

# Quality Loss Option



The Quality Loss Option (QL) is a crop insurance option that first became available to growers starting with the 2021 crop year. The Risk Management Agency (RMA) implemented the QL in response to the 2018 Farm Bill to carry out research and development that establishes an alternative method for adjusting quality losses that will not impact your Actual Production History (APH). The QL allows exclusion of quality loss from an APH database in circumstances where a quality loss occurs. The QL will be offered at an actuarially sound premium rate.

Like yield exclusion, the QL must be elected by the sales closing date. When elected, the QL will replace post-quality adjusted (QA) production with the pre-QA production for any year the insured filed a Notice of Loss (NOL). Quality adjustment to production will be based on the applicable quality statements contained in the Special Provisions, or on applicable quality requirements allowed by Crop Provisions or endorsements, for the crop. The QL is not available for policies insured under the catastrophic risk protection endorsement.

The QL may apply if you filed a NOL, regardless of whether you received an indemnity for that crop year. You are eligible to replace the post-QA production in your APH database with pre-QA production.

The QL is an available option under Yield Protection, Revenue Protection, Revenue Protection with Harvest Price Exclusion, Pulse Crop Revenue, and APH plans of insurance.

The QL is available for the following crops: Alfalfa Seed, Avocados<sup>1</sup>, Barley, Blueberries, Buckwheat, Canola, Corn, Cotton, Cranberries, Dry Peas<sup>2</sup>, Figs, Flax, Fresh Apricots, Fresh Freestone Peaches, Fresh Nectarines, Grain Sorghum, Grapefruit<sup>3</sup>, Grass Seed, Grapes, Millet, Mustard, Oats, Oranges<sup>3</sup>, Peaches, Peanuts, Pears<sup>1</sup>, Plums, Processing Apricots, Processing Cling Peaches, Processing Freestone Peaches, Rice, Rye, Safflower, Soybeans, Sunflowers, Table Grapes, Triticale, Walnuts, Wheat.

<sup>1</sup>California only.

<sup>2</sup>Excludes contract seed peas with RYAF.

<sup>3</sup>Texas only.

## How This Option Works

Example:

Crop Year	Pre-QA PTC (bushels/acre)	Post-QA PTC (bushels/acre)
2019	80	80
2020	120	120
2021	100	30
2022	110	110
2023	90	60
Average	100	80

When the QL is elected, you can choose to substitute your pre-QA production amount for both the 2021 and 2023 crop years. In this example, the QL increases your APH from 80 bushels/acre to 100 bushels/acre.

## Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents.

A list of crop insurance agents is available on the RMA website at

[www.rma.usda.gov/tools-reports/agent-locator](http://www.rma.usda.gov/tools-reports/agent-locator).

