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TOBACCO (QUOTA) LOSS ADJUSTMENT STANDARDS HANDBOOK 1999 and Succeeding Crop Years

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

FEDERAL CROP INSURANCE HANDBOOK	NUMBER: 25530 (03-1999) 25530-1 (05-1999)
SUBJECT: QUOTA TOBACCO LOSS ADJUSTMENT STANDARDS HANDBOOK 1999 AND SUCCEEDING CROP YEARS	DATE: MAY 11, 1999
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THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 1999 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR THIS CROP FOR 1999 AND SUCCEEDING CROP YEARS, ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

Major Changes: See changes or additions in text which have been **redlined**. Three stars (***) identify information that has been removed.

Changes:

- A. Deleted the word "STANDARDS" from the headings of the TABLE OF CONTENTS pages.
- B.. Added "times Column "O" to Section I, item R instructions for the Production Worksheet.
- C. Added statement regarding tobacco which has no market value and is destroyed (item u of the Narrative).

QUOTA TOBACCO LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

Control Chart For: Quota Tobacco Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-2	1-2	21-24		03-1999	FCIC-25530
Insert	1-2	1-2	21-24		05-1999	FCIC-25530-1
Current Index	1-2	1-2	1-20 21-24 25-30	31-39	05-1999 03-1999 05-1999 03-1999	FCIC-25530-1 FCIC-25530 FCIC-25530-1 FCIC-25530

QUOTA TOBACCO LOSS ADJUSTMENT HANDBOOK

TABLE OF CONTENTS

	<u>PAGE</u>
1. INTRODUCTION	1
2. SPECIAL INSTRUCTIONS	1
A. DISTRIBUTION	1
B. TERMS, ABBREVIATIONS, AND DEFINITIONS	1
3. INSURANCE CONTRACT INFORMATION	2
A. INSURABILITY	3
B. PROVISIONS NOT APPLICABLE TO CAT COVERAGE	3
C. UNIT DIVISION	3
D. QUALITY ADJUSTMENT	3
4. REPLANTING PROCEDURES	4
5. TOBACCO APPRAISALS	4
A. GENERAL INFORMATION	4
B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS	4
C. MEASURING ROW WIDTH FOR SAMPLE SELECTION	4
D. STAGES OF GROWTH	5
6. APPRAISAL METHODS	6
A. GENERAL INFORMATION	6
B. STAND REDUCTION/LEAF COUNT METHOD	6
C. CURED TOBACCO HANGING IN THE BARN METHOD	9
7. APPRAISAL DEVIATIONS AND MODIFICATIONS	10
A. DEVIATIONS	10
B. MODIFICATIONS	10

QUOTA TOBACCO LOSS ADJUSTMENT HANDBOOK

TABLE OF CONTENTS (Continued)

PAGE

8. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES	11
A. GENERAL INFORMATION	11
B. WORKSHEET ENTRIES AND COMPLETION INFORMATION	11
C. APPRAISAL WORKSHEET EXAMPLE	16
9. CLAIM FORM ENTRIES AND COMPLETION PROCEDURES	17
A. GENERAL INFORMATION	17
B. FORM ENTRIES AND COMPLETION INFORMATION	18
SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS ..	20
SECTION II - HARVESTED PRODUCTION	26
CLAIM FORM EXAMPLE	30
10. REFERENCE MATERIAL	31
TABLE A - MINIMUM SAMPLE REQUIREMENTS FOR REPRESENTATIVE SAMPLES	31
TABLE B - FEET OF ROW PER 100 TOBACCO PLANTS AND NUMBER OF PLANTS PER NET ACRE, SELECTED PLANT SPACINGS AND ROW WIDTHS ...	31
TABLE C - TRACTOR ROW ACREAGE CORRECTION FACTORS	33
4 ROW PATTERN - 5TH TRACTOR ROW	33
6 ROW PATTEN - 7TH TRACTOR ROW	34
8 ROW PATTERN - 9TH TRACTOR ROW	35
EXHIBIT 1 - FIRE LOSS INSTRUCTIONS	36
EXHIBIT 2 - TOBACCO QUOTA TO BE USED WHEN ONE FARM SERIAL NUMBER IS COMMON TO SEVERAL TOBACCO PRODUCERS	39

1. INTRODUCTION

This handbook identifies the crop-specific procedural requirements for adjusting Multiple Peril Crop Insurance (MCI) losses in a uniform and timely manner. These procedures, which include crop appraisal methods and claims completion instructions, supplement the general (not crop-specific) procedures, forms, and manuals for loss adjustment identified in the Loss Adjustment Manual (LAM).

2. SPECIAL INSTRUCTIONS

This handbook remains in effect until superseded by reassurance of **either** the entire handbook **or** selected portions (through slipsheets or bulletins). If slipsheets have been issued for a handbook, the original handbook as amended by slipsheet pages shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slipsheets.

A. DISTRIBUTION

The following is the minimum distribution of forms completed by the adjuster for the loss adjustment inspection:

One legible copy to insured. The original and all remaining copies as instructed by the insurance provider.

NOTE: It is the insurance provider's responsibility to maintain original insurance documents relative to policyholder servicing as designated in their approved plan of operations.

B. TERMS, ABBREVIATIONS, AND DEFINITIONS

- (1) Terms, abbreviations, and definitions that are **general** (not crop specific) to loss adjustment are identified in the LAM.
- (2) Terms, abbreviations, and definitions **specific** to quota tobacco loss adjustment and this handbook, which are not defined in this section, are defined as they appear in the text.

(3) Definitions:

Effective poundage marketing quota

The farm marketing quota as established and recorded by the local FSA office for the land identified by the FSA farm serial number plus any additional poundage, as allowed by the USDA Tobacco Marketing Quota Regulations, that the insured intends to produce for each unit in that crop year minus the amount of carryover tobacco. The term may not include any tobacco that would be subject to a marketing quota penalty under USDA Tobacco Marketing Quota Regulations. For any crop year in which there are no effective USDA Tobacco Marketing Quota Regulations, the effective poundage marketing quota will be the pounds obtained by multiplying the applicable approved yield per acre by the lower of the reported or insured acreage on the basic unit, unless otherwise provided by the actuarial documents.

Harvest

Cutting and removing all insured tobacco from the field in which it was grown.

Insured poundage quota

The lesser of:

- (1) The product (in pounds) obtained by multiplying the effective poundage marketing quota for the land identified by a FSA farm serial number by the selected coverage level; or
- (2) The farm yield or approved yield, as applicable, adjusted for late planting in accordance with the Crop Provisions, if applicable, multiplied by the appropriate number of insured acres and by the insured's selected coverage level.

Stick

A piece of wood that is approximately 1-inch square and 42 inches long used for the purpose of hanging stalks of tobacco in the tobacco barn. One stick will accommodate about 6 stalks of average size tobacco.

3. INSURANCE CONTRACT INFORMATION

The insurance provider is to determine that the insured has complied with all policy provisions of the insurance contract. Crop provisions which are to be considered in this determination include (but are not limited to):

A. INSURABILITY

- (1) The crop insured will be **any of the tobacco types designated in the Special Provisions for the county**, in which the insured has a share and elects to insure, and for which a premium rate is provided by the actuarial documents.
- (2) The crop insured will not include any poundage above the effective poundage marketing quota or the insured poundage quota.

NOTE: See section 2 B (3) for the definitions of Effective Poundage Marketing Quota and Insured Poundage Quota.

- (3) Any acreage planted to tobacco of a discount variety is not insurable.
- (4) Unless otherwise provided in the Special Provisions, or by written agreement, any acreage of quota tobacco planted in any other manner than as provided in the definition of “planted acres” in the Quota Tobacco Crop Provisions is not insurable

B. PROVISIONS NOT APPLICABLE TO CAT COVERAGE

- (1) High Risk Land Exclusion.
- (2) Written Agreements.
- (3) Hail and Fire exclusion provisions (also not applicable to limited coverage).

C. UNIT DIVISION

See the insurance contract for unit provisions. A basic unit is all insurable acreage of an insurable type of tobacco in the county in which the insured has a share on the date of planting for the crop year, and that is identified by a single FSA farm serial number at the time insurance first attaches for the crop year. Optional units are not applicable, unless specified by the Special Provisions.

D. QUALITY ADJUSTMENT

Mature tobacco production that is damaged by insurable causes will be adjusted for quality based on the USDA Official Standard Grades for the insured type of tobacco. Production to count is reduced through price reductions at the warehouse or from the buyer. Production to count is obtained by multiplying the gross production (in whole pounds) by the price received, per pound, for the insured tobacco. Thus, if the price received is less than the support price (used in determining the amount of insurance), then quality adjustment is applicable.

1. REPLANTING PROCEDURES

There is currently no replanting payment available for quota tobacco. Refer to the Basic Provisions and the crop provisions for this crop for replanting requirements prior to the final planting date.

5. TOBACCO APPRAISALS

A. GENERAL INFORMATION

Potential production will be appraised in accordance with procedures specified in this handbook and the LAM.

B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS

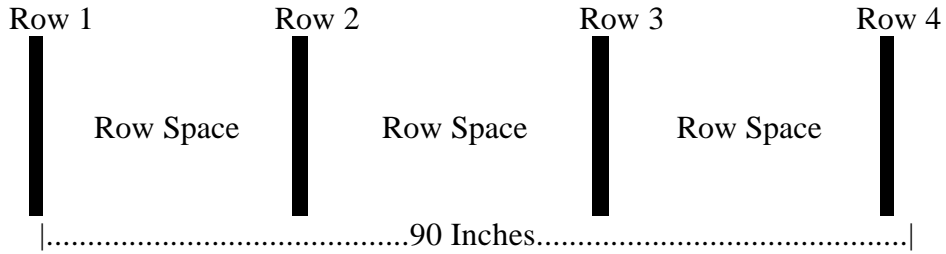
- (1) Make a general examination of all acreage in the field.
- (2) Determine the number of required samples for a field or subfield by the field size, the average stage of growth, age (size) and general capabilities of the plants, and variability of potential production and plant damage within the field or subfield.
- (3) Split the field into subfields when:
 - (a) variable damage causes the crop potential to appear to be significantly different within the same field; or
 - (b) the insured wishes to destroy a portion of a field.
- (4) Each subfield must be appraised separately.
- (5) Use as many samples as necessary to accurately determine potential production. Minimum sample requirements are shown in **TABLE A**.

C. MEASURING ROW WIDTH FOR SAMPLE SELECTION

Use these instructions for all appraisal methods:

- (1) Use a measuring tape marked in inches, or convert a tape marked in tenths, to inches, to measure row width (see LAM for conversion table).
- (2) Measure across **THREE OR MORE** row spaces, from the center of the first row to the center of the fourth row (or as many rows as needed) and divide the result by the number of row spaces measured across, to determine an average row width in whole inches.

EXAMPLE:



$90 \text{ inches} \div 3 \text{ row spaces} = 30 \text{ in. average row width}$

- (3) Where rows are skipped for tractor and planter tires, refer to the LAM.

NOTE: See **TABLE C** for determining acreage where field has tractor rows out.

D. STAGES OF GROWTH

- (1) Sampling Procedures:

- (a) Determine the average growth stage in selected representative samples. The stage of growth will be the stage of development in which at least 50% of the plants in the representative sample have reached.
- (b) Use the stage of growth at the date of adjustment (the date when the adjuster first appraises crop damage) when determining yield loss.

NOTE: The correct timing of crop damage appraisals is important to establish growth stage and cause of damage before regrowth occurs.

- (2) Length of Time Required to Reach Various Stages of Growth After Transplanting:

Stages	Length of Time (After Transplanting)
Beginning of growth	3 to 7 days
10 th leaf stage	4 to 5 weeks
Bloom stage	6 to 9 weeks
Beginning of harvest	2 to 2 ½ months
Completion of harvest	3 to 4 months

- (3) Leaf size may vary. Size may be affected by drought, excessive moisture, disease, or cultural practices.

6. APPRAISAL METHODS

A. GENERAL INFORMATION

These instructions provide information on appraisal methods for:

Appraisal Method...	Use...
Stand Reduction/Leaf Count Method	from the time of transplanting until all of the crop is harvested or removed from the field.
Cured Tobacco Hanging in the Barn Method	for tobacco which is completely cured and in proper moisture content to prepare for market.

B. STAND REDUCTION/LEAF COUNT METHOD

(1) **Stand Reduction Procedure:**

- (a) Using the Row Width column (in inches) and the Spacing Between Plants column (in inches), in **TABLE B**, determine the length of row per 100 plants, and the number of plants per acre in the original planting pattern.
- (b) Select representative areas and rows in the field or subfield for each sample. Pick a random point to start in the row. Measure the length of row per 100 plants determined in (a) above.
- (c) Count the number of remaining plants in the sample that will produce **MARKETABLE** leaves. Subtract this number from 100 to determine plant loss per 100 plants.

NOTE: **MARKETABLE** leaves are leaves of sufficient size and quality to meet USDA Official Grade Standards and could be marketed at the warehouse or other sale.

(2) **Determining Percent Potential:**

- (a) Potential production on high plant population acreage does not usually decrease in direct proportion to a decrease in plant population. When plant population of the original stand is about 6000 plants per acre or less, the potential production is usually in direct proportion to reduction of stand. Refer to **TABLE B**. When the plant population is above the heavy line in **TABLE B**, **ONLY THE PERCENT OF STAND REDUCTION IN EXCESS OF 10 PERCENT IS ALLOWED TOWARD REDUCTION IN THE PERCENT OF POTENTIAL. STAND REDUCTIONS TO PLANT POPULATIONS BELOW THE HEAVY LINE ARE ALLOWED IN DIRECT PROPORTION TO PLANT REDUCTIONS.**

- (b) When the original plants per acre are above the heavy line as indicated in **TABLE B**, or otherwise calculated to be 6,198 or greater, subtract the average percent of plant loss from 110.0 to obtain the percent potential.
- (c) When the original plants per acre are below the heavy line, as indicated in **TABLE B**, or otherwise calculated to be less than 6,198, subtract the average percent plant loss from 100.0 to obtain the percent potential.

NOTE: THE PERCENT POTENTIAL CANNOT EXCEED 1.000.

EXAMPLE:

<u>Above Heavy Line</u>	<u>Below Heavy Line</u>
110.0	100.0
<u>- 12.0</u> % Plant Loss	<u>- 12.0</u> % Plant Loss
98.0 % Potential	88.0 % Potential

NOTE: Enter percent potential (expressed as a 3-place decimal) in item 26 of the Appraisal Worksheet (e.g., 98.0 % entered as .980).

- (d) The potential yield per acre is based on the determination of the number of normal leaves per acre after damage plus the number of leaves yet to emerge (if any), divided by the number of normal leaves (60) required to weigh one pound.
- (3) **Leaf Count Procedure:**
- (a) In each sample row used to determine STAND REDUCTION, select 10 consecutive PLANTS WHICH WILL PRODUCE MARKETABLE LEAVES.
 - (b) Strip the 10 consecutive plants of all UNMARKETABLE leaves and UNMARKETABLE portions of leaves. Count the number of leaves remaining on ALL 10 PLANTS.
 - (c) Examine the leaves counted in (b) above. Estimate the average size relative to a normal leaf (considering the stage of maturity). Using the FACTOR TABLE on the tobacco appraisal worksheet, find the column titled "NO. OF LEAVES REQUIRED TO EQUAL ONE NORMAL LEAF." Find the appropriate conversion factor in the column titled "MULTIPLY NO. OF LEAVES COUNTED BY FACTOR. If the number of leaves required to make a normal leaf is more than 2, use the table in item 12 of the Appraisal Worksheet instructions. If the appropriate conversion factor is not found on the Appraisal Worksheet, or in the Factor Table in item 12 of the Appraisal Worksheet instructions, use the Mature Tobacco Leaf Computation below. Show computations in "Remarks" of the appraisal worksheet or on a Special Report.

(4) **Mature Tobacco Leaf Computation:**

- (a) Measure length and width, in inches, of the largest leaf, on each of the 10 consecutive live plants in the sample.

1 Total the lengths of the largest leaf on the 10 plants and divide by 10.

2 Total the widths of the largest leaf on the 10 plants and divide by 10.

3 Multiply the average length, obtained in 1 above, times the average width, obtained in 2 above, and divide by 371 (sq. in./avg. leaf) = leaf size factor (round to tenths).

EXAMPLE: 22.2 (average length from 10 plants)
x 11.1 (average width from 10 plants)
246.4 ÷ 371 = .664 or .7 factor.

- (b) Do not use if plants are not completely mature.

(5) **Appraised Production Calculation:**

- (a) Determine the number of MARKETABLE leaves on the 10 plants in the sample.

- (b) Multiply the number in (a) above times the Leaf Factor.

- (c) Add to the result of (b), the number of leaves to emerge on the 10 plants, to obtain the estimated total marketable leaves on 10 plants.

- (d) Divide the result in (c) above by 10 to obtain the average number of marketable leaves per plant.

- (e) Multiply the average number of marketable leaves per plant in (d) above by the number of plants per acre in the original planting pattern, then multiply the result by the percent potential to obtain the total marketable leaves per acre.

- (f) Divide the total marketable leaves per acre obtained in (e) above by the number of leaves per pound to obtain the pounds of potential per acre.

NOTE: Items (e) and (f) above do not apply to the Mature Tobacco Leaf Computation.

EXAMPLE:

70 (Number of marketable leaves on 10 plants)
X .5 (Leaf factor)
+ 60 (Leaves to emerge on 10 plants)
= 95 (Estimated total marketable leaves on 10 plants)
÷ 10 (Plants)
= 9.5 (Average number of marketable leaves per plant)
X 6,534 (Number of plants per acre in original planting pattern)
X .75 (% Potential)
= 46,555 (Total marketable leaves per acre)
÷ 60 (Leaves per pound)
= 776 (Pounds of potential per acre)

C. CURED TOBACCO HANGING IN THE BARN METHOD

Record all stick counts, leaf weight, percentage determinations, grades, prices, and calculations on a Special Report.

- (1) Remove and appraise sticks of average tobacco selected randomly throughout the barn. It is recommended that you appraise at least the greater of 15 sticks per determined acre, or 1 percent of the total number of sticks and record the number of sticks.
- (2) Strip and grade into piles the tobacco leaves according to current government grading procedures not to exceed a NO GRADE and 3 price-supported grade piles.

NOTE: If the tobacco in the barn has deteriorated to the extent that it has a NO GRADE or zero (0) value, separate it into a separate pile and deliver to the nearest head government grader for the purpose of determining that it does have a NO GRADE or zero (0) value.

- (3) Weigh and identify each grade pile to the nearest tenth of a pound and record the weights and identification. Then, weigh the entire stripped production collectively to determine the accuracy of individual weights by grade. The collective weight should equal the sum of individual grade weights. Maintain separation of grades by binding each grade pile with string.
- (4) Divide the total weight of each grade by the total weight to determine the percentage of leaf (by weight) produced in each grade. Record the percentages to the nearest 1/10 of 1 percent.
- (5) Deliver representative samples of each grade consisting of 1 to 2 pounds (or the entire production if less than 1 pound) to the nearest head government tobacco grader for grading and assigning a price, if necessary.

- (6) Divide the total weight of the stripped production by the number of sticks recorded in (1) above and round to the nearest thousandth of a pound, to determine the average weight per stick in the barn(s) and record the results.
- (7) Determine the number of sticks in the barn by counting the number of rails and multiplying by the average number of sticks per rail and record.
- (8) Multiply the average weight of stripped production per stick determined in (6) above, by the total number of sticks to obtain the gross production and record. This poundage will be entered in Section II, Item G of the TPC Production Worksheet.
- (9) Multiply the gross production by the percentage (nearest tenth percent) of each grade sample to determine pounds of each grade and record.
- (10) Multiply the pounds of each grade by the price for the grade or the price assigned by the government grader. Divide the sum of all production prices by the gross poundage to determine the average price per pound and record. Enter the price in Section II, Item H₁ of the TPC Production Worksheet.
- (11) To determine the price of harvested production before fire damage, reduce the average price per pound determined in item (10) above by the prevailing custom stripping, hauling, and other related costs per pound, because this damaged tobacco will not be sold and was not subject to the above costs. Secure this information from three surrounding farms when total unit is consumed in fire. Use the comparison formula in the LAM.

7. APPRAISAL DEVIATIONS AND MODIFICATIONS

A. DEVIATIONS

Deviations in appraisal methods require FCIC written authorization (as described in the LAM) prior to implementation.

B. MODIFICATIONS

There are no pre-established modifications contained in this handbook. See the LAM for additional information.

8. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES

A. GENERAL INFORMATION

- (1) Include the insurance provider's name in the tobacco appraisal worksheet's title if not preprinted on the insurance provider's worksheet, and when a worksheet entry is not provided.
- (2) Include the claim number on the appraisal worksheet (when required by the insurance provider), when a worksheet entry is not provided.
- (3) Separate appraisal worksheets are required for each unit appraisal and for each field or subfield which has a differing base (APH) yield, farm yield (if applicable), or farming practice. Refer to section 5 for sampling instructions.

NOTE: Standard appraisal worksheet items are numbered consecutively in subsection B. An example appraisal worksheet is also provided to illustrate how to complete entries.

B. WORKSHEET ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

Item

No.

Information Required

Company: Name of insurance provider, if not preprinted on the worksheet. (Company Name)

Claim Number: Claim number as assigned by the insurance provider.

1. **Insured's Name:** Name of insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2. **Policy Number:** Insured's assigned policy number.
3. **Farm Serial Number:** FSA Farm Serial Number.
4. **Crop Year:** Crop year, as defined in the policy, for which the claim is filed.
5. **Type:** The number designating the type of tobacco (031).
6. **Total No. Plants per Acre:** The number of plants per acre in the original stand. Complete items 16 and 17. Apply those values to **TABLE B** to determine the number of plants per acre in the original stand and enter in this item.

7. **Unit No.:** Five-digit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).

Field No.: Field or subfield identification symbol.

8. **No. Acres:** Number of acres to hundredths (include "E" if estimated) in the field or subfield being appraised.

PART I - SAMPLE DETERMINATIONS

9. **Leaf Stage:** Estimate of the number of leaves present per plant at the date of damage.

10. **Percent Plant Loss:** Number of plants lost from the original stand for each 100-plant sample (100 minus the number of remaining plants). When all samples are completed, enter the total for all samples at the bottom of the column. See subsection 6 B.

11. **Number Leaves on Ten Stalks:** Total number of marketable leaves on 10 consecutive LIVE plants for each sample. (See subsection 6 B for information on determination of "Marketable Leaves.")

12. **Leaf Factor:** Examine leaves counted in item 11. If leaves are not normal in size, determine the factor to be used to convert leaves to normal leaves from the Factor Table on the appraisal worksheet or the following table, if applicable.

FACTOR TABLE	
Number of Leaves Required to Equal One Normal Leaf	Multiply Number of Leaves Counted by Factor
2 ½	.4
3-4	.3
5	.2

13. **Number Normal Leaves:** Multiply the number of leaves on ten stalks (item 11) times the leaf factor (item 12) and round to the nearest tenth.

14. **Leaves to Emerge:** Total number of leaves which normally would be expected to emerge for harvesting from the same 10 plants.

15. **No. of Normal Leaves on Ten Stalks:** Sum of number of normal leaves (item 13) and leaves to emerge (item 14). Enter the total for all samples at the bottom of the column.

16. **Row Width:** Distance between rows (in whole inches) in the original planting pattern.

17. **Spacing:** Spacing between plants in each row (in whole inches) in the original planting pattern. See **TABLE B** for instructions.

18. **Samples:** Number of samples taken in field or subfield.
19. **Average % Plant Loss:** Divide the total of Percent Plant Loss (item 10) by the number of samples (item 18) and round to the nearest tenth.
20. **Total No. of Samples Checked:** Number shown in item 18.
21. **Avg. Leaves per Sample:** Divide the total number of normal leaves on ten stalks (item 15) by total number of samples checked (item 20) and round to the nearest tenth.
22. MAKE NO ENTRY. "10" is preprinted on the form.
23. **Avg. No. Normal Leaves per Stalk:** Divide the average number of leaves per sample (item 21) by "10" (item 22) and round to the nearest tenth.

PART II

24. **Avg. No. Normal Leaves per Stalk:** Number shown in item 23.

NOTE: MAKE NO ENTRY IN ITEMS 25 - 29, IF THE MATURE TOBACCO LEAF SIZE FACTOR COMPUTATION IS USED.

25. **Plants per Acre:** Number shown in item 6.
26. **% Potential:** 110.0% or 100.0% minus the average percent plant loss (item 19) divided by 100. Refer to subsection 6 B for the calculation of percent potential.
27. **Total Number Leaves per Acre:** Multiply the average number of normal leaves per stalk (item 24) times plants per acre (item 25) times percent potential (item 26) and round to nearest whole leaf.
28. **Number of Leaves per Pound:** The number "60" (number of normal leaves per pound).
29. **Appraisal per Acre:** Divide the total number of leaves per acre (item 27) by number of leaves per pound (item 28) and round to the nearest whole pound.

NOTE: ITEMS 30-32 INSTRUCTIONS ARE APPLICABLE ONLY WHEN THE MATURE TOBACCO LEAF SIZE FACTOR COMPUTATION IS USED.

30. **% POTENTIAL:** Percent Potential (recorded as a decimal; i.e., 63.5 percent recorded as .635). Refer to instructions in subsection 6 B (2) and item 26 for determining percent potential and to subsection 6 B (4) for explanation of Mature Tobacco Leaf Size Factor Computation.
31. MAKE NO ENTRY. "100" is preprinted on the form. **NOTE:** Form entry of one leaf per stalk is equivalent to 100 pounds per acre potential.

32. **Appraisal Per Acre:** Result of multiplying the number of normal leaves per stalk (item 24) times percent potential (item 30) times form entry of one leaf per stalk (item 31) and round to the nearest whole pound.
33. **Remarks:** Any remarks concerning any unusual circumstances or as required by the insurance provider. Explain that this is the production anticipated if no additional damage occurs. Explain your determination of the leaf factor(s) used in item 12, if entry is different than the Factor Table on the Appraisal Worksheet.
34. **Insured's Signature and Date:** Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining insured's signature, REVIEW ALL ENTRIES on the Appraisal Worksheet WITH THE INSURED, particularly explaining codes, etc., which may not be readily understood.
35. **Adjuster's Signature, Code Number, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured's authorized representative) has signed. If the appraisal is performed prior to signature date, document the date of the appraisal in the Remarks/Narrative section of the Appraisal Worksheet (if available); otherwise, document the appraisal date in the Narrative of the TPC Production Worksheet.

Page Number: Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

COMPANY ANY COMPANY

CLAIM NUMBER XXXXXXXX

FOR ILLUSTRATION PURPOSES ONLY APPRAISAL WORKSHEET TOBACCO	1 INSURED'S NAME I. M. INSURED		2 POLICY NUMBER XXXXXXXX		3 FSA FARM NUMBER 245		4 CROP YR. YYYY	
	5 TYPE 031	6 TOTAL NO. PLANTS PER ACRE 5,940		7 UNIT NO. 00100	FIELD NO. B	8 NO. ACRES 20.00	9 LEAF STAGE 10	

PART I - SAMPLE DETERMINATIONS							16 ROW WIDTH 48		17 SPACING 22	
SAMPLE NO.	10	11	12	13	14	15	FACTOR TABLE			
	PERCENT PLANT LOSS	NUMBER LEAVES ON TEN STALKS	x LEAF FACTOR =	NUMBER NORMAL LEAVES	+ LEAVES TO EMERGE =	NO. OF NORMAL LEAVES ON TEN STALKS	NUMBER OF LEAVES REQUIRED TO EQUAL ONE NORMAL LEAF			MULTIPLY NUMBER OF LEAVES COUNTED BY FACTOR
1	48	23	x 0.5 =	11.5	+ 48 =	59.5	1/2			2.0
2	56	32	x 0.6 =	19.2	+ 40 =	59.2	5/8			1.6
3	45	38	x 0.5 =	19.0	+ 42 =	61.0	3/4			1.3
4	62	28	x 0.5 =	14.0	+ 30 =	44.0	7/8			1.1
5							1			1.0
6							1-1/4			.8
7							1-1/2			.7
8							1-3/4			.6
9							2			.5
10										
TOTAL	211	18 SAMPLES ÷ 4 =	52.8	TOTAL		223.7	20 TOTAL NO. SAMPLES CHECKED ÷ 4 =	55.9	21 AVG. LEAVES PER SAMPLE ÷ 10 =	5.6

PART II		A	
24 AVERAGE NO. NORMAL LEAVES PER STALK	25 PLANTS PER ACRE	26 % POTENTIAL	27 TOTAL NUMBER LEAVES PER ACRE
5.6	x 5,940	x .472	= 15,701
			÷ 60 = 262
	B		
	30 % POTENTIAL	31 POTENTIAL POUNDS PER ACRE OF ONE NORMAL LEAF PER STALK	32 APPRAISAL PER ACRE
	x	x 100	=

33 REMARKS
CONSENT GIVEN TO DESTROY.

34 INSURED'S SIGNATURE I. M. INSURED	DATE MM-DD-YYYY	35 ADJUSTER'S SIGNATURE AND CODE NUMBER I. M. ADJUSTER XXXXX	DATE MM-DD-YYYY
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9. CLAIM FORM ENTRIES AND COMPLETION PROCEDURES

A. GENERAL INFORMATION

- (1) The claim form (hereafter referred to as “TPC Production Worksheet”) is a progressive form containing all notices of damage for all preliminary and final inspections on a unit.
- (2) If a TPC Production Worksheet has been prepared on a prior inspection, verify each entry and enter additional information as needed. If a change or correction is necessary, strike out all entries on the line and re-enter correct entries on a new line. The adjuster and insured should initial any line deletions.
- (3) Refer to the LAM for instructions regarding the following:
 - (a) Acreage report errors.
 - (b) Delayed notices and delayed claims.
 - (c) Corrected claims or fire losses (double coverage) and cases involving uninsured causes of loss, unusual situations, controversial claims, concealment, or misrepresentation.
 - (d) Claims involving a Certification Form (when all the acreage on the unit has been appraised to be put to another use, or other reasons described in the LAM.).
 - (e) "No Indemnity Due" claims (which must be verified by an APPRAISAL or NOTIFICATION from the insured that the production exceeded the guarantee).
- (4) The adjuster is responsible for determining if any of the insured's requirements under the notice and claim provisions have not been met. If any have not, the adjuster should contact the insurance provider.
- (5) Instructions labeled “**PRELIMINARY**” apply to preliminary inspections only. Instructions labeled “**FINAL**” apply to final inspections only. Instructions not labeled apply to ALL inspections.

B. FORM ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

Item

No.

Information Required

1. **Crop/Code #:** "Tobacco" (0231)
 2. **Unit #:** Five-digit unit number from the Summary of Coverage after it is verified to be correct. (e.g., 00100).
 3. **Legal Description:** FSA Farm Serial Number for the unit.
 4. **Date of Damage:** First three letters of the month during which MOST of the insured damage (including progressive damage) occurred for each inspection. Include the SPECIFIC DATE where applicable as in the case of hail damage (e.g., AUG 11).
 5. **Cause of Damage:** Name of insured cause of loss for **this crop** as listed in the LAM. If it is evident that no indemnity is due, enter "NONE." If an insured cause of loss is coded as "Other," explain in the "Narrative."
- NOTE:** See the Basic Provisions and the Crop Provisions for this crop for information pertaining to insured and uninsured causes of loss.
6. **Primary Cause %:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Percent of damage for the cause of damage listed in item 5 above that is determined to be the primary cause of damage, to the nearest whole percent. The primary cause of damage must exceed 50 percent (e.g., 51%). Enter an "X" in the major secondary cause of damage.
 7. **Company/Agency:** Name of the company and agency servicing the contract.
 8. **Name of Insured:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
 9. **Claim Number:** Claim number as assigned by the insurance provider.
 10. **Policy Number:** Insured's assigned policy number.
 11. **Crop Year:** Crop year, as defined in the policy, for which the claim is filed.

12. **Additional Units:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Unit number(s) for ALL non-loss units for the crop at the time of final inspection. A non-loss unit is any unit for which a TPC Production Worksheet has not been completed. Additional non-loss units may be entered on a single TPC Production Worksheet.

NOTE: If more spaces are needed for non-loss units, enter the unit numbers identified as "Non-Loss Units", in the narrative or on an attached Special Report.

13. **Estimated Production Per Acre:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Estimated yield per acre, in whole pounds, of all non-loss units for the crop at the time of final inspection.

14. **Date(s) of Notice:**

PRELIMINARY:

- a. Date the notice of damage was given for the unit in item 2.
- b. A third preliminary inspection (if needed) requires an additional set of TPC Production Worksheets. Enter the date of notice for a third preliminary inspection in the 1st space of item 14 on the second set.
- c. Reserve the "Final" space on the first page of the first set of TPC Production Worksheets for the date of notice for the final inspection.
- d. If the inspection is initiated by the insurance provider, enter "Company Insp" instead of the date.

FINAL: Transfer the last date in the 1st or 2nd space to the FINAL space if a final inspection should be made as a result of the notice. Always enter the complete date of notice (month, day, year) for the FINAL inspection in the FINAL space on the first page of the first set of TPC Production Worksheets. For a delayed notice of loss or delayed claim, see the LAM.

15. **Companion Policies:**

- a. If no other person has a share in the unit (insured has 100 percent share), MAKE NO ENTRY.
- b. In all cases where the insured has LESS than a 100 percent share of a loss-affected unit, ask the insured if the OTHER person sharing in the unit has a multiple-peril contract (i.e., not crop-hail, fire, etc.). If the other person does not, enter "NONE."
 - (1) If the other person has a multiple-peril contract and it can be determined that the SAME insurance provider services it, enter the contract number. Handle these companion policies according to insurance provider instructions.
 - (2) If the OTHER person has a multiple-peril contract and a DIFFERENT insurance provider or agent services it, enter the name of the insurance provider and/or agent (and contract number) if known.
 - (3) If unable to verify the existence of a companion contract, enter "Unknown" and contact the insurance provider for further instructions.

NOTE: See the LAM for further information regarding companion contracts.

SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

Make separate line entries for varying:

- (1) Rate classes, types, or farming practices;
- (2) Approved (APH) yields, if required by the Special Provisions;
- (3) Appraisals;
- (4) Stages or intended use(s) of acreage;
- (5) Shares (e.g., 50 percent and 75 percent shares on the same unit); or
- (6) Appraisals for damage due to hail or fire if hail and fire exclusion is in effect.

Verify or make the following entries:

**Item
No.**

Information Required

A. **Field ID:** The field identification symbol from a sketch map or an aerial photo. See the narrative. In the margin (or in a separate column), enter the date of inspection for the last line entry of each inspection.

B. **Preliminary Acres:**

PRELIMINARY: The number of acres, to hundredths, (include "E" if estimated), for which consent for other use has been given. Determine actual acreage, to hundredths, when the boundaries of the appraised acreage may not be determined later.

FINAL: MAKE NO ENTRY.

- C. **Final Acres:** See the LAM for definition of acceptable determined acres used herein.

Determined acres to hundredths (include “E” if estimated) for which consent is given for other use and/or:

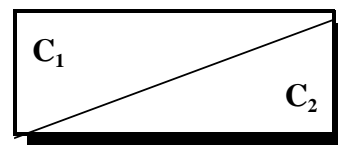
- a. Put to other use without consent.
- b. Abandoned.
- c. Damaged by uninsured causes.
- d. For which the insured failed to provide acceptable records of production.

FINAL: Determined acres to hundredths.

NOTE: Acreage breakdowns WITHIN a unit may be estimated (enter “E” in front of the acres) if a determination is impractical AND if authorization was received from the insurance provider. Document authorization in the Narrative.

ACCOUNT FOR ALL ACREAGE IN THE UNIT. In the event of over-reported acres, handle in accordance with individual insurance provider’s instructions. In the event of under-reported acres, draw a diagonal line in Column “C” as shown.

- C₁ Enter the ACTUAL acres for the field or subfield.
- C₂ Enter the REPORTED acres for the field or subfield.



- D. **Interest or Share:** Insured’s interest in crop to three decimal places as determined at the time of inspection. If shares vary on the same UNIT, use separate line entries.
- E. **Risk:** The correct rate class from the actuarial documents. Verify with the Summary of Coverage, and if the rate class is found to be incorrect, revise according to insurance provider’s instructions. See the LAM.

NOTE: Unrated land is uninsurable without a written agreement.

- F. **Practice:** Three-digit code number, entered exactly as specified on the actuarial documents, for the practice carried out by the insured. If “No Practice Specified,” enter appropriate 3-digit code number from the actuarial documents.
- G. **Type/ Class/ Variety:** Three-digit code number, entered exactly as specified on the actuarial documents for the type grown by the insured. If “No Type Specified,” enter appropriate 3-digit code number from the actuarial documents.

H. **Stage:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Stage abbreviation as shown below.

<u>STAGE</u>	<u>EXPLANATION</u>
--------------	--------------------

"P".....	Acreage abandoned without consent, put to other use without consent, damaged solely by uninsured causes, for which the insured failed to provide records of production which are acceptable to the insurance provider.
----------	--

"H".....	Harvested.
----------	------------

"UH".....	Unharvested or put to other use with consent.
-----------	---

PREVENTED PLANTING: There are no prevented planting provisions for quota tobacco.

I. **Intended or Final Use:** Use of Acreage. Use the following "Intended Use" abbreviations.

<u>USE</u>	<u>EXPLANATION</u>
------------	--------------------

"WOC".....	Other use without consent
------------	---------------------------

"SU".....	Solely uninsured
-----------	------------------

"ABA".....	Abandoned without consent
------------	---------------------------

"H".....	Harvested
----------	-----------

"UH".....	Unharvested
-----------	-------------

NOTE: See subsection 2 (B) (3) and/or the Crop Provisions for the definition of harvest.

Verify any "Intended Use" entry. If the final use of the acreage was not as indicated, strike out the original line and initial it. Enter all data on a new line showing the correct "Final Use."

J. **Appraised Potential:** Per-acre appraisal, in whole pounds, of POTENTIAL production for the acreage appraised from item 29 or item 32 of the Appraisal Worksheet. (See appraisal methods for additional instructions.)

NOTE: If there is no potential on UH acreage enter "0."

K. **Quality Factor:** MAKE NO ENTRY.

L. **Adjusted Potential:** Enter the amount from item "J."

M. **Uninsured Causes:** EXPLAIN IN THE NARRATIVE.

a. Hail and Fire exclusion NOT in effect.

- (1) Enter NOT LESS than the insured poundage quota per acre (calculated as defined in the Quota Tobacco Crop Provisions), in whole pounds, for any "P" stage acreage.

NOTE: On preliminary inspections, advise the insured to keep the harvested production from any acreage damaged SOLELY by uninsured causes separate from other production.

- (2) For acreage that is damaged PARTLY by uninsured causes, enter the APPRAISED UNINSURED loss of production, in whole pounds, for any such acreage.

gg. When there is late-planted acreage, the applicable per-acre farm yield or approved yield, for such acreage is the farm yield that has been reduced for late-planted acreage unless the insured plants enough acreage, prior to the final planting date, to fulfill the effective poundage marketing quota. Refer to the Crop Provisions for Late Planting Provisions.

c. Refer to the LAM when a Hail and Fire Exclusion is in effect and damage is from hail or fire.

d. Enter the result of adding uninsured cause appraisals to hail and fire exclusion appraisals.

NOTE: For fire losses, if the insured also has other fire insurance (double coverage), see the LAM.

N. **Potential Counted:** Potential to count, in whole pounds, (Column "L" plus Column "M").

O. **Value Per Pound:** Current year's support price as announced by USDA.

P. **Total Potential to Count:** Draw a diagonal line. Enter the total potential to count (Column "C" or "C₁" (actual acres) times Column "N") **above** the diagonal line to whole pounds. Enter **below** the diagonal line the total value (in whole dollars) to count (Column "C" or "C₁" (actual acres) times Column "N" times Column "O").

Q. **Per Acre:** The insured poundage quota per acre, in whole pounds.

R. **Total:** The AMOUNT OF INSURANCE to the nearest dollar. Column "C₂" (**reported** acres; "C" if acreage is not under-reported) **times Column "O,"** times Column "Q." (Acres times the per acre insured poundage quota, times the support price.)

16. **Total Acres:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Total Actual Acres (Column "C" or ["C₁" if there are under-reported acres]), to hundredths.

NOTE: FOR ITEM 17. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, APH YIELDS, TYPES, ETC., WITHIN THE UNIT, AND TOTALS NEED TO BE KEPT SEPARATE FOR CALCULATING INDEMNITIES, MAKE NO ENTRY AND FOLLOW THE INSURANCE PROVIDER'S INSTRUCTIONS; OTHERWISE, MAKE THE FOLLOWING ENTRIES.

17. **Totals:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Totals of Column "P" and total of Column "R."

NARRATIVE:

If more space is needed, document on a Special Report, and enter "See Special Report." Attach the Special Report to the TPC Production Worksheet.

- a. If no acreage is released on the unit, enter "No acreage released," adjuster's initials, and date.
- b. If notice of damage was given and "No Inspection" is necessary, enter the unit number(s), "No Inspection," date, and adjuster's initials. The insured's signature is not required.
- c. Explain any uninsured causes, unusual, or controversial cases.
- d. If there is an appraisal in Section I, item M for uninsured causes due to a hail/fire exclusion, show the original hail/fire liability per acre and the hail/fire indemnity per acre.
- e. Document the actual appraisal date if an appraisal was performed prior to the adjuster's signature date on the appraisal worksheet, and the date of the appraisal is not recorded on the appraisal worksheet.
- f. State that there is "No other fire insurance" when fire damages or destroys the insured crop and it is determined that the insured has no other fire insurance. Also see the LAM.
- g. Explain any errors found on the Summary of Coverage.
- h. Explain any commingled production. See the LAM.

- i. Explain any entry for "Production Not to Count" and/or any production not included in Section II, item I or item B - E entries.
- j. Explain a "NO" checked in item 19.
- k. Attach a sketch map or aerial photograph to identify the total unit:
 - (1) If consent is or has been given to put part of the unit to another use;
 - (2) If uninsured causes are present; or
 - (3) For unusual or controversial cases.

NOTE: Indicate on the aerial photo or sketch map, the disposition of acreage destroyed or put to other use with or without consent.
- l. Explain any difference between inspection and signature dates. For an ABSENTEE insured, enter the date of the inspection AND the date of mailing the TPC Production Worksheet for signature.
- m. When any other adjuster or supervisor accompanied the adjuster on the inspection, enter the code number of the other adjuster or supervisor and date of inspection.
- n. Explain any delayed notices or delayed claims as instructed in the LAM.
- o. Document any authorized estimated acres shown in Section I, item C as follows: "Line 3 'E' acres authorized by insurance provider MM/DD/YYYY."
- p. Document the method and calculation used to determine acres for the unit. See the LAM.
- q. Specify the type of insects or disease when the insured cause of damage or loss is listed as insects or disease. Explain why control measures did not work.
- r. Explain the reason for a "No Indemnity Due" claim. No Indemnity Due claims are to be distributed in accordance with the insurance provider instructions.
- s. Verify with FSA any carryover tobacco from the previous year(s), and do not include as production (in Section II, item "G"), for the crop year, any such tobacco identified on the acreage report. If the amount of carryover poundage stated on the acreage report does not match what the producer reported to the FSA county office on the MQ-108-1, Report of Unmarketed Tobacco, record the lesser of the two amounts. DO NOT REVISE the acreage report to increase quota at loss time.
- t. Enter the FSA effective poundage marketing quota and the farm yield for the FSA FSN.
- u. **Identify any tobacco which has no market value and is destroyed. Explain the reason for no market value and the method of destruction.**
- v. Document any other pertinent information, including any data to support any factors used to calculate the production.

SECTION II - HARVESTED PRODUCTION

GENERAL INFORMATION:

- (1) Account for ALL HARVESTED PRODUCTION (for ALL ENTITIES sharing in the crop) except production appraised BEFORE harvest and shown in SECTION I because the quantity cannot be determined later.
- (2) For production sold, enter the name and address of the warehouse or buyer as applicable in item B - D.
- (3) If additional lines are necessary, the data may be entered on a continuation sheet. USE SEPARATE LINES FOR:
 - (a) Different FIRST handlers (buyers or warehouses). The insured must have maintained satisfactory records of ALL production sold. Verify any warehouse or buyer records.
 - (b) Varying shares; e.g., 50 percent and 75 percent shares on the same unit.
 - (c) Varying determinations of production(varying value, etc.).
 - (d) Separate disposition.
 - (e) Production destroyed by fire after harvest.
- vi. There will generally be no harvested production entries in items A₁ through N for preliminary inspections.
- (4) If there is harvested production from more than one insured practice (or type) and separate yields exist, the harvested production also must be entered on separate lines in items A₁ through N by type or practice. If production has been commingled, see the LAM.
- (5) Carryover tobacco from previous crop years will not be included in production to count.
- (6) All production (current year's and any current year's carryover) which has no market value must be destroyed, if the insurance provider agrees with the value, and will not be considered as production to count. If the tobacco is not destroyed, it will be considered as production to count and valued at the support price.

Verify or make the following entries:

Item

No. Information Required

18. **Date Harvest Completed:** (Used to determine if there is a delayed notice or a delayed claim. See the LAM.)

PRELIMINARY: MAKE NO ENTRY.

FINAL:

- a. If sold, line out “harvest” and enter the date of the last sale.
- b. If not sold or the entire crop on the unit is totally destroyed, enter “No Sale.”
- c. If at the time of final inspection (if prior to the end of the insurance period) there is any unharvested insured acreage remaining on the unit or there is tobacco which will not be sold, enter “Incomplete.”
- d. If the case involves a Certification Form, enter the date when the entire unit was put to another use, etc. See the LAM.

19. **Similar Damage:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Check “Yes” or “No”. Check “Yes” if amount and cause of damage due to insurable causes is similar to the experience of other farms in the area. If “No” is checked, explain in the narrative.

20. **Assignment of Indemnity:** Check “Yes” **only** if an assignment of indemnity is in effect for the crop year; otherwise, check “No”. See the LAM.

21. **Transfer of Right to Indemnity:** Check “Yes” **only** if a transfer of right to indemnity is in effect for the unit for the crop year; otherwise, check “No”. See the LAM.

A₁. **Share:** RECORD ONLY VARYING SHARES on the SAME unit to three decimal places.

A₂. **Field ID:** If only one practice or type of harvested production is listed in Section I, MAKE NO ENTRY.

If more than one practice and/or type of harvested production is listed in Section I and a separate approved APH yield exists, indicate for each practice/type the corresponding Field ID from Section I, (item “A”).

B. - D. **Row Width, Tractor, Est Yield:** In the column headings, line out “row width,” “tractor” and “est. yield” and enter “Disposition.”

PRELIMINARY: “Destroyed by fire” for any tobacco burned in the curing barn or pack barn (See **EXHIBIT 1**). Otherwise, MAKE NO ENTRY.

FINAL:

- a. Name and address of warehouse(s) for production sold at auctions.
- b. Name and address of buyer(s) for production sold other than at auction.
- c. “Not sold” and the location of any production which is not sold.
- d. “Destroyed by fire” for any tobacco burned in the curing barn or pack barn. See **EXHIBIT 1**. Otherwise, MAKE NO ENTRY.

E. **Leaf Quality:** MAKE NO ENTRY.

F. **Quota, Non-Quota, Bale No.:** MAKE NO ENTRY.

G. **Production:** Production in whole pounds. Include production that has no market value and is destroyed, if poundage can be determined. Explain in the narrative how “NOT SOLD” production was determined.

H₁ **Value Per Pound:** Fair market value for production not sold or for production sold other than an auction warehouse. Enter the support price for production that has no market value and is not destroyed and zero for production that has no market value and is destroyed. MAKE NO ENTRY for production sold at auction warehouse or destroyed by fire.

NOTE: See the Quota Tobacco Crop Provisions for the definition of “fair market value.”

NOTE: The insurance provider shall be given the opportunity to inspect any production not sold through an auction warehouse before its disposal, for the purpose of determining the fair market value.

H₂ **Local Market Price:** MAKE NO ENTRY.

I. **Quality Factor:** MAKE NO ENTRY.

J. **Production Not to Count:** Production NOT to count, in whole pounds, WHEN ACCEPTABLE RECORDS IDENTIFYING SUCH PRODUCTION ARE AVAILABLE, from harvested acreage which has been assessed an appraisal of not less than the insured poundage quota per acre, or from other sources (e.g., other units or uninsured acreage).

THIS ENTRY MUST NEVER EXCEED PRODUCTION SHOWN ON THE SAME LINE. EXPLAIN ANY “PRODUCTION NOT TO COUNT” IN THE NARRATIVE.

K. **Production to Count:** The result of subtracting the PRODUCTION NOT TO COUNT in item "J" from the PRODUCTION in item "G."

L. **Value of Production:** Dollar value (to nearest dollar) received for production shown in item "G."

NOTE: (1) Production sold at auction warehouse, enter value of the tobacco.

(2) Production not sold, or sold to buyers other than at auction warehouse, multiply production (item "G") by fair market value per pound (item H).

NOTE: For the purpose of determining indemnities, subtract from the amount of insurance, the value of the production to count obtained by multiplying the total production in Section II, item G, by the price support factor (expressed as a three-place decimal). The price support factor is obtained by multiplying the support price by the applicable percentage (e.g., 55%, 100%, 90%, etc.).

M. **Value Not to Count:** Dollar value (to nearest dollar) for the production not to count in item "J." This production should not exceed the value of production (item L).

N. **Production/Value to Count:** Draw a diagonal line. Enter the total production, in whole pounds **above** the diagonal line. Enter the total value of production to count to the nearest whole dollar (item "L" minus item "M") **below** the diagonal line.

NOTE: FOR ITEMS 22 - 24. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, APH YIELDS, PRICE ELECTIONS, TYPES, ETC., WITHIN THE UNIT, AND TOTALS NEED TO BE KEPT SEPARATE FOR CALCULATING INDEMNITIES, MAKE NO ENTRY AND FOLLOW THE INSURANCE PROVIDER'S INSTRUCTIONS; OTHERWISE, MAKE THE FOLLOWING ENTRIES.

22. **Section II Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Draw a diagonal line. Enter the total production, in whole pounds, from SECTION II, Column "N" **above** the diagonal line. Enter the total value of production, in whole dollars, from SECTION II, Column "N" **below** the diagonal line.

23. **Section I Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Draw a diagonal line. Enter the total production, in whole pounds, from SECTION I, Column "P" total **above** the diagonal line. Enter the total value of production, in whole dollars, from Section I, Column "P" total **below** the diagonal line.

24. **Unit Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Draw a diagonal line. Enter the sum of the total production, in whole pounds, from items 22 and 23 **above** the line. Enter the sum of the total value of production, in whole pounds, from items 22 and 23 **below** the diagonal line.

25. **Adjuster's Signature, Code Number, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured's authorized representative) has signed. For an absentee insured, enter adjuster's code number **ONLY**. The signature and date will be entered **AFTER** the absentee has signed and returned the TPC Production Worksheet.

NOTE: Final indemnity inspections should be signed on the bottom line.

26. **Insured's Signature:** Insured's (or insured's authorized representative's) signature and date. **BEFORE** obtaining the insured's signature, **REVIEW ALL ENTRIES** on the TPC Production Worksheet **WITH THE INSURED**, particularly explaining codes, etc., that may not be readily understood.

NOTE: Final indemnity inspections should be signed on the bottom line.

27. **Page Numbers:**

PRELIMINARY: Page numbers - "1", "2", etc., at the time of inspection.

FINAL: Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

FOR ILLUSTRATION PURPOSES ONLY
PRODUCTION WORKSHEET (Tobacco, Peanuts, Cotton, Peaches)

1. Crop/Code # TOBACCO XXXX	2. Unit 00100	3. Legal Description FSN 245	7. Company ANY COMPANY	8. Name of Insured I. M. INSURED
4. Date of Damage JUN JUL 10	Agency ANY AGENCY		9. Claim # XXXX	11. Crop Year YYYY
5. Cause of Damage DROUGHT HAIL	6. Primary Cause % 60% X		10. Policy # XXXXXXX	14. Date(s) Notice of Loss MM/DD/YYYY MM/DD/YYYY MM/DD/YYYY
12. Additional Units	13. Est. Prod. Per Acre		15. Companion Policy(ies) NONE	

SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

Actuarial									Potential Yield							Stage Guarantee			
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R		
Field ID	Prelim. Acres	Final Acres	Interest or Share	Risk	Practice	Type Class Variety	Stage	Intended or Final Use	Appraised Potential	Quality Factor	Adjusted Potential	(+) Uninsured Causes	Potential Counted	Value Per Pound	Total Potential to Count (C x N x O)	Per Acre	Total (C x Q)		
MM/DD B	18.00	20.00	.667	A01	997	031	UH	TO SOYBEANS	262		262		262	1.78	5240 \$9327	1235	\$43,966		
MM/DD B		5.82	.667	A01	997	031	P	PLOWED				1235		1.78	7188 \$12,795	1235	\$12,794		
MM/DD C		20.43	.667	A01	997	031	H	H								1235	\$44,911		
16. TOTAL															46.25		12,428 \$22,122	17. TOTALS	\$101,671

NARRATIVE (If more space is needed, attach a Special Report) INSURED POUNDAGE QUOTA = 1235#. (1900 X 65%). SUPPORT PRICE = \$1.78.

UNINSURED CAUSES IN ITEM "M" DUE TO LACK OF CONTROL OF WEEDS AND GRASSES. ACREAGE DETERMINED BY WHEEL MEASUREMENT.

DETERMINATIONS ON AERIAL PHOTO ATTACHED. EFFECTIVE POUNDAGE MARKETING QUOTA = 87,875 POUNDS. FARM YIELD = 2,000 LBS.

SECTION II - HARVESTED PRODUCTION

18. DATE HARVEST/SALE COMPLETED MM/DD/YYYY				19. IS DAMAGE SIMILAR TO OTHER FARMS IN THE AREA? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				20. ASSIGNMENT OF INDEMNITY? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				21. TRANSFER OF RIGHT TO INDEMNITY? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
Stalk Inspection						Adjustments to Harvested Production													
A ₁	A ₂	B	C	D		E			F	G	H ₁	H ₂	I	J	K	L	M	N	
Share	Row Width	Tractor	Est. Yield	Leaf Quality		Quota (Q), Non-Quota (NQ), or Bale No.			Production	Value Per Pound	Quality Factor (H ₁ ÷ H ₂)	Production Not to Count (lbs.)	Production to Count (lbs.)	Value of Production (\$)	Value Not to Count (\$)	Production/Value to Count			
Field ID	DISPOSITION			G	F	P	Local Mkt. Price												
TRI-COUNTY WAREHOUSE ANY TOWN, ANY STATE										7,500		7,500		\$14,250		7,500		\$14,250	
22. SECTION II TOTAL																		7,500	
23. SECTION I TOTAL																		\$14,250	
24. UNIT TOTAL																		\$22,122	
25. ADJUSTER'S SIGNATURE (St. inspection)																		19,928	
26. INSURED'S SIGNATURE (St. inspection)																		\$36,372	

"I certify the information provided above, to the best of my knowledge, to be true and complete and that it will be used to determine my loss, if any, to my insured crops. I understand that this Production Worksheet and supporting papers are subject to audit and approval by the company. I understand that this crop insurance is subsidized and reinsured by the Federal Crop Insurance Corporation, an agency of the United States. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. 1006 and 1014, 7 U.S.C. 1506, 31 U.S.C. 3729 and 3730 and other federal statutes."

Code # XXXXXX	Date MM/DD/YYYY	Code # XXXXXX	Date MM/DD/YYYY
I. M. ADJUSTER		I. M. INSURED	
Code # XXXXXX	Date MM/DD/YYYY	Code # XXXXXX	Date MM/DD/YYYY
I. M. ADJUSTER		I. M. INSURED	
Code # XXXXXX	Date MM/DD/YYYY	Code # XXXXXX	Date MM/DD/YYYY
I. M. ADJUSTER		I. M. INSURED	

27. Page 1 of 1

10. REFERENCE MATERIAL

TABLE A: MINIMUM SAMPLE REQUIREMENTS FOR REPRESENTATIVE SAMPLES

ACRES IN FIELD OR SUBFIELD	MINIMUM NO. OF SAMPLES
0.01 - 10.00	3
10.01 or more	1 additional sample for each 10 acres or part thereof

TABLE B: FEET OF ROW PER 100 TOBACCO PLANTS AND NUMBER OF PLANTS PER NET ACRE, SELECTED PLANT SPACINGS AND ROW WIDTHS

Spacing Between Plants (Inches)	Row Per 100 Plants (Feet)	Plants Per Acre Row Widths (Inches)						
		36"	38"	40"	42"	44"	46"	48"
14"	116.7	12,446	11,791	11,201	10,668	10,183	9,740	9,334
16"	133.3	10,890	10,317	9,801	9,334	8,910	8,523	8,168
18"	150.0	9,680	9,171	8,712	8,297	7,920	7,576	7,260
20"	166.7	8,712	8,253	7,841	7,467	7,128	6,818	6,534
22"	183.3	7,920	7,503	7,128	6,789	6,480	6,198	5,940
24"	200.0	7,260	6,878	6,534	6,223	5,940	5,682	5,445
26"	216.7	6,702	6,349	6,031	5,744	5,483	5,245	5,026
28"	233.3	6,223	5,895	5,601	5,334	5,091	4,870	4,667

To use the above table, read across the appropriate column for distance between rows and down for distance between plants in a row. Where the two readings meet will be the number of plants per acre. If the distances in a particular field are not given in the above table, the number of plants per acre can be determined in the following manner: Multiply the distance between the two rows in feet by the distance between plants in the row in feet. This gives the square feet of area for each plant. Then, by dividing this figure into 43,560 (square foot area in an acre) the number of plants per acre is determined.

EXAMPLE: (17-inch plant spacing & 41-inch row width)

- (1) Divide spacing by 12 and round to hundredths. $17 \div 12 = 1.42$ feet
- (2) Divide row width by 12 and round to hundredths. $41 \div 12 = 3.42$ feet
- (3) Multiply (1) by (2) and round to hundredths. $1.42 \times 3.42 = 4.86$ sq. ft.
- (4) Divide 43,560 by the product found in (3), and round to the nearest whole number. $43,560 \div 4.86 = 8,963$ plants per acre

ROW LENGTH PER 100 PLANTS AND PLANTS PER ACRE

- (1) Determine the original spacing between plants in the row by measuring, to the nearest inch, the distance between the first plant in the sample and the 11th plant. Divide this distance by 10 to determine original spacing between plants within the row and record in item 16 of the appraisal worksheet.
- (2) For even spacings between 14 and 28 inches, the required length of row may be read directly from **TABLE B**.
- (3) For spacings not shown in **TABLE B**, use the formula:

Length of row = plant spacing in inches \div 12 (factor to two decimal places) X 100
per 100 plants.

EXAMPLE: 15 inch spacing

Length of row = 15" plant spacing \div 12" = 1.25 ft. plant spacing

1.25 ft./plant spacing x 100 plants = 125.0 ft. row sample.

TABLE C: TRACTOR ROW ACREAGE CORRECTION FACTORS

4 ROW PATTERN -- 5th TRACTOR ROW PERCENTAGE FACTOR FOR TRACTOR ROWS													
42" Row Width		44" Row Width		46" Row Width		48" Row Width		50" Row Width		52" Row Width		54" Row Width	
Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres
42	80.00	44	80.00	46	80.00	48	80.00	50	80.00	52	80.00	54	80.00
44	79.25	46	79.28	48	79.31	50	79.34	52	79.37	54	79.39	56	79.41
46	78.50	48	78.57	50	78.63	52	78.69	54	78.74	56	78.79	58	78.83
48	77.78	50	77.88	52	77.97	54	78.05	56	78.12	58	78.20	60	78.26
50	77.06	52	77.19	54	77.31	56	77.42	58	77.52	60	77.61	62	77.70
52	76.36	54	76.52	56	76.67	58	76.80	60	76.92	62	77.04	64	77.14
54	75.68	56	75.86	58	76.03	60	76.19	62	76.34	64	76.47	66	76.60
56	75.00	58	75.21	60	75.14	62	75.59	64	75.76	66	75.91	68	76.06
58	74.34	60	74.58	62	74.80	64	75.00	66	75.19	68	75.36	70	75.52
60	73.68	62	73.95	64	74.19	66	74.42	68	74.63	70	74.82	72	75.00
62	73.04	64	73.33	66	73.60	68	73.85	70	74.07	72	74.29	74	74.48
64	72.41	66	72.73	68	73.02	70	73.28	72	73.53	74	73.76	76	73.97
66	71.79	68	72.13	70	72.44	72	72.73	74	72.99	76	73.24	78	73.47
68	71.19	70	71.54	72	71.87	74	72.18	76	72.46	78	72.73	80	72.97
70	70.59	72	70.97	74	71.32	76	71.64	78	71.94	80	72.22	82	72.48
72	70.00	74	70.40	76	70.77	78	71.11	80	71.43	82	71.72	84	72.00
74	69.42	76	69.84	78	70.23	80	70.59	82	70.92	84	71.23	86	71.52
76	68.85	78	69.29	80	69.70	82	70.07	84	70.42	86	70.75	88	71.05
78	68.29	80	68.75	82	69.17	84	69.57	86	69.93	88	70.27	90	70.59
80	67.74	82	68.22	84	68.66	86	69.06	88	69.44	90	69.80	92	70.13
82	67.20	84	67.69	86	68.15	88	68.57	90	68.97	92	69.33	94	69.68
84	66.67	86	67.18	88	67.65	90	68.09	92	68.49	94	68.87	96	69.23
		88	66.67	90	67.15	92	66.61	94	67.13	96	67.57		
				92	66.67	94	67.13	96	67.57				
						96	66.67						

To get width of Tractor Row, measure distance from top of row to the next top of row and subtract row width. (Take measurement of several Tractor Rows to get average width.)
 Formula : Multiply Row Pattern by Row Width, plus Tractor Row. Divide result into Tractor Row. This gives percentage to take off. Subtract this percent from 100 percent. Result is percentage used to multiply to gross acreage to get acres of tobacco in field.
 Example: $4 \times 42 + 42 = 210$, $42 \div 210 = 20.00\%$, $100.00\% - 20.00\% = 80.00\%$ multiplied to gross acres determines net acres of tobacco in field.

TABLE C: TRACTOR ROW ACREAGE CORRECTION FACTORS (Continued)

6 ROW PATTERN -- 7th TRACTOR ROW PERCENTAGE FACTOR FOR TRACTOR ROWS													
42" Row Width		44" Row Width		46" Row Width		48" Row Width		50" Row Width		52" Row Width		54" Row Width	
Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres
42	85.71	44	85.71	46	85.71	48	85.71	50	85.71	52	85.71	54	85.71
44	85.14	46	85.16	48	85.19	50	85.21	52	85.23	54	85.25	56	85.26
46	84.56	48	84.62	50	84.66	52	84.71	54	84.75	56	84.78	58	84.82
48	84.00	50	84.08	52	84.15	54	84.21	56	84.27	58	84.32	60	84.37
50	83.44	52	83.54	54	83.64	56	83.72	58	83.80	60	83.87	62	83.94
52	82.89	54	83.02	56	83.13	58	83.24	60	83.33	62	83.42	64	83.51
54	82.35	56	82.50	58	82.63	60	82.76	62	82.87	64	82.98	66	83.00
56	81.82	58	81.99	60	82.14	62	82.29	64	82.42	66	82.54	68	82.65
58	81.29	60	81.48	62	81.66	64	81.82	66	81.97	68	82.11	70	82.23
60	80.77	62	80.98	64	81.18	66	81.36	68	81.52	70	81.68	72	81.82
62	80.25	64	80.49	66	80.70	68	80.90	70	81.08	72	81.25	74	81.41
64	79.75	66	80.00	68	80.23	70	80.45	72	80.65	74	80.83	76	81.00
66	79.25	68	79.52	70	79.77	72	80.00	74	80.21	76	80.41	78	80.60
68	78.75	70	79.04	72	79.31	74	79.56	76	79.79	78	80.00	80	80.20
70	78.26	72	78.57	74	78.86	76	79.12	78	79.37	80	79.59	82	79.80
72	77.78	74	78.11	76	78.41	78	78.69	80	78.95	82	79.19	84	79.41
74	77.30	76	77.65	78	77.97	80	78.26	82	78.53	84	78.79	86	79.02
76	76.83	78	77.19	80	77.53	82	77.84	84	78.12	86	78.39	88	78.64
78	76.36	80	76.74	82	77.09	84	77.42	86	77.72	88	78.00	90	78.26
80	75.90	82	76.30	84	76.67	86	77.01	88	77.32	90	77.61	92	77.88
82	75.45	84	75.86	86	76.24	88	76.60	90	76.92	92	77.23	94	77.51
84	75.00	86	75.43	88	75.82	90	76.19	92	76.53	94	76.85	96	77.14
		88	75.00	90	75.41	92	75.79	94	76.14	96	76.47		
				92	75.00	94	75.39	96	75.76				
						96	75.00						

To get width of Tractor Row, measure distance from top of row to the next top of row and subtract row width. (Take measurement of several Tractor Rows to get average width.)
 Formula : Multiply Row Pattern by Row Width, plus Tractor Row. Divide result into Tractor Row. This gives percentage to take off. Subtract this percent from 100 percent. Result is percentage used to multiply to gross acreage to get acres of tobacco in field.
 Example: $6 \times 42 + 42 = 294$, $42 \div 294 = 14.29\%$, $100.00\% - 14.29\% = 85.71\%$ multiplied to gross acres determines net acres of tobacco in field.

TABLE C: TRACTOR ROW ACREAGE CORRECTION FACTORS (Continued)

8 ROW PATTERN 9th TRACTOR ROW PERCENTAGE FACTOR FOR TRACTOR ROWS													
42" Row Width		44" Row Width		46" Row Width		48" Row Width		50" Row Width		52" Row Width		54" Row Width	
Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres	Tractor Row"	% to Get Net Acres
42	88.89	44	88.89	46	88.89	48	88.89	50	88.89	52	88.89	54	88.89
44	88.42	46	88.44	48	88.46	50	88.48	52	88.50	54	88.51	56	88.52
46	87.96	48	88.00	50	88.04	52	88.07	54	88.11	56	88.14	58	88.16
48	87.50	50	87.56	52	87.62	54	87.67	56	87.72	58	87.76	60	87.80
50	87.05	52	87.13	54	87.20	56	87.27	58	87.34	60	87.39	62	87.45
52	86.60	54	86.70	56	86.79	58	86.88	60	86.96	62	87.03	64	87.00
54	86.16	56	86.27	58	86.38	60	86.49	62	86.58	64	86.67	66	86.75
56	85.71	58	85.85	60	85.98	62	86.10	64	86.21	66	86.31	68	86.40
58	85.28	60	85.44	62	85.58	64	85.71	66	85.84	68	85.95	70	86.06
60	84.85	62	85.02	64	85.19	66	85.33	68	85.47	70	85.60	72	85.71
62	84.42	64	84.62	66	84.79	68	84.96	70	85.11	72	85.25	74	85.38
64	84.00	66	84.21	68	84.40	70	84.58	72	84.75	74	84.90	76	85.04
66	83.58	68	83.81	70	84.02	72	84.21	74	84.39	76	84.55	78	84.71
68	83.17	70	83.41	72	83.64	74	83.84	76	84.03	78	84.21	80	84.37
70	82.76	72	83.02	74	83.26	76	83.48	78	83.68	80	83.87	82	84.05
72	82.35	74	82.63	76	82.88	78	83.12	80	83.33	82	83.53	84	83.72
74	81.95	76	82.24	78	82.51	80	82.76	82	82.99	84	83.20	86	83.40
76	81.55	78	81.85	80	82.14	82	82.40	84	82.64	86	82.87	88	83.08
78	81.16	80	81.48	82	81.78	84	82.05	86	82.30	88	82.54	90	82.76
80	80.77	82	81.11	84	81.42	86	81.70	88	81.97	90	82.21	92	82.44
82	80.38	84	80.73	86	81.06	88	81.36	90	81.63	92	81.89	94	82.13
84	80.00	86	80.37	88	80.70	90	81.01	92	81.30	94	81.57	96	81.82
		88	80.00	90	80.35	92	80.67	94	80.97	96	81.25		
				92	80.00	94	80.33	96	80.65				
						96	80.00						

To get width of Tractor Row, measure distance from top of row to the next top of row and subtract row width. (Take measurement of several Tractor Rows to get average width.)
 Formula : Multiply Row Pattern by Row Width, plus Tractor Row. Divide result into Tractor Row. This gives percentage to take off. Subtract this percent from 100 percent. Result is percentage used to multiply to gross acreage to get acres of tobacco in field.
 Example: $8 \times 42 + 42 = 378$, $42 \div 378 = 11.11\%$, $100.00\% - 11.11\% = 88.89\%$ multiplied to gross acres determines net acres of tobacco in field.

EXHIBIT 1

FIRE LOSS INSTRUCTIONS

A. GENERAL PROVISIONS

- (1) The amount of loss from fire is the difference between the fair market value of the production BEFORE AND AFTER the fire.
- (2) In all cases where fire damages or destroys an insured crop WITHIN THE INSURANCE PERIOD, the adjuster shall, upon final inspection, establish whether or not the insured has other fire insurance.

B. INSURED DOES NOT HAVE OTHER FIRE INSURANCE

If the insured does not have other fire insurance, the adjuster shall prepare a TPC Production Worksheet, as instructed in section 9, stating in the Narrative that there is no other insurance. ALL OF THE FOLLOWING INSTRUCTIONS MAY BE DISREGARDED.

EXAMPLE:

A unit of 10.00 acres
Amount of Insurance = \$10,000.
Production of 15,000 lbs., destroyed by fire in pack barn.
Insured has 1.000 share.
Fair market value BEFORE FIRE = \$1.00 per pound = \$15,000 total value.
Fair market value AFTER FIRE is zero.

Case - No other fire insurance. Company indemnity payable \$10,000.

C. INSURED HAS OTHER FIRE INSURANCE AND HAIL AND FIRE COVERAGE IS NOT EXCLUDED FROM THE MPC I POLICY:

IF THERE IS OTHER FIRE INSURANCE, AND HAIL AND FIRE COVERAGE IS IN EFFECT ON THE MPC I POLICY:

- (1) The Company shall be liable only for loss due to fire for the smaller of:
 - (a) The amount of indemnity computed, or
 - (b) The amount by which loss from the fire exceeds the indemnity paid or payable under the other insurance.
- (2) Prepare documentation showing:
 - (a) Name and address of other insurance company and the name of their adjuster.
 - (b) The number of the other insurance policy.
 - (c) The date of issue and the termination date of the other policy.
 - (d) The total amount of the other fire insurance coverage and what the coverage represents; such as, \$400.00 per acre, \$5,000.00 on a specific barn or packhouse, or whatever the basis of the coverage. If the fire insurance coverage involves two or more units, the fire coverage for the unit for which the loss is being adjusted shall be determined as follows:

EXHIBIT 1

- 1 Divide the determined acreage for the unit by the total acreage for all units involved and round the resulting factor to three decimal places.
 - 2 Multiply the amount of fire coverage by this factor.
 - 3 The result thus obtained will be used as the amount of fire coverage applicable to the unit.
- (e) The amount of indemnity paid or payable to the insured by the other insurer with respect to:
- 1 The entire loss, and
 - 2 That part of the loss applicable to the unit in question.
- (f) The pounds of tobacco from the unit damaged or destroyed by fire. The fair market value per pound and total value on the date of the fire BEFORE FIRE DAMAGE and the fair market value AFTER FIRE DAMAGE (if any). If the tobacco from two or more units was damaged or destroyed by the same fire, show the total pounds and value, and the pounds and value applicable to the unit for which the loss is being adjusted.
- (g) Indicate if an agreement with the other insurance adjuster has been reached as to the quantity and value per unit of production destroyed. If there is disagreement, explain what caused the difference and how the quantity and value of the crop destroyed were determined.
- (h) A statement of all known facts as to how the fire originated (including type and location of the building), and if the fire resulted from the act of any person, the name and address of such person, and the name and address of person(s) having knowledge of the origin of the fire.
- (3) Prepare a TPC Production Worksheet in the usual manner, with the following exceptions:
- (a) Enter the pounds of production damaged or lost by fire in Section II, item "G" on a line separate from other production.
 - (b) If the fair market value after the fire is zero enter a zero on the same line in Section II, item "L".
 - (c) If part of the loss is due to another insurable cause, the insurance provider must establish the amount of indemnity payable for such cause.

EXHIBIT 1

Prepare a TPC Production Worksheet as instructed in section 9.

EXAMPLE:

A unit of 10.00 acres

Amount of Insurance = \$10,000.

Production of 15,000 lbs., destroyed by fire in pack barn.

Insured has 1.000 share.

Fair market value BEFORE FIRE = \$1.00 per pound = \$15,000 total value.

Fair market value AFTER FIRE is zero.

Case 1 - With other fire insurance (hail and fire coverage in effect on MPCCI policy). Paid or payable by other insured \$1,000 per acre for total of \$10,000. Indemnity payable is \$5,000 [$\$15,000$ (amount of fire loss) minus $\$10,000$ (paid by other insured) = (amount of fire loss exceeds indemnity payable by other insurer)].

Case 2 - With other fire insurance (hail and fire coverage in effect on MPCCI Policy). Paid or payable by other insurer: \$1,500 per acre for a total of \$15,000. Indemnity payable - NONE.

Case 3 - With other fire insurance (hail and fire coverage in effect on MPCCI Policy). Paid or payable by other insurer: \$250 per acre for a total of \$2,500. Indemnity payable is \$10,000 (the total amount of insurance for the unit).

EXHIBIT 2

TOBACCO QUOTA TO BE USED WHEN ONE FARM SERIAL NUMBER IS COMMON TO SEVERAL TOBACCO PRODUCERS

A. WRITTEN LEASE EXISTS

If a timely submitted written lease agreement showing the amount of the effective poundage marketing quota allocated to the insured exists between the insured and landlord or tenant, the effective poundage marketing quota will be distributed in accordance with the terms of the written lease agreement.

NOTE: See the Quota Tobacco Crop Provisions for additional information required in the written lease agreement.

B. WRITTEN LEASE DOES NOT EXIST

- (1) If a timely submitted written lease agreement does not exist, the effective poundage marketing quota will be prorated across the FSA Farm Serial Number in the following manner:
- (2) The farm's effective poundage marketing quota may be distributed between two or more producers when the situation dictates. For insurance purposes, this distribution will correspond to the acreage each producer plants and reports for insurance. For example, if five producers plant tobacco acreage totaling 20 acres on a single Farm Serial Number and producer "A" plants 2 acres, that producer would have 10 percent of the farm's effective poundage marketing quota; producer "B", by planting 6 acres, would have 30 percent of the quota, etc.

NOTE: For crop insurance purposes, tobacco quota CANNOT be distributed in any other manner. Claim preparation and indemnification must reflect this quota apportionment, as applicable.