



United States Department of Agriculture

Farm and Foreign Agricultural Services  
Risk Management Agency

**BULLETIN NO.: MGR-00-019**

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

FROM: Kenneth D. Ackerman /s/ Ken Ackerman 6-29-00  
Administrator

SUBJECT: Issuance of New Added Land Guidelines

**BACKGROUND:**

Various methods to determine actual production history (APH) yields have been developed for producers without actual production records for added land. These methods have evolved over time from being highly restrictive and based on variable transitional yields (T-Yields) to ones that rely on the actual production records provided by producers for other units.

Added land procedures implemented for the 2000 crop year, permitted the use of an existing unit's approved APH yield for the crop (reference unit) to establish the initial approved APH yield for the added land. Two main concerns are: 1) a reference unit with a high approved APH yield for the crop can be used to establish the initial approved APH yield for added land for the crop even though the added land may be less productive; and 2) the amount of land (up to 250 percent of the cropland contained in the existing unit) that may be added to an existing unit without company approval can be excessive.



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The Risk Management Agency Administers and Oversees  
All Programs Authorized Under the Federal Crop Insurance Corporation

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**ACTION:**

Beginning with the 2001 crop year, added land procedures are revised for all Category B APH (annual) crops, except for producers of California sugar beets in counties with an April 30 contract change date. The revised procedures will apply to California sugar beets in those counties beginning with the 2002 crop year. Approved APH yields for added land will be determined according to the following Risk Management Agency (RMA) guidelines:

- A For land added as one or more separate optional units (within the same basic unit):
- 1 If the cropland acres added as an optional unit does not exceed 50 percent of the cropland acres in the basic unit and the total cropland acres to be added (all units) to the existing farming operation does not exceed 640 cropland acres, the approved APH yield will be determined by using the greater of the following yields:
    - (a) A variable T-Yield equal to 65, 80, 90 or 100 percent of the T-Yield (refer to the Crop Insurance Handbook for additional instructions) for the missing actual yields based upon the number of consecutive crop years yields have been provided for the insured crop; or
    - (b) An added land T-Yield calculated by determining the simple average of all approved APH optional existing unit yields (by practice/type/variety) within the same basic unit.
  - 2 If the cropland acres added as an optional unit exceeds 50 percent of the cropland acres in the basic unit or the total cropland acres to be added (all units) to the farming operation exceeds 640 cropland acres, one of following options as elected by the producer will be used to determine the approved APH yield:
    - (a) Regular APH variable T-Yield procedure (see A1 (a) above); or
    - (b) The insured may request the RMA Regional Office (RO) perform an underwriting review to determine the appropriate method (1(a) or (b) above) that will be used by the company to establish the approved APH yield for the added land. The underwriting review will include one or more of the following productivity comparisons: 1) The crop's program yield (used by the Farm Service Agency (FSA) to determine Agricultural Marketing Transition Act [AMTA] payments). If the crop does not have a program yield, the program yield for a reference crop specified by RMA may be used. 2) The APH of the added land from the previous producer. 3) As determined from soil survey maps, climate data, or elevation data, which provide productivity indicators.

The productivity for the added land must equal or exceed 85 percent of the existing unit's productivity to qualify to use the T-yield in 1(b) above to determine the approved APH yield.

- B For land added to an existing optional or basic unit:
- 1 If the cropland acres to be added does not exceed 50 percent of the cropland acres contained within the existing unit and the total cropland acres to be added (all units) to the existing farming operation does not exceed 640 cropland acres, the APH yield of the existing unit (by practice/type/variety) will be used to determine the approved APH yield.
  - 2 If the cropland acres to be added is more than 50 percent of the cropland acres contained within the existing unit or the total cropland acres to be added (all units) to the existing farming operation exceeds 640 cropland acres, one of following options elected by the producer will be used to determine the approved APH yield:
    - (a) Regular APH variable T-Yield procedure (see A1(a) above); or
    - (b) Request the RMA RO perform an underwriting review (see A2(b) for underwriting review guidelines). The RMA RO will determine if the yield of the existing unit or a yield determined under A1(a) will be used.
- C Approved APH yields for added land established for the 2000 crop year using reference unit approved APH yields must be restructured for the 2001 crop year using these guidelines.
- D Separate APH databases (e.g., T-Yield map areas and practice/type/variety) continue to be required according to procedure contained in the Crop Insurance Handbook.

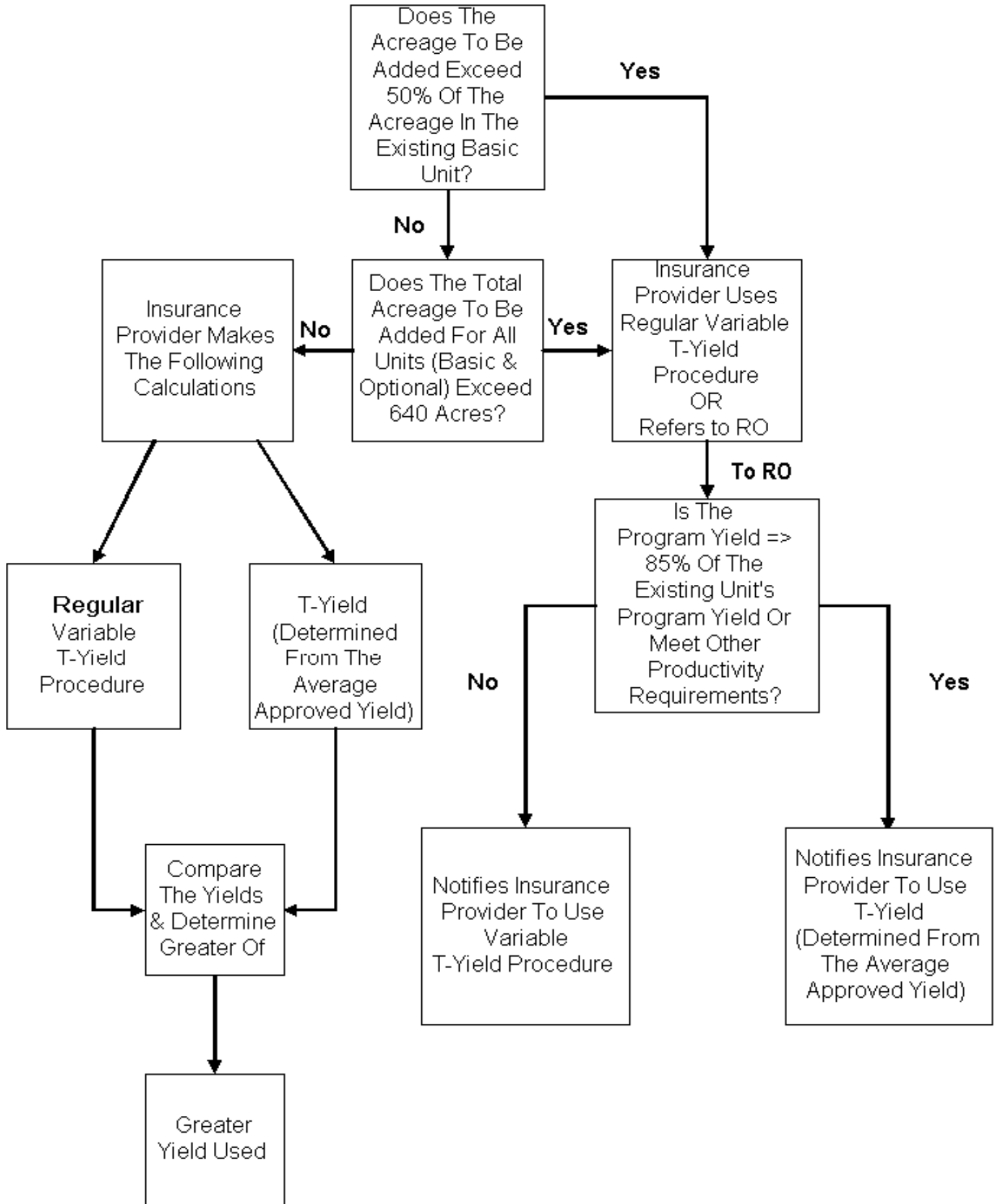
RMA will soon issue draft detailed operating procedures and processing requirements for implementing these guidelines to Insurance Providers for comment prior to finalization. If you have questions please contact Tim Hoffmann at 816-926-7387.

**DISPOSAL:**

This bulletin is for the purpose of announcing new added land procedures. The disposal date is June 30, 2001.

Attachments

LAND ADDED AS A SEPARATE OPTIONAL UNIT



LAND ADDED TO AN EXISTING OPTIONAL OR BASIC UNIT

