IS-22-003: Following Another Crop Written Agreement Details for 2023

View PDF Date December 22, 2022 To All Approved Insurance Providers All Risk Management Agency Field Offices All Other Interested Parties From Delores Dean, Deputy Administrator for Insurance Services /s/ Delores Dean Subject Following Another Crop Written Agreement Details for 2023

Background

As part of a broader set of commitments made earlier this year by President Biden and Secretary Vilsack to increase domestic food production amid potential global food shortages related to the invasion of Ukraine, the U.S. Department of Agriculture (USDA) is simplifying sign-up and expanding double cropping coverage availability for the 2023 crop year. These efforts will help enable agricultural producers to produce two crops on the same land each year, such as spring planted soybeans or grain sorghum following the harvest of a crop such as winter wheat.

For the 2023 crop year, producers intending to plant soybeans or grain sorghum after wheat and other fall seeded crops (double cropping) in counties where the Following Another Crop (FAC) practice is not available, may have the option to request coverage in select counties through their crop insurance agent. Additionally, producers in some areas of the country also have the option to request coverage for soybeans planted into wheat using a relay cropping practice. The following guidance is issued to explain the options and requirements to apply for FAC coverage under this initiative and in accordance with the Written Agreement Handbook (WAH).

FAC Written Agreement Options and Requirements

On Oct 6th, 2022, RMA Regional Offices posted maps and guidance of written agreement availability and requirements for the FAC practice which can be found here at <u>www.rma.usda.gov/RMALocal</u> under each regional offices underwriting guidelines page. National versions of these maps can also be found at <u>www.rma.usda.gov/about-crop-insurance/highlighted-initiatives-plans/doublecropping</u>. The following provides a description of the requirements to qualify, deadlines for submitting a request, and other items that are related to obtaining coverage. As described in the maps, there are several options available to insure FAC crops when a written agreement for coverage is required, including the following:

- Blanket Written Agreement (Standardized Written Agreement)
- Written Agreement No History Required
- Written Agreement 2 Years of History Required
- Written Agreement 3 Years of History Required
- Written Agreement Irrigated only
- XC written agreement

As a reminder, this guidance provides requirements for applying for coverage for a FAC written agreement and details to help facilitate processing with this initiative. These do not change history requirements related to <u>first and second crop provisions</u> to receive two full indemnities or for qualifications for prevented planting with <u>double cropping</u>. Please see the Double Cropping FAQs located on the RMA webpage for further details.

Blanket Written Agreement (Standardized Written Agreement)

What is it?

A Blanket Written Agreement is a standardized written agreement offer prebuilt by RMA into the Regional Office Exceptions System (ROE) which allows for a producer to choose to insure their FAC soybean or FAC grain sorghum crop where it is available. Since the written agreement offer is prebuilt by RMA, a producer does not have to go through an extensive underwriting process and can simply choose to insure their FAC crop by submitting the request with an actuarial change request (ACR) form through their agent and Approved Insurance Provider (AIP).

What are the deadlines?

A Blanket Written Agreement must be elected by the Sales Closing Date (SCD) for the applicable crop in their county. Example, if a producer would like to insure their FAC soybeans with the blanket written agreement offer in Champagne County, IL, they must apply for the blanket written agreement by the SCD of 03/15/2023. In accordance with the general deadlines of the WAH, AIPs will have an additional 30 days to transmit to RMA. Any transmission that occurs after that deadline will prompt an error message.

Required documents, information, prior experience

Producers requesting a blanket written agreement do not have to have prior experience in producing an FAC soybean or FAC grain sorghum crop to be able to obtain coverage, however, their existing applicable FAC production experience may be used if available. For a blanket written agreement, only a completed ACR form is required to obtain coverage, unless explicitly stated otherwise in the special provisions.

Other things to know

If a producer does not meet the deadline to apply for the blanket written agreement for their FAC soybeans or FAC grain sorghum, but later decides they would like to obtain insurance, they can still apply for a written agreement under the traditional written agreement process.

To apply for insurance, producers would apply for a Type/Practice (TP) written agreement with no prior history requirements to qualify. For a producer requesting a TP written agreement that is a new request, they have up until the applicable Acreage Reporting Date (ARD) to request a TP written agreement. Evidence of adaptability from an agricultural expert and market are not required, however, a crop inspection may be required if the producer applies after the SCD. The rates, yields, and dates offered under a TP written agreement request will be the same that are offered under a blanket written agreement. All other requirements for a TP written agreement request apply in accordance with the WAH.

Written Agreement - No History Required

What is it?

In these counties a producer can apply for insurance under the TP written agreement request to insure their FAC soybeans or FAC grain sorghum. For these counties, a producer does not need prior history of producing FAC soybeans or FAC grain sorghum as a prerequisite to be able to qualify for a written agreement.

What are the deadlines?

A producer requesting a TP written agreement in these counties must submit an ACR form through their agent and AIP by the SCD if it is a renewal request. For new requests, producers have up until the applicable ARD to request a TP written agreement.

Required documents, information, prior experience

Producers requesting a TP written agreement in these areas must submit all documentation as required in Paragraph 84 of the WAH, except for evidence of adaptability from an ag expert and a viable market. A crop inspection may be required if the producer applies after the SCD.

Other things to know

All other procedures in the WAH and processing requirements for written agreement requests in ROE apply.

Written Agreement - 2 Years of History Required

What is it?

In these counties a producer can apply for insurance under the TP written agreement request to insure their FAC soybeans or FAC grain sorghum. For these counties, a producer will need 2 years of prior history of producing the applicable FAC soybeans or FAC grain sorghum practice as a prerequisite to be able to qualify for a written agreement.

What are the deadlines?

A producer requesting a TP written agreement in these counties must submit an ACR form through their agent and AIP by the SCD if it is a renewal request. For new requests, producers have up until the applicable ARD.

Required documents, information, prior experience

Producers requesting a TP written agreement in these areas must submit all documentation as required in Paragraph 84 of the WAH, except for evidence of adaptability from an ag expert and a viable market. A crop inspection may be required if the producer applies after the SCD.

Other things to know

All other procedures in the WAH and processing requirements for written agreement requests in ROE apply.

Written Agreement - 3 Years of History Required

What is it?

In these counties a producer can apply for insurance under the TP written request to insure their FAC soybeans or FAC grain sorghum. For these counties, a producer will need 3 years of prior history of producing the applicable FAC soybeans or FAC grain sorghum practice as a prerequisite to be able to qualify for a written agreement.

What are the deadlines?

A producer requesting a TP Written Agreement in these counties must submit an ACR form through their agent and AIP by the SCD if it is a renewal request. For new requests, producers have up until the applicable ARD.

Required documents, information, prior experience

Producers requesting a TP written agreement in these areas must submit all documentation as required in Paragraph 84 of the WAH, except for evidence of adaptability from an ag expert and a viable market. A crop inspection may be required if the producer applies after the SCD.

Other things to know

All other procedures in the WAH and processing requirements for written agreement requests in ROE apply.

Written Agreement - Irrigated only

What is it?

In these counties only irrigated FAC soybeans or FAC grain sorghum crops are eligible to be insured under a written agreement. The irrigated Not Following Another Crop (NFAC) soybeans or irrigated NFAC grain sorghum is insurable in accordance with the applicable actuarial documents and do not require a written agreement. Coverage is not currently available for FAC non-irrigated crops. A producer may apply for coverage for their irrigated FAC crop by applying for the blanket written agreement (standardized offer) or by applying under the traditional TP written agreement request method. Unlike 2022, a producer that does not apply for a written agreement for irrigated FAC will not have coverage on irrigated FAC soybeans or irrigated FAC grain sorghum in these counties.

A Blanket Written Agreement is a standardized written agreement offer prebuilt by RMA into the ROE which allows for a producer chose to insure their irrigated FAC soybean or FAC grain sorghum crop in these areas. Since the written agreement offer is prebuilt by RMA, a producer does not have to go through an extensive underwriting process and can simply choose to insure their irrigated FAC crop by submitting the request with an actuarial change request (ACR) form through their agent and AIP.

What are the deadlines?

A Blanket Written Agreement in these counties must be elected by the SCD for the applicable irrigated crop in their county. Example, if a producer would like to insure their irrigated FAC grain sorghum with the blanket written agreement offer in Barton County, KS, they must apply for the blanket written agreement by the SCD of 03/15/2023. In accordance with the general deadlines of the WAH, AIPs will have an additional 30 days to transmit to RMA. Any transmission that occurs after that deadline will prompt an error message.

Required documents, information, prior experience

Producers requesting a blanket written agreement do not have to have prior experience in producing an irrigated FAC soybean or irrigated FAC grain sorghum crop to be able to obtain coverage, however, their existing applicable irrigated FAC production experience may be used if available. For a blanket written agreement, only a completed ACR form is required to obtain coverage, unless explicitly stated otherwise in the special provisions.

Other things to know

If a producer does not meet the deadline to apply for the blanket written agreement for their irrigated FAC soybeans or irrigated FAC grain sorghum, but later decides they would like to obtain insurance, they can still apply for a written agreement under the traditional written agreement process. To apply for insurance, producers would apply for a TP written agreement with no prior history requirements to qualify. Evidence of adaptability from an agricultural expert and market are not required, however, a crop inspection may be required if they apply after the SCD. All other requirements for a TP written agreement apply in accordance with the WAH.

XC Written Agreement

What is it?

In these counties RMA does not currently have a program available to insure soybeans or grain sorghum. However, producers can apply for insurance by requesting a County Without Actuarial Documents (XC) written agreement to insure their FAC soybeans or FAC grain sorghum. To qualify, producers are required to have at least 3 years of prior production history and will have to meet the other requirements outlined in Paragraph 85 of the WAH.

What are the deadlines?

A producer requesting an XC written agreement in these counties must submit an ACR form through their agent and AIP by the Cancellation Date.

Required documents, information, prior experience

Producers requesting an XC written agreement in these areas must submit all documentation as required in Paragraph 85 of the WAH.

Other things to know

All other procedures in the WAH and processing requirements for written agreement requests in ROE continue to apply.

Action

Regional Offices are currently loading Blanket Written Agreement (BL) Offers into ROE. The details on the written agreement number applicable to each county and crop will be uploaded to each RO site as well as any additional guidance or details which you may access from the following link <u>www.rma.usda.gov/RMALocal</u>.

AIPs may apply the BL Offer via RMA ROE system to the applicable crop types and practices identified in Section II.

To apply the BL Offers, the AIP only needs to apply the WA number on the BL Offer to the affected policyholders.

All other general guidance, frequently asked questions, maps, and other material related to the double cropping expansion can be found at <u>www.rma.usda.gov/about-</u>crop-insurance/highlighted-initiatives-plans/double-cropping.

Disposal:

Effective for the 2023 Reinsurance Year.