

**United States
Department of
Agriculture**

USDA

**Risk
Management
Agency**

**Product
Development
Division**

FCIC XXXXX

**COST OF PRODUCTION
(COP) INSURANCE
PILOT PROGRAM
GENERAL
UNDERWRITING
GUIDE**

**Underwriting Standards for Cost of
Production**

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SECTION 1

SECTIONS

FEDERAL CROP INSURANCE CORPORATION DIRECTIVE		NUMBER: XXXXX
COST OF PRODUCTION (COP) INSURANCE PILOT PROGRAM GENERAL UNDERWRITING GUIDE 2004	DATE: XXXXXX	
	OPI:	
	APPROVED:	

1. PURPOSE

A PURPOSE.

To provide the Cost of Production (COP) Insurance Pilot Program General Underwriting Guide for the 2004 crop year. The COP General Underwriting Guide provides the underwriting instructions for COP policies insured at all coverage levels.

1 **Effective Date.** Upon approval.

DISTRIBUTION Risk Management Agency Directors, Branch Chiefs, Washington, D.C., and Kansas City; Regional Service, and Risk Compliance Offices; Reinsured Companies, National Appeals Division, National Crop Insurance Services and Crop Insurance Research Bureau.

B COMPONENTS. Underwriting for the COP program is organized into two distinct components: the COP General Underwriting Guide and the COP Underwriting Guides for Crops. The Crop Guides contain underwriting rules for each specific COP insurable commodity. Each crop guide is to be used in conjunction with the COP General Underwriting Guide. Conversely, the COP General Underwriting Guide is also to be used in conjunction with the COP Underwriting Guides for Crops.

COP Underwriting guidelines are provided by the following documents:

Cost of Production (COP) Insurance Pilot Program General Underwriting Guide;

Cost of Production (COP) Insurance Pilot Program Underwriting Guide for Almonds;

Cost of Production (COP) Insurance Pilot Program Underwriting Guide for Corn;

Cost of Production (COP) Insurance Pilot Program Underwriting Guide for Cranberries;

Cost of Production (COP) Insurance Pilot Program Underwriting Guide for Onions;

Cost of Production (COP) Insurance Pilot Program Underwriting Guide for Peaches;

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Cost of Production (COP) Insurance Pilot Program Underwriting Guide for Rice;

Cost of Production (COP) Insurance Pilot Program Underwriting Guide for Soybeans;

Cost of Production (COP) Insurance Pilot Program Underwriting Guide for Stonefruit;

Cost of Production (COP) Insurance Pilot Program Underwriting Guide for Sugarcane;

Cost of Production (COP) Insurance Pilot Program Underwriting Guide for Upland Cotton; and

Cost of Production (COP) Insurance Pilot Program Underwriting Guide for Wheat.

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2. STANDARDS AND INSTRUCTIONS

A Operating Standards. This handbook is the official publication of the Risk Management Agency (RMA) for all levels of insurance provided under the Cost of Production (COP) Insurance program. Throughout this document, COP refers to the Cost of Production Insurance Pilot program available under the Federal crop insurance program and written by Private Insurance Companies reinsured by Federal Crop Insurance Corporation (FCIC). This handbook does not include instructions for other pilot programs or private insurance products submitted to FCIC and approved for reinsurance. Private insurance companies are hereafter referred to as “Insurance Providers.” Approval authorities within RMA and for Insurance Providers are indicated in this handbook. Insurance Providers are delegated the same underwriting authorities as RMA, ONLY when indicated in this handbook (i.e., RMA RO/Insurance Providers.)

Insurance Providers that have a Standard Reinsurance Agreement (SRA) with FCIC must use this handbook or comparable procedures approved by RMA to deliver COP coverage. This handbook and the sample forms contained within it are the RMA STANDARDS FOR APPROVAL when RMA’s approval of comparable procedures and/or forms is requested.

Each Insurance Provider is responsible for using RMA approved procedure. If an Insurance Provider is audited by a government agency or is selected for an RMA compliance review, the applicable procedure in this handbook or comparable RMA approved procedures will be the basis for all determinations. If there is a conflict between this handbook and comparable RMA approved procedures issued by an association or Insurance Provider, the procedures in this handbook will prevail unless they are determined by RMA to be in error.

Insurance Providers may develop forms based on their internal needs. The structure of these forms may vary from the standard RMA forms, but they require RMA’s written approval and must contain the same information as the RMA forms. All certification statements on forms submitted to RMA for approval **MUST BE IDENTICAL** to the ones approved for use by RMA and the Privacy Act Statement must be included on any form used to collect information from the insured.

This handbook is generic in format where practical. Some exhibits and examples used in this handbook are not exact reproductions of actual forms they represent. They are formatted in Microsoft Word for ease in handbook preparation. Refer to the RMA approved forms for the actual form format.

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3. DEFINITIONS

Acreage Report – A report required by section 7 of the Basic Provisions that contains, in addition to other required information, the insured’s report of his/her share of all acreage of an insured crop, whether insurable or not insurable.

Acreage Reporting Date – The date contained in the Special Provisions or as provided in section 7 of the Basic Provisions by which the insured is required to submit his/her acreage report.

Act – The Federal Crop Insurance Act (7 U.S.C. 1501 et seq.)

Actual Yield - The yield determined by dividing total production (including harvested and appraised potential production) by planted insurable acreage for annual crops and by insurable acres for perennial crops (unless production from uninsurable acreage is commingled with production from insurable acreage).

Actuarial Documents – The material for the crop year that is available for public inspection in the insured’s agent’s office, which shows the available coverage levels, premium rates, practices, insurable acreage, and other related information.

Administrative Fee – An amount the insured must pay for each crop year as specified in section 8 of the COP Basic Provisions.

Agricultural Commodity – Grain and non-grain crops, vegetables, fruits, nuts, nursery plants, floriculture, Christmas trees, maple tree sap, products from animals such as milk, eggs, etc., excluding timber, forest, and forest products.

Allowable Expenses (per acre) – The dollar amount per acre directly associated with the production of each insured crop during the current crop year as listed by the insured on the Covered Expenses Worksheet at the time of application. Any expense incurred after the end of the insurance period that directly influences the production of each crop for the next crop year will be covered as an allowable expense under the policy for the next crop year (or insurance period). Any dollar amount refunded, credited, prepaid and any other expense not expended will not be considered an allowable expense. The applicable allowable expense categories are:

- (1) Variable cost expenses;
- (2) Fixed cost expenses; and
- (3) Land fee expenses

The insured’s premium and administrative fee for this policy are not allowable expenses. The total amount of variable expenses, fixed cost expenses, and land fees expenses may be limited by the Special Provisions and cannot exceed the amount designated in the Special Provisions.

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VARIABLE COST EXPENSES

Variable Cost Expenses – The dollar amount per acre directly associated with the production of each COP insured crop during the current crop year as listed by the insured on the Covered Expenses Worksheet at the time of application. The maximum allowable variable cost expenses are provided in the Special Provisions. The applicable variable cost expenses include seed, annual or perennial plants, or tree placement expenses, fertilizer, chemicals, fuel, lube, utilities, repairs, maintenance, hired labor, other labor, custom operations, harvesting, irrigation, operating loan interest, other variable cost expenses, and post-harvest expenses and other costs that are crop specific and are described in the Crop or Special Provisions.

Chemical Expenses – Expenses paid for herbicides, insecticides, and other chemicals used in the production of each COP insured crop, and includes, but is not limited to, adjuvants, fungicides, pre-emergents, dormant oils, copper, rodenticides, and growth regulators.

Custom Operations Expenses - Expenses paid to others for performing specific operations required for normal production practices (e.g. spraying, harvesting) for COP insured commodities.

Fertilizer Expenses – Expenses paid for fertilizer used in the production of each COP insured crop, and includes, but is not limited to, ammonium nitrate, anhydrous ammonia, phosphorus, phosphate, potassium, potash, and lime.

Fuel, Lube, and Utilities Expenses – Expenses paid for gasoline, diesel, kerosene, fuel/oil additives, lubricants, greases, electricity, non-irrigation water, natural gas, propane, or heating oil for equipment, vehicles, and facilities associated with the production of each COP insured crop.

Harvesting Expenses – Expenses paid for the picking or removal of each mature COP insured crop from plants or trees by hand or machine.

Hired Labor Expenses – Expenses paid to laborers (non-owner labor) to work with each COP insured crop(s) including wages, payroll taxes, and employment-related insurance and benefits (does include unemployment insurance, health/disability/life insurance, or workers' compensation). This excludes owner, landlord, and share renter labor.

Irrigation Expenses – Expenses paid for water and its application used exclusively in providing moisture to seeds, plants, or trees involved in the production of each COP insured crop.

Operating Loan Interest Expenses – Expenses paid for interest charges on operating capital directly related to the production of each insured crop. Does not include interest relating to the financing of machinery, equipment, implements, real estate, other enterprises, or non-COP insured or uninsured crops.

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Other Labor Expenses – Expenses paid for unallocated labor and management fees relating to the production of each COP insured crop.

Other Variable Cost Expenses – Expenses paid for supplies and other miscellaneous expenses used in the production of each COP insured crop which vary with the amount of acreage or production and include premiums for named peril crop insurance such as hail insurance and mandatory check-off fees.

Post-harvest Expenses - Post-harvest operation expenses paid for each COP insured crop, such as cotton ginning, that are crop specific and are described in the Crop or Special Provisions.

Repairs and Maintenance Expenses – Expenses paid for the repairs and regular maintenance of capital assets such as vehicles, equipment, implements, and facilities used in the production of each COP insured crop.

Seed, Annual or Perennial Plants Expenses – Expenses paid for seed, annual or perennial plants used in production of each COP insured crop.

FIXED COST EXPENSES

Fixed Cost Expenses – Expenses paid for accounting, property taxes, property and liability insurance (does not include unemployment insurance, health/disability/life insurance, or workers' compensation), office expenses, capital depreciation, term loan interest on machinery, equipment, real estate loans, and organization dues, and may include an expense which represents owner labor. Maximum fixed cost and land fee expenses are provided in the Special Provisions. Fixed cost expenses, other than crop specific expenses, that are applicable to second crops and double cropping will be allocated based on the expected gross income of the crops involved if any subsidized insurance under the FCIC Act was offered on both crops.

Capital Depreciation – The allocation, over time, of the original cost, less salvage value, of a capital asset having limited useful life (i.e. machinery, buildings, etc.) by a non-cash expense periodically charged against income over the service, or useful, life of that asset in a rational and systematic manner.

Owner Labor – Unallocated owner, landlord, or share renter labor and management relating to the production of each COP insured crop by the grower.

Term Loan Interest - Expenses paid for interest charges on capital for the financing of machinery, equipment, implements, real estate, or other such items.

LAND FEE EXPENSES

Land Fee Expenses – The dollar amount that represents a return to ownership of land, cash rent, or land ownership cost relating to the production of each COP insured crop. Maximum allowable land fee expenses and fixed cost expenses are provided in the Special Provisions. Land fee expenses for a unit will be based on the share that land represents. Land fee

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expenses for second crops and double cropping will be allocated based on the expected gross income of the crops if any subsidized insurance under the FCIC Act was offered on both crops.

Allowable Income – Farm income from the production of the insured crop including only the amount received from:

- (1) The sale of the insured crop the insured raised during the current crop year;
- (2) USDA payments that apply to the crop insured and may be further defined in the Crop Provisions;
- (3) Other allowable sources of income detailed in the Crop or Special Provisions including the value of appraised production and production not sold and covered expenses when approved expenses cannot be documented or were not expended; and
- (4) Indemnities from named peril crop insurance, such as hail insurance.

Another Use, Notice of – The written notice required when the insured wishes to put acreage to another use.

Application – The form required to be completed by the producer and accepted by the Insurance Provider before insurance coverage will commence. This form must be completed and filed in the producer's agent's office not later than the sales closing date of the initial crop year for each crop for which insurance coverage is requested. If cancellation or termination of insurance coverage occurs for any reason, including but not limited to indebtedness, suspension, debarment, disqualification, cancellation by the insured or the Insurance Provider or violation of the controlled substance provisions of the Food Security Act of 1985, a new application must be filed for the crop. Insurance coverage will not be provided if the producer is ineligible under the contract or under any Federal statute or regulation.

Approved Expenses (per acre) – The dollar amount of the insured's allowable expenses (per acre) that are approved by the Insurance Provider.

Approved Yield – The amount of production per acre computed in accordance with FCIC's Actual Production History Program (7 CFR part 400, subpart G) including any adjustments elected under section 37 or for crops not included under 7 CFR part 400, subpart G, the yield used to determine the expected gross income and premium rate will be calculated in accordance with the Crop Provisions, and the Special Provisions.

Assigned Yield - A yield assigned (by the verifier) for the most recent crop year in the base period (by database) if carryover insureds do not file acceptable production reports by the production reporting date, as required by the crop insurance contract. The assigned yield is 75 percent of the previous year's approved yield. Assigned yields are used in the same manner as actual yields when calculating approved yields.

Assignment of Indemnity – A transfer of policy rights, made on the Insurance Provider's form, and effective when approved by the Insurance Provider. It is the arrangement whereby

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the insured assigns his/her right to an indemnity payment to any party of his/her choice for the crop year.

Base Period – Ten consecutive crop years immediately preceding the current policy crop year (defined in the applicable insurance policy) for which the approved yield is being established. Exceptions: the base period for sugarcane begins two calendar years preceding the current policy crop year (a lag year). The base period for each database is determined by the consecutive CROP YEARS it contains, not calendar years.

Bypassed Acreage – Land on which a crop, grown under a processor contract, is ready for harvest but the buyer elects not to accept such crop; so it is not harvested.

Cancellation Date – The calendar date specified in the Crop Provisions on which coverage for the crop will automatically renew unless canceled in writing either by the insured or the Insurance Provider or terminated in accordance with the policy terms.

Carryover Insured - A person or entity who was insured the previous year without respect to the carrier or agent, determined on a crop policy (by county) basis. If the insured had an MPC, Income Protection, Crop Revenue Coverage, COP, or Revenue Assurance crop insurance and switches from one of the plans of insurance to another plan, that person or entity is considered a carryover insured.

Catastrophic Risk Protection (CAT) - The minimum level of coverage offered by FCIC that is required before the insured may qualify for certain other USDA program benefits unless the insured executes a waiver of any eligibility for emergency crop loss assistance in connection with the crop. In accordance with section 4 (k), this coverage is not available under the COP Basic Provisions.

Claim for Indemnity – A claim made on the Insurance Provider’s form by the insured for loss to an insured crop and submitted to the Insurance Provider not later than 60 days after the end of the insurance period.

Consent – Approval in writing by the Insurance Provider allowing the insured to take a specific action.

Continuous Production Reports - Production reports submitted by a producer for each consecutive crop year (within the base period), including the most recent crop year in the base period. Continuity is not interrupted if for any calendar year the crop was not planted, prevented from being planted by an insurable cause, or NOT produced for an insurable purpose. Rules for reporting continuity of records apply to applicants/insureds certifying percentages of grade or other applicable grade factors when applicable.

Contract – (See “Policy”).

Contract Change Date – The calendar date by which the Insurance Provider makes any policy changes available for inspection in the agent’s office.

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Contract Price – A price for production agreed upon for the sale of a COP insured crop between the grower (insured) and a buyer of the COP insured crop.

COP – Cost of Production.

County – Any county, parish or other political subdivision of a state shown on the insured's accepted application, including acreage in a field that extends into an adjoining county, if the county boundary is not readily discernable.

Coverage – The insurance provided by this policy, against insured causes of loss resulting in allowable income less than the covered expenses.

Coverage Begins, Date – The later of the calendar date that insurance begins for the insured crop, as contained in the Crop Provisions, or the date planting begins on the unit. (See section 18 of the Basic Provisions for specific provisions related to prevented planting).

Covered Expenses (per acre) – The total of the insured's approved expenses (per acre) multiplied by his/her coverage level percentage. In the event of loss or damage covered by this policy, the insured's covered expenses will be reduced if the approved expenses cannot be documented or were not expended. Such reduction will not reduce the premium earned at the time coverage began.

Covered Expenses Worksheet – The form required to be completed by the insured and accepted by the Insurance Provider, submitted with the insured's application, on which the insured certifies his/her allowable expenses (per acre) and the Insurance Provider certifies the approved expenses (per acre) and the insured's expected gross income for the initial crop year. All variable cost expenses for each insured crop must be supported by verifiable records. The insured and the Insurance Provider may mutually agree to change applicable entries for subsequent crop years in accordance with the terms of the policy, Crop Provisions, or Special Provisions on or before the applicable sales closing date for the crop. If during the crop year, the insured becomes aware of a cost increase in excess of 20 percent in a variable cost expense category, the insured must notify the agent. **THE POLICY LIABILITY WILL NOT BE INCREASED.** In the event of a claim, failure to revise the Covered Expenses Worksheet will result in the cost category increase being limited to 120 percent of the expected cost.

Crop Provisions – The part of the policy that contains the specific provisions of insurance for each crop insured.

Crop Specific Expenses – Expenses, which apply to only one crop, such as capital depreciation of a cotton harvester.

Crop Year – The period within which the insured crop is normally grown regardless of whether or not it is actually grown and designated by the calendar year in which the crop is normally harvested.

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Damage – Injury, deterioration, or loss of production of the insured crop due to insured or uninsured causes.

Damage, Notice of – A written notice required to be filed in the insured’s agent’s office whenever the insured initially discovers the insured crop has been damaged to the extent that a loss is probable.

Database - The data used to calculate the approved yield. A minimum of four up to a maximum of ten continuous CROP YEARS of production data is used. The data provided must begin with the most recent CROP YEAR. Years containing assigned yields do not break continuity of production data and are considered CROP YEARS.

Days – Calendar days.

Deductible – The amount determined by subtracting the coverage level percentage the insured chooses from 100 percent. For example, if the insured elects a 70 percent coverage level, his/her deductible would be 30 percent (100% - 70% = 30%).

Delinquent Account – Any account the insured has with the Insurance Provider in which premiums and interest on those premiums are not paid by the termination date specified in the Crop Provisions, or any other amounts due the Insurance Provider, such as indemnities found not to have been earned, which are not paid within 30 days of the Insurance Provider’s mailing or other delivery of notification to the insured of the amount due.

Direct Marketing – Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper, or buyer. Examples of direct marketing include selling through an on-farm or roadside stand, farmer’s market, and/or permission for the general public to enter the field for the purpose of picking all or a portion of the crop.

Earliest Planting Date – The earliest date established for planting the insured crop.

Economic Significance – The value of the crop, or of a type or variety of the crop (if the applicable crop policy allows the Insurance Provider the option to separately insure individual crop types or varieties) equal to ten percent (10%) or more of the total value of the insured’s share of all crops grown in the county the previous crop year or that the insured expects to grow in the current crop year.

End of Insurance Period, Date of – The date upon which the insured’s crop insurance coverage ceases for the crop year.

Enterprise unit - All insurable acreage of the insured crop in the county in which the insured has a share on the date coverage begins for the crop year.

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Establishment Costs Expenses – Expenses incurred during the nonproductive (establishment) phase of a perennial crop. These costs are recognized over the productive life of the crop and are not covered under COP insurance.

Expected Gross Income (EGI) (per acre) – The revenue anticipated, on a per acre basis, calculated by multiplying the insured's approved yield times the expected market price times the insured's share. For crops where insurance is offered that do not require approved yields, the revenue anticipated on a per acre basis, calculated by multiplying the maximum amount of insurance available times the insured's share.

Expected Market Price – The higher of, the applicable FSA county loan rate, the FCIC issued established or additional price election, whichever is applicable, or a contract price if requested and approved by the Insurance Provider on or before the sales closing date. If a contract price is approved for less production than the total approved yield, the expected market price will be a weighted average of the contract price and the other applicable price.

FCIC – The Federal Crop Insurance Corporation, a wholly owned government corporation within USDA.

Field – All acreage of tillable land within a natural or artificial boundary (e.g. roads, waterways, fences, etc.).

Final Planting Date – The date contained in the Special Provisions for the insured crop by which the crop must initially be planted in order to be insured for the full covered expenses per acre.

FSA – The Farm Service Agency, an agency of the USDA, or a successor agency.

FSA Farm Serial Number – The number assigned to the farm by the local FSA office.

Good Farming and Management Practices – The practices used in the area for the production and marketing of the agricultural commodities produced by the insured that are determined by the Insurance Provider as necessary to produce at least the approved yield. For crops, the practices are those determined by the Insurance Provider to be recognized by the Cooperative State, Research, Education, and Extension Service as compatible with the agronomic, weather and other conditions in the area. Good farming and management practices will include replacing (or replanting annual crops) damaged or destroyed agricultural commodities when it is reasonable to expect the allowable income from the sale of such agricultural commodities to exceed the cost of replacing or replanting the agricultural commodities.

Harvest – The picking or removal of the mature insured crop from plants or trees by hand or machine.

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Increased Covered Expenses Endorsement – An endorsement, available on a crop basis, which will provide for additional covered expenses for unforeseen necessary pesticide purchase and application.

Insured – The named person as shown on the application accepted by the Insurance Provider. This term does not extend to any other person having a share or interest in the crop (for example, a partnership, landlord, or any other person) unless specifically indicated on the accepted application.

Interplanted – Acreage on which two or more crops are planted in a manner that does not permit separate agronomic maintenance or harvest of the insured crop.

Irrigated Practice – A method of producing a crop by which water is artificially applied during the growing season by appropriate systems and at the proper time, with the intention of providing the quantity of water needed to produce at least the approved yield on the irrigated acreage planted to the insured crop.

Late Planted Acreage – Acreage initially planted to the insured crop after the final planting date.

Late Planting Period – The period that begins the day after the final planting date for the insured crop and ends 25 days after the final planting date, unless otherwise specified in the Crop Provisions or Special Provisions.

Limited Resource Farmer – A producer or operator of a farm:

- (1) With an annual gross income of \$20,000 or less derived from all sources, including income from a spouse or other members of the household, for each of the prior two years; or
- (2) With less than 25 acres aggregated for all crops, where a majority of the producer's gross income is derived from such farm or farms, but the producer's gross income from farming operations does not exceed \$20,000.

Loss, Notice of – The notice required to be given by the insured not later than 72 hours after certain occurrences or 15 days after the end of the insurance period, whichever is earlier (refer to section 15) of the COP Basic Provisions.

Negligence – The failure to use such care as a reasonably prudent and careful person experienced in the production of insured crops would use under similar circumstances.

New Insured – A person/entity who was not insured the previous crop year without respect to the carrier (FSA or Insurance Company) or agent. If the insured had an MPCCI, Income Protection, Crop Revenue Coverage, or Revenue Assurance crop insurance policy the previous crop year on the same crop/county, that person is not a new insured.

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New Producer – (CATEGORY B CROPS ONLY) A person who has not been actively engaged in farming for a share of the production of the insured crop (producing the crop) in the county for more than two crop years. Formation or dissolution of an entity, which includes individuals with more than two crop years of production history during the base period, does not qualify the new entity as a new producer for yield determination purposes.

Person - An individual, partnership, association, corporation, estate, trust, or legal entity, and wherever applicable, a State or a political subdivision or agency of a State. “Person” does not include the United States Government or any agency thereof.

Planted Acreage – Land in which seed, plants, or trees have been placed, appropriate for the insured crop and planting method, at the correct depth, into a seedbed that has been properly prepared for the planting method and production practice.

Policy – The agreement between the insured and the Insurance Provider consisting of the accepted application, the Basic Provisions, the Crop Provisions, the Special Provisions, other applicable endorsements or options, the actuarial documents for the insured crop, and the applicable regulations published in 7 CFR chapter IV.

Practical to Replant – The Insurance Provider’s determination, after loss or damage to the insured crop, based on all factors, including, but not limited to moisture availability, marketing window, condition of field, and time to crop maturity, that replanting the insured crop will allow the crop to attain maturity prior to the calendar date for the end of the insurance period. It will not be considered practical to replant after the end of the late planting period or the final planting date if no late planting period is applicable, unless replanting is generally occurring in the area. Failure to replant due to unavailability of seed or plants will result in no insurance coverage if the policy requires the crop to be replanted.

Premium Billing Date – The earliest date upon which the insured will be billed for insurance coverage based on his/her acreage report. The premium billing date is contained in the Special Provisions.

Prevented Planting – Failure to plant the insured crop with proper equipment by the final planting date designated in the Special Provisions for the insured crop in the county. The insured may also be eligible for a prevented planting payment if he/she failed to plant the insured crop with the proper equipment within the late planting period. The insured must have been prevented from planting the insured crop due to an insured cause of loss that is general in the surrounding area and that prevents other producers from planting acreage with similar characteristics.

Processor – A business enterprise regularly engaged in the processing of a crop that possesses all licenses and permits for processing the crop required by the state in which it operates, and that possesses facilities, or has contractual access to such facilities, with enough equipment to accept and process the contracted crop within a responsible amount of time after harvest.

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Production Report – A written record showing the insured’s annual production and used by the Insurance Provider to determine the insured’s yield for insurance purposes. The report contains yield information for previous years, including planted acreage and harvested production. This report must be supported by written verifiable records from a warehouseman or buyer of the insured crop, by measurement of farm-stored production, or by other records of production approved by us on an individual case basis.

Production Reporting Date (PRD) – The latest date as provided in the Special Provisions or section 4 of the Basic Provisions for the insured to submit his/her production report.

Rate Yield – The average approved yield used to determine the premium rate if the approved yield is based on a yield substitution or yield floor.

Replanting – Performing the cultural practices necessary to prepare the land to replace the seed or plants of the damaged or destroyed insured crop and then replacing the seed or plants of the same crop in the insured acreage.

Replanting Expenses – Expenses paid for the replanting of an insured crop.

Representative Sample – Portions of the insured crop that must remain in the field for examination and review by our loss adjuster when making a crop appraisal, as specified in the Crop Provisions. In certain instances, the Insurance Provider may allow the insured to harvest the crop and require only that samples of the crop residue be left in the field.

RMA Regional Office (RMA RO) – The RMA Office for a designated area (states). [Refer to Exhibit 7 for a list of offices and states served.]

RMA RO Determined Yields – The approved yield determined by the RMA RO for insureds who do not provide at least four years of acceptable production reports when a “T” Yield table is not published; or for other cases referred to the RO for yield determinations.

Sales Closing Date – A date contained in the Special Provisions by which an application must be filed. The sales closing date is the last date by which the insured may change his/her crop insurance coverage for a crop year.

Second Crop – With respect to a single crop year, a crop that is planted on the same acreage after an initially planted crop is destroyed or was prevented from being planted on such acreage and does not include a replanted first crop.

Share – The insured’s percentage of interest in the insured crop as an owner, operator, or tenant at the time insurance attaches. However, only for the purpose of determining the amount of indemnity, the insured’s share will not exceed his/her share at the earlier of the time of loss or the beginning of harvest.

Special Provisions – The part of the policy that contains specific provisions of insurance for each insured crop that may vary by geographic area.

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State – The state shown on the insured’s accepted application.

Substantial Beneficial Interest – An interest held by any person of at least 10 percent in the applicant or insured.

Substituted Yield - A yield established by multiplying the applicable county crop “T” Yield by 60 percent. [Refer to Sec. 12 for Approved Yield Adjustment procedures.]

Summary of Coverage – The Insurance Provider’s statement to the insured, based upon information the insured supplies, specifying the insured crop and the covered expenses by unit.

Temporary Yield - A yield used (by unit) when an insured is unable to finish harvest (due to an insurable cause), or records are unavailable from the processor, marketing outlets, etc., by the production reporting date.

Tenant – A person who rents land from another person for a share of the crop or a share of the proceeds of the crop (refer to “share” above).

Termination Date – The calendar date contained in the Crop Provisions upon which the insured’s insurance ceases to be in effect because of nonpayment of any amount due the Insurance Provider under the policy, including premium.

Timely Planted – Planted on or before the final planting date designated in the Special Provisions for the insured crop in the county.

Transitional Yield (“T” Yield) – An estimated yield provided in the Actuarial Table which is used in calculating average/approved yields when less than four years of actual, temporary, and/or assigned yields are available on a crop by county basis.

Note: Any actuarial document references to Determined Yields (“D” Yields) are considered “T” Yields for Approved Yield purposes.

Transitional Yield Locator Document (“T” Yield Map) – A county map indicating area classifications and corresponding “T” Yields. “T” Area classifications are used in conjunction with the “T” Yield table to determine “T” Yields.

USDA – United States Department of Agriculture.

Variable “T” Yields –

For Category B Crops – Sixty-five, 80, 90, or 100 percent of the applicable “T” Yield based on the number of years of actual, assigned, or temporary yields provided on a crop (policy) and county by the insured.

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For Category C Crops - Sixty-five, 80, 90, or 100 percent of the applicable “T” Yield based on the number of years of actual, assigned, or temporary yields provided for each database by the insured.

Verifiable Records – Allowable variable cost expenses that are confirmed through valid documentation and provided to the insured by the seller of the inputs for the COP insured crop and written records developed contemporaneously with the event recorded (such as harvested production, sale of a crop, etc.) provided from a third party (such as records from a warehouse, processor, packer, broker, etc.) or by measurement of farm stored insured crops that are acceptable to us.

Void – When the policy is considered not to have existed for a crop year as a result of concealment, fraud, or misrepresentation.

Waiver (Administrative Fees) – A document that, when signed by limited resource farmers, exempts them from paying the administrative fee.

Waiver (Linkage) – An FSA document that, when signed by a producer relinquishes that producer’s eligibility for emergency crop loss assistance and satisfies linkage requirements.

Written Agreement – A document that alters designated terms of a policy as authorized under the Basic Provisions, the Crop Provisions, or the Special Provisions of the insured crop.

Yield Limitations/Yield Floor – Adjustments made to average yields, when applicable, which result in the approved yield.

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4. GENERAL RULES

A Insurance Offer. Insurance is available when crop information is contained in the county actuarial documents for a particular crop. In addition to listing eligible crop programs for the county, the county actuarial tables include: sales closing and other program dates, coverage levels, risk classifications and the corresponding rates. The applicable county actuarial table is a part of the insurance contract.

- 1 **Eligible crops** are crops with an applicable COP crop policy. Eligible crops must be grown on insurable acreage in a county for which a method of establishing insurance guarantees and premium rates has been established for the crop in order for insurance to attach. [Refer to Exhibit 1 for a listing of:]
 - (a) Eligible Crops;
 - (b) Availability of Late and Prevented Planting Coverage;
 - (c) Availability of Replant Coverage; and
 - (d) Units of Measure.
- 2 **Insurable Farming Practices.** The Basic Provisions, Crop Provisions and Special Provisions from the county actuarial documents may provide for or exclude from insurability certain farming practices. Refer to those documents for specific information.
- 3 **Crop Policy and/or County Actuarial Document Revisions.** Such revisions must be on file with the Insurance Provider by the contract change date specified in the crop policies preceding the crop year for which the changes are to become effective.
- 4 **Crop Provisions with More Than One Insurable Crop.** The Crop Provisions may indicate that type(s) or variety(ies) (e.g., Fresh Apricots and Processing Apricots insured under the Stonefruit Crop Provisions) are separate insured crops. Refer to the applicable Crop Provisions or the Special Provisions to determine the separate insurable crops. Each crop under the same Crop Provisions that may be insured separately must be charged a separate administrative fee.
- 5 **Term.** COP policies are continuous contracts and remain in force until: (1) canceled in writing by either the insured or the Insurance Provider on or before the cancellation date for the effective crop year, or (2) the policy is terminated by the Insurance Provider because the applicable administrative fee or any other unpaid amount (e.g., overpaid indemnity, premium) was not paid. The cancellation and termination dates are found in the applicable Crop Provisions.
 - (a) Cancellation. The insured or Insurance Provider may cancel a continuous policy for any crop year following the initial crop year insured by giving a signed notice to the

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other party on or before the cancellation date that precedes the crop year. A request made by the insured to cancel a crop/policy after the cancellation date will be effective the following crop year.

Insurance on a crop may not be canceled during the first effective policy year by the insured, except when:

- (i) A change is made in the policy or actuarial documents (Special Provisions or rates), which adversely affects the coverage or rate and was not filed at the time of application. If an application is taken before revised rates and rules filing, the applicant will be advised by the Insurance Provider of any change that would adversely affect the insured crop. The applicant will then have the option to cancel such insurance policy on the crop(s) on or before the cancellation date.
 - (ii) The approved yield has been lowered by more than five percent compared to the preliminary yield quoted [refer to Sec. 10 F], or the Insurance Provider was not authorized to calculate the preliminary yield and the approved yield is not acceptable to the insured.
 - (iii) Insurance Providers agree. A policy written with one Insurance Provider may not be canceled for the purpose of insuring with another agent/Insurance Provider during the first effective crop year without the consent of the Insurance Providers involved. However, a change in insurance plans is allowed and must be made before the earlier of the applicable cancellation or sales closing date (e.g., an insured purchased MPCCI on Wheat, Corn, and Soybeans in the fall, and prior to the applicable cancellation or spring sales closing date the insured requests COP instead of MPCCI on Corn and Soybeans).
- (b) Termination for Non-payment of Premium. The policy provides for termination of the contract for the next crop year if any of the premium remains unpaid as of the termination date for non-payment of premium (which precedes that crop year). A policy issued by a new Insurance Provider will be terminated for existing indebtedness. [Refer to Sec. 4 C 9 (e) (i).] RMA will not provide reinsurance on policies that should have been terminated for non-payment of premium but were not.
- 6 **Other COP Insurance.** Only one COP policy (or other government subsidized policy issued under the authority of the Federal Crop Insurance Act) is permitted on the same crop for the same person/entity.
- 7 **Duplicate Policies Are Not Permitted.** Insurance Companies must use the Policyholder Tracking System (PHTS) to determine if more than one government-subsidized policy is in force on the same crop and county for the same person. If more than one policy is in force on the same crop/county for the same person/entity, duplicate policies exist. The policy with the earliest date of application will remain in force and all other policies for the crop will be voided. If the Insurance Provider determines that duplicate coverage exists and was intentional, the insured may be subject to the fraud provisions stated in the

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applicable crop policy. RMA will edit Insurance Provider data submitted to RMA to identify and report potential duplicate policies to Insurance Providers to assist them in duplicate policy resolution.

- 8 **Other Insurance/Excess Coverage.** When other fire or hail insurance is carried on insured crops, the COP policy provides for only excess coverage. If another federally subsidized insurance plan permits other federally subsidized insurance to be purchased on a crop insured under COP, the provisions of such other plan of insurance as it pertains to the other federally subsidized insurance plan shall apply to the COP coverage.
- 9 **Insured Cause(s) of Loss.** Insured causes of loss (and any limitations) are stated in each crop's policy provisions. Examples are: adverse weather conditions, fire, wildlife, earthquake, and volcanic eruption occurring within the insurance period. The Secretary of Agriculture may determine other insured cause(s) of loss due to natural disasters.
- 10 **Notice of Damage or Loss.** It is the duty of the insured to provide notice of loss to the Insurance Provider without delay. Sufficient information must be provided to determine whether or not an inspection is necessary. Refer to the policy for each crop's notice and representative strip/sample requirements.
 - (a) **Severe Wind Erosion.** Insureds must notify their agents immediately of their intention to till acreage to control soil erosion. When a notice concerning severe wind erosion is given, the Insurance Provider should contact an adjuster immediately and an inspection should be made as soon as possible. When the local Natural Resources Conservation Service/Cooperative Extension Service recommends emergency tillage to conserve the soil and minimize further damage to the insured crop, the policyholder may take immediate action if the acreage to be tilled represents 25 percent or less of the field or sub-field. In all other cases, the crop must be inspected before starting any emergency tillage. If, after tilling is started, more than 25 percent of a field or sub-field needs to be tilled, the insured must notify the Insurance Provider so that such acreage can be inspected prior to tilling.
 - (b) **General Notice Instructions.** The insured must give timely notice of damage or probable loss if:
 - (i) During the period before harvest, the insured crop on any unit is damaged to the extent that the insured does not expect to further care for or harvest any part of the acreage. Such acreage must be left intact until inspected.
 - (ii) The insured wishes to put insured acreage to another use. The insured must NOT put acreage to another use before the crop's potential production is appraised and written consent is given for such other use.
 - (iii) An indemnity or an increase in covered expenses due to replant is to be claimed on any unit.

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- (c) Delayed Notices. Notices of loss are considered “delayed” if not reported within the period of time specified in the individual crop policy(ies). [Refer to the Loss Adjustment Manual (FCI-25010) and the COP Summary of Changes to the LAM.]

B Linkage Requirements. To be eligible for benefits under the Farm Security and Rural Investment Act of 2002; loans or any other USDA-provided farm credit, including guaranteed and direct farm ownership loans, operating loans, and emergency loans under the Consolidated Farm and Rural Development Act provided after October 13, 1994; and benefits under the Conservation Reserve Program provided by any new or amended application or contracts executed after October 13, 1994; a producer must obtain at least CAT coverage for each crop of economic significance OR sign a “waiver” of any eligibility for emergency crop loss assistance. The COP insurance plan does not contain provisions for CAT coverage thus an insured under COP insurance is “linked” on those crops, for purposes of the above benefits, if they insure all crops of economic significance for which COP insurance is available to them. If the producer has crops for which COP insurance is not available or they chose not to insure specific crops under COP insurance they must abide by the specified requirements as shown above for those crops. Execution of a “waiver” does not affect the producer’s ability to participate in any Federal crop insurance program administered under the Federal Crop Insurance Reform Act of 1994.

- 1 **Breach of Contract.** If a waiver is not executed, failure to comply with all provisions of the policy constitutes a breach of contract and may result in ineligibility for the farm program benefits listed above for that crop year. If ineligible, any benefit already received must be refunded.
- 2 **Crop of Economic Significance Determinations.** [Refer to Sec. 1 of the COP Basic Provisions.] Each crop year, the producer is responsible for determining which crop(s) in the county will be of economic significance. If a producer decides to plant an uninsured crop that is a crop of economic significance, insurance cannot be obtained after the crop’s sales closing date unless the crop is a substitute crop. To determine the percentage/value for each crop:
 - (a) Multiply each crop’s planted acres times the producer’s share, times the approved yield (when applicable) times the price. A price such as the current local market price, futures price, established price, highest amount of insurance, etc., may be used provided the same type of price is used for all crops in the county;
 - (b) Add the values of all crops grown in the county as determined above; and
 - (c) Divide each crop’s value by the value of all crops grown in the county.
- 3 **Administrative Fees.** For a COP policy, each insured is required to pay an administrative fee each year insurable acreage of the crop is planted or a prevented planting acreage report is filed. The fees are paid to the insurance provider. The administrative fee per crop per county for new and carryover contracts is \$30.00, is established when the insurance attaches, and is due by the premium billing date. Third

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parties are prohibited from paying administrative fees on producers'/insureds' behalf. Insurance Providers, insurance agents, producer associations, grower groups, farm cooperatives, etc., may not pay administrative fees for producers/insureds. Only those persons acting in place of the producer/insured under a power of attorney, landlord/tenant agreement, or a legal guardianship, may pay the administrative fee.

- 4 **Waiver of Administrative Fees.** The administrative fee for COP may be waived for a limited resource farmer.
- (a) New insureds that wish to be exempt from paying administrative fees must request a waiver at the time of application (on or before the sales closing date). For carryover insureds, waiver requests must be made annually by the crop's final acreage reporting date. [Refer to Exhibit 3 for the Request to Waive Administrative Fees.] The insured must provide proof of qualifying income OR CERTIFY on the request for waiver that he or she qualifies as a limited resource farmer.
- (b) Insurance Providers approve or reject the Request To Waive Administrative Fees. If the producer certifies eligibility and the Insurance Provider has reason to question the producer's eligibility, the Insurance Provider may require proof of income (i.e., income tax returns) for the previous two years prior to allowing the producer to qualify for a limited resource farmer status.
- (i) If the producer does not qualify as a limited resource farmer, the Insurance Provider shall provide written notice to the producer that the administrative fee must be paid in accordance with policy terms or the policy will be terminated and the person will become ineligible for insurance coverage.
- (ii) If adequate proof is not provided and it is found that the producer intentionally misrepresented their status, the policy will be voided. The voidance will be effective at the beginning of the crop year in which the misrepresentation took place.
- (c) If selected for any COP program review, eligibility for waiver of administrative fees must be verified and the insured will be required to provide proof of gross income.
- 5 **Copies of Documents.** If original insurance documents are required by RMA but are unavailable, a photocopy, fax copy, or carbon copy of an original insurance document may be used if CERTIFIED by the Insurance Provider. The copy MUST be marked or stamped "Certified True Copy" and be signed and dated by the Insurance Provider's authorized representative.

EXAMPLE:

> CERTIFIED TRUE COPY <
> <

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> <
 > <
 > <
 > <

 (Signature) (Date)

A certified true copy may be accompanied by a memorandum that explains why a photocopy is being submitted instead of the original document.

6 **Rounding Rules** pertaining to COP program administration.

Item	Form	Unit of Measure	Round To:
Coverage Level	Application, Acreage Report, Summary of Coverage	Percent	5.00
Covered Expenses	Summary of Coverage, Claim	Dollars	1.00
Share (interest)	Application, Covered Expenses Worksheet, Acreage Report, Claim	Thousandths	0.001
Acres	Application, Covered Expenses Worksheet, Acreage Report, Block Production, Claim	Acres	0.10
Premium	Summary of Coverage	Dollars	1.00
Approved Yield	Production Report, Covered Expenses Worksheet	Bushels, Boxes, Cartons, Lugs, Hundredweight, Pounds,	1.00
		Barrels, Tons	0.10
Expenses/ Costs	Covered Expenses Worksheet	Dollars	0.01
Increase in amount of covered expenses	Summary of Coverage	Dollars	1.00
Allowable Income	Claim	Dollars	1.00
Indemnities	Claim, Settlement	Dollars	1.00
Price/LDP	Claim, Covered Expenses Worksheet	Dollars	0.01

C **Applications for Insurance.**

- 1 **Eligible Persons/Entities.** Application for insurance covering an insurable (eligible) crop may be made by a person/entity to cover a bona fide interest in a crop at the time

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coverage begins. Bona fide interest is a share of the crop as an owner-operator, landlord, tenant, or sharecropper. [Refer to Exhibit 15 for details on various entity types.]

- (a) **Minors.** A minor may insure a crop by having a court-appointed guardian or parent co-sign the application.
 - (b) **Separate applications/contracts are required for each person/entity** insured unless the application clearly states the landlord will insure the tenant's share, or the tenant will insure the landlord's share. If the landlord or tenant has requested to insure the other persons share of the crop on the application by the applicable sales closing date, the percentage shares of both persons must be shown in the remarks section of the acreage report or documented and attached to the acreage report (if insuring another person's share and it is 10 percent or greater, the other person's SSN/EIN is required and must be reported on the SSN/EIN Reporting Form as an SBI (substantial beneficial interest). Evidence of the other party's approval (lease, power of attorney, etc.) must be provided to the Insurance Provider, and retained. If a person or entity is sharing with multiple landlords/tenants, only one application/contract is allowed per person/entity.
 - (c) **Native American land held in trust** by the Bureau of Indian Affairs is handled similar to other trusts. [Refer to Exhibit 15 L 3.] All other Native American entities will be insured as applicable (i.e., individuals, partnerships, joint operators, etc.).
- 2 **Ineligible Persons.** Any person with a delinquent debt to RMA or an Insurance Provider, or who is disqualified through administrative proceedings, is ineligible for crop insurance until the debt is resolved or for the period of disqualification. Under the Food Security Act of 1985, any person who is convicted under federal or state law of planting, cultivating, growing, producing, harvesting or storing a controlled substance in any crop year will be ineligible for crop insurance for five years from the date of conviction.
 - 3 **Sales Closing Dates.** To participate, a person must apply for insurance on or before the applicable sales closing date. Sales closing dates, usually preceding the beginning of the insurance period, are established for each insurable crop and are published in the county actuarial table. After the sales closing date, new applications for insurance for that crop year may not be accepted. [Refer to Sec. 4 C 7 (c) for exceptions.] Sales closing dates falling on Saturdays, Sundays, or legal holidays are extended to the next business day.
 - 4 **Selecting Coverage.** The insured's COP coverage is determined by the level of coverage selected. The level of coverage is chosen at the time the application is completed. The level of coverage may be changed if requested in writing on or before the applicable sales closing date for the crop. A crop may be insured at 65%, 70%, 75%, 80%, or 85% of the Approved Expenses as shown on the Covered Expenses Worksheet. All acreage of the insured crop within a county must be insured at the same level.
 - 5 **Coverage Categories.** For administrative purposes, COP coverage levels and subsidy percentages are shown below.

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Coverage Level Percentage (%)	65	70	75	80	85
Subsidy Percentage (%)	59	59	55	48	38

- 6 **Premium Rates and Risk Classifications.** The risk classifications and associated premium rates established for each county and crop are presented in the county actuarial tables. Risk classifications may be presented through maps, “T” Yield Maps, General “T” Yield Tables and listings of land locations, producers or FSA Farm Serial Numbers (FSNs). High-risk land will be subject to the high-risk rate unless the high-risk land comprises thirty percent or less of the acreage in the enterprise unit or the approved yield is based on six or more years (five years for peaches) of acceptable production and acreage records.
- 7 **Applications.** Use the FCI-12, Crop Insurance Application, or an application approved by RMA, to request insurance on eligible crops. Applications are also used to add a crop(s) to an existing policy, to insure crops in additional counties, and for successor-in-interest policies. A new application is required when changing from one plan of insurance coverage to another plan of insurance, e.g., Actual Production History (APH) to COP. An insured must insure all of the insurable acreage of the insurable crop in the United States where COP is available.
- (a) Applications are subject to acceptance by the Insurance Provider. Prior to acceptance, the Insurance Provider will determine that the application:
- (i) Is for a producer who has a bona fide interest (owner, operator, sharecropper, or tenant) in the crop.
 - (ii) Shows the correct person/entity (individual, partnership, co-owner, joint operator, estate, trust, etc.).
 - (iii) Has been signed by a person(s) having authority to enter into a binding contract.
 - (iv) Contains all the material information required to insure the crop, including: all applicable SSNs and/or EINs (including spouse’s SSN), coverage level, crop, type, variety, class, and plan of insurance. The Insurance Provider may not accept applications that do not contain the material information required to insure the crop.
- (b) The policy will be voided if the insured has falsely and/or fraudulently concealed either the fact that the insured is restricted from receiving benefits under the Federal Crop Insurance Act or that action is pending which may restrict eligibility to receive such benefits.

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- (c) Late-filed Requests for Insurance. After the sales closing date, an application may ONLY be taken and approved by the Insurance Provider under the following conditions:
- (i) There is documented evidence that the applicant intended to make timely application, but was prevented from doing so by circumstances beyond his or her control (i.e., personal illness or family tragedy).
 - (ii) The primary reason for the application being late-filed is the fault of Insurance Provider.

For situations (i) and (ii) above, the insurance provider must document in writing, justification for taking the request and have an authorized representative perform a crop inspection. If the crop appraises at 90 percent or more of the Approved Yield times the applicable coverage level, the insurance provider may accept the application.

- (d) Rejected Applications. If rejected, the original application along with a letter of explanation must be sent to the applicant. Insurance Companies should provide a copy to the agent/representative.

8 **Successor-In-Interest Applications.** A successor-in-interest policy continues the insurance protection; favorable insurance experience/premium discounts (if the successor qualifies), and yield history that was accumulated by the former insured. While the favorable insurance experience/premium discounts do not apply to COP, insureds may switch to plans of insurance where they do apply and will be able to benefit from them. [Refer to Sec. 4 C 11 for insurance experience/premium discount requirements and applicable crops.] A successor-in-interest application may be approved by the Insurance Provider when there is one successor to the insured entity or for each former member of a partnership when a partnership is dissolved. A successor-in-interest requires the preparation of a new application and cancellation of the previous policy.

- (a) Participation. The successor must have participated in an active farming capacity to assist with the earning of the yield history. The successor-in-interest request must document the extent of the insured's participation in the prior production of the crop. The Insurance Provider either approves or denies the request to transfer the insurance protection and yield history.
- (b) Limitations. A successor-in-interest policy covers only the land previously insured. If additional land is to be covered under the same policy, a successor-in-interest application is not applicable.
- (c) Applicants. A successor-in-interest application may be taken from:
 - (i) An immediate family member (spouse, son, daughter, legally adopted child, brother, sister, or grandchild).

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- (ii) An authorized representative (executor or administrator of an estate; trustee of a trust; guardian of a judicially declared incompetent, minor, or incapacitated individual; or individual having power of attorney).
 - (iii) A person whose status has changed (dissolution or a declaration of incompetence or incapacity; change of name due to marriage, divorce, etc., or a minor attains majority).
 - (iv) A change of insurable entity. Changes of insurable entity include dissolution of a partnership, corporation, trust, or settlement of an estate. The successor/applicant must have been an active member of the insured entity that changed and operates all or part of the same land previously insured by the entity.
- (d) Yield History. If the previous insured had an approved yield and turned the operation over to another person who qualifies for a successor-in-interest policy, the Insurance Provider must transfer the Yield History to the successor-in-interest policy; however, if only part of the acreage is insured under the successor-in-interest, only the applicable yield data is used.
- 9 **Transfer of Policies**. Use FCI-480, Cancellation/Transfer of Experience or RMA approved Cancellation/Transfer of Experience forms to cancel policies and to transfer insurance experience data from one Insurance Provider to another. To be effective, transfer requests must be signed by the cancellation date and received by the ceding Insurance Provider no later than 45 days after the cancellation date. Requests received later than 45 days after the cancellation date may be rejected by the ceding Insurance Provider for that crop year.
- (a) The policy may not be canceled the first effective crop year with any Insurance Provider for the purpose of insuring with another Insurance Provider without the consent of the insurers involved.
 - (b) Requirements. The assuming Insurance Provider must complete and have the insured sign a Cancellation/Transfer of Experience Data Form for each policy (crop) being transferred (a legible carbon copy, photocopy, or faxed copy of the request containing the insured's signature is acceptable for canceling and transferring insurance coverage). A policyholder may transfer a crop only once per crop year.
 - (c) Documentation. The assuming Insurance Provider must complete an application, indicate it is a renewal, obtain the insured's signature, and enter the ceding Insurance Provider's policy number(s) on the Policy Cancellation and Transfer of Experience Data Form.
 - (d) Yield History. When the insured transfers the policy to a different agent and/or Insurance Provider, if applicable, the yield history **MUST** also be transferred.

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(e) Responsibilities.

(i) The assuming Insurance Provider must advise the policyholder that:

- a Premium and loss experience (if any) will be transferred.
- b Yield history will also be transferred.
- c The policy will be terminated if the insured is indebted to the ceding Insurance Provider.

(ii) All Insurance Providers are required to transmit experience (premium and loss data) and yield history data to RMA. RMA will enter this information into Experience and Yield History Databases. The PHTS may be used to access this information.

(f) Verification of Underwriting Information. Insurance Providers may complete/issue policies using the PHTS without requesting insurance experience and yield history from the ceding Insurance Provider. However, if the PHTS information appears incomplete or inaccurate, the assuming Insurance Provider MUST request the data from the ceding Insurance Provider. When requested timely the ceding Insurance Provider will provide the experience and complete yield data for the applicable crop/county to the assuming Insurance Provider no later than 15 calendar days after receiving the request. If due to a lag in processing the immediate past year's business, the cumulative experience factor may be used by the assuming Insurance Provider to provide an estimated premium. The actual premium for the current crop year will be billed after the immediate past year's experience is completed.

(g) The assuming Insurance Provider must notify the ceding Insurance Provider when it has accepted the transfer. The ceding Insurance Provider will then terminate its policy. In any transfer, the assuming Insurance Provider must issue the policy and the ceding Insurance Provider must terminate its policy.

(h) Policy service functions will be performed by the assuming Insurance Provider upon completion of the transfer process.

10 **Deceased Insureds.** If the insured dies:

(a) BEFORE the beginning of planting of any insured annual crop, or BEFORE insurance attaches for any insured perennial crop, coverage for all crops under the policy terminates. If applicable, a successor-in-interest application maintains continuity of insurance and preserves any favorable experience discounts.

(b) AFTER the beginning of planting of any insured annual crop, or AFTER insurance attaches for any insured perennial crop, coverage for all crops under the policy will

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continue until the end of the insurance period. A crop inspection is not required if the acreage report is filed by the acreage reporting date.

- (i) If an indemnity is due, the beneficiary entitled to the indemnity must be determined and documented in the contract file folder. The documentation must indicate the contract number, crop, crop year, unit, and circumstances requiring the naming of the beneficiary. A copy of the death certificate may be used to positively document the date of death.
- (ii) Insurance terminates for the succeeding crop year. A successor-in-interest (if applicable) or new application must be obtained to continue insurance.

11 **Previous Insurance Experience/Premium Adjustment.** Insureds may have had favorable insurance experience (base premiums and loss experience) and earned premium discounts on some crops [Refer to Sec. 4 C 11 (a)] provided by previous policy provisions. Previous insurance experience must be retained by the Insurance Provider if insureds have been continuously insured on the same crop and county in order for the insured to remain eligible for any earned favorable insurance discount (factor). For insureds that switch coverage plans (i.e., APH to GRP; MPCCI to COP, Crop Revenue Coverage, Revenue Assurance, or Income Protection) or coverage levels (i.e., additional coverage to CAT coverage), Insurance Providers must retain previous insurance experience. The premium adjustment factor is not used for GRP, other coverage plans, or when calculating imputed CAT premium. When an insured switches from GRP back to APH or other coverage plans to MPCCI at the additional coverage level, the previous insurance experience and applicable premium discounts apply. When an insured switches from CAT back to additional coverage, the Insurance Provider must update the insurance experience. If the insured is still eligible for a premium reduction in excess of five percent based on his/her loss ratio and the number of years of continuous experience through the applicable crop year, the insured will continue to receive the premium reduction subject to the conditions listed. [Refer to Sec. 4 C 11 (b).] Insurance experience may be available from the PHTS.

- (a) **Crop Groups for Premium Adjustment Purposes.** Premium reductions [subject to the conditions in Sec. 4 C 11 (b)] were removed from the following crop policies for the:
 - (i) 1985 crop year: Corn, Grain Sorghum, Soybeans, Tobacco, Raisins, Peanuts, Tomatoes (Processing), Processing Sweet Corn, and Potatoes. Premium reductions are based on insuring experience through the 1983 crop year.
 - (ii) 1986 crop year: Wheat, Barley, Flax, Oats, Rye, Sunflowers, Almonds, Apples, Forage Production, Grapes, Peas, Dry Beans, Peaches; and Sugar Beets in all states except Arizona and California. Premium reductions are based on insuring experience through the 1984 crop year.
 - (iii) 1987 crop year: Sugarcane, AZ-CA Citrus and AZ-CA Sugar Beets. Premium reductions are based on insuring experience through the 1985 crop year.

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- (iv) 1990 crop year: AUP Cotton and Rice. Premium reductions are based on insuring experience through the 1989 crop year.
- (v) 1990 crop year: Florida Citrus. Premium reductions are based on insuring experience through the 1988 crop year.
- (vi) 1998 crop year: Forage Seeding. Premium reductions are based on insuring experience through the 1997 crop year and premium adjustments for unfavorable experience have been discontinued.

Note: No other crops have premium adjustments based on favorable experience.

- (b) Premium Adjustments for Favorable Experience. The insured's premium is subject to premium adjustment factors that are found on the Actuarial Table in the Special Provisions for that county. Premium adjustments are subject to the following conditions:
 - (i) Premium reductions will not increase because of additional favorable experience in later crop years.
 - (ii) Premium reductions will decrease in accordance with the Premium Adjustment Table because of unfavorable experience in later crop years.
 - (iii) Once the insured's loss ratio exceeds 0.80, no premium reduction is applicable.
 - (iv) Participation must be continuous. A break in insurance due to active duty in the armed services is not considered a break in participation for premium adjustment purposes.
- (c) Transfer of Insurance Experience. When applicable, experience and favorable premium adjustments for a crop may be transferred to other eligible persons/entities. A successor-in-interest application/transfer of insurance experience to an eligible person/entity may be made if insurance coverage on the crop is continuous and at least one of the following occur:
 - (i) The insured stops farming in one county, is not a debtor, and then starts farming in another county. APH data may not be transferred to another county. [Refer to Exhibit 19, RMA Yield Determinations A 1 Note.]
 - (ii) The applicant was an heir in an estate (which was settled) who participated in the farming operation. Applicable APH data must also be transferred. If only one heir to an estate, a successor-in-interest is used.
 - (iii) A Partnership was Formed. The partnership will be credited with the fewest number of years without losses accumulated by any one of its insured members.

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The loss ratio will be determined by dividing the total indemnities of all insured members by the total premiums of all insured members. Applicable APH data must be transferred to the partnership. [Refer to Exhibit 19.]

(iv) An Insured Partnership was Dissolved. Each former member who has a policy in force the crop year immediately following the dissolution may be credited with the experience (years and loss ratio) accumulated by the partnership. Applicable APH must be transferred to the individual. [Refer to Exhibit 19.]

12 **Transfer of Yield Data.** If an insured has an approved yield and turns the operation or some of the operation over to another person/entity who has participated (managed, performed the physical activities necessary to produce the crop, or received a share of the crop) in the operation and the establishment of the approved yield, the Insurance Provider may approve transferring all the years of the yield history (not including non-actual yields) for the acreage being transferred to the person/entity taking over the operation. The new operator must provide the Insurance Provider with verifiable evidence that indicates a transfer of the yield history is appropriate. [Refer to Sec. 9 E 1 and 2.]

13 **Transfer of Coverage, Elections, Endorsements, Etc.** Coverage options, elections, endorsements, etc. do not automatically transfer when a cancellation/transfer is executed by the insured. Such elections must be specified on the assuming company's application or applicable forms if they are to be in effect for the current crop year.

D Coverage. The amount of insurance to be written on each eligible crop in the county for the unit is determined differently. Refer to applicable Crop Provisions. All insurable acreage of the insured crop grown in the United States must be insured in counties where COP actuarial documents are available.

1 **Benefit Limitations Under Crop Insurance and Other USDA Programs.**

(a) **Additional Coverage.** An insured who is eligible to receive an indemnity and benefits under any other USDA program for the same loss may receive benefits under both programs, unless specifically limited by the crop insurance contract or by law. However, the total amount received from all such sources may not exceed the amount of the actual loss sustained by the insured. The total amount of the actual crop loss is the difference between the fair market value of the insured crop before and after the loss, based upon the producer's production records or amount of insurance available for the crop. FSA will determine and pay the additional amount due to the insured for any applicable USDA program, after first considering the amount of any crop insurance indemnity. Applicable Farm Security and Rural Investment Act of 2002 payments, farm ownership, and operating loans, and emergency loans under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.) or other amounts authorized under other Acts of Congress, not specifically excluded, may be obtained from the USDA in addition to insurance indemnities.

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2 Unit Determination and Numbering.

- (a) Enterprise Unit. All insurable acreage of the insured crop or crop type if allowed by the Crop Provisions and Special Provisions in the county on the date coverage begins for the crop year.
- (b) Whole-farm Unit. All insurable acreage of the insurable crops in the county in which the insured has a share on the date coverage begins for each crop for the crop year. This unit is established from enterprise units as defined in Section 2 (a) of the COP Basic Provisions. **Whole-farm units are not available for COP during the pilot phase.** The insured may elect a whole-farm unit subject to the following, if whole-farm units are allowed:
- (i) The insured must make such election by the sales closing date for the insured crops and report such unit structure to us in writing. The insured's unit selection will remain in effect from year to year unless the insured notifies us in writing by the sales closing date for the crop year for which the insured wishes to change this election. The unit may not be further divided. If the insured selects and qualifies for a whole-farm unit, he/she will qualify for a premium discount. If the insured does not qualify for a whole-farm unit when the acreage is reported, we will assign the enterprise unit structure.
- (ii) For a whole-farm unit:
- a The insured must report on his/her acreage report the acreage for each crop unit produced in the county that comprises the whole-farm unit; and
- b Although the insured may insure all of his/her crops under a whole-farm unit, he/she will be required to pay separate applicable administrative fees for each crop included in the whole-farm unit.
- (c) The applicable unit structure must be stated on the acreage report for each crop year.
- (d) Assign unit numbers according to the following system:
- (i) A five-position unit number will be used. The first three positions will designate the enterprise unit and the last two positions will always be "00". Thus the unit number for any crop insured under the COP insurance plan, as an enterprise unit, will be 00100 for that crop. If the insured elects a Whole Farm Unit the unit number for all crops insurable under the COP insurance plan will be 00100. The insured may request and the insurance provider may assign sub unit numbers in situations where separate approved yields are provided on a practice and/or farm basis (which may correspond to basic and/or optional units as provided for under other plans of insurance that may facilitate moving from one insurance plan to another). In any event, the production reporting requirements necessary to validate the yield and acreage information reported must comply with the specific insurance plan under which the crop is insured that specific year. In such cases the

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sub units will be maintained but summed to a single weighted average Enterprise Unit or Whole Farm Unit, as applicable for COP insurance. These sub unit numbers should reflect existing unit numbering conventions to ease transition from one insurance plan to another as necessary.

- 3 **Increase in Covered Expenses Due to Replanting.** If allowed by the Crop Provisions, a producer may receive an increase in covered expenses due to replanting an insured crop, replanted after we have given consent and the acreage replanted is 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). No increase in covered expenses for replanting will be available if it is determined to be impractical to replant, the value of appraised production will exceed covered expenses, the acreage was planted prior to the earliest planting date, or the acreage already received an increase in covered expenses for replanting for that crop year. Refer to the Crop Provisions for eligibility and the Special Provisions for dollar amounts of covered expense increases.
- 4 **Late Planting (LP).** Late planting provisions, if applicable, provide reduced coverage for insurable acreage planted during any applicable late planting period. This reduction is one percent per day for each day planted after the final planting date, up to a maximum of 25 days. For insurable acreage that was prevented from being planted but was planted to the insured crop after the late planting period (after the final planting date for crops that do not have a late planting period) for crops that have prevented planting coverage, a reduction in the covered expenses will be applicable. The covered expenses for each acre planted under the above-specified conditions will be determined by multiplying the covered expenses that are provided for timely planted acreage of the insured crop by 50%. The premium for late-planted acreage is the same as for acreage that was planted timely. If the insured's premium (gross premium minus the subsidy) for acreage that is late planted exceeds the liability, coverage for that acreage will not be provided, no premium is due and no indemnity will be paid. Insureds must report the dates acreage is late planted.

LP coverage is provided by the Basic Provisions and may be altered by the Crop Provisions or Special Provisions. Acreage planted after the late planting period (final planting date for crops that do not have a late planting period) that was not prevented from being planted by an insured cause of loss that occurred within the insurance period for prevented planting coverage is not insurable.

- 5 **Prevented Planting (PP)/Basic Provisions.** Coverage for eligible PP acreage for most crops is provided for by the COP Basic Provisions.
 - (a) **PP Premiums.** The premium for eligible PP acreage that was prevented from being planted is the same as for timely planted acreage. If the insured's premium (gross premium minus the subsidy) for acreage that is prevented from being planted exceeds the liability, coverage for that acreage will not be provided, no premium is due and no indemnity will be paid. [Refer to Sec. 4 D 5 (c) for other situations for which PP coverage is not provided.]

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(b) Definitions. For PP purposes, the following definitions apply.

- (i) Double-Cropped Acreage. Acreage is considered to be double-cropped for a crop year if a spring-planted crop follows a different fall-planted crop on the same acreage during the same crop year (e.g., soybeans or grain sorghum follows a fall-planted wheat crop).
- (ii) FAC Crop. A double-cropped spring-planted crop. In order for a FAC Crop to qualify for PP coverage the insured must provide proof that the acreage was double-cropped in each of the last four years the insured crop was grown. Acceptable production reports (used to determine the approved yields for the crop involved) must be provided. If an approved yield database was duplicated to additional units/databases, use only the acres planted to the crop (not the total duplicated acres)
- (iii) Crop Year Grown. When determining the number of years that insured crops were double-cropped in previous crop years, the following situations will be considered the same as if the “crop was grown” on the affected acreage for that crop year. Excluding acreage which was considered to be a substitute crop, the insured crop will be considered to have been grown on acreage which:
 - a The insured or another person received a prevented planting payment;
 - b A crop was planted and failed and a benefit was derived under any program administered by the USDA; or
 - c A crop, other than a cover crop (which may be hayed or grazed after the final planting date for the insured crop) was harvested, hayed, or grazed.
- (iv) Prevented Planting is the failure to plant the insured crop with proper equipment by the final planting date designated in the Special Provisions for the insured crop for the county. Insureds may also be eligible for a prevented planting payment if they fail to plant the insured crop with the proper equipment within the late planting period. To be eligible, the insured must have been prevented from planting the insured crop due to an insured cause of loss that was general in the surrounding area and prevented other producers from planting acreage with similar characteristics.

Note: Insureds are not required to plant the insured crop during the late planting period in order to qualify for a prevented planting payment.

(c) Eligible PP Acreage. Eligible acreage for PP purposes is the maximum acres eligible for PP coverage for each crop. Refer to the following table in Sec. 4 D 5 (c) (iv) for instructions on how to determine eligible acreage by crop.

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- (i) The total number of eligible acres for all crops cannot exceed the number of acres of cropland in the insured's farming operation for the crop year, unless the insured has provided proof that acreage was double-cropped and at least one crop qualifies for PP coverage.
- (ii) Insureds who, in any of the four most recent (policy) crop years, have not planted ANY crop in the county for which PP insurance was available may request that eligible PP acreage be established by listing such acreage on an intended **acreage report**. The Insurance Provider may accept the intended acreage report subject to the following conditions:
 - a The intended acreage report must be submitted/signed by the insured on or before the sales closing date.
 - b The total number of acres listed on the intended acreage report for ALL crops cannot exceed the number of cropland acres in the insured's farming operation at the time the report is submitted.
- (iii) Eligible acres will be reduced by the number of acres of the crop that is timely planted and planted after the final planting date (including insured and uninsured acreage).
- (iv) Eligible PP Acres by Crop. Refer to the following table.

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Type of Crop	Eligible acres if, in any of the 4 most recent crop years, the insured has planted any crop in the county for which prevented planting insurance was available or have received a prevented planting insurance guarantee	Eligible acres if, in any of the 4 most recent crop years, the insured has not planted any crop in the county for which prevented planting insurance was available or have not received a prevented planting insurance guarantee
(i) The crop is not required to be contracted with a processor to be insured	(A) The maximum number of acres certified for APH purposes or reported for insurance for the crop in any one of the 4 most recent crop years (not including reported prevented planting acreage that was planted to a substitute crop other than an approved cover crop). The number of acres determined above for a crop may be increased by multiplying it by the ratio of the total cropland acres that the insured is farming this year (if greater) to the total cropland acres that the insured farmed in the previous year, provided that he/she submits proof to us that for the current crop year the insured has purchased or leased additional land or that acreage will be released from any USDA program which prohibits harvest of a crop. Such acreage must have been purchased, leased, or released from the USDA program, in time to plant it for the current crop year using good farming practices. No cause of loss that will or could prevent planting may be evident at the time the acreage is purchased, leased, or released from the USDA program.	(B) The number of acres specified on the insured's intended acreage report which is submitted to us by the sales closing date for all crops he/she insures for the crop year and that is accepted by us. The total number of acres listed may not exceed the number of acres of cropland in the insured's farming operation at the time he/she submits the intended acreage report. The number of acres determined above for a crop may only be increased by multiplying it by the ratio of the total cropland acres that the insured is farming this year (if greater) to the number of acres listed on his/her intended acreage report, if he/she meets the conditions stated in section 18(d)(1)(i)(A) of the Cost of Production Insurance Basic Provisions
(ii) The crop must be contracted with a processor to be insured	(A) The number of acres of the crop specified in the processor contract, if the contract specifies a number of acres contracted for the crop year; or the result of dividing the quantity of production stated in the processor contract by the insured's approved yield, if the processor contract specifies a quantity of production that will be accepted. (For the purposes of establishing the number of prevented planting acres, any reductions applied to the transitional yield for failure to certify acreage and production for four prior years will not be used).	(B) The number of acres of the crop as determined in section 18(d)(1)(ii)(A) of the Cost of Production Insurance Basic Provisions

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EXAMPLE 1: ELIGIBLE PP ACRES

The insured has produced corn, wheat, and soybeans during the four most recent policy crop years and will produce Upland cotton for the first time during the current policy crop year.

CROPS PRODUCED (The 4 most recent crop years)	MAXIMUM NUMBER OF ACRES REPORTED		BASE ELIGIBLE ACRES
	APH FORM	ACREAGE REPORT	
Corn	100.0 (2000)	100.0 (2000)	100.0
Wheat	150.0 (2000)	150.0 (2000)	150.0
Soybeans	150.0 (2000)	150.0 Planted (2000) 50.0 PP	200.0 (50.0 + 150.0)
Upland Cotton	0.0	0.0 (New Grower 2001)	0.0

- (d) Increased eligible PP acres. Eligible PP acres, for crops that do not require a contract with a processor to be insured, determined in accordance with Sec. 4 D 5 (c) may be increased. Eligible PP acres may be increased for insureds who have planted any crop in the county for which PP insurance was available in any of the four most recent policy crop years if the total number of cropland acres to be farmed for the current crop year is greater than the total cropland acres that were farmed the previous crop year. Eligible PP acres may be increased for insureds who have not planted any crop in the county for which PP insurance was available in any of the four most recent policy crop years, if the total number of cropland acres is greater than the total acres listed on the intended acreage report.
- (i) Such acreage must be included on the acreage report submitted on or before the acreage reporting date; however, if submitted after the sales closing date, acreage will not be increased if a cause of loss that will or could prevent planting is evident at the time the acreage is purchased, leased, or released from a USDA program. The circumstances that increased the cropland acres must be documented on the request, verifiable proof of the circumstances must be attached, and the total cropland acres for the previous and current crop years must be provided. Insureds who have not planted any crop in the county for which PP insurance was available in any of the four most recent policy crop years are not required to provide total cropland acres for the previous crop year, but must file an intended acreage report by the sales closing date which establishes eligible prevented planting acres.
- (ii) Insurance providers may approve the additional acreage if the acreage can be planted (or brought into production if b applies) following good farming practices for the current crop year by the final planting date and adequate documentation indicates that the additional PP acreage requested was:

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- a Purchased or leased; or
- b Released or will be released from a USDA program which prohibits the harvest of a crop.

(iii) When approved, the eligible PP acres are increased by a factor determined by: 1) for insureds who have planted any crop in the county for which PP insurance was available in any of the four most recent crop (policy) years, dividing the total cropland for the current crop year by the total cropland for the previous crop year, or 2) for insureds who have not planted any crop in the county for which PP insurance was available in any of the four most recent policy crop years, dividing the total number of acres of cropland for the current crop year by the total number of acres listed on the intended acreage report. Round the result to three decimal places and multiply this factor times the eligible PP acres (determined in accordance with Sec. 4 D 5 (c) for each applicable crop.) [Refer to the following example.]

EXAMPLE 1 CONTINUED (ELIGIBLE PP ACRES INCREASED):

The insured cash leased an additional 212 acres of cropland, supplied a copy of the lease, and provided total cropland acres for the previous and current policy crop year by the sales closing date.

CROPLAND ACRES	CROP	ACRES	FACTOR	ELIGIBLE PP ACRES
2001 2000 Crop Yr. $742 \div 530 = 1.400$	Corn	100.0	1.400	140.0
	Wheat	150.0	1.400	210.0
	Soybeans	200.0	1.400	280.0
	Upland Cotton	0.0	1.400	0.0

- (e) PP Payments. To be eligible for a PP payment, the following requirements must be met.
- (i) The insured was prevented from planting the insured crop by an insured cause of loss that occurred:
 - a On or after the sales closing date for the crop the crop year the application is accepted (new insured).
 - b On or after the sales closing date for the crop for the previous crop year if a carryover insured.
 - (ii) Drought or failure of the irrigation water supply will be an insurable cause of loss for PP purposes only if, on the final planting date or within the late planting period, the insured elects to try and plant the crop:

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- (viii) For which the insured cannot provide proof that he or she had the inputs available to plant and produce a crop with the expectation of at least producing the yield used to determine the amount of insurance;
- (ix) For an irrigated practice if adequate irrigation facilities were not in place to carry out an irrigated practice on the acreage prior to the insured cause of loss that prevented the insured from planting the insured crop. [Refer to Sec. 4 D 5 (e) (ii) b.]
- (x) For a crop type/variety for which separate amounts of insurance are available and the insured did not plant in at least one of the four most recent crop (policy) years. Planted acreage for the type/variety must be included in the approved yield database in at least one of the most recent four crop (policy) years. Insureds who have not produced any crop in the county for which PP insurance was available in any of the four most recent crop (policy) years, must include the intended acreage for applicable types/varieties on an intended acreage report.

E Endorsements and Options. Some crop policies have endorsements and/or options that add supplemental coverage, exclude coverage, or otherwise modify the coverage. Generally, an endorsement or option must be applied for by the applicable crop's sales closing date.

1 Increased Covered Expenses Endorsement. (This is a continuous endorsement to Crop Provisions issued under the Pilot Cost of Production Insurance Policy.)

- (a) In return for payment of the additional premium specified in the Actuarial Table, this endorsement is attached and made part of the Crop Provisions subject to the terms and conditions described herein.
- (b) This endorsement allows the insured to increase the covered expenses amount shown on the summary of coverage by an amount reflecting the increased cost of purchasing and applying a pesticide for the applicable crop provided that:
 - (i) The insured has a Pilot Cost of Production Crop Insurance Policy in force and elects to increase the allowable variable expenses for pesticide purchase and application only if provided in the actuarial documents for the crop.
 - (ii) The increase in allowable variable expenses must have resulted from an unforeseen need to provide sufficient care to protect the insured crop from damage by one or more of the insured causes of loss that occurred after insurance attached for the crop year.
 - (iii) The insured notifies the agent prior to purchase of the intention to purchase and apply additional pesticides and we approve the increase in allowable expenses within 10 days.

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- (iv) The increase in allowable variable expenses for pesticide purchase and application does not exceed 25% of the total variable expenses shown on the approved Covered Expenses Worksheet, which is used to establish the covered expenses shown on the summary of coverage. The revised covered expenses requested under this endorsement cannot exceed the policy deductible. The total covered expenses cannot exceed the expected gross income.
 - (v) In the event the insured files a claim for indemnity, verifiable records of the increased pesticide expenses, including application expenses, are provided to the agent and are acceptable to the company.
- (c) The insured may include this endorsement on the original application for insurance or add the endorsement for any crop year on or before the sales closing date for the crop. After the initial insurance year the insured may cancel this endorsement on or before the cancellation date shown in the Crop Provision(s) to which this endorsement applies.
- 2 **Request to Exclude Hail and Fire.** Use the FCI-78 or a Request to Exclude Hail and Fire form approved by RMA to exclude hail and fire as an insured cause of loss from COP policies. NOTE: Completion instructions for section 3 E of the form are not applicable to COP.] Insureds executing a Continuous Hail and Fire Exclusion Option must provide a copy of the annual hail and fire declaration sheet showing the required amount of hail and fire coverage each year. The Exclusion applies to any applicable option.
- (a) Deadlines. The request to exclude hail and fire coverage must be submitted to the Insurance Provider within:
 - (i) 72 hours after the effective date of an annual hail and fire policy or the first year a multi-season hail and fire policy is in force. This request must be made on or before the date COP coverage attaches for the crop year when a multi-season hail and fire policy (except the first year) is in effect.
 - (ii) 72 hours of the date a private hail policy is first in effect for insureds who have signed the Request to Exclude Hail and Fire form, or before the date COP coverage attaches for a crop year after the first crop year a multi-season hail and fire policy is in effect.
 - (b) Eligible acreage. The hail and fire exclusion applies to all acreage of the crop insured.
 - (c) Hail and Fire Liability Requirements. For each crop year the hail and fire exclusion is in effect, the total liability for the hail and fire coverage on the crop must be equal to or greater than the total COP liability for the crop. Liability for acreage that is eligible for prevented planting but was not planted is NOT considered and the premium is not reduced on such acreage.

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- (d) Hail and Fire Providers. Hail and fire policies must be obtained from a company licensed in the state where the COP coverage is provided in order to exclude hail and fire from the COP policy. If hail and fire coverage is provided by unlicensed entities/companies, the Reinsurance Services Division must approve the hail and fire exclusion from the COP policy. The policy must include BOTH hail and fire coverage for the policyholder to be eligible for the premium credit for hail and fire exclusion from the COP policy.
- (e) Liability Revisions. The insured may revise the liability on the hail and fire exclusion form to reflect the liability for the reported acreage on the insured crop provided:
- (i) The difference between the total acreage report liability and the total liability shown on the original hail and fire exclusion form is more than one percent. (An insured will be considered to have a like amount of private hail and fire liability if the difference in liability described above is less than one percent.)
 - (ii) The hail and fire exclusion form showing the revised liability must be submitted no later than 15 days after the liability (based on the reported acreage) is established.
- (f) If the crop has been damaged to the extent that a loss has occurred and an indemnity is to be, or may be claimed on any unit of the crop, a request for hail and fire exclusion will not be accepted for that year (on a continuous hail and fire exclusion, the exclusion will not be effective until the following year). Issuance of a prevented planting payment or an increase in covered expenses due to replant, for any insured unit, will not affect an insured's ability to exclude hail and fire coverage.
- (g) Hail or Fire Damage. If hail and fire coverage is excluded from the COP policy and the crop is subsequently damaged by hail or fire, any hail or fire indemnity earned and payable will be counted as allowable income as provided for under the COP policy.
- (h) The COP premium reduction for the hail and fire exclusion option is shown on the county actuarial table as an Option Factor. The base premium rate shall be reduced by the hail/fire exclusion factor shown on the actuarial table. Liability times the base premium rate times the hail and fire exclusion factor multiplied by the applicable producer premium factor equals the producer premium without hail and fire as shown:

$$\begin{array}{ccccccc}
 \text{_____} & & \text{x} & & \text{_____} & & \text{x} & & \text{_____} & & \text{=} & & \text{_____} \\
 \text{Base} & & & & \text{Hail \& Fire} & & & & \text{Producer} & & & & \text{Subsidized} \\
 \text{Premium} & & & & \text{Exclusion} & & & & \text{Premium} & & & & \text{Premium} \\
 & & & & \text{Factor} & & & & \text{Factor} & & & & \\
 \end{array}$$

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F Service Forms and Administrative Requirements.

- 1 **Policy Changes.** Use FCI-12A, Contract Change or a Contract Change Form approved by RMA to request the following contract changes.
 - (a) A CHANGE of coverage level. The change must be requested on or before the sales closing date and requires the insured's signature.
 - (b) Cancellation of COP on one or more insured crops. The request must be made on or before the cancellation date and requires the insured's signature.
 - (c) A transmittal for a successor-in-interest application. The insured's signature is required; however, the request is not required to be made on or before the sales closing date.
 - (d) Corrections of the insured's name, address, executor, identification number, administrator, etc. Such corrections may be made after the sales closing date and do not require the insured's signature.

- 2 **Acreage Report FCI-19.** Use the FCI-19, Crop Insurance Acreage Report or Acreage Report Form approved by RMA for meeting acreage reporting requirements. The insured establishes his/her insurable share at the time insurance attaches via the acreage report. However, for determining the amount of an indemnity if the insured's share is different than at the time insurance attached, the insured share will be the lesser of: (1) the share at the time insurance attached, or (2) the share determined by the Insurance Provider at the earlier of the time of loss or the beginning of harvest of the unit, unless excepted by the specific crop policy.
 - (a) Filing Deadlines. The insured or authorized representative must sign and submit an annual acreage report on or before the acreage reporting date contained in the crop's Special Provisions except as provided in (i), (ii), or (iii). If the insured fails to submit a signed acreage report, the Insurance Provider may: (1) declare the acreage report to be zero as provided under RMA-approved procedure, or (2) determine the insurable acreage, share, practice, type, etc. If an unsigned acreage report is submitted, the Insurance Provider may send a letter to the insured advising that the reported information will be binding if the insured does not provide revised information within a specified amount of time.
 - (i) The latest acreage reporting date may be used for multiple crops that are insured with the same Insurance Provider and have:
 - a Fall final planting dates (August 15-December 30), insureds are allowed, for all such crops, until the latest applicable fall acreage reporting date for the insured crops to submit the acreage report.

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insured acreage, share and practice, or may deny liability on any unit. If the final acreage reporting date falls on Saturday, Sunday, or a legal holiday, the next business day will be considered as the final acreage reporting date. If the Insurance Provider declares the crop “insured”, the applicable premium and administrative fee are considered earned and payable. The Insurance Provider is entitled to any premium due.

- (f) Revised Acreage Reports. Prior to the final acreage reporting date, insureds may revise acreage reports to reflect a change in their intentions. However, AFTER the final acreage reporting date, acreage cannot be changed without the Insurance Provider’s consent except:

If provided for by the applicable Crop Provisions and the Special Provisions, the actuarial table provides a reduced premium rate (short rate) for acreage destroyed by the date designated by the crop’s Special Provisions. If the insured requests that such acreage be designated separately on his/her acreage report, the Insurance Provider may revise the acreage report if the conditions stated in the policy are met. Separate line entries are required on the acreage report for the acreage on which insurance will continue and the acreage eligible for the reduced premium rate. Any insurable damage, which occurs on any acreage short-rated, will be covered based on the expenses expended to the point of damage. Acreage on which the reduced premium rate applies is not eligible for any subsequent claim for indemnity or considered for approved yield purposes. The covered expenses will be adjusted to reflect the acreage no longer eligible for any subsequent claim.

Premium adjustments will not be made for insured acreage put to another use after the acreage reporting date. If the insured destroys or puts acreage to another use without consent, an appraised value of not less than the covered expenses per acre will be assessed on such acreage.

- (g) Measurement Service Requested (Idaho, Oregon, and Washington ONLY). An insured may certify in writing (ON OR BEFORE THE SALES CLOSING DATE) that an acreage measurement service for a crop will be requested to determine the actual planted acres. A copy of the FSA (or other qualified third party) form that verifies acreage measurement was requested, must be furnished to the Insurance Provider. In such case:
- (i) An acreage report must be filed by the ARD.
 - (ii) The acreage report (revised due to request of measurement) must be completed within 30 calendar days of ARD. If the final acreage report is not provided within 30 calendar days of the ARD, the preliminary report is used.
 - a The acreage report cannot be increased or decreased more than 20 percent from the reported acreage without Insurance Provider approval.

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- b If the insured does not file a revised acreage report based on requested acreage measurements, the acreage report submitted by the ARD will apply.
- (h) **Verifying the Acreage Reported.** The representative/agent shall CAREFULLY REVIEW with the insured the original acreage report BEFORE it is submitted to the Insurance Provider. It is absolutely imperative that the information required to be reported on the acreage report is ENTIRELY accurate. Policy provisions do not allow for increasing liability except in rare situations [as specified in the LAM.] Under-reported acreage or unreported units may adversely affect the outcome of a loss.

When the Schedule of Insurance/Summary of Coverage is received, it MUST also be reviewed for accuracy. If an error is found when compared to the acreage report, the agent/representative MUST contact the Insurance Provider and have the error corrected.

- 3 **Covered Expenses Worksheet.** The insured establishes his/her per acre expenses to be covered, by expense category, subject to any limitations specified on the actuarial tables or Special Provisions. The representative/agent compares the insured's Expected Gross Income to the insured's Total Allowable Expenses and approves the lesser amount as the Approved Expenses subject to any adjustments, limitations or restrictions specified in the instructions for the expense worksheet. The Covered Expenses Worksheet is part of the application and is sent to the insurance provider with the application. The worksheet is continuous unless changed by either party with the approval of the other. [Refer to section 5 A 17 and Exhibit 20 for additional instructions.]
- 4 **Assignment of Indemnity.** FCI-20 or RMA approved Assignment of Indemnity Form. An insured may assign the right to an indemnity payment for a crop(s) under a COP contract to another party(ies) (creditor) by using this form. Only one assignment per crop per county is allowed. The assignment:
- (a) Is effective upon approval by an authorized representative of the Insurance Provider.
- (b) Is in effect only for the crop year specified on the assignment form.
- (c) May be made after acceptance of the application but must be completed before a loss claim is processed (submitted to the Insurance Provider for payment of the indemnity.) Issuance of a replant payment for any insured unit will not affect the insured's ability to assign the right to an indemnity to another party.
- (d) May be canceled during the crop year. The Insurance Provider will cancel the assignment only if the assignee (creditor) submits a written statement releasing the assignment. The release must indicate the insured's name, mailing address, policy number and crop(s) released. The agent/representative will prepare a memo, attach the statement of release, and file it in the insured's file.

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- (e) Provides for an indemnity payment (subject to any administrative fee deduction or any other unpaid balance) payable either to the creditor only, or to the creditor and insured jointly.
- 5 **Transfer of Right to an Indemnity.** Use the FCI-21 or RMA approved Transfer of Right to an Indemnity Form to transfer coverage and the right to any subsequent indemnity from one insured entity to another entity. This form is used when the transfer of ownership or share of the insured crop occurs during the insurance period.
- (a) A separate form may be required for each different unit or portion of a unit on which coverage is being transferred.
- (b) A transfer of right to an indemnity is subject to any outstanding assignment of indemnity made prior to the date of transfer.
- (c) The transferee and the transferor (insured) shall be jointly and severally liable for any unpaid premium and/or administrative fee on the acreage and share transferred.
- (d) The Transfer of Right to an Indemnity may be released by the transferee submitting a signed statement of release showing the insured's name, mailing address, contract number, crop(s), and unit(s).
- (e) Transfer of right to an indemnity forms expire at the end of the insurance period for the crop year specified. For succeeding crop years, an application must be made to insure the proper entity if insurance is to continue in effect.
- 6 **Power of Attorney.** Insureds may grant signing authority for COP forms to a third party, provided a legally executed Power of Attorney is used.

The Power of Attorney must be considered to be legally executed by the state in which it was executed and it must give the appointee the authority to sign crop insurance documents for the insured. In states that require the power of attorney to be acknowledged (notarized), the signatures of the individual and appointee must be notarized. In states that do not require the power of attorney to be notarized, the signatures of the individual and appointee must be witnessed and the signature of the witness obtained on the document.

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5. UNDERWRITING, EXPENSE, AND PRODUCTION REPORTING RESPONSIBILITIES (CATEGORY B AND C CROPS)

A Agents/Representatives Are Responsible For:

- 1 **Explaining production reporting and supporting record requirements** to producers.
- 2 **Assisting producers in the completion of production reports and related forms.**
When necessary, agents/representatives will assist producers in the completion of:
 - (a) Production and Yield Reports. An approved yield is required for each unit (by P/T/V when applicable) and crop year for which acceptable supporting records are available.
 - (b) Producer's Pre-Acceptance Worksheets, when required for perennial crops. [Refer to Sec. 7 E.]
 - (c) Block Production and Unit Summary Worksheets, when required for perennial crops. [Refer to Sec. 7.]
 - (d) COP Covered Expenses Worksheet. [Refer to A 17 and Exhibit 20.]
- 3 **Calculating Preliminary Yields.** For new insureds, agents/representatives MUST compute, quote, and enter preliminary yields on the Production and Yield Report. Explain to insureds that:
 - (a) For reinsured contracts, an insured may submit a written request to the Insurance Provider for reconsideration if the approved yield calculated by the verifier is less than 95 percent of the preliminary yield on ANY unit [Refer to Sec. 9 for instructions]; or for mutual consent cancellation of the entire crop policy.
 - (b) For approved yields issued by the RMA RO, if the approved yield is lower than the preliminary yield, the insured may request review of the approved yield through reconsideration, agency appeal, mediation, and/or appeal to the National Appeals Division (NAD). [Refer to Sec. 9 for additional information and Exhibit 7 for NAD Area Offices.]
- 4 **Informing insureds that mutual consent cancellations are not allowed** for a crop year subsequent to the crop year the application was accepted (carryover insureds) if approved yields are not acceptable.
- 5 **Explaining Reconsideration or Mutual Consent Cancellation Requirements.**
Agents/representatives must inform insureds that requests for reconsideration or mutual consent cancellation of crop policies (requested under A 3 above) must be made within 30 calendar days of the date the approved yield was mailed or otherwise made available to the insured. If an adverse decision is made by the RMA RO reconsideration, mutual consent cancellation, mediation, agency appeal and/or NAD appeal rights are provided. If

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such a request is not made timely, it will be rejected and the approved yield(s) will be considered accepted by the insured. [Refer to Sec. 9.] Requests for reconsideration or mutual consent cancellations must be forwarded to the verifier no later than three calendar days after their receipt by the agent/representative as indicated below:

- (a) Yields approved by the RMA RO. Reconsideration requests must be referred to the RMA RO if the RMA RO approved the yield. Utilization of the agency's informal reconsideration process will not prejudice the insured's right to subsequently request agency appeal, mediation, and/or NAD appeal. If during a reconsideration an adverse decision is rendered (by the RMA RO), mutual consent cancellation (if applicable), mediation, agency, and/or NAD Appeal Rights must be provided.
 - (b) Reconsideration of yields approved by Insurance Providers is made to the Insurance Provider. Insurance Providers may correct errors in yield computation or in the application of RMA approved procedures. Corrections will not be subject to additional reconsideration.
- 6 **Reviewing the Production and Yield Report** for completeness and accuracy and obtaining the insured's signature and date.
 - 7 **Obtaining Supporting Production Records.** For insureds establishing a yield history (database) that elect to provide records for verification rather than be subjected to a field review, agents/representatives must forward copies of supporting records to the verifier unless a discretionary review is required.
 - 8 **Forwarding the signed Production and Yield Reports and any applicable worksheets** to the Insurance Provider within 10 calendar days of completion, but not later than 10 calendar days after the production reporting date (PRD). Forms signed after the PRD specified in the applicable county actuarial documents, are not timely filed and are not acceptable.
 - 9 **Forwarding requests for inspections** for ALL Category C (perennial crops) to the applicable Insurance Provider's representative, no later than 10 calendar days after the PRD. [Refer to Sec. 7 for the perennial crop pre-acceptance inspection form and instructions.]
 - 10 **Explaining Approved Yields.** Upon receipt of the approved yield the agent/representative must be able to:
 - (a) Explain the approved yield(s).
 - (b) Explain premium provisions and, if applicable, premium discount and compute the premium.
 - (c) Verify insurance units and explain appropriate provisions.

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- (d) Administer and explain to the insured yield limitations, yield floors, yield adjustments, record requirements, and that assigned yield provisions will apply for subsequent crop years if production reports are not provided.
 - (e) File and maintain copies of the approved yield form.
- 11 **Updating databases** when insureds do not supply acceptable production reports.
- (a) When necessary, determine the correct “T” Yield(s) from the applicable County Actuarial Table to be used for approved yield calculation purposes.
 - (b) Determine preliminary yields according to RMA approved procedures. [Refer to Sec. 6 for annual crops and Sec. 7 for perennial crops.]
 - (c) Assign units according to those allowed in the policy. [Refer to Sec. 4.]
 - (d) Administer assigned yield provisions for carryover insureds (Category B and C crops).
 - (e) Follow applicable New Producer procedures [Section 6 and Section 7] for insureds qualifying as “new producers.” [Refer to Exhibit 19.]
- 12 **Determining the correct unit structure for added land.** If additional cropland is purchased or rented after the PRD, it may be added as part of an existing unit, if applicable. [Refer to Exhibit 18 for added land provisions for Category B crops.]
- 13 **Entering the prior crop year’s approved yield** in the prior yield block on the Production and Yield Report and identifying each yield in the database with the correct yield type descriptor. [Refer to Sec. 6 for annual crops and Sec. 7, for perennial crops.]
- 14 **Comparing current crop years’ yield history on the Production and Yield Report** received from the verifier to the yield history on the previous crop year’s form. If the yield history does not agree, attach a copy of the previous crop year’s form to the current crop year form and return it to the verifier for a corrected current crop year form.
- 15 **Retaining prior years’ Production and Yield Reports** for the insured in the insured’s file folder. The insured may request that production reports that correspond to requirements for other plans of insurance be maintained such that reporting requirements for such other plans are complied with. In addition, all prior years Production and Yield Reports must be retained as required by procedure. Upon returning to a plan of insurance upon which production guarantees are based upon APH, production records must be available for all years should they be required for an APH review.
- 16 **Referring requests for field visits for acreage and yield determinations** (appraisals, bin measurements, etc.) to the appropriate Insurance Provider’s representative. [Refer to Sec. 9.]

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17 Explaining COP Covered Expenses Worksheet entries.

At initial application time:

- (a) Assist the insured in completing the Covered Expenses Worksheet. Refer to the definition section of either the COP Basic Provisions or this guide for detailed definitions of individual expense categories. Explain that the expenses are to reflect only the share of the expense the insured is actually responsible for as landlord or tenant when there is a share arrangement on that acreage. For example, a landlord may list an amount in the land fee expense category, but may enter \$0 in the variable cost expense category. Similarly, a tenant may enter amounts in the variable and fixed cost expense categories, but may enter \$0 in the land fee expense category.
- (b) Explain to the insured that the expenses list in each category should pertain only to the insured crop. The producer must allocate general expenses used for more than one crop, enterprise unit, etc. to only the insured crop. Assist the insured in allocating such expenses based on hours and/or acreage. For example, fuel expenses may be based on hours or acreage.
- (c) Explain to the insured that the total variable cost expenses listed on the Covered Expenses Worksheet may not exceed the dollar limitation shown on the applicable Special Provision of Insurance for the crop. If the total variable cost expenses exceed the amount shown on the Special Provisions, the insured must reduce, in some manner, the expenses being estimated. This reduction must be on an expense category basis.
- (d) Explain to the insured that the combined sum of fixed cost and land fee expenses may not exceed an amount determined by multiplying the percentage shown on the applicable Special Provisions of Insurance for the crop by the EGI. If the combined sum of fixed cost and land fee expenses exceed the amount determined by multiplying the percentage shown on the Special Provisions by the EGI, the insured must reduce, in some manner, the expenses being estimated. This reduction must be on an expense category basis.
- (e) Explain to the insured that if at any time during the crop year, he or she experiences an actual cost increase of greater than 20% for one or more of the variable cost expense categories, he or she must notify the agent. **THE POLICY LIABILITY WILL NOT BE INCREASED AND THE PREMIUM WILL BE BASED ON THE ORIGINAL ANNUAL COVERED EXPENSES WORKSHEET.**
- (f) Instruct the insured to maintain a formal written record system of all variable cost expenses for the insured crop and that these records may be requested at any time. If the insurance provider has reason to believe that the primary record does not provide accurate documentation of expenses, the insured may be asked to provide secondary supporting records to verify that the correct amount was reported. Primary records

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include dated receipts from the seller of the crop inputs; secondary documentation includes accounting records, farm management records, payroll receipts, and/or canceled checks showing the banking institution's stamp of payment

- (g) Explain how the EGI is calculated and how it limits the amount of approved covered expenses. Explain that if the total allowable expenses exceed the EGI the insured must reduce, in some manner, the expenses being estimated. This reduction must be on an expense category basis. If an expense worksheet is submitted to the insurance provider and the total approved expenses exceed the EGI it will be returned for revision.
- (h) Explain that the producer may report allowable expenses and maintain production records on a farm or practice basis but that the unit for COP is enterprise based, and all insurable acreage of the crop or crop type, if applicable, in the county will be one Enterprise unit.
- (i) Explain that either the insured or the company may, with the approval of the other and prior to the sales closing date for the crop, file a new Covered Expenses Worksheet if costs or the EGI change from year to year.
- (j) Explain that the expenses submitted by the insured on this form must reflect, on a per acre basis, the expenses the insured intends to expend to produce the crop for the crop year. Inform the insured that expenses for personal use, private vehicle expenses, or any other expenses not directly related to the production of the COP insured crop are not insurable expenses under COP.

During the crop year:

- (a) Update the file copy of the Covered Expenses Worksheet if the insured notifies the agent of any cost increase of greater than 20% for an individual variable expense category by striking through the original amount and recording the new amount. Such changes should be initialed and dated on the original Covered Expenses Worksheet.
- (b) Complete a revised Covered Expense Worksheet if the insured notifies the agent that an increase in covered expenses will be exercised under provisions of the Increased Covered Expenses Endorsement. Strike through the original entry in the Chemical category and record the revised amount. Recalculate the following categories: Total Variable Cost Expenses, Total Allowable Expenses, Approved Expenses, and Covered Expenses. Strike through the original amounts and record the revised amount. Sign and date the revised worksheet and resubmit. The insured will be issued a revised Summary of Coverage.

NOTE: The adjuster must verify that the revised Chemical amount does not exceed 25% of the Total Variable Cost Expenses and that the revised Covered Expenses do not exceed the expected gross income.

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18 **Sources of production cost information to establish reasonability of Variable Costs Expenses:** Cooperative Extension Services, Farm Advisory Services, etc.

19 **Annual Covered Expenses Worksheet Updates.** For each subsequent crop year prior to the sales closing date, the agent must obtain the insured's approved yield and the expected market price to re-calculate the insured's EGI. If the insured's covered expenses from the previous crop year exceed the current year's EGI, the agent must notify the insured. The insured must then reduce the expenses on an expense category basis (refer 17 (d)).

20 **Request to exclude hail/fire.** Review the optional coverage factor for hail/fire exclusion, and if it is less than 1.00 and the insured is carrying an adequate amount of hail/fire insurance, advise the insured of the COP provision regarding counting any hail or fire indemnity as additional income and suggest completion of a request to exclude hail and fire to reduce the COP premium.

B Producers/Insureds are Responsible for:

- 1 **Requesting field visits** for acreage and yield determinations from the Insurance Provider by notifying the agent/representative if necessary. [Refer to Sec. 9.]
- 2 **Filing Annual Production Reports.** For COP, insureds must report on an annual basis all production, acres and actual yields on a Production and Yield Report by the PRD. The producer may use the currently approved RMA Production and Yield Report form for this purpose. Other documents, which contain the same information as required by the current approved RMA Production and Yield Report, may be used. If an insured provides a production report by a means other than an RMA approved Production and Yield Report, it MUST CONTAIN THE FOLLOWING CERTIFICATION STATEMENT to be acceptable:

“I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form may result in a re-computation of the approved yield. I also understand that failure to report completely and accurately may result in voidance of my crop insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).”

- 3 **Filing Acceptable Production Reports.** Production reports (including production reports for zero planted units) are required by crop, but may be provided for record maintenance purposes on a farm, practice or other basis acceptable to the representative/agent, and must be filed no later than the PRD. Regardless of the basis upon which a production report is filed, the information on the form must comply with production reporting requirements specified for other plans of insurance which require production reports to establish insurance guarantees. In this way, the production report

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will be acceptable for other plans of insurance should the insured choose to switch from COP to another federally subsidized plan of insurance requiring such production reports.

(a) Insureds must sign and date the Production and Yield Report to certify that the information contained on the form is true and accurate. Production and Yield Reports are not acceptable without the insured's signature and date.

(b) Insureds must maintain acceptable supporting production evidence (records). When required by the Insurance Provider, a copy of the records must be furnished to the Insurance Provider.

4 **Completing Producer's Pre-Acceptance Worksheets (Underwriting Information.)**

All NEW insureds must complete, sign, date, and submit Producer's Pre-Acceptance Worksheet(s) for Category C Perennial crops. For all Category C crops, ALL carryover insureds must certify required underwriting information by completing the Producer's Pre-Acceptance Worksheet. Acceptable Producer's Pre-Acceptance Worksheets must be filed no later than the PRD.

5 **Requesting "T" Yields.** When "T" Yields have not been published or are required to calculate approved yields, insureds must provide the agent/representative with the information necessary to determine applicable "T" Yields (i.e., legal descriptions, land locations, new producer status, etc.) by the PRD. If "T" yields are not published, one can be requested from the applicable RMA RO.

6 **Reviewing Approved Yields.** If the approved yield is less than 95 percent of the preliminary yield, the insured may request the appropriate review of the yield calculated. A request for reconsideration, mutual consent cancellation, mediation, agency appeal, or NAD appeal must be filed (requested in writing) within 30 calendar days of the date of notification of the approved yield. If the review request is not filed timely, the approved yield will be considered accepted. If reconsideration, mutual consent cancellation, mediation, and/or appeal rights were provided as part of an adverse decision by the RMA RO, the appeal must be requested within the time specified (30 calendar days).

7 **Maintaining Supporting Documentation.** Insureds must retain hard copy production evidence to support the information reported (certified) on Production and Yield Reports. Insureds must provide supporting records to the field reviewer when selected for an approved yield review at the time of the field review. (Reviewers are not authorized to track down supporting records for insureds at other sources, i.e., FSA, packers, elevators, etc.)

8 **Completing and Updating the Covered Expenses Worksheet.**

(a) All new insureds must complete, sign, and date the Covered Expenses Worksheet at the time of application.

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- (b) If at any time during the crop year, the insured anticipates a cost increase of greater than 20% for one or more of the variable cost expense categories, he or she must notify the agent. **THE AMOUNT OF INSURANCE WILL NOT BE INCREASED AND THE PREMIUM WILL BE BASED ON THE ORIGINAL ANNUAL COVERED EXPENSES WORKSHEET.**
- (c) The insured must maintain a formal written record system of all variable cost expenses for the insured crop. The insured may be asked to provide primary or secondary supporting records to verify that the correct amount was reported at any time. Primary records include dated receipts from the seller of the crop inputs; secondary documentation includes accounting records, farm management records, payroll receipts, and/or canceled checks showing the banking institution's stamp of payment.
- (d) For all subsequent years prior to the sales closing date, the insured may file a new Covered Expenses Worksheet if costs change. If the prior year's covered expenses exceed the current year's EGI, the insure must reduce the covered expenses on an expense category basis (refer to 17 (d)).
- (e) In the case of damage to any insured crop and at the time of loss, the insured must record on his or her copy of the Covered Expenses Worksheet, the actual variable cost expenses for the insured crop by striking through the original entry and recording the actual amount. Such changes should be initialed and dated.
- (f) If the insured intends to increase his covered expenses under provisions of the Increased Covered Expense Endorsement, he/she must notify the agent of the intent to purchase and apply additional pesticide prior to doing so. If a claim is filed, the insured must provide verifiable records of the purchase to the adjuster.

C Verifier Responsibilities (Insurance Providers and RMA RO). The following responsibilities pertain when forms and yield calculations are received for verification. Verifiers must:

- 1 **Review the Covered Expenses Worksheet** for reasonableness. If the agent authorizes an increase in covered expenses under provisions of the Increased Covered Expenses Endorsement, the company must issue a revised Summary of Coverage.
- 2 **Review the acreage and yield history data** and any supporting documentation for reasonableness.
- 3 **Access the Policyholder Tracking History System (PHTS)** and review for each insured, previously reported production history that is available in the PHTS (if an Insurance Provider verifier). All production history within the base period attributed to the insured must be used provided continuity of insurance and production records for the crop has been maintained. Assigned yield provisions apply if insurance experience is continuous but the insured failed to provide production reports as required by the

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insurance contract. It may also be necessary to correct current crop year Production and Yield Reports or perform an production history review in order to reconcile any differences between the current production history certified and prior production history available through the transfer process or PHTS.

- 4 **Review entries on the Production and Yield Report.** Verify that entries are according to procedure and that all required entries have been made.
- 5 **Update the insured's yield history** (database).
- 6 **Calculate the average yield** and apply yield limitations, yield floors, and yield adjustments when applicable.
- 7 **Calculate Approved Yields.** When authorized, calculate the approved yield for each unit by crop year, and when applicable, by farm area classification ("T" Yield Map Area), P/T/V.
- 8 **Complete and Distribute the Production and Yield Report.**
- 9 **Verify that acreage and production** reported agree with the supporting records when insureds have elected to provide records rather than be subjected to the field review process. Corrections will be made according to tolerances established for the field review process when necessary.
- 10 **Forward all required supporting documentation for RMA RO determined yields** to be received in the RMA RO no later than 30 calendar days after the PRD for ALL Category C Crops. [Refer to Sec. 7 F 1 and 2 for situations requiring RO Determined Yields. Refer to Sec. 7 F 5 (b) for additional deadline information and Sec. 7 F 6 for required documentation.]
- 11 **Provide Approved Yields Timely.**
 - (a) **RMA RO Determined Yields.** The RMA RO will notify Insurance Providers of the approved yield(s) by certified mail (return receipt requested) or positively document the crop policy (insured's name if policy number not available) and the date the approved yield was mailed/postmarked to the Insurance Provider. This documentation will be used to verify timeliness of issuance of approved yields and presentation of those yields to insureds.
 - (i) If the approved yield issued by the RMA RO is lower than the preliminary yield, or if during the review process information is discovered that may require an adverse decision (such as denial of coverage, rejection of the insured's records, etc.), the RMA RO must provide the participant via certified mail, (with a copy mailed to the Insurance Provider) with applicable reconsideration, mutual consent cancellation, agency appeal, mediation, and/or appeal rights.

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- (ii) Insurance Providers must notify each affected insured of the approved yield(s) no later than 25 calendar days after issuance of the approved yield by the RMA RO. The Insurance Provider will notify the insured of the approved yield(s) by certified mail (return receipt requested) or positively document the date the insured was notified and the method used. Documentation of the date the insured was notified of the approved yield must be available to verify timeliness of presentation of approved yields to insureds, requests for reconsideration, mediation, mutual consent cancellation of crop policies, and appeals.
- (b) Insurance Provider approved yields. If the approved yield is less than 95 percent of the preliminary yield, the verifier will notify the insured of the change and of the approved yield(s) by certified mail (return receipt requested), or positively document the date the insured was notified of the approved yield and the method used. Insureds must be notified of all approved yields (in this category) no later than 25 calendar days from the issuance date of the approved yields by the verifier. Documentation of the date the insured was notified of the approved yield must be available to verify timeliness of presentation of approved yields to insureds, requests for reconsideration, mediation, mutual consent cancellations, and appeals.

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D Additional RMA RO Responsibilities:

- 1 **Mail approved yield forms** no later than 15 calendar days after receipt of the form and required documentation to the RMA RO. A binding offer may be made upon receipt of the approved yield from the RMA RO.
- 2 **Review all questionable cases** received and determine the approved yield(s).
- 3 **Notify the verifier if records are needed** to substantiate yields reported on the Production and Yield Report, and make every effort to expedite the issuance of the approved yield.
- 4 **Document the date** requests for approved yields were received and the date the approved yield was mailed to the Insurance Provider or insured.
- 5 **Provide additional underwriting services** related to COP, which is approved, by the RMA Product Development Division or the Assistant Manager for Insurance Services upon request from the verifier.
- 6 **File actuarial documents** (FCI-32 Supplement, FCI-33 Supplement, and FCI-35 Supplement) to incorporate contract changes into the Actuarial Document Books.

E **Expended Expenses and Approved Yield Verification at Time of Loss.** Insurance Providers will use the following guidelines prior to or during FARM INSPECTIONS:

- 1 **Perform COP Field Reviews** when insureds are affiliated with Crop Insurance (employee, agent, contractor, etc.), and a COP field review has not been performed for the crop year for which the loss is being completed. If a COP field review cannot be performed and the inspection must be made, if the insured has a *bona fide* contract and claim, the inspection may be made but the claim cannot be finalized (do not obtain the insured's signature) until the COP field review has been performed.
- 2 **Review Covered Expenses and Approved Yields.** For insureds not affiliated with Crop Insurance, a current approved Covered Expenses Worksheet and Production and Yield Report must be in the file in order to complete a claim. The insured's copy of the Covered Expenses Worksheet should indicate actual expenses expended as documented by the insured (initial and date) for each expense category previously certified. If the actual expenses are less than the previously certified expenses, document all non-expended expenses on the Claim Form [refer to the COP Crop Loss Adjustment Standards Handbook].
 - (a) **Review the actual yields** certified by the insured for reasonableness.
 - (b) **Perform a cursory review** to determine if the approved yield was calculated accurately.

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- (c) Compare the approved yields to the acreage report. Verify that the correct approved yields have been entered on the acreage report (by unit, P/T/V, map area etc.).
- (d) Conduct additional reviews or/and make corrections, if:
 - (i) A current approved yield is not in the file;
 - (ii) Yields certified do not appear to be reasonable; or
 - (iii) The approved yield appears to have been calculated incorrectly.

If a correct/current approved yield cannot be verified before an inspection must be made, and the insured has a *bona fide* contract and claim, the inspection may be made but the claim cannot be finalized (do not obtain the insured's signature).

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6. CATEGORY B COP CROP PROCEDURES

OVERVIEW OF THE COP PROGRAM. COP yield determination methods provide flexibility the initial year of insurance for insureds that do not furnish acceptable records, and at the same time, improve actuarial efficiency. Approved yields for producers who elect not to supply records are limited to 65 percent of the applicable “T” Yield the first year the producer is insured. Insureds must provide production reports for subsequent crop years according to the terms of the COP policy. For producers who provide less than four years of actual yields, variable “T” Yields are used to complete four-year databases. When four or more years of actual yields are available in a database, “T” Yields are not used in the database. As more years of actual production history are reported, insurance yields more accurately reflect the individual insured’s capability of producing the crop.

A Related Handbooks.

- 1 FCIC- M13 Data Acceptance System Handbook.
- 2 FCIC- 25010 Loss Adjustment Manual, COP Summary of Changes to the LAM.
- 3 Other RMA - Approved Reinsurance Handbooks.

B Eligible Category B Crops and Procedures.

Cotton, Corn, Onions, Rice, Soybeans, Sugarcane, and Wheat.

- 1 **General Instructions.** Agents/representatives are REQUIRED to calculate preliminary yields for new insureds and Insurance Providers are authorized to calculate approved yields for all Category B COP crops.
 - (a) **Responsibilities.** If more than one person/entity is insured on the same unit, each person/entity is responsible for submitting an acceptable production report(s). [When acceptable production records are submitted by the PRD for all units/P/T/V, refer to Sec. 6 H 1]. Different yield calculation methods may apply based on the production reports provided by each person/entity.
 - (b) **All years’ actual yields** reported for use on the approved yield form must be continuous. A production report indicating the crop was not planted (zero acreage) maintains continuity of records. No actual yields prior to a break in continuity will be used unless approved by the verifier. [Refer to Sec. 9.] For carryover insureds, if actual yields are not reported for a subsequent crop year, assigned yields are used to maintain continuity of production reports for such crop years.
- 2 **General Instructions for Carryover Insureds.** Carryover insureds must provide acceptable annual production reports. Assigned yield provisions apply to carryover policies on a crop year basis to databases (units, P/T/V/“T” Yield map areas) that had planted acres (except for units with claims for indemnities) if the required production

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reports are not provided by the PRD. Claims for indemnities are considered production reports and must be used; however, some claims may have to be reviewed to ensure that the correct production is used for production reporting purposes. [Refer to Sec. 9].

- (a) Yield limitations (cups and yield floors) are administered on a unit basis (by P/T/V and database if separate databases are required within a unit) When applicable, the approved yield will not decrease more than the amount established by RMA compared to the prior approved yield for the same unit (by P/T/V if applicable). [Refer to Sec. 6 I.]
- (b) If insured on a continuous basis, ALL actual and assigned yields from the past production history within the (10 crop years) base period MUST be used; however, assigned yields may be replaced with actual yields. This includes policies that have been canceled and rewritten (transfers) to change agents/insurers.

C Yield Calculation Methods. A minimum of four yields is required in each database used to calculate approved yields. Refer to Exhibit 17 if less than four years of actual and/or assigned yields are available in a database (unit/P/T/V) and the database is completed with a variable “T” Yield based on the number of years of actual and/or assigned yields available for the crop in the county. Variable “T” Yields are determined as follows:

- 1 **No Actual or Assigned Yields.** For new insureds that have produced the insured crop and do not provide acceptable production reports for the land in the insured’s current operation by the PRD or provide production reports containing only zero-planted acres, approved yields are calculated by multiplying the applicable “T” Yield(s) by 65 percent. The sixty-five percent variable “T” Yield applies only ONE year unless zero acres planted. [For subsequent years, refer to Sec. 6 B 2 above].
 - (a) New insureds must request approved yields by completing and signing Production and Yield Reports. Separate four-year databases are required for each unit (by P/T/V and for each “T” Yield map area if applicable). Each database must contain four 65 percent “T” Yields. Agents/ representatives MUST quote the applicable 65 percent “T” Yield as the preliminary yield. The verifier must approve all yields.
 - (b) CUPS (Yield limitation provisions) do NOT apply the initial year insured; however, in subsequent crop years databases with at least one actual or assigned yield may be eligible for cups. [Refer to Sec. 6 I for instructions.]
 - (c) 65 percent “T” Yields are not set in the database. Databases must be updated each year and the approved yield recalculated.
- 2 **Actual and/or Assigned Yields Provided.**
 - (a) Databases containing less than four years of actual and/or assigned yields, require the use of a variable “T” Yield to meet the four-year requirement (by crop and county) as follows [if insureds qualify for added land/P/T/V, refer to Exhibit 18]:

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- (i) One year, 80 percent of the applicable “T” Yield.
 - (ii) Two years, 90 percent of the applicable “T” Yield.
 - (iii) Three years, the applicable “T” Yield (100 percent).
- (b) Four or More Years Actual and/or Assigned Yields. When four or more years of actual or assigned yields are available for a database (unit by P/T/V/“T” Yield map area if applicable), the average yield is determined by a simple average of the insured’s actual and/or assigned yields divided by the number of years of actual and/or assigned yields contained in the database.
- 3 **New Producer.** [Refer to Exhibit 19 for additional instructions.] If the insured qualifies as a new producer, the approved yield must be determined using the method below for which the insured qualifies.
- (a) If no production records (has not produced the crop one or two crop years), the applicable “T” Yield (100 percent) is the approved yield. Databases must be established that contain four 100 percent “T” Yields preceded by the yield descriptor code “I” [Refer to Exhibit 19 for an Example]. Agents/representatives quote the applicable “T” Yield as the preliminary yield. The verifier must approve all yields. Once three years of actual, assigned, and/or temporary yields have been provided for the crop/county, the “I” yield descriptor code is discontinued. “I” yield descriptor codes must then be removed and replaced with “T” yield descriptor codes.
- For subsequent crop year(s), if acceptable production reports are not provided by the PRD, assigned yield provisions apply. “T” Yields are then determined using variable “T” Yields based on the number of actual/assigned yield(s) for the crop/county. Yield limitation provisions (CUPS) and Yield Floors apply as appropriate.
- (b) Production reports ARE REQUIRED if the insured has produced the insured crop for one or two crop years. [Refer to Exhibit 19.]
- (i) Production reports must be provided for such crop years to qualify for use of the applicable “T” Yield(s) (100 percent). If provided, the approved yield is calculated by dividing the sum of the actual yield(s) and the 100 percent “T” Yields by four. [If such production report(s) are not provided, [refer to Exhibit 19.]
 - (ii) For subsequent crop years, refer to instructions for carryover insureds. If required production reports are not filed, the applicable variable “T” Yield is used (loses New Producer “T” Yield percentage). [Refer to Exhibit 19].
- 4 **Added Land/P/T/V.** Variable “T” Yields will be used for added land or added P/T/V (if applicable) based on the years of actual and/or assigned yields for the insured crop and

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county unless the added land qualifies for use of the approved yield (by P/T/V if applicable) to establish the added land's database.

- 5 **A Master Yield** is an optional yield calculation method. Insureds that qualify for Master Yields must request initial Master Yields and provide the required documentation no later than the PRD. Master Yields are available for Onions for some practices and locations. [Refer to the COP Underwriting Guide for Onions.]
- 6 **Conservation Reserve Program Acreage (CRP)**. [Refer to Exhibit 5 for procedure on acreage emerging from CRP.]
- 7 **Entities**. If the insured person/ entity changes, refer to Exhibit 15.
- 8 **High-Risk Land**. Variable "T" Yields do not apply to acreage with less than four years of actual and/or assigned yields that is located on high-risk (with a high-risk "T" Yield) or un-rated land (on which the RMA RO has assigned high-risk "T" Yields). One hundred percent of the high-risk "T" Yield assigned applies. Use yield descriptor "F."

D Yield Descriptors. When completing production history databases, each yield entered in the yield column must be identified with the applicable yield type descriptor (examples are based on a 100-bu. "T" Yield):

A = Actual Yield (Example: A120).

J = Temporary Yield (Example: J105).

S = 65% "T" Yield (Example: No actual/assigned yields = S65).

E = 80% "T" Yield (Example: One actual/assigned yield = E80).

N = 90% "T" Yield (Example: Two actual/assigned yields = N90).

T = 100% "T" Yield (Example: Three actual/assigned yields = T100).

R = Actual or Summarized Actual Yield taken from the previous year's Master Yield Summary that was replicated to a new county's database [R&D-097-16.1].

P = Assigned yield (Example: P60).

I = Initial yield for new producers of the crop in the county (Example: I100).

H = 110% "T" Yield, Pilot County New Producer "T" Yields remaining in databases of producers who qualified in a previous crop year (Example: H110).

C = A special yield entered in the database if the crop was grown prior to enrollment in CRP and acceptable production records are not provided, or an added P/T/V's

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database if the database was established using the approved yield from a reference unit for the same P/T/V or for Determined Irrigated Yields (Example: The reference unit's database approved Yield is 105 = C105).

- F = RMA RO Determined Yields (Example: F85). Used when less than four years of actual and/or assigned yields are available for a database and the "T" Yield is specifically assigned and designated by the RMA RO, or high-risk "T" Yields are used in the approved APH Yield calculation.
- L = "A yield remaining in an added land's database if the database was established using the SA "T" Yield for added land.
- Z = Zero planted.
- X = 80% "T" Yield, remaining in databases of feed or forage producers who qualified in a previous crop year (Example: No actual assigned yields = X80).
- Y = Yield identifier used in addition to A, J or P to identify yields less than 60% of the "T" yield that do not qualify for yield substitutions (Example: AY20)
- IL = 100% "T" Yield, used to identify initial databases for added land for new producers. Refer to Exhibit 18 for additional instructions. (Example: IL100).

E "T" Yields.

- 1 **"T" Yield Methods.** "T" Yields are published on the County Actuarial Table. The published "T" Yields will be used to calculate variable "T" Yields by crop and county, when "T" Yields are necessary to calculate approved yields.
 - (a) "T" Yields contained in carryover insureds' databases **MUST** be replaced with the current crop year's "T" Yields.
 - (b) "T" Yields are published for:
 - (i) Insurable P/T/Vs. If irrigated and non-irrigated practices are indicated on the county actuarial documents, separate approved yields are required for irrigated and non-irrigated practices. If separate (different) "T" Yields are provided for other P/T/Vs separate approved yields must be established for each P/T/V (if applicable). [For additional instructions regarding summerfallow practices, refer to the COP Insurance Underwriting Guide for Wheat.]

For example: the county actuarial table for CC wheat indicates:

Type	Practice	Map Area/"T" Yield
011 (winter)	004 (CC)	001 = 15.0

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012 (spring)	004 (CC)	001 = 14.0
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In this example, separate approved yields are required for winter and spring types of CC wheat located in Map Area 001.

- (ii) **Map Areas.** In addition to P/T/Vs, “T” Yields may be assigned for certain areas within a county (“T” Map Areas). Acreage located in “T” Yield Map Areas with different “T” Yields or having a different “T” Yield requires separate approved yields (databases) except in counties where the “T” Yield was previously derived from FSA program yields and “T” Yields are currently assigned by “T” Yield Maps. For this situation, when a unit (database) contains more than one “T” Yield Map Area and a “T” Yield is necessary, determine the “T” Yield by using a simple average of the current “T” Yields. [Exception: Refer to Exhibit 18.] Separate production history databases are not required. For added land, simple average “T” Yields may be used when added as a separate unit.

For units located in more than one “T” Yield Map Area (except for land assigned a high-risk “T” Yield), the variable “T” Yield is determined by the number of years of actual and/or assigned yields provided for the crop and county. Separate approved yields are not required for maps used only to assign rates (including areas with high-risk rate adjustment factors that have NOT been assigned separate (different) “T” Yields).

For example: The county actuarial table for CC wheat indicates:

Type	Practice	Map Area/“T” Yield
011 (winter)	004 (CC)	001 = 15.0
011 (winter)	004 (CC)	002 = 23.0
011 (winter)	004 (CC)	AAA = 15.0

In this example, a separate approved yield is required for the land designated as AAA. The database for a unit containing Map Areas 001 and 002 may use a simple average of the “T” Yield for Map Areas 001 and 002 $[(15 + 23) \div 2 = 19]$.

- (iii) **High-risk land.** The actuarial table may indicate high-risk rate adjustment factors and assign high-risk “T” Yields to high-risk land (generally identified as AAA, BBB, or CCC on the FCI-35) via a “T” Yield Map. When high-risk “T” Yields are used to complete the four-year database, they are not reduced if less than three years of actual and/or assigned yields are available. Separate production history databases are required for land with high-risk “T” Yields when less than four years of actual and/or assigned yields are available. High-risk “T” Yields are preceded by the yield descriptor “F” when used to calculate the approved yield.

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2 Reporting Production for P/T/V or “T” Map Areas (Includes High-Risk Land).

- (a) Separate Production. When production is reported separately by P/T/V/“T” Yield Map Area and requires separate approved yields, a yield will be determined for each P/T/V/“T” Yield Map Area using the separated production.
- (b) Separating Commingled Production. When production has been commingled, separate production may be determined by practice or “T” Yield Map Area if:
 - (i) The producer provides a yield estimate by practice or “T” Yield Map Area from past production records, accounts for total disposition, and the verifier considers resulting yields reasonable; or
 - (ii) The production is apportioned using the commingled production worksheet instructions for the Multipurpose Production and Yield Report Worksheet. [Refer to Sec. 6 F.]
- (c) Commingled Acres and Production. When production has been commingled between practice or “T” Yield Map Areas and the insured cannot provide a yield estimate by practice or “T” Yield Map Area, or the production cannot be (or is not) apportioned using the commingled production worksheet, the total acreage and production will be charged to the practice or “T” Yield Map Area that would normally result in the highest yield (i.e., production commingled between Irrigated and Non-Irrigated practices is charged to the Irrigated practice). The approved yield for the lower yielding practice or “T” Yield Map Area will be based on variable “T” Yields determined by the number of years of actual and/or assigned yields provided (including commingled years) for the crop by county.

F Multipurpose Production and Yield Worksheet.

This worksheet may be used to arrive at the factored production to be entered on the Production and Yield Report in the total production column.

Crop Year	1	2	3	4	5	6
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						
XXXX						

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Instructions and Suggested Column Headings.

- 1 **Separating Commingled Production** between “T” Yield Map Areas, and Practice.

Col. 1 - “T” Yield Map Area or Practice

Col. 2 - Planted Acres (for skip-row cotton, acres considered planted to cotton)

Col. 3 - Transitional Yield (“T” Yield)

Col. 4 - Yield Extension (Col. 2 X Col. 3)

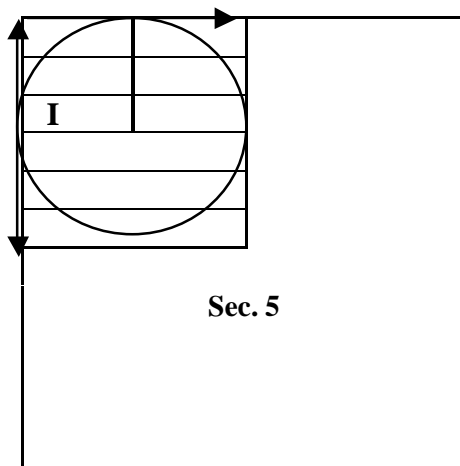
Col. 5 - Factor (total commingled production ÷ total yield extensions from Col. 4)*

Col. 6 - Yield (Col. 3 X Col. 5)

*Values rounded to nearest hundredth.

- G Additional Instructions for Center Pivot Irrigation Systems.** The following instructions pertain to all annual crops except Rice.

- 1 **Separate Production Reports Not Provided.** The acres and production from the Non-Irrigated corners of a field planted to the same insured crop must be included with the portion of the field irrigated by a center pivot irrigation system when separate production records for the corners of the field and center pivot irrigation systems are not provided. Separate approved yields are not calculated; however, acreage considered to be irrigated will not extend beyond intersecting lines drawn at right angles to the radius of the center pivot. A separate line entry for a Non-Irrigated Practice is not required on the acreage report for the corners of the field when they are considered irrigated. However, a separate yield may be requested for Non-Irrigated acreage (e.g., Non-irrigated acreage extending beyond the intersecting lines drawn at right angles of the radius of the center pivot system or other Non-Irrigated field(s)).



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- (a) When the Non-Irrigated corners are considered Irrigated and qualify for prevented planting, the approved Irrigated yield is used to calculate the prevented planting covered expenses for the Non-Irrigated corners.
- 2 **Separate Production Reports Provided.** If separate records of acreage and production are provided for the Non-Irrigated corner(s) of a field planted to the insured crop and the portion of the field irrigated by a center pivot irrigation system, two practices will be considered as carried out. Separate approved yields are required, separate line entries are required on the acreage report, and irrigated acreage is limited to the acreage contained in the center pivot irrigation system.

H **Types of Yields.**

- 1 **Acceptable Production Reports Filed.** When acceptable production reports for the crop, county, and insured person have been submitted by the PRD, the yield history will be updated with the following types of yields as applicable:
 - (a) Actual Yields from production reports or claims forms. [Refer to Sec. 8.]
 - (b) Applicable variable “T” Yields if less than four years of actual and/or assigned yields are available for the database. [Refer to Sec. 6 C 2 (a).]
 - (c) Temporary Yield. The prior approved yield may be used ONLY as a temporary yield (by unit) for the most recent year in the base period if an insured is unable to finish harvest (due to an insurable cause), or records are unavailable from the processor, marketing outlets, etc., by the PRD. The temporary yield is considered an actual yield when determining the number of actual and assigned yields for approved yield calculation purposes. The temporary yield is valid for one year only. A production report indicating the actual yield for that year must be filed by the following year’s PRD or assigned yield provisions will apply.
 - (d) Zero Planted Acres. For annual crops with zero planted acres (by unit, P/T/V), enter zero (0.0) in the Acres Column (Col. 17 FCI-19-A) and enter a Z in the Yield Column (Col. 18 FCI-19-A). Do not count a year of zero planted acres (by unit and by P/T/V if applicable) when determining the number of years of actual and assigned yields. The yield descriptor Z is entered in the database primarily to indicate continuity of production reports. If the (10 crop year) database requires removal of a zero planted year to provide space to retain an actual/assigned yield, remove the OLDEST zero planted year.
- 2 **Acceptable Production Reports Not Submitted.** For carryover insureds when acceptable production reports are required but not submitted for all units, the database will be updated with the following types of yields, as applicable:
 - (a) Actual Yields and appraised potential production from loss claims, if any. [Refer to Sec. 9 C 1 (d).]

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(b) Assigned Yields - 75% of the prior approved yield for the same unit (by area classification, P/T/V if applicable).

(c) Applicable variable “T” Yields if less than four years of actual and/or assigned yields are available for the database. [Refer to Sec. 6 C 2 (a).]

- 3 **Submission of Prior Production Reports.** Insureds may submit (certify) production reports for crop years not previously certified provided continuity of production reports is maintained. Acceptable production reports must be submitted by the applicable PRD for the current crop year to be used for the current crop year. Such production reports are subject to field reviews and acceptable supporting records must be available.

I Yield Limitations/Yield Floor. Cups and yield floors are yield limitations that are designed to mitigate the effect of catastrophic years on approved yields. Cups are applicable for carryover insureds and yield floors are applicable for new or carryover insureds insuring Category B crops with published “T” Yields. Cups and yield floors are administered by database (unit/P/T/V if applicable), if the database contains at least one actual or assigned yield. However, cups do NOT apply if yield substitution(s) under the Yield Adjustment Election are used to calculate the current or prior year’s approved yield, if the prior year’s approved yield was a yield floor, or if more than one year’s production history (including zero planted) is added to the database.

- 1 **10 Percent Cup.** Approved yields for carryover insureds may not decrease by more than 10 percent compared to the previous year’s approved yield if only the most recent year’s production history (including zero-planted) is added to the database. If zero planted and the prior year’s approved yield was limited, calculate the current year’s average yield and apply any applicable yield limitation. [Refer to Sec. 6 I 6 for exceptions.] However, if the yield floor [refer to Sec. 6 I 3] is higher than the cupped yield, the yield floor is the approved yield.
- 2 **20 Percent Cap.** The 20% percent cap for Category B COP Crops has been discontinued beginning with the 2000 crop year.
- 3 **Yield Floors.** Yield floors are applicable to Category B COP crops with published “T” Yields. New and carryover insureds who have provided at least one crop year of acceptable records containing actual and/or assigned yields qualify for yield floors. For carryover insureds yield floors to work in conjunction with cups to provide additional protection from the effects of low crop yields. The approved yield will not fall below the yield floor. The yield floor is a percentage of the applicable “T” Yield based on the years of records the insured has provided for the crop and county:

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MAXIMUM YIELD FLOOR	YEARS OF RECORDS		
	1 year	2 - 4 years	5 or more
80%	70% of "T" Yield	75% of "T" Yield	80% of "T" Yield
90% Option*	80% of "T" Yield	85% of "T" Yield	90% of "T" Yield
100% Option*	90% of "T" Yield	95% of "T" Yield	100% of "T" Yield

*Pilot available for some crops only in Minnesota, North Dakota, and South Dakota (must be elected on a crop/county basis by the applicable sales closing date and is continuous until canceled). Applicable option surcharge applies only to those databases where the yield floor is the approved APH yield.

Note: Cups do not apply if prior approved yield was a yield floor or was calculated using yield substitutions. Also, yield floors do not apply if the current year's approved yield uses yield substitutions (by database).

- 4 **Yield Limitation Calculations.** Determine approved yields when cups or yield floors apply [refer to Exhibit 11 for examples] as follows.
 - (a) Calculate the average yield using current procedures.
 - (b) Apply the cup, if applicable, to the prior approved yield [refer to 6 I above.] If zero planted and the prior year's approved yield was cupped, calculate the cupped yield, if applicable, by multiplying the prior approved yield by .90.
 - (c) Calculate the yield floor.
 - (d) Determine the preliminary yield (and subsequent approved yield):
 - (i) If cup is NOT applicable, use the higher of the average yield or the yield floor.
 - (ii) If cup applies, use the higher of the cupped yield or the yield floor.

- 5 **Determining Premium Rates.** Premium rates are determined differently when the approved yields are based on cupped yields or yield floors. Rates are determined as follows when the approved yield is subject to:
 - (a) 10 Percent Cup (Category B and C). The rate is determined from the CUPPED YIELD and a five (5) percent surcharge is applied. For data processing purposes, a 10 percent yield limitation flag is used and the surcharge administered on a line entry basis. [Refer to Manual 13, DAS Handbook.]
 - (b) Yield Floor (Category B only). For yield-span/continuous rated crops, the rate is determined from the average yield; however, the EGI is based on THE YIELD FLOOR. For data processing purposes, an additional yield flag is required. For non-yield-span rated crops (rate maps, etc.), a five (5) percent surcharge is applied;

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however, the expected gross income is based on the yield floor. [Refer to Manual 13, DAS Handbook.]

6 **Cups do not apply to units (by P/T/V if applicable) if:**

- (a) A special case is referred to the RMA RO for yield determination (approved Yield) if:
 - (i) The Insurance Provider is NOT authorized to calculate the approved yield.
 - (ii) The approved yield cannot be determined by the Insurance Provider.
 - (iii) Required RMA RO yield determinations are waived by the RMA RO and the Insurance Provider is authorized to calculate the approved yield.
- (b) Non-actual yields are replaced with adjusted “T” Yields for high-risk or un-rated land the first effective crop year.
- (c) Previously approved yields are corrected/changed. These include:
 - (i) Revision of a previously reported actual yield based on acceptable, more accurate production records submitted by the insured.
 - (ii) Revision of the APPROVED yield is required for the current crop year according to production reporting review procedure when discrepancies in production and/or acreage information found during a field review cause the approved yield to exceed established tolerances. [Refer to Sec. 13.] If the approved yield does NOT require correction for the current crop year, cup procedures apply (for current and subsequent crop year when the yield is corrected).
 - (iii) Additional actual yields are submitted and accepted for year(s) other than the most recent crop year in the database. (Any assigned yields or “T” Yields are replaced with actual yields.)
 - (iv) The initial year added land/P/T/V (by unit/P/T/V database, if applicable) or new producer procedures are applicable.
 - (v) When units/P/T/Vs with established databases containing actual and/or assigned yields are combined. This does not include change in unit numbering only (the actual production history is not combined or divided.)
 - (vi) The initial year the Continuous Cropping (CC) approved yield is used in place of the Summerfallow (SF) approved yield for the SF practice.
 - (vii) The published “T” Yield increases or decreases 10 percent or more and the published “T” Yield is required to calculate the approved yield (“T” Yields are used to complete the 4-year database.)

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(viii) Insurance Provider Errors: Incorrect application of procedure by Insurance Provider.

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7. CATEGORY C COP CROPS (PERENNIAL CROPS)

Almonds, Cranberries, Peaches, and Stonefruit (Apricots, Nectarines and Peaches) are Category C crops for COP.

A **Related Handbooks.**

- 1 **FCIC - M13 Data Acceptance System Handbook.**
- 2 **FCIC – 25010 Loss Adjustment Manual, COP Summary of Changes to the LAM.**
- 3 **Other RMA Approved Handbooks.**
- 4 **Perennial Crop Transitional Yield Manual And Acreage Tolerances.**

B **Definitions.** [Refer to Section 1 of the Cost of Production Insurance Basic Provisions.]

C **Responsibilities.** [Refer to Sec. 5.]

D **General Instructions.** To be eligible for coverage, minimum requirements for insurability stated in the crop policy must be met (i.e., age, production, or a combination of age and production). Insurability requirements will be verified through the use of a certification process requiring Producer's Pre-Acceptance Worksheet(s) or pre-acceptance field inspections performed by the Insurance Provider or by RMA RO. "T" Yields are available for all Category "C" crops.

- 1 **Approved Yields.** Insurance Providers are required to calculate and approve yields for all Category C COP crops unless the Pre-Acceptance Field Selection Criteria is met or exceeded. [Refer to Sec. 7 F 2.] If the Pre-Acceptance Field Selection Criteria are met or exceeded, Insurance Providers may calculate the approved yield only if the RMA RO has issued guidelines authorizing them to calculate the approved yield. [Refer to Sec. 7 F 3.] The RMA RO will determine the approved yields for cases requiring Pre-Acceptance Field Inspections [refer to Sec. 7 F 1] and cases meeting Pre-Acceptance Field Selection Criteria [refer to Sec. 7 F 2] unless the RMA RO has issued guidelines that authorize the Insurance Provider to calculate the approved yield.
- 2 **Preliminary Yields.** For new insureds, agents/representatives ARE REQUIRED to calculate preliminary yields for all Category C COP crops. [Refer to Sec. 5 A for detailed responsibilities of the agent/representative.]
- 3 **Acreage Determination.** All acreage measurements for perennial crops will be based on land acres (i.e., planimetered, wheeled/taped) with deductions for non-crop areas. Within the land acre measurement method, tree/vine acres may be used to determine acreage for limited situations. To determine tree/vine acreage determinations, the tree/vine spacing(s) and number of trees/vines must be determined/verified. Non-crop acreage must be

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determined in the same manner as when land acre measurements are employed. When blocks/groups of trees/vines are removed, the acreage is measured/ determined and then deducted. If tree/vine acreage determinations will result in more accurate acreage determinations than land acre measurements, tree/vine acreage determinations are acceptable for the following situations:

- (a) Determination of the acreage of different types, varieties, interplanted crops within a particular tract of measured acreage. The sum of the parts must be equal to the measured acreage.
 - (b) Determination of the acreage of irregular shaped fields when the acreage has not been previously measured and FSA aerial photography that identifies the acreage is NOT available at the local FSA office.
 - (c) Irregular terrain is not conducive to accurate wheel/tape measurements, the acreage has NOT been previously measured, and FSA aerial photography that identifies the acreage is NOT available at the local FSA office.
- 4 **Base Periods.** The base period for each database is determined by consecutive CROP YEARS, not calendar years, and consists of a specific number of consecutive crop years immediately preceding the current crop year as defined in the applicable individual crop COP Underwriting Guides for Crops.

E Producer's Pre-Acceptance Worksheet. Each applicant/carryover insured, must certify underwriting information by the PRD by completing, signing, and dating Producer's Pre-Acceptance Worksheet(s) for each Category C COP crop insured. The Producer's Pre-Acceptance Worksheet is a self-certification form that must be completed in an acceptable manner and submitted each crop year by the producer. It may be necessary for the agent/representative to assist the producer in the form's completion in order to obtain the required information. The information provided on the worksheet is used to annually determine the insurable acreage on the unit for the current crop year, indicate whether a complete field inspection is needed, or provide other important data that may affect the approved yield or insurability of the crop.

- 1 **Completion Requirements.** If the applicant/insured either does not complete or does not complete in an acceptable manner the Producer's Pre-Acceptance Worksheet, Insurance Providers must obtain the required information, make pre-acceptance field inspections to determine the required information, or deny coverage for the crop year. Based on the actual yields submitted or the information certified, a pre-acceptance field inspection may be required. [Refer to Sec. 7 F 2 for Pre-Acceptance Field Inspection Selection Criteria.]
- 2 **Insurance Providers must monitor** Producer's Pre-Acceptance Worksheets to assure they are completed in an acceptable manner. In order to verify accurate completion, the Insurance Provider must perform field reviews on at least five percent of the worksheets. Reviews of Producer's Pre-Acceptance Worksheets completed when pre-acceptance field

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inspections are performed (e.g., acreage tolerance, high actual yield variability, etc.) may be used to meet this requirement when accurately documented.

- 3 **Completion Instructions.** The following items must be completed on the self-certified inspection forms.

Item No.:

- (1) Enter the applicant/insured's full name.
- (2) Enter the applicant/insured's policy number.
- (3) Enter the unit number.
- (4) Enter the name of the insured crop.
- (5) Enter the name of the state in which the acreage is located.
- (6) Enter the legal description of the land, if applicable.
- (7) Enter the policy crop year for which the Pre-acceptance Worksheet is being completed.
- (8) Enter the name of the county in which the acreage is located.
- (9) Enter the FSA Farm Serial Number, if applicable.
- (10) Divide the orchard, vineyard, bog etc. into as many blocks as needed to facilitate collection and reporting information. [Refer to individual Crop Block Requirements for block worksheet instructions]. Separate blocks by type/practice, variety, age, and density if practical. Prepare a sketch map showing the location of each block designated by a unique number. Enter these numbers in column #10. Complete the items applicable to the crop (10-21) for each block. Calculate an approved yield for each block. [Refer to Block Production Worksheet.]
- (11) Enter the year trees, vines, bushes, etc., were set out or the year the block was grafted to the current variety.
- (12) Enter the number of acres to tenths (0.10) determined using only planimetered, wheeled/taped measurement methods.
- (13) Enter the name(s) of the variety(ies)/type contained in this block.
- (14) Enter the number of bearing plants (trees, vines, bushes, etc.) which make up this block

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- (15) Enter the average tree spacing/pattern observed within this block (example 18.5 X 20)
- (16) Enter the average pruning height.
- (17) Calculate the percent stand by dividing the number of bearing trees/vines/bushes in item 14 by the product of density in item 18 multiplied by Acres in item 12. (Item 14 ÷ [Item 18 X Item 12])
- (18) Calculate the plant density (number of trees/vines, etc., per acre) as follows: number of square feet per acre ÷ number of square feet per tree (based on the current planting pattern). For example, based on a tree spacing of 20 X 20 = 400 square ft., the number of trees per acre is calculated as 43,560 square ft. per acre ÷ 400 square ft. per tree = 109 trees per acre. Or, if trees are being interplanted as a part of a tree replacement program and the spacing changes to 10 X 20 = 200 sq. ft., per tree, the correct density becomes 43,560 sq. ft. per acre ÷ 200 sq. ft. = 218 trees per acre.
- (19) Designate if the block is irrigated by entering IRR or NI by entering NI.
- (20) Designate if this block has met policy minimums for insurability if applicable, (e.g., fourth leaf on Peaches, etc.).
- (21) Designate by block whether the varieties are spur type or non-spur type (if applicable to commodity)
- (22) **IMPORTANT:** Prior to answering this question, the average yield from the preliminary certified data must be calculated. If the applicant/insured answers “YES” to this question, a field inspection and hard copy records of acreage and production are required.
- (23) If the producer is using organic farming practices or another non-conventional practice and answers “YES” to this question, a field inspection and hard copy records of acreage and production are required.
- (24) If the producer does not have an adequate water supply and answers NO to this question, a field inspection and hard copy records of acreage and production are required.
- (25) The applicant/insured must review certified data and accompanying certification statement and sign and date the form.

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OMB No. 0563-0053

FCI-12-PAW (Perennial Crops) USDA/FCIC PRODUCER'S PRE-ACCEPTANCE WORKSHEET				1. Applicant's Name:			2. Policy No.:		3. Unit No.:	4. Crop:		5. State:	
				6. Legal Description:			7. Crop Year:		8. County:			9. Farm No.:	
Block No. 10	Mo/Yr Set Out/Grafted 11	Acres 12	Variety/Type 13	Number of Plants 14	Plant Spacing 15	Pruning Height 16	Percent Stand 17	Density 18	Practice IRR/NI 19	Insurable or Uninsurable 20	Spur or Nonspur 21		
22. Has damage (ie., disease, hail, freeze) occurred to Trees/Vines/Bushes/Bog or have cultural practices been performed that will reduce the insured crop's production from previous levels?								Yes		No			
23. Is the producer using organic farming practices, or other non-conventional practices?								Yes		No			
24. Is the current water supply (surface allotment/well) adequate to produce a normal group for the crop year being certified above?								Yes		No			
<p>I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH yield. I also understand that failure to report completely and accurately may result in voidance of my Crop Insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).</p>													
25. Insured's Signature:								Date:					

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F Pre-Acceptance Field Inspections. Pre-acceptance field inspections are underwriting tools primarily designed to establish insurability of the crop, evaluate the risk to be assumed by the Insurance Provider, and verify underwriting information provided by the producer. When Producer’s Pre-Acceptance Worksheets are required, pre-acceptance field inspections may be made if applicants/insureds either do not complete or do not complete Producer’s Pre-Acceptance Worksheets in an acceptable manner. [Refer to Sec. 7 E 1.]

1 Required Pre-Acceptance Field Inspections. Insurance Providers must perform pre-acceptance field inspections:

- (a) For a specified county crop program, if notified in writing by RMA in Kansas City that pre-acceptance field inspections are required.
- (b) When requested by the RMA RO in conjunction with RMA RO determined yields. The RMA RO is authorized to request a pre-acceptance field inspection if one has not been performed, or if one has been submitted as required according to the following chart and a new field inspection is necessary for the RMA RO to determine an accurate approved RMA RO determined yield.
- (c) As required by the following chart:

CROP	INSURED/STATUS		
	NEW INSURED	NEW OR CARRYOVER INSURED & SELECTED BY PRE-ACCEPTANCE FIELD SELECTION CRITERIA 1/	NEW OR CARRYOVER INSURED & DAMAGE HAS OCCURRED TO TREES/ VINES/ BUSHES/ BOG OR CULTURAL PRACTICES HAVE BEEN PERFORMED THAT WILL REDUCE THE INSURED CROP’S PRODUCTION FROM PREVIOUS LEVELS
Cranberries, Peaches, Stonefruit	An inspection is NOT required, unless selected by the pre-acceptance field selection criteria.	An inspection is required if no pre-acceptance field inspection or the most recent pre-acceptance field inspection is <u>more than FIVE</u> years old.	An inspection is required.
Almonds	An inspection is NOT required, unless selected by the pre-acceptance field selection criteria.	An inspection is required if no pre-acceptance field inspection or the most recent pre-acceptance field inspection is <u>more than TEN</u> years old.	An inspection is required.

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- 1/ Unless waived by the RMA RO, the applicable Pre-Acceptance Perennial Crop Inspection Report and supporting documentation must be sent to the RMA RO for determination of the approved yield. [Refer to Sec. 7 F 2 Pre-Acceptance Field Selection Criteria and F 6 for required documentation.]
- 2 **Pre-Acceptance Field Inspection Selection Criteria.** The following pre-acceptance field inspection criteria apply to all Category C COP crops. If a pre-acceptance field inspection has not been performed, or the most recent pre-acceptance field inspection is older than specified for the crop, unless waived in writing by the RMA RO, pre-acceptance field inspections are mandatory for any unit for which:
- (a) A greater yield than the average yield is requested by the insured with reasonable cause. The request must be in writing and signed by the insured.
 - (b) High variability of actual yields (used to calculate the approved yield) is indicated by the following yield variance calculations:
 - (i) Frequency of actual yields that are less than 75 percent of the AVERAGE APPROVED YIELD is equal to or greater than that shown on the following Yield Variance Table and at least one such actual yield occurred during the most recent three crop years, a pre-acceptance field inspection is required.

Number of Times the Annual Actual Yield is Less Than 75 Percent of the Average Yield	Number of Years of Verifiable Records
2	4 or 5
3	6 or 7
4	8 - 10

- (ii) The average of the most recent three years' actual yields is at least 25 percent less than the average yield.
- (c) Productivity is reduced. An inspection is required when KNOWN tree/vine/bush/bog damage has occurred or cultural practices have been performed that will reduce the insured crop from previous production levels, or if the insured answers YES to question 22 contained on the Producer's Pre-Acceptance Worksheet. [Question # 22, "Has damage (i.e., disease, hail, freeze) occurred to trees/vines/bushes/bog or have cultural practices been performed that will reduce the insured crop's production from previous levels?"]
- (d) An organic or a non-conventional farming practice is carried out. An inspection is required if it is KNOWN that an organic or non-conventional farming practice will be carried out or if the insured answers YES to question # 23 on the Producer's Pre-Acceptance Worksheet. [Question # 23, "Is the producer using organic farming practices, or other non-conventional practices?"]

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- (e) The irrigation water supply is not adequate: If irrigated, and the insured answers NO to question #24 on the Producer's Pre-Acceptance Worksheet a pre-acceptance inspection is required. [Question # 24, "Is the current water supply (surface allotment/well) adequate to produce a normal crop for the crop year being certified above?"]
- (f) Unusual cases are submitted to the RMA RO. Unusual cases include requests submitted to the RMA RO for a review of questionable records for a determination of acceptability, requests to use records prior to a break in continuity of records, and requests for the RMA RO to determine an approved yield for perennial crop acreage that has not met the minimum production/age requirement in the policy (if the Insurance Provider agrees in writing [not a written agreement] to insure this) for certain crop policies (e.g., Almonds, etc.). In these cases, the yield history is not completed on the Production and Yield Report for the crop year(s) in question. To be considered by the RMA RO, a pre-acceptance field inspection must be completed by the Insurance Provider, and sent with all supporting documentation [refer to Sec. 7 F 6] to the RMA RO.

3 RMA RO Waiver of Field Inspections and/or RMA RO Determined Yields.

- (a) Pre-acceptance Field Inspections. When the application of the Pre-acceptance Field Inspection Criteria identifies an excessive number of contracts for pre-acceptance field inspections that cannot be feasibly accomplished, the RMA RO is authorized to issue guidelines which waive pre-acceptance field inspections for certain situations (e.g., abnormally low yields from insurable cause(s) of loss for a given area may cause the yield variance table to require field reviews of an excessive number of contracts).
 - (i) Insurance Providers are not required to perform field inspections, based on Yield Variances (as amended by RMA RO guidelines), on more than 10 percent of their Category C COP contracts (per crop, per region). The RMA RO is authorized to issue additional guidelines/criteria identifying which contracts (by crop, by region) are to be selected under the 10 percent limitation.
 - (ii) Insurance Providers should contact the applicable RMA RO, specify the reason that may cause excessive pre-acceptance field inspections, and provide examples that clearly indicate that excessive pre-acceptance field inspections would be required.
- (b) RO Determined Yields. The RMA RO is authorized to issue guidelines, which waive forwarding of the applicable Pre-Acceptance Perennial Crop Inspection Report, supporting documentation [refer to Sec. 7 F 6], and RO determination of the approved yield. If RMA RO approval of approved yields is WAIVED:

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- (i) For units that meet or exceed minimum insurance requirements, the Insurance Provider determines the approved Yield(s). Units not meeting minimum insurance requirements may be eligible for the Non-Insured Assistance Program (NAP).
 - (ii) Approved yields are based on the correct information determined during the pre-acceptance field review (when required) and calculated using the applicable of standard Category C COP procedures or guidelines issued by RMA RO for a certain situation (e.g., RMA may issue additional procedures that allow Insurance Providers to calculate approved yields when an alternate bearing crop year is identified).
 - (iii) A list of such policies will be forwarded each year to the applicable RMA RO. RMA RO may spot check such policies.
- 4 **Assignment of Field Inspections.** The Insurance Provider insuring the crop will perform all field inspections. Insurance Providers must assign a field inspection to an inspector:
- (a) Within five working days of receipt of the request,
 - (b) But no later than 10 calendar days after the PRD.

Inspectors must notify the Insurance Provider if they cannot complete the field inspection within 10 working days of receiving the inspection request. Inspectors must make arrangements to prevent delaying the yield verification process and to complete the inspection timely. The insured should be present during the inspection to answer any questions and provide authorized access to the unit(s) to be inspected.

- 5 **Time Frames for Inspections.** Inspectors will forward all documents to the Insurance Provider through the inspector's supervisor after completing the inspection.
- (a) Deadlines. The inspector must complete the pre-acceptance field inspection and return all required documentation to the Insurance Provider (i.e., must be received by the Insurance Provider, or RMA RO office) no later than 30 calendar days after the PRD for ALL Category C COP crops.
 - (b) Extensions of Deadlines. Insurance providers may contact the RMA RO to arrange a schedule if this deadline cannot be met due to the volume of production reports received, additional information must be obtained, etc. The RMA RO will establish a final date based on the volume of contracts, weather conditions affecting pre-acceptance inspections, etc. The final date for receiving the remaining production and inspection reports in the RO will be NO LATER THAN 60 calendar days after the PRD for ALL Category C COP crops.

NOTE: Supporting records/documentation initially received after the applicable date specified above will be considered unacceptable. An RMA RO approved yield will NOT be issued unless assigned yield provisions are applicable.

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(c) If additional supporting records/documentation/clarification for timely submitted requests is required by the RMA RO, the verifier will have 20 calendar days from the date of notification from the RMA RO to secure and provide the records to the RMA RO. If supporting records are not received in the RMA RO by this date, the RMA RO will consider the records unacceptable and use assigned yield provisions for carryover insureds. For new insureds, the RMA RO will determine that the production records are unacceptable and determine the yields accordingly.

6 **Inspection Forms and Worksheets.** When a field inspection is required by procedure, a Pre-Acceptance Perennial Crop Inspection Report form and applicable Crop Addendum Worksheet(s) must be completed. [Refer to Sec. 7 G below.] In addition, the grower MUST furnish acceptable supporting acreage and production evidence (hard copy) to the Insurance Provider. The Insurance Provider will perform the field inspection and for situations requiring RMA RO determined yields, forward the original inspection report and supporting documentation to the RMA RO, unless guidelines have been issued by the RMA RO waiving this requirement. Required supporting documentation includes:

(a) Applicable Crop Addendum Worksheet(s);

(b) Producer's Pre-Acceptance Worksheet;

(c) Production and Yield Report(s);

(d) Block Production Worksheet(s).

Any additional information should be documented by the inspector and attached to the inspection report forms.

7 **Pre-acceptance field inspections involving applications.** If the crop is damaged prior to application or the date insurance should have attached, the application is not accepted and insurance does not attach.

Once the acreage is inspected and the application accepted, subsequent damage from insured cause(s) is covered. When preliminary yields are calculated, insureds may not request mutual consent cancellation unless the approved yield is lower than 95 percent of the preliminary yield.

8 **For carryover insureds.** If insurance is requested on added acreage that is damaged prior to the pre-acceptance field inspection, the request is rejected on a unit basis and insurance does not attach.

G The Pre-Acceptance Perennial Crop Inspection Report and Crop Addendum Worksheets. All items must be completed on the Pre-Acceptance Perennial Crop Inspection Report and the applicable Crop Addendum Worksheet(s). [Refer to Exhibit 10 and the COP Underwriting Guides for Crops.] The item numbers and instructions below correspond with

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the item numbers on the approved sample FCI 12-P, the Pre-Acceptance Perennial Crop Inspection Report Form.

- 1 **The agent/representative must complete** items 1-10 on the Pre-Acceptance Perennial Crop Inspection Report prior to forwarding the insured's file to the Insurance Provider representative responsible for assigning inspections.

Item No.:

- (1) Enter the crop, policy crop year for which the field inspection is being completed, unit number, insurable and uninsurable acreage for the unit being inspected.
- (2) Enter the applicant/insured's name and address as shown on the application for insurance.
- (3) Enter the location state/code and county/code.
- (4) Enter the applicant/insured's complete telephone number.
- (5) Obtain and enter the name of the landowner. If the same as the applicant/insured, enter "same."
- (6) Obtain and enter the name of the person making the majority of the management decisions (operator/producer) for the unit. If the same as the applicant/insured, enter "same."
- (7) Enter both the name of the agency and agent/representative who will service the policy. Include agent/representative's code and county code.
- (8) Enter the complete telephone number for the agency/FSA office.
- (9) Enter the legal description to the nearest quarter section and applicable Farm Serial Number(s). If section, township, and range are not used for legal description, use locally accepted description.
- (10) Provide a location description using names and numbers of cross streets, roads, etc. Include mileage from identifiable landmarks (e.g., nearest intersection).

- 2 **Inspectors will complete** items 11 through 37 of the report and sign and date the form as the certified inspector. [Refer to Exhibit 10.] If additional space is needed to answer any item, a separate sheet (e.g., a Special Report) may be attached. Identify each explanation with the corresponding item number from the inspection report. Make the following entries:

Item No.:

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- (11) Obtain this information from the applicant/insured. It will assist the verifier in reviewing the APH (production reporting) forms for complete records.
- (12) Self-explanatory.
- (13) Review with the operator and explain in detail the cultivation and/or spray program used to control weeds. Include a description of the current orchard/vineyard/plantation/bog floor management (e.g., sterile/sod/cover crop, etc.).
- (14) Describe in detail the fertilization program being used for the unit. Include the producer's method of monitoring soil fertility (e.g., soil analysis, foliar analysis, or both).
- (15) Describe in detail the insect and disease control measures used by the producer (e.g., integrated pest management, a calendar spray program, organic, etc.). Based on the field inspection, identify current evidence of disease/insects as rare, moderate or severe.
- (16) Determine if the operator replaces dead or diseased plants. If the operator has a replacement program, identify to what extent, if any, the operator is using a fumigation or crop rotation program.
- (17) Note the primary use of the crop, and/or if different varieties have different uses.
- (18) Determine the usual harvest completion date from the producer.
- (19) Describe in detail the use of bees as pollinators. Include type/quantity and location.
- (20) Describe in detail the irrigation source(s). Obtain from the grower, water source(s) and irrigation district(s) from which water is allocated, allocation percentage, and irrigation well information. Include any information regarding water obtained through water transfers and any potential curtailment of current and future water supplies.
- (21) Determine and note any abnormal flood hazards.
- (22) Discuss with the operator and assess any potential soil limitations (e.g., slope, depth, drainage, ph., saline, or alkaline toxicity, etc.). Areas of frequent replanting or stunted growth may indicate these conditions exist.
- (23) Describe in detail the pruning practices used, date normally completed, and whether pruning is annual, biennial, etc. Indicate if there is excessive pruning or top working which affect production of the crop to be insured.

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- (24) Describe in detail the varieties used as a pollination source. Include variety, location, quantity, density, and configuration.
- (25) Enter the total unit acreage (insurable and uninsurable) and method of measurement. Planimetered, wheeled/taped, or acreage from bog maps (Cranberries) recorded with the marketing organization (e.g., Ocean Spray, Cliff Star, etc.) are the only acceptable acreage measurement methods.
- (26) Review the production reporting form for prior production and acreage (by variety) as compared to the current acreage and varieties shown on the inspection form. Note any inconsistencies and reconcile tree removals, replacements, grafting. This review will assist the verifier in determining acceptability of prior production records.
- (27) Complete these items by checking appropriate boxes. This requires walking through the unit. For “Bearing trees/vines/bogs/bushes (percent stand),” include only the acreage harvested by the grower.
- (28) Evaluate and describe your evaluation of the unit’s current potential as: stable, declining or increasing.
- (29) These are subjective questions requiring evaluation of the unit’s vigor relative to the calculated average yield. Note amount of tree/vine/bush growth, limb/cane/bush size, and color, and other factors which indicate the unit’s ability to produce the indicated yield. Note overall plant vigor as: good, average or poor.
- (30) If bins are used for harvesting purposes, and complete verifiable first handler or third party records are not provided to substantiate bin size, provide inside bin measurements.
- (31) Insurable acreage. Complete an appropriate crop addendum worksheet(s) for the crop being inspected [see instructions below]. Contact applicable RMA RO for specific questions on completion.
- (32) Uninsurable acreage. Complete an appropriate crop addendum worksheet(s) for the crop being inspected [see instructions below]. Contact applicable RMA RO for specific questions on completion.
- (33) Obtain FSA aerial photo(s) with units, FSNs and legal description clearly identified.
- (34) Prepare a sketch map showing the unit location with identifying roads, the nearest intersection, and landmarks. The diagram map of the orchard serves Identifies the location of blocks within one unit. Sketch out the blocks, showing the exact location of each block in relation to other blocks in the unit. Label each block with a Block Number or I.D. A general map with the location of all units on one

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page may also be appropriate. In addition, clearly show State and county roads (including the nearest highway intersection) along with cardinal directions (a north arrow) and any permanent land features. Identify the owner/operator's residence if applicable, and/or the operator's name and address on the sketch map.

- (35) Enter additional notes and observations that will assist the verifier in relating unit information to historic yields. Include additional sheets, as necessary, referencing appropriate items.
- (36) Item 36 A and B are subjective questions requiring evaluation of management and unit conditions. The verifier considers this information in the overall evaluation of the unit.
- (37) Provide your recommended action and sign, date and return the report to the supervisor. Forward the inspection report with the production reporting forms and applicable records to the RMA RO/Insurance Provider.

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FCI-12-P U.S. DEPARTMENT OF AGRICULTURE Federal Crop Insurance Corporation PRE-ACCEPTANCE PERENNIAL CROP INSPECTION REPORT			
1. Crop	Crop Year	Unit	Insurable Acres Uninsurable Acres
2. Name of Applicant/Insured		Address	
3. State and County		4. Applicant/Insured's Telephone Number Area Code ()	
5. Name of Owner		6. Name of Operator	
7. Name of Agent/Agency/FSA		8. Agent/Agency/FSA Telephone Number Area Code ()	
9. Legal Description	Township	Range	Farm Serial Number
10. Location Description			
GROWER INFORMATION			
11. Number of years grower has operated this unit _____ Years			
If less than 3 years, Previous owner (if known)		Name	Address(s)
12. Has this unit been insured in prior years? If yes, years insured and prior contract number(s)?			
13. Describe weed control measures used for the unit. Include a description of the orchard/vineyard/plantation/bog floor management; e.g. sterile/sod/cover crop			
14. Describe fertilization program used for the unit. Include method of monitoring fertility; e.g., soil analysis/foiar analysis/both:			
15. Describe in detail insect control measures used (e.g., Integrated pest management/calendar spray program)			
Evidence of disease/insects <input type="checkbox"/> Rare <input type="checkbox"/> Moderate <input type="checkbox"/> Severe			
16. Is a tree/vine/bog replacement program being carried out? (Explain in detail) If applicable is fumigation used in the replacement program?			
17. Crops grown primarily for:		18. What date is harvest completed for the unit under normal conditions?	
Fresh <input type="checkbox"/> Processor <input type="checkbox"/> Fruit <input type="checkbox"/>			
Market _____ Market _____			
19. Describe in detail th use of bees as pollinators. Include type/quality and location.			
20. Describe in detail the irrigation water source.			
(A) Surface: _____ % of total supply?		(B) Irrigation Well(s):	
(1) Irrigation district name: _____		(1) How many wells? _____	
(2) Allocation last year: _____ % of normal		(2) Total gallons per minute? _____ GPM	
(3) Expected allocation this year: _____ % of normal		(C) Water obtained through water transfer: _____ acre feet per acre	
21. Is the unit subject to above normal flood hazard? If yes, explain in in detail.			
22. Are there soil simitations (e.g., slope, depth, drainage, ph, saline/alkali, toxicity)? Explain in detail.			
23. Describe in detail the pruning practices used; date normally completed, and indicate whether pruning is annual or biennial.			
24. Describe in detail the varieties being used as a pollination source. Include variety/location, quantity, density and configuration.			

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(FCI-12-P Reverse)						
ACREAGE INSPECTION INFORMATION						
25. Measured Acres of Unit: A. Planimetered FSA Photo		B. Wheel/Tape		C. Bog Maps (Cranberries)		
26. Have prior acres been verified? If no, explain.						
27. Percent of Unit Acreage						
A. Based on Original Planting Pattern	Less than 50%	50 - 60%	61 - 70%	71 - 80%	81 - 90%	91 - 100%
(1) Spaces Occupied by Live Trees/Vines/Bogs/Bushes						
(2) Bearing Trees/Vines/Bogs/Bushes (% stand)						
(3) Insurable Stand						
28. Unit potential is currently:						
<input type="checkbox"/> Stable <input type="checkbox"/> Declining <input type="checkbox"/> Increasing						
29. If calculation of a preliminary yield is authorized, do trees/vines/bushes/bog have sufficient vigor to produce the average yield computed for this unit?						
<input type="checkbox"/> Yes <input type="checkbox"/> No Plant Vigor: <input type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Poor						
30. If applicable, provide inside bin measurements:						
31. Insurable acreage and tree/vine/bush/bog information -			32. Uninsurable acreage and tree/vine/bush/bog information -			
Complete and attach appropriate crop addendum worksheet(s).			Complete and attach appropriate crop addendum worksheet(s).			
33. Obtain and attach FSA aerial photo(s).			34. Complete and attach hand sketch map.			
35. Additional information and comments (attach additional sheets as necessary):						
36. A. Your evaluation of the management of this operation:			B. Your evaluation of the orchard/vineyard/bog/plantation condition:			
<input type="checkbox"/> Above Average <input type="checkbox"/> Average <input type="checkbox"/> Below Average			<input type="checkbox"/> Above Average <input type="checkbox"/> Average <input type="checkbox"/> Below Average			
37. Action Recommended:						
<input type="checkbox"/> Acceptance <input type="checkbox"/> RSO Coverage Review <input type="checkbox"/> Rejection <input type="checkbox"/> RSO Rate Review						
Certified Inspector		Date		Phone Number and Contact Point		
Supervisor		Date		Phone Number and Contact Point		

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- 3 **Crop Addendum Worksheets.** Inspectors must also complete the applicable crop addendum worksheet. Perennial crop addendum worksheets are used to collect field inspection data specific to the crop by providing guidelines and underwriting questions pertinent to the crop being inspected. [Refer to the COP Underwriting Guides for Crops.]
- (a) Separate perennial crop addendum worksheets are provided for the following crops: Cranberries, Peaches, and a combined form for Almonds and Stonefruit. [For each of these crops, sample perennial crop addendum worksheets are provided in the COP Underwriting Guides for applicable crops.]
- (b) Insurable and Uninsurable Acreage. Complete a separate addendum worksheet for insurable and uninsurable acreage. Check items 31 and 32 as applicable on the Pre-Acceptance Perennial Crop Inspection Report form to identify when a crop addendum worksheet is completed for insurable or uninsurable acreage. Use uninsurable acreage addendums to identify any acreage not yet insurable due to policy minimums or limitations (e.g., Cranberry bog is being renovated, etc.).

H Approved Yield Calculation. Yield calculation methods used to determine approved yields are based on the number of years of actual and/or assigned yields that are available: 65 percent of the “T” Yield (no actual or assigned yields), variable “T” Yields (1-3 years of actual and/or assigned yields), or the simple average of the actual and/or assigned yields or a weighted average yield (if at least four years are available).

- 1 **“T” Yield Instructions.** Variable “T” Yields are determined by the number of year’s actual and/or assigned yields in the UNIT (by applicable P/T/V indicated in the actuarial document). If a different percentage of the “T” Yield is used for the “T” Yield than indicated by the number of actual and/or assigned yields in the database, use yield descriptor “C.”
- (a) Transitional (“T”) Yields. (Perennial Crop “T” Yields are published in the Perennial Crop “T” Yield and Acreage Tolerance Listing Manual). “T” Yields may be established by tree age and densities, by county, by “T” Yield map areas within a county, or by other appropriate factors. [Refer to the COP Underwriting Guides for applicable crops for examples.]
- (b) Weighted Average “T” Yields. [Refer to Sec. 7 I.] Weighted average “T” Yields are required when less than four years of actual and/or assigned yields are provided on the unit and:
- (i) Different “T” Yields are applicable on the unit (e.g., different tree age and densities or “T” Yield map areas); and
- (ii) The insured has certified production and acreage (or other information required on the Producer’s Pre-Acceptance Worksheet) for more than one block (e.g., tree age and densities or “T” Yield map areas) within a unit. [Refer to COP Underwriting Guides for Crops for examples.]

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- (c) Crops with minimum age and/or production requirements. Perennial crop policies require that certain age and/or production conditions must have been met prior to insurance attaching (e.g., peaches must be in 4th leaf year, etc.). Refer to the crop policy for the specific applicable requirements.
- (i) To meet minimum production requirements, acceptable production reports must be filed that indicate at least one crop year has produced the minimum average amount of production. Once qualifying actual yields have been submitted, continuous production reports must be submitted for each subsequent crop year. All such actual yields will be used. The actual yields will be used to determine the variable “T” Yield percentage and incorporated into the database. For crops requiring minimum production, acreage that has not met the minimum production requirements does not qualify for insurance.
- (ii) For crops with minimum age requirements only (e.g., almonds) or minimum age or production requirements (e.g., peaches), the insured has the option of using the previous year’s acceptable production report from under age acreage or 65% of the applicable “T” Yield. Once accepted, this acreage and production must remain in the database until excluded by the base period.
- 2 **Assigned Yield Instructions.** Assigned yield provisions apply on a crop year basis to databases (units by P/T/V indicated in the actuarial document if applicable) that had insurable acres (except for units with claims for indemnities or if the producer qualifies for a temporary yield) if acceptable production reports for the most recent crop year in the base period are not provided by the PRD. Production histories from claims for indemnities are considered production reports and **MUST** be used (if in the base period and are continuous).
- 3 **No Actual or Assigned Yields.** If the Crop Provisions do not require minimum production and a new insured does not provide acceptable production reports containing actual yields by the PRD, approved yields are calculated by multiplying the applicable 100 percent “T” Yield by 65 percent. Sixty-five percent of the “T” Yield applies to the entire crop policy by unit (by P/T/V indicated in the actuarial document if applicable). This provision is applicable for only ONE year, for subsequent crop years. [Refer to Sec. 7 H 3 (c) below.]
- (a) New insureds must request approved yields by completing and signing Production and Yield Reports. Separate 4-year databases are required for each unit (by P/T/V indicated in the actuarial document if applicable). Each database must contain four 65 percent “T” Yields. Agents/representatives **MUST** quote the applicable percentage of the “T” Yield as the preliminary yield.
- (b) Yield limitation provisions are **NOT** applicable the initial year insured; however, they apply for some Category C COP crops [refer to Sec. 7 J 5 of this section] in

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subsequent years to databases containing actual and/or assigned yields. [For exceptions, refer to Sec. 7 J 6.]

(c) For subsequent crop years:

(i) Production reports are required and assigned yield provisions apply if acceptable production reports are not filed by the PRD.

(ii) The “T” Yield is not set in the database. The database must be updated each year and the approved yield recalculated.

4 **1-3 Actual and/or Assigned Yields.** For insureds who have provided production reports, databases containing 1-3 years of actual and/or assigned yields require the use of variable “T” Yields to complete the 4-year minimum data requirement on a unit basis (by P/T/V indicated in the actuarial document if applicable) as follows:

(a) If one actual or assigned yield, three 80 percent “T” Yields;

(b) If two years of actual and/or assigned yields, two 90 percent “T” Yields;

(c) If three years of actual and/or assigned yields, one 100 percent “T” Yield;

(d) For crops which have no minimum production requirements, units (by P/T/V indicated in the actuarial document) with no actual or assigned yields receive 65 percent of the “T” Yield, unless added land/P/T/V is involved. [For added land/P/T/V, refer to 7 K 2.]

(e) For subsequent crop years, production reports are required and assigned yield provisions apply if acceptable production reports are not filed by the PRD.

5 **Four or More Years of Actual and/or Assigned Yields.** When four or more years of actual or assigned yields are available on a unit (by P/T/V indicated in the actuarial document), the approved yield is determined by either:

(a) A simple average of the insured’s actual and/or assigned yields divided by the number of years of actual and/or assigned yields contained in the database, or

(b) A weighted average yield WHEN producers provide separate records by block in the same unit (by P/T/V if applicable).

6 **Annual production reports are required.** Assigned yield provisions apply if reports are not provided by the PRD for the most recent crop year in the base period.

7 **Separate approved yields are required** for each unit (by P/T/V indicated in the actuarial document). Different map areas do not require separate approved yields for

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Category C COP crops. (Block production worksheets are used to determine a weighted average yield).

- 8 **Approved Yield.** The approved yield may be different from the simple average for:
- (a) RMA RO determined yields [cases outlined in Sec. 7 F 1 and F 2];
 - (b) An alternate bearing crop year; and
 - (c) Weighted average yields when required by procedure.
- 9 **When completing production reporting databases,** each yield entered in the yield column must be identified with the applicable yield descriptor, as follows (examples use a “T” Yield of 100):

A = Actual Yield (Example: A120).

P = Assigned yield (Example: P60).

J = Temporary Yield (Example: J100).

S = 65% “T” Yield (Example: S65).

E = 80% “T” Yield (Example: E80).

N = 90% “T” Yield (Example: N90).

T = 100% “T” Yield (Example: T100).

C = Special “T” Yield determined for added insurable acreage (insurability based on age) (Example: C90).

F = RMA RO Determined Yields (Example: F85). Used when less than four years of actual yields are available and the “T” Yield is assigned by the RMA RO, or a high-risk “T” Yield is used in the approved Yield calculation.

Y = Yield identifier used in addition to A, J or P to identify yields less than 60% of the “T” Yield that do not qualify for yield substitutions (Example: AY 20).

Z = A break in continuity of records when the use of the records prior to the break in continuity is approved by the RMA RO.

- I **Weighted Average Yields.** The approved yield is normally calculated based on a simple average of total production and total acreage (**insurable and uninsurable**) within the unit for the years certified. However, if less than four years of actual yields are certified for the unit, different “T” Yields are applicable on the unit, and data from more than one block, based on

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age and density, is certified on the Producer's Pre-Acceptance Worksheet, a weighted average "T" Yield must be calculated. The "T" Yield will be factored using standard production adjustment procedures (e.g., 80%, 90%, or 100% "T" Yields).

- 1 **Block Production Worksheet.** This worksheet is used to allow the producer to report separate production and acreage by block as defined below. Reporting production by block reduces the impact of younger age blocks on the final approved yield.

This worksheet may be used for Almonds, Cranberries, Peaches, and Stonefruit. The blocks on the Block Production Worksheet must correspond to the blocks on the Producer's Pre-Acceptance Worksheet.

- 2 **Block Production Worksheet Completion Instructions.** Producers use this worksheet to report separate production and acreage by block as described above. The blocks on the production worksheet must correspond to the blocks on the producer's Pre-Acceptance Worksheet.

Item No.:

- (1) Enter the applicant/insured's full name.
- (2) Enter the applicant/insured's policy number.
- (3) Enter the unit number.
- (4) Enter the name of the insured crop.
- (5) Enter the name of the state in which the acreage is located.
- (6) Enter the legal description of the land if applicable.
- (7) Enter the policy crop year for which the approved yield is being calculated.
- (8) Enter the name of the county in which the acreage is located.
- (9) Enter the Farm Serial Number.
- (10) Enter the appropriate crop year(s) for the base period.
- (11) Enter the appropriate block number from the Producer's Pre-acceptance Worksheet.
- (12) Enter the leaf age of the block for the leaf year (policy crop year) which is calculated as follows:

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Spring-Planted Coming leaf year - 1st full leaf year following setting or grafting and add one year. For example, if 2003 is the coming leaf year and the trees were set in February of 1996 (2/96), the correct leaf age is $2003 - 95 = 8$ th leaf year.

Fall-Planted Coming leaf year - 1st full year following setting or grafting. For example, if 2003 is the coming leaf year and the trees were set in November of 1996 (11/94), the correct leaf age is $2003 - 96 = 7$ th leaf year (age).

- (13) Enter the density from the Producer's Pre-acceptance Worksheet.
- (14) Enter total production for the block as adjusted for production reporting purposes when actual yields are reported.
- (15) Enter planted acreage for the block in acres to tenths for each year an actual yield is reported.
- (16) Enter the appropriate yield and yield type descriptor for each crop year.
- (17) "T" Yields are adjusted for the following situations:
 - Less than three years of actual production records.
 - Published "T" Yield Factors.
 - Percent stand (Peaches).

Apply applicable "T" Yield factor(s) to the "T" Yield obtained from the appropriate "T" Yield table for the crop (e.g., Apples and Peaches): "T" Yield of 270 boxes per acre multiplied by a "T" Yield Factor of .80 = final "T" Yield of 216 boxes per acre).

- (18) Determine the average yield for the block by totaling the yields in column 16 and dividing by the number of years of actual, assigned and/or "T" Yields used.
- (19) Producer reviews certified data and accompanying certification statement and signs and dates the form.

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OMB No. 0563-0053

FCI-19-A (APH-BPW) (6-97)		BLOCK PRODUCTION WORKSHEET			USDA/FCIC	
NOTE: REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM. INCLUDE PRODUCTION THAT IS LESS THAN MINIMUMS AND ZERO PRODUCTION.						
1. NAME		2. POLICY NUMBER			3. UNIT NUMBER	
4. CROP		5. STATE			6. LEGAL DESCRIPTION	
7. CROP YEAR		8. COUNTY			7. FARM NUMBER	
11. BLOCK NO.: _____ 11. BLOCK NO.: _____ 11. BLOCK NO.: _____ 12. AGE _____ 13. DENSITY _____ 12. AGE _____ 13. DENSITY _____ 12. AGE _____ 13. DENSITY _____						
10 YEAR	14. PROD.	15. ACRES	16. YIELD	14. PROD.	15. ACRES	16. YIELD

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- 3 **Unit Summary Worksheet.** This worksheet is used to calculate weighted average “T” Yields or weighted average approved yields when required.
- (a) Weighted average “T” Yields are calculated when the producer provides separate records by block but less than four years of records are certified. Complete items 1-16. [Refer to Exhibit 10 and COP Underwriting Guides for Crops for examples.]
- (b) A weighted average approved yield is calculated when separate production and acreage records are certified to for more than one block within the unit and a Block Production Worksheet has been completed. Complete items 1-9 and 17-23. [Refer to Exhibit 10 and COP Underwriting Guides for Crops for examples.]

Item No.:

- (1) Enter the applicant/insured’s full name.
- (2) Enter the applicant/insured’s policy number.
- (3) Enter the unit number.
- (4) Enter the name of the insured crop.
- (5) Enter the name of the state in which the acreage is located.
- (6) Enter the legal description of the land if applicable.
- (7) Enter the policy crop year for which the APH is being calculated.
- (8) Enter the name of the county in which the acreage is located.
- (9) Enter the FSA Farm Serial Number.
- (10) Enter the appropriate unit number.
- (11) Enter the appropriate block number from the Producer’s Pre-acceptance Worksheet.
- (12) Enter the appropriate “T” Yield for each block as adjusted for the following situations:
 - Less than three years of actual production records.
 - Published “T” Yield Factors.
 - Percent stand (Peaches and Stonefruit).

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Apply applicable “T” Yield Factor(s) to the “T” Yield obtained from the appropriate “T” Yield table for the crop (e.g., “T” Yield of 270 boxes per acre multiplied by a “T” Yield Factor of .80 = final “T” Yield of 216 boxes per acre).

- (13) Enter planted acreage for each block as certified in item 12 on the Producer’s Pre-acceptance Worksheet.
- (14) Enter the result of multiplying column 12 by column 13 as Extensions.
- (15) Enter total acres (sum of column 13) and total extensions (sum of column 14).
- (16) Calculate the weighted average “T” Yield by dividing total extensions by total acres in 16. The weighted average “T” Yield is then transferred to the production reporting form for missing years.
- (17) Enter the appropriate unit number.
- (18) Enter the appropriate block number from the Block Production Worksheet.
- (19) Enter the appropriate average yield from item 18 of the Block Production Worksheet.
- (20) Enter planted acreage for each block as certified in item 12 on the Producer’s Pre-acceptance Worksheet.
- (21) Enter the result of multiplying column 19 by column 20 as Extensions.
- (22) Enter total acres (sum of column 20) and total extensions (sum of column 21).
- (23) Calculate the weighted average yield for the unit by dividing total extensions by total acres in 22. The weighted average yield is then transferred to the preliminary yield block of the production reporting form. The verifier approves the yield.

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J Additional Instructions for Carryover Insureds.

- 1 **When a carryover insured** is unable to finish harvest (due to an insurable cause), or records are unavailable from the processor, marketing outlets, etc. (by unit by P/T/V indicated in the actuarial document) by the PRD, the prior approved yield is used as a temporary yield for the most recent crop year in the base period. The temporary yield is preceded by the yield descriptor “J” and is valid for one year only. The temporary yield must be replaced by an actual yield. If the actual production is not provided, assigned yield provisions apply.
- 2 **Yield and acreage data** within the base period indicated on a previous approved production report will be retained (except for truncating databases to conform with the crop’s base period), provided continuity of production reports has not been broken. Actual yields within the base period previously certified by the insured may not be dropped from the database without RMA RO consent. The database is corrected for the current crop year if an error is determined that exceeds approved yield tolerances.
- 3 **Submission of prior records.** The insured may submit production reports by the PRD for crop years within the base period for which production reports were not previously submitted (including yields previously assigned by the RMA RO), provided continuity of production reports is maintained.
- 4 **Production Reports Not Filed.** If production reports are not filed by the PRD, 75 percent of the prior approved yield on a per acre basis will be assigned for the most recent crop year in the database. Complete the Production and Yield Report by entering the assigned yield in the Yield Column (Col. 18 FCI-19-A) preceded by a “P.” Enter reported acres in the Acres Column (Col. 17 FCI-19-A). [Refer to item J (1) for exception.]

NOTE: Production reports certified by the insured are subject to Insurance Provider field reviews if acceptable records to support such reports are not submitted and verified by the Insurance Provider.

- 5 **Yield limitations.** Yield floors DO NOT apply. CUPS (10%) or CAPS (20%) apply to the following Category C COP Crops: Almonds, Cranberries, and Stonefruit. For these crops, carryover databases that have at least one actual or assigned yield qualify for CUPS or CAPS. Caps limit yield increases to 120 percent of the prior year’s approved yield and cups may not decrease more than 10 percent compared to the previous year’s approved yield if only the most recent year’s production history is added to the database.
 - (a) **Cups or caps** apply on a database (unit by P/T/V indicated in the actuarial document if applicable) basis, if the database contains at least one actual or assigned yield when the most recent crop year’s production history is added to the database. However, cups or caps do NOT apply if yield substitution(s) under the Yield Adjustment

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Election are used to calculate the current or prior year's approved yield or any other exception listed in J 6 applies.

(b) Rate determination instructions.

(i) If the approved yield is CUPPED, the rate is determined using the cupped yield and a 5 percent surcharge is applied. For data processing purposes, 10 percent yield limitation flags are used and the surcharge administered on a line entry basis. [Refer to FCIC - M13 Data Acceptance System Handbook.]

(ii) If the approved yield is CAPPED, the rate is determined using the capped yield. For data processing purposes, 20 percent yield limitation flags are used. [Refer to FCIC-M13, Data Acceptance System Handbook.]

6 **Yield limitations (cups or caps) do not apply:**

(a) To special cases. These include instances when:

(i) The Insurance Provider is NOT authorized to calculate the approved yield and the case is referred to the RMA RO for an approved yield.

(ii) The approved yield cannot be determined by the Insurance Provider and the case is referred to the RMA RO.

(iii) The required RMA RO yield determinations are waived by the RMA RO and the Insurance Provider is authorized to calculate the approved yield.

(b) Previously approved yields are corrected or changed. These include:

(i) Revision of a previously reported actual yield based on acceptable, more accurate production records submitted by the insured.

(ii) Revision of the approved yield, acres and/or production according to the procedure outlined for reviews when production and acreage information found on a field review does not match.

(iii) Actual yields that have been submitted are accepted for other than the most recent crop year in the database. (Assigned yields, "T" Yields, or RO Determined Yields are replaced with actual yields).

(c) The initial year added land/P/T/V procedures are applicable; or units, P/T/V's (indicated in the actuarial documents) with established databases containing actual and/or assigned yields are combined.

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K Provisions for Added Insurable Acreage, Added Land/New Producers.

- 1 **Added Insurable Acreage.** Acreage of the crop that was not insurable for the previous crop year that meets or exceeds minimum policy requirements for the current policy crop year (e.g., production requirements, maturity, age, leaf year, etc.). Approved yield calculation instructions by P/T/V indicated in the actuarial document:
 - (a) Added acreage to an existing unit. When added to an existing unit, use the weighted average approved yield procedure to calculate the approved Yield for the unit.
 - (i) If the production from previously uninsurable acreage is commingled with production from insurable acreage, total production divided by total acreage is used for all crop years that were commingled. The commingled production and acreage meeting or exceeding policy requirements are entered on the Production and Yield Report.
 - (ii) If the crop policy requires minimum production, and separate acreage and production records which meet policy requirements are submitted (block records), such acreage and production are included on the Production and Yield Report.
 - (iii) If insurability of the crop is based on maturity and records of acres and production from the previous uninsurable crop year are provided as a separate block, such production is entered on the Production and Yield Report.
 - (iv) A special “T” Yield based on the number of years of actual and/or assigned yields on the unit is weighted into the approved yield (by entering it in the yield column of the block production worksheet).
 - (b) Special “T” Yields (weighted average if block records are submitted) are calculated using a percentage of the applicable “T” Yield based on the years of actual and/or assigned yields in the database for the unit/P/T/V of the insured crop (within the county) with the most crop years of actual and/or assigned yields, irrespective of P/T/V. Special “T” Yields entered in the database are preceded by the yield descriptor “C.”
- 2 **Added Land/New Producers.** New producers or carryover insureds who have recently added land (recently purchased or leased perennial crop acreage which meets policy requirements) may use the prior producer’s records (by P/T/V indicated in the actuarial document), whether or not that producer continues to share in the crop, WHEN ACCEPTABLE HARD COPY RECORDS of acreage and production (prior loss MPC I records are acceptable) are submitted to the Insurance Provider.
 - (a) Production reports submitted. When acceptable production reports/records are submitted, use the applicable procedures (simple or weighted average yields) based on whether or not separate block records are submitted. [Refer to Sec. 7 I for procedures and COP Underwriting Guides for applicable crops for examples.] Refer

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to record requirements for producers sharing in the crop with another producer [Sec.9 E].

- (b) Production reports NOT submitted. If acceptable production reports/records are not provided, and insurability of the crop is based on maturity and the crop has attained the required age, 65 percent of the appropriate “T” Yield is applicable using standard Category C COP Crop approved yield procedure. If the insured can demonstrate that a greater yield than 65 percent of the “T” Yield is reasonable for that particular acreage, the insured may request an RMA RO determined yield.

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8. USE OF THE PRODUCTION AND YIELD REPORTING FORM

A The Production and Yield Reporting Form.

- 1 **Purpose.** The form meets all production reporting requirements and is to be used as the insured's production report(s). It may be used to establish or update the yield history for a farming operation by crop, unit, practice, etc. Supporting evidence (records), when required, must meet acreage and production requirements [outlined in Sec. 9 of this handbook].
- 2 **Approval of Production and Yield Reporting Form** is required if a form other than the FCI-19-A (APH) is used. Any Insurance Provider desiring to use an alternate form must submit a request with justification, to:

Risk Management Agency,
Director, Product Development Division,
P.O. Box 419293,
Kansas City, Missouri 64141.

B General Provisions.

- 1 **Approved Form.** An approved Production and Yield Report must be used by Insurance Providers for all COP crops requiring production reports to establish the approved yield to calculate an EGI: Almonds, Coarse Grains (Corn and Soybeans), Cotton, Cranberries, Onions, Peaches, Rice, Small Grains (Wheat), Stonefruit (Apricots, Nectarines, Peaches), and Sugarcane.
- 2 **Required Entries.** Entries must be completed on the Production and Yield Report for each crop year by unit and, if applicable, by farm or P/T/V (within the unit that requires separate approved yields). Verifiers must establish a database for each P/T/V listed on the County Coverage and Rate Table (FCI-35) that has different "T" Yields for each P/T/V that has been carried out and/or will be carried out for the current crop year.

Separate databases must also be established within a unit for each area classification ("T" Yield Map Area). For high-risk land (when high-risk "T" Yields are established), a separate database must be established within a unit if less than four years of actual/assigned yields are available for the high-risk land (by PT/V). When four or more years of records are available, it is not necessary to continue to maintain separate databases for high-risk land. It is not required to establish separate databases (approved yields) for area classifications that are for a rate only.

- 3 **Verification and Review.** The Production and Yield Report is subject to verification and Insurance Provider field review. Policies without records (65 percent "T" Yields ONLY) are subject to office review. The insured must maintain acceptable production evidence for each crop year by unit and if applicable, farm, or P/T/V. Insureds may submit production evidence for all units and years for which yields are being certified and

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request verification of the information. If they do so, they will not be subject to the field review process for the crop year. When the crop is selected for review, supporting evidence (records) of acreage and production will be required by unit for all crop years' acreage and production as certified on the form.

When established tolerances have been exceeded as determined on the field review, the Production and Yield Report will be corrected. [Refer to Sec. 13 A, B, and C.] RMA RO/Insurance Provider personnel will perform and authorize such reviews. Actual yield history determinations, which may be used to correct approved yields, include:

- (a) Indemnity Forms. Production evidence for loss adjustment purposes that is recorded on FCI-74, FCI-63, FCI-74 T-P-C, MPCI production worksheet, etc., which is accepted by RMA RO or an Insurance Provider.
 - (b) FSA forms or records completed for production measurement service purposes.
 - (c) Reviews. Production determined for other FSA program purposes or in the course of an FSA spot check or RMA RO/Insurance Provider review.
- 4 **Amended Production and Yield Reports**. The insured may amend the Production and Yield Report after submission on the basis of more recent information. Amended Production and Yield Reports submitted after the PRD will be used when computing the following year's approved yield.
 - 5 **Review of Production and Yield Reports**. When selected for a review, the INSURED is responsible for furnishing production evidence to support the production as reported on the Production and Yield Report. Any FSA information or supporting documentation for the production report must be furnished by the INSURED at the time of the review.
 - 6 **Correcting Yields**. The verifier must correct the yields reported on the Production and Yield Report for the current crop year if yield tolerances are exceeded based on the results of a review. The verifier must correct the approved yield the following year if discrepancies exist but are within the tolerances. **The RMA RO/Insurance Provider may also request a review on any unit that has a yield, which appears to be excessive, based on:**
 - (a) Established tolerances.
 - (b) Personal knowledge of the producer's farming operation.
 - (c) Actual yields on neighboring farms that have similar productive characteristics.
 - (d) Unique circumstances that may have affected the crop on the unit but did not affect the majority of the other farms in the county.

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C Preparation of The Production and Yield Report - General Instructions.

- 1 **The Production and Yield Report is designed to** accommodate both the insured with established yield history (database) and the new insured. The form contains space for up to the ten years of yield history (five years for Peaches) as necessary for the verifier to calculate an approved yield.
 - (a) Continuous years of yield history. The producer completes the Production and Yield Report by furnishing all continuous years of yield history data.
 - (b) Production Not Reported. The agent/representative completes the production history by entering assigned and/or variable “T” Yields for years for which actual production was not reported.
 - (c) Each year, carryover insureds are required to certify the most recent crop year in the base period.
 - (d) Supporting records may be required by the verifier to allow for verification of actual yields in the database if not previously verified.
 - (e) Signature and Date Required. The insured must sign and date the form when certifying the most recent crop year and/or using the form to report production for prior crop years.
 - (f) Preliminary yields must be computed by the agent/representative for new insureds when authorized to do so by RMA RO.
- 2 **Each Production and Yield Report accommodates two databases.** Separate databases are established as indicated [in Sec. 8 C 3 below].
- 3 **Separate yield determinations** (databases) are required for each crop year certified for each:
 - (a) Unit. Acres and production prorated between enterprise units are not acceptable records for enterprise units unless prorated on a claim for indemnity.
 - (b) Insured (landlord or tenant).
 - (c) Practice. Irrigated and Non-Irrigated practices if Irrigated and Non-Irrigated practices are indicated on the county actuarial documents and other practices (except when otherwise stated in the COP Underwriting Guide for Crops), type, or variety identified in the actuarial documents as having separate (different) “T” Yields.
 - (d) Area Classification (“T” Yield Map Area and high-risk land if “T” Yields are established) except for Category C Crops when weighted average yields are required.

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- 4 **Production Adjustment.** The production, as adjusted, is entered in the total production column when actual yields are reported. Some crops require an adjustment or conversion to total production before being entered. If a worksheet is used to adjust production, it must be sent to the verifier along with the Production and Yield Report. [Refer to Sec. 6 F for worksheets and instructions used to determine adjustments to production and separate commingled production, and COP Underwriting Guides for Crops to determine any other yield factors such as skip row for Cotton.]
- (a) **For adjustments or conversions** required to determine production for individual crops. [Refer to COP Underwriting Guides for Crops for examples.]
- (b) **Claim for Indemnity.** Production determined on a Claim for Indemnity for the 1986 and subsequent crop years (Proof of Loss, FCI-74, FCI-74 T-P-C, etc.) will be used, except for appraisals made for excluded causes of loss (hail and/or fire when the FCI-78 Hail and Fire Exclusion is elected). Appraisals made for uninsured causes of loss (e.g., failure to follow recognized good farming practices and acreage destroyed without consent) are not used for approved yield purposes.
- (i) Appraisals for potential production remaining in the field (for unharvested acreage) are considered production for approved yield purposes.
- (ii) Use production from the Claim for Indemnity if production reported by the insured does not correspond to the production on the claim for indemnity. Exceptions: (1) allocated production from an unreported unit(s) and (2) Onion and Peach actual production prior to any adjustment to the production for a high market value. [Also refer to the FCI-25010 Loss Adjustment Manual and the COP Summary of Changes to the LAM regarding allocated production from unreported unit(s).]
- (c) **Production Adjustments.** Production reported on the Production and Yield Report will be adjusted for moisture, test weight, quality, grade, etc., on the same basis as claims for indemnities [refer to exceptions in (b) above], provided supporting records indicate requirements stated in the policy have been met. Note: This also includes farm-stored production.
- (d) **Production Not Adjusted.** Production reported by the insured will not be reduced for moisture, foreign material, cracked kernels, etc., UNLESS INDICATED on supporting records.
- (e) **Seed.** Grain used as seed for the producer's own use should be included in the yield history. The insured must furnish scale tickets or weight slips showing date of weighing, name of producer and commodity. The insured must also certify the amount of seed that was used for planting by:
- (i) Certifying to amount of the seed planted per acre.

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- (ii) Certifying to and identifying the acreage on an aerial photo.
- (f) Irrigated and Non-Irrigated Acreages. Separate approved yields must be determined for Irrigated and Non-Irrigated practices when irrigated and non-irrigated practices are indicated on the county actuarial table. Exception: when the planting pattern for the Non-Irrigated corners of a field continues into the Irrigated acreage of a center pivot or acres and production from the center pivot is not separated from the Non-Irrigated corners [Refer to Sec. 4.] If production is commingled between an Irrigated and a Non-Irrigated practice, separate yields may be established for the two practices by using the commingled production worksheet or by using the insured's certification of estimated production for the Irrigated and Non-Irrigated production. [Refer to Sec. 6.]

D Preparation of the Production and Yield Report - ITEM BY ITEM INSTRUCTIONS for Category B and Category C COP Crops.

See additional yield history provisions by crop. [Refer to COP Underwriting Guides for applicable crops for examples.] [Refer to Exhibit 4 for completed samples for individual crops and for directions outlining adjustments to total production entries.]

- 1 **Separate yields** are required each crop year for each unit, insured (landlord or tenant), different practice, and area classification ("T" Yield Map Area) if applicable. [Refer to Sec. 8 C 3 (a)-(d) for additional instructions.]
- 2 **Agents/Representatives** must complete the following items on the Production and Yield Report [FCIC-19-A furnished for illustration purposes on the last page of this Section] in the following manner:

Item No.:

- (1) Insured's name or insurable entity, address, phone number, Social Security or tax identification number.
- (2) Required Field Review. If a field review is required, the "Field Review" box must be checked.

Required Inspection. The "Inspection" box must be checked when the agent has specifically identified acreage on which a crop inspection is required. These inspections will be performed only by individuals delegated the authority by RMA RO/Insurance Provider.
- (3) State, county and policy number to which the form pertains.
- (4&5) Agent's name, address, phone number and code. Insurance Provider's name and address.

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- (6) Crop name, farming P/T/V (if applicable) and unit number for the unit. Enter the abbreviation for the farming practice requiring a separate approved yield.
- (7) Enter the section, township and range descriptions for land under the Rectangular Survey System. Use other descriptions (i.e., FSN) to identify the geographical location of the unit if legal descriptions cannot be determined or legal descriptions are not applicable for unit determinations. If additional space is needed, attach a supplemental sheet. Check the appropriate box to indicate if any unit or portion of the unit is physically located in another county.
- (8) Name(s) of others sharing in the crop. If none, enter “NONE”.
- (9) Check appropriate “Record Type(s)” box(es) to indicate the form of verifiable acceptable records maintained for the last year in the base period. NOTE: Farm-stored production records may include bin, silo, crib, wagon measurements, etc.
- (10) Processor contract number(s), processor name, when applicable, and/or total number of trees or vines for perennial crops (not applicable if Producer’s Pre-Acceptance Worksheet has been completed).
- (11) For perennial crops, the year(s) in which the majority of the insurable trees or vines in the unit, by block, were planted/set out in the orchard, vineyard, grove, or bog (not applicable if Producer’s Pre-Acceptance Worksheet has been completed). Percent of sugar for Sugarcane for the most recent year in the base period. For new producers of the crop enter the crop years they have produced the crop (e.g., 2000 and 2001). See individual crop examples [Exhibits 3 and Exhibit 10, COP Underwriting Guides for Crops for examples.] If not applicable, leave blank.
- (12) Enter the current FSA FSN.
- (13) Formerly referred to as the ASCS Yld block. Required when “T” Map Areas and High-risk Map Areas are applicable, enter the area classification from the county actuarial table. If not applicable or not used, leave blank.
- (14) The applicable 100 percent “T” Yield, needed when less than four years of actual and/or assigned yields are available and to calculate the yield floor for Category B crops. New producers (Category B Crops) qualify for 100 percent of “T” Yields.
- (15) Enter the appropriate years for the base period.
- (16) Enter total production as adjusted for production reporting purposes when actual yields are reported. NOTE: Sample production worksheets have been provided. [Refer to Sec. 6 F and Exhibit 4.]

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- (17) Enter planted insurable acreage in acres to tenths for each year an actual yield is available in column 16. For annual crops, enter “0.0” if the crop was not planted for any year.
- (18) Enter the appropriate yield and yield type descriptor for each yield entered in the database. [Refer to Sec. 6 for instructions.]
- (19) Enter the total of all entries in column 18.
- (20-A) When authorized [in COP Underwriting Guides for Crops (if weighted average approved yield not required)], divide the total from item 19 by the number of years. Apply any applicable yield limitations (cup, or yield floor and enter the limited yield as the preliminary yield. NOTE: If a Special “T” Yield was determined, enter the Special “T” Yield, i.e., “C100.”
- (20-B) Enter the prior approved APH yield, if applicable. If it is not applicable, enter N/A.
- (21) (Completed by verifier.) Enter the approved APH yield after all entries are verified.

Insured’s Signature: _____ Date: _____

- 3 **Agents/representatives must obtain the insured’s signature and the date of the signature.** Point out the certification statement and explain the statement to make sure the insured understands what is being certified and the consequences of an inaccurate production report.

NOTE: RMA approved Production and Yield Reports for Category “C” crops may be computer generated. The items may be arranged to more precisely fit the production reporting requirements of specific crops. All RMA or other approved production reporting computer generated forms MUST also have a space to indicate the preliminary yield, a space for the insured’s signature, and Certification Statement if they are to be used as production reports. If arranged differently, follow the instructions provided with the form or contact the RMA RO for assistance. A remark’s section may be added to indicate the basis for establishing the approved yield.

- E Combining and Splitting of Units.** When production report(s) are on file and continuity of insurance participation is not broken, the prior yield history must be considered if basic and optional units, under an insurance plan other than COP, are combined to form an enterprise unit under the COP plan when completing the current crop year Production and Yield Report. [Refer to Exhibit 9 for directions and examples.] Refer unit calculations to the RMA RO for crops requiring RMA RO determined yields.

- F Production and Yield Report.** The following is an example of an FCI-19-A (APH) that may be used as the Production and Yield Report for the Pilot COP crop insurance program.

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Insurance providers may use forms previously approved by RMA to report production and yields that correspond to the FCI-19-A (APH).

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OMB No. 0563-0053

FCI-19A(APH) (Rev. 3-00)		U.S. DEPARTMENT OF AGRICULTURE Federal Crop Insurance Corporation		YIELD COMPUTATION FOR THE CROP YEAR _____			
PRODUCTION AND YIELD REPORT							
See reverse side for statement required by the Privacy Act of 1974. We reserve the right to correct errors in computations.							
1 Producer's Name and Address Phone No. _____ SSN/ Tax No. _____		2 Required Field Review <input type="checkbox"/> Required Inspection <input type="checkbox"/>		4 Agent Name/ Address Phone No. _____ Agent Code _____			
		5 Company Name/ Address					
6 Crop PEACHES Practice Type		7 Section Township Range Land Other County <input type="checkbox"/> Yes <input type="checkbox"/> No		15 Crop Year	16 Total Production	17 Acres	18 Yield
8 Other Entity(ies)		12 FSA Farm No. Cropland Acres					
9 Record Type Crop Year: _____ <input type="checkbox"/> Production Sold/ Commercial Storage <input type="checkbox"/> On Farm Storage, Recorded Bin Measurement <input type="checkbox"/> Livestock Feeding Records <input type="checkbox"/> Appraisal <input type="checkbox"/> FSA Loan Record <input type="checkbox"/> Other Number of Trees or Vines _____		13 FSA Yld. 14 Transitional Yield				19 Total	
						21 Approved APH Yield	
10 Processor Number/ Name Any processor		11 Other (Average) 136				(For Verifier Use Only)	
6 Crop Practice Type Unit No. _____		7 Section Township Range Land Other County <input type="checkbox"/> Yes <input type="checkbox"/> No		15 Crop Year	16 Total Production	17 Acres	18 Yield
8 Other Entity(ies)		12 FSA Farm No. Cropland Acres					
9 Record Type Crop Year: _____ <input type="checkbox"/> Production Sold/ Commercial Storage <input type="checkbox"/> On Farm Storage, Recorded Bin Measurement <input type="checkbox"/> Livestock Feeding Records <input type="checkbox"/> Appraisal <input type="checkbox"/> FSA Loan Record <input type="checkbox"/> Other Number of Trees or Vines _____		13 FSA Yld. 14 Transitional Yield				19 Total	
						21 Approved APH Yield	
10 Processor Number/ Name		11 Other				(For Verifier Use Only)	
<p>I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s), and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH yield. I also understand that failure to report completely and accurately may result in voidance of my crop insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).</p> <p>INSURED'S SIGNATURE _____ DATE _____</p>							

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FCI-19-A (APH) (Reverse Side)

COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)

To the extent that the information requested herein relates to your individual capacity as opposed to your business capacity, the following statements are made in accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) and the Federal crop insurance regulations contained in 7 C.F.R. chapter IV.

Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in the Federal crop insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in you or your entity of 10 percent or more, as a policyholder within the systems maintained by the Federal Crop Insurance Corporation (FCIC). Furnishing the SSN or EIN is voluntary; however, failure to furnish that number will result in denial of program participation and benefits.

The balance of the information requested is necessary for the insurance company and RMA to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The information furnished on this form will be used by Federal agencies, RMA employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: RMA contract agencies, employees and loss adjusters; reinsured companies; other agencies within the United States Department of Agriculture; The Department of Treasury including the Internal Revenue Service; the Department of Justice, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response to judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit; ineligibility for insurance; and a unilateral determination of any monetary amounts due.

PAPERWORK REDUCTION ACT

In accordance with the Paperwork Reduction Act, public reporting burden for the collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, or any other aspect of this collection information, including suggestions for reducing this burden to the Department of Agriculture, Clearance Officer, OIRM (OMB No. 0563-0053), Stop 7630, Washington, D.C. 20250-7630.

NONDISCRIMINATION STATEMENT

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

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9. ACREAGE AND PRODUCTION EVIDENCE REQUIREMENTS

Acceptable records are required to substantiate the acreage and production reported on production reports used to calculate the approved yields. For crops or portions of a crop not sold or substantiated by records from an independent source (e.g., bartered, used on farm as seed, fed to livestock, a vertically integrated grower-packer, etc.), records **MUST BE CONTEMPORANEOUS** with the harvesting, storing, or feeding of the insured crop for each crop year reported. For example, feeding records must be maintained on a daily basis, accounting for production fed to livestock and have been generated during the time period production was fed. If selected for field review, supporting evidence is required to be available by the insured for all the crop years for which acreage and production was certified on the current crop year Production and Yield Report (by crop). Acreage and production evidence must be retained until the calendar date for the end of the insurance year of the third crop year after the end of the crop year for which it is initially certified (e.g., if six crop years are initially certified all six crop years of acreage and production evidence must be retained for three crop years after the initial certification). The following acreage and production evidence requirements pertain to all COP crops using the Production and Yield Report as production reports.

- A. Acceptable Production and Yield Reports.** All acceptable production and yield reports that are continuous, signed, and submitted by the PRD by the insured for the applicable base period, will be used. Once acreage and production are certified, they will remain in the insured's database. Additional acreage and production may be certified and included in the database as long as the continuity and all other requirements are met. Acreage and production cannot be dropped or removed from the database without RMA RO approval.
- 1 **Base Period.** For most Category B and Category C crops, the base period consists of the 10 most recent crop years. [The COP Underwriting Guides for Crops contain exceptions to this rule.]
 - 2 **Continuity.** There may be NO break in the continuity of years for which production reports for all units (for the entire farming operation) are provided. A production report indicating the crop was not planted (zero acreage or not planted for an insurable purpose, e.g., soybeans for hay) is considered a year of records for purposes of determining production report continuity. For carryover insureds, assigned yields maintain continuity of records and previously reported approved yields will continue to be used.
 - 3 **Break in Continuity.** If a break in continuity (of production reports) occurs for a crop year due to no interest in the crop (did not farm, cash-leased to another party, sold, etc.) and the insured requests to use acreage and production history prior to the break in continuity, the records may be used with verifier approval.
 - (a) **For Category B crops,** if the verifier approves use of the records prior to the break in continuity, enter a "Z" in the crop year that broke continuity and calculate the approved yield according to the current procedure.

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- (b) For Category C crops, situations that require an RMA RO Determined Yield [refer to Sec. 7 F 3], the request and the records for crop years prior to the break in continuity must be submitted to the RMA RO for approval. The RMA RO will determine if the records may be used.

B Submission of Production and Yield Reports. In order to be used for a crop year, acceptable production and yield reports must be signed and submitted to the agent by the PRD and include:

- 1 **All units**, arranged according to unit structure that applies for the current insurance year, in which the insured (entity) had an interest in the crop for each crop year production reports are certified. (Acreage and production history from enterprise units cannot be duplicated across basic/optional units when switching from enterprise units to a plan of insurance that allows for basic and/or optional units.) Include all insurable acreage that was “PLANTED” FOR HARVEST AS DEFINED IN THE APPLICABLE CROP PROVISIONS. (Include units planted the previous crop year even if such units are not contained in the insured’s operation for the current crop year.) PLANTED acres for production reporting purposes means “insurable acreage planted to the crop for harvest as defined in the Crop Provisions.” For annual crops, the verifier may consider zero planted acreage reports (by unit) as production reports.

The report must contain yield history from harvested acreage and appraised potential production for the previous crop year(s) by an RMA RO, FSA or Reinsured company representative. If PLANTED acreage of the crop was destroyed/put to another use and an appraisal of potential production was not made (not insured, or no claim), the production report will indicate planted acres and a yield of zero. The production report must include planted insurable acreage for annual crops and insurable acreage for perennial crops. [For additional production and acreage requirements/exceptions for perennial crops, refer to Sec. 7 H 1 (c).]

2 **For Production Reporting Purposes, Do NOT Include:**

- (a) Acreage and production of the crop that was seeded as a cover crop, for experimental purposes, for pasture, or that was NOT produced for an insurable purpose or any other uninsurable acreage as provided in the crop’s policy (and reported as such if a reinsured policy is in force).
- (b) Acreage planted for the development or production of Hybrid Seed or for experimental purposes.
- (c) Farming practices carried out that are not in accordance with the farming practices for which the premium rates have been established.
- (d) Eligible prevented planting acreage that was not planted to the insured crop.

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- (e) Acres initially planted after the final planting date unless late planting coverage is provided by the Crop Provisions or RMA RO/Insurance Provider allows and the insured agree in writing (on an RMA approved form) to a coverage reduction.
- (f) A crop planted to a type, class or variety established as not adapted to the area or excluded by the Special Provisions.
- (g) A second crop following the same crop (insured or not insured) harvested in the same crop year unless specifically permitted by the Crop Provisions or the Special Provisions.
- (h) Production produced on un-rated acreage used for wildlife protection or management.
- (i) Practical to Replant. For annual crops, acreage which was destroyed and which was practical to replant but was not replanted according to the policy provisions for the crop (insurance did not attach).
- (j) Appraisals made for production LOST due to insurable or uninsurable causes of loss (i.e., appraised production lost due to fire or chemical carryover).

Note: If separate determinations of acreage and production (insurable and not insurable) can be made **SUCH ACREAGE AND PRODUCTION ARE NOT** used for production reporting purposes. If production was not kept separate, total acreage and total production (insurable and not insurable) must be included when calculating the actual yield.

- 3 **Previously uninsurable acreage, crops, practices, or types** made insurable by RMA may have databases established that contain production history if ALL record requirements are met. Otherwise, use the variable “T” Yield for such databases.

C Supporting Evidence.

- 1 **Records**. When supporting evidence is required, insureds may submit the following types of records to substantiate production reports:
 - (a) Farm management records that indicate total acres and production by crop and crop year are acceptable for Corn, Cotton, Rice, Soybeans, and Wheat for COP coverage. In addition, precision farming and yield monitoring systems may be used if the farm, field ID, crop, acres, total yield, date of harvest, grower, and crop year are identified on a yield map or summary report.
 - (b) Verifiable Production Reports must be substantiated by records from a marketing outlet, processor, packer, first handler, etc. for Almonds, Cranberries, Onions, Peaches, Stonefruit (Apricots, Nectarines, and Peaches), and Sugarcane for COP coverage.

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- (c) FSA Recorded Evidence. Acreage and production evidence previously recorded at FSA on FSA documents such as FSA 658-1, FSA 503A, FSA 578, FSA 658, FSA 156, or other FSA generated forms provided the FSA documents meet RMA record requirements for the crop i.e., accurate and verifiable, etc.
- (d) RMA RO or Insurance Provider Recorded Evidence. Acreage and production evidence accepted by either RMA RO or Insurance Provider on their respective Field Inspection and Claim for Indemnity forms (FCI-74, FCI-74 T-P-C, FCI-63, etc.) or Production Worksheet forms. For Category B and C Crops, claims from 1986 and succeeding crop years will be used even if the insured does not file production reports for those years.
- (e) Substantiated Evidence. Production substantiated by evidence such as copies of elevator or warehouse receipts, ledger sheets, load summaries, settlement sheets, CCC loan documents, etc. must show the:
- (i) Commodity,
 - (ii) Name of the insured,
 - (iii) Name of the buyer, storer, or marketing outlet,
 - (iv) Crop year produced and date of the transaction,
 - (v) P/T/V when applicable, and
 - (vi) Quantity of production which can be converted to the proper unit of measure, if necessary.
- (f) Measurements. Farm-stored production measurements performed by an authorized person from RMA RO, FSA or an Insurance Provider.
- 2 **Production Fed to Livestock.** Production fed and substantiated by livestock feeding records, field harvest records, etc., must be documented through a formal contemporaneous record system (e.g., RMA's Guidelines for a Production Record Management System). Records must be maintained on a daily basis, accounting for production fed to livestock and have been generated during the time period production was fed. When feeding from a previous year's inventory, to which current year's production will be added, the amount of previous years' production must be measured at least 15 days prior to the beginning of harvest. If feeding continuously, the producer should record the following:
- (a) Amount of grain/insured crop or commodity fed each day.
 - (b) Bin/storage facility ID from which the production was taken.

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- (c) Number and kind of livestock.
 - (d) Estimated average weight (to the nearest 100 pounds) and number of livestock per head and location or pen number.
 - (e) The unit number from which the fed production was taken (indicate in the remarks on the Livestock Feeding Record).
 - (f) Fed Production whether from previous years or fed directly from the field or truck (indicate in remarks on the Livestock Feeding Record).
- 3 **Acceptable Pick Records.** When pick records are allowed as production evidence, they must meet basic requirements [stated in Sec. 9 C 1] plus the requirements outlined below.
- (a) Name. Pick records must indicate names of the individuals paid by the grower (crew leader or picker).
 - (b) Photocopy of Actual Records. A photocopy of complete pick records for the crop year must be submitted to the Insurance Provider. These records must be the actual running tallies of production harvested by the pickers; a summary of the pick records is not acceptable unless it is not feasible to photocopy all the material. In this instance, a summary which itemizes each invoice or transaction may be submitted with an example of the pick records used to calculate the total production. The pick records must also be legible, understandable and reasonable when explained by the insured. Such records must accompany the Production and Yield Report.
 - (c) Verifiable Receipts. Pick records must be accompanied by verifiable receipts such as a photocopy of the canceled check(s) showing the banking institution's stamp of payment. If this is unavailable, a copy of payments made to the Social Security Administration for tax payments made on behalf of the picker(s) is acceptable. The insured must also identify the price paid per volume of picked, converted to the insurable unit of measure (bushels, lugs, or boxes), and weight per bushel, lug, or box.
 - (d) Calculations Used. Pick records must include the calculations used to determine total production or be accompanied by a cover page which shows the calculations used to determine the production shown on the Production and Yield Report. The RMA RO/Insurance Provider must verify all calculations. All bin, volume, and weight figures must be converted to the insurable unit of measure (bushels, lugs, or boxes), and weight per bushel, lug, or box.
 - (e) Other acceptable records. If any production is marketed direct to the consumer, a pre-harvest appraisal, performed by the insurance provider, must be made as required by the specific COP Crop Provisions. Such appraisal will form the basis for any subsequent claim for loss if acceptable records of the sale of the crop do not account

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for the production established by the appraisal unless additional damage is reported and verified.

- (f) **Records Not Acceptable.** Production summaries or estimates will not be accepted. This includes summaries and estimates made by inspectors, agents, growers, RMA RO or COP personnel.
- (g) **Unacceptable or No Records.** When unacceptable records or no records are received on carryover contracts with insurable acreage, yields shall be assigned as per assigned yield procedures. Contracts requiring RMA RO approved yields, and contracts with added land or removed acreage shall be forwarded to the RMA RO to review the preliminary yield and issue the approved yield.

D **Field Visits.**

- 1 **Requesting Field Visit.** Insureds may request that Insurance Providers perform field visits (by unit) for production record purposes if **INSURED** acreage will be:
 - (a) **Destroyed or NOT harvested** as defined in the Crop Provisions (put to another use),
 - (b) **Harvested as defined** in the Crop Provisions and the insured will not be able to maintain/provide acceptable records of the harvested production (examples: high moisture grain chopped for silage or forage production stored in an airtight structure).
- 2 **Acreage and Production Determinations.** When requested by an insured, field visits for acreage and production determinations are performed by the Insurance Provider servicing the policy. Insureds may request acreage and production determinations from the FSA for production reporting purposes; however, they will be charged for the cost of the inspection by the county FSA office according to FSA procedure. The insured must provide such determinations to the Insurance Provider.
- 3 **Requesting Acreage and Production Determinations.** Requests for acreage and production determinations made by an Insurance Provider will be made through the agent/representative to the Insurance Provider. When an appraisal is required, it will be completed by a loss adjustment contractor/company employee trained in loss adjustment procedures to determine acreage and production. If a Claim for Indemnity is NOT or WILL NOT be filed Insurance Providers may use a production worksheet and applicable instructions.
- 4 **Assigned Yields.** Failure to provide required acreage and production evidence, when required by the Insurance Provider or during a field review, will require use of assigned yields in calculating the approved yield.

E Use of Another Producer's Acreage and Production History. When an insured has not maintained acceptable records, acreage and production evidence from another person (**either**

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insured or not insured) who shares in the same acreage of the crop for the current crop year may be used to support production reports certified by the insured.

- 1 **To use another person's acreage and production history**, insureds must: 1) obtain copies of the other producer's acreage and production **records** or 2) obtain permission to use the other insured's production reports/databases for the current crop year. [Refer to authorization requirements in Sec. 9 F]. Insureds must then certify the acreage and production history from only the appropriate locations (same acreage, legal description, FSN, etc.) on their production reports. Another producer's acreage and production history may be used if:
 - (a) The evidence is acceptable and accounts for all of the other producer's acreage and production of the crop in the county.
 - (b) Continuity and all other production reporting requirements are met. [Refer to Exhibit 17.]
 - (c) All years for the appropriate locations are reported (cannot exclude years) when production reports/databases are used, unless fewer years of acceptable production reports have been provided for the balance of the farming operation (e.g., Insured previously had one enterprise unit in the operation (unit 00100), reported only five consecutive years of approved yields, and added land. The insured obtained ten years of approved yields for the added land from the other person sharing in the crop. However, the insured is eligible to use only the five most recent crop years for unit 00100 [refer to Sec. 9 A 2.]). All other production reporting requirements must be met when using production reports/databases of another person sharing in the crop.
- 2 **Supporting Records for Reviews**. If selected for a review the initial year the other producers' records are used, acceptable supporting records for **all years** certified must be provided. Use of another insured's production reports/databases does not relieve the person using them of the responsibility to provide acceptable supporting records.

F Landlord and Tenant Approved Yields. When determining approved yields for landlords and tenants (when share-renting the same land), each party must file production reports, unless one party authorizes the other party to file production reports on his or her behalf. Parties sharing in the crop may use production reports submitted by other insureds sharing in the crop, provided their use has been authorized by power of attorney or other form of written authorization by the PRD and all production reporting requirements are met. If a written authorization statement is used, it must include the certification statement required on the Production and Yield Report.

NOTE: Each database is updated with the production reports filed by the designated party each crop year. However, this does not relieve the party on whose behalf the production report is being filed of any responsibility to file accurate production reports or maintain acceptable supporting records.

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10. RECONSIDERATIONS, MEDIATIONS, AND APPEALS

Any participant (individual or entity) who has applied for, or whose rights to participate in or receive a payment or benefit in accordance with any program administered by RMA, may obtain a review of an adverse decision. An “adverse decision” is an administrative decision made by an officer, or employee, that is adverse to a participant. The term includes a denial of equitable relief by RMA or the failure of RMA to issue a decision or otherwise act on a request or right of the participant within a reasonable time if time frames are not specified in such statutes or regulations. However, adverse decisions based on: a general program provision or program policy, any statutory or regulatory requirement that is applicable to all similarly situated participants, mathematical formulas established under a statute or program regulations and decisions based solely on the application of those formulas, is not appealable.

A participant may request reconsideration, mediation, and/or appeal to the National Appeals Division (NAD) by timely requesting such consideration with the appropriate authority.

A Time Limitations. A request for reconsideration, mediation, and/or NAD appeal must be requested not later than 30 calendar days after the date the participant first received notice of the adverse decision. A request for reconsideration, mediation, and/or NAD appeal will be considered filed when personally delivered to the appropriate reviewing authority or when a properly addressed request, postage paid, is postmarked.

B Reconsiderations and Appeals to RMA RO.

- 1 **Reconsideration.** A subsequent consideration of a prior decision by the original decision maker. A participant cannot request reconsideration of a final decision that resulted from the reconsideration request.
- 2 **Appeal.** A written request by a participant asking the next level reviewing authority to review an adverse decision.
- 3 **Final Decision.** An initial program decision rendered by decision maker. A decision that is otherwise final will remain final unless a request is timely received for reconsideration, mediation or appeal to NAD.
- 4 **Documentation.** The request must state the basis upon which the participant relies to show that: (1) the decision was not proper and not made in accordance with applicable program policies/regulations; or (2) all material facts were not properly considered.

C Mediation/Alternative Dispute Resolution (ADR) Of RMA RO Decisions. Mediation is a process in which a trained, impartial, neutral third party, called a mediator, helps parties find ways to settle their dispute. There is no formal hearing in mediation. Instead, using joint meetings and private caucuses, mediators (1) help the parties identify their real goals, (2) narrow the issues, and (3) look for alternatives and options as well as areas of common interest which are consistent with program policies, regulations, and statutes, and (4) prevent

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the parties from focusing on only one solution. Mediators have no formal power to make a decision: their role is that of facilitator.

- 1 **When Mediation May be Chosen.** Participants have the right to seek mediation involving any decision within 30 days after written notice of the decision, which is the subject of the request, is mailed or otherwise made available to the participant.
- 2 **Requests for Mediation.** In states covered by a Certified State Mediation Program that handles the crop insurance issues, participants request mediation by writing to the RMA RO, Director. In non-certified States participants request mediation by contacting the decision maker. The decision maker or his or her designee will:
 - (a) Determine whether resources are available for mediation;
 - (b) Locate and select a mediator;
 - (c) Provide the participants notice of mediation.

If the participant objects to the selected mediator, the insured may request selection of another mediator.

- 3 **Time Limitation.** The participant may request reconsideration of an adverse decision before requesting mediation, but cannot request reconsideration of the decision after choosing mediation.

A participant who chooses mediation before filing an appeal with NAD:

- (a) Retains the rights of the 30-day period in which a participant may appeal to NAD;
- (b) Will have the balance of days remaining in the 30-day period to appeal to NAD when mediation has concluded without resolution.

- 4 **Frequency.** A participant may mediate an adverse decision only once.

D NAD Appeals. A participant may appeal a final decision of the RMA RO, or FOSB directly to NAD. Additionally, if a participant receives a determination from an agency that an agency decision is not appealable the participant may submit a written request to the Director, NAD for a determination of appealability.

- 1 **Appealability Determinations.** In order to be considered, a request for:
 - (a) Determination of appealability, must be filed in writing not later than 30 calendar days after the date on which a participant receives a determination from an agency that an adverse decision is not appealable. Such requests must be submitted to the Director, NAD.

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- (b) An appeal of the adverse decision must be filed in writing not later than 30 calendar days after the director's determination is received by the participant that an agency decision is appealable.
- 2 **Documentation.** A request for a NAD hearing will be in writing and personally signed by the participant. It must include a copy of the adverse decision to be reviewed, if available, along with a brief statement of the participant's reasons for believing that the decision, or agency's failure to act was wrong.
- 3 **Levels of NAD appeals.**
- (a) Division Hearings. Requests must be made to the applicable NAD Area Office. [Refer to Exhibit 7.] A hearing before a Hearing Officer will be in person unless the appellant agrees to a hearing by telephone or a review of the records.
- (b) Appellant Requests for Director Reviews. In order to be entitled to a Director Review, not later than 30 days after the date on which an appellant receives the determination of a Hearing Officer, the named appellant must submit to the director, a personally signed written request to review the determination. Such request shall include specific reasons why the appellant believes the determination is wrong.
- (c) Agency Requests for Director Reviews. Not later than 15 business days after the date on which an agency receives the determination of a Hearing Officer, the head of the agency may make a written request that the Director review the determination. Such request shall include specific reasons why the agency believes the determination is wrong, including citations of statutes or regulations that the agency believes the determination violates. Any such request may be made by the head of an agency only, or by a person acting in such capacity, but not by any subordinate officer of such agency.
- (d) Reconsiderations of Director Decisions. May be requested by the appellant or agency within 10 calendar days of receipt of the determination. The request must contain a detailed statement of a material error of fact made in the determination, or a detailed explanation of how the determination is contrary to statute or regulation, which would justify reversal or modification of the determination. If the request for reconsideration meets the criteria, the Director shall include a copy of the request for reconsideration in a notice to the non-requesting parties to the appeal. The non-requesting parties shall have five days from receipt of such notice from the Director to file a response to the request for reconsideration to the Director.
- (e) Director Address. Requests to Director, NAD, must be made to the National Appeals Division, 3101 Park Center Drive, Room 1100, Alexandria, Virginia 22302.
- 4 **Pre-hearing Conference.** The Hearing Officer shall hold a pre-hearing conference in order to attempt to resolve the dispute or to narrow the issues involved.

SECTION 10

5 **Adverse Agency Decisions Not Under the Jurisdiction of NAD:**

- (a) Program decisions governed by Federal contracting laws and regulations (appealable under other rules and to other forums, including to the Department's Board of Contract Appeals);
- (b) Programs subject to various proceedings provided for in 7 CFR part 1;
- (c) The Freedom of Information Act;
- (d) Suspension and debarment disputes, including, but not limited to, those falling within the scope of 7 CFR parts 1407 and 3017;
- (e) Disputes between reinsured companies and the Federal Crop Insurance Corporation (including adverse decisions made by an Insurance Provider);
- (f) Personnel, equal employment opportunity, and other similar disputes with any agency or office of the Department which arise out of the employment relationship;
- (g) The Federal Tort Claims Act, 28 U.S.C. 2671 *et seq.*;
- (h) Discrimination complaints prosecutable under the nondiscrimination regulations at 7 CFR parts 15, 15a, 15b, and 15e.

E Judicial Reviews. A final determination of NAD is reviewable and enforceable by any United States District Court of competent jurisdiction. A participant may not seek judicial review of any agency adverse decision appealable under this part without first receiving a final determination from NAD.

F Insurance Provider Reconsiderations for Changes or Corrections to Approved Yields.

1 **Changes or Corrections to Preliminary Yields.** If the verifier calculates or determines yields resulting in approved yields that are less than 95 percent of the preliminary yield quoted by the agent/representative and documented on the Production and Yield Report, NEW insureds have the following options:

- (a) Accept the yields on all units (no action required by the insured); or
- (b) Accept the yields on all units and request reconsideration of approved yields that differ from the preliminary yield. If a reconsideration is requested and the approved yield is not changed, the original approved yield is binding unless subject to dispute resolution through arbitration or mediation in accordance with the policy terms. If the original approved yield is changed during the reconsideration, the approved yield calculated as a result of the reconsideration is binding unless subject to dispute resolution through arbitration or mediation in accordance with the policy terms.

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Note: The verifier may correct errors in yield computation or in the application of RMA approved procedures. Corrections are not subject to additional reconsiderations.

- (c) New insureds may request mutual consent cancellation of additional coverage crop policies for the current crop year for unacceptable approved yields;
 - (i) If the approved yield computed for any unit of the crop is less than 95 percent of the preliminary yield computed for the unit; or,
 - (ii) A preliminary yield was not calculated and the approved yield is not acceptable to the insured.

The forms necessary for cancellation must be completed in a timely manner. [Refer to Sec. 10 F 2 below.] Timeliness of the request must be verified prior to the approval of the request for mutual consent cancellation. If certified mail is used to notify the insured, the return receipt is acceptable documentation of date of notification of the approved yield(s). If certified mail was not used, the date of notice of the approved yield to the insured must be documented by the person (agent/representative) notifying the insured. A copy of the documentation must be provided to the Insurance Provider in order to process the request. Upon request the documentation will be made available to RMA RO for review.

- 2 **Time limitations.** A request for reconsideration must be filed within 30 calendar days after written notice of the decision is mailed or otherwise made available to the insured. Such request shall be considered filed when personally delivered to the appropriate reviewing authority or when a properly addressed request, postage paid, is postmarked.
- 3 **Reconsideration Documentation.** The insured must provide, through the agent/representative, all of the following:
 - (a) A copy of the acreage and production evidence initially provided.
 - (b) A copy of the notification for which the reconsideration is requested.
 - (c) A statement of why the insured thinks the determination is not correct and any additional evidence supporting such statement.
 - (d) The date on which notification of the approved yield was mailed or otherwise made available. This date must be documented by the return receipt from certified mail, a postmarked envelope used to transmit the approved yield, or by written verification of the date the approved yield was presented to the insured (by the provider) and how it was presented.
 - (e) Contract number, agent/representative's name and the Insurance Provider's address.

SECTION 11

11. ACTUARIAL DATA

A Actuarial Document Information.

- 1 County Actuarial Document Book (CADB). RMA publishes actuarial data by eligible crop by county.
- 2 The CADB contains:
 - (a) County Coverage and Rate Table (FCI-35).
 - (b) Special Provisions of Insurance.
 - (c) Classification Documents for some crops.

B FCI-35, County Coverage and Rate Table. This document (varies by crop) provides risk class, rates and coverage for crops.

FCI-35, County Coverage and Rate Table Supplement.

C Special Provisions of Insurance. The Special Provisions are contained in the CADB and must be explained or provided to the insured. They contain information specific to individual crop policy. The Special Provisions include:

- 1 Insurable P/T/V.
- 2 Program dates by P/T/V if applicable: Sales Closing, Final Planting, Acreage Reporting, and Billing.
- 3 Other information specific to crop policies for the state and county.

D Classification Documents. If the unit is located in more than one risk classification area, separate line entries must be recorded on the acreage report for each separate classification rate. [Refer to Sec. 4 C 6 regarding high-risk land rating.]

- 1 **FCI-32, Crop Insurance Actuarial Classification Listing.** The document is used to assign classifications (based on land or management) by individual listings. The accompanying rules page will clarify whether the FCI-32 is the primary classification mechanism or supplements and takes precedence over another document (example FCI-35, FCI-33).

FCI-32, Supplement. Used primarily to convey minor changes to the FCI-32. The FCI-32 Supplement takes precedence over the FCI-32.

- 2 **FCI-33, Crop Insurance Actuarial Map.** A detailed map indicating the classifications for the actuarial structure of a county. It may consist of one or multiple pages and a rules

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page. It also identifies high-risk or un-rated land, when applicable. Maps are also used as “T” Yield locator documents or may authorize deviations from the basic actuarial structure. Classifications assigned by the FCI-33 are used with the FCI-35 to determine rates.

FCI-33, Supplement. Supplements are limited listings of classification exceptions to those shown on FCI-33. The FCI-33 Supplement takes precedence over the FCI-33.

SECTION 12

12. APPROVED YIELD ADJUSTMENT

The Agricultural Risk Protection Act (ARPA) of 2000 allows producers to substitute 60 percent of the applicable “T” Yield for actual yields that are less than 60 percent of the applicable “T” Yield to mitigate the effect of catastrophic year(s). Insureds may elect the approved yield adjustment for low actual yields caused by drought, flood, or other natural disasters. The COP program utilizes production and yield reporting procedures, substantially the same as current approved APH production and yield reporting procedures, to establish an EGI and to facilitate the ability of an insured to use the same production and yield reports to insure under either the COP pilot or existing APH based plans of insurance as permitted by the respective policies of insurance.

The COP insurance program limits units to a single enterprise unit by crop. The insured can establish units and elect approved yield adjustment on the basis of the procedure specified below. When combining units by practice into an enterprise unit by crop however, yields adjusted in accordance with ARPA 2000 as specified above will not be used until the total combined practice unit has been established, prior to combining the practices into the enterprise unit. At this point, if any individual year’s combined average yield is less than 60 percent of the applicable “T” yield the substituted yield will be used to calculate the enterprise units yield for that crop year. The APH yield for the enterprise unit will therefore reflect the substituted yield(s).

A Electing Approved Yield Adjustment by crop/county.

- 1 **No later** than the applicable sales closing date and
- 2 **By the applicable PRD,** notify the insurance provider of the method to be used to determine the approved yield by unit/P/T/V as applicable.
- 3 **Applicable to Category B (annual) and Category C (perennial)** crops insured under the Pilot COP plan of insurance.
- 4 **Continuous** unless canceled by the cancellation date for the applicable crop year.

B Canceling the Approved Yield Adjustment.

- 1 **No later** than the applicable cancellation date.
- 2 **In calculating the current years approved yield,** yield limitation (cup) is applied to the prior year’s approved yield if applicable [refer to Sec. 6 I and Sec. 7 J 5], and the yield floor is based upon the variable “T” Yield.

SECTION 12

C Reporting Requirements.

- 1 **Insureds must** continue to provide to their Insurance Providers, production reports indicating actual acres and production (including production reports for zero planted units) by crop, unit, P/T/V, and “T” Yield Map area (as applicable), and must be filed no later than the PRD.
- 2 **Insurance Providers must** continue to establish approved yields, maintain production databases, and report the actual production history to RMA. Insurance providers will submit to RMA the Type 15 Yield Record through DAS containing:
 - (a) Actual production history (prior to approved yield adjustments);
 - (b) Rate yield;
 - (c) Approved yield;
 - (d) Applicable “T” Yields other than those indicated by the Actuarial Data Master (Y-record). [Refer to D 1 (a-f) below].
 - (e) Option code (YA) indicating that yield adjustments were elected.
 - (f) Yield limitation flag (09) identifying each approved yield that has been adjusted under the election;
 - (g) Yield identifiers (Y) that identify actual yields which are less than 60 percent of the applicable “T” Yield, that do not qualify for yield substitutions; and
 - (h) Other Information and codes required by the DAS and indicated by the Manual 13 Data Acceptance System Handbook.

D Calculating Approved Yields Under the Election.

- 1 **“T” Yields** used for yield substitution purposes are those contained on the actuarial documents, Perennial Crop Transitional Yield and Acreage Tolerance Listing, or if applicable, other “T” Yields calculated under approved yield calculation procedures such as:
 - (a) Added land or new crop/P/T/V databases;
 - (b) Determined factored irrigated “T” Yields;
 - (c) Simple average “T” Yields for added land/P/T/V;
 - (d) Personal “T” Yields “Montana Pilot Program”;
 - (e) “T” Yields assigned by RMA ROs; and

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(f) Perennial Crop weighted average “T” Yields.

Insurance providers must identify and maintain such “T” Yields as long as they are needed for yield adjustment purposes. When a policy is transferred to another insurance provider, this information must be provided as part of the approved yield database. Once these “T” Yields are no longer needed in the approved yield database (replaced by four actual/assigned yields) yield substitutions for any subsequent crop years in the database will be calculated from the applicable published “T” Yield.

2 **Applicable Crop Year “T” Yields for Category B and C COP Pilot Crops.** Yield substitutions for new and carryover insureds are based on the “T” Yields in place corresponding to the crop years contained in the approved yield databases as follows:

- (a) 2001 Crop year “T” Yields. Substitute yields for the 2001 and prior crop years will be based on the 2001 crop year “T” Yields (e.g., if actual yields are reported for the 1995 – 2001 crop years, 60 percent of the 2001 “T” Yield will be used to determine substitute yield for the 1995 – 2001 crop years).
- (b) 2002 and Subsequent Crop Year “T” Yields. Any substitute yields for the 2002 and subsequent crop years will be based on the 2002 and respective subsequent crop year “T” Yields (e.g., when calculating the approved yield for the 2005 crop year, yield substitutions for the 2002 crop year will be 60 percent of the 2002 “T” Yield, yield substitutions for the 2003 crop year will be 60 percent of the 2003 “T” Yield and yield substitutions for the 2004 crop year will be 60 percent of the 2004 “T” Yield).
- (c) New P/T/V “T” Yields. Beginning with the 2002 crop year, when coverage is initially established for a P/T/V on the actuarial document, 60 percent of the “T” Yield for the new P/T/V will be used to determine substitute yields for that crop year and for prior crop years (e.g., a new practice was established for 2002; therefore, 60 percent of the 2002 “T” Yield is used for 2002 and prior crop year yield substitutions). Substitute yields for subsequent crop years will then be 60 percent of respective subsequent crop year “T” Yield.
- (d) “T” Yields Not Available. If a “T” Yield is not available for a crop year in which the producer seeks to substitute a yield, contact the RMA RO to obtain an assigned “T” Yield for that crop year.

3 **For Category B COP Crops** [refer to D 5 for Category C COP Crop instructions] for each database;

(a) Make the following calculations:

- (i) Calculate the average adjusted approved yield by substituting 60 percent of the applicable “T” Yield for eligible actual yields that are less than 60 percent of the applicable “T” Yield (yield substitutions);

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- (ii) Calculate the cupped yield, if applicable. [Refer to Sec. 6 I for additional instructions];
 - (iii) Calculate the yield floor, if applicable. [Refer to Sec. 6 I for additional instructions];
 - (b) Each insured may choose by the PRD the method, by P/T/V if applicable, to determine the approved yield: the average adjusted approved yield or the higher of the yield floor or cupped yield if applicable, calculated under approved yield calculation procedures.
 - (c) Approved yields calculated utilizing yield substitutions are NOT eligible for cups or yield floors.
- 4 **If Master Yields are applicable**, make yield substitutions after the individual unit data have been summarized on the Master Yield Summary. Separate Master Yields are required for “T” Yield map areas, designated homogeneous Master Yield areas, and by P/T/V. [Refer to the COP Underwriting Guide for Onions for Master Yield instructions.]
- (a) Insurance Providers must submit ONE Type 15 Yield Record (Master Yield Summary Record) for EACH Master Yield to RMA. The Master Yield Summary Record must contain the SUMMARIZED data prior to approved yield adjustments. RMA will validate Master Yield Summary Records for which yield substitutions are applicable. It is NOT necessary to submit individual unit Type 15 records. For data reporting/ processing purposes:
 - (i) Each Master Yield will be assigned a Master Yield summary record number.
 - (ii) The Master Yield summary record number will be entered on the Type 11 acreage record (by line) to identify the applicable approved Master Yield.
 - (b) Yield substitutions, approved yields, and rates will be determined at the Master Yield level.
- 5 **Additional instructions for Category C COP (perennial) crops**. Approved Yield adjustments will be made as follows:
- (a) The RMA RO will calculate approved yields if the Pre-acceptance Field Inspection (Sec. 7 F 1) or the Pre-acceptance Selection Criteria (Sec. 7 F 2) is met or exceeded unless, the RMA RO issues guidelines indicating how the approved yields will be calculated and gives insurance providers the authority to calculate the approved yields.
 - (i) Insurance Providers must determine variability of actual yields [Sec. 7 F 2 (b)] prior to any approved yield adjustments.

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- (ii) The RMA RO or Insurance Provider as authorized will make appropriate approved yield adjustments.
 - a When alternate bearing cycles are identified for crops that are subject to alternate bearing cycles (e.g., apples), yield substitutions will not be made for low yields occurring during the alternate bearing years.
 - b If yields are declining (e.g., past peak production, orchard/grove/vineyard/bog is diseased, in poor condition, being renovated, etc.) the RMA RO will determine whether yield substitutions should be made.

(b) Yield substitutions will be made for actual yields reported on Production and Yield Reports/Type 15 records. Yield substitutions are not made on Block Production Worksheets when Block Production Worksheets are applicable.

- (i) Some perennial crop “T” Yields are established for specified ages and/or densities. As the crop’s age and/or density changes, different “T” Yields apply; however, substitute yields will be based on 60 percent of the variable “T” Yield for the age and density for individual crop years as indicated in Sec. 12 D 2.
- (ii) Weighted average “T” Yields are applicable “T” Yields for yield substitution purposes. They are not “set” and may change from year to year. A weighted average “T” Yield (refer to Unit Summary Worksheet, Exhibit 10) for the current crop year must be calculated for each approved yield/Type 15 record, if more than one “T” Yield is applicable (e.g., different ages, density, types that have different “T” Yields are applicable).

Substitute yields based on weighted average “T” Yields will be based on 60 percent of the weighted average “T” Yield calculated for individual crop years as indicated in Sec. 12 D 2.

- (iii) If significant changes have occurred to Trees/Vines/Bushes/Bog as identified on the FCI-12-PAW Producer’s Pre-Acceptance Worksheet; FCI-12-P Pre-acceptance Inspection Report; and the applicable Crop Addendum Worksheet, then questions concerning appropriate “T” Yields on which to base the applicable “T” Yield for yield substitution purposes, may be referred to the RMA RO.
- (iv) Sixty percent of the applicable “T” Yield will be substituted for actual yields that are less than 60 percent of the applicable “T” Yield due to drought, flood, or other natural disasters. For each production database:
 - a Calculate the average adjusted approved yield (after yield substitutions are made);
 - b Calculate the cupped yield, if applicable (cups or caps will not apply to prior year’s approved yields calculated using yield substitutions);

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F Yield Adjustment Examples.

Example of Elected Approved Yield Adjustments

In this example, the 2001 RMA “T” Yield is 97 bushels, the 2002 RMA “T” Yield is 105 bushels, and the prior year’s approved yield was 117 bushels, which was calculated using yield adjustments. Insured has elected Approved Yield Adjustments.

Approved Yield Calculated w/o
Yield Adjustment

Crop	Practice	Type	Unit
Corn	NI	GR	00101
Year	Prod	Acres	Yield
1993	0	110.0	A0
1994	10,850	70.0	A155
1995	16,000	100.0.0	A160
1996	0	90.0	A0
1997	7,700	55.0	A140
1998	11,375	65.0	A175
1999	13,178	125.5	A105
2000	0	100.0	A0
2001	6,000	100.0	A60
2002	3,600	90.0	A20
		Total	815

Approved Yield Calculated w/
Yield Adjustment

Crop	Practice	Type	Unit
Corn	NI	GR	00101
Year	Prod	Acres	Yield
1993	6,380	110.0	A0/58*
1994	10,850	70.0	A155
1995	16,000	100.0	A160
1996	5,220	90.0	A0/58*
1997	7,700	55.0	A140
1998	11,375	65.0	A175
1999	13,178	125.5	A105
2000	5,800	100.0	A0/58*
2001	6,000	100.0	A60
2002	3,600	90.0	A20/63**
		Total	1,032

Method:	Avg Yield	Yld Floor	Cup	Adj Yld.
Yield:	815/10 = 82	105x.8 = 84	NA	NA
Premium:	\$8.45	\$8.66		

Method:	Avg Yield	Yld Floor	Cup	Adj Yld.
Yield:	82	84	NA	1,032/10 = 103
Premium:				\$10.62

In the example above, the average yield prior to yield adjustment is 82 bushels. After yield adjustment, the approved yield is 103 bushels.

* 60 percent of the 2001 “T” Yield

** 60 percent of the 2002 “T” Yield

Note: Premium amounts are for demonstration purposes only.

SECTION 13

13. PRODUCTION REPORTING REVIEW REQUIREMENTS

A Field Reviews. Insurance providers are required to conduct annual approved yield tolerance reviews. [Refer to Guidelines and Expectations for Delivery of the Federal Crop Insurance Program (Manual 14) for approved yield tolerance review requirements.] Tolerances are established for each crop Category. They are stated in terms of percent difference. The percent difference for an actual yield for a crop year is calculated by dividing the difference of the two yields by the actual yield determined to be correct by the reviewer. Each actual yield(s) that was certified to calculate the current year's approved yield is reviewed (this does not include actual yield(s) for crop year(s) used to calculate the previous year's approved yield). A discrepancy in excess of the **percent tolerance for the crop category** requires a revised production and yield report (FCI-19-A (APH) (or other approved production and yield reporting form as applicable) and a completed review report. Calculate a separate percent difference for each yield certified by unit by P/T/V, group, FSA FSN, etc., requiring separate approved yields.

All Item numbers referenced in this section refer to the example form FCI-19-A (APH), found in Section 8 of this document.

The percent difference for an approved yield is calculated by dividing the approved yield (Item 21) for the current crop year by the approved yield determined to be correct by the reviewer. A correction to the approved yield must be made for the current crop year if the correction changes the approved yield (prior to rounding) by more than the **tolerance established for the crop category**. The cup procedures do not apply to the corrected approved yield.

If the change to the approved yield (Item 21) for the current crop year would be less than the **tolerance for the crop category**, the correction is made for the following crop year and the cap procedures will apply.

NOTE: Any production report listing an incorrect "T" Yield as the approved yield (Item 21) must be corrected for the current crop year.

Tolerances for the crop categories are:

- 1 **Categories "A", "D", "E", "F", "G"** have a tolerance of zero. Any discrepancy discovered will be corrected for the current crop year.
- 2 **Category "B" crops** not listed in A 3 have a five (5) percent tolerance. [Refer to Sec. 6 B for a list of eligible Category "B" crops.]
- 3 **The following Category "B" and "C" crops** have a two (2) percent tolerance: Almonds, Cranberries, Onions, Peaches, Sugarcane, and Stonefruit.

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B Maximum Yield Reviews. Insurance Providers shall review and verify any approved or annual yield record identified by RMA as exceeding specified levels to determine reasonableness and accuracy. A measure of reasonableness and accuracy would be the comparability of the yield to the county average yield for that year. If the yield is not considered reasonable and accurate based upon this comparison, an examination of production and acreage reports, and other supporting documents, would be appropriate to determine if the yield certified by the producer is acceptable (Refer to FCIC 14010).

Guidelines and Expectations for Delivery of the Federal Crop Insurance Program.

1 For annual crops and sugarcane.

(a) Yield record will be rejected and an error message will be generated if the approved or annual yields contained within the yield record exceed the lower level yield validation threshold.

(i) For records with approved or annual yields that exceed the lower level validation threshold but do not exceed the maximum acceptable level for the crop/county/state:

a The Insurance Provider must conduct an underwriting review to determine if the yield is reasonable and accurate.

b After determining the yield is reasonable and accurate, the yield record may be resubmitted to Data Acceptance System (DAS) with the review flag indicator set.

c Resubmission of yield records with the review flag indicator set is considered confirmation by RMA that an appropriate underwriting review has occurred and confirmed that the yields are reasonable and accurate.

(ii) RMA will monitor DAS to assure compliance with these requirements.

(b) Yield records with approved or annual yields exceeding the maximum acceptable level will not be accepted by DAS, except as authorized by RMA. Insurance Providers must provide justification to RMA, or RMA designee, for RMA to override the maximum yield edit level, on a county/crop/practice/type basis. This justification may include documentation of an insured's production records indicating the yield is reasonable and accurate or other documentation that the maximum yield edit level is too low. For production records to be considered as justification for an override of the maximum yield edit level, the following must be included:

(i) Request for override of the maximum yield edit level;

(ii) Certification of the accuracy of the insured's yield by the Insurance Provider;

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- (iii) Copy of the Insurance Provider's underwriting review;
 - (iv) Supporting production records which meet the approved yield supporting production record requirement including:
 - a Hard copy records of the yield in question;
 - b Hard copy production records for all other units;
 - (v) Any other documentation supporting the override request.
 - (vi) Request should include applicable RMA state, county, crop, practice, and type codes.
- 2 **For perennial crops**, RMA has established only a maximum acceptable yield level on a state/crop basis.
- (a) Yield records with approved or annual yields exceeding the maximum acceptable level for the crop will not be accepted unless it is determined by RMA, or RMA designee, that the maximum acceptable level is not representative for the state.
 - (b) For RMA to override the maximum yield edit level, Insurance Providers must provide justification to RMA or RMA designee for the override. This justification may include documentation of an insured's production records indicating the yield is reasonable and accurate or other documentation that the maximum yield edit level is too low. For production records to be considered as justification for an override of the maximum yield edit level, the following must be included:
 - (i) Request for override of the maximum yield edit level;
 - (ii) Certification of the accuracy of the insured's yield by the Insurance Provider;
 - (iii) Copy of the Insurance Provider's underwriting review;
 - (iv) Supporting production records which meet the approved yield supporting production record requirement including:
 - a Hard copy records of the yield in question;
 - b Hard copy production records for all other units;
 - (v) Any other documentation supporting the override request.
 - (vi) Request should include applicable RMA state, county, crop, practice, and type codes.

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- 3 **For maximum yield edit purposes**, production reporting procedures apply to any underwriting review (i.e., If actual/supporting production records are not available/provided and it is within the record retention period, assigned yield procedures will apply.
 - 4 **The Pilot Cost of Production Insurance Policy-Basic Provisions**, Section 22 provides terms and conditions regarding the resolution of any disagreement of the insured with any corrected approved or annual yield.
 - 5 **Refer to the Data Acceptance Manual (Manual -13)** for additional information concerning yield edits and record submission requirements.
- C **Additional Reviews**. Refer to Section 9 E 2 for additional reviews that may be required.

EXHIBIT 1

EXHIBITS

1. 2004 CROP POLICY INFORMATION

Crops	Late Planting (L), Prev. Planting (P)	Replant	Unit of Measure
Almonds	-	-	pounds
Corn	L/P	R	bushels
Cotton (Upland)	L/P	R	lbs
Cranberries	-	-	barrels
Onions	L/P	R	cwt
Peaches	-	-	bushels
Rice	L/P	R	cwt.
Soybeans	L/P	R	bushels
Stonefruit (Apricots, Nectarines, and CA Peaches)	-	-	Lugs or tons
Sugarcane	-	-	pounds
Wheat	L/P	R	bushels

EXHIBIT 2

2. CERTIFICATE OF INSURANCE

CERTIFICATE OF INSURANCE

This Certification of Insurance form may be used by companies and their representatives to provide evidence that multiple peril crop insurance (Cost of Production Insurance) has been purchased. When verification of insurance coverage is required (requested by the insured or FSA) ALL PERSONS listed as an SBI or as an insured covered by the policy(ies) and their applicable EIN/SSN MUST also be provided. Note: Both the representative and policyholder are required to sign the Certificate.

NAME OF COMPANY

“I CERTIFY THAT, _____ PRODUCER, HAS PURCHASED CROP INSURANCE POLICY NUMBER(S)
_____, FOR CROP YEAR _____ COVERING THE FOLLOWING CROPS.”

_____, _____,
_____, _____,
_____, _____

AGENT

DATE

PRODUCER CERTIFICATION

I CERTIFY THAT I HAVE PURCHASED CROP INSURANCE AND WILL NOT CANCEL THE ABOVE POLICY(IES) FOR THE _____ CROP YEAR.

POLICYHOLDER

DATE

EXHIBIT 3

3. LIMITED RESOURCE FARMER WAIVER

**LIMITED RESOURCE FARMER WAIVER
REQUEST TO WAIVE ADMINISTRATIVE FEES
FOR COST OF PRODUCTION INSURANCE COVERAGE**

NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

COUNTY: _____

Social Security Or Tax I.D.: _____

I request that the administrative fee be waived for the ____ crop year.

I certify that I am a producer on, or operator of, a small or family farm and either:

_____ I have an annual gross income of \$20,000 or less derived from all sources of revenue, including income from a spouse or other members of the household, for each of the prior two ears, or

_____ As a producer on a farm, or farms, consisting of less than 25 cropland acres aggregated or all crops, I derive a majority of my gross income from my farming operation; and that my gross farming income does not exceed \$20,000.

If requested, I agree to provide records of income and acreage needed to document my qualification as a limited resource farmer.

Producer Signature:

Request Approved by:

Approving Official

Date

EXHIBIT 4

4. COMPLETION OF THE PRODUCTION AND YIELD REPORT

A Example 1.

In this example a carryover insured who had planted acres failed to provide the prior year's production reports. An assigned yield (.75 x 103) is used for the previous crop year.

1 Producer's Name and Address I.M. INSURED R.R. 1 ANY ADDRESS		2 Required Field Review ____ Required Inspection ____		4 Agent Name/ Address I.M. AGENT R.R. 1 ANY ADDRESS			
Phone No. _____ XXX-XXX-XXXX		SSN/ Tax No. _____ XXX-XX-XXXX		3 State YOUR STATE County YOUR COUNTY Policy No. XX-XXX-XXXX		Phone No. XXX-XXX-XXXX Agent Code XXXXXX	
6 Crop 0041 (CORN)		7 Section X Township X Range X Land Other County Yes No X		5 Company Name/ Address ANY COMPANY ANY ADDRESS			
Practice 003 (NI) Type 029 (GR) Unit No. XXXXX				15 Crop Year	16 Total Production	17 Acres	18 Yield
				XXXX			
				XXXX			
				XXXX			
				XXXX			
				XXXX			
8 Other Entity(ies) NONE		12 FSA Farm No. XXXX		XXXX	11,500.0	100.0	A115
				XXXX	13,200.0	120.0	A110
				XXXX		105.5	P82
				XXXX		111.0	P82
				XXXX		100.0	P77
9 Record Type Crop Year: XXXX		13 FSA Yld.					19 Total 466
__ Production Sold/ Commercial Storage __ On Farm Storage, Recorded Bin Measurement __ Livestock Feeding Records __ Appraisal __ FSA Loan Record __ Other Number of Trees or Vines		109					
		14 Transitional Yield		20(A) Preliminary Yield 93			21 Approved APH Yield 93 (For Verifier Use Only)
		80					
10 Processor Number/ Name		11 Other		20 (B) Prior Yield 103			

I CERTIFY THAT THE INFORMATION I HAVE FURNISHED AS REFLECTED ON THIS FORM IS COMPLETE AND ACCURATE FOR THE COMMODITY(IES), UNIT(S), AND YEAR(S) SHOWN. I UNDERSTAND THIS FORM MAY BE REVIEWED OR AUDITED AND THAT INFORMATION INACCURATELY REPORTED OR FAILURE TO RETAIN RECORDS TO SUPPORT INFORMATION ON THIS FORM, MAY RESULT IN A RECOMPUTATION OF THE APPROVED YIELD. I ALSO UNDERSTAND THAT FAILURE TO REPORT COMPLETELY AND ACCURATELY MAY RESULT IN VOIDANCE OF MY CROP INSURANCE CONTRACT AND MAY RESULT IN CRIMINAL OR CIVIL FALSE CLAIMS PENALTIES (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE _____ DATE _____

EXHIBIT 4

B Example 2.

In this example, the producer, a carryover insured, has previously established a yield history. A production report showing no acreage was planted the prior crop year is provided.

1 Producer's Name and Address I.M. INSURED R.R. 1 ANY ADDRESS		2 Required Field Review ____ Required Inspection ____		4 Agent Name/ Address I.M. AGENT R.R. 1 ANY ADDRESS				
Phone No. _____ XXX-XXX-XXXX		SSN/ Tax No. _____ XXX-XX-XXXX		3 State YOUR STATE County YOUR COUNTY Policy No. XX-XXX-XXXX		Phone No. XXX-XXX-XXXX Agent Code XXXXXX		
6 Crop 0041 (CORN)		7 Section X Township X Range X Land Other County Yes No X		5 Company Name/ Address ANY COMPANY ANY ADDRESS				
Practice 003 (NI)				15 Crop Year	16 Total Production	17 Acres	18 Yield	
Type 029 (GR)				XXXX				
Unit No. XXXXX				XXXX				
				XXXX				
8 Other Entity(ies) NONE		12 FSA Farm No. XXXX		XXXX	24,300.0	180.0	A120	
				XXXX	22,500.0	150.0	A135	
				XXXX		0.0	Z	
				XXXX	18,850.0	130.0	A145	
				XXXX		0.0	Z	
9 Record Type Crop Year: XXXX		13 FSA Yld.					19 Total	
<input type="checkbox"/> Production Sold/ Commercial Storage <input type="checkbox"/> On Farm Storage, Recorded Bin Measurement <input type="checkbox"/> Livestock Feeding Records <input type="checkbox"/> Appraisal <input type="checkbox"/> FSA Loan Record <input type="checkbox"/> Other <input type="checkbox"/> Number of Trees or Vines		109					550	
		14 Transitional Yield					21 Approved APH Yield	
		80					20(A) Preliminary Yield 138	138
10 Processor Number/ Name		11 Other					20 (B) Prior Yield 138	

I CERTIFY THAT THE INFORMATION I HAVE FURNISHED AS REFLECTED ON THIS FORM IS COMPLETE AND ACCURATE FOR THE COMMODITY(IES), UNIT(S), AND YEAR(S) SHOWN. I UNDERSTAND THIS FORM MAY BE REVIEWED OR AUDITED AND THAT INFORMATION INACCURATELY REPORTED OR FAILURE TO RETAIN RECORDS TO SUPPORT INFORMATION ON THIS FORM, MAY RESULT IN A RECOMPUTATION OF THE APPROVED YIELD. I ALSO UNDERSTAND THAT FAILURE TO REPORT COMPLETELY AND ACCURATELY MAY RESULT IN VOIDANCE OF MY CROP INSURANCE CONTRACT AND MAY RESULT IN CRIMINAL OR CIVIL FALSE CLAIMS PENALTIES (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE _____ DATE _____

EXHIBIT 4

C Example 3.

- 1 **Established Database.** In this example, the producer, a carryover insured, had a previously established database. The information on file was printed by the verifier onto the Production and Yield Report and was provided (through the agent/representative) to the insured.
- 2 **Prior Year's Production.** The insured then filled in the prior year's production and record type (item 9).
- 3 **Preliminary Yield.** The agent/representative then calculated a preliminary yield and forwarded the Production and Yield Report form to the verifier.
- 4 **Approved Yield.** The verifier reviews the information certified by the insured and approves the yield.

1 Producer's Name and Address I.M. INSURED R.R. 1 ANY ADDRESS Phone No. XXX-XXX-XXXX SSN/ Tax No. XXX-XX-XXXX		2 Required Field Review ___ Required Inspection ___ 3 State YOUR STATE County YOUR COUNTY Policy No. XX-XXX-XXXX	4 Agent Name/ Address I.M. AGENT R.R. 1 ANY ADDRESS Phone No. XXX-XXX-XXXX Agent Code XXXXXX 5 Company Name/ Address ANY COMPANY ANY ADDRESS		
6 Crop 0011 (WHEAT) Practice 003 (NI) Type Unit No. XXXXX	7 Section X Township X Range X Land Other County Yes No X	15 Crop Year XXXX XXXX XXXX XXXX XXXX	16 Total Production 2,800.0 5,850.0 5,160.0 8,800.0 2,970.0 2,940.0	17 Acres 100.0 150.0 120.0 220.5 110.0 105.0	18 Yield A28 A39 A43 A40 A27 A28
8 Other Entity(ies) NONE		12 FSA Farm No. XXXX XXXX XXXX XXXX XXXX XXXX		19 Total 205	
9 Record Type Crop Year: XXXX ___ Production Sold/ Commercial Storage ___ On Farm Storage, Recorded Bin Measurement ___ Livestock Feeding Records ___ Appraisal ___ FSA Loan Record ___ Other Number of Trees or Vines		13 FSA Yld. 43 14 Transitional Yield 35		20(A) Preliminary Yield 34 20 (B) Prior Yield 33	
10 Processor Number/ Name		11 Other		21 Approved APH Yield 34 (For Verifier Use Only)	

I CERTIFY THAT THE INFORMATION I HAVE FURNISHED AS REFLECTED ON THIS FORM IS COMPLETE AND ACCURATE FOR THE COMMODITY(IES), UNIT(S), AND YEAR(S) SHOWN. I UNDERSTAND THIS FORM MAY BE REVIEWED OR AUDITED AND THAT INFORMATION INACCURATELY REPORTED OR FAILURE TO RETAIN RECORDS TO SUPPORT INFORMATION ON THIS FORM, MAY RESULT IN A RECOMPUTATION OF THE APPROVED YIELD. I ALSO UNDERSTAND THAT FAILURE TO REPORT COMPLETELY AND ACCURATELY MAY RESULT IN VOIDANCE OF MY CROP INSURANCE CONTRACT AND MAY RESULT IN CRIMINAL OR CIVIL FALSE CLAIMS PENALTIES (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE _____ DATE _____

EXHIBIT 4

D Example 4.

In this example, the producer is a new insured and has acreage and production evidence only for the prior crop year. The insured and the agent/representative complete the Production and Yield Report as follows:

- 1 **Initial Database.** The insured completes the Production and Yield Report [as outlined in Sec. 8]. The agent/representative assists as necessary.
- 2 **Preliminary Yield.** The agent/representative computes the preliminary yield and forwards the Production and Yield Report to the verifier.
- 3 **Approved Yield.** The verifier, after approving the yield, returns the yield report to the insured (through the agent/representative). The yield report will probably be computer generated, and it must contain the approved yield (Item 21).

1 Producer's Name and Address I.M. INSURED R.R. 1 ANY ADDRESS		2 Required Field Review ___ Required Inspection ___		4 Agent Name/ Address I.M. AGENT R.R. 1 ANY ADDRESS			
Phone No. XXX-XXX-XXXX		SSN/ Tax No. XXX-XX-XXXX		3 State YOUR STATE County YOUR COUNTY		Phone No. XXX-XXX-XXXX Agent Code XXXXXX	
		Policy No. XX-XXX-XXXX		5 Company Name/ Address ANY COMPANY ANY ADDRESS			
6 Crop 0081 Soybeans		7 Section X Township X Range X		15 Crop Year	16 Total Production	17 Acres	18 Yield
Practice 003 (NI) Type		Land Other County Yes No X		XXXX			
Unit No. XXXXXX				XXXX			
				XXXX			
				XXXX			
8 Other Entity(ies) NONE		12 FSA Farm No. XXXX		XXXX			
				XXXX			E17
				XXXX			E17
				XXXX			E17
				XXXX	2,976.0	95.0	A31
9 Record Type Crop Year: XXXX		13 FSA Yld.					19 Total
___ Production Sold/ Commercial Storage		109					82
___ On Farm Storage, Recorded Bin Measurement							
___ Livestock Feeding Records ___ Appraisal		14 Transitional Yield					
___ FSA Loan Record ___ Other		21		20(A) Preliminary Yield 21		21 Approved APH Yield 21 (For Verifier Use Only)	
Number of Trees or Vines							
10 Processor Number/ Name		11 Other		20 (B) Prior Yield N/A			

I CERTIFY THAT THE INFORMATION I HAVE FURNISHED AS REFLECTED ON THIS FORM IS COMPLETE AND ACCURATE FOR THE COMMODITY(IES), UNIT(S), AND YEAR(S) SHOWN. I UNDERSTAND THIS FORM MAY BE REVIEWED OR AUDITED AND THAT INFORMATION INACCURATELY REPORTED OR FAILURE TO RETAIN RECORDS TO SUPPORT INFORMATION ON THIS FORM, MAY RESULT IN A RECOMPUTATION OF THE APPROVED YIELD. I ALSO UNDERSTAND THAT FAILURE TO REPORT COMPLETELY AND ACCURATELY MAY RESULT IN VOIDANCE OF MY CROP INSURANCE CONTRACT AND MAY RESULT IN CRIMINAL OR CIVIL FALSE CLAIMS PENALTIES (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).

INSURED'S SIGNATURE _____ DATE _____

EXHIBIT 4

E Example 5.

FCI-19A(APH) GC
(PERENNIAL CROPS)

**XXXX ALMONDS (0028)
PRODUCTION AND YIELD REPORT**

Name:	I Am Insured	Any Town 99	
Address:	R.R. 1	Any State 999	
Phone:	Town, State Zip (XXX) XXX-XXX	Contract No: XX-XXX-XXXX	
		SSN/Tax No.: XXXXXXXXXXXX	
Service Office:	C.I. Agent	Agent Code: XXXXXXX	
Address:	101 N. Main St.		
	Town, State Zip		
Company:	Your Agency, Inc.	Company Code: XXXXX	
Unit no. 00100EU		FSA FSN: XXXXX	
Legal description:	10 T4N R6E		
Other Entity:	None		
Processor Number/Name:	Almonds		
Practice:	Irrigated	Bearing trees/vines: 0	
Type:	Year planted: 1980		
Variety:			
Crop Yr.	Total Prod.	Planted Acres	Average Yield Per Acre
XXXX	92,500	50.5	A1832
XXXX	95,000	50.5	A1881
XXXX	97,500	50.5	A1931
XXXX	100,000	50.5	A1980
XXXX	103,125	60.0	A1719
XXXX	97,900	60.0	A1632
Sub Total			10,975
XXXX	86,250	60.0	A1438
Area:	Total of Ave. Yield	12,413	
Transitional Yield:	Prior Yield: 1,830		
Ave. Yield = Total of Avg. Ylds / # of Yrs.			Approved APH Yield
Preliminary Yield: 1,773			1,773
			(For verifier use only)

In this example, I Am Insured had a previous almond database and has certified the prior crop year's production. The verifier updated I Am Insured's database and the average yield of 1,773 for the current crop year.

EXHIBIT 5

5. APPROVED YIELDS FOR ACREAGE EMERGING FROM THE CONSERVATION RESERVE PROGRAM (CRP)

Use the following procedure for acreage emerging from CRP that was contained in the insured's farming operation PRIOR to enrollment in CRP: (1) if the acreage is a separate unit or, (2) the entire farm (all cropland acreage) was previously enrolled in CRP.

- A Providing Acceptable Production History Prior to Enrollment in CRP.** The insured may provide acceptable production history for the year(s) the crop was grown prior to the acreage's enrollment in CRP. When production history prior to the acreage's enrollment in CRP is provided, standard production reporting procedures (including added land or added practice/type/variety (P/T/V) if applicable) are used.
- B Acceptable Production History Not Provided.** If the crop was grown prior to enrollment in CRP and acceptable production history is not provided for such years:
- 1 For acreage emerging from CRP that is a separate unit,** calculate a variable "T" Yield for each applicable P/T/V based on the number of years of records (actual and/or assigned yields) for the crop/county provided. [Refer to COP Underwriting Guides for Crops for examples.]
 - 2 For an entire farm operation** (all cropland acres) enrolled in CRP, the variable "T" Yield is 100 percent of the applicable "T" Yield.
- C For acreage that emerged from CRP in 2001** that is a separate unit, or the entire farm was enrolled in CRP and the 2001 approved APH yield was calculated at 65 percent of the "T" yield, variable "T" Yields (refer to B above) may also be used by insurance providers when updating those production databases for the 2002 crop year. All carryover insureds must provide production reports for the 2001 crop year.
- D Approved yields previously calculated for the 2002** crop year, that qualify for variable "T" Yields as indicated in this Exhibit, may be recalculated by insurance providers using this procedure.
- E Yield limitations will not apply** when implementing factored "T" Yields.
- F Yield Descriptor.** The yield descriptor "C" must be used to identify if the crop was grown prior to enrollment in CRP and acceptable production records are not provided.

EXHIBIT 5

EXAMPLES.

CONDITION	APPROVED YIELD CALCULATION
<p>CRP acreage which was previously a part of the insured’s farming operation and is now a part of an existing unit:</p> <p>Note: This applies to producers with COP coverage whose unit structure is limited to enterprise or whole farm units.</p>	<p>The approved yield for the existing unit will also apply to the CRP acreage.</p> <p>Note: If acceptable yield history (for the same crop and county) has been provided for the existing unit, it will also be used for the CRP acreage.</p>
<p>The entire farm was enrolled in CRP (all cropland acreage):</p>	<p>a. If the crop was NOT grown prior to enrollment in CRP, 100% of the “T” Yield is used (New Producer).</p> <p>b. If the crop was grown for ONLY one or two crop years prior to enrollment in CRP, and acceptable production reports are provided, the production history and 100% “T” Yields are used (New Producer).</p> <p>c. If the crop was grown for more than two crop years prior to enrollment in CRP and acceptable production reports are provided, standard approved yield calculation methods apply. (Lack of production history for the years the land was in CRP is irrelevant.)</p> <p>d. If the crop was grown prior to enrollment in CRP and acceptable production reports are not provided, 100% of the applicable “T” Yield is used.</p>
<p>Insured (not a new producer) purchases, cash leases, or share rents additional CRP land:</p>	<p>a. If added to an existing unit, the existing unit’s approved yield may be used [refer to added land/P/T/V procedures, Exhibit 18];</p> <p>b. If part of an existing unit, but a separate database is required by added land procedures, a variable “T” Yield is used</p> <p>c. If share rented acreage, the production history for years the crop was grown prior to enrollment in CRP may be used if acceptable production reports are provided.</p> <p>Note: The added land/P/T/V requirement that the acreage must have been farmed three out of the last five years is waived.</p>
<p>A “new producer” who has not produced the crop in the county will have an approved yield based on 100 percent of the “T” Yield.</p>	

EXHIBIT 6

6. RESERVED

Reserved.

EXHIBIT 7

7. RMA REGIONAL OFFICES

RMA REGIONAL OFFICES

MAILING ADDRESS OF RO	STATES SERVED														
<p>Billings Regional Office Doug Hagel, Director 2110 Overland Avenue, Suite 106 Billings, Montana 59102-6440 (406) 657-6447 (8:00am - 5:30pm MST) FAX: (406) 657-6573 E-mail: rsomt@rm.fcic.usda.gov</p>	<p>Montana North Dakota South Dakota Wyoming</p>														
<p>Davis Regional Office William Murphy, Director 430 G Street, Suite 4168 Davis, California 95616-4168 (530) 792-5870 (8:00am - 5:00pm PT) FAX: (530) 792-5893 E-mail: rsoca@rm.fcic.usda.gov</p>	<p>Arizona California Hawaii Nevada Utah</p>														
<p>Raleigh Regional Office Larry Atkinson, Director 4407 Bland Road, Suite 160 Raleigh, North Carolina 27609 (919) 875-4880 (8:00am - 5:00pm ET) FAX: (919) 875-4915 E-mail: rsonc@rm.fcic.usda.gov</p>	<table border="0"> <tr> <td>Connecticut</td> <td>New Jersey</td> </tr> <tr> <td>Delaware</td> <td>New York</td> </tr> <tr> <td>Maine</td> <td>Maryland</td> </tr> <tr> <td>Massachusetts</td> <td>New Hampshire</td> </tr> <tr> <td>North Carolina</td> <td>Pennsylvania</td> </tr> <tr> <td>Rhode Island</td> <td>Vermont</td> </tr> <tr> <td>West Virginia</td> <td>Virginia</td> </tr> </table>	Connecticut	New Jersey	Delaware	New York	Maine	Maryland	Massachusetts	New Hampshire	North Carolina	Pennsylvania	Rhode Island	Vermont	West Virginia	Virginia
Connecticut	New Jersey														
Delaware	New York														
Maine	Maryland														
Massachusetts	New Hampshire														
North Carolina	Pennsylvania														
Rhode Island	Vermont														
West Virginia	Virginia														
<p>Jackson Regional Office Robert Ibarra, Acting Director 8 River Bend Place Jackson, Mississippi 39232 (601) 965-4771 (8:00am - 5:00pm CT) FAX: (601) 965-4517 E-mail: rsoms@rm.fcic.usda.gov</p>	<p>Arkansas Kentucky Louisiana Mississippi Tennessee</p>														
<p>Oklahoma City Regional Office Ronald Berryhill, Director 205 NW 63rd. Street, Suite 170 Oklahoma City, Oklahoma 73116-8209 (405) 879-2700 (7:30am - 4:00pm CT) FAX: (405) 879-2741 E-mail: rsook@rm.fcic.usda.gov</p>	<p>New Mexico Oklahoma Texas</p>														

EXHIBIT 7

MAILING ADDRESS OF RO	STATES SERVED
St. Paul Regional Office Craig Rice, Director 30 7th St. E, Suite 910 Minn. World Trade Center St. Paul, Minnesota 55101-4943 (651) 290-3304 (8:00am - 5:00pm CT) FAX: (651) 290-4139 E-mail: rsomn@rm.fcic.usda.gov	Iowa Minnesota Wisconsin
Springfield Regional Office Michael Alston, Director 3500 West Wabash Avenue Springfield, Illinois 62707 (217) 241-6600 (6:00am - 5:00pm CT) FAX: (217) 241-6618 E-mail: rsoil@rm.fcic.usda.gov	Illinois Indiana Michigan Ohio
Spokane Regional Office Dave Paul, Director North 112 University Road, Suite 205 Spokane, Washington 99206-5295 (509) 353-2147 (7:30am - 4:30pm PT) FAX: (509) 353-3149 E-mail: rsowa@rm.fcic.usda.gov	Alaska Idaho Oregon Washington
Topeka Regional Office Rebecca Davis, Director 3401 SW Van Buren Street Topeka, Kansas 66611-2227 (785) 266-0248 (8:00am - 5:30pm CT) FAX: (785) 266-2487 E-mail: rmoks@rm.fcic.usda.gov	Colorado Kansas Missouri Nebraska
Valdosta Regional Office Michael Moore, Director 106 South Patterson Street, Suite 250 Valdosta, Georgia 31601-5609 (912) 219-2200 (8:00am - 4:30pm ET) FAX: (912) 244-6103 E-mail: rsoga@rm.fcic.usda.gov	Alabama Florida Georgia Puerto Rico South Carolina

RESEARCH AND DEVELOPMENT

Tim Witt, Deputy Administrator	Kansas City Office 6501 Beacon Drive, Room 403 Kansas City, MO 64133-4676	(816) 926-7394 FAX: (816) 926-1803
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EXHIBIT 7

RISK COMPLIANCE FIELD OFFICES

MAILING ADDRESS OF RISK COMPLIANCE OFFICES	STATES SERVED
<p>Southern Regional Compliance Office Billy Pryor, Director 1111 W. Mockingbird Lane, Suite 280 Dallas, Texas 75247-5016 (214) 767-7700 (7:00am - 4:00pm CT) FAX: (214) 767-7721 E-mail: cfotx@rm.fcic.usda.gov</p>	<p>Arkansas New Mexico Oklahoma Texas Louisiana Mississippi</p>
<p>Eastern Regional Compliance Office Johnnie Perdue, Director 4407 Bland Road, Suite 280 Raleigh, North Carolina 27609 (919) 875-4930 (8:00am - 5:00pm ET) FAX: (919) 875-4928 E-mail: cfonc@rm.fcic.usda.gov</p>	<p>Alabama Massachusetts South Carolina Connecticut New Hampshire Vermont Delaware New York Virginia Florida North Carolina West Virginia Georgia Pennsylvania Maine Puerto Rico Maryland Rhode Island</p>
<p>Western Regional Compliance Office Susan T. Choy, Director 430 G Street, Suite 4167 Davis, California 95616-4167 (530) 792-5850 (7:00am - 4:00pm PT) FAX: (530) 792-5865 E-mail: cfoca@rm.fcic.usda.gov</p>	<p>Alaska Nevada Arizona Oregon California Utah Hawaii Washington Idaho</p>
<p>Northern Regional Compliance Office Mark Huber, Director 3440 Federal Drive, Suite 200 Eagan, Minnesota 55122-1301 (612) 725-3730 (8:00am - 5:00pm CT) FAX: (612) 725-3735 E-mail: cfomn@rm.fcic.usda.gov</p>	<p>Iowa Minnesota Montana North Dakota South Dakota Wisconsin Wyoming</p>
<p>Central Regional Compliance Office Alvin Gilmore, Director 6501 Beacon Drive Room 481, Mail Stop 0833 Kansas City, Missouri 64133-4676 (816) 926-7963 (7:30am - 4:00pm CT) FAX: (816) 926-5186</p>	<p>Colorado Kansas Missouri Nebraska</p>
<p>Midwest Regional Compliance Office Ronie Griffin, Acting Director Corporate Center North 6905 Corporate Circle Indianapolis, Indiana 46278 (317) 290-3050 (7:30am - 5:00pm EST) FAX: (317) 290-3065 E-mail: cfoin@rm.fcic.usda.gov</p>	<p>Illinois Indiana Michigan Ohio</p>

EXHIBIT 7

**NATIONAL APPEALS DIVISION (NAD)
 3101 PARK CENTER DR. ROOM 1020
 ALEXANDRIA, VIRGINIA 22302
 (703) 305-2538
 FAX: (703) 305-2108**

MAILING ADDRESS OF NAD OFFICES	STATES SERVED		
Western Regional Office 755 Parfet Street, Suite 494 Lakewood, Colorado 80215-5506 (303) 236-2862 FAX: (303) 236-2857 1-800-541-0483	Alaska Arizona California Colorado Kansas Hawaii Idaho	Montana Nebraska Nevada New Mexico North Dakota Oklahoma Oregon	South Dakota Texas Utah Washington Wyoming
Southern Regional Office P.O. 1508 Cordova, Tennessee 38088 (901) 544-0359 FAX: (901) 544-0363 1-800-552-5377	Alabama Arkansas Florida Georgia Louisiana Mississippi	North Carolina Puerto Rico South Carolina Tennessee Virginia	
Eastern Regional Office 8909 Purdue Road Suite 240 Indianapolis, Indiana 46268 (317) 875-9648 FAX: (317) 875-9674 1-800-541-0457	Connecticut Delaware Illinois Indiana Iowa Kentucky Maine Maryland	Massachusetts Michigan Minnesota Missouri New Hampshire New York New Jersey Ohio	Pennsylvania Rhode Island Vermont Virgin Islands Virginia West Virginia Wisconsin

EXHIBIT 8

8. DETERMINING VARIABLE “T” YIELDS BY CROP

Example 1.

The following example illustrates determining the variable “T” Yield for databases 00201EU NI NFAC and 00202EU NI NFAC.

**Previous (Policy) Year’s Databases
RMA NI NFAC “T” YIELD = 100**

2002 UNIT 00201EU (NI NFAC)			
YEAR	PROD.	ACRES	YIELD
97			
98			
99			
00	4800	40.0	A120
01		0.0	Z
02	3750	30.0	A125

2002 UNIT 00202EU (NI NFAC)			
YEAR	PROD.	ACRES	YIELD
97			
98			
99			
00			
01	6600	60.0	A110
02		0.0	Z

Since 3 years of actual records are provided for the crop, 100 percent of the variable “T” Yield (100) is used and the acreage is combined into a single COP enterprise unit for the entire crop policy.

Current (Policy) Year’s Database for COP

2003 UNIT 00100 (NINFAC)			
YEAR	PROD.	ACRES	YIELD
97			
98			T100
99			T100
00	4800	40.0	A120
01	6600	60.0	A100
02	3750	30.0	A125

EXHIBIT 8

Example 2.

The following example illustrates determining the variable “T” Yield for a **NEW PRACTICE (IRR)**. The reference databases 00201EU NI NFAC and 00202EU NI NFAC are used in determining the variable “T” Yield for the added IRR practice.

**Current (Policy) Year’s Databases
RMA NI NFAC “T” YIELD = 100**

2003 UNIT 00201EU (NI NFAC)			
YEAR	PROD.	ACRES	YIELD
97			
98			T100
99			T100
00	4800	40.0	A120
01		0.0	Z
02	3750	30.0	A125

2003 UNIT 00202EU (NI NFAC)			
YEAR	PROD.	ACRES	YIELD
97			
98			T100
99			T100
00			T100
01	6600	60.0	A110
02		0.0	Z

Since 3 years of actual records are provided for the crop, 100 percent of the variable “T” Yield (150) is used for the new practice.

**Current (Policy) Year’s Database for COP
RMA IRR NFAC “T” YIELD = 150**

2003 UNIT 00100 (IRR NFAC)			
YEAR	PROD.	ACRES	YIELD
99			T150
00			T150
01			T150
02			T150
Total 600/ 4 =			T150

EXHIBIT 9

9. COMBINING UNITS

COP is on an enterprise unit basis. A new COP insured may have reported production and acreage on a basic, optional and/or practice basis that correspond to existing APH rules and regulations for the crop. These reports will be combined into an enterprise unit for COP purposes. An insured is able to switch to an insurance plan that requires production reports on other than an enterprise unit basis where insurance is available on the same crop under another insurance plan. When requested by an insured, agents/representatives should maintain production reports that facilitate accurate and acceptable reporting of production and acreage on other than an enterprise unit basis. Exhibit 15 of the 2002 Crop Insurance Handbook (June 2001) details the procedures to be used when combining and dividing units for APH based plans of insurance. These procedures should be followed when a COP insured changes to an APH based insurance plan. Regardless of how units are combined or divided for other plans of insurance, for COP all acreage of the insured crop in the insurable county will be a single enterprise unit and no division of the enterprise unit will be allowed under the pilot COP program.

This exhibit addresses establishment of the databases for carryover insureds with valid yield history (databases containing actual and/or assigned yields) on file when basic or optional units are combined into enterprise units for COP. Valid yield history on file includes ANY MPC I Insurance Provider's databases.

This procedure is effective for carryover insureds for Category B and C COP crops. It applies by unit and by P/T/V requiring separate yields within a unit. Separate databases are also required for each "T" Yield Map Area except for Category C crops when weighted average yields are calculated for a unit that contains more than one "T" Yield Map Area. Yield limitation provisions do not apply when units are combined. Agents/representatives may combine the previous yield history, but the verifier must issue the approved yield.

COMBINING YIELD HISTORY (CATEGORY B AND C CROPS)

A Situations Requiring Yield History to Be Combined.

- 1 **Change in unit definition or arrangement.** Two or more enterprise units are combined into one enterprise unit due to a change in unit definition or change in enterprise unit arrangement.
- 2 **Previously insured on a basic and/or optional unit basis and a production report filed by enterprise unit.** The insured's previous yield history is on a basic and/or optional unit basis and for the most recent crop year the insured files enterprise unit production reports.

B Some Situations May Require Combining Basic and/or Optional Units But Not the Yield History.

EXHIBIT 9

- 1 **Production reported on a basic and/or optional unit basis but insured on an enterprise unit basis.** The insured continues to provide production reports on an optional unit basis but insures on an enterprise unit basis. When production reports are filed on a basic and/or optional unit basis, the databases must be combined for COP, which requires the combination into enterprise units. This allows for multiple yields within an enterprise unit if separate yields are maintained for basic and/or optional at the insureds request.
- 2 **No production report.** Failure to provide production reports for the most recent crop year in the base period.

C Procedure For Combining Databases. Yield history from all units (separated by P/T/V) being combined which contain actual and/or assigned yields, will be entered in the current (policy) crop year database according to the following procedure. [Refer to Example 1 and Example 2.] If the producer requests combining units after the PRD, do not combine the production history (databases). Multiple line entries on the acreage report are maintained.

Step 1 Complete the most recent year in the database by using the current production report(s) filed for the previous (policy) crop year. If acceptable production report(s) are not filed for the previous (policy) crop year, and insurable acreage was planted, use the assigned yield for units (by P/T/V) that were planted. If insurable acreage was planted on more than one unit/P/T/V, use a simple average of the prior approved yields for the applicable units (by P/T/V), times .75. For units (by P/T/V) that were not planted, use zero-planted procedures.

Step 2 Combine the total production (Col. 16 of the Production and Yield Report) and actual acres (Col. 17 of the Production and Yield Report) for each crop year. For crop years with assigned yields, multiply the insurable, planted acres times the assigned yield to establish the amount of production, and calculate in the same manner as a year with actual yields. Divide the combined production by the combined acres for each crop year. Next, enter the combined total production, acres and average yields in the current (policy) crop year's database.

Step 3 For (policy) crop years in which no acres have been planted on ANY of the units (by P/T/V) being combined, a "Z" is entered if the database contains sufficient space. A production report containing zero acres maintains continuity for production reporting purposes.

Step 4 Calculate the approved yield using the applicable Category B or C COP procedure.

REFER TO THE APPLICABLE CROP YEAR CROP INSURANCE HANDBOOK FOR PROCEDURE TO DIVIDE COP YIELD HISTORY (CATEGORY B CROPS).

ADDING LAND TO AN EXISTING UNIT

When land has been added to a unit. [Refer to Exhibit 18.]

COMBINING YIELD HISTORY WITHIN A UNIT

EXHIBIT 9

For a unit composed of cropland from part of a parent farm (unit) and land added from a different farm (unit[s]), use the following procedure.

- A Determine the Production History to Be Retained.** [When part of a unit's production history is retained, follow the instructions in C above and determine the production history to be retained for the land involved.]
- B Land with Yield History Added to the Unit.** The yield history from the unit [determined in A above] and the yield history from the land added to unit is combined [using the procedure in Section C above]. Refer to Examples 1 and 2 (combining).

RETAINING YIELD HISTORY FOR THE SAME LAND

To retain yield history when the basic unit or optional unit is from a valid Production and Yield Report and the same entity and land is involved:

- A Unit Renumbered Or FSA FSN Reconstituted.** Verify that the same entity and land is involved. If the same entity and land, the actual/assigned yield history is retained. Yield limitation provisions, if applicable, will apply.
- B Complete the Production and Yield Report for The Current Policy Crop Year.** Enter the yield history for all (policy) crop years in the database using current COP rules.

EXHIBIT 9

Example 1. Combining Units

The following example illustrates combining two optional unit databases into a single enterprise unit database when both databases contain actual or assigned yields.

Previous (Policy) Year's Databases (2003)

2003 UNIT 00201 (NI NFAC)			
YEAR	PROD.	ACRES	YIELD
97			
98			N15
99			N15
00	1200	60.0	A20
01		0.0	Z
02	880	40.0	A22

2003 UNIT 00202 (NI NFAC)			
YEAR	PROD.	ACRES	YIELD
97			
98			
99			T17
00	2880	90.0	A32
01	1680	60.0	A28
02	1920	80.0	A24

Step 1: The 2003 production report indicates for the 2003 APH crop year: NI NFAC practice with 3000 bu. production, 100.0 actual acres and a 30 bu. average yield.

Step 2: Actual acres and production are combined.

$$\begin{array}{l}
 \text{Year} \quad \mathbf{4080} \qquad \qquad \qquad \mathbf{150.0} \\
 00 \quad (1200[\text{Bu}] + 2880[\text{Bu}]) \div (60.0[\text{acres}] + 90.0[\text{acres}]) = \mathbf{27} \\
 \qquad \qquad \mathbf{1680} \qquad \qquad \qquad \mathbf{60.0} \\
 01 \quad (0[\text{Bu}] + 1680[\text{Bu}]) \div (0.0[\text{acres}] + 60.0[\text{acres}]) = \mathbf{28} \\
 \qquad \qquad \mathbf{2800} \qquad \qquad \qquad \mathbf{120.0} \\
 02 \quad (880[\text{Bu}] + 1920[\text{Bu}]) \div (40.0[\text{acres}] + 80.0[\text{acres}]) = \mathbf{23}
 \end{array}$$

Step 3: Since 4 years of actual records are available, "T" Yields are not used in the database.

2004 UNIT 00100 NI NFAC				
Step	YEAR	PROD.	ACRES	YIELD
Step 3				
Step 2	00	4080	150.0	A27
Step 2	01	1680	60.0	A28
Step 2	02	2800	120.0	A23
Step 1	03	3000	100.0	A30
Step 4		Total 108/ 4 =		27

Most recent crop year

EXHIBIT 9

Example 2. Combining Units

The following example illustrates establishing the current (policy) crop year database (2003) when two units have been combined into a single unit. For the prior crop year, unit 00101 contained actual and assigned yields. Unit 00102 was added land the prior year and contained ONLY "T" Yields of 17 bu.

Previous (Policy) Year's Databases (2003)

2003 UNIT 00101 (NI NFAC)			
YEAR	PROD.	ACRES	YIELD
97			
98	2200	55.0	A40
99		0.0	Z19
00		40.5	P15
01	2520	60.0	A42
02	1210	50.0	A20

2003 UNIT 00102 (NI NFAC)			
YEAR	PROD.	ACRES	YIELD
97			
98			
99			L17
00			L17
01			L17
02			L17
Total			68
Approved Yield			68/4 = 17

For the current (policy) crop year (2003), the insured reported 120 acres and 5760 bushels of production (from both locations) on a combined production report for the most recent crop year (2002.) Acreage and productivity requirements [stated in Exhibit 18] have been met, which allows the database to be combined.

**Current (Policy) Year's
Combined Database**

2003 UNIT 00100 (NI NFAC)				
Step	YEAR	PROD.	ACRES	YIELD
Step 2	97	2200	55.0	A40
Step 2	98		0.0	Z
Step 2	99		40.5	P15
Step 2	00	2520	60.0	A42
Step 2	01	1210	50.0	A20
Step 1	02	5760	120.0	A48
Step 4			Total	165
			Approved Yield	165/5 = 33

EXHIBIT 10

10. PERENNIAL CROP WORKSHEETS

Perennial crop addendum worksheets are used to collect field inspection data specific to the crop by providing guidelines and underwriting questions pertinent to the crop being inspected. Separate perennial crop addendum worksheets are provided in the appropriate crop addendums.

The following Peach example demonstrates the general principles and concepts that apply to perennial crops.

Use the following forms for the following Peach example:

- 1 **Producer's Pre-acceptance Worksheet**
- 2 **"T" Yield Table**
- 3 **Varietal Maturation Classification Listing**

EXHIBIT 10

PRODUCER'S PRE-ACCEPTANCE WORKSHEET				1. Applicant's Name: I.M. INSURED			2. Policy No.: COP #		3. Unit No.: 00100		4. Crop: PEACHES		5. State: MO	
				6. Legal Description: Sec. 4 T10 R24			7. Crop Year: 2002		8. County: DUNKLIN			9. Farm No.: 8912		
Block No.	Mo/Yr Set Out/Grafted	Acres	Variety/Type	Number of Plants	Plant Spacing	Pruning Height	Percent Stand	Density	Practice IRR/NI	Insurable or Uninsurable	Spur or Nonspur			
10	11	12	13	14	15	16	17	18	19	20	21			
1	1/1997	10.0	RED GLOBE (LATE)	1090	20X20	8	100%	109	IRR	INS	N/A			
2	1/1993	20.0	HARVESTOR (MID)	2299	18X20	7	95%	121	NI	INS	N/A			
3	1/1994	15.0	EMPRESS (EARLY)	1308	20X20	7	80%	109	NI	INS	N/A			
22. Has damage (ie., disease, hail, freeze) occurred to Trees/Vines/Bushes/Bog or have cultural practices been performed that will reduce the insured crop's production from previous levels?								Yes	X	No				
23. Is the producer using organic farming practices, or other non-conventional practices?								Yes	X	No				
24. Is the current water supply (surface allotment/well) adequate to produce a normal group for the crop year being certified above?								X	Yes	No				
<p>I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH yield. I also understand that failure to report completely and accurately may result in voidance of my Crop Insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 1506; 31 U.S.C. 3729 and 3730).</p>														
25. Insured's Signature:						Date:								
I.M. INSURED						XX/XX/XX								

EXHIBIT 10

PEACH “T” YIELD TABLE (EXAMPLE ONLY)

PRACTICE-IRRIGATED (002) NONIRRIGATED (003) TYPE-FRESH (101)
 PROCESSING (102)

AGE	4YRS	5YRS	6YRS	7YRS	8YRS	9YRS	10YRS	11YRS	12YRS	13YRS
EARLY	55	70	100	105	135	135	125	115	105	85
MID	120	135	165	170	190	190	180	170	155	140
LATE	130	155	185	190	215	215	205	195	180	160

SEASON (MATURITY DATE DESIGNATIONS)	MATURITY DATE RANGE	VARIETAL EXAMPLES
E-EARLY SEASON VARIETIES	5/15-6/16	SPRINGGOLD-SUZIE Q
M-MID SEASON VARIETIES	6/17-7/05	CORONET-HARVESTER
L-LATE SEASON VARIETIES	7/06-9/15	REDGLOBE-PARADE

REFER TO COUNTY FCI-35 RATE TABLE FOR CHILLING HOUR REQUIREMENTS.

REFER TO “T” YIELD HANDBOOK FOR PROPER SEASON CLASSIFICATIONS.

ORCHARDS WHICH HAVE A TREE POPULATION EXCEEDING A DENSITY OF 150 TREES PER ACRE WILL BE REFERRED TO THE RMA FOR PRE-ACCEPTANCE AND YIELD DETERMINATION.

TREE POPULATIONS LESS THAN 90 TREES PER ACRE WILL BE FACTORED DOWN BY DIVIDING THE NUMBER OF TREES BY 109 (CHART STANDARD) AND THEN APPLY THE FACTOR TO THE APPLICABLE “T” YIELD.

EXAMPLE: $90/109 = .83 \times 150 \text{ BUSHELS} = 125 \text{ BUSHELS}$.

ORCHARDS IN EXCESS OF 13 YEARS WILL TAKE 80% OF THE APPLICABLE 13 YEAR OLD “T” YIELD.

EXHIBIT 10

PEACHES

Example 1.

A peach producer has certified peach production and acreage (**insurable and uninsurable acreage separately**) by block on three blocks. Block number 1 has met policy minimums for two years. Block number 2 has four years of data certified, Block number 3 was recently acquired and only two years of data are available. Yield potential chart was used to reflect the yield of the younger blocks. (Note: “T” Yield for Block number 3 adjusted to reflect 80 percent stand).

6 Crop PEACHES Practice NI (003) Type Unit No. 00100	7 Section 4		15 Crop Year	16 Total Production	17 Acres	18 Yield
	Township 10					
	Range 24					
	Land Other County Yes No					
8 Other Entity(ies) NONE		12 FSA Farm No. No. 8912 Cropland	1998	3,380	30.0	A113
			1999	3,560	30.0	A119
			2000	6,730	45.0	A150
			2001	7,335	45.0	A163
9 Record Type	Crop Year:	13 FSA Yld.				19 Total
Production Sold/ Commercial Storage						545
On Farm Storage, Recorded Bin Measurement		14 Transitional Yield				
Livestock Feeding Records	Appraisal		20(A) Preliminary Yield	155	21 Approved APH Yield	
FSA Loan Record	Other					
Number of Trees or Vines	4,697					
10 Processor Number/ Name	Any processor	11 Other (Average) 136	20 (B) Prior Yield		(For Verifier Use Only)	

EXHIBIT 10

OMB No. 0563-0053

FCI-19-A (APH-BPW) (6-98)		BLOCK PRODUCTION WORKSHEET			USDA/FCIC	
NOTE: REPORT ALL UNINSURABLE BLOCKS SEPARATELY ON THIS FORM. INCLUDE PRODUCTION THAT IS LESS THAN MINIMUMS AND ZERO PRODUCTION.						
1. NAME I.M. INSURED		2. POLICY NUMBER COP #		3. UNIT NUMBER 00100		
4. CROP PEACHES		5. STATE MO		6. LEGAL DESCRIPTION Sec. 4 T10 R24		
7. CROP YEAR 2002		8. COUNTY DUNKLIN		7. FARM NUMBER 8912		
11. BLOCK NO.: <u>1</u>		11. BLOCK NO.: <u>2</u>		11. BLOCK NO.: <u>3</u>		
12. AGE <u>6</u> 13. DENSITY <u>109</u>		12. AGE <u>10</u> 13. DENSITY <u>121</u>		12. AGE <u>9</u> 13. DENSITY <u>109</u>		
10 YEAR	14. PROD.	15. ACRES	16. YIELD	14. PROD.	15. ACRES	16. YIELD
1998	0	10.0	T185	3,380	20.0	A169
1999	0	10.0	T185	3,560	20.0	A178
2000	1,600	10.0	A160	3,600	20.0	A180
2001	2,000	10.0	A200	3,700	20.0	A185
	TOTAL		730	TOTAL		712
	17. T-YIELD ADJ.	<u>*185 NO STAND</u>		17. T-YIELD ADJ.	<u>N/A</u>	
	18. AVERAGE YIELD	<u>730 / 4 = 183</u>		18. AVERAGE YIELD	<u>712 / 4 = 178</u>	
				17. T-YIELD ADJ.	<u>**135 X .80 = 108</u>	
				18. AVERAGE YIELD	<u>427 / 4 = 107</u>	
I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity(ies), unit(s) and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain records to support information on this form, may result in a recomputation of the approved APH yield. I also understand that failure to report completely and accurately may result in avoidance of my crop insurance contract and may result in criminal or civil false claims penalties (18 U.S.C. 1006 and 1014; 7U.S.C. 1506; 31 U.S.C. 3729 and 3730).						
19. INSURED'S SIGNATURE					DATE	
I.M. INSURED					XXXXXX	

EXHIBIT 10

COLLECTION OF INFORMATION AND DATA (PRIVACY ACT)

To the extent that the information requested herein relates to your individual capacity as opposed to your business capacity, the following statements are made in accordance with the Privacy Act of 1974, as amended (5 U.S.C. 552a). The authority for requesting information to be furnished on this form is the Federal Crop Insurance Act, (7 U.S.C. 1501 et seq.) and the Federal crop insurance regulations contained in 7 C.F.R. chapter IV.

Collection of the social security account number (SSN) or the employer identification number (EIN) is authorized by section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), and is required as a condition of eligibility for participation in the Federal crop insurance program. The primary use of the SSN or EIN is to correctly identify you, and any other person with an interest in you or your entity of 10 percent or more, as a policyholder within the systems maintained by the Federal Crop Insurance Corporation (FCIC). Furnishing the SSN or EIN is voluntary; however, failure to furnish that number will result in denial of program participation and benefits.

The balance of the information requested is necessary for the insurance company and FCIC to process this form to: provide insurance; provide reinsurance; determine eligibility; determine the correct parties to the agreement; determine and collect premiums or other monetary amounts (including administrative fees and over payments); and pay benefits. The information furnished on this form will be used by Federal agencies, FCIC employees, insurance companies, and contractors who require such information in the performance of their duties. The information may be furnished to: FCIC contract agencies, employees and loss adjusters; reinsured companies; other agencies within the United States Department of Agriculture; The Department of Treasury including the Internal Revenue Service; the Department of Justice, or other Federal or State law enforcement agencies; credit reporting agencies and collection agencies; other Federal agencies as requested in computer matching programs; and in response to judicial orders in the course of litigation. The information may also be furnished to congressional representatives and senators making inquiries on your behalf. Furnishing the information required by this form is voluntary; however, failure to report the correct and complete information requested may result in rejection of this form; rejection of any claim for indemnity, replanting payment, or other benefit; ineligibility for insurance; and a unilateral determination of any monetary amounts due.

EXHIBIT 10

Example 2.

Peach producer has certified production and acreage (insurable and uninsurable) for two years on the Production and Yield Report. A weighted average “T” yield was calculated based on age, density, percent stand for each block of acreage certified on the Producer’s Pre-acceptance Worksheet (Block 3 was adjusted for 80 percent stand). Ninety (90) percent of the average “T” yield was applied in calculating the Approved Yield because the insured provided two years of records.

6 Crop PEACHES	7 Section 4	15 Crop Year	16 Total Production	17 Acres	18 Yield		
Practice NI (003) Type	Township 10						
	Range 24						
Unit No. 00100	Land Other County	Yes	No				
8 Other Entity(ies)		12 FSA Farm No. No. 8912 Cropland					
		1998			N141		
		1999			N141		
NONE		2000	6,730	45.0	A150		
		2001	7,335	45.0	A163		
9 Record Type	Crop Year:	13 FSA Yld.		19 Total			
Production Sold/ Commercial Storage				595			
On Farm Storage, Recorded Bin Measurement							
Livestock Feeding Records	Appraisal			20(A) Preliminary Yield 149		21 Approved APH Yield	
FSA Loan Record	Other					149 bu/Acre for 45.0 acres	
Number of Trees or Vines 4,697		14 Transitional Yield					
10 Processor Number/ Name	Any processor	11 Other (Average) 149		20 (B) Prior Yield			
				(For Verifier Use Only)			

EXHIBIT 11

11. APPROVED YIELD LIMITATIONS/YIELD FLOOR

Example 1.

- A Carryover insured with actual yields.** The following Corn example assumes a 100-bu. “T” Yield through the 2003 crop year for a carryover insured with two years of low actual yields.
- 1 **For 2002,** the insured reported an actual yield of 53 bushels per acre for the 2001 crop year due to hail damage. The approved yield was calculated using the actual yield (53 bu.) and three 80 percent “T” Yields ($A53 + E80 + E80 + E80 = 293 \div 4 = 73$.) Yield substitution under the Approved Yield Adjustment was not elected.
 - 2 **For 2003,** the insured reported an actual yield of zero bushels per acre for the previous (2002) crop year. (The corn was flooded out.) Yield substitution under the Approved Yield Adjustment is elected.
 - (a) **Average Yield.** The zero actual yield is added to the previous production data, and two 90 percent “T” Yields (90 bu.) are used to complete the 4-year database. The sum of the yields is divided by four. $A0 + A53 + N90 + N90 = 233 \div 4 = 58$.
 - (b) **Approved Yield Adjustment (YA).** Sixty percent of the “T” Yield is substituted for the two low actual yields and two 90 percent “T” Yields are used to calculate the adjusted yield. $YA60 + YA60 + N90 + N90 = 300 \div 4 = 75$.)
 - (c) **The 10 Percent Yield Limitation (Cup)** is calculated by multiplying the previous year’s approved APH yield x .90. $73 \times .90 = 66$. (Normal rounding rules apply.)
 - (d) **Yield Floor.** The insured has provided two years of records and is eligible for the 75 percent yield floor. $(100 \text{ bu. “T” Yield} \times .75 = 75 \text{ bu.})$
 - (e) **Approved Yield** is calculated by comparing the cupped yield (66 bu.), the yield floor (75 bu.), and the Approved Yield Adjustment. The insured may elect to use the yield calculated using yield substitutions under the Approved Yield Adjustment or the yield floor (75 bu.).
 - (f) **The premium rate** is determined by using the average approved yield (58 bu.) when the approved yield is the yield floor.

EXHIBIT 11

Example 2.

- A Carryover insured with actual yields.** The following **Cotton example** (solid-planted or irrigated skip-row cotton) assumes a 400-lb. “T” Yield through the 2003 crop year, for a carryover insured with five years of actual records that reflect three low actual yields.
- 1 **For crop year 2002,** the insured reported actual yields of 600 lbs. (1998 crop year), 245 lbs. (1999 crop year), 0 lbs. (2000 crop year), and 300 lbs. (2001 crop year) per acre. The average approved yield is 286 ($A600 + A245 + A0 + A300 = 1145 \div 4 = 286$.) Yield substitutions under the Approved Yield Adjustment election resulted in an approved yield of 346 ($A600 + A245 + 240/A0 + 300 = 1345 \div 4 = 346$.)
 - 2 **For crop year 2003,** the insured reported an actual yield of 50 lbs. per acre for the previous crop year (2001). (The cotton was damaged by drought.)
 - (a) **Crop year 2003 average yield.** The 50-lb. actual yield was added to the previous data and used to complete the COP database. ($A600 + A245 + A0 + 300 + A50 = 1195 \div 5 = 239$ average approved yield.)
 - (b) **10 percent yield limitation (Cup).** The 10 percent cup is not applicable since the previous year’s approved yield was calculated using yield substitution.
 - (c) **Yield Floor.** The insured has provided five years of records and is eligible for the 80 percent yield floor (400 lb. “T” Yield $\times .80 = 320$ lb.).
 - (d) **Approved Yield Adjustment (YA).** Sixty percent of the “T” Yield is substituted for the two low actual yields. ($A600 + A245 + 240/A0 + A300 + 240/A50 = 1625 \div 5 = 325$ lbs.)
 - (e) **Approved yield is determined** by comparing the yield floor (320 lbs.) and the average approved yield (239 lbs.). The insured may elect to use the yield calculated by using yield substitutions under the Approved Yield Adjustment (325 lbs.) or the yield floor (320 lbs.).
 - (f) **The premium rate is determined** using the average yield (239 lbs.) for the yield floor or for the yield calculated using yield substitutions under the Approved Yield Adjustment Election.
- B For Non-Irrigated Cotton** planted to a qualifying skip-row pattern, the approved yield is calculated on a solid-planted basis; however, the applicable yield conversion factor is applied when determining the yield floor, the cupped yield, and the approved yield for qualifying skip-row patterns.

EXHIBIT 11

Example 3. Category B Crop

- A No production records.** A new insured who has produced the insured crop did not provide any production records. The insured is eligible for 65% of the “T” Yield.

RMA “T” Yield is 100

1998	S65
1999	S65
2000	S65
2001	<u>S65</u>
260/4 = 65	

2002 Approved Yield is 65

Yield limitations (Cups) do not apply until the insured provides an actual record or the assigned yield provision is applied.

- B The carryover insured provided 2001 production history.** The actual yield for the most recent crop year has been reported and is used to calculate the approved yield.

1999	E80
2000	E80
2001	E80
2002	<u>A95</u>
335/4 = 84	

The average yield is 84; the 2003 crop year Approved Yield is 84.

- C The carryover insured provided production records for the 2001 and 2002** crop year. Yield limitation provisions (CUPS) do not apply because the insured provided MORE than the most recent crop year production records.

1998	N90
1999	N90
2000	A40
2001	<u>A95</u>
315/4 = 79	

The 2003 crop year Approved Yield is 79.

- D Assigned Yield.** If the carryover insured did not provide ANY production records for the 2002 crop year, assigned yield provisions apply.

1999	E80
2000	E80
2001	E80

EXHIBIT 11

$$2002 \quad \frac{P49}{289/4} = \frac{72}{72} \quad (65 \times 75\%)$$

The 2003 crop year approved yield is 72.

E The carryover insured provided a production report for the 2003 crop year. The prior year's approved yield was 97 and was not a yield floor or calculated using yield substitutions.

$$\begin{array}{ll} 1998 & A105 \\ 1999 & A80 \\ 2000 & A98 \\ 2001 & A103 \\ 2002 & A0 \\ 386/5 & = 77 \end{array}$$

The average yield is 77; however, the 2003 crop year Approved Yield is CUPPED AT 87 (97 x 90%).

F Applicability. The following chart illustrates when “cupped” yields (cups) apply and do not apply.

SITUATION	ELIGIBLE FOR CUP?	REFERENCE
New insured	No	Sec. 6 C 1 (b)
Carryover insured updates with most recent year's history	1/ Yes	Sec. 6 I
Most recent year was zero planted: Database contains actual history Database does not contain actual history	Maybe...	Sec. 6 I 4 (b)
	1/ Yes	Sec. 6 C 1 (b)
	No	Sec. 6 C 1 (b)
Carryover insured provides additional years of history besides most recent	No	Sec. 6 I 6 (c) (iii)
Yield floor is higher than cup	No (use yield floor)	Sec. 6 I 4 (d) (ii)
Yield substitution and cup applicable	1/ Insured's choice	Sec. 13 D (b)
Published “T” Yield changes: Change is less than 10% (up or down) Change is 10% or more (up or down): and 0-3 years of history (A & J) in database (“T” Yield needed) and 4+ years of history (A & J) in database (“T” Yield not needed)	Maybe...	Sec. 6 E 1 (a)
	1/ Yes	Sec. 6 I 6 (c) (vii)
	Maybe...	Sec. 6 I 6 (c) (vii)
	No	Sec. 6 I 6 (c) (vii)
	1/ Yes	Sec. 6 I 6 (c)(vii)
Other revisions to previously approved yields	No	Sec. 6 I 6 (c)(i - viii)
Other special cases	No	Sec. 6 I 6(a),(b)
Prior yield used yield floor	No	Sec. 6 I
Prior yield used yield substitution	No	Sec. 6 I

1/ Prior year's approved APH yield did not use yield floor or yield substitution under the Approved Yield Adjustment Election.

EXHIBIT 12

12. PARTICIPATION – FLOW CHART

1. Sam Good wishes to use Bo Jack’s records. He may do so because Bo receives a share in the crop for the current crop year.

CURRENT CROP YEAR	FSA FSN 1000 Section 10 Sam Good 2/3 Bo Jack 1/3
-------------------	---

2. The farm was renumbered in the most recent crop year, but it is the same land. Bo Jack’s records meet the acceptability requirements and may be used for the crop year.

MOST RECENT CROP YEAR TO THE CURRENT CROP YEAR	FSA FSN 1000 Section 10 Bo Jack 100%
--	--

3. Bo Jack’s records are acceptable so they may be used.

NEXT MOST RECENT CROP YEAR	FSA FSN B-126 Section 10 Bo Jack 100%	(FSA FSN RENUMBERED)
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4. Bo Jack’s records are acceptable so they may be used.

NEXT MOST RECENT CROP YEAR	FSA FSN B-126 Section 10 Bo Jack 100%
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5. Bo Jack’s records are acceptable so they may be used.

NEXT MOST RECENT CROP YEAR	FSA FSN B-126 Section 10 Bo Jack 100%	(FSA FSN Reconstituted Change of Ownership)
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6. FSA FSN C-20 consists of the same land and Bo Jack’s records are acceptable for the crop year so they may be used.

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NEXT MOST RECENT CROP YEAR	FSA FSN C-20 Section 10 Bo Jack 2/3 Don Matt 1/3
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7. Bo Jack did not have a share in the crop. A break in continuity occurs. Actual yields are therefore reported for items 1 through 6.

NEXT MOST RECENT CROP YEAR	FSA FSN C-20 Section 10 Don Matt 100%
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EXHIBIT 13

13. RETAINING 10 CROP YEARS OF PRODUCTION HISTORY

A Example 1.

This example is for a carryover insured who has provided actual yields for crop years 1992, 1993, 1995, 1996, 1997, 1998, 2000, 2001 and 2002. 1994 and 1999 were zero-plant years. The base period for 2002 crop year is the 10 most recent crop years. The carryover insured has 9 actual yields in the 2003 database.

2002 DATABASE		RECORDS SUBMITTED 2003		2003 DATABASE	
92	A75			92	A75
93	A74			93	A74
94	Z			95	A65
95	A65			96	A81
96	A81			97	A69
97	A69			98	A73
98	A73			99	Z
99	Z			00	A25
00	A25			01	A95
01	A95	02	A90	02	A90
Approved Yield 557/8 = 70				Approved Yield 647/9 = 72	

B Example 2.

This example is for a carryover insured who has provided actual yields for crop years 1992, 1993, 1995, 1996, 1997, 1998, 2000, and 2001. The base period for 2003 crop year is the 10 most recent crop years. Zero acres planted were reported for crop year 1994, 1999 and 2002. The 2002 database is duplicated for the 2003 database with the exception of the yield descriptor Z deleted for crop year 2003. The carryover insured has 8 actual yields in the 2003 database.

2002 DATABASE		RECORDS SUBMITTED 2003		2003 DATABASE	
92	A75			92	A75
93	A74			93	A74
94	Z			95	A65
95	A65			96	A81
96	A81			97	A69
97	A69			98	A73
98	A73			99	Z
99	Z			00	A25
00	A25			01	A95
01	A95	02	Z	02	Z
Approved Yield 557/8 = 70				Approved Yield 557/8 = 70	

EXHIBIT 13

C Example 3.

This example is for a carryover insured who has provided actual yields for crop years 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, and 2001. The base period for the 2003 crop year is the most recent 10 crop years. For crop year 2002, zero acres planted were reported. The 2002 database is duplicated for the 2003 database. The carryover insured has 10 actual yields in the 2003 database.

2002 DATABASE		RECORDS SUBMITTED 2003		2003 DATABASE	
92	A75			92	A75
93	A74			93	A74
94	A86			94	A86
95	A65			95	A65
96	A81			96	A81
97	A69			97	A69
98	A73			98	A73
99	A64			99	A64
00	A25			00	A25
01	A95	02	Z	01	A95
Approved Yield 707/10 = 71				Approved Yield 707/10 = 71	

EXHIBIT 14

14. PRE-ACCEPTANCE ANNUAL CROP INSPECTION

Inspections: Inspections must be assigned to an inspector within five working days of receipt of the request but no later than 10 calendar days after the sales closing date. Arrangements must be made to prevent delaying the yield verification process. Inspectors should make appointments with the insureds so they can be present to answer any questions and provide authorized access to the unit(s) to be inspected. All production reports, completed inspection reports and supporting documentation must be received by the Insurance Provider verifier no later than 20 calendar days after the PRD. The items shown below are required and must be documented on the inspection report, along with any other material circumstances observed by the inspector.

Item No.

- (1) Identification information - name of crop, unit number, crop year, contract number, name and address of insured.
- (2) Acreage and location - planted insurable acreage and location information, including legal description.
- (3) Crop information - overall crop condition.
- (4) Special hazards - note any hazards (flood etc.).
- (5) Management practices - document any improper farming practices (poor weed control, etc.) and comment on overall unit condition.
- (6) Recommendation - recommend acceptance, rejection, or acceptance with an RMA RO rate and/or coverage review.
- (7) Date of inspection, signature, code number and title of person making inspection.

Distribution: Original - Insurance Provider Verifier First Copy - Insured's file,
Second Copy - Inspector's option.

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15. ENTITIES: DEFINITION, DETERMINATION, AND DOCUMENTATION

The following provides the criteria, required documentation, and proper identification numbers required to process each type of entity listed. [For data processing instructions and codes, refer to Manual 13, Data Acceptance System.

Policies written as an individual entity require a Social Security Number (SSN) or, when applicable, an Employer Identification Number (EIN). When an EIN is applicable, the insured must be listed as a person with a Substantial Beneficial Interest (10 percent or greater interest in the policy) and his or her SSN provided. If a spouse's interest is covered by the policy, the spouse must be listed as having a Substantial Beneficial Interest (SBI) and his or her SSN provided. All persons with an SBI (joint and survivor interests) must be listed and the SSN/EIN of each SBI provided.

An EIN is required for entities that are insured as partnerships or corporations. An SSN or EIN is required for co-owners/joint operations, estates, or revocable trusts. All persons with an SBI in the entity must be listed and the SSN/EIN of each SBI provided. If no one qualifies as an SBI, at least one person's name must be listed and his or her SSN/EIN must be provided for data acceptance purposes.

SBI information (including the spouse's SSN/EIN, when applicable) must be provided by the applicable sales closing date for new applications and by the acreage reporting date for carryover insureds. Failure to provide the required information for spousal entities will be reduced to the share presumed to belong to the spouse whose name and SSN/EIN is provided (presumed to be 50 percent of the spousal entity unless evidence is provided to show differently.)

A **Individual Entity: Individuals.**

- 1 **The applicant must be competent**, of legal age (18 years of age or older) and capable to enter into a binding contract, and have the authority to fulfill the requirements of the contract. [If the applicant is less than 18 years old, refer to Exhibit 15 E.]
- 2 **The applicant incurs debt** (if any) related to production, stores or markets in his or her name and receives proceeds.
- 3 **The application covers the individual's share**, including the individual's share as a co-owner, joint operator, or partner, provided the co-ownership, joint operation, or partnership is not insured separately. [Refer to J below for Landlord/Tenant.]
- 4 **When more than one member** of a family in the same household applies for insurance, or the applicant resides in the household of an insured, applicants must provide evidence on a signed statement indicating separate insurable shares. Not applicable in most cases to spouses. [Refer to Exhibit 15 B 1.]

B

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C Individual Entity: An Individual Operating as a Company. The guidelines for an individual operating as a company are identical to those for an individual. The application must be signed by the owner or authorized representative of the company. A statement from the company listing the authorized representative must be maintained in the insured's file folder. A company for this purpose is not a corporation.

D Individual Entity: Joint and Survivor Interests. "Joint and Survivor Interests" are applicable in "community property" states in which a husband and wife have joint and survivor interest in insurable acreage, and in states where such an interest may be created by deed. In such states, the application is completed in the name of the joint and survivor interest (e.g., "John W. Doe, James C. Smith," or whomever).

- 1 **Both parties must sign the application.** Exceptions: husband and wife, or when a statement is prepared and signed by both parties showing the authority of either to act as agent for the other for crop insurance purposes.
- 2 **If either party dies,** the contract continues, but a successor-in-interest application must be obtained. [For additional instructions concerning the effective crop year for which the successor-in-interest application must be prepared refer to Sec. 4 C 8.]

E Individual Entity: Minors or Mental Incompetents.

- 1 **A minor must provide evidence** that an insurable share exists, and a court appointed guardian or a parent must co-sign the application.
- 2 **A mental incompetent may be insured** ONLY if a court appointed guardian signs the documents.
- 3 **A written statement describing the farming operation** and the insurable share must be provided and maintained in the insured's file folder in the service office.
- 4 **When the minor becomes capable of entering into a binding contract** or when incompetency is dissolved, a successor-in-interest application is required. [For instructions concerning the effective crop year for which the successor-in-interest application must be prepared refer to Sec. 4 C 8.]
- 5 **When a parent or court appointed guardian** co-signs the application, it must contain a statement guaranteeing payment of the annual premium.

F Individual Entity: Competent Individuals Represented by Appointees. If the application is signed by someone other than the individual entity, a Power of Attorney giving that person authority to sign must be maintained in the insured's file folder. The Power of Attorney must be considered to be legally executed by the state in which it was executed, and it must give the appointee the authority to sign crop insurance documents for the insured. In states that require the Power of Attorney to be acknowledged (notarized), the signatures of the

EXHIBIT 15

individual and appointee must be notarized. In states that do not require the power of attorney to be notarized, the signatures of the individual and appointee must be witnessed and the signature of the witness obtained on the document. The FSA Power of Attorney Form is acceptable if it meets these requirements.

G Spouses.

- 1 **Only one contract** is required when the insurable share is owned jointly or separately by husband and wife. This includes shares owned in community property states.
 - (a) **The FSA may recognize a married couple** who shares in the same farming operation as “two” persons for the purpose of farm program limitations and require only one (contract to participate in FSA programs) to be signed by the married couple. Such married couples are considered to be a spousal entity for crop insurance purposes.
 - (b) **SSN/EIN for spouses** must be reported for spousal entities. The spouse’s share will be presumed to be 50 percent in the entity unless evidence is provided to show differently.
- 2 **Some married persons are sole owners** of land and farm as landlords, owner- operators, or as tenants independently of their spouses. For example, if a wife separately owns land that is operated and managed by the husband as head of a family farming enterprise, only one policy is needed for the family operation and share. This is also true if such land is all or part of the land farmed by the husband as owner-operator with the proceeds deposited in either the husband's bank account or a joint bank account. Only one application in the husband’s name, wife’s name, or both names as co-owners is required, and either spouse may sign the insurance documents.
- 3 **If a spouse operates a SEPARATE farming operation independently** of the other spouse, each spouse (if they chose) may submit a separate application and insure his or her interest separately. To qualify as a separate farming operation, ALL of the following criteria must be met: separate ownership of land, separate capital, separate accounting of costs for equipment and/or labor, separate management, and separate records maintained.

H Landlord/Tenant: Any entity (individual, partnership, corporation, etc.) may insure a landlord’s and/or tenant’s share(s). The application must clearly state the tenant will insure the landlord’s share or landlord will insure the tenant’s share; otherwise, the landlord or tenant must have separate contracts. Evidence of the other party’s approval (lease, power of attorney, etc.) must be provided to the Insurance Provider and placed in the insured’s file. The landlord(s) or tenant(s) insured by an entity must be listed as an SBI on the entity’s application. Additionally, the percentage shares of all entities must be shown in the remarks section of the acreage report or documented and attached to the acreage report. If an entity is sharing with multiple landlords/tenants, only one application/contract is allowed per entity.

I Partnerships: A partnership is a written or verbal (requires an EIN) contract between two or more individuals. The essential element of a partnership which distinguishes it from other

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forms of joint ventures is that each partner has authority to enter into contracts and bind all other members to such contracts.

- 1 **The death, declaration of incompetence, or withdrawal of a partner** terminates the partnership, unless a written partnership agreement provides otherwise.
- 2 **Crops to be insured under the partnership** are those in which the partnership has a share and require only one application.
- 3 **If the entire share of the partnership** is not to be insured, an application to cover the share of an individual holding an interest in the partnership may be obtained. This application also covers any other individual interest the applicant may have.

J Co-ownership/Joint Operations. An entity composed of two or more parties who engage in a farming operation jointly; pool their resources; contribute land, labor, or machinery; share in expenses; and at the end of the year, divide the profits according to their interests. No individual is authorized to bind any other individual in any business transaction (as is possible under a partnership).

- 1 **The application must be signed** by all parties or by the authorized representative. If an authorized representative signs, an agreement must be executed by co-owners or joint operators giving the representative authority to sign and maintained in the insured's file folder.
- 2 **If the entire share of the entity** is not to be insured, an individual application may be obtained to cover the individual share of a co-owner or joint operator and any other individual interest the applicant may have. Such an application will not cover the share of a partnership.
- 3 **Death or withdrawal** of one of the parties terminates the insurable interest at the end of the crop year.

K Corporations: A corporation is a legal entity created and operating under state laws of incorporation. The corporation may insure its share as landlord, owner-operator, or tenant. An application must be signed by an officer of the corporation authorized to enter into contracts. A statement must be provided to the Insurance Provider stating where the articles of incorporation are on file. Changing officers or stockholders does not affect continuity of the contract.

L Estates: The application covers the share owned by an estate and must be signed by the authorized court-appointed officer or executor.

- 1 **Upon settlement of the estate** and the discharge of the court-appointed officer, the contract is cancelled and a new application is required to maintain insurance protection.

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- 2 **Removal or discharge** of a court-appointed officer and appointment of another does not terminate the contract.

M Trusts: The application covers the trust's interest (not the beneficiaries interest). The application must be signed by the administrator or trustee appointed to administer the business affairs of the trust.

- 1 **Irrevocable trusts** are processed using the same guidelines as individual entities.
- 2 **Revocable trusts** require an EIN and/or SSN.
- 3 **Trusts administered by The Bureau of Indian Affairs.** Native American land is frequently held in trust by the Bureau of Indian Affairs (BIA) or Tribal governing body and leased to operators. Native American land held under trust is processed in the same manner as land held in an irrevocable trust. The name of the trust is the named insured. Often BIA trusts are referred to as allotments, identified by an allotment number (i.e., BIA Allotment Number 0006, which is the name of the trust and consequently the named insured). A separate policy is required for each allotment with different individual owners. Linkages for certain USDA farm program benefits for individual Native Americans who own parcels of an allotment are established by that trust.

If the trust agreement provides that operators of leased land purchase crop insurance, then a power of attorney will be executed by the BIA granting the operator the authority to purchase crop insurance on behalf of the trust.

If the BIA trust does not have an EIN, a nine-digit number may be established as follows: the first two digits identify the state, the next three the county, and the last four the allotment number.

N Other Entities: The following entities are generally assigned an EIN for tax purposes [if the entity does not have an EIN, refer to Manual 13, Data Acceptance System Handbook for data processing instructions and requirements]:

- 1 **Receiver or Liquidator.** Receivers or liquidators may insure crops under their administration. The application must be signed by the person authorized by the court to administer business of the receivership.
- 2 **Public Agencies.** State, county, or municipal offices may insure their share. The application must be signed by the person having authority to enter into a contract for the entity.
- 3 **Association, Clubs, or Tax Exempt Organizations.** To act as a representative for any principal, an entity (individual, etc.) must provide evidence of authority (preferably a power of attorney) or a signed statement indicating where such authority can be verified. If authority is by verbal agreement, a statement is required from the principal for

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verification. The signature of the person having authority to enter into a binding contract for the entity is required.

ENTITY VERIFICATION

- A Verification.** When taking an application, verify that the entity is correct and documented in accordance with the entity definitions above. Incorrect entities may result in an invalid policy (e.g., separate policies written for a husband and wife who do not qualify as two separate individual entities but rather as a spousal entity, or a minor who does not qualify as a separate entity from a parent.)
- B New Person/Entity and Changes of Insured Entities.** For the purpose of this paragraph a “new person/entity” includes persons who have changed their names, dissolved entities and/or formed new entities and are now insuring crops that were produced under the previous name and/or by members of a new entity.
- 1 **Insured Person/Entity.** The person/entity insured must be as defined in the Basic Provisions applicable for the crop(s) insured. [Refer to the Entities and Documentation chart in this exhibit for documentation required at the time of application.] Some states require persons/entities who are doing business under an assumed name (e.g., doing business as....) to register that name in the county in which they do business.
 - 2 **Approved Yield Determinations.** In general, if a person changed his or her name or a different entity was created and the new person/entity insures crop(s) for the current year that were produced on land farmed by the previous person/entity and THAT LAND is contained in the current year’s farming operation, the crop(s)’ acreage and production must be reported for production reporting purposes. If insured as another person/entity the previous crop year, a new person/entity may qualify for a successor-in-interest application. [Refer to Sec. 4 C 8.] If the insured is not eligible for a successor-in- interest application (different land or different crops involved) or a successor-in- interest application was not used, follow the procedures below:
 - (a) **New persons/entities do not automatically qualify for new producer procedures.** The number of years that a person who has changed his/her name or member(s) of the insured entity has produced the insured crop in the county on land that is a part of the new person/entity’s farming operation, must be considered when determining if the insured is a new producer. If members of the entity who share in the crop have produced the crop, the entity is considered to have produced the crop. The policyholder tracking system may be used to identify persons with a substantial beneficial interest in other insured entities. Refer to Exhibit 19 for new producer requirements and procedures.
 - (b) **When new persons/entities insure crops they previously produced, production reports must be filed for all such land contained in the current farming operation according to ALL applicable production reporting procedures for each crop year certified. For entities consisting of more than one person/entity, their production reports must**

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include all land contained in the current farming operation upon which crop(s) insured for the current crop year were produced by ALL members of the entity. Members of an entity include: stockholders of a corporation, partners of a partnership, persons insured as co-owners, persons insured as joint ventures, etc.

- (i) Acceptable RECORDS must be available to support the acres and production certified.
- (ii) Acres and production history may not be duplicated from existing unit databases unless a successor-in-interest application was taken and the same unit structure (acreage) is involved. If only part of the acreage will be transferred to the successor-in-interest, acreage and production must be re-certified according to the new unit/farming operation.
- (c) For new persons/entities who have produced insured crop(s) on entirely different land than is contained in the current farming operation, 65% of the “T” Yield will apply unless sent to the RO for yield determination. [Refer to Exhibit 19.]
- (d) Added land/P/T/V procedures will apply after the production reports for a new person/entity is structured according to the preceding procedures. However, new persons/entities may also file production reports based on acreage and production RECORDS from another person with whom they have a bona fide share in the insured crop who is not a member of the insured entity.

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ENTITIES AND DOCUMENTATION

ENTITY	APPLICATION	SIGNATURE(S) REQUIRED	DOCUMENTATION NEEDED	ID NUMBER
INDIVIDUAL	John C. Doe	John C. Doe	None	Individual EIN or SSN <u>1</u>
INDIVIDUAL	Northam Land Company c/o James T. Anderson	Northam Land Company by James T. Anderson, Sole Owner	None	EIN or SSN of The Owner <u>1</u>
INDIVIDUAL (Female)	Anna M. Smith (Not Mrs. John C. Smith)	Anna M. Smith (Not Mrs. John C. Smith)	None	EIN or SSN of Individual <u>1</u>
INDIVIDUAL (Joint & Survivor & Interest)	John W. Doe or Mary C. Doe	(Both must sign) John W. Doe, Mary C. Doe	If they are not spouses, statements signed by both parties showing authority of one to act for the other	EIN or SSN of Individual <u>3</u>
INDIVIDUAL (Minor, Natural Guardian)	John Doe, (minor) by Fred Doe, Guardian	Fred Doe, Guardian For John Doe, and John Doe	Statement signed by minor and guardian showing qualifications as separate entity	EIN or SSN of Minor <u>1</u>
INDIVIDUAL (Minor Unable To Enter Into Contracts or Incompetent with Court-Appointed Guardian)	Frank W. Doe c/o John H. Doe, Guardian	John H. Doe, Guardian for Frank W. Doe	Statements signed by court- appointed guardian showing where court decree can be verified	EIN or SSN of Minor or Incompetent <u>1</u>
INDIVIDUAL (Authorized Signature)	John C. Doe c/o Richard C. Roe, Authorized Representative	John C. Doe by Richard C. Roe, Under Power of Attorney	Power of Attorney	Individual EIN or SSN of insured <u>1</u>
INDIVIDUAL (Undivided Interest)	John C. Doe	John C. Doe	Copy of agreement designating responsible person	Named Insured EIN or SSN <u>2</u>
SPOUSES	John C. Doe	John C. Doe	None	Individual EIN or SSN <u>3</u>
ENTITY INSURING A LANDLORD'S OR TENANT'S SHARE	John C. Doe	John C. Doe	None	Individual EIN or SSN <u>3</u>
CO-OWNERS	James L. Smith and John A. Brown, Co- Owners	(All must sign) James L. Smith, John A. Smith	None if all sign, or Power of Attorney authorizing and signature	Joint Interest EIN or SSNs <u>2</u>
JOINT OPERATORS	James L. Smith and John A. Brown, Joint Operators			
CORPORATION	ABC Company, Inc. c/o Richard Roe, (Title) First National Bank of Dallas c/o John H. Doe, (Title)	ABC Company, Inc. by Richard Roe, (Title) First National Bank of Dallas by John H. Doe, (Title)	Statements where articles of incorporation are on file. Application must be signed by authorized officer of the Corporation.	EIN For the Corporation <u>3</u>
ESTATE	Estate of Richard Roe, Deceased, c/o John H. Doe, Executor (or Administrator)	Estate of Richard Roe, Deceased, by John H. Doe, Executor (or Administrator)	Statement advising where authority can be found	Estate EIN or Deceased SSN or EIN

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ENTITY	APPLICATION	SIGNATURE(S) REQUIRED	DOCUMENTATION NEEDED	ID NUMBER
TRUST	John H. Doe Trust, c/o Richard Roe, Trustee or Administrator	John H. Doe Trust, by Richard Roe, Trustee or Administrator	Statement advising where authority can be found	EIN for Trust or SSN Reported for the Trust <u>3</u>
	Jones, Brown, Smith c/o Richard Roe, Trustee	Jones, Brown, Smith by Richard Roe, Trustee		EIN for Trust or SSN Reported for the Trust <u>3</u>
(BIA)	(Name of Trust) BIA Trust 0016	BIA Trust 0016 by John Doe Trustee or Power of Attorney		State count BIA# Example: 01 201 0016
(Irrevocable)	Ralph R. Doe, Trust, c/o Richard Roe, Trustee or Administrator	Ralph R. Doe, Trust, c/o Richard Roe, Trustee or Administrator	Statement advising where authority can be found	EIN for Trust or SSN Reported for the Trust <u>3</u>
(Revocable)	John H. Doe Trust, c/o Richard Roe, Trustee or Administrator	John H. Doe Trust, c/o Richard Roe, Trustee or Administrator	Statement advising where authority can be found	EIN for Trust or SSN Reported for the Trust <u>3</u>
RECEIVER OR LIQUIDATOR	XYZ Company c/o John H. Doe, Receiver (or Liquidator)	XYZ Company By John H. Doe, Receiver or Liquidator & Court Appointed	Statement advising where authority can be found	EIN of Named Insured or Correspondent's EIN and/or SSN
PUBLIC AGENCY (a state, a political subdivision of a state (county or parish), or any agency thereof)	Brown County Farms c/o Richard R. Roe Farm Manager	Brown County Farms By Richard R. Roe, Farm Manager (Other Authorized Title Acceptable)	Statement advising where authority can be found	EIN if issued
	State of Ohio, Board of Aeronautics, c/o John H. Doe, Director	State of Ohio, Board of Aeronautics, By John H. Doe, Director (Other Authorized Title Acceptable)		
	Fairtown Farms c/o I.M. Boss, City Mgr.	Fairtown Farms By I.M. Boss, City Mgr. (Other Authorized Title Acceptable)		
ASSOCIATION, CLUB OTHER TAX-EXEMPT ORGANIZATION	Park and Recreation Association c/o John H. Doe, Treasurer	Park and Recreation Association By John H. Doe, Treasurer	Statement advising where authority can be found	EIN for the Organization
PARTNERSHIP (Written or Verbal)	Jones and Smith, A Partnership c/o Sam Jones	Jones and Smith, A Partnership By Sam Jones, A Partner	Statement signed by all partners certifying they are members of the partnership	Partnership EIN <u>3</u>

1 If EIN, individual MUST be listed as SBI and SSN provided

2 All ENTITIES/PERSONS insured must be listed as SBI and EIN or SSN provided

3 SSN of spouses and/or any individual holding a 10% or more interest; EIN if not individual

EXHIBIT 16

16. IRRIGATED PRACTICE GUIDELINES

The following guidelines are provided to enable insureds to properly report planted or perennial crop acreage to be insured under the irrigated practice in order to receive maximum protection under their crop insurance contract. It is very important that these guidelines be utilized to document whether, at the time insurance attaches, there is a REASONABLE EXPECTATION of receiving adequate water to carry out a good irrigation practice for the acreage reported under the irrigated practice.

A Definitions. The following definitions are provided to facilitate a uniform understanding of the standards and guidelines for the irrigated practice for planted or perennial crop acreage.

- 1 **Acreage Insurable under the Irrigated Practice.** Insurable acreage for which the insured can demonstrate, to the insurer's satisfaction, that adequate facilities and water existed, at the time insurance attached*, to carry out a good irrigation practice for the insured crop.

*The insured is responsible for demonstrating that, at the time insurance attached, there was a REASONABLE EXPECTATION of receiving adequate water to carry out a good irrigation practice on acreage insured under the irrigated practice.

- 2 **Reasonable Expectation, at the Time Coverage Begins, of Receiving Adequate Water to Carry Out a Good Irrigation Practice.** If the insured knew or had reason to know that the amount of his/her irrigation water may be reduced before coverage begins, no reasonable expectation exists.
- 3 **Adequacy of Water.** The determination of the adequacy of water will be based upon: (1) the water available (at the time insurance attaches) from the irrigation water supply, soil moisture levels, and, as applicable, snow pack storage levels; AND (2) supplementary precipitation which would normally be received, after insurance attaches, during the period that a good irrigation practice is normally carried out. Consideration will also be given to the factors identified in B 5 below, including the legal entitlement or rights to water.
- 4 **Good Irrigation Practice.** Application of adequate water in an acceptable manner, at the proper times to allow production of a normal crop which is often identified as the approved yield for crops under COP.
- 5 **Irrigation Water Supply.** The water source and means for supplying irrigation water, without regard to the equipment or facilities. This includes the water source AND dams, canals, ditches, pipelines, etc., which contain the water for movement from the source to the acreage and (1) are not under the control of the insured or (2) routinely deliver water to acreage in addition to that which is owned or operated by the insured. It DOES NOT INCLUDE any irrigation equipment or facilities.

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- 6 **Irrigation Equipment and Facilities.** The physical resources, other than water, used to regulate the flow of water from a water source to the acreage. This includes pumps, valves, sprinkler heads, and other control devices. It also includes pipes or pipelines which (1) are under the control of the insured or (2) routinely deliver water only to acreage that is owned or operated by the insured. A center pivot system is considered irrigation equipment and facilities.
- 7 **Adequacy of Irrigation Facilities.** Irrigation facilities are considered adequate if it is determined that, at the time insurance attaches to planted or perennial acreage, they will be available and usable at the times needed and have the capacity to timely deliver water in sufficient quantities to carry out a good irrigation practice for the acreage insured under the irrigated practice.
- 8 **Water Source.** The source from which water is made available. This includes wells, lakes, reservoirs, streams, aquifers, etc.

B Reporting Requirements under Irrigated Practice.

- 1 **Failure of acreage** to qualify for insurance under the irrigated practice will result in such acreage being insured under a practice other than irrigated. If no other appropriate practice is available for the acreage, insurance will not be considered to have attached on the acreage.
- 2 **Failure to carry out a GOOD IRRIGATION PRACTICE** on acreage properly insured under the irrigated practice will result in an appraisal for uninsured causes against such acreage, unless the failure was caused by unavoidable failure of the irrigation water supply after insurance attached. Note: If a loss is evident, acreage reported as an irrigated practice at the time insurance attached cannot be revised to a non-irrigated practice after the acreage reporting date even if liability stays the same or decreases, and even if the insured never applied any water.
- 3 **For loss purposes,** insureds are required to keep their production records separate for acreage insured under the irrigated practice, acreage insured under a practice other than irrigated (or with no practice applicable), and uninsured acreage.
- 4 **Insureds are expected to be prepared** to provide documentation of the factors that were considered in reporting acreage to be insured under the irrigated practice.
- 5 **Factors to consider in determining planted or perennial crop acreage** to be reported and insured under an irrigated practice include, but are not limited to:
 - (a) Water source history, trends, and forecasting reliability
 - (b) Supplemental water supply availability and usage (including return flow)
 - (c) Pumping plant efficiency and capacity

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- (d) Water distribution uniformity; and flexibility of the system or district
- (e) Water requirements (amount and timing) of all crops to be irrigated
- (f) Water rights (primary, secondary, urban versus agricultural use, etc.)
- (g) Contingency plans available to handle water shortages
- (h) Acres to be irrigated, amount of water to be applied, and expected yield
- (i) Ownership of water (state or federal versus landowner)
- (j) Use of meters and other measuring devices or methods
- (k) Soil types, soil moisture levels, and pre-plant irrigation needs
- (l) Water conserving methods, devices, and plans utilized
- (m) Past crop planting history, trends, and recommended local practices
- (n) Prudent activities and practices utilized by non-insured producers
- (o) Irrigation water supply (both quantity and quality) and facilities
- (p) Recommendations from local County Extension Service (CES) or National Resource Conservation Service (NRCS), and other source recognized by CES or NRCS to be an expert in this area regarding irrigation and crop production; and
- (q) Information the insured knew (or should have known), and when the insured knew (or should have known) such information

The Insurance Provider will use the above, and any other appropriate factors necessary, to verify whether acreage was properly reported under the irrigated practice. Insureds who need assistance in determining the proper acreage to report for insurance under an irrigated practice should contact their crop insurance agent for information and assistance.

C Irrigated Practice Guidelines for Prevented Planting Coverage. Under the prevented planting provisions in the COP Basic Provisions and applicable COP Crop Provisions, insureds may be able to receive a prevented planting payment for acreage historically grown under an irrigated practice if there is not a reasonable expectation of having adequate water (due to an insured cause of loss occurring in the prevented planting insurance period) on the final planting date (or within the late planting period if the insured elects to try to plant the crop) to carry out an irrigated practice, provided all other prevented planting provisions have been met.

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1 **Additional Definitions.**

(a) **Reasonable Expectation (Probability).** If the insured knew or had reason to know that his/her water may be reduced or cut off during the irrigation season by the time frames stated above, then no reasonable expectation exists.

(b) **Irrigation Water Supply.** [Refer to A 5 of this Exhibit for definition.]

(c) **Water Source.** [Refer to A 8 of this Exhibit for definition.]

2 **Prevented planting payments** may be allowed when an insured peril that occurs on or after the applicable sales closing date [see below] for the previous crop year causes failure of the irrigation supply, and all other requirements for prevented planting have been met.

(a) **For carryover insureds,** the sales closing date for the previous crop year.

(b) **For new insureds,** the sales closing date for the current crop year.

3 **Acreage historically grown** under an irrigated practice for which the insured had no reasonable expectation of having adequate irrigation water by the final planting date (or within the late planting period, if applicable), may be eligible for an irrigated prevented planting payment even if the acreage could have been planted with a non-irrigated practice and the producer elects not to plant.

4 **Insureds are expected to be prepared** to provide documentation of the factors that were considered in reporting that there was no reasonable expectation of receiving adequate irrigation water for the acreage reported as prevented planting under an irrigated practice.

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17. YIELD DETERMINATIONS FOR COMBINED OR DIVIDED PRACTICES, TYPES, VARIETIES (P/T/V), OR “T” YIELD MAP AREAS (TMA)

This exhibit is included in the COP General Underwriting Guide to assist agents/representatives of insurance providers with the accurate reporting of acreage and production when previously insured producers under an APH plan of insurance insure under COP. References to APH procedure are intentional in this situation.

This procedure applies to both Category B and C crops when P/T/V or TMAs requiring separate APH yields change. If all requirements for acceptable production reports are met, current crop year production reports are acceptable if filed either according to current or the previous crop year’s separate APH yield requirements. For subsequent crop years, insureds must file production reports according to the applicable P/T/V/TMA (if applicable). The initial year P/T/V or TMAs are combined or divided, yield limitation provisions do not apply. The procedure must be applied for each P/T/V/TMA by unit. If P/T/V changes on the same crop the same crop year (i.e., Winter and Spring Wheat types; Summerfallow Practice, Continuous Cropping Practice, General Practice, etc.) types should be combined/divided prior to combining/dividing practices.

While this procedure provides for combining or dividing practices, types, varieties, or “T” yield map areas, COP is on an enterprise unit basis and all practices, types, varieties, or “T” yield map areas (as applicable) will be combined into a single enterprise unit (unless provided otherwise by the applicable crop or Special Provisions of insurance) by crop and county for COP purposes. Upon the request of the insured, separate databases may be maintained by the insurance provider, and, if so, separate line entries will be reported. In any event the insurance provider should assure that all reports of production and acreage meet all requirements of any plan of insurance for which such reports are required and that such reports meet any reporting requirements necessary to properly report the acreage and production to RMA for their purposes.

A Combining APH Databases. [Refer to Exhibit 18 for combining or dividing exceptions/restrictions.]

When more than one P/T/V/TMA requiring separate APH yields has been combined into a P/T/V or TMA requiring a separate APH yield, use the following instructions.

1 If a single database (one P/T/V or TMA reported) CONTAINS ACTUAL OR ASSIGNED YIELD(S) use the following procedure. [Refer to Example 1.]

- Step 1** Complete the most recent year (2001 for most crops) in the database by using the current production report(s) filed for the most recent APH crop year. For carryover insureds, if acceptable production report(s) are not filed for the previous (policy) year and insurable acreage was planted, use the assigned yield. If insurable acreage was planted on more than one P/T/V or TMA, use a simple average of the prior approved APH yields for the applicable P/T/Vs or TMA times .75. If separate production reports are filed according to the previous (policy) year’s requirements (more than one P/T/V or TMA): 1)

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combine the acres and production into the applicable P/T/V or TMA [refer to instructions for A 2 Step 2] or; 2) if zero planted, enter “Z” in the yield column when sufficient space exists in the database. Zero-planted acres are used to indicate that continuity of records is maintained.

Step 2 Retain all actual and assigned yields and acres.

Step 3 Remove “T” Yields in the database and if less than 4 years of actual and/or assigned yields, enter the applicable variable “T” Yield (by P/T/V/TMA) to establish a 4-year database. If a “T” Yield is not established, an RMA RO Determined Yield will be necessary.

Step 4 Calculate the approved APH yield using the applicable Category B or C procedure.

2 **If more than one database** (more than one P/T/V or TMA was reported which has been combined into a single APH yield) CONTAINS ACTUAL AND/OR ASSIGNED YIELDS, use this procedure. [Refer to Example 2.]

Step 1 Complete the most recent crop year (2002 for most crops) in the database by using the current production reports filed for the previous (policy) year. If separate production reports are filed according to the previous (policy) year’s requirements (more than one P/T/V or TMA), combine the acres and production from the separate production reports. For carryover insureds, if acceptable production report(s) are not filed for the previous (policy) year and insurable acreage was planted, use the assigned yield. If insurable acreage was planted on more than one P/T/V or TMA, use a simple average of the prior approved APH yields for the applicable P/T/Vs or TMA times .75.

Step 2 Combine the total production (Col. 16) and actual acres (Col. 17) for each APH crop year (for the yields that are being combined). For APH crop years with assigned yields, multiply the planted acres times the assigned yield to establish a production amount and handle in the same manner as a year with actual yields. Divide the combined production by the combined acres for corresponding crop years. Next, enter the combined total production, acres and average yields in the current crop year’s database. For crop years in which no acres have been planted, enter “Z” in the yield column if sufficient space exists in the database. Zero-planted acres are used to indicate that continuity of records is maintained for the P/T/Vs or TMA being combined.

Step 3 If less than 4-years of actual and assigned yields for the crop, enter the applicable variable “T” Yield (by P/T/V/TMA) in the yield column (Col. 18) to establish a 4-year database. If no “T” Yield established, an RMA RO Determined Yield is necessary.

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Step 4 Calculate the approved APH yield using the applicable Category B or C current procedure.

B Dividing APH Databases. If a P/T/V or TMA that required a separate APH Yield is divided into more than one P/T/V or TMA requiring separate APH yields (databases) [does not apply to “T” Yield Map Areas in counties where the “T” Yields are currently assigned by “T” Yield Maps [refer to Sec. 6], use the following procedure. The insured may re-certify all prior production and acreage history according to the new actuarial structure [otherwise, steps one and two below apply]. [Refer to Example 3.]

1 **If production cannot be apportioned** according to distribution of acres (by crop year) to P/T/V/TMA requiring separate APH yields, the acreage and production is charged to the P/T/V or TMA that normally yields the highest (i.e., if non-irrigated practice divided into summerfallow and continuous cropping...charge to the summerfallow practice). [Refer to Example 3.]

(a) For the higher yielding P/T/V or TMA:

Step 1 Complete the most recent year (2002 for most crops) in the database by using the current production reports filed for the previous (policy) year. For carryover insureds, if acceptable production report(s) are not filed for the previous (policy) year and insurable acreage was planted, enter the assigned yield. For zero-planted, enter “Z” in the yield column if sufficient space exists in the database. Zero-planted acres are used to indicate that continuity of records is maintained.

Step 2 Retain actual and assigned yields and acres entered in the database.

Step 3 Remove “T” Yields in a database, and if less than 4 years of actual and assigned yields, replace them with the applicable variable “T” Yield (by P/T/V or TMA) to establish a 4-year database. If no “T” Yield has been established, an RMA RO Determined Yield is necessary.

Step 4 Calculate the approved APH yield normally using applicable Category B or C procedure.

(b) For the lower yielding P/T/V or TMA:

Step 1 If acceptable production report(s) are not filed for the most recent (policy) year (and insurable acreage was planted) for the purpose of establishing the APH yield, enter the assigned yield (for each P/T/V or TMA).

Step 2 Complete the 4-year database with the applicable variable “T” Yield (by P/T/V or TMA).

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- Step 3 Calculate the approved APH yield following the applicable Category B or C procedure.
- 2 **If production can be apportioned** according to distribution of acres (by crop year) to P/T/V or TMA requiring separate APH yields, use the following procedure. [Refer to Example 4]. The commingled production worksheet may be used to apportion production when acreage is available for the P/T/V/TMA requiring separate yields.
- Step 1 Complete the most recent year (2002 for most crops) in the database by using the current production reports filed for the previous (policy) year. Acceptable production report(s) MUST have been filed according to P/T/V/TMA requiring separate APH yields for the current crop year. All prior crop years having actual or assigned yields must have been apportioned and reported according to applicable P/T/V/TMAs for the current crop year.
- Step 2 Enter the actual and assigned yields and acres entered in the database.
- Step 3 Remove “T” Yields if at least 4-years of acceptable records have been provided. If less than 4-years of acceptable records are available, enter the applicable variable “T” Yield to establish a 4-year database. If no “T” Yield has been established, an RMA RO Determined Yield is necessary.
- Step 4 Calculate the approved APH yield according to applicable Category B or C procedure.

C No Actual or Assigned Yields. If there are no actual or assigned yields in the databases being combined or divided:

- Step 1 Complete the most recent year (2002 for most crops) in the database by using the current production reports filed for the previous (policy) year. For carryover insureds, if acceptable production report(s) are not filed for the previous (policy) year and insurable acreage was planted, enter the assigned yield. For zero-planted, enter “Z” in the yield column if sufficient space exists in the database. Zero-planted acres are used to indicate that continuity of records is maintained. Complete the most recent crop year in the database by using the current crop year’s production report following the applicable procedure for combining or dividing P/T/V/TMAs. If acceptable production report(s) are not filed and the insured has previously provided actual and/or assigned yields use the assigned yield procedure in this exhibit.
- Step 2 Complete the 4-year database with the current “T” Yield (by P/T/V/TMA). If no “T” Yield has been established, an RMA RO Determined Yield will be necessary.
- Step 3 Calculate the approved APH yield using applicable Category B or C procedure.

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EXAMPLES

Examples 1 and 2 illustrate establishing a database when NI Following Another Crop (FAC) and NI Not Following Another Crop (NFAC) have been combined into a non-irrigated (NI) practice. For this example the NIFAC database is converted to the new practice.

A Example 1.

For the previous (policy) year, a single database, FAC, contained actual or assigned yields. The current “T” Yield for NI is 17.

2002 UNIT 00100EU NI FAC			
YEAR	PROD	ACRES	YIELD
96			
97	2200	55.0	A40
98		0.0	Z
99		40.5	P12
00	2520	60.0	A42
01	1210	50.0	A20

2003 UNIT 00100EU NI FAC				
YEAR	PROD	ACRES	YIELD	Step
96				Step 3
97	2200	55.0	A40	Step 2
98		0.0	Z	Step 2
99		40.5	P12	Step 2
00	2520	60.0	A42	Step 2
01	1210	50.0	A20	Step 2
02	5760	120.0	A48	Step 1
		Total	1622/5 = 32	Step 4
		Approved Yield	32	

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B Example 2.

The following example illustrates combining non-irrigated (NI) Following Another Crop (FAC) and NI Not Following Another Crop (NFAC) databases containing actual yields into a single NI database. The databases below are considered the previous (policy) year's databases.

2002 UNIT 00100EU NI FAC			
YEAR	PROD.	ACRES	YIELD
97			N13
98			N13
99	1200	60.0	A20
00		0.0	Z
01	880	40.0	A22

2002 UNIT 00100EU NI FAC			
YEAR	PROD.	ACRES	YIELD
97			
98			T17
99	2880	90.0	A32
00	1680	60.0	A28
01	1920	80.0	A24

Step 1: The current production report (2003) indicates for the 2002 crop year: NI NFAC practice with 3,000 bu. production, 100.0 actual acres and a 30 bu. average yield.

Step 2: Actual acres and production are combined.

Year	4080	150.0
99	$(1200[\text{FAC}] + 2880[\text{NFAC}]) / (60.0[\text{FAC}] + 90.0[\text{NFAC}]) = 27$	
	1680	60.0
00	$(0[\text{FAC}] + 1680[\text{NFAC}]) / (0.0[\text{FAC}] + 60.0[\text{NFAC}]) = 28$	
	2800	120.0
01	$(880[\text{FAC}] + 1920[\text{NFAC}]) / (40.0[\text{FAC}] + 80.0[\text{NFAC}]) = 23$	

2003 Non-Irrigated Database (00100)

Step	YEAR	PROD	ACRES	YIELD
Step 2	99	4080	150.0	A27
Step 2	00	1680	60.0	A28
Step 2	01	2800	120.0	A23
Step 1	02	3000	100.0	A30
Step 3			Total	108/4 = 27
			Approved Yield	27

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C Example 3.

In this example, the Non-Irrigated yield has been divided into SF and CC practices. The insured did not re-certify production that was previously reported as Non-Irrigated. The commingled production worksheet cannot be used to apportion production because the insured did not have separate records of acres by practice. The current production report was submitted on a Non-Irrigated basis. The actual acres and production are charged to the higher yielding SF practice. If acceptable records had not been submitted for the 2001 crop year the assigned yield would have been used.

2002 UNIT 00100EU NI			
YEAR	PROD.	ACRES	YIELD
96	8800	200.0	A44
97		0.0	Z
98		100.0	P32
99	10080	210.0	A48
00	8000	200.0	A40
01	4800	240.0	A20

2003 UNIT 00100EU SF				
YEAR	PROD.	ACRES	YIELD	Step
96	8800	200.0	A44	Step2
97		0.0	Z	Step2
98		100.0	P32	Step2
99	10082	210.0	A48	Step2
00	8000	200.0	A40	Step2
01	4800	240.0	A20	Step2
02	4400	80.0	A55	Step1
			Total	239/6 = 40
			Approved Yield	40

Example 3 (CC).

The CC (00100) database is established using the variable “T” Yield for the CC practice and the assigned yield for 1995. The variable “T” Yield percentage (100%) is based on the number of years of actual and assigned yields contained in the reference (6) database for the SF Practice.

2003 UNIT 00100 CC			
YEAR	PROD	ACRES	YIELD
98		100.0	P32
99			C38
00			C38
01			C38
02		0.0	Z
		Total	146/4 = 37
		Approved Yield	37

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D Example 4.

In this example the Non-Irrigated yield has been divided into SF and CC practices. The insured apportioned production by CC and SF practice that was previously reported as Non-Irrigated. Current crop year production reports were also submitted for CC and SF practices.

2002 UNIT 00100EU NI			
YEAR	PROD	ACRES	YIELD
96	8800	200.0	A44
97		0.0	Z
98		100.0	P32
99	10080	210.0	A48
00	8000	200.0	A40
01	4800	240.0	A20

2003 UNIT 00100EU SF				
YEAR	PROD	ACRES	YIELD	Step
96	4160	80.0	A44	Step 2
97		0.0	Z	Step 2
98		100.0	P32	Step 2
99	5500	100.0	A48	Step 2
00	2880	60.0	A40	Step 2
01	4200	140.0	A30	Step 2
02	4400	80.0	A55	Step 1
Total			272/6 = 45	Step 3
Approved Yield			45	

2003 UNIT 00100 CC				
YEAR	PROD	ACRES	YIELD	Step
96	4640	120.0	A39	Step 2
97		0.0	Z	Step 2
98		0.0	Z	Step 2
99	4580	110.0	A42	Step 2
00	5120	140.0	A37	Step 2
01	600	100.0	A6	Step 2
02		0.0	Z	Step 1
Total		124/4 = 31		Step 3
Approved Yield		31		

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18. ADDED LAND AND ADDED PRACTICE/TYPE/VARIETY (P/T/V)

The following procedures are applicable for all Category B Crops insurable under Cost of Production Insurance beginning with the 2003 crop year, except when calculating Master Yields. [Refer to the COP Underwriting Guide for Onions.]

DEFINITIONS

Added Land is cropland acreage (irrespective of crops) added to the insured person's farming operation within the county for the current crop year. [Refer to Exhibit 15 for insured person (entity) information.]

Added Land/New Database With Records is added land or a new database for which acceptable production reports, based upon the production records obtained from a person sharing in the crop/P/T/Vs production for the current crop year, HAVE BEEN filed by the PRD for the current crop year by the insured or to which assigned yields apply. [Refer to A in the following section of this Exhibit for calculation instructions.]

Added Land/New Database Without Records is added land or a new database for which acceptable production reports HAVE NOT been filed by the PRD for the current crop year by the insured, or to which assigned yields do not apply. [Refer to B and C in the following section of this Exhibit.]

Added P/T/V is a P/T/V (as identified by the actuarial document) of the insured crop that requires an APH yield for that P/T/V for which the insured person has NOT been previously actively engaged in farming for a share of that P/T/V's production. Added P/T/V procedures are administered on a county, crop, and enterprise unit basis. [Refer to E in the following section of this Exhibit.]

Cropland Acreage is FSA agricultural use acreage devoted to the production of annual and perennial crops including fallow acreage, NOT just the acreage planted to insured crops or program payment acreage. [Refer to the section entitled Cropland Acreage Determinations in this Exhibit.]

Cropland Acreage Limitations are the criteria that establish the total cropland acreage that may be added to the insured's farming operation (640 acres) or the percentage (50 percent) of cropland acreage that may be added to an existing enterprise unit without an RMA RO review; and the maximum of 2000 cropland acres added to the operation that may be submitted for RMA RO review. [Refer to the section entitled Cropland Acreage Limitations in this Exhibit.]

Existing Units for COP, are enterprise units or, otherwise, consists of acreage of crop(s) that were in the insured entity's farming operation the previous crop year that remain in the farming operation for the current crop year. If units that were in the farming operation the previous crop year are combined for the current crop year, existing units are the units as

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structured for the current crop year. Units that are no longer a part of the policyholder's farming operation for the current crop year (sold, lost the lease, no longer renting, etc.) are not considered to be existing units.

New Databases are approved yield databases, as required by procedure, that were not established prior to the current insurance year. [Refer to Sec. 6. C 3 and Exhibit 19 for procedures relating to new producers.]

Simple Average "T" Yields (SA "T" Yields) are "T" Yields calculated from the individual producer's yield data which may be used in place of Variable "T" Yields for qualifying databases. [Refer to C in the following section of this Exhibit.]

Variable "T" Yield percentages and yield descriptors are the same as for regular COP procedure. [Refer to Sec. 6 C 1, C 2, and D.]

YIELD DETERMINATION PROCEDURES

Depending on the situation, new databases for added land/crop/P/T/Vs are established using one of the following methods:

- A Actual/assigned Yield(s).** When acceptable production reports, based on production records obtained from another person sharing in the insured crop/P/T/Vs production for the current crop year [refer to Sec. 9] have been FILED by the PRD for the current crop year and/or assigned yield(s) are applicable, regular COP production reporting procedures apply. Actual and/or assigned yield(s) and variable "T" Yields, when less than four years of actual/assigned yields, are used to establish new databases. [Refer to Sec. 6 C 2.] Exception, if high-risk land and a high-risk "T" Yield is applicable, 100 percent of the high-risk "T" Yield is used instead of the variable "T" Yield.
- B Variable "T" Yields.** When acceptable production reports have not been filed and/or assigned yields are not applicable, variable "T" Yields must be used if the acreage is: (1) added to an existing unit and does not qualify for the existing unit's yield, (2) partially or entirely located in a "T" Yield map area with a lower "T" yield than the existing unit if "T" Yield map areas are applicable, or (3) subject to a lower "T" Yield for any reason. Exception, if high-risk land and a high-risk "T" Yield is applicable, 100 percent of the high-risk "T" Yield is used instead of the variable "T" Yield.
- 1 **Establish new databases** by entering the applicable variable "T" Yield for each of the four most recent crop years.
- (a) **Yield descriptors**. Variable "T" Yields for new databases are identified by yield descriptors (S, E, N, or T) indicating the number of years used to determine the variable "T" Yield percentage. [Refer to Sec. 6 C 2 and D.]
- (b) **Yield indicators**. When variable "T" Yields are used to establish databases for added land, Insurance Providers must identify databases for such land with yield indicators

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for data processing purposes. Yield indicators must be submitted to RMA as long as variable “T” Yield(s) are contained in the database as follows:

If the added land is:	then use yield indicator
assigned a variable “T” Yield without requesting a SA “T” yield (No documentation that acreage tolerances were not exceeded.)	B
added to an existing unit and does not qualify for the SA “T” yield.	B
located in “T” Yield map area with a lower or high-risk “T” Yield	B

- 2 **In subsequent crop years:** Update databases by removing a variable “T” Yield for each actual or assigned yield. The variable “T” Yield percentage (if less than 100%) will change as actual/assigned yields are added.

EXAMPLE: A separate database is required and records were not provided for the added land; the insured has two years of actual yields for the crop/county (other databases). For each subsequent year, an actual yield is provided. The following chart illustrates replacing variable “T” Yields (based on a 100-bu. “T” Yield) with actual yields.

1st YEAR	2nd YEAR	3rd YEAR	4th YEAR
N90	T100	T100	T100
N90	T100	T100	A110
N90	T100	A110	A120
N90	A110	A120	A50

C Simple Average “T” Yields (SA “T” Yields). SA “T” Yields (by P/T/V, if applicable) may be calculated and used to establish new databases (without records) if the existing enterprise unit has database(s) containing actual/assigned yields for the same P/T/V (if P/T/V is applicable). However, if the new database is for land added to the operation or for a new crop initially insured in 2000 or a subsequent crop year, cropland acreage limitations are required prior to using the SA “T” Yield. [Refer to Cropland Acreage Limitations of this Exhibit.]

- 1 **Calculate SA “T” Yields** by determining a simple average of all existing APPROVED yields within the same existing enterprise unit that contain actual/assigned yields.
 - (a) **Calculate Separate SA “T” Yields** by crop/P/T/V and “T” Yield map area (including areas/acreage assigned high-risk “T” Yields), if applicable. However, SA “T” Yields may be calculated from databases within the same enterprise unit from “T” Yield Map areas with “T” Yields equal to or lower than the acreage being added if database(s) with actual yields from the same “T” Yield map area are not available.

For high-risk land assigned high-risk “T” Yields, SA “T” Yields may be calculated only if databases (containing actual/assigned yields) within the same enterprise unit

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are for high-risk areas with the same high-risk “T” Yield as the added land. Otherwise, 100 percent of the high-risk “T” Yield is used instead of the SA “T” Yield. Round the SA “T” Yield according to Section 4 B 6.

(b) Compare the SA “T” Yield to the variable “T” Yield for the same P/T/V and use the higher of the two.

2 **Enter SA “T” Yields**, for the four most recent crop years in the database. Update databases in subsequent years with actual/assigned yields and remove one SA “T” Yield for each actual or assigned yield entered. Once entered in the database, SA “T” Yields are not recalculated (are “set”) when updating the database in subsequent years, unless a correction in the yield for the enterprise unit originally used to determine the SA “T” Yield is made. [Refer to Exhibit 9 for instructions on combining databases with SA “T” Yields.] The SA “T” must be preceded by the appropriate yield descriptor:

(a) “L” if for added land.

(b) “C” if for a new database for added crop/P/T/V

Example: An initial added land database with a SA “T” Yield based on a simple average of three existing optional units’ approved APH yields containing at least one actual/assigned yield. $(140 + 100 + 120 \div 3) = 120$ bu.

Year	Prod.	Acres	Yield
XXXX			L120
XXXX			L120
XXXX			L120
XXXX			L120

For data processing/submission purposes, **yield indicator “A”** must also be submitted.

D Using the Existing Enterprise Unit’s Approved Yield/Database. In order for land to be added to an existing unit and use its approved yield/database, cropland acreage limitations must be administered [refer to Cropland Acreage Limitations in this Exhibit] and the added land must:

- 1 **Be physically located in the same or higher “T” Yield Map Area** as the existing unit (by crop, P/T/V), if “T” Yield maps are applicable; or
- 2 **If physically located in a high-risk “T” Yield Map Area,** have the same high-risk “T” Yield as the existing unit (by crop, P/T/V).

E Added P/T/V Yield Instructions. The following procedures apply when a policyholder grows a P/T/V for the first time within an enterprise unit or within the farming operation (SA “T” Yields are not applicable):

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- 1 **With Records.** Insureds who submit acceptable production reports by the PRD for the current crop year will have approved yields calculated using standard COP approved yield procedures.
- 2 **Without Records.** Use variable “T” Yields or, if an irrigated or summerfallow practice, use the special procedures for irrigated or summerfallow practices. [Refer to Underwriting Guidelines for Determining Irrigated Yields in of this Exhibit.]
- 3 **Variable “T” Yields** are entered in the four most recent crop years in the database and preceded by appropriate yield descriptor (S, E, N, or T).

F Added Land Descriptors and Identifiers:

Note: Yield indicators apply only to added land databases, not to new crop/P/T/V or added P/T/V databases.

Insured	Added Land	Added Land Approved Yield	Yield Descriptor	Yield Indicator
New Producer; no history 1/	Separate enterprise unit	100% “T” Yield	IL	[n/a]
New Producer; 1-2 years of history 1/	Added to existing enterprise unit and eligible to use existing approved yield	Existing approved yield	Existing approved yield	[n/a]
	Added to existing unit but not eligible to use existing approved yield so separate database required	100% “T” Yield	IL	[n/a]
Not a New Producer	Added to existing enterprise unit and eligible to use existing approved yield	Existing approved yield	Existing approved yield	[n/a]
	Added to existing unit but not eligible to use existing approved yield so separate database required	100% “T” Yield	S, E, N, T	B

1/ Refer to Exhibit 19.

CROPLAND ACREAGE LIMITATIONS

Cropland acreage limitations are used to determine whether SA “T” Yields may be used, if applicable, or if land may be added to an existing unit and use its yield/database without an RMA RO underwriting review.

- A **Years Prior to 2000.** New databases for land contained in the farming operation prior to 2000 are not subject to acreage limitations.

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B 2000 and Subsequent Years. Land added to the farming operation or a new crop initially insured in 2000 or in a subsequent crop year is subject to cropland acreage limitations prior to calculating SA “T” yields for new databases. Cropland acreage limitations must be administered each crop year according to the year that the land is added to the farming operation (e.g., the land was added to the farming operation in 2001 and a new crop (Soybeans) added in 2003.) Acreage limitations are administered according to the year the land was added, 2001.) Producers may request simple average “T” Yields for crops not previously insured in the county; however, if the cropland acreage limitations are exceeded, an underwriting review must be requested from the RMA RO.

Note: Cropland acreage limitations do not apply if a new database is required for a new P/T/V (first crop year the P/T/V is produced on the unit) unless it is produced on added land and the use of the SA “T” Yield is requested.

C If Added to an Existing Enterprise Unit. The yield/database of the existing unit will apply for a crop by P/T/V (without records) if the cropland acres added:

- 1 **Do not exceed 50 percent** of the total cropland acres contained in the existing unit **and** the total cropland acres to be added (for all units) to the existing farm operation do not exceed **640 acres**, (without respect to crop), the approved yield of the existing unit will apply. A yield indicator is not required.
- 2 **Exceed 50 percent** of the total cropland in the existing unit **or** the total cropland acres to be added (for all units) to the existing farm operation exceed **640** but are less than **2000 cropland acres** (without respect to crop), and the RMA RO performs an underwriting review and approves its use. The insured may request by the applicable deadline an underwriting review by the RMA RO to determine if the existing unit’s approved yield may be used. [Refer to the next section of this Exhibit for additional instructions.] If the RMA RO does not approve use of the existing unit’s yield/database or an RMA RO underwriting review is not requested:
 - (a) Use regular variable “T” Yield procedure for the added acreage, establish a separate database, and maintain it until “T” Yields are no longer required. [Refer to B in Yield Determination Procedures in this Exhibit for variable “T” Yield instructions.]
 - (b) Separate databases must be maintained within the existing unit until there are four years of actual/assigned yields.
 - (c) If the added land database is separated from the existing enterprise unit in a subsequent crop year, **ONLY** the approved yield history associated with the added land may be transferred to the new unit’s database. Use variable “T” Yields to complete the four-year database if less than four actual/assigned yields.
 - (d) For data processing purposes, use a “B” yield indicator.

CROPLAND ACREAGE DETERMINATIONS

EXHIBIT 18

Cropland acres contained in an existing enterprise unit or for added land means the cropland acres owned, leased, cash rented, share rented, etc. (as applicable for the unit structure) for the current crop year.

A 50 Percent Determinations. To determine the percentage of acreage being added:

1 To an existing enterprise unit, divide the cropland acres contained in the added land by the cropland acres contained in the existing enterprise unit.

B 640 and 2000 Acre Determinations. Cropland acres for all added land (including added land with records) must be included for the purpose of determining the 640 acre and 2000 acre limit.

C Examples:

Example 1, Cropland Acres: For the current crop year, the insured's existing 100 percent share enterprise unit includes land from three FSNs. FSN #1 consists of 300 cropland acres all of which are owned by the insured. FSN #2 consists of 700 cropland acres; however, the insured only cash leased, one tract of FSN #2 which contains 200 cropland acres. FSN #3 consists of 150 cropland acres all of which are cash leased by the insured. For acreage comparison purposes, the enterprise unit contains 650 (300 + 200 + 150) cropland acres.

Example 2, Percentage of Cropland Acres Added: Same background information as Example 1, except that for the current crop year, the insured lost the lease to farm FSN #3 and added farm FSN #4 which consists of 310 cropland acres all of which is cash leased by the insured. The insured must add FSN #4 to the existing enterprise unit, the percentage comparison is $310 \div 500 (300 + 200) = .62$ (a 62 percent increase). The percentage increase exceeds the 50 percent limit.

RMA RO UNDERWRITING REVIEWS

If the land being added exceeds the **50 percent** and the 640 acres guidelines but does not exceed the 2000 cropland acre maximum, and the insured submits a signed request by the applicable deadline and provides the required documentation, the RMA RO will perform an RMA RO underwriting review to determine the appropriate yield method to be used for the added land.

A Requests must be postmarked no later than 20 calendar days after the PRD and received in the RMA RO no later than 10 calendar days thereafter. Faxed requests must be received in the RMA RO no later than 20 calendar days after the PRD. Requests may be submitted for cropland acreage obtained after the PRD date but not later than the acreage reporting date. Such requests must be postmarked no later than 20 calendar days after the acreage reporting date and received in the RMA RO no later than 10 calendar days thereafter. Fax requests must be received no later than 20 calendar days after the acreage reporting date.

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- B Productivity of the added land** must be equal to or exceed 85 percent of the existing enterprise unit's yield capability before the use of the existing unit's approved yield will be approved.
- 1 **The actual production history** by crop by P/T/V (if applicable) of the added land for the previous crop year(s) from the previous operator/tenant and submitted by the insured.
 - 2 **Soil survey maps** to determine similar soil types or other climate or elevation data used by the RMA RO to determine similar agronomic conditions.
 - 3 **Natural Resource Conservation Service** Soil Survey information.
 - 4 **RMA Actuarial Maps** (past or present).
- C The RMA RO may utilize factors** other than just the productivity of the added land when determining the appropriate yield method to be used for the added land. For example, the SA "T" Yield may be based on a relatively small acreage in comparison to the amount of land being added. In an instance such as this, the RMA RO may determine whether the use of a SA "T" Yield based on small acreage is an appropriate method for determining a "T" Yield for the added land. The variable "T" Yield (with a "B" yield indicator) will be used in those instances where the SA "T" Yield is inappropriate.
- D The RMA RO will notify** (postmark if mailed) the Insurance Provider of the approved yield determination method(s) no later than 20 days after the receipt of the request and required documentation. Productivity comparisons of the added land to the existing enterprise unit will be made using one or more of the following productivity indicators:

SIMPLE AVERAGE "T" YIELD REQUEST CHECKLIST

The SA "T" Yield checklist may be used when acreage limitations are exceeded for added land and the insured requests use of the SA "T" Yield or the existing yield/database of an existing enterprise unit. If the checklist is not used the Insurance Provider must submit a request that provides the same information. The insured must sign any request to use the SA "T" Yield.

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SIMPLE AVERAGE (SA) "T" YIELD REQUEST CHECKLIST

NAME: _____ DATE: _____

SSN/EIN: _____ CROP YEAR: _____

STATE: _____ COUNTY: _____ POLICY #: _____

Documentation Attached:

- Required statement [Exhibit 36, item 8A(2)(a)], signed and dated by insured.
- Acceptable acreage and production reporting form for the current crop year.
- Program payment yields for the insured/reference crops for added land and existing units.
- Cropland acres, e.g., FSA 578 or 156 EZ for the current or previous crop year, or other documentation that indicates: cropland acres; legal description; ownership; share; cash rent or lease agreements.
- Aerial photos with legal descriptions, FSNs and tract numbers as appropriate.
- COP acreage and production reporting form from previous operator/tenant only if the insured wishes approved yields to be considered for productivity comparisons.

ADDITIONAL INFORMATION DETAILS:

Company Name & Address: _____

Reporting Organization Code: _____ (Please Complete Table on Other Side)

EXHIBIT 18

However, acreage obtained after the PRD but by the acreage reporting date is eligible for SA procedure [in accordance with all applicable sections of this Exhibit.] Supporting documentation consists of the following:

- (a) A written signed request containing the following statement:

“I hereby request an RMA RO underwriting review to determine the appropriate calculation method(s) to calculate my approved yield for land added to my operation. Insured crops for which this request is being made are as follows:

_____ , _____ , _____ , _____

”I understand that crop(s) not included on the request will use variable “T” Yields for added land unless acceptable acreage and production records are provided.”

- (b) Acceptable Production and Yield Reports for the insured crop(s) filed for the current crop year.
- (c) Cropland acres contained in the added land and existing enterprise unit for the current crop year in the farming operation. A copy of applicable FSA-578s or FSA-156EZ for the current or the previous crop year may be used as documentation. If the FSA-578 or FSA 156 EZ is not used, a copy of other documents may be provided that indicate ownership, share, cash rent, lease agreements, insurance records, etc., indicating cropland acres.
- (d) APH forms or COP production and acreage reporting forms from the previous operator/tenant for the insured crop(s) for the previous crop year, showing the production history and the approved yield(s) for the affected acreage only if the insured wishes approved yields to be considered for productivity comparisons.
- (e) Aerial photo copies and complete legal descriptions (including tract and field numbers if required by the RMA RO) for the added land and existing enterprise units for which the request is being made.

Note: If a request for RMA RO review was not submitted timely for an insured crop the initial year land was added, a request may be submitted the following crop year only. Exception: If insurance is later obtained for a crop/P/T/V not insured when the land was added, a request for RMA RO review may be made the first crop year the crop is insured (i.e., RMA RO review is requested the initial year land is added for wheat and corn, which are insured crops; the insured adds insurance for soybeans in a subsequent year and may request a RMA RO review at that time. However, the insured must submit documentation for the year the land was added and all requirements of this Exhibit will apply.).

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- B Agent/Representative Responsibilities.** For added land/P/T/V without records and a separate yield (database) is required. The agent/representative must complete items 6-14 of the FCIC-19-A (comparable items for other FCIC approved acreage and production reporting forms).
- C Insurance Provider Responsibilities.** Insurance providers must notify insureds of SA “T” Yield procedures prior to the PRD. If acreage is indicated on the acreage report that may qualify for the use of SA “T” Yields, the Insurance Provider has the option of contacting the insured and explaining the requirements. If the insured wishes to use the SA “T” Yields or adds land to an existing unit and wishes to use the approved yield of the existing enterprise unit and provides the required documentation, the Insurance Provider calculates the approved yield for the enterprise unit if the cropland acreage limitations are not exceeded.
- 1 **For acreage that exceeds the cropland acreage limitations, but do not exceed the 2000 cropland acre maximum,** the Insurance Provider will forward the request and documentation to the applicable RMA RO. Requests to the RMA RO must be submitted no later than the applicable deadline.
 - 2 **For policies selected for approved yield reviews** the year databases are initially established with SA “T” Yields, verify that the insured has not previously been actively engaged in farming for a share of the crop/P/T/Vs production (any crop’s production if added land).
 - 3 **Prior to the payment of a claim for indemnity** for databases initially established with SA “T” Yields, verify **OR** obtain a certification statement that the insured has NOT previously been actively engaged in farming for a share of the crop/P/T/V’s production. If such acreage does not meet the requirements, the approved yield must be recalculated using variable “T” Yields and corrected according to COP approved yield review tolerances.

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EXAMPLES OF COMPLETED DATABASES

Example 1. Added Land With Records Combined With An Existing Unit

The following example illustrates combining an existing unit’s database and added land with records into a single unit database. Both databases contain actual and/or assigned yields. The insured share-rented another farm (FSA FSN) from the same landlord who was insured the previous (policy) crop year and who has an established database.

Previous (Policy) Crop Year Databases (2002)				Existing Unit/Landlord A			
Added Land/Landlord A				Existing Unit/Landlord A			
2002	UNIT 00100	NI	FAC	2002	UNIT 00100	NI	FAC
YEAR	PROD	ACRES	YIELD	YEAR	PROD	ACRES	YIELD
98	640	40.0	A16	98	1400	70.0	A20
99	700	50.0	A14	99	2880	90.0	A32
00	1200	60.0	A20	00	1680	60.0	A28
01	880	40.0	A22	01	1920	80.0	A24

Step 1: The 2003 production report indicates for the 2002 crop year: NI FAC with 3000 bu. production, 100.0 actual acres and a 30 bu. average yield.

Step 2: Actual acres and production are combined.

Year	2040	110.0
98	$(640[\text{Bu.}] + 1400 [\text{Bu.}] \div (40.0[\text{acres}] + 70.0[\text{acres}]) =$	19
	3580	140.0
99	$(700[\text{Bu}] + 2880[\text{Bu}]) \div (50.0[\text{acres}] + 90.0[\text{acres}]) =$	26
	2880	120.0
00	$(1200[\text{Bu}] + 1680[\text{Bu}]) \div (60.0[\text{acres}] + 60.0[\text{acres}]) =$	24
	2800	120.0
01	$(880[\text{Bu}] + 1920[\text{Bu}]) \div (40.0[\text{acres}] + 80.0[\text{acres}]) =$	23

Step 3: The actual yields are totaled and divided by five to determine the preliminary approved yield.

	2003	UNIT 00100	NI	FAC
Step	YEAR	PROD	ACRES	YIELD
Step 2	98	2040	110	A19
Step 2	99	3580	140.0	A26
Step 2	00	2880	120.0	A24
Step 2	01	2800	120.0	A23
Step 1	2002	3000	30.0	A30
Step 3			Total	126/5=25
			Approved Yield	25

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UNDERWRITING GUIDELINES FOR DETERMINED IRRIGATED YIELDS

Not applicable to acreage assigned high-risk “T” Yields **or if carried out on added land** unless acceptable production reports are filed for the Non-irrigated practice based on records from another person sharing in the crop.

A Qualifying for Determined Irrigated (IRR) Yields. The RMA RO/Insurance Provider may approve a determined yield for an irrigated practice the FIRST TIME the irrigated practice qualifies as an added practice ON A UNIT provided:

- 1 **A Non-Irrigated (NI) practice** has been carried out on the crop and acceptable production reports have been provided for the NI practice;
- 2 **The NI practice for the same unit/location** has a higher approved yield than the yield available for the IRR practice using Variable “T” Yield procedures that apply for the added IRR practice when no IRR records are available for the unit.

B Request Requirements.

- 1 **Request Deadlines.** A written request for a determined IRR yield must be received by the verifier no later than 20 calendar days after the PRD.
- 2 **Records Are Required.** Copies of the production reports for the most recent crop year must be provided to the verifier. Legal descriptions of the unit(s) for which the determined yield for the IRR practice is being requested must also be provided.
- 3 **Irrigation System Documentation.** Documentation must indicate the facilities and water supply are adequate to meet a good irrigation practice. The water must be artificially applied during the growing season by appropriate systems and at the proper time with the intention of providing the quantity of water needed to produce at least the yield (approved yield) used to establish the expected gross income on the irrigated acreage planted to the insured crop under the IRR practice.

C Underwriting Guidelines for Establishing Determined Irrigated Yields.

- 1 **Determine A “T” Yield Reference Factor.** Determine the location where the IRR practice will be carried out. Determine the approved yield for the NI practice applicable to the same unit/location. This is the NI reference unit. Compare the NI approved yield for the reference unit to the variable “T” Yield that would apply to the IRR practice. If the NI approved yield for the reference unit is less than the variable “T” Yield for the IRR practice, the unit DOES NOT qualify for the determined Factored “T” Yield. The variable “T” Yield for the IRR practice applies.

If the NI approved yield for the reference unit is greater than the yield available for the IRR practice using variable “T” Yield procedures, identify the reference unit number in the “other” block on the Production and Yield Report documenting the determined

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irrigated yield. Divide the approved NI yield by the applicable NI “T” Yield and determine a reference factor (to two decimal places).

If the reference unit contains more than one NI yield, calculate a reference factor for each NI yield and then determine a simple average reference factor.

The maximum reference factor allowed is determined by the number of years of actual yields provided for the crop/county:

- (a) 1.20 if one or two years.
- (b) 1.30 if three years, and
- (c) 1.40 if four or more years.

Example 1: The reference unit’s (00100, N1/2 Sec. 15) NI practice approved Yield is 425 lbs. The NI 100 percent “T” Yield is 320 lbs. $425/320 = 1.33$.

Four years of actual yields have been provided for the crop in the county.

- 2 **Compute The Factored Irrigated “T” Yield.** Multiply the “T” Yield reference factor [determined in C 1 above for the reference unit] times the 100 percent “T” Yield for the IRR practice.

Example 1, continued: An IRR practice is added to N1/2 Sec. 15 (it becomes part of the enterprise unit) and the 100 percent “T” Yield is 400 lbs. The factored IRR “T” Yield for the IRR practice is 1.33 [determined in C 1 above] x 400 (the 100 percent IRR “T” Yield) = 532 lbs.

- 3 **Select An Existing Irrigated Yield.** If any IRR records have been provided for any unit for the crop, select the approved yield for the unit containing records for the IRR practice that is physically located nearest to the reference unit. If more than one unit with IRR records are located an equal distance from the reference unit, use the IRR unit with the most years of records.
- 4 **Assign The Determined Irrigated Yield.** If IRR records have been provided for any unit for the crop, the determined IRR yield is the lesser of the factored IRR “T” Yield for the reference unit or the IRR yield [determined in C 3]. If NO IRR records have been provided, the determined Irrigated yield is the factored IRR “T” Yield [determined in C 2].

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Example 1, continued: The nearest unit's approved yield that has records for the IRR practice is 550 lbs. The Determined IRR Yield is the factored IRR "T" Yield of 532 lbs. [as determined in C 2 above] (it is less than the approved IRR yield for the nearest unit of 550 lbs.) Compare the Determined Irrigated Yield (532 lbs.) to the added practice Variable "T" Yield (400 lbs. 100% of IRR "T" Yield) [calculated according to Par. C (3)] and use whichever is higher.

Example 2: The NI approved yield for the reference unit (0100) is 420 lbs. The factored IRR "T" Yield is 480 lbs. $420/320$ (100% NI "T" Yield) = 1.20 (1.31 limited to 1.20 because two years of actual yields were provided) x 400 (100% IRR "T" Yield)].

The factored IRR "T" Yield (480 lbs.) is compared to the approved IRR yield (460 lbs.) for the nearest unit (00200) on which irrigated records are available and the added practice Variable "T" Yield (400 lbs.). In this example, the determined IRR Yield is limited by the approved IRR yield to 460 lbs.

- D Documenting the Determined Irrigated Yield.** Four determined IRR yields are entered in the yield column of the Production and Yield Report, preceded by the yield descriptor "C". For subsequent crop years, the determined IRR "T" Yield is used to complete the 4-year database until four years of actual and/or assigned yields are available. The request for the determined IRR yield, supporting documentation, and determined IRR yield calculations must be retained and provided if the policy is selected for an Insurance Provider field review or RMA compliance review.

EXHIBIT 19

19. NEW PRODUCERS

QUALIFYING AS A NEW PRODUCER

PROVISIONS FOR CATEGORY B COP CROPS: Actively engaged in farming for a share of an insured crop's production in the county is hereafter referred to as "produced the crop."

Examples: The insured started farming in 2000 and produced the insured crop in 2000 and 2001. In this instance, the insured qualifies as a New Producer but must provide production reports for the insured crop for the 2000 and 2001 crop years to use the 100 percent "T" Yield in the approved yield calculation. If the insured had also produced the insured crop prior to the 2000 crop year, the insured would not qualify as a New Producer.

Insureds who have produced the insured crop for more than two crop years in other county(ies) qualify as a New Producer of the insured crop if they have not produced the insured crop in the current county for more than two crop years.

A New Producers who have not produced the insured crop in the county.

- 1 **Initial Year.** The applicable 100 percent "T" Yield is the approved yield the initial year of insurance [refer to Example 1]; or
- 2 **If sharing in the insured crop** for the current crop year with another person(s), New Producers may file acceptable production reports by the PRD based on acreage and production records obtained from the other person(s). If so, standard production reporting procedures apply. [Refer to Sec. 9 E].

B New Producers who have produced the insured crop for one or two crop years are required to provide production reports (on land contained in the current farming operation) for such crop years.

- 1 **When such production reports are filed,** verifiers use a combination of actual yields and 100 percent of the applicable "T" Yield to calculate the approved yield until four years of actual and/or assigned yields are provided. [Refer to Example 2.]
- 2 **If the required production reports are not filed** the initial year the approved yield is established, the approved APH yield is calculated using:
 - (a) 65 percent of the "T" Yield if no production reports are provided.
 - (b) one actual yield and three 80 percent "T" Yields if only the most recent crop year is provided and the insured has produced the insured crop two years.
- 3 **In subsequent crop years,** if required production reports are not provided assigned yield provisions apply. [Refer to Sec. 6 C 1.]

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4 **Added land P/T/V.** If new land/P/T/V is added and the insured still qualifies as a New Producer for the crop/county, set up the new database(s) according to:

(a) New Producer procedures; or

(b) Added land procedures [Refer to Exhibit 18.]

C Formation of New Entities. Formation of a new entity (corporation, partnership, trust, etc.) comprised of one or more individuals does not automatically qualify the entity as a new producer. Although the entity may not have records as such, individuals comprising the entity may have produced the insured crop in the county during the base period. If the individuals have produced the insured crop for two crop years or less, the entity may qualify as a new producer. If production reports are filed for these crop year(s) for the insured crop on land that is operated by the new entity, the approved yield is calculated using the actual yields and 100 percent of the applicable “T” Yield.

D Dissolution of Entities. Dissolution of an entity (corporation, partnership, trust, etc.) comprised of one or more individuals does not automatically qualify the individual(s) previously involved in the entity as new producers. It is necessary to determine how many crop years the previous entity produced the insured crop in the county during the base period. If the previous entity produced the crop for two crop years or less and production reports are filed for these crop years on land that is now operated by the individual, the approved yield is calculated using actual yields and 100 percent “T” Yields.

SITUATIONS FOR WHICH RMA YIELD DETERMINATIONS MAY BE REQUESTED

A Insureds (individuals or entities) who have produced the insured crop for more than two crop years in the county do not qualify as new producers. However, if records ARE NOT available for ANY of the land in the insured’s current operation, production reporting procedure may limit the approved yield to less than 100 percent of the “T” Yield unless a yield is requested from the RMA RO for the following situations.

1 **The insured produced the crop on a farming operation** for more than two crop years, stopped farming ALL land in that farming operation, and is producing the crop on entirely different land.

NOTE: If an insured produced the crop in a county, stopped farming in that county and begins farming in another county, that insured qualifies as a new producer. However, if past production history (from the county with records) indicates average yields that are consistently greater than 100 percent of the applicable “T” yield, the insured may request an RMA RO yield determination.

2 **Change of entity.** A new entity has been created and production records are not available on ANY land in the new entity’s farming operation; however, individual(s) that comprise the new entity have produced the crop for more than two crop years on other land.

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- 3 **An entity has been dissolved** and production records are not available on ANY land in the individual's current farming operation; however, the individual as a member of the former entity has produced the crop for more than two crop years on other land.
- 4 **An individual or entity (or member of the insured entity)** has **NOT** produced or shared in the crop in the county in the last 10 calendar years preceding the current crop year (11 calendar years for crops with a lag year) may request a RMA RO yield determination.

B Request Requirements. To be considered by the RMA RO, all requests for approved yields must be signed by the PRD and received in the RMA RO no later than 20 calendar days after the PRD. The request must include the records of acreage and production (with legal descriptions, aerial photo or map locating the acreage in the county) available from the land on which the insured crop was produced, and the legal descriptions of all land the insured currently operates for which approved yields are being requested.

C Yield Guidelines. RMA RO approved yields are based on soil productivity of the land in the current operation and the management ability demonstrated by the actual yields submitted. They are generally limited to 65-100 percent of the applicable "T" Yield. The RMA RO will issue the percent of "T" Yields on a letter. The Insurance Provider will take a percentage of "T" Yield thus issued times the current "T" Yield and apply with an "F" descriptor. The same percentage will be applied when "T" Yields are updated by RMA.

DOCUMENTATION OF NEW PRODUCER STATUS

New producers and Insurance Providers must document the new producer status and approved yields by completing and signing Production and Yield Reports and certifying [in block 11 "Other" of the form] the crop years the insured has produced the insured crop. The deadline for documenting new producer status is the PRD. Exception, if the agent/representative fails to correctly identify the new insured as a New Producer, the error may be corrected up until the acreage reporting date with Insurance Provider approval. Separate four-year databases must be established for each unit (by P/T/V) and/or for each "T" Yield map area. Verification of "New Producer" status is required prior to payment of a claim for indemnity and for policies selected for field reviews. In some instances, the producer's status may be verified by contacting the applicable FSA office or by using RMA's experience listings.

Example 1. New Producers Without Production Records

In this example database, the insured started to farm for the current crop year and records are not available from another producer. In this case, the approved yield is 100 percent of the applicable "T" Yield.

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Current Year	Year 2	Year 3	Year 4
I100	I100	I100	I100
I100	I100	I100	I100
I100	I100	A110	A110
I100	A110	A120	A120
			Z

Example 2. New Producers With Production Records

In this example database, the insured has been farming for two years and produced the insured crop for two crop years. Production reports were filed containing actual yields for the two crop years. The “current year” is the initial crop year the insured qualified as a new producer. The “I” yield descriptor is retained in an individual database containing “T” Yields until the database contains three years of actual/assigned yields.

Current Year	Year 2	Year 3	Year 4
I100	T100	T100	A40
I100	A40	A40	A140
A40	A140	A140	A110
A140	A110	A110	Z
		Z	A138

EXHIBIT 20

20. COST OF PRODUCTION COVERED EXPENSES WORKSHEET

[Refer to the Rounding Rules in Section 4 B 6.]

Item No.:

- (1) Enter the insured's policy number, if known.
- (2) Enter the insured's name, address, and telephone number.
- (3) Enter the representative's name, address, and telephone number.
- (4) Enter the representative's code.
- (5) Circle SSN, EIN, or Other and enter the appropriate number.
- (6) Enter the crop year.
- (7) Enter the county code.
- (8) Enter each crop to be covered under COP (if more than four, continue on additional expense worksheets).
- (9) Enter the corresponding total number of intended acres for each crop in Item 8. **(Do not separate by practice).**

NOTE: For Items 10-23, one column of information should be filled out for each crop or, if applicable, practice or farm (e.g. irrigated/non-irrigated, owned/shared). For example, a producer insuring cotton (both irrigated and non-irrigated) in addition to soybeans (no practice specified) under COP would fill out Column 1 for irrigated cotton, Column 2 for non-irrigated cotton and Column 3 for soybeans. Column 4 would remain blank. If the insured has records by farm and wishes to allocate expenses in this manner, use the same procedure as for practices.

- (10) Enter Crop 1-4 (as applicable) from Item 8.
- (11) Enter practice (if applicable).
- (12) Enter the intended acres for the crop, (practice or farm).
- (13) Enter the type of ownership (landlord, tenant, owner-operator, etc.) for the crop.
- (14) Enter the applicant's share of the crop (e.g. 1.000).

EXHIBIT 20

- (15) Enter the expected market price for the crop as defined in the COP Basic Provisions.
- (16) Enter the approved yield for the crop (practice or farm).
- (17) Enter the appropriate dollar amounts of variable cost expenses the producer expects to incur for the specified crop (practice or farm) for the crop year.

NOTE: Assure that the expenses for Fuel, lube, and utilities and Repairs and maintenance do not include expenses for personal use or vehicles, do not include expenses for crops not insured under COP, and are properly allocated across crops. In addition, the policy provides that the insurance provider, in the event of a spot check or audit of a claim, can request verification of expenses claimed. If claimed expenses cannot be verified, then all or a portion of those expenses will be deleted as covered expenses. Refer to section 4 (b) and (e) of the COP Basic Provisions.

- (18) Enter the total amount of allowable variable cost expenses (Sum of Item 17).

NOTE: If the variable cost expense total exceeds the amount specified in the Special Provisions, the insured must reduce, in some manner, the expenses being estimated. The reduction must be on an expense category basis.

- (19) Enter the appropriate dollar amounts of fixed cost expenses the producer allocates to the specified crop (practice or farm) for the crop year.
- (20) Enter the total amount of fixed cost expenses (Sum of Item 19).
- (21) Enter the land fee expense that the producer allocates to the specified crop (practice or farm) for the crop year.

NOTE: The combined total of fixed cost expenses and land fee expenses may not exceed a percentage of the EGI, as specified in the Special Provisions. If the combined total of fixed cost and land fee expenses exceed the amount determined by multiplying the percentage shown on the Special Provisions by the EGI, the insured must reduce, in some manner, the expenses being estimated. This reduction must be on an expense category basis.

- (22) Enter the total allowable expenses by adding together the totals of variable cost expenses, fixed cost expenses, and land fee expenses for the crop (practice or farm) (Sum of Items 18, 20 and 21).
- (23) Enter the expected gross income (EGI) for the crop (practice or farm) by multiplying the expected market price by the approved yield by the insured's share for the crop (practice or farm) (Item 14 times Item 15 times Item 16).

EXHIBIT 20

If the producer has allocated expenses on a crop basis:

- (24) Enter the lesser of the allowable expenses (Item 22) or the EGI (Item 23).

If the producer has allocated expenses on a practice or farm basis for the crop in Item 8, calculate the total approved expenses for the crop by completing the table on the back of the expense worksheet as follows:

Divide the acres of each practice or farm (Item 12) by the total acres in the unit (Item 9), and multiply the result by allowable expenses for the corresponding practice or farm (Item 22) to determine a weighted allowable expense for the practice or farm. Sum the weighted average expenses for the practices or farms and enter in Box A.

Divide the acres of each practice or farm (Item 12) by the total acres in unit (Item 9), and multiply the result by EGI for the corresponding practice or farm (Item 23) to determine a weighted EGI for the practice or farm. Sum the weighted average expected gross income for the practices or farms and enter in Box B.

Enter the lesser of Box A or Box B in Box C.

Enter the amount in Box C into Item 24 on the Expense Worksheet.

- (25) Enter any appropriate remarks in the space provided.
- (26) Enter the coverage level selected for the crop.
- (27) Enter the result of multiplying the approved expenses by the coverage level (Item 24 times Item 25).
- (28) The insured must sign and date the worksheet, certifying that the information provided is complete and accurate.
- (29) The agent/insurance provider must sign and date upon approval of expenses.

EXHIBIT 20

COP COVERED EXPENSES WORKSHEET

2 Insured Name and Address: I. M. Insured 123 Main St. Anytown, State 12345 Phone: (XXX) XXX-XXXX		3 Representative Name and Address: I. M. Agent 456 Elm Dr. Anytown, State 12345 Phone: (XXX) XXX-XXXX		1 Policy # XXXXX 5 SSN/EIN/Other (Circle One): XXX-XX-XXXX 6 Crop Year: 2004		7 County Code: XXXXX 4 Rep. Code: XXXXXX																											
Expenses per Acre*																																	
8 Crop 1	Cotton	9 Total Acres	320	10 Crop: Cotton	Practice: Irrigated	11 Practice: Irrigated	Acres: 200	12 Acres: 200	13 Ownership: OO	Share: 1.00	14 Share: 1.00	15 Exp. Mkt Price \$0.523	16 App. Yield 900	17 Crop: Soybeans	Practice: Irrigated	18 Practice: Irrigated	Acres: 200	19 Acres: 200	20 Ownership: Tenant	Share: 0.50	21 Share: 0.50	22 Exp. Mkt Price \$5.26	23 App. Yield 38	24 Crop: Soybeans	Practice: Irrigated	25 Practice: Irrigated	Acres: 200	26 Acres: 200	27 Ownership: Tenant	Share: 0.50	28 Share: 0.50	29 Exp. Mkt Price \$5.26	30 App. Yield 38
17 Variable Cost Expenses*																																	
Seed or Plants		\$22		\$18		\$21		\$																									
Fertilizer		\$45		\$35		\$5		\$																									
Chemicals		\$80		\$60		\$22		\$																									
Fuel, Lube, and Utilities		\$35		\$25		\$8		\$																									
Repairs and Maintenance		\$20		\$20		\$8		\$																									
Hired Labor		\$0		\$0		\$0		\$																									
Other Labor		\$20		\$20		\$8		\$																									
Custom Operations		\$0		\$0		\$0		\$																									
Harvesting		\$0		\$0		\$0		\$																									
Irrigation				In utilities and fixed		\$2		\$																									
Operating Loan Interest		\$12		\$8		\$0		\$																									
Other Variable Costs		\$0		\$0		\$0		\$																									
Post-harvest Expenses		\$65		\$50		\$0		\$																									
18 Total Variable Cost Expenses		\$299		\$236		\$74		\$																									
19 Fixed Cost Expenses*																																	
Capital Replacement		\$50.00		\$20.00		\$13.00		\$																									
Term Loan Interest		\$10.00		\$6.00		\$6.00		\$																									
Owner Labor		\$0		\$0		\$0		\$																									
Other Fixed Costs		\$10.00		\$10.00		\$5.00		\$																									
20 Total Fixed Cost Expenses		\$70.00		\$36.00		\$24.00		\$																									
21 Land Fee Expenses*		\$60.00		\$30.00		\$0.00		\$																									
22 Total Allowable Expenses*		\$429.00		\$302.00		\$98.00		\$																									
23 EGI = Exp. Mkt Price X App. Yield X Share		\$471.00		\$314.00		\$100.00		\$																									
If more than one practice or farm per crop, see back of expense worksheet for approved expenses (Box C). If expenses are on a crop basis only, enter lesser of allowable expenses or EGI above.																																	
Crops		24 Approved Expenses**		X		25 Coverage Level		=		26 Covered Expenses		27 Remarks:																					
Crop 1 Cotton		\$381.38				85%				\$324.17																							
Crop 2 Soybeans		\$98.00				85%				\$83.30																							
Crop 3		\$				%				\$																							
Crop 4		\$				%				\$																							
* Expense categories are defined in the COP Insurance Basic Provisions. ** Approved expenses cannot exceed expected gross income.																																	
I certify that the information I have furnished as reflected on this form is complete and accurate for the commodity and year(s) shown. I understand this form may be reviewed or audited and that information inaccurately reported or failure to retain record information on this form, may result in recomputation of my covered expenses. I also understand that these approved expenses will be used to determine the covered expenses for the current crop year and succeeding crop years, unless I revise this form on or before the sales closing date. I further understand and agree that if I have provided expenses for more than one practice or farm, the expected gross income, approved expenses, and covered expenses may change if the acres actually planted in a crop year vary from the date above for the practice or farm.																																	
28 (Signature)				(Date)				29 (Signature)				(Date)																					
Insured's Signature				Date				Representative's Signature				Date																					
Certification of Allowable Expenses.								Certification of Approved Expenses.																									

EXHIBIT 22

(back of Expense Worksheet)

Crop 1	Cotton	Practice/Farm 1	Practice/Farm 2	Practice/Farm 3	Practice/Farm 4	
		Irrigated	Non-irrigated			
Acres by Practice		200.00	120.00	_____	_____	
Total Acres in Unit	÷	320.00	320.00	_____	_____	
Allowable Expendt (from front)	x	\$429.00	\$302.00	_____	_____	
Weighted Allowable Expenses	=	\$268.13	\$113.25	+ _____	+ _____	= Total Allowable Expenses
						A \$ 381.38
		Practice/Farm 1	Practice/Farm 2	Practice/Farm 3	Practice/Farm 4	
		Irrigated	Non-irrigated			
Acres by Practice		200.00	120.00	_____	_____	
Total Acres in Unit	÷	320.00	320.00	_____	_____	
Expected Gross Income (from front)	x	471.00	314.00	_____	_____	
Weighted Expected Gross Income	=	294.38	117.75	+ _____	+ _____	= Total Expected Gross Income
						B \$ 412.13
						Total Approved Expenses
*****Enter the lesser of Box A or Box B						C \$ 381.38

Crop 2		Practice/Farm 1	Practice/Farm 2	Practice/Farm 3	Practice/Farm 4	
Acres by Practice		_____	_____	_____	_____	
Total Acres in Unit	÷	_____	_____	_____	_____	
Allowable Expendt (from front)	x	_____	_____	_____	_____	
Weighted Allowable Expenses	=	_____	+ _____	+ _____	+ _____	= Total Allowable Expenses
						A \$
WEG/WAE		Practice/Farm 1	Practice/Farm 2	Practice/Farm 3	Practice/Farm 4	
Acres by Practice		_____	_____	_____	_____	
Total Acres in Unit	÷	_____	_____	_____	_____	
Expected Gross Income (from front)	x	_____	_____	_____	_____	
Weighted Expected Gross Income	=	_____	+ _____	+ _____	+ _____	= Total Expected Gross Income
						B \$
						Total Approved Expenses
*****Enter the lesser of Box A or Box B						C \$