

PM-23-035

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Date

June 29, 2023

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator /s/ John W. Underwood for Deputy Administrator

Subject

Actual Production History (APH) and Other Crop Insurance Transparency Final Rule Effective for the 2024 and Succeeding Crop Years

Background

The Federal Crop Insurance Corporation (FCIC) amended the Common Crop Insurance Policy (CCIP) Basic Provisions, Area Risk Protection Insurance (ARPI) Basic Provisions, and the General Administrative Regulations Subpart G – Actual Production History. The changes apply for the 2024 and succeeding crop years for the June 30, 2023, contract change date and for the 2025 crop year for crops with a contract change date prior to June 30, 2023. The changes include:

CCIP Basic Provisions

- Allow the Risk Management Agency (RMA) to expand Enterprise Units to specialty crops easily and efficiently in the future.
- Incorporate procedures that exclude acreage and the actual production from acreage that is damaged by an unavoidable uninsured fire and/or a third party when calculating the approved APH yield and production guarantee.

- Incorporate existing guidance on prevented planting into the policy, clarify the added land ratio for prevented planting, and expand the eligible criteria for prevented planting coverage to include “destruction” of a producer’s irrigation system from an insured cause of loss.
- Incorporate existing same-year production reporting guidelines into the CCIP Basic Provisions to be consistent with the timing of claims (harvest).
- Incorporate High-Risk Alternate Coverage Endorsement (HR-ACE) into the CCIP Basic Provisions, providing producers with all their high-risk coverage options in the same place.

CCIP and ARPI Basic Provisions

- Update organic provisions to make consistent with the National Organic Program.
- Incorporate existing APH requirements from procedural language.
- Clarify double cropping requirements when another policy has different requirements for records of acreage and production.

Subpart G

- Revised to indicate its applicability expires as this rule becomes effective in the CCIP Basic Provisions.

A Final Rule with these changes was published in the Federal Register on June 29, 2023. FCIC invites you to submit comments on this rule through the close of business on August 28, 2023, at [regulations.gov](https://www.regulations.gov).

Action

The following documents will be available by close of business today on the RMA website at www.rma.usda.gov:

Basic Provisions

- Area Risk Protection Insurance Basic Provisions (24-ARPI)
- Common Crop Insurance Policy Basic Provisions (24-BR)

Frequently Asked Questions

- Veteran Farmer and Rancher Frequently Asked Questions

- Organic Frequently Asked Questions

Approved insurance providers (AIPs) must notify producers of these changes at least 30 days prior to the cancellation date, as required by the policy.

AIPs may choose to advise producers, in writing, who had a policy with HR-ACE in effect for the 2023 crop year that their HR-ACE will convert to the High-Risk Land Exclusion Option with the same elections and/or options unless 1) the producer or the AIP cancels the HR-ACE on or before the earliest applicable cancellation date, or 2) the producer makes changes to the base policy prior to the sales closing date.

Interested producers should contact a crop insurance agent for further information. A list of agents can be found on the RMA website at www.rma.usda.gov/tools-reports/agent-locator.

DISPOSAL DATE:

December 31, 2024