1   Overview

Yield exclusion (YE), when elected, allows the exclusion of actual yields for a certain crop year when RMA determines the county per planted acre yield for a crop year was at least 50 percent below the simple average of the per planted acre yield for the crop in the county for the previous 10 consecutive crop years. When a crop year is determined to be eligible for YE for a crop in a county, insureds in contiguous counties will also be eligible to exclude actual yields for that crop year under YE.

The YE option and eligible crop years for exclusion are identified in the actuarial documents. When YE is elected, insureds may exclude actual yields in any eligible crop year(s) that are identified in the actuarial documents.

2   Eligibility for YE

A.   Election

To be applicable for the current crop year, the insured must elect YE:

(1)   By the applicable sales closing date (SCD);

Note: For crops with a two-year coverage module, YE must be elected by the SCD of the first crop year of the two-year coverage module.

(2)   On a crop/county basis; and

(3)   On an Application or Policy Change form by including the "YE" option code.

AIPs are responsible for advising insureds who elect YE that all actual yields in an eligible crop year are automatically excluded unless the insured opts out of excluding an actual yield in an eligible crop by identifying the yield not to be excluded in the APH database.

B.   Availability

The option must be provided in the actuarial documents for YE to be available for the crop and county. YE is available for both catastrophic (CAT) and additional coverage policies. Crop years eligible for exclusion are identified in the actuarial documents.

C.   Continuous Election

YE is a continuous election that remains in effect unless cancelled.

3   Cancellation

YE must be cancelled in writing on or before the cancellation date for the crop for the effective crop year. (See Para. 8 to change an actual yield exclusion of an eligible crop year within an APH database.) When an insured cancels YE:

3   Cancellation (continued)

(1)   Actual yield exclusions for eligible crop year(s) no longer apply for that crop year;

(2)   The 10 percent yield limitation (cup) will not apply the year YE is cancelled for any APH database that had a year excluded under the YE; and

(3)   Yield substitution, when elected, and yield floors, as applicable, may apply.

4   Transfers

When the policy is transferred to a different AIP, YE is considered cancelled, as is any other option, endorsement, written agreement, etc.. If the insured would like to continue the use of YE, the insured must make that election with the assuming AIP on or before the SCD.

5   Applicability of Written Agreements (WA)

Generally, WAs are eligible for yield exclusion if the actuarial documents for the crop/county identify the YE option and eligible crop years. The following exceptions apply.

(1)   When a WA (e.g., TC and TP WA) makes an irrigation practice (either irrigated, non-irrigated, or limited irrigation) insurable, YE is not available because the irrigation practice is not an insurable practice listed on the actuarial documents for the crop/county.

(2)   YE is not applicable for XC WA (crop is not insurable in the county).

(3)   In accordance with the FCIC-24020 Written Agreement Handbook, a WA cannot be used to add the YE option.

6   Applicability of Yield Limitations and Yield Reductions

A.   Yield Floors and Cups

Approved APH yields using yield exclusion are not eligible for cups or yield floors. APH databases without excluded actual yields remain eligible for cups and yield floors, when authorized by the FCIC 18010 Crop Insurance Handbook (CIH) Part 14, Section 4.

B.   Yield Reductions

Procedures concerning yield reductions contained in the CIH Part 12 Section 4 are unaffected when YE is elected.

Actual yields reduced due to being identified as an excessive yield cannot be excluded under the YE option.

While actual yields in an eligible crop year may be excluded in APH databases, reductions of approved APH yields due to inconsistent approved APH yields or different production methods continues to apply when (CIH Para. 1254 and 1255) applies to an APH database.

7   Actual Yields Eligible for Yield Exclusion

Actual yields in an APH database identified with the following yield descriptors are eligible for exclusion if they are in an eligible crop year for exclusion identified in the actuarial documents (see CIH Exhibit 12 for list of yield descriptors and their meaning):

Practice	Yield Descriptor
Conventional	A, AY, NA, PA, DA, NW, PW, WY, R, PR, NR, RY, BF
Transitional	G, GY, NG, PG, DG, GW, NO, OY
Certified Organic	V, VY, NV, PV, DV, VW, NU, UY

8   Exclusion of an Actual Yield for an Eligible Crop Year Within an APH Database

When the insured has elected the YE option, an insured may choose, by APH database and by eligible crop year, whether or not to exclude an actual yield for that specific crop year.

(1)   Eligible crop years for exclusion are identified in the actuarial documents. There is no limit to the number of actual yields in eligible crop years that can be excluded from an APH database.

(2)   When YE is elected, YE applies to all actual yields in eligible crop years eligible for exclusion identified in the actuarial documents for all APH databases unless the insured notifies the AIP in writing by the production reporting date (PRD) of any actual yield(s) for an eligible crop year(s) they choose to retain.

      Example: Although a crop year is eligible for exclusion, the insured's actual yield in an APH database is above average for the crop year and the insured chooses to not exclude the actual yield.

(3)   Any actual yield in an eligible crop year the insured chooses to **not** exclude must be identified in the APH database with a Yield Exclusion Opt Out flag.

    (a)   Use a "Y" in the Yield Exclusion Opt Out flag of the APH database to indicate the insured is choosing to not exclude an actual yield in an eligible crop year for exclusion (opting out of YE for that actual yield) and that the actual yield will remain in the calculation of the approved APH yield.

    (b)   See Exhibit 2 for the APH database form standards for YE. When an insured has chosen to opt out of YE for an actual yield(s) in an eligible crop year in an APH database, the insured must sign the APH database.

      Note: If there are multiple APH databases on the same form, only one signature is required. An insured is not required to sign the APH database if they do not opt out of exclusion for any actual yields in an eligible crop year.

(4)   Actual yields in an eligible crop year that are excluded continue to be reported in an APH database using the applicable yield descriptors identified in CIH Exhibit 12.

8   Exclusion of an Actual Yield for an Eligible Crop Year Within an APH Database (cont.)

(5)   Any exclusion or opt out of exclusion of an actual yield(s) in eligible crop years in an APH database continues to apply in subsequent crop years unless the insured cancels the YE option by the SCD for the crop or notifies the AIP in writing by the PRD to change which actual yields are excluded or opted out of exclusion. If the insured chooses to no longer exclude an eligible crop year in an APH database by the PRD, the previously excluded actual yield(s) are used to calculate APH yields. However:

(a)   cups do not apply when calculating the current year's approved APH yields if yield exclusion(s) were applicable the previous APH crop year. (See CIH Part 14 Section 4 and Part 15 Section 7); and

(b)   yield floors are applicable for Category B APH crops only based on a percentage of the applicable T-Yield for the P/T/TMA using the number of years of actual/assigned yields provided for the crop and county.

(6)   If the exclusion of actual yields for eligible crop year(s) results in less than four years of yields being used in the APH database, the applicable T-Yield is used to maintain a minimum base period of four yields.

If the variable T-Yield applies to an APH database, the T-Yield used to complete the four-year minimum base period uses the variable T-Yield percentage based on the number of years of actual/assigned yield(s) for the crop in the county. Excluded yield years continue to count as a year of producing the crop for variable T-Yield, percent of yield floor, new producer and Beginning Farmer and Rancher (BFR) purposes.

Note: The number of years of actual/assigned yields for the crop in the county must be reported in the actual yield year count field in the Policy Acceptance and Storage System (PASS) P15 record by the AIP to ensure the correct percentage is applied to the variable T-Yield.

Example: An APH database consists of 2 SA T-Yields and 2 actual yields (the SA T-Yield is the applicable T-Yield). The insured excludes one of the actual yields in an eligible crop year for exclusion. The APH database is completed with the SA T-Yield that applies to that APH database.

Example: An insured only has one APH database for the crop and it consists of three variable T-Yields (E yield descriptor for 80 percent of the county T-Yield) and one actual yield in an eligible crop year for yield exclusion. The insured elects to exclude the actual yield and the APH database is completed with the variable T-Yield (80 percent of the county T-Yield because variable percentage of T-Yield is based on number of years of actual/assigned yields for the crop and excluded eligible crop years continue to count for the purposes of determining variable T-yield percentage).

8   Exclusion of an Actual Yield for an Eligible Crop Year Within an APH Database (cont.)

(7) The most recent crop year will not be identified as eligible for yield exclusion in the actuarial documents since the production data necessary for RMA to determine whether the most recent crop year meets the criteria for exclusion is not available until after the PRD for that crop year.

(8) Any crop year prior to 1995 will not be identified as eligible for yield exclusion.

(9) Actual yields in an eligible crop year that are excluded are still subject to APH reviews.

9   YE interaction with YA

(1) A producer may elect and apply both YA and YE options on a policy and within an APH database.

(2) Only one option, either YE or YA, can be applied to an actual yield for an eligible crop year within an APH database.

(3) If the insured has elected both YE and YA to apply to all eligible crop years and a crop year qualifies for both elections, YE will apply to an actual yield in an eligible crop year unless the insured chooses to not exclude that yield in the APH database.

   (a) If the insured chooses to not apply yield exclusion for an eligible crop year, identify such yield in the APH database in the Yield Exclusion Opt Out [see Para. 8 (3)].

   (b) If YA has been elected, yield substitution will apply to the actual yield if it qualifies and the insured chose to opt out of excluding the actual yield.

   (c) If the insured chooses to opt out of excluding an actual yield in an eligible crop year and not substitute an actual yield that qualifies for yield adjustment, use the yield descriptor NA (NG or NV for transitional and certified organic) and identify such yield in the APH database in the Yield Exclusion Opt Out [see Para. 8 (3)].

10   Impact of YE Specific to Category B Crops

A.   Impact of YE on Malting Barley Price and Quality Endorsement (MBPQE)

YE, if elected, is applicable for actual yields in eligible crop years contained in the malting barley type APH databases insured under the Small Grains CP. However, if Option A of the MBPQE is also elected, YE will not apply to actual yields in eligible crop years in Option A APH database(s).

B.   Impact of YE on Master Yields (MY)

If MYs are applicable, apply yield exclusions to eligible crop years after the annual yields from APH databases have been summarized on the MY summary. (See CIH Part 14 Section 7 and Exh.14 for APH MY summary requirements.) Yield exclusions, adjusted yields, approved APH yields, and rate yields are determined in the MY Summary.

10   Impact of YE Specific to Category B Crops (continued)

C.   **Impact of YE on Summerfallow (SF) Practice**

For a SF practice using the special procedures in CIH Para. 822, make yield exclusions, if applicable, to both the SF and the continuous cropping (CC) practices prior to determining the "higher" approved APH yield to be used for the SF practice in accordance with CIH Para. 822 B.

D.   **Impact of YE on Simple Average (SA) T-Yields**

While added land and new crop/P/T procedures (CIH Part 14, Sections 9 and 10) are not affected by the election of YE, the calculation for SA T-Yields is changed when an actual yield in an eligible crop year is excluded.

SA T-Yields will continue to be determined based on the crop year the APH database is established, by crop/P/T/TMA. However, instead of using the **approved** APH yield from each of the insured's existing APH databases for the policy that have at least one year of actual/assigned yields, by crop/P/T/TMA to calculate the SA T-Yield, use:

(1)   the **adjusted** yield (see Para. 13 below) for those APH databases with excluded actual yields in an eligible crop year that have at least one actual/assigned yield prior to any exclusions; and

(2)   the **approved** APH yield for those APH databases where actual yields have not been excluded that have at least one actual/assigned yield.

All other calculations and requirements for use of the SA T-Yield remain unchanged.

E.   **Impact of YE on North Dakota Personal T-Yield (PTY)**

The PTY is a T-Yield calculated using the insured's own actual yields and, if applicable, assigned yields. For insureds who elect YE, the PTY is used in place of RMA's published T-Yields contained in the actuarial documents or other calculated T-Yields authorized by the CIH, such as SA T-Yields for added land. As such, the total production and acres for all actual/assigned yields for an applicable P/T/TMA for an insured must be used to compute the insured's PTY, similar to how a county T-Yield is based on an average yield from all production in the county for that crop/P/T. Therefore, when an actual yield in an eligible crop year is excluded in an APH database, that actual yield is not excluded for the purposes of calculating the PTY.

When completing the PTY Summary, include the production and acreage associated with an actual yield that has been excluded in an APH database in the total production and acres for all actual/assigned yields for an applicable P/T/V/TMA used to complete the PTY Summary in accordance with the procedures in Informational Memorandum PM-06-028.

10   Impact of YE Specific to Category B Crops (cont.)

F.   Impact of YE on Trend Adjustment (TA)

When an actual yield in an eligible crop year is excluded, an excluded actual yield is not considered for TA purposes when determining:

(1)   whether an APH database qualifies for TA by having at least an actual yield in one of the four most recent crop years (see FCIC-20220**,** Trend-Adjusted Actual Production History Standards Handbook Para. 11);

(2)   the applicable TA percentages (see FCIC-20220, Para. 21B); and

(3)   the highest actual yield in the APH database with one year of trend adjustment applied for the TA limitation of the approved APH yield for the APH database (see FCIC-20220, Para. 21H).

11   Impact of YE for Perennial Crops (Category C/Pecan Revenue)

(1)   When an actual yield in an eligible crop year is excluded, the excluded actual yield is considered when determining whether the crop meets production minimums or age/production minimums for insurability. Exclusion of an actual yield in an eligible crop year does not impact age requirements since the exclusion does not change the age of a perennial crop (see CIH Para. 1503).

(2)   If an actual yield is reduced when a practice or production method (e.g., Removal, Dehorning, Grafting, Transitioning to Organic) was performed that reduced the insured crop's production for a specific crop year, then the actual yield for that crop year is not eligible for yield exclusion even if the crop year is an eligible crop year for exclusion in the actuarial documents [see CIH Para. 1523(2) and 1581C].

(3)   If one of the actual yields in the most recent three crop years in the APH database is in a crop year that is eligible for exclusion in the actuarial documents, the yield variance test in CIH Para. 1562 C is not applicable and the APH database is not reduced for alternate bearing and downward trending.

(4)   If elected for crops with a two-year coverage module, YE must be elected by the SCD of the first crop year of the two-year coverage module. Any actual yield in an eligible crop year the insured chooses to **not** exclude must be identified in the APH database by the PRD of the first crop year of the two-year module.

12   Impact of YE for RO Determined Yields

For the current crop year, any RO Determined Yield request sent to the applicable RO must identify the eligible crop years (as provided in the actuarial documents) the insured wants to exclude. The RO will take any such excluded yields into consideration when determining the RO Determined Yield and applicable rate. A RO Determined Yield request cannot be used to make a crop year eligible for yield exclusion.

13   Adjusted Yield

When YE is applicable to an APH database, AIPs must calculate an adjusted yield, which is the average of the annual yields in the APH database:

(1)   without yield limitations (cups and yield floors);

(2)   without any yield exclusions; and

(3)   with yield substitutions, if YA is elected by the insured. If YA is not elected by the insured, yield substitutions are not included and the adjusted yield is the average of the annual yields in the APH database.

Exception: When yield reductions (see Para. 6B) apply to the APH database, the adjusted yield must equal the approved APH yield.

The approved APH yield will not be less than the adjusted yield when YE applies to the APH database.

The adjusted yield is not the same as the rate yield.   The increase in coverage resulting from the YE relative to the APH yield without YE is used to determine the appropriate premium rate for the effective coverage.

Note: The adjusted yield for YE uses similar methodology as the adjusted yield for TA purposes.

14   Rate Yield Calculation

The rate yield is equal to the average yield when yield exclusions are used in an APH database with the following exceptions:

(1)   the approved APH yield is reduced for Inconsistent Approved APH Yields (see CIH Para. 1254 for Inconsistent Approved APH Yield determination procedures). In these situations, the rate yield is equal to the approved APH yield; and

(2)   the approved APH yield is reduced for Different Production Methods being carried out for the current crop year which results in lower actual yields (see CIH Para. 1255 for Different Production Method determination procedures). In these situations, the rate yield is equal to the approved APH Yield.

15   Calculating the Yields For APH Databases When YE is Elected

When the insured has excluded at least one eligible crop year's actual yield from an APH database, the following yields must be calculated for that APH database.

A.   Average Yield

Calculate the average yield by:

(1)   summing the annual yields in the APH database, prior to yield exclusions, yield substitutions, trend adjustments, cups and floors; and

(2)   dividing that sum by the number of annual yields in the APH database.

B.   Adjusted Yield

Calculate the adjusted yield by:

(1)   Summing the annual yields:

(a)   after substituting 60 percent of the applicable T-Yield for eligible actual yields that are less than 60 percent of the applicable T-Yield (YA), if elected (see CIH Part 12 Section 3 for details on yield substitutions);

(b)   prior to excluding any actual yields in an eligible crop year; and

(c)   without applying any yield limitations (cups and yield floors);

(2)   dividing that sum by the number of annual yields in the APH database.

C.   Approved APH Yield

Calculate the approved APH yield by:

(1)   summing the remaining annual yields after:

(a)   excluding actual yields for eligible crop years as elected by the insured;

Note: If less than four annual yields remain after excluding actual yields, use the applicable T-Yield to meet the APH database four-year minimum. If the applicable T-Yield for the APH database is the variable T-Yield, use the variable T-Yield percentage based on the number of years of actual/assigned yield(s) for the crop in the county to determine the T-Yield. [See Para. 8 (6).]

(b)   substituting YA, if elected;

15   Calculating Yields For APH Databases When YE is Elected (cont.)

       (2)   dividing that sum by the number of years of annual yields that remain in the APH database (do not count the excluded annual yields) and applying any applicable yield reductions (see Para. 6B). The result is the approved APH yield when the insured has chosen to determine the approved APH yield with YE and YA, if elected.

           Exception: The approved APH yield will not be less than the adjusted yield (see Para. 13 above). If the yield calculated in C here is less than the adjusted yield, the adjusted yield calculated in B becomes the approved APH yield.

       (a)   The AIP must report to PASS the YE option code and the yield limitation flag of 15 on the P15 record if an APH database has actual yields in eligible crop years excluded with no yield substitutions (trend adjustments may apply);

           Note: This yield limitation flag is used for YE; YE and TA; plus any other options. This flag is not used if YA applies to the APH database.

       (b)   The AIP must report to PASS the YE option code and the yield limitation flag of 9 on the P15 record if an APH database has:

           (i)   actual yields in eligible crop years excluded and has yield substitutions; or

           (ii)   actual yields in eligible crop years excluded, yield substitutions and trend adjustments.

           Note: This yield limitation flag is used whenever YA applies to an APH database including when YA and YE; YA, YE and TA; plus any other options apply.

D.   Rate Yield

The Rate Yield is equal to the average yield unless yield reductions apply. (See Para. 6B and 14.)

16   Determining Premium Rates When YE applies to an APH database

If the approved APH yield calculation chosen by the insured excludes at least one actual yield in an eligible crop year, the average yield is used as the rate yield and the effective coverage level (based on the adjusted yield) is used for determining premium rate.

Exhibit 1

<div align="center">Example of YE Concept</div>

Yield Exclusion Selection Criteria				
Year: 2015 Commodity: Cotton (0021)				State: Xxxx (XX)
Data: Example Plan: Revenue Protection (02)				County: Xxxx (XXX)
Types / Practices	T/P 01	T/P 02	T/P 03	T/P 04
Type	No Type Specified 997	No Type Specified 997	No Type Specified 997	No Type Specified 997
Practice	Non-IRR 003	Non-IRR Skip Row 063	IRR 002	Organic(Certified) Non-IRR 713
Yield Exclusions				
	LBS	LBS	LBS	LBS
Eligible Yield Exclusion Years	**2013 (P)**	2013 (P)	2012 (P)	2013 (P)
	2012 (P)	2012 (P)	2011 (P)	2012 (P)
	2007 (C)	2007 (C)		2007 (C)

(P) indicates yield exclusion based on primary county.
(C) indicates yield exclusion based on contiguous county.

Year	Eligible for Exclusion	T-Yield	60% of applicable T-Yield	APH	APH w/ YA	APH w/ YA and TA	APH w/ All eligible yields excluded	APH w/All eligible yields excluded and YA	APH w/ All eligible yields excluded, YA and TA
2005	No	126	76	628	628	684	628	628	684
2006	No	140	84	746	746	797	746	746	797
2007	Yes - by contiguous	164	98	231	231	276			
2008	No	197	118	563	563	602	563	563	602
2009	No	197	118	430	430	464	430	430	464
2010	No	197	118	111	118	146	111	118	146
2011	No	197	118	531	531	554	531	531	554
2012	Yes - by county	197	118	0	118	135			
2013	Yes - by county	197	118	35	118	129			
2014	No	219	131	95	131	137	95	131	137
			Approved APH Yield:	**337**	**361**	**392**	**443**	**450**	**483**

11

Exhibit 1 (continued)

Impact to Approved APH Yield when All Eligible Crop Years are Excluded, Including Those Above the T-Yield

Year	Eligible for Exclusion	T-Yield	60% of applicable T-Yield	APH	APH w/ YA	APH w/ YA and TA	APH w/ All eligible yields excluded except for 2006	APH w/All eligible yields excluded except for 2006 and YA	APH w/ All eligible yields excluded except for 2006, YA and TA
2007	Yes - by contiguous	140	84	746	746	797	746	746	797
2008	No	197	118	563	563	602	563	563	602
2009	No	197	118	430	430	464	430	430	464
2010	No	197	118	111	118	146	111	118	146
2011	No	197	118	531	531	554	531	531	554
2012	Yes - by county	197	118	0	118	135			
2013	Yes - by county	197	118	35	118	129			
2014	No	219	131	95	131	137	95	131	137
	Approved Yield:			313	344	371	413	420	450

Year	Eligible for Exclusion	T-Yield	60% of applicable T-Yield	APH	APH w/ YA	APH w/ YA and TA	APH w/ All eligible yields excluded	APH w/All eligible yields excluded and YA	APH w/ All eligible yields excluded, YA and TA
2007	Yes – by contiguous	140	84	746	746	797			
2008	No	197	118	563	563	602	563	563	602
2009	No	197	118	430	430	464	430	430	464
2010	No	197	118	111	118	146	111	118	146
2011	No	197	118	531	531	554	531	531	554
2012	Yes – by county	197	118	0	118	135			
2013	Yes – by county	197	118	35	118	129			
2014	No	219	131	95	131	137	95	131	137
	Approved Yield:			313	344	371	346	355	381

Exhibit 1 (continued)

Using the T-Yield to Complete an APH When Less Than 4 Years Are Left After Exclusion

Selection Criteria				
Year: 2015	Commodity: Cotton (0021)			State: Xxxx (XX)
Data: Example	Plan: Revenue Protection (02)			County: Xxxx (XXX)
Types / Practices	T/P 01	T/P 02	T/P 03	T/P 04
Type	No Type Specified 997	No Type Specified 997	No Type Specified 997	No Type Specified 997
Practice	Non-IRR 003	Non-IRR Skip Row 063	IRR 002	Organic(Certified) Non-IRR 713
Yield Exclusions				
	LBS	LBS	LBS	LBS
Eligible Yield Exclusion Years	**2013 (P)**	2013 (P)	2012 (P)	2013 (P)
	2012 (P)	2012 (P)	2011 (P)	2012 (P)

(P) indicates yield exclusion based on primary county.
(C) indicates yield exclusion based on contiguous county.

Year	Eligible for Exclusion	T-Yield	60% of applicable T-Yield	APH	APH w/ YA	APH w/ YA and TA	APH w/ All eligible yields excluded	APH w/All eligible yields excluded and YA	APH w/ All eligible yields excluded, YA and TA*
2008	No	197	118	563	563	602	563	563	592
2010	No	197	118	111	118	139	111	118	139
2012	Yes - by county	197	118	0	118	130	T 219	T 219	T 219
2014	No	219	131	95	131	135	95	131	135
	Approved Yield:			**192**	**233**	**252**	**247**	**258**	**271**

*County Trend = 5.5
3 actuals in the last 12 = 0.75 of Trend
5.5 x 0.75 = 4.125

Exhibit 1 (continued)

Example - Yield Exclusion Only

Insured has produced soybeans in a single BU APH database since 2010. The county T-Yield is 30 bushels. For the 2015 crop year, the insured elects YE. The year circled in the example actuarial documents below is the eligible year for YE. The 2013 crop year is excludable and the insured chooses to exclude the actual yield in 2013.

Yield Exclusion Selection Criteria				
Year: 2015 Commodity: Soybeans (0081)			State: Xxxx (XX)	
Data: Example Plan: Revenue Protection (02)			County: Xxxx (XXX)	
Types / Practices	T/P 01	T/P 02	T/P 03	T/P 04
Type	No Type Specified 997	No Type Specified 997	No Type Specified 997	No Type Specified 997
Practice	NFAC (Non-IRR) 053	FAC (Non-IRR) 043	NFAC (IRR) 094	I FAC (IRR) 095
Yield Exclusions				
	BU	BU	BU	BU
Eligible Yield Exclusion Years	**2013 (P)**	2013 (P)	2013 (P)	2013 (P)

APH Database before YE					Unit 0001-0000 BU	APH database **After** YE					
2015	Soybeans (0081)	NFAC NI (053)	NTS (997)		Excludable year(s): 2013	2015	Soybeans (0081)	NFAC NI (053)	NTS (997)		
Unit # 0001-0000 BU			Yld Desc	Yield		Unit # 0001-0000 BU			Yld Desc	Yield	YE Opt Out
Year	Prod	Acres			Excluded year(s): 2013	Year	Prod	Acres			
2010	2750	50	A	55	Approved Yield Calculation:	2010	2750	50	A	55	
2011	4700	100	A	47	(61 + 42 + 47 + 55) / 4 = 51	2011	4700	100	A	47	
2012	2100	50	A	42		2012	2100	50	A	42	
2013	1200	100	A	12	Adjusted Yield Calculation:	2013	1200	100	A	12	
2014	3050	50	A	61	(61 + 12 + 42 + 47 + 55) / 5 = 43	2014	3050	50	A	61	
T-Yield = 30	Approved APH		43			T-Yield = 30	Approved APH		51		
	Average Yield		43			Adjusted Yield = 43	Average Yield		43		
	Rate Yield		43				Rate Yield		43		

Exhibit 1 (continued)

Example - Yield Exclusion Elected, Eligible Crop Years Not Excluded and Less Than 4 Years Remain after Exclusions

Insured has a single BU APH database for soybeans. The county T-Yield is 30 bushels. The years circled in the example actuarial documents below are the eligible years for YE. For the 2015 crop year, the insured elects YE and chooses to exclude the 2012 crop year actual yield and to not exclude 2013 crop year actual yield. In this example, the APH database will only have three actual yields after the 2012 actual yield is excluded. The approved APH yield is calculated with the applicable T-Yield (100 percent of the county T-Yield in this case) to complete the APH database because less than four actual yields are available after yield exclusion.

Yield Exclusion Selection Criteria				
Year: 2015 Commodity: Soybeans (0081)				State: Xxxx (XX)
Data: Example Plan: Revenue Protection (02)				County: Xxxx (XXX)
Types / Practices	T/P 01	T/P 02	T/P 03	T/P 04
Type	No Type Specified 997	No Type Specified 997	No Type Specified 997	No Type Specified 997
Practice	NFAC (Non-IRR) 053	FAC (Non-IRR) 043	NFAC (IRR) 094	I FAC (IRR) 095
Yield Exclusions				
	BU	BU	BU	BU
Eligible Yield Exclusion Years	**2013 (P)** **2012 (P)**	2013 (P) 2012 (P)	2012 (P)	2012 (P)

APH database before YE					Unit 0001-0000 BU	APH database **After** YE					
2015	Soybeans (0081)	NFAC NI (053)	NTS (997)		Excludable year(s): 2013, 2012	**2015**	Soybeans (0081)	NFAC NI (053)	NTS (997)		
									Yld Limitation Flag 15		
Unit # 0001-0000 BU			Yld Desc	Yield	Excluded year(s): 2012	Unit # 0001-0000 BU			Yld Desc	Yield	YE Opt Out
Year	Prod	Acres				Year	Prod	Acres			
2011	2640	80	A	33		2011	2640	80	A	33	
2012	280	40	A	7	Approved Yield Calculation:	2012	280	40	A	7	
2013	2880	80	A	36	(33 + 30T + 36 + 44) / 4 = 36	2013	2880	80	A	36	Y
2014	1760	40	A	44		2014	1760	40	A	44	
T-Yield = 30		Approved APH		30	Adjusted Yield Calculation:	T-Yield = 30		Approved APH		36	
		Average Yield		30	(33 + 7 + 36 + 44) / 4 = 30	Adjusted Yield = 30		Average Yield		30	
		Rate Yield		30				Rate Yield		30	

Exhibit 1 (continued)

Example - Yield Exclusion and Yield Adjustment Elected

The insured has elected YE for cotton in 2015 and has two OUs for non-irrigated cotton. In the example actuarial documents below, the insured can exclude crop years 2013, 2011, and 2008. For OU 0001-0001, the insured has elected to exclude crop year 2008; not exclude crop years 2013 and 2011; and to use yield substitutions for crop years 2006 and 2011. For OU 0001-0002, the insured elected to not exclude any crop years, although 2013 was an eligible crop year, and did not plant any cotton in crop years 2011 and 2008.

Yield Exclusion Selection Criteria				
Year: 2015 Commodity: Cotton (0021)				State: Xxxx (XX)
Data: Example Plan: Revenue Protection (02)				County: Xxxx (XXX)
Types / Practices	T/P 01	T/P 02	T/P 03	T/P 04
Type	No Type Specified 997	No Type Specified 997	No Type Specified 997	No Type Specified 997
Practice	Non-IRR 003	Non-IRR Skip Row 063	IRR 002	Organic(Certified) Non-IRR 713
Yield Exclusions				
	LBS	LBS	LBS	LBS
Eligible Yield Exclusion Years	**2013 (P)**	2013 (P)	2011 (P)	2013 (P)
	2011 (P)	2011 (P)	2008 (P)	2011 (P)
	2008 (P)	2008 (P)		2008 (P)

Exhibit 1 (continued)

Example - Yield Exclusion and Yield Adjustment Elected

Unit 0001-0001 APH Database **Before** YE ➔   Unit 0001-0001 APH Database **After** YE

2015	Cotton (0021)	NI (003)	NTS (997)				2015	Cotton (0021)	NI (003)	NTS (997)			
Yield limitation flag: 09							Yield limitation flag: 09						
Unit # 0001-0001 OU			Yield Desc	Yield			Unit # 0001-0001 OU			Yield Desc	Yield	YE Opt Out	
Year	Prod	Acres					Year	Prod	Acres				
2005	15500	50	A	310			2005	15500	50	A	310		
2006	39600	200	A	198			2006	39600	200	A	198		
2007	86600	100	A	866			2007	86600	100	A	866		
2008	6250	50	A	125			2008	6250	50	A	125		
2009	152800	200	A	764			2009	152800	200	A	764		
2010	84900	100	A	849			2010	84900	100	A	849		
2011	6700	50	A	134			2011	6700	50	YA	134	Y	
2012	40400	200	NA	202			2012	40400	200	NA	202		
2013	41500	100	A	415			2013	41500	100	A	415	Y	
2014	38040	40	A	951			2014	38040	40	A	951		
T-Yield = 350		Approved APH		499			T-Yield = 350		Approved APH		**531**		
		Average Yield		481			Adjusted Yield = 499		Average Yield		481		
		Rate Yield		481					Rate Yield		481		

(1)   Unit 0001-0001 OU

Excludable crop year(s): 2008, 2011, 2013

Excluded crop year(s): 2008

Substituted crop year(s): 2006, 2011

Average Yield: (951 + 415 + 202 + 134 + 849 + 764 + 125 + 866 + 198 + 310) / 10 = 481

Adjusted Yield: (951 + 415 + 202 + 210 + 849 + 764 +210 + 866 + 210 + 310) / 10 = 499

Approved APH Yield: (951 + 415 + 202 + 210 + 849 + 764 + 866 + 210 + 310) / 9 = 531

Exhibit 1 (continued)

Example - Yield Exclusion and Yield Adjustment Elected

Unit 0001-0002 APH Database **Before** YE ➔ Unit 0001-0002 APH Database **After** YE

2015	Cotton (0021)	NI (003)	NTS (997)	
Yield limitation flag: 01				
Unit # 0001-0002 OU			Yield Desc.	Yield
Year	Prod	Acres		
2005	11320	40	A	283
2006	0	0	Z	0
2007	80880	120	A	674
2008	0	0	Z	0
2009	64560	80	A	807
2010	0	0	Z	0
2011	0	0	Z	0
2012	28080	120	A	234
2013	40080	80	A	501
2014	35480	40	A	887
T-Yield = 350	Approved APH			564
	Average Yield			564
	Rate Yield			564

2015	Cotton (0021)	NI (003)	NTS (997)	
Yield limitation flag: 01				
Unit # 0001-0002 OU			Yield Desc.	Yield	YE Opt Out
Year	Prod	Acres			
2005	11320	40	A	283	
2006	0	0	Z	0	
2007	80880	120	A	674	
2008	0	0	Z	0	
2009	64560	80	A	807	
2010	0	0	Z	0	
2011	0	0	Z	0	Y
2012	28080	120	A	234	
2013	40080	80	A	501	Y
2014	35480	40	A	887	
T-Yield = 350	**Approved APH**			**564**	
Adjusted	Average Yield			564	
Yield = NA	Rate Yield			564	

(2)   Unit 0001-0002 OU

Excludable years: 2008, 2011, 2013

Excluded years: none

Average Yield: (887 + 501 +234 + 807 + 674 + 283) / 6 = 564

Approved Yield: (887 + 501 +234 + 807 + 674 + 283) / 6 = 564

Adjusted Yield: Not Applicable because YE does not apply to APH database

<u>**Exhibit 2**</u>

APH Database Standards When YE is Elected

The production reports provided by the insured are used by the verifier to establish the APH database. The APH database consists of all years of production (within the base period) reported by the insured and is used to calculate the approved APH yield. Fields 2 N and T, the certification statement and insured's signature must be included on the APH database when an insured has elected YE.

1   INSURED INFORMATION

    A   "Insured's Name" (Substantive)

    B   "Street or Mailing Address" (Substantive)

    C   "Telephone Number" (Substantive)

    D   "Policy Number" (Substantive)

    E   "Crop Year" (Substantive)

    F   "Identification Number" (Substantive)

    G   "State and County Name" (Substantive)

2   CROP INFORMATION

    A   "Name of Crop" (Substantive)

    B   "Practice/Type/T-Yield Map Area" (Substantive)

    C   "Unit Number" (Substantive)

    D   "Legal Description:" (Substantive)

        __ "Section:"

        __ "Township:"

        __ "Range:"

        __ "Other Land Identifier (e.g., Spanish land grants, metes and bounds, etc.):"

    E   "Other Person(s) Sharing Crop" (Substantive)

    F   "Other" (Substantive)

Exhibit 2 (continued)

    G   "T-Yield" (Substantive)

    H   "FSA Farm/Tract/Field Number" (Substantive)

    I   "Crop Year of History" (Substantive)

    J   "Total Production" (Substantive)

    K   "Acres" (Substantive)

    L   "Yields" (Substantive)

    M   "Yield Descriptors" (Substantive)

    N   "Yield Exclusion Opt Out" (Substantive)

        For items I, J, K, L, M and N above, allow space to provide the appropriate years of the base period.

    O   "Total" (Substantive)

    P   "Preliminary Yield" (Substantive)

    Q   "Yield Indicator" (Substantive)

    R   "Prior Yield" (Substantive)

    S   "Average Yield" (Substantive)

    T   "Adjusted Yield" (Substantive)

    U   "Rate Yield" (Substantive)

    V   "Approved Yield" (Substantive)

    W   "Required: Field Review __ Inspection __" (Substantive)

3   OTHER INFORMATION

    A   "Comments Section" (Non-Substantive)

4   REQUIRED STATEMENTS

    A   Certification Statement (Substantive) [See DSSH Exhibit 2]

    B   Privacy Act Statement (Substantive) [See DSSH Exhibit 3]

Exhibit 2 (continued)

     C   Nondiscrimination Statement (Substantive) [See DSSH Exhibit 4]

5   REQUIRED SIGNATURES

"Insured's Printed Name, Signature and Date" (Substantive)

Note: An insured is only required to sign the APH database when YE is elected and the insured has chosen to opt-out of excluding an actual yield(s) in eligible crop year(s).