



United States
Department of
Agriculture

Risk
Management
Agency

1400 Independence
Avenue, SW
Stop 0801
Washington, DC
20250-0801

BULLETIN NO: MGR-05-006

TO: All Reinsured Companies
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Ross J. Davidson, Jr. /s/ *Ross J. Davidson, Jr.* 5/4/4005
Administrator

SUBJECT: Regional Irrigation Assessments and Associated Reviews

BACKGROUND:

The Loss Adjustment Manual Standards Handbook, FCIC 25010 requires RMA Regional Offices (RO) to advise of areas where there is a suspected lack of irrigation water. Accordingly, Regional Irrigation Assessments are provided by the Billings, Davis, Spokane, Topeka and Oklahoma City ROs as attachments. Federal crop insurance policies require producers to report as irrigated only that acreage for which the producer has adequate facilities and adequate water, or the reasonable expectation of adequate water, at the time coverage begins to carry out a good irrigated practice. The attached Regional Irrigation Assessments provide information about the status of the irrigation water and identifies counties where there is a suspected lack of irrigation water.

Section 7(C)(4) of Manual 14 in effect through the 2004 reinsurance year required a random selection of 5 percent of all crop insurance contracts with irrigated practices for field inspection in areas where water inadequacies are suspected. Section III.A.14 of Appendix IV to the 2005 Standard Reinsurance Agreement states that the Company is responsible for conducting such other reviews (including monitoring programs) as may be determined necessary by FCIC to protect program integrity.

ACTION:

Companies shall randomly select 5 percent of all eligible crop insurance contracts with irrigated practices for field inspections in areas where RMA has identified a suspected lack of irrigation water and report the results to RMA. Companies shall incorporate these reviews in their quality control plan as required by section III.A.13 of Appendix IV. Field inspections will include, but are not limited to, verification that acreage was properly reported under the irrigated practice and that adequate facilities were in place when insurance attached. Field inspections are to be performed as soon as possible after insurance attaches and may be combined with other required quality control reviews.



The Risk Management Agency Administrators
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

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The report to RMA must include, but is not limited to:

- The policy, state, county, crop;
- Source of irrigation water (well, reservoir, North River Water System, etc.);
- A Yes or No opinion, based on the attached RMA Regional Irrigation Assessments and results of the field inspections, that there is or is not a reasonable expectation of adequate irrigation water for the crop acreage insured under an irrigated practice;
- A reference to the water adequacy information that the insured had available at the time insurance attached to support the report of acres insured as irrigated;
- The determination that adequate facilities were or were not present when coverage attached;
- Confirm that the producer did or did not receive a copy of the Irrigation Guidelines; and
- A narrative section to identify follow up action needed and with which, if any, quality control review this irrigation field inspection was combined.

Review results, in an Excel format, are to be sent to Risk Management Services Division at RMA.RMSD@rma.usda.gov on or before August 25, 2005.

DISPOSAL DATE:

This bulletin is in effect until December 31, 2005.