



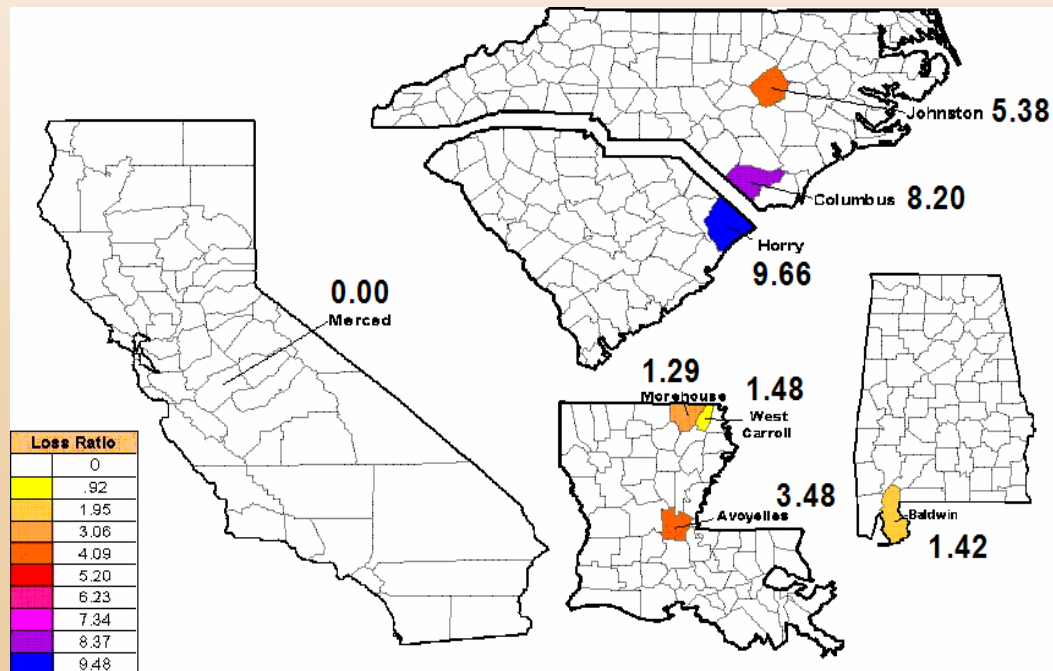
**Sweetpotato Pilot Insurance Program**  
**Pilot Program Overview**

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**2005 Version**

# Sweetpotato Risk Management History

- The original Sweetpotato Pilot Program was implemented in 1998 in eight pilot counties.
- The program offered generous price elections and lenient requirements for insured production.





# Sweetpotato Risk Management History

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- Substantial financial losses were incurred between the years of 1998 and 2002.
- Although improvements were made to the program for the 2003 and 2004 crop years, RMA found the original pilot to be an inviable policy.
- The FCIC Board authorized RMA to begin development of a new sweetpotato crop insurance program.



# Sweetpotato Risk Management History

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- RMA awarded the contract for development of a two-part Sweetpotato New Pilot Program.
  - Stage 1 – Development of an improved “turnrow” (harvest) pilot insurance product. (Completed)
  - Stage 2 – Development of coverage for sweetpotatoes from planting through storage
- The Turnrow Component for the new pilot was approved by the FCIC Board in October 2004.



# Overview of Changes

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- Crop provisions rewritten to incorporate some existing underwriting rules, modify others, and add new ones:
  - Improve definition of insured crop;
  - Producer must submit production records to establish APH;
  - Possible scouting of crop after planting by an agricultural expert;
  - Require an initial planting density (population);
  - Representative samples (“test strips”) made mandatory after report of loss.



## Overview of Changes (cont.)

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- Crop provisions rewritten to modify gatekeeping procedures and incorporate the following:
  - FCI-33 maps will be developed to identify and exclude high risk land poorly suited for sweetpotato production; and
  - A requirement that a producer must have grown sweetpotatoes in 3 out of 5 previous years to be eligible.



## Overview of Changes (cont.)

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- Loss Adjustment Standards Handbook rewritten to:
  - Incorporate new crop provisions;
  - Provide better forms to capture information;
  - Improve differentiation of insured and uninsured causes of loss;
  - Appraisal procedures more detailed and specific;
  - Pre-maturity appraisal method included (not found in existing handbook); and
  - Production to count is from all planted acres. Guarantee is based on insurable acres.



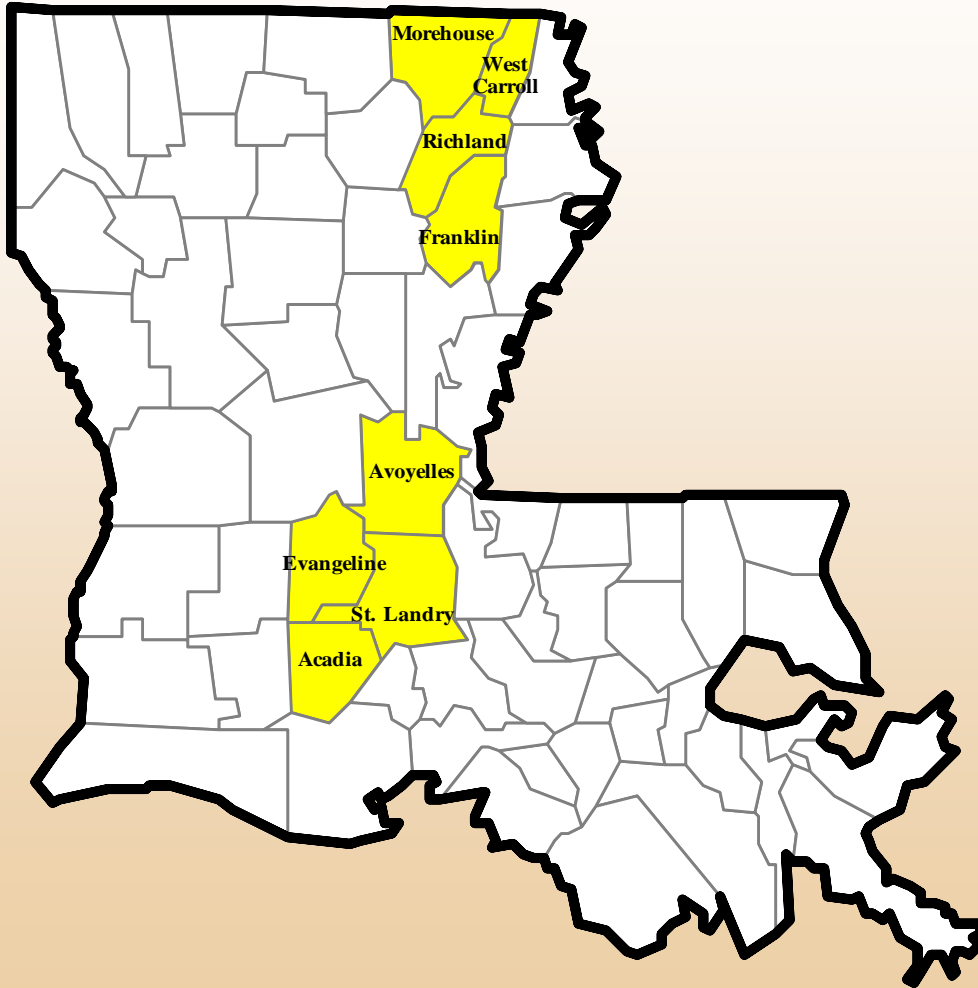
# Turnrow Component Overview

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- Price Election:
  - Based on November average harvest-time price (AMS market news), not season average; and
  - Reduced when acres are not harvested.
- Three risk regions established after analyzing relative variability of yields.



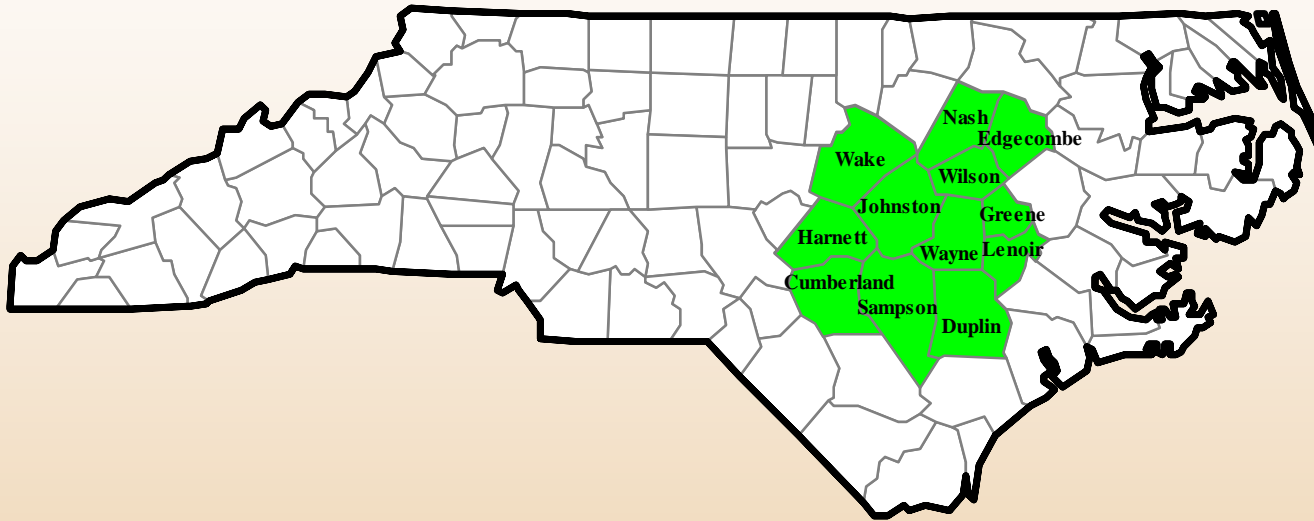
# Louisiana Risk Region



## Counties:

Acadia  
Aroyelles  
Evangeline  
Franklin  
Morehouse  
Richland  
St. Landry  
West Carroll

# Central North Carolina Risk Region

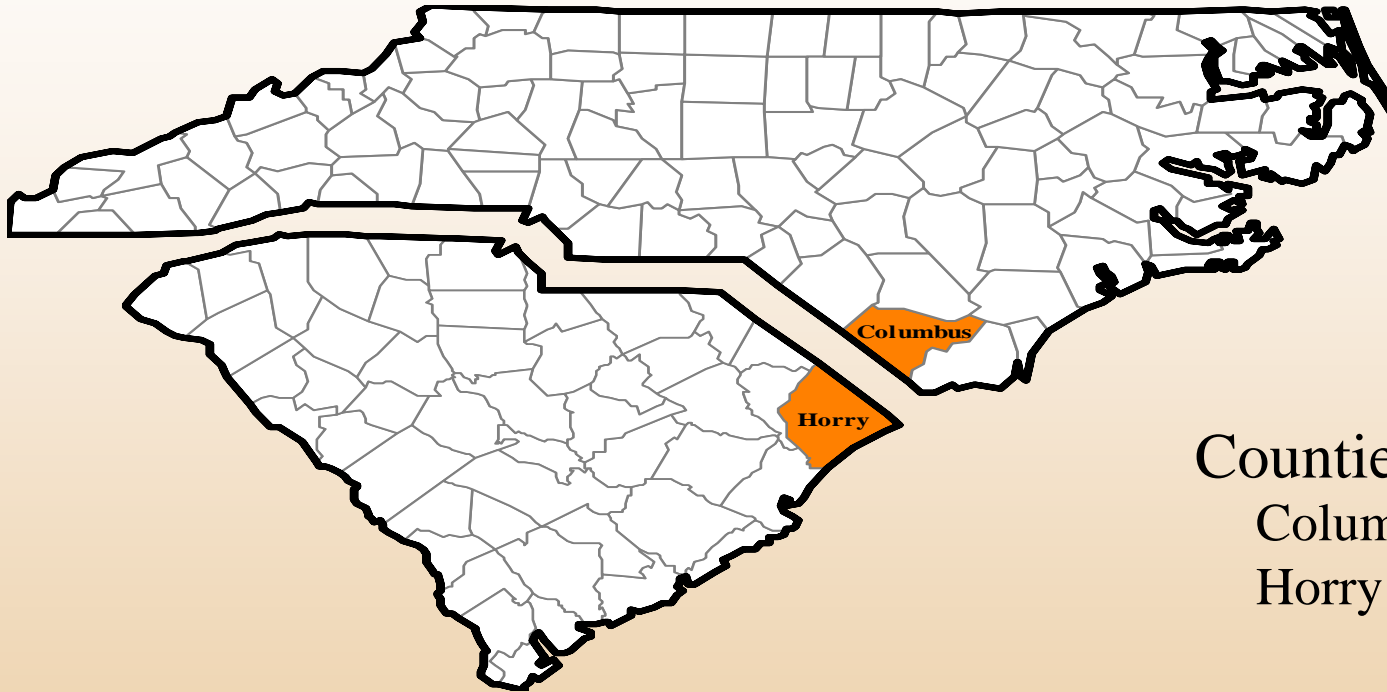


## Counties:

Duplin  
Cumberland  
Edgecombe  
Greene  
Harnett  
Johnston  
Lenoir  
Nash  
Sampson  
Wake  
Wayne  
Wilson

# Columbus/Horry Risk Region

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Counties:  
Columbus  
Horry