



United States
Department of
Agriculture

Risk
Management
Agency

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Washington, DC
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April 19, 2004

BULLETIN NO: MGR-04-006

TO: All Reinsured Companies
All Risk Management Field Offices
All other Interested Parties

FROM: Ross J. Davidson, Jr. /s/ *Ross J. Davidson, Jr.*
Administrator

SUBJECT: Spring and Durum Wheat

BACKGROUND:

At the request of durum wheat growers, Risk Management Agency (RMA) recognized the difference in spring and durum wheat in the 2004 Small Grain Crop Provisions and added durum wheat as a separate crop type to actuarial documents in South Dakota, North Dakota, and Montana for Crop Revenue Coverage (CRC) and Revenue Assurance (RA). The 2004 FCIC 18010 Crop Insurance Handbook (CIH) dated June 2003, provided instructions for converting existing Actual Production History (APH) databases when types are separated.

Concerns have been expressed that crop rotations limit the ability to provide production records to separate prior years' production and that records may be outside the record retention period. RMA has also learned there is some confusion regarding the application of existing procedure.

ACTION:

For spring and durum wheat in counties covered under CRC and RA plans of insurance, in North Dakota, South Dakota and Montana where durum wheat was added as a type, continue to follow instructions in Exhibit 35 of the 2004 CIH for dividing APH databases for separate types. For insureds in all durum counties, including counties with a November 14, 2003, production-reporting date (PRD), approved APH's may be calculated using the following additional instructions and must be completed no later than May 28, 2004.



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1. The following are clarifications to existing procedures:
 - a. If only one type was grown, on a unit, crop year or county basis, crop years outside of the APH record retention period may be recertified without having hard copy records of the production previously reported. However, acreage records must be available and follow regular APH procedures. Insureds who have ONLY grown spring wheat or durum wheat (on a policy/county basis) and certify the appropriate type may retain added land simple average (SA) T-Yields for that type. Insureds who start growing the other type in 2004 will have initial APH yields based on variable T-Yields.
 - b. When apportioning production for prior crop year(s) outside of the APH record retention period (2004 CIH Section 10), acreage for each type may be re-certified without hard copy records of the production previously reported. However, acreage records must be available.
2. To assist the transition of separating acreage and production data for spring and durum wheat for the 2004 crop year only, the following modifications to existing procedures are authorized:
 - a. Use of the commingled production worksheet is not required where spring and durum Transitional Yields (T-Yields) are the same when apportioning production (2004 CIH Exhibit 35, Paragraph B(2)(b)). Use procedures for proration (2004 CIH Section 10, Paragraph C (3)(b)) and identify such yields with the PA yield descriptor.
 - b. Cups (10 percent) are available to insureds with a history, on a policy/county basis, of growing at least one year of spring and at least one year of durum wheat:
 - Insureds must re-certify acreage and production records for spring and/or durum within the record retention period,
 - If both types were not grown within the record retention period, the insured may re-certify or apportion production and acres for years outside of the record retention period to demonstrate that both types have been grown.
 - c. For insureds that meet the qualifications in 2.b., cups will be calculated using the prior year's approved APH yield for the applicable practice, unit, or T-Yield Map area.
 - SA T-Yields remaining in databases for added land must be replaced with variable T-Yields; however cups will apply.
 - Cups will be allowed on APH databases where the prior year's approved APH yield contained yield adjustments (yield substitutions) for the situations addressed in this bulletin only. Insureds may elect to apply, on an APH database basis, either yield substitutions or cups.

DISPOSAL DATE:

This bulletin is for the purpose of transmitting /updating information and the disposal date is December 31, 2004.