



United States
Department of
Agriculture

July 28, 2023

Farm Production
and Conservation

Risk
Management
Agency

4405 Bland Road
Suite 160
Raleigh, NC 27609

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: Alexander Sereno /s/
Director, Raleigh Regional Office

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

| Crop Year | Event(s) | Applicable States |
|------------------|--|--|
| 2016 | Freeze, Significant Drought | CT, MA, MD, ME, NH, NJ, NY, NC, PA, RI, VA, VT, WV |
| 2017 | Damaging Freeze | NC |
| 2020 | Freeze/Frost, Excess Moisture | CT, MA, MD, ME, NH, NJ, NY, NC, PA, RI, VA, VT, WV |
| 2021 | Freeze/Frost, Damaging Hail | NC |
| 2023 | Damaging Freeze, Excess Moisture, Flooding | CT, MA, MD, ME, NH, NJ, NY, NC, PA, RI, VT |

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 Raleigh 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, 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 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 2016, 2020, and/or 2023 for all states listed above, resulting in lower yields which inappropriately trigger an alternate bearing adjustment or downward trending adjustment. Additionally, the AIP may approve the procedure as stated above if the AIP verifies high variability is due to severe weather-related events in 2017 and/or 2021 in North Carolina, 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. If applicable, Yield Substitution (YA) and Quality Loss Option (QL) is authorized; however, Yield Exclusion (YE) and CUP procedure are not applicable for any database identified for high variability of actual yields. For additional guidance on Special Case Yield Indicators, YA or YE 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 Raleigh Regional Office at RSONC@usda.gov if you have any additional questions.

DISPOSAL DATE

August 31, 2024