

**United States
Department of
Agriculture**



**Risk
Management
Agency**



**Product
Administration
and Standards
Division**

**FCIC 24150
(10-2008)**

2009 SILAGE SORGHUM PILOT UNDERWRITING GUIDE

2009 and Succeeding Crop Years

(RESERVED)

2009 FCIC Silage Sorghum Pilot Underwriting Guide

The Silage Sorghum Pilot Underwriting Guide gives supplemental information for silage sorghum only to the Crop Insurance Handbook (CIH), Loss Adjustment Manual (LAM) and the Prevented Planting Handbook (PPH).

Listed below are the changes to the Silage Sorghum Pilot Underwriting Guide that have the most significant impact. Minor changes and corrections in the text have been shaded.

Reference Description of additions, changes or clarifications:

Section 3 – Indexed APH is removed and the pilot will follow the standard APH procedures in the CIH for APH based plan of insurance for Category B Crops.

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**U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250**

FEDERAL CROP INSURANCE CORPORATION DIRECTIVE	NUMBER: 24150
SUBJECT: 2009 FCIC SILAGE SORGHUM PILOT UNDERWRITING GUIDE	OPI: Product Administration and Standards Division APPROVED: DATE: <i>Tim B. Witt /s/</i> October 9, 2008 Deputy Administrator for Product Management

SECTION 1

1 PURPOSE

To provide instructions for establishing silage sorghum crop insurance coverage in accordance with the Silage Sorghum Pilot Endorsement for the 2009 and succeeding crop years.

1A Effective Date: Upon approval.

1B Replaces: Silage Sorghum Pilot Underwriting Guide, Loss Adjustment Manual and Prevented Planting Procedures 24150 issued November 2005.

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

2 STANDARDS AND INSTRUCTIONS**2A General Information.**

In general, the Federal Crop Insurance Corporation (FCIC)-18010 Crop Insurance Handbook (CIH), FCIC-25010 Loss Adjustment Manual (LAM) Standards Handbook and FCIC-25370 Prevented Planting Loss Adjustment Standards Handbook (PPH), apply to silage sorghum. Exceptions, changes, and additions for silage sorghum are referenced in this supplement.

2B Special Instructions.

B(1) **IF A CONFLICT EXISTS BETWEEN THE LANGUAGE OF THIS HANDBOOK AND THE CROP INSURANCE HANDBOOK (CIH), LOSS ADJUSTMENT MANUAL (LAM), OR PREVENTED PLANTING HANDBOOK (PPH), THE LANGUAGE OF THIS HANDBOOK WILL CONTROL.**

B(2) All procedures, rules, and requirements for Category B APH crops apply to silage sorghum and are supplemented with additional instructions in this handbook.

B(3) This handbook is written and maintained by:

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If an error is found, notify Product Administration and Standards Division (PASD) in writing at the above address. Outline the error and indicate the proposed correction. Errors may be corrected for the current crop year. Proposed changes should be submitted in writing through proper organizational channels to PASD for consideration.

3 ADDITIONAL INFORMATION FOR THE CROP INSURANCE HANDBOOK (FCIC-18010) (CIH) FOR SILAGE SORGHUM ONLY

Additional silage sorghum information in conjunction with the FCIC18010 CIH is described in this section.

3A Definitions.

- A(1) **Definitions specific to silage sorghum** and this handbook, which are not defined in Section 3 of the CIH, are defined as they appear in the text.

Buyer – Any business enterprise regularly engaged in feeding livestock for the production of fat cattle, milk, or other animal products, that possesses all licenses and permits that may be required to operate the business, and that fed a sufficient number of livestock to utilize at least the contracted quantity of silage in the twelve months ending on the acreage reporting date for the crop year, and in which the insured or a member of the insured's household has no financial interest. Varieties not covered under this endorsement include Sudan, Sudax, Sudex, haying and grazing varieties, or any other variety not intended for the production of silage.

Coarse Grains – In lieu of the definition of coarse grains contained in Section 1 of the Coarse Grains Crop Provisions, the term coarse grains means silage sorghum for the purpose of the Silage Sorghum Pilot Endorsement.

Silage Sorghum – Dual purpose grain sorghum varieties (a variety used for both grain and silage), male sterile grain sorghum varieties, or photo-period sensitive grain sorghum varieties, that have been developed to produce green matter to be ensiled.

Silage Sorghum Purchase Contract – An agreement executed between a buyer of silage sorghum and the insured on or before the final planting date for a crop year containing, at a minimum:

- (1)(a) The insured's promise to plant silage sorghum and deliver a specified quantity or the production from a specified number of acres to that buyer;
- (1)(b) The buyer's promise to purchase the stated amount of silage sorghum from the insured; and
- (1)(c) Either a fixed price per ton of the silage sorghum or a formula to determine its price. Any formula for establishing

the value must be based on data provided by a public third party that establishes or provides pricing information to the general public, based on price observed in the open market (e.g., a commodity futures exchanges) to be acceptable for the purpose of this policy.

- (1)(d) The price election established by using these options shall not exceed the maximum price election contained in the actuarial documents by more than \$2.00 per ton.

3B Additional Rules – CIH Section 4.

The following specific additions to Section 4 of the CIH for silage sorghum only are itemized below:

CIH
Section
Reference

4D(6) Replanting

Silage sorghum is added to the Crop Replanting Requirements table as a Coarse Grains crop.

4D(7) Late Planting (LP)

Silage sorghum is added to the Late Planting Guarantee table as a Coarse Grains crop.

4D(8) Prevented Planting (PP)/Basic Provisions

Silage sorghum is added to the Prevented Planting (PP)/Basic Provisions as a Coarse Grains crop.

4D(8)(f) Eligible PP Acreage

Silage sorghum is added to the Eligible PP Acres by Crop table as a Coarse Grains crop.

4E(2) High-Risk Land Exclusion Option

Silage sorghum is added as a crop for which the High-Risk Land Exclusion Option applies. Check the county actuarial table to review the High Risk Rate Table.

3C Underwriting and APH Responsibilities (Category B & C APH Crops)

Silage sorghum is added as a crop for which the Category B underwriting and APH responsibilities apply.

3D Addition to Category B APH Crop – CIH Section 6.

Category B APH crop procedures apply to silage sorghum.

Silage sorghum yield determination methods are based on APH yield procedures.

Specific changes and additions to this Section 6 of the CIH are itemized below:

CIH
Section
Reference

6B Eligible Category B Crops and Procedures

Silage Sorghum is added as an eligible Category B crop

6J(2) Coarse Grains

Silage sorghum is added to the list of Coarse Grains for purposes of establishing APH provisions.

The unit of measure for silage sorghum is tons.

In addition to the requirements of Section 10 and other provisions contained in this section, separate silage sorghum production reports are required for practices specified in the actuarial documents.

Cups and yield floors do not apply in the initial year of transitioning from indexing to APH based plan of insurance.

6J(2)(b) Quality Adjustment

Quality adjustment is not applicable to silage sorghum.

9B(1) APH Forms

An APH form developed according to RMA approved standards will be used for obtaining yield reports for silage sorghum.

10C(1)(a) Farm management records

Silage sorghum is added to list of crops for which Farm Management Records as described in this section are acceptable.

3E CIH Exhibits.

The following is added to Exhibits for the CIH:

Exhibit 1 Basic and optional units

Silage sorghum is added to the Crop Policy Information table's Coarse Grain entry.

**4 ADDITIONAL INFORMATION TO THE LOSS ADJUSTMENT MANUAL (FCIC-25010)
FOR SILAGE SORGHUM ONLY**

Silage sorghum has been added as a crop where applicable to the Loss Adjustment Manual (FCIC-25010).

5 ADDITIONAL INFORMATION TO THE PREVENTED PLANTING HANDBOOK (FCIC-25370) FOR SILAGE SORGHUM ONLY

Silage Sorghum is eligible for Prevented Planting coverage, and has been added to the list of crops in the Prevented Planting Handbook (FCIC-25370).

**5 ADDITIONAL INFORMATION TO THE APPENDIX III HANDBOOK FOR SILAGE
SORGHUM ONLY**

AIPs must submit all yield records for APH databases for silage sorghum. This is to show compliance with the requirements in the Silage Sorghum SPOI.