



United States
Department of
Agriculture

Farm Production
and Conservation

Risk
Management
Agency

106 S. Patterson
Street, Suite 250
Valdosta, GA
31601

August 31, 2023

INFORMATIONAL MEMORANDUM

TO: All Southeast Approved Insurance Providers Writing in the States of Alabama, Georgia, and South Carolina

FROM: Davina S Lee /s/
Director

SUBJECT: Crop Year 2024 Regional Underwriting Guidelines for Category C Actual Production History (APH) Crops in the Valdosta Region

BACKGROUND:

The 2024 FCIC 18010 Crop Insurance Handbook (CIH) authorizes the Risk Management Agency (RMA) Regional Offices to issue underwriting procedures for Category C crops that modify procedure and to provide additional underwriting procedure for regional exceptions.

Paragraph 1863 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. Events that caused widespread damage to Category C perennial crops are listed in the chart below:

Reinsurance Year	Crop Year	Event(s)	Crop/Applicable States
2021	2021	Freeze/Frost	Apples: GA, SC
2022	2022	Freeze/Frost	Blueberry: GA
2023	2023	Cold Wet/Freeze/Frost	Peach: AL, GA, SC

This damage may inadvertently identify certain Category C perennial crops for high variability adjustments. To expedite the approved Actual Production History (APH) yield process and decrease the number of requests for Regional Office determined yields, the Valdosta Regional Office issues these guidelines.

Paragraph 2202 of the CIH outlines issuance and use of RO Underwriting Guidelines (UG). Paragraph 2205B Category C Crops provides RO Determined Yield request requirements. Paragraph 2233A provides additional guidance for High Variability Determined Yields.

Effective for the 2024 crop year, these Regional Office UG are in effect for Apples, Blueberries, and Peaches in the states of Alabama, Georgia, and South Carolina.

ACTION

A. High Variability Requests

For blocks or units meeting the criteria for high variability of actual yields in CIH Paragraph 1863 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 2021, 2022, and/or 2023 for the crops and states listed above, resulting in lower yields which inappropriately trigger an alternate bearing adjustment or downward trending adjustment.

For all databases meeting the above stated criteria resulting in no adjustment, Special Case Indicator “D” should be submitted. In accordance with procedures in the CIH 1863B(1), Yield Exclusion (YE) may apply. If applicable, Yield Substitution (YA) and Quality Loss Option (QL) is authorized; however, Cup (YC) procedures are not applicable for any database identified for high variability of actual yields. For additional guidance on Special Case Yield Indicators, YA/QL applicability, or Yield Limitation Flags, refer to the 2024 CIH, Exhibit 22.

B. High Variability Request Documentation Guidance

For insureds submitting RO Determined Yield requests, additional documentation should be provided for any indemnified years not excluded by this guide to prove that weather related events occurred that resulted in lower yields which inappropriately triggered an alternate bearing adjustment or downward trending adjustment. This documentation should contain specific information about the weather event including the location and date of the event and specific conditions that led to crop damage. This information should come from a third-party source, such as Cooperative Extension, the news, or other published weather data sources.

Please contact the Valdosta Regional Office at RSOGA@usda.gov if you have any additional questions.

DISPOSAL DATE

August 31, 2024