

UNDERWRITING GUIDELINES Cabbage Actual Production History (APH) Plan

These guidelines are effective beginning with the April 30, 2003, contract change date for the 2004 crop year.

Acceptable APH Records for Cabbage (Fresh Market and Processing)

The following procedures provide information in addition to the FCIC 18010 Crop Insurance Handbook (CIH) for calculating APH yields for cabbage.

If farm management records are used to support production reports, they must be substantiated by records from a marketing outlet, processor, packer, first handler, etc. Third party verification of farm management records may be required. Boxes, bags, cartons, tons, or other measures of production, must be converted to hundredweight (one hundred pounds avoirdupois).

Acceptable Supporting Records: Production that is sold or delivered at the time of harvest must include cabbage sold for fresh market and/or processing cabbage. Acceptable supporting records for:

- 1 Processing cabbage must include settlement sheets that show the weight for which the producer is paid.
- 2 Fresh market cabbage must include settlement sheets that show the packout weight (weight of packed cabbage for which the producer is paid).

Farm Stored Production: Production records are required that show the GROSS weight of stored cabbage if an inspection is not made prior to cabbage being placed in storage. A copy of the weight slips (identifying the unit, producer's name, policy number, crop name, type, and practice for the production) and production measurements must be provided.

Direct-marketed Production: Acceptable record guidelines are in Section 10, Paragraph C(4)(e) of the CIH.

If different "T" Yields are provided for practice, type, or variety, separate APH yields must be established for each practice, type, or variety.

Processing Cabbage: If there is unharvested acreage, follow procedure in the CIH, Section 6, Paragraph J(1)(b).

SUPPLEMENTAL INSTRUCTIONS
for the
CABBAGE CROP INSURANCE PILOT PROGRAM

These supplemental instructions are effective beginning with the April 30, 2003, contract change date for the 2004 crop year.

SPECIAL PROVISIONS OF INSURANCE ACREAGE LIMITATION STATEMENT

CIH SECTION 5 - UNDERWRITING & APH RESPONSIBILITIES (CAT. B&C CROPS)

In addition to the responsibilities in Section 5A of the Crop Insurance Handbook (CIH), agents and representatives of the reinsured companies are responsible for:

- (a) Reminding the applicant/insured of the acreage limitation published in the Special Provisions of Insurance; and
- (b) Calculating the yield conversion factor and production guarantee according to the Special Provisions of Insurance.

The acreage limitation will not apply to an acreage increase of five or less acres or to any acreage of processing cabbage under contract.

In addition to the responsibilities in Section 5B of the CIH, applicants/insureds are responsible for providing written documentation of acreage data to the agent/representative. This acreage data will be used to calculate the yield conversion factor. The documentation must be submitted at the time of application for new insureds or by the sales closing date for carryover insureds and must include one of the following:

- (a) Copies of cabbage acreage reports previously recorded for crop insurance purposes;
- (b) Copies of acreage reports previously recorded at FSA (such as a Form FSA 578 or other FSA computer generated forms);
- (c) Letters on official letterhead that are signed and dated by the Extension Agent from each County Extension Service office where the cabbage was grown, with the producer's/insured's name, address, county name where the cabbage was grown, and acreage of cabbage grown by crop year. Examples of acceptable documentation of acreage evidence for these letters include planting/transplanting records (e.g., seed or transplant receipts, fertilizer and pesticide receipts).

This documentation will satisfy the requirements in the Special Provisions of Insurance statement.

In addition to the responsibilities in Section 5C of the CIH, the reinsured company verifiers are responsible for reviewing the written documentation of acreage data furnished and determining that it is complete and accurate.

The reinsured company must notify the applicant/insured of any reduction in the production guarantee no later than 30 calendar days after the acreage reporting date. The reinsured company's calculations of the yield conversion factor must be in writing and dated. The reinsured company must place copies of the prior years' acreage and the calculation of the yield conversion factor documentation in the insured's official file. The reinsured company must enter the appropriate yield conversion factor on the acreage report in the remarks section (to three decimal places). If the yield conversion factor is 1.000 or above, 1.000 will be used in the calculation of the approved production guarantee and will be the yield conversion factor reported on the acreage report.

CIH SECTION 6J - APH PROVISIONS BY CROP

The Special Provisions of Insurance contain an acreage limitation statement that limits liability if the applicant/insured plants more than 125 percent of the highest acreage planted in any one of the most recent three crop years. This limitation does not apply to an acreage increase of five acres or less or to any acreage of processing cabbage under contract.