



United States
Department of
Agriculture

Risk
Management
Agency

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

November 15, 2007

INFORMATIONAL MEMORANDUM

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Eldon Gould /s/ *Eldon Gould*
Administrator

SUBJECT: Earlier Deadline for Production Reporting

BACKGROUND:

The Risk Management Agency (RMA) is considering changes to require policyholders to report their most recent year's harvested production earlier than is currently required under the policy provisions. In addition, RMA is considering whether to require producers insured under area plans of insurance to report yearly production information. Any change to make the reporting of production by producers earlier would also require Approved Insurance Providers (AIPs) to transmit such information to RMA at an earlier time.

Currently, the policy provisions require insured producers utilizing actual production history (APH) based plans of insurance to report their production the earlier of the acreage reporting date (generally late June into early July for spring seeded crops) or 45 days after the cancellation date (cancellation date March 15 for spring seeded crops thus 45 days later would be around April 30) unless otherwise stated in the special provisions. The policy provisions for area based plans of insurance do not currently require production reporting since it is not directly necessary to establish the guarantee nor used in an indemnity determination.

RMA believes earlier data collection is necessary to enhance its programs and allow the Agency to more timely and effectively conduct program evaluations; determine expected yields, county yields and payment yield validations for area based plans of insurance; provide transitional yields reflective of productive capabilities; and to collaborate with other USDA Agencies including the National Agricultural Statistics Service (NASS). Earlier reporting may also benefit AIPs, insurance agents, agricultural lending institutions, and producers by providing an earlier assessment of a producer's coverage needs based upon their updated yield history.

If changes are initiated, RMA anticipates that the earliest implementation date would be for the 2009 crop year, and that such changes would be communicated through a special provision of insurance statement. Additionally, any recommended production



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reporting date changes will consider accommodating the completion of harvest and gathering of records by insureds (e.g. for most spring seeded crops, late January or early February, and November or December for fall seeded crops).

ACTION:

RMA is seeking your feedback, comments, or any identified concerns to be addressed if it were to initiate these actions. Such comments should articulate the implications of making such changes on the delivery system and producers; identification of educational and training efforts necessary; and any other comments pertinent to a transition process.

Please provide your comments to the RMA Product Administration and Standards Division no later than December 7. Written comments may be submitted by email at rma.kc.cih@rma.usda.gov or mailed to:

Director,
RMA - Product Administration and Standards Division
6501 Beacon Drive
Mailstop 0812
Kansas City, Missouri 64133

DISPOSAL DATE:

This Informational Memorandum is for the purpose of transmitting information and the disposal date is December 31, 2007.