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FCIC-25410 (11-2010)  
FCIC-25410-1 (12-2012)  
FCIC-25410-2 (11-2013)

# **RICE LOSS ADJUSTMENT STANDARDS HANDBOOK**

## **2014 and Succeeding Crop Years**



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

<b>TITLE: RICE LOSS ADJUSTMENT STANDARDS HANDBOOK</b>	<b>NUMBER: 25410 (11-2010) 25410-1 (12-2012) 25410-2 (11-2013)</b>
<b>EFFECTIVE DATE: 2014 and succeeding crop years</b>	<b>ISSUE DATE: November 25, 2013</b>
<b>SUBJECT:  Provides the loss adjustment procedures and instructions for administering the Rice crop insurance program.</b>	<b>OPI: Product Administration and Standards Division</b>
	<b>APPROVED:  /s/ Tim B. Witt  Deputy Administrator for Product Management</b>

**REASONS FOR AMENDMENT**

Major changes: See changes or additions in text which have been highlighted. Three asterisks (\*\*\*) identify information that has been removed.

1. **Subsection 2B(4):** Added definitions for Contour Field, Flush, and Zero Grade Field.
2. **Subsection 3A(5) & (6):** Due to new SP statements for 2014, added language regarding acreage considered flood irrigated, including applying required practices at the correct stage of plant development for Rice.
3. **Section 10, Table H:** Added diagram depicting development stages of the rice plant.

## RICE LOSS ADJUSTMENT STANDARDS HANDBOOK

### CONTROL CHART

Rice Loss Adjustment Standards Handbook						
	TP Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-2	1-2	1-3		12-2012 11-2010	FCIC-25410-1 FCIC-25410
Insert	1-2	1-2	1-3.1	48	11-2013	FCIC-25410-2
Current Index	1-2	1-2	1-4 5-10 11-18 19-40	41-46 47-48	11-2013 11-2013 11-2013 11-2010 12-2012 11-2010 11-2010 11-2010	FCIC-25410-2 FCIC-25410-2 FCIC-25410-2 FCIC-25410 FCIC-25410-1 FCIC-25410 FCIC-25410 FCIC-25410-2

### FILING INSTRUCTIONS

This amended handbook is effective for the 2014 and succeeding crop years and is not retroactive to any 2013 or prior crop year determinations.

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# 1. INTRODUCTION

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**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](http://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

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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 rice loss adjustment and this handbook, which are not defined in this section, are defined as they appear in the text.
- (3) Abbreviations:

<b>APH</b>	Actual Production History
<b>BP</b>	Basic Provisions
<b>CAT</b>	Catastrophic Risk Protection
<b>CIH</b>	Crop Insurance Handbook
<b>CP</b>	Crop Provisions

<b>DSSH</b>	Document and Supplemental Standards Handbook, FCIC-24040
<b>FGIS</b>	Federal Grain Inspection Service
<b>FM</b>	Foreign Material
<b>SP</b>	Special Provisions

(4) Definitions:

<b>Contour Field and Precision Graded Field</b>	Field with an elevation change from one end of the field to another. Field will have internal levees surveyed at intervals recommended by agricultural experts.
<b>Flush</b>	The practice of providing surface irrigation to a seeded rice field to enhance stand establishment and to prevent soil crusting.
<b>Harvest</b>	Combining or threshing the rice grain. A crop that is swathed prior to combining is not considered harvested.
<b>Kernels, Broken</b>	Kernels of rice which are less than $\frac{3}{4}$ of a whole kernel.
<b>Kernels, Chalky</b>	Whole or large broken kernels of rice which are $\frac{1}{2}$ or more chalky.
<b>Kernels, Damaged</b>	Whole or broken kernels of rice which are distinctly discolored or damaged by water, insects, heat, or any other means, and whole or large broken kernels of parboiled rice in non-parboiled rice. "Heat damaged kernels" shall not function as damaged kernels.
<b>Kernels, Heat Damaged</b>	Whole or large broken kernels of rice which are materially discolored and damaged as a result of heating, and whole or large broken kernels of parboiled rice in non-parboiled rice which are as dark as, or darker in color than, the interpretative line for heat-damaged kernels.
<b>Kernels, Smutty</b>	Whole or broken kernels of rice which are distinctly infected by smut.
<b>Paddy Rice</b>	Whole or large broken kernels of rice on which there is appreciable amount of red bran.
<b>Rough Rice</b>	Rice ( <i>Oryza sativa</i> L.) which consists of 50 percent or more paddy kernels of rice.
<b>Second Crop Rice</b>	The regrowth of a stand of rice following harvest of the initially insured rice crop that can be harvested in the same crop year.
<b>Swathed</b>	Severance of the stem and grain head from the ground without removal of the rice kernels from the plant and placing in a windrow.

**Total Milling Yield** Rice production consisting of heads, second heads, screenings, and brewer's rice as defined by the official United States Standards for Rice.

**Zero Grade Field** Field with no change in elevation from one end of the field to another. Field will not have internal field levees.

### **3. INSURANCE CONTRACT INFORMATION**

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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):

#### **A. INSURABILITY**

The following may not be a complete list of insurability requirements. Refer to the BP, CP, and SP for a complete list.

(1) The crop insured will be all the rice in the county for which a premium rate is provided by the actuarial documents or by written agreement, in which the insured has a share that is:

(a) Planted for harvest as grain;

\*\*\* Refer to the CP for definition of "planted acreage."

(b) Flood irrigated. Refer to the CP for definition of "flood irrigation," along with section 3A(5) herein, and the LAM for specific instructions regarding irrigation (e.g., in some areas, rice acreage may be uninsurable unless certain flood irrigation activities/requirements have been met); and

(c) Not wild rice.

(2) The crop will not be insurable on any acreage planted to rice:

(a) The preceding crop year unless allowed by the SP; or

(b) That does not meet the rotation requirements shown in the SP.

(3) Loss of production due to application of saline water is not an insurable cause of loss, except as specified in section 9(a)(8) of the CP. Failure of the irrigation water supply is an insured cause of loss, if during the insurance period drought, intrusion of saline water or another insured peril, as specified in the CP, cause the failure. Refer to the LAM regarding instructions on irrigation.

- (4) Any acreage of the insured crop damaged before the final planting date, to the extent that producers in the area would normally not further care for the crop, must be replanted unless the AIP agrees that it is not practical to replant. Refer to the LAM for replanting provision issues. Refer to section 4 herein, for replanting payment procedures.
- (5) For acreage to be considered flood irrigated, according to the definition in section 1 of the Rice CP and to meet the requirement of the SP, the following practices must have occurred no later than the 5<sup>th</sup> leaf or 1<sup>st</sup> tiller stage of Rice:
- (a) For Contour Fields and Precision Graded Fields:
- 1 permanent field boundary levees constructed;
  - 2 internal levees surveyed and constructed;
  - 3 internal levee gates installed and butted; and
  - 4 the irrigation pump is operable.
- (b) For Zero Grade Fields:
- 1 permanent field boundary levees constructed; and
  - 2 the irrigation pump is operable.
- (6) Failure to obtain a stand of rice adequate to produce at least the yield used to determine the production guarantee or amount of insurance because the insured did not apply surface irrigation or “flush” of the acreage in accordance with practices generally recognized by agricultural experts for the area will not be a covered cause of loss in accordance with section 12(b) and 12 (e) of the BP.

**NOTE:** Surface Irrigation or “Flush” of the acreage cannot occur unless requirements in Paragraph 3A(5) above have been met.

## **B. PROVISIONS AND PROCEDURES NOT APPLICABLE TO CAT COVERAGE**

Refer to the CIH and the LAM for other provisions and procedures not applicable to CAT.

**(RESERVED)**

## C. UNIT DIVISION

Refer to the insurance contract for unit provisions. Unless limited by the CP or SP, a basic unit, as defined in the BP, may be divided into optional units if, for each optional unit, all the conditions stated in the applicable provisions are met.

For information on Enterprise and Whole-Farm units, refer to the CIH and the LAM.

## D. QUALITY ADJUSTMENT

- (1) THE QUALITY ADJUSTMENT FACTOR CANNOT BE GREATER THAN 1.000 or less than zero (.000). Refer to the LAM for information on contract prices in quality adjustment.
- (2) Document quality adjustment information as described in the instructions for the “Narrative” section of the claim form (section 9 B, herein), or on a Special Report.
- (3) For additional quality adjustment definitions, instructions, qualifications, and testing requirements; refer to the LAM and the Official United States Standards for Rice.
- (4) Mature rough rice production is eligible for quality adjustment for grades U.S. #4 or worse, if certain deficiencies, substances, or conditions result in a loss in quality due to any insurable cause of loss. Refer to the CP for quality adjustment requirements.
- (5) For rice production eligible for quality adjustment, the local market price of the qualifying damaged production is **NOT TO BE REDUCED** for:
  - (a) Moisture content;
  - (b) Damage due to uninsured causes; or
  - (c) Drying, handling, processing, or any other costs associated with normal harvesting, handling, and marketing of the rice; except, if the price of the damaged production can be increased by conditioning, the price of the production may be reduced after it has been conditioned by the cost of conditioning but not lower than the value of the production before conditioning. Refer to the LAM for specific instructions.
- (6) If a local market cannot be found for the rice, refer to the LAM.
- (7) Quality adjustment factors will be calculated as stated in the CP, unless the SP contain quality adjustment factors.
- (8) Refer to the LAM for special instructions regarding mycotoxin infected grain.

Moisture adjustment is applied prior to any qualifying quality adjustment factors such as test weight, kernel damage, etc.

**TABLE G – RICE COMBINED TEST WEIGHT AND PACK FACTORS**

Test Weight	Less Than 255 Sq. Ft.	255 Sq. Ft. to 461 Sq. Ft.	462 Sq. Ft. to 767 Sq. Ft.	768 Sq. Ft. to 1384 Sq. Ft.	1385 Sq. Ft. to 2289 Sq. Ft.	2290 or Over Sq. Ft.
35.0	0.828	0.840	0.852	0.880	0.900	0.927
35.5	0.839	0.851	0.863	0.894	0.914	0.941
36.0	0.850	0.862	0.874	0.908	0.928	0.955
36.5	0.860	0.872	0.885	0.922	0.942	0.969
37.0	0.871	0.883	0.895	0.936	0.956	0.983
37.5	0.881	0.894	0.906	0.950	0.970	0.997
38.0	0.892	0.904	0.917	0.964	0.984	1.011
38.5	0.902	0.915	0.928	0.978	0.998	1.025
39.0	0.913	0.926	0.939	0.992	1.012	1.039
39.5	0.923	0.936	0.949	1.006	1.026	1.053
40.0	0.933	0.947	0.960	1.020	1.040	1.067
40.5	0.944	0.957	0.971	1.031	1.051	1.079
41.0	0.954	0.968	0.981	1.042	1.063	1.091
41.5	0.964	0.978	0.992	1.053	1.073	1.102
42.0	0.974	0.988	1.002	1.064	1.084	1.113
42.5	0.985	0.999	1.013	1.075	1.096	1.125
43.0	0.995	1.009	1.023	1.085	1.106	1.135
43.5	1.005	1.019	1.034	1.096	1.117	1.147
44.0	1.015	1.030	1.044	1.107	1.128	1.159
44.5	1.025	1.040	1.055	1.117	1.138	1.169
45.0	1.035	1.050	1.065	1.128	1.149	1.180
45.5	1.045	1.060	1.075	1.138	1.161	1.192
46.0	1.055	1.070	1.086	1.149	1.171	1.202
46.5	1.065	1.080	1.096	1.159	1.182	1.214
47.0	1.075	1.090	1.106	1.169	1.192	1.225
47.5	1.085	1.100	1.116	1.180	1.202	1.235
48.0	1.094	1.110	1.126	1.190	1.213	1.246
48.5	1.104	1.120	1.137	1.200	1.224	1.257
49.0	1.114	1.130	1.147	1.210	1.234	1.267
49.5	1.124	1.140	1.157	1.220	1.244	1.278
50.0	1.133	1.150	1.167	1.231	1.255	1.290
50.5	1.143	1.160	1.177	1.238	1.262	1.297
51.0	1.153	1.170	1.187	1.245	1.269	1.304
51.5	1.162	1.179	1.197	1.252	1.276	1.311
52.0	1.172	1.189	1.206	1.259	1.283	1.318
52.5	1.181	1.199	1.216	1.266	1.290	1.325
53.0	1.191	1.208	1.226	1.273	1.297	1.332
53.5	1.200	1.218	1.236	1.280	1.304	1.339
54.0	1.210	1.228	1.246	1.287	1.311	1.346
54.5	1.219	1.237	1.255	1.294	1.318	1.353
55.0	1.228	1.247	1.265	1.301	1.325	1.360

**TABLE H – DEVELOPMENT STAGES OF THE RICE PLANT**

