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Agriculture



Federal Crop
Insurance
Corporation

FCIC-25480-1 (11-2013)

PROCESSING SWEET CORN LOSS ADJUSTMENT STANDARDS HANDBOOK

2014 and Succeeding Crop Years

**RISK MANAGEMENT AGENCY
KANSAS CITY, MO 64133**

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| TITLE: PROCESSING SWEET CORN LOSS ADJUSTMENT STANDARDS HANDBOOK | NUMBER: 25480-1 |
| EFFECTIVE DATE: 2014 and Succeeding Crop Years | ISSUE DATE: November 25, 2013 |
| SUBJECT: Provides procedures and instructions for administering the Processing Sweet Corn crop insurance program. | OPI: Product Administration and Standards Division |
| | APPROVED: /s/ Tim B. Witt Deputy Administrator for Product Management |

REASON FOR AMENDMENT

The Processing Sweet Corn Loss Adjustment Standards Handbook is being amended to revise the definition of "Processor Contract" in accordance with the Processing Sweet Corn Crop Provisions (14-042).

PROCESSING SWEET CORN LOSS ADJUSTMENT STANDARDS HANDBOOK

CONTROL CHART

| Processing Sweet Corn Loss Adjustment Standards Handbook | | | | | | |
|--|------------|------------|-------------------------------|--------------------|---|--|
| | TP Page(s) | TC Page(s) | Text Page(s) | Reference Material | Date | Directive Number |
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FILING INSTRUCTIONS

This handbook replaces the 2011 Processing Sweet Corn Loss Adjustment Standards Handbook, FCIC-25480 (11-2010). This handbook is effective for the 2014 and succeeding crop years and is not retroactive to any 2013 or prior crop year determinations.

1. INTRODUCTION

THIS HANDBOOK MUST BE USED IN CONJUNCTION WITH THE LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK, FCIC-25010.

The FCIC-issued loss adjustment standards for this crop are the official standard requirements for adjusting losses in a uniform and timely manner. The FCIC-issued standards for this crop and crop year are in effect as of the signature date for this crop handbook at www.rma.usda.gov/handbooks/25000/index.html. All Approved Insurance Providers (AIPs) will utilize these standards for both loss adjustment and loss adjustment training for the applicable crop year. These standards, which include crop appraisal methods, claims completion instructions, and form standards, supplement the general (not crop-specific) loss adjustment standards identified in the LAM.

2. SPECIAL INSTRUCTIONS

This handbook remains in effect until superseded by reissuance of **either** the entire handbook **or** selected portions (through slipsheets or bulletins). If slipsheets have been issued for a handbook, the original handbook as amended by slipsheet pages shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slipsheets.

A. DISTRIBUTION

- (1) The following is the minimum distribution of forms completed by the adjuster and signed by the insured (or the insured's authorized representative) for the loss adjustment inspection.
- (2) One legible copy to the insured. The original and all remaining copies as instructed by the AIP. It is the AIP's responsibility to maintain original insurance documents relative to policyholder servicing as designated in their approved plan of operations.

B. TERMS, ABBREVIATIONS, AND DEFINITIONS

- (1) Terms, abbreviations, and definitions **general** (not crop specific) to loss adjustment are identified in the LAM.
- (2) Terms, abbreviations, and definitions **specific** to processing sweet corn loss adjustment and this handbook, which are not defined in this section, are defined as they appear in the text.
- (3) Abbreviations:

| | |
|------------|------------------------------|
| APH | Actual Production History |
| BP | Basic Provisions |
| CAT | Catastrophic Risk Protection |
| CIH | Crop Insurance Handbook |

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| CP | Crop Provisions |
| DSSH | Document and Supplemental Standards Handbook, FCIC-24040 |
| SP | Special Provisions |

(4) Definition(s):

| | |
|----------------------------|---|
| Base Contract Price | The price stipulated on the processor contract without regard to discounts or incentives that may apply. |
| Bypassed Acreage | Land on which production is ready for harvest but the processor elects not to accept such production so it is not harvested. |
| Harvest | The removal of the ears from the stalks for the purpose of delivery to the processor. |
| Planted Acreage | In addition to the definition contained in the BP, sweet corn must initially be planted in rows far enough apart to permit mechanical cultivation. Acreage planted in any other manner will not be insurable unless otherwise provided by the SP or by written agreement. |
| Processor Contract | <p>A written agreement between the producer and a processor, containing at a minimum:</p> <ul style="list-style-type: none"> (a) The producer's commitment to plant and grow sweet corn, and to deliver the sweet corn production to the processor; (b) The processor's commitment to purchase all of the production stated in the processor contract; and (c) A base contract price <p>Multiple contracts with the same processor that specify amounts of production will be considered as a single processor contract, unless the contracts are for different types. Your base contract price will be the weighted average of all applicable base contract prices.</p> |
| Unhusked Ear Weight | Weight of the seed-bearing spike of sweet corn including the membranous or green outer envelope. |
| Usable Tons | The quantity of sweet corn for which the producer is compensated or should have been compensated by the processor. |

3. INSURANCE CONTRACT INFORMATION

The AIP is to determine that the insured has complied with all policy provisions of the insurance contract. CP, which are to be considered in this determination include (but are not limited to):

44. **Damage Similar to Other Farms in the Area?:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Check “Yes” or “No.” Check “Yes” if the amount and cause of damage due to insurable causes is similar to the experience of other farms in the area. If “No” is checked, explain in the “Narrative.”

45. **Assignment of Indemnity?:** Check “Yes” **only** if an assignment of a indemnity is in effect for the crop year; otherwise, check “No.” Refer to the LAM.

46. **Transfer of Right to Indemnity?:** Check “Yes” **only** if a transfer of right to indemnity is in effect for the unit for the crop year; otherwise, check “No.” Refer to the LAM.

47a. **Share:** RECORD ONLY VARYING SHARES on SAME unit to three decimal places.

47b. **Field ID:**

- a. If only one practice and/or type of harvested production is listed in Section I, MAKE NO ENTRY.
- b. If more than one practice or type of harvested production is listed in Section I, and a separate approved APH yield exists, indicate for each practice/type the corresponding Field ID (from Section I, column 16).

48. **Multi-Crop Code:** The applicable two-digit code for first crop and second crop. REFER TO THE LAM FOR INSTRUCTIONS REGARDING ENTRY OF FIRST CROP AND SECOND CROP CODES.

49-55. **Length or Diameter, Width, Depth, Deductions, Net Cubic Feet, Conversion Factor, and Gross Prod.:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Enter the name and address of the buyer, packinghouse, or processor for processing sweet corn sold, as applicable.

56. **Bu., Ton, Lbs., Cwt.:** Circle “Ton” in column heading. Production in **TONS**, to tenths.

- a. Enter the usable tons expressed as unhusked ear weight of processing sweet corn shown on the processor settlement sheet, if available. Refer to column 57 below when harvested production must be converted to an unhusked ear weight.
- b. If a processor settlement sheet showing the usable tons of sweet corn is not available, enter the result obtained by dividing the total dollar amount paid, payable, or which should have been paid under the terms of the processor contract for the quantity of sweet corn to be delivered to the processor by the base contract price per ton.
Multiple contracts with the same processor that specify amounts of production will be considered as a single processor contract, unless the contracts are for different types. Your base contract price will be the weighted average of all applicable base contract

prices. Show the calculations in the “Narrative” of the Production Worksheet.

- c. Include all harvested processing sweet corn production from any other insurable units that have been used to fulfill the processor contract for this unit.
- d. Any other measure of production will be converted to an unhusked ear weight equivalent.

57. **Shell/Sugar Factor:** Three-decimal factor, obtained from the processor, when harvested production must be converted to an unhusked ear weight.

- a. When harvested production is delivered to the processor and weighed as husked ears or the kernels have been cut from the cob and just the kernels are weighed, the adjuster must obtain the applicable factor from the processor to convert the kernels or husked ear weights to an unhusked ear weight.
- b. Formula: Applicable factor multiplied by the weight of husked ears or weight of kernels equals unhusked ear weight. Enter the result in tons to tenths in column 56.
- c. Document the date the factor was obtained from the processor in the “Narrative” of the Production Worksheet.

58.-60. MAKE NO ENTRY

61. **Adjusted Production:** Enter tons, to tenths, from column 56.

62. **Production Not to Count:** Enter the net production NOT to count, in tons to tenths, WHEN ACCEPTABLE RECORDS IDENTIFYING SUCH PRODUCTION ARE AVAILABLE, from harvested acreage, which has been assessed an appraisal of not less than the guarantee per acre, or from other sources (e.g. other units or uninsured acreage).

THIS ENTRY MUST NEVER EXCEED PRODUCTION SHOWN ON THE SAME LINE. EXPLAIN ANY “PRODUCTION NOT TO COUNT” IN THE NARRATIVE.

63. **Production Pre-QA:** Result of subtracting column 62 from column 61 in tons to tenths.

64a.-65. MAKE NO ENTRY.

66. **Production to Count:** Enter result from column 63 in tons to tenths.

67. Total of column 63. If no entry in column 63, MAKE NO ENTRY.

68. **Section II Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Total of column 66, to tenths.