all crops except grapes:</u> See addendums for additional pollinator requirements.</p> <p><u>For grapes:</u> Not applicable.</p>
<p>MEASURED OR DETERMINED ACRES OF UNIT</p> <p>TOTAL UNIT ACREAGE INSURABLE AND UNINSURABLE AND METHOD OF MEASUREMENT</p>	<p>Enter the total unit acreage (insurable and uninsurable) and the methods of measurement.</p>
<p>MEASURED OR DETERMINED ACRES OF UNIT</p> <p>TOTAL UNIT ACREAGE INSURABLE</p>	<p>Enter the total unit insurable acreage (e.g. if adjusted for percent stand).</p>
<p>DETERMINE WHETHER CURRENT OBSERVED CONDITIONS RECONCILE TO PRIOR RECORDS</p>	<p>Review the APH database for prior production and acreage (by variety) as compared to the current acreage and varieties based upon the PAIR.</p> <p>Note any inconsistencies and reconcile tree removals, replacements, grafting, production or practice changes, etc.</p> <p>This review will assist in determining acceptability of prior production records and insurability determinations for the current crop year.</p>
<p>PERCENT STAND</p> <ul style="list-style-type: none"> • LESS THAN 50% • 50-60% • 61-70% • 71-80% • 81-90% • 91-100% 	<p>Identify the percent stand by checking the appropriate column on the form.</p> <p>Based on the original planting pattern, identify the percent stand.</p> <ul style="list-style-type: none"> (a) Identify spaces occupied by live trees/vines/bushes/plants (b) Identify bearing trees/vines/bogs/bushes/plant (only include the acreage harvested by the insured) (c) Assess the insurable stand <p>The inspector must walk through the unit to identify the percent stand.</p>

F Crop Addendum Worksheet(s) (CAW).

CAW(s) are part of the PAIRs. CAW(s) are underwriting tools designed to establish insurability of the crop, evaluate the risk to be assumed by the AIP and verify information provided by the insured on the PAW. If the CAW(s) discloses that information provided on the PAW was incorrect or incomplete, the PAW must be corrected.

- (1) **Purpose.** CAW(s) are used to collect specific data for the crop being inspected and are completed by the AIP when completing the PAIR.
- (2) **Crops.** All Category C crops have a CAW. Apples, Blueberries, Cranberries, Grapes and Table Grapes, Peaches, Pears and FL Avocado have an individual CAW for each crop.

A combined CAW is provided for Almonds, Citrus, Figs, Fresh Plums, Prunes, Stonefruit, Macadamia Nuts and Walnuts collectively.
- (3) **CAW Due Date.** CAWs must be completed in conjunction with the PAIR.
- (4) **Insurability.** Refer to the applicable crop provisions and/or actuarial document(s) for determining insurable and uninsurable acreage. A separate CAW must be completed for insurable and uninsurable acreage.
- (5) **CAW Completion Instructions.** [See Exh. 16].

G APH Database.

As directed in [Sec.13B(4)], APH databases must be established by unit by each unique combination of P/T/TMA and any other characteristics as provided in the actuarial documents as specified in the CPs or SPs [see Sec. 13B(4)(b) for exception and Exh. 16O]. Other characteristics include T-Yields by age/leaf year; density; early, mid and late season; spur/non-spur; etc.

- (1) **Block Reporting.** Block reporting allows the insured to report and maintain separate production and acreage by block. An insured may report production and an AIP may establish an APH database by block. The APH database is established using the APH Block Production worksheet [see Exh. 16L and DSSH]. Reporting by block allows production from underage trees or acreage not meeting production minimums to be maintained separately.

AIPs **may** establish APH databases within a unit by each unique combination of P/T/TMA/Other Characteristics. When P/T/TMA/Other Characteristics are the same and production records are maintained separately for the blocks with different age and/or density, then reporting by blocks is at the insured's option.

Example: Unit 0001-0001 has 2 blocks of land each containing 10 acres of the same crop/P/T/TMA/Other Characteristics with blocks of different age and density, an APH database may be established for each block provided the insured maintains production records by block.

- (2) **Separate P/T/TMA/Other Characteristics.** If a different T-Yield by age and/or density is specified in the actuarial documents and there are different age and/or density blocks in the APH database, then the Weighted Average Age/Density Worksheet may be completed to calculate the T-Yield when a T-Yield is applicable to the APH database. The APH database calculated using a weighted average age and/or density to arrive at a T-Yield must be reported by the AIP to RMA with yield indicator "W". If T-Yields are not required in the APH database (e.g., more than four years of actual/assigned yields are available and YA is not applicable), then the Weighted Average Age/Density Worksheet is not required. [See Para. G (1)(b)].
- (3) **Commingled Production.** These procedures apply in addition to the procedures provided in [Sec. 10G(8)(b)].
- (a) If the insured commingled production for acreage that does not meet policy minimums, [see Sec. 16A(1)(a)3 and 16A(1)(b)3].
- (b) If RMA establishes new P/T/TMA/Other Characteristics, See [Sec. 13(c)], yield descriptors AC, GC, or VC apply when databases are divided. Generally, the insured should know the acres by type, TMA and Other Characteristics.
- (c) When the insured divides units with the same P/T/TMA/Other Characteristics for acreage that has met age and/or production requirements, [see Sec. 10].
- (d) If the insured commingles production between units, assigned yield procedures apply [See Sec. 16H(3)].
- (e) If the insured commingled production between APH databases within the same unit containing different P/T/TMA/Other Characteristics for acreage that has met age and/or production requirements acreage, [use the Multipurpose Production and Yield Worksheet, Exh. 6] and also [see Sec. 15C] for Reporting Production for P/T/TMAs, to separate production.

Exception: The Multipurpose Production and Yield Worksheet cannot be used to separate production commingled between conventional and certified organic acreage or transitional and certified organic acreage.

- 2 When the insurability of the crop acreage is based on production minimums, and acceptable records for such acreage are provided, the actual annual yields submitted for the crop year that the minimum production requirement was met (qualifying acreage and production) and up to three variable T-Yields are used to calculate the approved APH yield. The qualifying acreage and production must be entered on the APH database.
- a Any prior production and acreage shown on the APH database, before meeting the production minimum, will not have an actual annual yield for applicable crop year(s) shown.
- b Once qualifying actual yields have been submitted which meet production minimums, continuous production reports must be submitted for each subsequent crop year and variable T-Yields will be replaced with actual or assigned yields in subsequent crop years.
- c Any prior commingled production and acreage remains with the prior commingled block or unit; however, for at least the most recent year, separate production and acreage must be provided. [See Para. 1(1)(b) and Exh. 16B(2)].
- 3 For crops with age and production minimums, follow the procedure **1** (for when insurability of the crop acreage is based on age and the crop attained the required age).
- 4 For crops with age or production minimums, follow procedure in **1** or **2** (for when the insurability of the crop acreage is based on production minimums, and acceptable records for such acreage are provided).
- (7) **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, whether or not that producer continues to share in the crop, when acceptable hard copy records of acreage and production, or claim records are submitted to the AIP by the PRD.
- (a) **Production Report Submitted containing at least four crop years.** When a production report containing at least four years of acceptable production evidence is submitted which meets insurability requirements, establish the APH database using the production reports.
- Also see procedure for insureds sharing in the crop with another producer [see Sec.10A].
- (b) **Production Report Submitted with less than four crop years.** When acceptable production reports for less than four years are provided, the APH database must be completed as follows:
- 1 Variable T-Yields are used to complete the APH database and are determined on an APH Database basis, not a crop/county basis.

- 2 The approved APH yield is calculated using four variable T-Yields with yield descriptors SX, EX, NX and IX for the annual yield by crop year in lieu of the variable T-Yield descriptors S, E, N, and T.
- a These yield descriptors are used to identify that acceptable production evidence was not provided for the perennial crop, even though a perennial crop would typically have production evidence in previous crop years.
 - b These yields descriptors remain in the database unadjusted and roll out as the most recent four years of actual/assigned yields are provided in subsequent crop years.
 - c These yield descriptors take precedence over any other applicable yield descriptor.

(c) If insurance is requested on added land acreage that is damaged, insurance does not attach.

- (8) **APH Database Test for High Variability of Actual Yields.** This section provides the high variability tests to be performed by the AIP to determine whether any adjustments to the APH database are warranted.

Exception No review for high variability is required by the AIP when the APH database contains less than four years of actual yields, a break in continuity, (however the AIP must request a RO Determined Yield), or a yield descriptor "U".

(a) The AIP must review the APH database for high variability (alternate bearing/downward trending patterns).

- 1 If the APH database:
- a Meets the following tests in (b) and (c), or (d), then the high variability adjustments as specified in those respective sections applies; the APH database is not qualified for YA or Cups; and the AIP must conduct a PAIR; or
 - b Does not meet the following tests in (b) and (c), or (d), then the high variability adjustment to the APH database does not apply.

4 Test 2b: Alternate Bearing Test for Category C crops with a lag year, Citrus, Avocado, and Macadamia Nuts:

Calculate an average APH yield using the most recent five years in the APH database (AIPs may use the most recent four years when five years are not available). Use this calculated average APH yield to determine if the APH database meets the following criteria

- a The most recent crop year's actual yield (yield year 1) is equal to or greater than 125 percent of the calculated average APH yield;
- b The actual yield for the year prior to the most recent year (yield year 2) is less than or equal to 75 percent of the average APH yield;
- c The actual yield two years prior to the most recent year (yield year 3) is greater than or equal to 125 percent of the calculated average APH yield; and
- d The actual yield three years prior to the most recent year (yield year 4) is less than or equal to 75 percent of the calculated average APH yield; then

AIPs will use the formula in (c) **3** to calculate the approved APH yield for these blocks or units. AIPs must submit the APH database with special case yield indicator "AF".

APH databases that meet the requirements in 1, 2, 3, or 4 must be submitted to DAS with special case yield indicator "AF" to show they are adjusted by the alternate bearing formula. YA or CUPs are not applicable. Do not apply additional test in (d) below.

5 In lieu of the procedures in 1, 2, 3, or 4 above, the RO may issue RO Underwriting Guidelines that:

- a Waive the alternate bearing adjustments. AIPs must identify APH databases that met the Alternate Bearing testing but adjustments were waived by RO Underwriting Guidelines with special case yield indicator "D" to show that alternate bearing criteria were met but that no adjustment by formula was applicable; or
- b Modify the alternate bearing adjustment. AIPs must identify APH databases that met the Alternate Bearing test but adjustment was modified by RO Underwriting Guidelines with yield indicator "F".

- (d) Downward Trending Test for Category C crops. If the requirements in (b) 4 and 5 were met and the requirements in (c) were not met, AIPs must review the APH database to determine if the APH database meets the following test for downward trending:
- 1 Calculate the average yield of the three most recent actual yields in the APH database;
 - 2 Divide the average yield of the three most recent actual yields in the APH database by the average yield of all actual yields in the APH database:
 - a If the result of this calculation is greater than 0.75, then no adjustment to the APH database is applicable; or
 - b If the result of this calculation is less than or equal to 0.75, then multiply the average APH yield for the entire APH database by 0.80 to determine the approved APH yield. The AIP must submit these APH databases with special case yield indicator DF to show they are adjusted by the downward trend formula. YA or CUPs are not applicable.
 - 3 The RO may issue RO Underwriting Guidelines that:
 - a Waive the downward trending adjustment. AIPs must identify APH databases that met the Downward Trending test but adjustments were waived by RO Underwriting Guidelines with special case yield indicator “D” to show that downward trend criteria were met but that no adjustment by formula was applicable.
 - b Modify the downward trending adjustment. AIPs must identify APH databases that met the Downward Trending test but adjustment was modified by RO Underwriting Guidelines with special case yield indicator “DF”.
- (e) If an insured can show that high variability yield adjustment for alternate bearing or downward trending by the formulas in (b), (c), (d) or as otherwise provided in the RO Underwriting Guidelines was not appropriate, a request for an RO Determined Yield may be submitted through the AIP to the RO. Request must be in writing and signed by the insured within 30 days of written notification from the AIP of the yield adjustment.
- (9) Approved APH Yield. AIPs are required to calculate, approve, and verify APH yields for all Category C APH crops.

The approved APH yield may be different from the simple average due to one or more of the following reasons:

- (b) Yield Limitation Calculations. For qualifying APH databases, approved APH yields are calculated using cups as follows:
- 1 Calculate the average APH yield using current APH database procedures.
 - 2 Multiply the prior year's approved APH yield times the cup (0.90).
- (c) Yield Limitations - Determining Premium Rates. Premium rates are determined differently when the approved APH yields are based on cupped yields. The rate is determined from the cupped yield and a five (5) percent surcharge is applied. The AIPs must identify the APH database with yield limitation flag 03 when transmitting to RMA. [See Appendix III].

If the RO determined yield contains a cup applied by the RO, AIPs must transmit yield limitation flag 13 to RMA, [See Appendix III].

I **Regional Office Underwriting.**

- (1) **RO Underwriting Guidelines.** In addition to the procedure contained in this section, additional underwriting procedure for Category C crops may be issued by the RO as RO Underwriting Guidelines for regional exceptions, [see Sec. 7D].
- (2) **RO Determined Yields.**
- (a) Situations for which a RO determined yield may be requested:
- 1 Higher Yield Requests. 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 six years after set out, or added land), [see Para. G(7)]. The request must be in writing and signed by the insured.

Code blocks or units that meet the criteria above with special case yield indicator "H" shown with the RO determined yield that is higher than the average yield for the block or unit.
 - 2 Productivity is reduced. [See D(4)(b)1 a i]

Identify the RO determined yield for blocks or units identified as meeting these criteria with the special case yield indicator "R".
 - 3 Change in Practice or Production Methods. [See Para. D(4)(b)1 a ii.]

Use special case 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, special case yield indicator "NS".

- 4 Irrigation Supply is Not Adequate. [See Para. D(4)(b)1 a iii.]
Identify blocks or units answered with “no” with special case yield indicator “I”.
- 5 Unusual cases are submitted to the RO (mark the “other” box on the RO Determined Yield Request form). Unusual cases include:
- a Questionable records for a determination of acceptability;
 - b Requests to use records prior to a break in continuity of records;
 - c Requests for the RO to determine and approve an APH yield for perennial crop acreage that have not reached the specified age, produced the required amount, or have an insufficient stand if expressly allowed by the CP (e.g., figs, walnuts, almonds, plums, etc.) when the AIP agrees in writing [see WAH Sec. 4 Para. G(7)];
 - d Request for additional yield adjustment or insurability determination where uninsurable acreage has been commingled to meet insurability requirements.
 - e Change in practice where prior history for the practice is not available to meet insurability requirements (e.g., blueberries from non-irrigated to irrigated); or
 - f Florida Avocados Only: when production reports are not provided, assigned yields do not apply and requests must be submitted to the RO.
- 6 High variability yield adjustment. A RO Determined Yield request can be submitted to the RO if an insured can show that high variability yield adjustments for alternate bearing or downward trending are not appropriate.
- 7 Revised or Corrected APH (e.g. request to increase acreage).
- 8 Underage Crop.

(b) **RO Determined Yield Request Requirements.**

- 1 A completed RO Determined Yield Request must:
- a Include the legal description of the land(in areas where legal descriptions are available);
 - b Include FSA Farm/Tract/Field number when available;
 - c **Include a PAIR** dated within last five years, including any applicable CAW(s);

- d Include the Producer's PAW;
 - e Include an updated approved APH form(s) for the current crop year; and
 - f If applicable, include any additional information documented by the inspector, which should be attached to the PAIR(s).
- 2 **Deadline for Request.** Unless otherwise stated (see Para. a below) an RO Determined Yield request must be signed by the insured by the PRD and submitted by the AIP, with any applicable inspections, to the RO no later than 30 calendar days after the PRD.
- a **Extension of Deadlines.** An RO Determined Yield requests may be extended when:
 - i The request requires a PAIR and the PAIR deadline was extended by the RO [see Sec. 16E(3)].
 - ii The request is for alternate bearing or downward trending considerations.
 - aa The AIP must notify the insured of the yield adjustment, after receipt of the insureds production report, and no later than the ARD ; and
 - bb The RO Determined Yield Request must be signed by the insured and submitted by the AIP to the RO no later than 60 calendar days after the PRD.
 - iii The request results in a lower APH yield [see Sec. 16E(3)].
 - iv An insured notifies the AIP of a change in practice [see Sec. 11B(1)(e)].
 - v For a timely submitted request, any additional information requested by the RO must be submitted by the AIP within 20 calendar days from the date of notification from the RO or by the date specified in the RO's request.

- b Incomplete Request. If the request and required supporting documentation are not received by the applicable date, they will be considered unacceptable. An RO Determined Yield will not be issued unless assigned yield provisions are applicable.
- c If supporting documentation requested by the RO for a timely submitted request is not received in the RO by the applicable date, the RO will consider the determined yield request to be unacceptable and assigned yields provisions will be applicable for carryover insureds.

For new insureds, the RO will determine that the production records are unacceptable and determine the yields accordingly.

J Production Evidence by Crop

The following procedure is crop specific production evidence that is required in conjunction with the requirements provided in [Sec. 14]. Any production evidence, which does not meet the requirements specified for the crop, may be forwarded to the RO to determine its acceptability.

- (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 Exh. 16K for conversion factors by variety.]
- (2) **Apples.** Acceptable 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. 14D(6) 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.

Record Requirements by Type. When requested by the AIP, the insured must certify and provide verifiable records used to meet the fresh apple production requirement. These records must indicate the crop, name of the insured, name of the buyer, the minimum production sold as fresh, date the production was sold, the amount of production sold in the applicable unit of measure, and the price. Verifiable records may include: packer or buyer records, daily sales records, and records from a State Marketing Program.

Exception: In order to meet the 2011 crop year apple policy requirements for fresh, insureds may use their apple records from the 2007 through 2010 crop years to certify (when requested) that at least 50 percent of their apple production from their apple acreage was sold as fresh. Thus in subsequent years, when insureds elect to insure their apple acreage as fresh, AIPs may consider records of total production (rather than by unit) that reflect fresh apple sales from the 2007 through the 2010 crop years (i.e., for the 2012 crop year, records from the 2008 through 2010 crop years would be applicable; however, records from the 2011 crop year would not be applicable. Additionally, for the 2013 crop year, records from the 2009 through 2010 crop years would be applicable; however, records from the 2011 through 2012 crop years would not be applicable, etc.) as verifiable records.

However for the total apple acreage, if only a portion is reported as fresh, the total amount of production sold must reflect at least 50 percent of the production being sold as fresh. Such records may be used as verifiable records attributable to that portion of the acreage as fresh.

Additionally, while producers can and do maintain records of production by unit, once the apples are delivered to a warehouse (which is often a third party) for later sales and distribution, it may be impractical to track apples by unit. Therefore, effective for the 2012 and succeeding crop years [see Sec. 16K(1)], policyholders who do not have separate records by unit of fresh apple production in one or more of the last four years but do have records of total fresh apple production, may use these records to qualify for the fresh apple price. AIPs may consider records of total production (rather than by unit) from one of the four most recent crop years that reflect fresh apple sales.

- (3) **Avocados (Florida).** Acceptable marketing records include pool statements, pool summary statements, pack statements, or year-end settlement sheets. These statements must show paid pounds of Avocados by type, if applicable. Production must be converted to the appropriate unit of measure. The SP may authorize coverage level and price election by type.

- (4) **Blueberries.** Printouts or receipts from a handler must indicate the date, insured'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. 14D(6)], 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, insured'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.

(5) **Citrus.**

(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.).

$$90,820 \text{ lbs.} \div 38 \text{ lbs.} = \mathbf{2,390 \text{ cartons.}}$$

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.

- (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.
- (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.

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 2011 crop year, the base period will begin with the 2009 crop year and may contain up to 10 APH consecutive crop years (begin with 2009 and work backwards).

- (6) 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.
- (7) 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, production evidence of acreage and production must be provided to the verifier.
- (8) Grapes. Settlement sheets, sales receipts, **machine harvest records, certified scale records,** pick records [see Sec. 14D(6)], **and** final or year-end statements from a winery, cannery or processor must indicate net paid tons of Grapes delivered by variety. Converting gallons of wine to tons of grapes does not qualify as acceptable records.
- (a) 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.
- (b) 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 policies also requires reduction in the RO determined yields. The insured shall timely report cultural practices that will reduce the insured crop's production from previous levels on the PAW. Reductions in the approved yield will be made based upon the terms of the tonnage policy provided.

- (9) **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.
- (10) **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 nutmeats in the shells after removal of the husk and before being dried.
- (a) Pick records which indicate total acres and production by crop, crop year and unit [see Sec. 14D(6)] for acceptable pick records] are acceptable if supported by records indicated above and show the information required.
- (b) 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 2011 crop year, the base period will begin with the 2009 crop year and may contain up to 10 APH consecutive crop years (begin with 2009 and work backwards).
- (11) **Peaches.** 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.14D(6)] 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) **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. 14D(6)] 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.
- (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.
- (b) 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.
- (13) **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.
- (14) **Stonefruit.**
- (a) Processing Cling Peaches. Must meet minimum standards as specified in the SP and include all production accepted (marketed by processor). Damaged production from alternative uses (i.e., juice) can be converted to a processing ton equivalent using the procedures outlined in [(14)(d)] below. Fresh records may be used for the processing type elected.
 - (b) Processing Apricots and Freestones Peaches. Must meet minimum standards as specified in the SP and include all production accepted (marketed by processor). Damaged production from alternative uses (i.e., puree or juice) can be converted to a processing ton equivalent using the procedures outlined in [(14)(d)]. Fresh records may be used for the processing crop elected.
 - (c) Fresh Freestone Peaches, Fresh Apricots, Fresh Nectarines and Fresh Plums. 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. 14D(6)] 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. Must meet minimum standards as specified in the SP and include all production accepted (marketed by packer). Damaged production from alternative uses other than fresh can be converted to a fresh lug equivalent using the procedures outlined in [(14)(d)]. Processing production where the primary intent was processing may not be converted to fresh production.

(d) Damaged production from alternative uses is used for APH purposes when adequate records are available. Production of fresh or processing Stonefruit damaged by insured causes that could be marketed for any use other than fresh or processing Stonefruit is determined by dividing the value per lug or ton of marketable production minus the harvest cost value from the SP by the highest price election (Note: If this value is less than 75 percent of the marketable value of undamaged production) multiply the result by the quantity of such production. Note: Production and value must be converted into the proper unit measurement for calculation.

(15) Walnuts. Delivery records, production recaps or sales receipts from processors must indicate the net weight of in shell Walnuts by variety.

K Additional Category C Crop Specific Underwriting Rules.

The following procedure is crop specific underwriting rules that are not previously covered in other procedure located throughout the CIH.

(1) Apples.

(a) OUs by Type. OUs are available for Apples by Fresh and/or Processing types as specified in the SPs. In order to establish OUs for the Fresh type, the insured must certify and, if requested by the AIP, provide verifiable records to support that at least 50 percent of the production from acreage reported as Fresh apple acreage from each unit, was sold as Fresh apples in one or more of the four most recent crop years [see Sec. 16J(2)].

When a producer does not have separate records by unit of fresh apple production in one of the last four years, but does have records of total Fresh apple production, they may still qualify for the fresh apple price.

Example: In 2013, an insured reports two units of processing apple acreage and one unit of Fresh apple acreage for the 2012 crop year. Records of Fresh apple production sold from all apple units can be used as a verifiable record provided the AIP can determine the records of Fresh apple production sold in one of the four most recent years would account for at least 50 percent of the total production from the unit insured as Fresh apple acreage for the 2012 crop year.

Example: In 2013, an insured reports Fresh apple acreage on three BUs for the 2012 crop year. The insured is able to provide verifiable records proving at least 50 percent of the total production sold, from all three BUs, were sold as fresh in one or more of the four most recent crop years.

- (b) Optional Coverage for Quality Adjustment. 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).

(2) **Grapes.**

Grapes Insured in AZ and CA with Type 095. Grapes insured in AZ/CA with type 095 in the actuarial documents that receive a WA for price are not considered separate policies for the different types under the 095 type in administering the terms of the crop provisions (e.g. even though a WA may provide different prices for 3 types of grapes insured under type 095, there is only one administrative fee and all types are still considered insured under 095).

Example 2: The approved APH yield for the existing unit is 40 bushels and the T-Yield is 22 bushels. An average of 3 acres per year was used to establish the 40 bushel approved APH yield for the existing OU APH database. In 2012, the insured plants a total of 400 acres in three separate added land OUs. The approved APH yield of 40 bushels is compared to the county T-Yield. Therefore, all of the current year's insurable acreage for the crop/P/T would be included in the comparison, in this example, all 400 acres. The 400 percent acreage limitation is exceeded and the approved APH yield for the added land OUs and the existing OU is the county T-yield unless it is determined there is a valid agronomic basis to support the inconsistent approved APH yield.

- 2 The acres contained in two or more individual APH crop years with actual/assigned yields reported in the APH database are each less than 10 percent of the current year's insurable acreage in the unit. To determine:
- a Divide the acres reported for each APH crop year by the insured acreage for the current crop year.
 - b Round to the hundredths place.
 - c If two or more crop years are less than .10, the limitation is exceeded.

- (4) **Valid Agronomic Basis to Support the Inconsistent Approved APH yield.** If an approved APH yield is identified as inconsistent and the insured acreage limitation is met, the approved APH yield must be reduced unless the AIP determines there is a valid agronomic basis to support the approved APH yield. To determine whether a valid agronomic basis supports an inconsistent yield, AIPs must further review situations meeting the criteria triggering yield reductions.
- (a) A valid agronomic basis to support the inconsistent approved APH yield may be determined if each of the following three criteria is met:
- 1 The AIP determines that the reported production for the small amounts of acreage is comparable to the reported production of the rest of the acreage insured on the unit/APH database for the current or prior crop years;
 - 2 The high yields do not appear to be the result of shifting production from another unit/APH database, and
 - 3 The acreage limitation was met due to a reasonable expansion of the farming operation, a change in the insured's unit structure (e.g., an insured switches from OUs to an EU causing acreage within an OU APH database to exceed the less than 10 percent acreage limitation based on the acreage contained within the EU), crop rotation, or other situation that inappropriately triggers an inconsistent yield.
- (b) A valid agronomic basis to support the inconsistent approved APH yield does not include factors such as intensely farmed acreage and acreage being moved from one APH database to another APH database.
- (c) If an AIP determines that a valid agronomic basis exists to support the inconsistent approved APH yield under (a) above, the AIP is not required to request additional documentation from the insured.
- (d) If AIPs are unable to determine if a valid agronomic basis exists under (a) above, AIPs may request supporting information and records in addition to the insureds production report and APH databases upon which to base their decision on whether a valid agronomic basis exists to support the inconsistent approved APH yield. If such documentation is requested and supplied by the insured, AIPs must maintain the documentation used to justify their decision and, if requested, provide a copy to RMA. Additional production evidence and information would include, but is not limited to the following:
- 1 Production evidence of acreage and production;
 - 2 Documentation of why such acreage and yield patterns occurred;
 - 3 The production method that was carried out on small amounts of acreage with high yields; and

3 APPLICATION FOR INSURANCE

A Premium Adjustment Table.

Percentage 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.

4 ENDORSEMENTS AND OPTIONS

A Endorsements and Options Chart.

CROP CODES	CROP NAME	OPTION CODE	OPTION NAME	PILOT CROP OR PILOT OPTION	**CONTINUOUS	ELECTED BY	ELECTED BY	CAT COVERAGE	LOSS BY	SOURCE
0054	APPLES	AF	FRESH OPTION	NO	CONTINUOUS	SCD	ACRE	NO	Unit	CP
	Multiple Crops	BU	BASIC UNIT DISCOUNT	VARIES BY CROP	CONTINUOUS	ARD	UNIT	YES	Unit	BP
0240, 0241, 0242, 0243, 0244	CITRUS TREES I, II, III, IV, V	CE	COVERAGE ENHANCEMENT	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Unit	BP/AD
0084	POTATOES	CH	CERTIFIED SEED HIGH	NO	CONTINUOUS	SCD	ACRE	NO	Acre	Endorsement
0084	POTATOES	CL	CERTIFIED SEED	NO	CONTINUOUS	SCD	ACRE	NO	Acre	Endorsement
0084	POTATOES	QA	QUALITY OPTION #1	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Unit	Endorsement
0084	POTATOES	QB	QUALITY OPTION #2	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Unit	Endorsement
0084	POTATOES	QC	QUALITY#2/ FRESH	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Unit	Endorsement
0084	POTATOES	QD	QUALITY#2/ PROCESSING	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Unit	Endorsement
0084	POTATOES	ST	STORAGE	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Unit	Endorsement
0015	CANOLA	CR	2 YR CROP ROTATION	NO	CONTINUOUS	ARD	ACRE	YES	Unit	CP/AD
	Authorized by Actuarial Documents	EU	ENTERPRISE UNIT DISCOUNT	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Unit	BP
0226	ALL OTHER GRAPEFRUIT	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD

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CROP CODES	CROP NAME	OPTION CODE	OPTION NAME	PILOT CROP OR PILOT OPTION	**CONTINUOUS	ELECTED BY	ELECTED BY	CAT COVERAGE	LOSS BY	SOURCE
0054	APPLES	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
0224	EARLY & MIDSEASON ORANGES	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
0201	GRAPEFRUIT	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
0225	LATE ORANGES	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
0202	LEMONS	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
0205	MANDARINS	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
0206	MINNEOLA TANGELOS	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
0215	NAVEL ORANGES	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
0215	NAVEL ORANGES	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
0237	ORLANDO TANGELOS	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
0238	RIO RED & STAR RUBY	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
0228	RUBY RED GRAPEFRUIT	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
0216	SWEET ORANGES	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
0217	VALENCIA ORANGES	FR	WITH FROST PROTECTION	NO	YEARLY	ARD	ACRE	YES	Unit	AD
	Multiple Crops	HF	HAIL & FIRE EXCLUSION	NO	BOTH	OTHER	CROP/COUNTY	NO	Unit	BP, CIH/DSSH

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CROP CODES	CROP NAME	OPTION CODE	OPTION NAME	PILOT CROP OR PILOT OPTION	**CONTINUOUS	ELECTED BY	ELECTED BY	CAT COVERAGE	LOSS BY	SOURCE
	Multiple Crops	HR	HIGH-RISK LAND EXCLUSION	NO	CONTINUOUS	SCD	ACRE	NO	Unit	BP/AD
0062	HYBRID CORN SEED	HS	HYBRID SEED PRICE ENDORSEMENT	NO	CONTINUOUS	SCD	UNIT	NO	Unit	Endorsement
0091	BARLEY	MA	MALTING BARLEY OPTION A	NO	CONTINUOUS	SCD	ACRE	NO	Acre	Endorsement to Small Grains
0091	BARLEY	MB	MALTING BARLEY OPTION B	NO	CONTINUOUS	SCD	ACRE	NO	Acre	Endorsement to Small Grains
0013	ONIONS	NS	STAGE REMOVAL	YES	CONTINUOUS	SCD	CROP/COUNTY	NO	Unit	Endorsement
0039	SUGAR BEETS	NS	STAGE REMOVAL	YES	CONTINUOUS	SCD	CROP/COUNTY	NO	Unit	Endorsement
0211	ALL OTHER CITRUS TREES	OW	OLO BASE POLICY	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0212	AVOCADO TREES	OW	OLO BASE POLICY	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0213	CARAMBOLA TREES	OW	OLO BASE POLICY	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0266	COFFEE TREE	OW	OLO BASE POLICY	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0208	GRAPEFRUIT TREES	OW	OLO BASE POLICY	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0209	LEMON TREES	OW	OLO BASE POLICY	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0210	LIME TREES	OW	OLO BASE POLICY	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0214	MANGO TREES	OW	OLO BASE POLICY	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0207	ORANGE TREES	OW	OLO BASE POLICY	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD

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CROP CODES	CROP NAME	OPTION CODE	OPTION NAME	PILOT CROP OR PILOT OPTION	**CONTINUOUS	ELECTED BY	ELECTED BY	CAT COVERAGE	LOSS BY	SOURCE
0211	ALL OTHER CITRUS TREES	OX	OLO CTV ENDORSEMENT	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0212	AVOCADO TREES	OX	OLO CTV ENDORSEMENT	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0266	COFFEE TREE	OX	OLO CTV ENDORSEMENT	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0208	GRAPEFRUIT TREES	OX	OLO CTV ENDORSEMENT	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0207	ORANGE TREES	OX	OLO CTV ENDORSEMENT	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0212	AVOCADO TREES	OY	OLO HIGH RISK BASE POLICY	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0213	CARAMBOLA TREES	OY	OLO HIGH RISK BASE POLICY	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0214	MANGO TREES	OY	OLO HIGH RISK BASE POLICY	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0212	AVOCADO TREES	OZ	OLO HIGH RISK CTV ENDORSEMENT	YES	CONTINUOUS	SCD	UNIT	NO	Unit	CP/AD
0073	NURSERY (FG&C)	PE	PEAK ENDORSEMENT	NO	YEARLY	OTHER	CROP/COUNTY	NO	Unit	Endorsement
	Authorized by Actuarial Documents	PF	PREVENTED PLANTING +5%	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Acre	BP/AD
	Authorized by Actuarial Documents	PT	PREVENTED PLANTING +10%	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Unit	BP/AD
0073	NURSERY (FG&C)	PO	PRICE ENDORSEMENT OPTION	YES	YEARLY	SCD	CROP/COUNTY	NO	Unit	Endorsements
0073	NURSERY (FG&C)	RH	REHABILITATION ENDORSEMENT	NO	YEARLY	SCD	CROP/COUNTY	NO	Unit	Endorsements
0089	PEARS	PQ	PEAR QUALITY ADJ	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Unit	Crop Policy/AD

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CROP CODES	CROP NAME	OPTION CODE	OPTION NAME	PILOT CROP OR PILOT OPTION	**CONTINUOUS	ELECTED BY	ELECTED BY	CAT COVERAGE	LOSS BY	SOURCE
0084	POTATOES	PR	PROCESSING QUALITY	NO	CONTINUOUS	SCD	UNIT	NO	Unit	Endorsement
	North Dakota Only: Barley, Canola, Corn, Dry Beans, Dry Peas, Flax, Grain Sorghum, Millet, Mustard, Oats, Rye, Safflower, Soybeans, Sunflowers, Wheat	PY	PERSONAL T-YIELD	YES	CONTINUOUS	PRD	CROP/COUNTY	NO	Unit	Pilot Option Approved by Board, procedure via PM Bulletin 06-028
0086	FRESH MARKET TOMATOES	RE	REPLANT EXCLUSION	NO	YEARLY	SCD	CROP/COUNTY	YES	Acre	SP-Pennsylvania
0086	FRESH MARKET TOMATOES	VA	MINIMUM VALUE OPTION	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Acre	CP/AD
0215	NAVEL ORANGES	VA	MINIMUM VALUE OPTION I	YES	CONTINUOUS	SCD	CROP/COUNTY	NO	Acre	CP/AD
0083	PEPPERS	VA	MINIMUM VALUE OPTION I	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Acre	CP/AD
0215	NAVEL ORANGES	VB	MINIMUM VALUE OPTION II	YES	CONTINUOUS	SCD	CROP/COUNTY	NO	Acre	CP/AD
0083	PEPPERS	VB	MINIMUM VALUE OPTION II	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Acre	CP/AD
0044	FRESH MARKET SWEET CORN	VO	MINIMUM VALUE OPTION	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Acre	CP/AD
0240	CITRUS TREES I	WC	WITHOUT WEED CONTROL	NO	YEARLY	ARD	ACRE	YES	Acre	CP/AD
0241	CITRUS TREES II	WC	WITHOUT WEED CONTROL	NO	YEARLY	ARD	ACRE	YES	Acre	CP/AD
0242	CITRUS TREES III	WC	WITHOUT WEED CONTROL	NO	YEARLY	ARD	ACRE	YES	Acre	CP/AD
0243	CITRUS TREES IV	WC	WITHOUT WEED CONTROL	NO	YEARLY	ARD	ACRE	YES	Acre	CP/AD
0244	CITRUS TREES V	WC	WITHOUT WEED CONTROL	NO	YEARLY	ARD	ACRE	YES	Acre	CP/AD

- ** The reference to "Continuous" in this endorsement/option refers to continuous once elected.
- Replant coverage does not apply to any of the endorsements and options listed in this exhibit.
- If any policy is transferred to a different AIP, a new endorsement/option must be submitted to the new AIP.

CROP CODES	CROP NAME	OPTION CODE	OPTION NAME	PILOT CROP OR PILOT OPTION	*CONTINUOUS	ELECTED BY	ELECTED BY	CAT COVERAGE	LOSS BY	SOURCE
0091	BARLEY	WO	WINTER COVERAGE	NO	CONTINUOUS	SCD	UNIT	NO	Unit	Endorsement/ Small Grain CP
0074	MINT	WO	WINTER COVERAGE	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Acre	CP
0067	DRY PEAS	WO	WINTER COVERAGE	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Acre	CP
0011	WHEAT	WO	WINTER COVERAGE	NO	CONTINUOUS	SCD	UNIT	NO	Unit	Endorsement/ Small Grain CP
0081	SOYBEANS	CP	CONTRACT PRICE	YES	CONTINUOUS	ARD	CROP/COUNTY	YES	Unit	SP
0052	TABLE GRAPES	PC	PROTECTIVE COVER	NO	CONTINUOUS	ARD	UNIT	YES	Unit	SP
	As authorized by Actuarial	YA	YIELD ADJUSTMENT 60%	VARIES BY CROP	CONTINUOUS	PRD	CROP/COUNTY	YES	Unit	BP
	As authorized by Actuarial	WU	WHOLE-FARM UNIT	NO	CONTINUOUS	SCD	CROP/COUNTY	NO	Unit	BP

- ** The reference to "Continuous" in this endorsement/option refers to continuous once elected.
- Replant coverage does not apply to any of the endorsements and options listed in this exhibit.
- If any policy is transferred to a different AIP, a new endorsement/option must be submitted to the new AIP.

JUNE 2012

EXHIBIT 4

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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
2007			T30
2008			T30
2009	5200	100.0	A52
2010		0.0	Z
2011	4800	100.0	A48
		TOTAL	160/4=40
2012 SF		APH	40

CC APH - CURRENT YEAR			
YEAR	PROD	ACRES	YIELD
2007			
2008			T28
2009			T28
2010	3800	100.0	A38
2011	3400	100.0	A34
		TOTAL	128/4=32
2012 CC		APH	32

B Skip-Row Planted Cotton and ELS Cotton Percent Planted Factors, PASS Skip-Row Codes and Yield Conversion Factors.

The following tables provide the FSA percent planted factors, PASS skip-row codes and yield conversion factors for skip-row planted cotton and ELS cotton.

Beginning with the 2013 crop year, FSA determined that IRR and NI cotton and ELS cotton planted in a 2 rows planted 1 row skipped with a row width of 30 inches between the 2 planted rows and a 20 inch skipped area is NOT a skip-row planting. This planting pattern is sometimes referred to as a "30/50" planting pattern because there is 30 inches between the two planted rows and 50 total inches between the rows where the planted row is skipped. No FSA percent planted factor shall be applied to determine the number of planted acres of cotton or ELS cotton planted in a 2 rows planted 1 row skipped with a row width of 30 inches between the 2 planted rows and a 20 inch skipped area.

(1) Table 1.

The following table provides skip-row planting information applicable to Arkansas, Louisiana, Missouri and all states east of those states. See Para. B(4)(a) to determine yield conversion factors for planting patterns not listed.

SKIP-ROW PLANTING PATTERN	ROW WIDTH 1/	PERCENT PLANTED FACTOR	YIELD CONVERSION FACTOR	PASS SKIP-ROW CODE
SOLID PLANTED OR NON-QUALIFYING SKIP-ROW PATTERNS, AS DETERMINED BY FSA OR RMA		1.0	1.0	No PASS SKIP-ROW CODE
2 ROWS PLANTED 1 ROW SKIPPED	30 TO 40 INCH	0.6667	1.33	102
2 ROWS PLANTED 1 ROW NARROW SKIP (40-40-24*)	30 TO 40 INCH	0.7692	1.23	102
2 ROWS PLANTED 1 ROW NARROW SKIP (38-38-26**)	30 TO 40 INCH	0.7451	1.25	102
2 ROWS PLANTED 2 ROWS SKIPPED	30 TO 40 INCH	0.5000	1.50	103
2 ROWS PLANTED 4 OR MORE ROWS SKIPPED	30 TO 40 INCH	FSA RULES	1.67	118
4 ROWS PLANTED 1 ROW SKIPPED	30 TO 40 INCH	0.8000	1.20	106
4 ROWS PLANTED 2 ROWS SKIPPED	30 TO 40 INCH	0.6667	1.33	107
4 ROWS PLANTED 4 ROWS SKIPPED	30 TO 40 INCH	0.5000	1.33	108
6 ROWS PLANTED 1 ROW SKIPPED	30 TO 40 INCH	0.8571	1.14	111
6 ROWS PLANTED 2 OR MORE ROWS SKIPPED	30 TO 40 INCH	FSA RULES	1.20	112
OTHER	CANNOT EXCEED 40 INCH	FSA RULES	RMA RULES SEE PARA. B(4)(A)	117

1/ Row widths are equal unless otherwise indicated. * 40 inch planted row width with 24 inch skip width. ** 38 inch planted row width with 26 inch skip width.

G Special APH Instructions for Contract Seed Beans and Contract Seed Peas.

[Examples 2, 3, 4 of this exhibit do not have the applicable current crop year RYAFs. The RMA RO issues them in early March for each current crop year. Current crop year RYAFs must be used when calculating approved APH yields.]

(1) Instructions for Use of the Multi-Purpose Production Yield Report Worksheet.

- (a) Enter each crop year's respective RYAF in col. 1 of the Multi-purpose Production and Yield Report Worksheet. 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:

- 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
 - 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.
 - 3 T-Yield / Yield Adjustment / Yield Floor Rounding: The current crop year equivalent T-yield (published T-Yield * applicable RYAF) is to be rounded to nearest whole dollar per acre. Further adjustments to the current crop year equivalent T-Yield, made by multiplying with an appropriate factor for deriving the variable T-Yield, YA, or Yield Floor value is then subsequently rounded again. Substitute yields [calculated according to Sec. 17 APH Yield Adjustment procedure are also entered in Col. 18; see also (1)(j) below].
- (b) Representing a 100% share equivalent basis, 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.
- (c) 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. [Refer to Exh. 15G(4) below for using a standard RYAF when calculating current crop year equivalent T-Yields.]
- (d) Enter the planted acres in the Acres Column on the APH form for each crop year certified.
- (e) Divide factored dollars (Col. 16) by planted acres (Col. 17) and enter resulting quotient in the Yield Column (18) on the APH form. (Round to nearest whole dollar.)

- (f) Total the factored average dollar values (Col. 18) and enter the total in the Total Block (19) on the APH form.
- (g) 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 (20 (A)) on the APH form as the preliminary yield in whole dollars per acre.
- (h) 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 block 20 (B) in (2) below, Multi-Purpose Production Report Example].
- (i) 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 90%, and then compare it to the current year's preliminary yield. If necessary, apply the yield limitation and enter the approved APH yield.
- (j) APH Yield Adjustment [Sec. 17 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 1E(1)(e)]. 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 (4) below.
- (k) Assigned Yield. If the insured fails to report production, and an assigned yield (75% of the prior year's production) is needed, then: any assigned yield should be recorded / stored as initially determined and then factored by the RYAF corresponding to the crop year grown, since that is the year the dollar amount per acre is expressed as. Example: An insured's Approved APH Yield for 2011 was 520 \$/ac.; insured fails to report timely by PRD; assigned yield of 390 \$/ac. (75% of 520) is assigned and stored in the APH Database; the 390 \$/ac. is factored in subsequent crop years by the RYAF corresponding to the 2011 crop year.
- (l) 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.
- (m) 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.

- (8) **Additional information.** Refer to the SP, CP and BP for additional information on acreage adjustments for orchards (e.g., orchards with less than a 90% percent stand, etc.).

O Database Administration For Fresh And Processing Apples

The 11-0054, Apple Crop Insurance Provisions requires insureds to have verifiable production records supporting that in one or more of the four most recent crop years, at least 50 percent of the production from the acreage reported as fresh apple acreage, by unit, was sold as fresh. However, effective for the 2012 and succeeding crop years, insureds who do not have separate records, by unit, of fresh apple production in one or more of the last four years but do have records of total fresh apple production, may still qualify for the fresh apple price. AIPs may consider records of total production (rather than by unit) from one of the four most recent crop years that reflect fresh apple sales to determine if acreage qualifies for the fresh apple price. To illustrate the appropriate APH database construction, the following examples have been provided:

- (1) **Example 1.** In this example the insured has certified 5 years of acreage and production for 10 acres of Apples (0054) in Fresno County, California. The insured has marketed at least 50 percent (minimum policy requirement) of their production in 2008 (one of the four most recent crop years) as fresh. The insured has elected to insure their Apples as Fresh for CY 2012.

2012	CROP: APPLES (0054)		
UNIT #	Practice: Irrigated (002)		
0001 -0001	Type: Fresh (111)		
YEAR	PRODUCTION	ACRES	YIELD
2007	10,650	10	A 1,650
2008	9,850	10	A 985
2009	11,000	10	A 1100
2010	9,600	10	A 960
2011	10,050	10	A 1005
			5700/5
	AVERAGE YIELD:		1140
	APPROVED APH:		1140

(2) **Example 2.** In this example, the insured has certified 5 years of acreage and production for 10 acres of Apples (0054) in Fresno County, California. In CY 2007 more than 50 percent of the unit was sold as Fresh. In CY 2008 through 2011, more than 50 percent was sold as Processing. An AIP transmitted the APH database for the unit of apples as Fresh in CY 2011. In CY 2011, the requirement to market the crop as Fresh was met in 2007 when during one or more of the four most recent years, 50 percent of the Apples in the unit were sold as Fresh.

For CY 2012, the insured elected to insure the crop as Fresh, however the unit did not meet the requirements of having more than 50 percent of the crop was sold as fresh within the last four years, therefore the acreage would be reported as processing in CY 2012. If in subsequent years (e.g., CY 2013, CY 2014, etc.) more than 50 percent of the crop is successfully marketed as Fresh, the data contained in the Processing APH database would be moved to a Fresh APH database and the acreage could be insured as Fresh.

PRIOR YEAR			
2011	CROP: APPLES (0054)		
UNIT #	Practice: Irrigated (002)		
0001-0001	Type: Fresh (111)		
YEAR	PRODUCTION	ACRES	YIELD
2007	10,650	10	A 1065
2008	9,850	10	A 985
2009	11,000	10	A 1100
2010	9,600	10	A 960
			4110/4
	AVERAGE YIELD:		1028
	APPROVED APH		1028

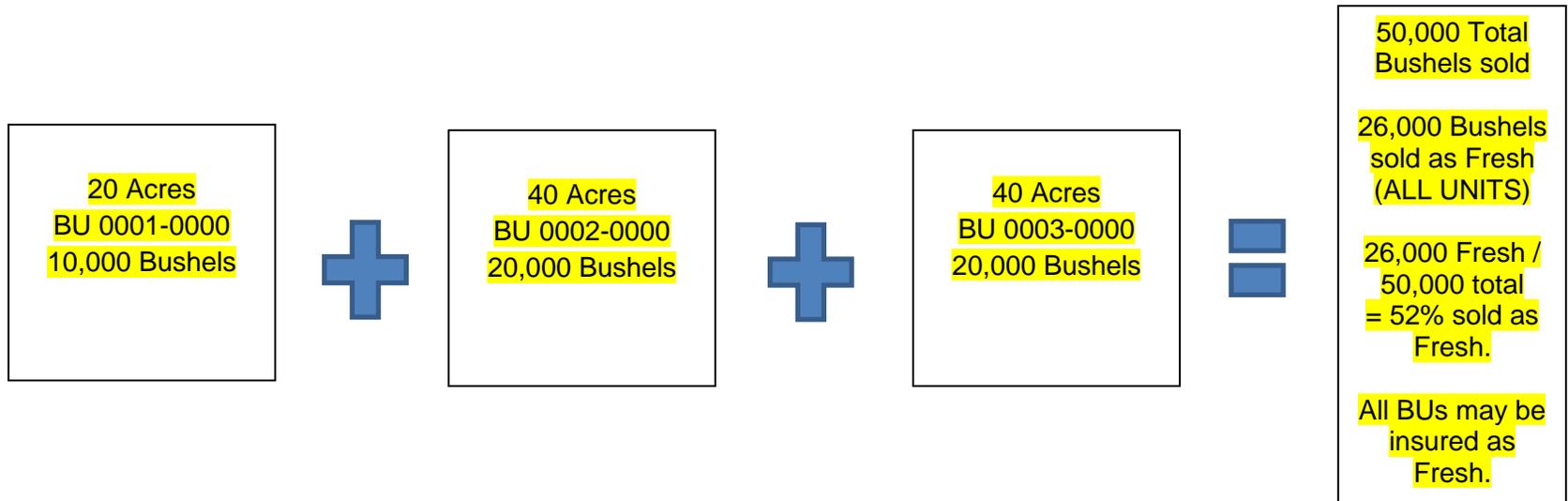
CURRENT YEAR			
2012	CROP: APPLE (0054)		
UNIT #	Practice: Irrigated (002)		
0001-0001	Type: Processing (112)		
YEAR	PRODUCTION	ACRES	YIELD
2007	10,650	10	A 1065
2008	9,850	10	A 985
2009	11,000	10	A 1100
2010	9,600	10	A 960
2011	10,050	10	A 1050
			5160/5
	AVERAGE YIELD:		1032
	APPROVED APH		1032

- (3) **Example 3.** In this example, the insured has certified 5 years of acreage and production for 10 acres of Apples (0054) in Fresno County, California. The insured wants to establish separate blocks for their acreage so that the portion of their apples marketed from the 5 acre block qualify to be insured as fresh. The insured has a 5 acre block of Gala Apples designated as Fresh (111) (that have met the requirements of selling greater than 50 percent of the production as fresh within one of the last four years) and a 5 acre block designated as Processing (112). In order to establish separate blocks for their Fresh acreage, the insured has to recertify their acreage and production for at least the most recent year [see Sec.16G (3)(f)] and establish their actual/assigned yields [see Sec. 16H(1) & H(2)].

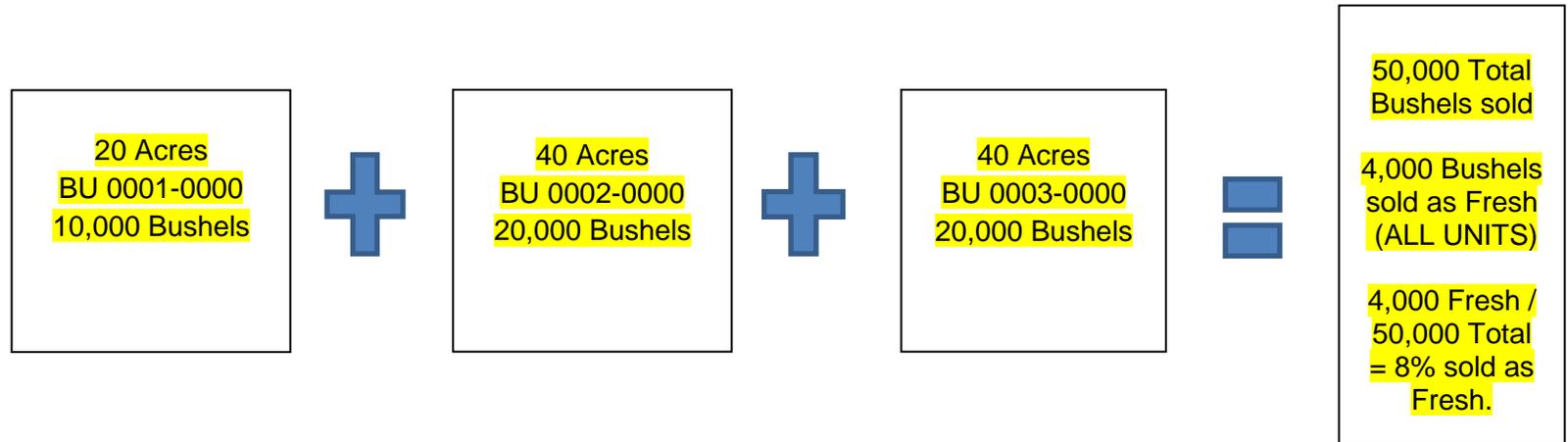
2012	CROP: APPLES (0054)		
UNIT #	Practice: Irrigated (002)		
0001-0001	Type: Fresh (111)		
YEAR	PRODUCTION	ACRES	YIELD
2007	10650	10	A 1065
2008	9850	10	A 985
2009	5200	5	A 1040
2010	4200	5	A 840
2011	4500	5	A 900
			4830/5
	AVERAGE YIELD:		966
	APPROVED APH:		966

2012	CROP: APPLE (0054)		
UNIT #	Practice: Irrigated (002)		
0001-0002	Type: Processing (112)		
YEAR	PRODUCTION	ACRES	YIELD
2007	10650	10	A 1065
2008	9850	10	A 985
2009	5800	5	A 1160
2010	5400	5	A 1080
2011	5550	5	A 1110
			5400/5
	AVERAGE YIELD:		1080
	APPROVED APH:		1080

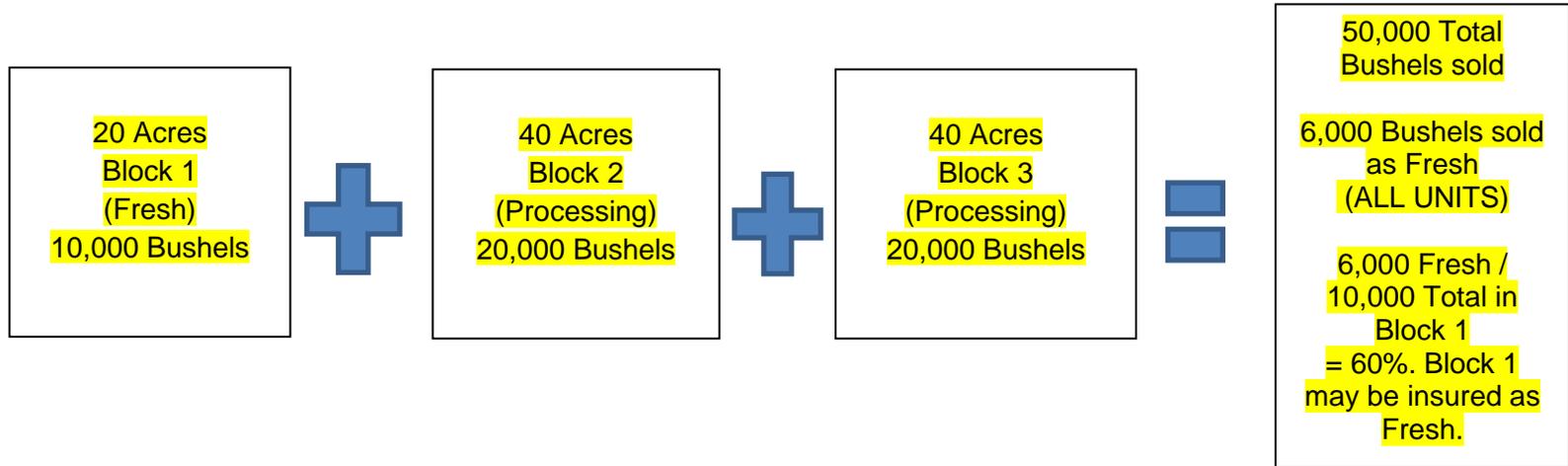
(4) **Example 4.** In this example, a carryover insured has previously certified 5 years of production for 100 acres of Apples (0054) in Fresno County, California. For CY 2012, the insured had a 20 acre BU (unit 0001-0000) of Gala Apples designated as Processing (112) and two 40 acre BUs designated as Processing (112) (units 0002-0000 and 0003-0000), that the insured would like to insure as fresh for CY 2013. The insured sold 50,000 total bushels from all three units. Although the insured has supporting evidence for production in CY 2012 for each unit, the insured did not keep Fresh apple production records by unit. Therefore the insured does not meet the CP requirement of verifiable production records supporting at least 50 percent of the production from the acreage reported as Fresh apple acreage, by unit, was sold as Fresh in one or more of the four most recent crop years. However, of the 50,000 total bushels sold in CY 2012, the insured has production records verifying that at least 26,000 bushels were sold as Fresh (meeting the exception of at least 50 percent of the total apple production was sold as Fresh). Thus, the insured has met the requirement to insure the BUs as Fresh for CY 2013 [see Sec. 16J(2)].



(5) **Example 5.** In this example, a carryover insured has previously certified 5 years of production for 100 acres of Apples (0054) in Fresno County, California. For CY 2012, the insured had a 20 acre BU (unit 0001-0000) of Gala Apples designated as Processing (112) and two 40 acre BUs of Gala Apples designated as Processing (112) (BU 0002-0000 and BU 0003-0000) that the insured would like to insure as Fresh for CY 2013. In CY 2012, the insured sold 50,000 total bushels from all three BUs; however, the insured did not keep production records by BU for the Fresh apple production. In order for the insured to insure the BUs as Fresh in CY 2013, at least 50 percent of the total production from all of the apple acreage must have been sold as Fresh within one of the last four years. Of the 50,000 total bushels sold, the insured has production records verifying 4,000 bushels were sold as Fresh in CY 2012. The insured has not met the requirements to insure the BUs as Fresh in CY 2013 based on CY 2012 production. Since the insured does not have production records supporting 50 percent of the total production was sold as Fresh in any of the four most recent crop years [see Sec. 16J(2)], all the acreage must be reported as Processing in CY 2013.



(6) **Example 6.** In this example, a carryover insured has previously certified 5 years of production for 100 acres of Apples (0054) in Fresno County, California. The insured has recertified their acreage and production for the most recent year [see Sec.16G (3)(f)] and has elected to insure 20 acres of their Fresh apple acreage as Fresh for CY 2013. For CY 2012, the insured had a 20 acre block of Gala Apples designated as Fresh (111) (that met the requirements of selling greater than 50 percent of the production as Fresh within one of the last four years) and two 40 acre blocks designated as Processing (112) within one BU. The insured sold 40,000 total bushels from both of the Processing blocks (Blocks 2 and 3), and 10,000 total bushels from their Fresh block (Block 1) in 2012. The insured did not keep production records designating the Fresh production by block; however, the insured has production records for the BU for 50,000 total bushels sold (from all the blocks within the BU), of which 6,000 bushels were sold as Fresh. The BU does not meet the requirements to be insured as Fresh for CY 2013. However, the 20 acre block designated as Fresh (Block 1) has met the requirement to be insured as Fresh in CY 2013 based on the total amount of bushels sold as Fresh within the BU (Block 1 consisted of 10,000 bushels and 6,000 bushels were sold as Fresh for the BU. Since 6,000 bushels is greater than 5,000 bushels (50 percent of 10,000), Block 1 may be designated as Fresh in 2013).



JUNE 2012

EXHIBIT 16

FCIC 18010-02

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