

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation




Product
Development
Division

SOYBEAN LOSS ADJUSTMENT STANDARDS HANDBOOK

FCIC-25440 (06-1999)
FCIC-25440-1 (05-2000)

2000 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK	NUMBER: 25440 (06-1999) 25440-1 (05-2000)
SUBJECT: SOYBEAN LOSS ADJUSTMENT STANDARDS HANDBOOK 2000 AND SUCCEEDING CROP YEARS	DATE: May 30, 2000
	OPI: Product Development Division
	APPROVED:  Administrator, Risk Management Agency

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2000 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR THIS CROP FOR 2000 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 for Crop Year 2000 (FCIC-25440-1) issued May 2000:

- A. Section 3 D, Quality Adjustment; revised instructions concerning contract prices (1) to match language in other coarse grains handbooks, clarified instructions in (4), and added language on moisture adjustment in (5).
- B. Section 9 B, Narrative instruction “u;” Deleted the reference to “Posted County Price” and substituted “local market price.”
- C. Section 9 B, Narrative instruction “w;” Added instruction to enter name of the charitable organization when gleaned acreage is applicable.
- D. Section 9 B, Part II, Item Q₁; Deleted text concerning determining RIV from representative samples. Added text stating RIV must be limited to amounts that are usual, reasonable and customary.
- E. Section 9 B, Part II, Item Q₂; Deleted the reference to “Posted County Price” and substituted “local market price.”

SOYBEAN LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

F. Section 9 B, Part II, Item Q₂; Deleted text that referenced the combination of using Reduction in Value with pre-established discount factors.

Control Chart For: Soybean Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-2		3-4 37-38 41-42		06-1999 06-1999 06-1999	FCIC-25440 FCIC-25440 FCIC-25440
Insert	1-2		3-4 37-38 41-42		05-2000 05-2000 05-2000	FCIC-25440-1 FCIC-25440-1 FCIC-25440-1
Current Index	1-2	1-2	1-2 3-4 5-36 37-38 39-40 41-42 43-46	47-60	05-2000 06-1999 05-2000 06-1999 05-2000 06-1999 05-2000 06-1999	FCIC-25440-1 FCIC-25440 FCIC-25440-1 FCIC-25440 FCIC-25440-1 FCIC-25440 FCIC-25440-1 FCIC-25440

D. QUALITY ADJUSTMENT

- (1) Refer to the LAM for information on contract prices in quality adjustment. THE QUALITY ADJUSTMENT FACTOR CANNOT BE GREATER THAN 1.000 or less than zero (.000).
- (2) Soybean production will be eligible for quality adjustment if deficiencies in quality, in accordance with the Official United States Standards for Grain, result in soybeans not meeting the grade requirements for U.S. No. 4 (grades U.S. Sample Grade) because of test weight or kernel damage (excluding heat damage) or having a musty, sour, or commercially objectionable foreign odor (except garlic odor), or which meet the special grade for garlicky soybeans.
- (3) The adjuster must refer to the Special Provisions if production is eligible for quality adjustment as identified in the Coarse Grains Crop Provisions.
- (4) When due to insurable cause(s), use of quality adjustment for soybeans is handled by determining the appropriate discount factors, summing them together, if applicable, and subtracting from 1.000 to obtain the applicable Quality Adjustment Factor (percent of production to count). See the Special Provisions for chart discount factors, instructions for calculating non-chart discount factors, and other discounts allowed. Also, refer to the LAM for examples and guidance in determining reduction in values (RIV's) to determine non-chart discount factors.
- (5) Moisture adjustment is applied prior to any qualifying quality adjustment factors such as test weight, kernel damage, etc. A soybean moisture adjustment chart is in **TABLE J**. Moisture adjustment results in a reduction in production to count of 0.12 percent for each 0.1 percent moisture in excess of 13%.
- (6) For soybeans for which RIV's apply, and which can be conditioned/reconditioned, refer to the Special Provisions for instructions.
- (7) If a local market cannot be found for the soybeans, refer to the LAM.
- (8) Refer to the LAM for special instructions regarding mycotoxin infected grain.
- (9) Document quality adjustment information as described in the instruction for the "Narrative" section of the claim form (subsection 9 B), or on a Special Report.
- (10) For additional quality adjustment definitions, instructions, qualifications, and testing requirements; refer to the LAM and the Official United States Standards for Grain.

4. REPLANTING PAYMENT PROCEDURES

A. GENERAL INFORMATION

- (1) Replanting payments made on acreage replanted by a practice that was uninsurable as an original planting will require the deduction of the replanting payment for such acreage from the original unit liability. If the unit dollar loss (final claim) is less than the original unit liability minus such replanting payment, the actual indemnity dollar amount will not be affected by the replanting payment. The premium will not be reduced.
- (2) No replanting payment will be made on acreage on which one replanting payment has already been allowed for the crop year.

B. QUALIFICATIONS FOR REPLANTING PAYMENT

To qualify for replanting payment, the:

- (1) insured crop must be damaged by an insurable cause;
- (2) insurance provider determines that it is practical to replant;
- (3) acres must have been planted on or after the “Initial Planting” date established by the Special Provisions;
- (4) appraisal (or appraisal plus any appraisals for uninsured causes of loss) must be less than 90 percent of the production guarantee for the acreage;
- (5) acreage replanted must be AT LEAST the lesser of 20 acres or 20 percent of the insured **planted** acreage for the unit (as determined on the final planting date or within the late planting period if a late planting period is applicable); and

NOTE: Any acreage planted after the end of the late planting period will not be included when determining if the 20 acres or 20 percent qualification is met. Refer to the LAM.

- (6) insurance provider has given consent to replant.

NOTE: In the narrative of the claim form or on an attachment, show the appraisal and calculations to document that qualifications for a replanting payment have been met.

- 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 the reason for a “No Indemnity Due” claim. “No Indemnity Due” claims are to be distributed in accordance with the insurance provider’s instructions.
- o. Explain any delayed notices or delayed claims as instructed in the LAM.
- p. Document any authorized estimated acres shown in Section I, item C as follows: “Line 3 ‘E’ acres authorized by insurance provider MM/DD/YYYY.”
- q. Document the method and calculation used to determine acres for the unit. Refer to the LAM.
- r. 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.
- s. Document the appraisal (plus appraisal for uninsured causes of loss, if applicable) for replanted acreage, and the calculations to show that the qualification for a replanting payment have been met. Refer to section 4.
- t. If any acreage to be replanted in the unit does not qualify for a replanting payment, enter Field No., “NOT QUAL FOR RP PAYMENT,” date of inspection, adjuster’s initials, and reason not qualified.
- u. Explain any “.000” QA factor entered in items L and R. Explain any deficiencies, substances, or conditions that are allowed for quality adjustment, as well as any which were not allowed. Also enter the RIV's and Local Market Price used in establishing the QA factor for mature appraised production. Document any excess transportation costs or conditioning costs used to determine the QA factor.
- v. Document field ID's and date and method of destruction of mycotoxin-infested soybeans if they have no market value. For further documentation instructions, refer to the LAM.
- w. Document the name and address of the charitable organization when gleaned acreage is applicable. Refer to the LAM for more information on gleaning.
- x. 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 (e.g., high moisture grain going into air-tight storage, released for other uses, etc.).

- (2) Columns “B” through “E” are for structure measurement entries (Rectangular, Round, Square, **Conical Pile**, etc.). If structures are a combination of shapes, break into a series of average measurements, if possible. Enter “Odd Shape” if production is stored in an odd shaped structure. Document measurements on a Special Report or other FCIC-approved worksheet used for this purpose.
- (3) If farm-stored production has been weighed prior to storage and acceptable weight tickets are available showing gross weights, enter “Weighed and Stored On Farm” in columns “B” through “E.” Refer to the LAM for acceptable weight tickets.
- (4) For production commercially stored, sold, etc., make entries in items B through E as follows:
 - (a) Name and address of storage facility or buyer.
 - (b) “Seed,” “Fed,” etc.
- (5) There will be no “harvested production” entries for replanting payments.
- (6) If acceptable sales or weight tickets are not available, refer to the LAM.
- (7) If additional lines are necessary, the data may be entered on a continuation sheet. USE SEPARATE LINES FOR:
 - (a) Separate storage structures.
 - (b) Varying names and addresses of buyers of sold production.
 - (c) Varying determinations of production (varying moisture, dockage, test weight, value, etc.).

NOTE: Average percent of dockage or moisture can be entered when the elevator has calculated the average on the summary sheet, and the determined average is acceptable to the adjuster. Separate line entries are not otherwise required. Refer to the LAM for instructions.
 - (d) Varying shares; e.g., 50 percent and 75 percent shares on same unit.
 - (e) Conical piles. Do **NOT** add the cone in the top or bottom of a bin to the height of other grain in the structure. For computing the production in cones and conical piles, refer to the LAM.
- (8) There will generally be no harvested production entries in items A through S for preliminary inspections.
- (9) If there is harvested production from more than one insured practice (or type) and a separate approved APH yield has been established for each, the harvested production also must be entered on separate lines in items A through S by type or practice. If production has been commingled, refer to the LAM.

The terms “dockage” and “foreign material” are often used by buyers to describe the same non-grain material depending on the geographic area of the country. Refer to the Official U.S. Standards for Grain and the LAM.

K₂. **Factor:** Enter the three-place factor determined by subtracting the percent of FM from 1.000, or subtract the entry in K₁ from 100 and divide by 100. **EXAMPLE:** For 4 percent, enter “.960.”

L₁. **Moisture %:** Enter moisture percent to tenths. Moisture adjustment is applied prior to any qualifying quality adjustment factors.

L₂. **Factor:** If grain moisture is more than 13.0 percent, enter the four-place moisture factor from the soybean moisture adjustment factor (**TABLE J**).

M₁. **Test Wt.:** Enter test weight (**ONLY** when storage structure measurements are entered) in whole pounds (or pounds to tenths **IF** so instructed by the insurance provider) after any foreign material is removed.

M₂. **Factor:** Test Weight Factor - enter the result of dividing the actual test weight by 60.0, to three decimal places (**TABLE C**).

N. **Adjusted Production:** Result of multiplying (“H” or “I”) x “K₂” x “L₂” x “M₂”. (Round to nearest tenth).

O. **Prod. Not to Count:** Net production **NOT** to count, in bushels to tenths, **WHEN ACCEPTABLE RECORDS IDENTIFYING SUCH PRODUCTION ARE AVAILABLE**, from harvested acreage which has been assessed an appraisal of not less than the guarantee per acre, or from other sources (e.g., other units or uninsured acreage) in the same storage structure (if the storage entries include such production).

THIS ENTRY MUST NEVER EXCEED PRODUCTION SHOWN ON THE SAME LINE. EXPLAIN THE TOTAL BIN CONTENTS (bin grain depth, etc.) AND ANY “PRODUCTION NOT TO COUNT” IN THE NARRATIVE.

NOTE: Make no entry if only the depth for production to count has been entered in column D, and the depth for production not to count has been entered in the narrative. Refer to the example in the LAM.

P. **Production:** Result of subtracting the entry in Column “O” from Column “N,” to tenths.

Q₁. **Value:** When applicable, enter the Reduction in Value (RIV). RIV must be limited to amounts that are usual, customary, and reasonable. (Refer to the Special Provisions and the LAM for further instructions.)

NOTE: **DO NOT** make an entry when the Quality Adjustment factor can be obtained from the charts in the Special Provisions.

Q₂. **MKT. Price:** If an entry is in item “Q₁,” enter the Local Market Price for U.S. Grade No. 1 Soybeans (refer to the crop provisions). Refer to the LAM for further instructions.

NOTE: DO NOT make an entry when the Quality Adjustment factor can be obtained from the charts in the Special Provisions.

R. **Quality Factor:** For production eligible for quality adjustment, enter the 3-digit quality adjustment factor determined by subtracting the result of Q₁ divided by Q₂ from 1.000, **or 1.000 minus the discount factor(s) obtained from the Special Provisions.**

S. **Production to Count:** Enter result from multiplying Column “P” times Column “R” in bushels to tenths.

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 AND REPLANT: MAKE NO ENTRY.

FINAL: Total of Column “S,” to tenths.

23. **Section I Total:**

PRELIMINARY AND REPLANT: MAKE NO ENTRY.

FINAL: Enter figure from Section I Column “O” total.

24. **Unit Total:**

PRELIMINARY AND REPLANT: MAKE NO ENTRY.

FINAL: Total of 22 and 23, to tenths.

25. **Adjuster’s Signature, Code #, 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 Production Worksheet.

NOTE: Final indemnity inspections and final replanting payment inspections should be signed on bottom line.