



United States
Department of
Agriculture

Farm and Foreign
Agricultural
Services

Risk
Management
Agency

4405 Bland Road,
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Raleigh, NC 27609

January 30, 2017

INFORMATIONAL MEMORANDUM

TO: All Northeast Approved Insurance Providers Writing in the States of Connecticut, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia

FROM: Robert Connors /s/
Director

SUBJECT: Additional Guidance - Crop Year 2017 Regional Underwriting Guidelines for Category C Actual Production History (APH) Crops in the Raleigh RO Region

BACKGROUND:

The 2017 FCIC 18010 Crop Insurance Handbook (CIH) authorizes the Risk Management Agency (RMA) Regional Offices (ROs) to issue underwriting procedures for Category C crops that modify procedure and to provide additional underwriting procedure for regional exceptions.

Paragraph 1862 APH Database Tests for High Variability of Actual Yields of the CIH provides procedure and formulas designed to identify alternate bearing and downward yield trending for Category C crop yields. As a result of severe early freeze in 2007, damaging hail and wind in 2011, and severe weather in 2012 widespread damage to Category C perennial crops was caused. This damage may inadvertently identify certain Category C perennial crops for high variability adjustments. In order to expedite the approved actual production history (APH) yield process and decrease the number of requests for RO determined yields and extension deadlines, the Raleigh RO issued "Crop Year 2017 Regional Underwriting Guidelines for Category C Actual Production History (APH) Crops in the Raleigh RO Region", September 22, 2016. The procedure authorized the Approved Insurance Provider (AIP) to approve the yield using the standard Category C APH procedure without adjustment of the approved APH yield by the formula if the AIP verifies the high variability is due to severe weather related events in 2007, 2011, and 2012 resulting in lower yields which inappropriately trigger an alternate bearing adjustment.

Additional information has been received by the Raleigh Regional Office and it has been determined that further guidance is required for APH Database Tests for High Variability of Actual Yields for the 2017 crop year. As a result of freeze and significant drought in 2016 widespread damage to Category C perennial crops was caused.

Effective for the 2017 crop year, these modified RO Underwriting Guidelines are in effect for Apples, Blueberries, Cranberries, Grapes, Peaches, and Pears in the states of Connecticut, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia.

ACTION

A. High Variability Requests

For blocks or units meeting the criteria for high variability of actual yields in CIH Paragraph 1862 APH Database Tests for High Variability of Actual Yields, the Approved Insurance Provider (AIP) may approve the yield using the standard Category C APH procedure without adjustment of the approved APH yield by the formula if the AIP verifies the high variability is due to severe weather related events in 2007, 2011, 2012, and 2016 resulting in lower yields which inappropriately trigger an alternate bearing adjustment or downward trending adjustment. If applicable, yield substitution (YA) and Yield Exclusion (YE) is authorized; however, CUP procedure is not applicable for any database identified for high variability of actual yields.

Please contact the Raleigh Regional Office at RSONC@rma.usda.gov if you have any additional questions.

DISPOSAL DATE

August 31, 2017