

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Product
Development
Division

FCIC-25560 (07-1999)
FCIC-25560-1 (07-
2000)

CANOLA AND RAPESEED LOSS ADJUSTMENT STANDARDS HANDBOOK

2000 and Succeeding Crop Years

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25560 (07-1999) 25560-1 (07-2000)
SUBJECT: CANOLA AND RAPESEED LOSS ADJUSTMENT STANDARDS HANDBOOK 2000 AND SUCCEEDING CROP YEARS	DATE: July 20, 1999	
	OPI: Product Development Division /s/ Kenneth D. Ackerman	
	APPROVED: /s/ Kenneth D. Ackerman Administrator, Risk Management Agency	

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2000 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR THIS CROP FOR 2000 AND SUCCEEDING CROP YEARS, ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

Major changes: See changes or additions in text which have been **redlined**. Three stars (***) identify information that has been removed.

Changes for the Crop Year 2000 (FCIC -25560-1) issued June 2000:

- (1) Added language and updated language in section 3 concerning quality adjustment.
- (2) Changed text in section 5 for the adjuster to take not less than the “required” minimum number of representative samples in lieu of recommended.
- (3) Deleted references in section 9 to Regionally Constructed Price in the narrative and substituted Local Market Price. The Local Market Price is defined in the crop provisions.
- (4) Deleted text in section 9 that referenced the combination of using Reduction in Value (RIV) with pre-established discount factors (item R).

CANOLA AND RAPESEED LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

Control Chart For: Canola and Rapeseed Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Pages	Reference Material	Date	Directive Number
Remove	1-2		3-8 27-28 33-34		07-1999 07-1999 07-1999	FCIC-25560 FCIC-25560 FCIC-25560
Insert	1-2		3-4 7-8 33-34		07-2000 07-2000 07-2000	FCIC-25560-1 FCIC-25560-1 FCIC-25560-1
Current Index	1-2	1-2	1-2 3-4 5-6 7-8 9-32 33-34 35-38	39-45	07-2000 07-1999 07-2000 07-1999 07-2000 07-1999 07-2000 07-1999 07-1999	FCIC-25560-1 FCIC-25560 FCIC-25560-1 FCIC-25560 FCIC-25560-1 FCIC-25560 FCIC-25560-1 FCIC-25560 FCIC-25560

- (2) Any acreage of the insured crop damaged before the final planting date, to the extent that most producers producing the crop on similarly situated acreage in the area would not normally further care for the crop, must be replanted unless the insurance provider agrees that is not practical to replant. Refer to the LAM for replanting provision issues. See section 4 of this handbook for replanting payment procedures.
- (3) The insurance provider will not insure any acreage that does not meet the rotation requirements contained in the Special Provisions.

B. PROVISIONS NOT APPLICABLE TO CAT COVERAGE

- (1) Optional Units.
- (2) Written Agreements.
- (3) Hail and Fire Exclusion provisions (also not applicable to limited coverage).
- (4) High Risk Land Exclusion.
- (5) Replanting Payments.

C. UNIT DIVISION

See the insurance contract for unit provisions. **NOTE:** Unless limited by the Crop or Special Provisions, a basic unit, as defined in the Basic Provisions, may be divided into optional units if, for each optional unit, all the conditions stated in the applicable provisions are met.

D. CANOLA QUALITY ADJUSTMENT

- (1) THE QUALITY ADJUSTMENT FACTOR CANNOT BE GREATER THAN 1.000 or less than zero (.000). Refer to the LAM for information on contract prices in quality adjustment.
- (2) Canola production will be eligible for quality adjustment if deficiencies in quality, in accordance with the Official United States Standards for Grain, result in the canola not meeting the grade requirements for U.S. No. 3 or better (grades U.S. Sample Grade) because of kernel damage (excluding heat damage) or a musty, sour, or commercially objectionable foreign odor.
- (3) Refer to the Special Provisions to determine if production is eligible for quality adjustment as identified in the Canola and Rapeseed Crop Provisions.
- (4) When due to insurable cause(s), use of quality adjustment for canola is handled by determining the appropriate discount factors, summing them together, if applicable, and subtracting from 1.000 to obtain the applicable Quality Adjustment Factor (percent of production to count). See the Special Provisions for chart discount factors, instructions for calculating non-chart discount factors, and other allowable discounts. Also refer to the LAM for examples and guidance in determining reduction in values (RIV's) to determine non-chart discount factors.

- (5) For canola, for which RIVs apply and which can be conditioned/reconditioned, refer to the Special Provisions for instructions.
- (6) Moisture adjustment is applied prior to any quality adjustment factors such as kernel damage, etc. Acanola/rapeseed moisture adjustment chart is in **TABLE D**. Moisture adjustment results in a reduction in production to count to 0.12 percent for each 0.1 percent moisture in excess of 8.5%.
- (7) If a local market cannot be found for the canola, refer to the LAM.
- (8) Refer to the LAM for special instructions regarding mycotoxin infected grain.
- (9) Document quality adjustment information as described in the instructions for the “Narrative” section of the claim form (**section 9 B**), or on a Special Report.
- (10) For additional quality adjustment definitions, instructions, qualifications, and testing requirements, refer to the LAM and the Official United States Standards for Grain - Subpart C - U.S. Standards for Canola.

4. REPLANTING PAYMENT PROCEDURES

A. GENERAL INFORMATION

- (1) Replanting payments made on acreage replanted by a practice that was uninsurable as an original planting will require the deduction of the replanting payment for such acreage from the original unit liability. If the unit dollar loss (final claim) is less than the original unit liability minus such replanting payment, the actual indemnity dollar amount will not be affected by the replanting payment. The premium will not be reduced.
- (2) No replanting payment will be made on acreage on which one replanting payment has already been made allowed for the crop year.

B. QUALIFICATIONS FOR REPLANTING PAYMENT

To qualify for replanting payment, the:

- (1) Insured crop must be damaged by an insurable cause;
- (2) Insurance provider determines that it is practical to replant;
- (3) Acres must not have been planted prior to the “Initial Planting” date if such date has been established by the Special Provisions;

- (4) Acreage replanted must be **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); and

NOTE: Any acreage planted after the end of the late planting period will not be included when determining if the 20 acres or 20 percent qualification is met. Refer to the LAM.

- (5) Insurance provider has given consent to replant.

NOTE: In the Narrative of the claim form or on a Special Report, show the appraisal and calculations to document that qualifications for a replanting payment have been met.

(RESERVED)

- (4) Take not less than the minimum number (count) of representative samples required in **TABLE A**.

C. SAMPLE SIZE BY APPRAISAL METHOD

- (1) Stand Reduction: 10 feet of row or 3 foot by 3 foot square for broadcasted canola and rapeseed.
- (2) Plant Damage: 5 damaged plants.
- (3) Seed Count:
 - (a) One hand-harvested sample consists of five 1-square foot representative sample areas.
 - (b) One machine harvested sample is the number of square feet harvested by machine in a representative sample area.

D. SAMPLING PROCEDURE

- (1) Determine average stage of growth for canola or rapeseed growth in selected representative samples.
- (2) Establish the stage of growth for sampling based on the most advanced stage of at least 50 percent of the plants in the sample.
- (3) Use the stage of growth at the date of damage when determining yield loss from defoliation.
- (4) Assess hail damage within 7 to 10 days after occurrence when canola or rapeseed is in the vegetative stage (for freeze damage the adjuster must wait 7 to 10 days before appraising crop damage).
- (5) Assess damage 7 to 14 days after occurrence for flowering and podding stage crop damage.

E. PLANT TYPES AND STAGES OF GROWTH

- (1) Use plant type and growth stage information for appraising potential canola or rapeseed production during various stages of growth (refer to **TABLE F**).
- (2) Plant Types.

Canola quality varieties may be developed from either the Polish species (*Brassica campestris*) or the Argentine species (*Brassica napus*) of rapeseed. Both species have winter and spring varieties. Winter canola is grown in the U.S. for its high yield. Spring canola is grown in the northern U. S. and Canada and other areas that have not been able to overcome the problem of winterkill. Winter canola varieties are planted in late summer or early fall so the plants overwinter as a rosette.

Flowering stalks form in the nodes of the crown area. Basal and secondary branching from the main flowering stalk is dependant upon the plant population per field and a favorable growing environment.

Most of the grain yield is produced from the early-flowering sites on the stem or branches. The yellow flowers are characteristically four-petaled. The pods are normally 1 to 1½ inches long, about 1/8 inch wide. Each pod will contain 15 to 40 small round seeds, usually black, although species color varies. Because of the indeterminate growth habit, the plants will bloom and set seed for 5 to 6 weeks.

NOTE: The Special Provisions list canola and rapeseed “Types” that are categorized as “Spring Planted” or “Fall Planted” (with High Oleic and/or High Erucic, as applicable).

6. APPRAISAL METHODS

A. GENERAL INFORMATION

These instructions provide information on appraisal methods for:

Appraisal Method...	Use...
Stand Reduction	to appraise plants in the vegetative stage; this stage usually lasts 30-45 days and is from seedling emergence until flower buds appear at the end of the main stem as it starts to elongate.
Plant Damage	to appraise plants that are in the flowering stage; this stage usually lasts 14-21 days and begins with stem elongation and the opening of the first flower and ends with petal fall of the last flower. Flowering starts at the bottom of the main stem or branch and continues upward. Buds open into flowers, and flowers develop into pods. Abortion, a natural occurrence, may occur as only 40-55% of flowers produced develop into productive pods.
Seed Count	to appraise plants that are in the podding-ripening stage; this stage starts after the first petals drop off and a young pod is visible in the center of the flower that is lowest on the stem or branch.

B. STAND REDUCTION APPRAISALS

- (1) Damaged plant characteristics for stand reduction appraisals.

Canola and rapeseed plants injured in the vegetative stage may have either one or both cotyledons missing, the seedling beaten down, or the stem broken at the soil line. Plants with both cotyledons broken or torn off and those broken off below the cotyledons, usually do not survive. The crop recovers its yield potential as the remaining seedlings take.

M₁. **Test Wt.:** Enter test weight (ONLY when storage structure measurements are entered) in whole pounds (or pounds to tenths IF so instructed by the insurance provider) after any foreign material is removed.

M₂. **Factor:** MAKE NO ENTRY.

NOTE: The canola or rapeseed has been converted to **actual** pounds in column I above, no further adjustments are necessary.

N. **Adjusted Production:** Result of multiplying “I” x “K₂” x “L₂” (**Round to whole pounds**).

NOTE: The test weight factor is not used in this step. The production was previously converted to the actual whole pounds in column “I” (Refer to column “I c”).

O. **Prod. Not to Count:** Net production NOT to count, in whole pounds, WHEN ACCEPTABLE RECORDS IDENTIFYING SUCH PRODUCTION ARE AVAILABLE, from harvested acreage which has been assessed an appraisal of not less than the guarantee per acre, or from other sources (e.g., other units or uninsured acreage) in the same storage structure (if the storage entries include such production).

THIS ENTRY MUST NEVER EXCEED PRODUCTION SHOWN ON THE SAME LINE. EXPLAIN THE TOTAL BIN CONTENTS (bin grain depth, etc.) AND ANY “PRODUCTION NOT TO COUNT” IN THE NARRATIVE.

NOTE: Make no entry if only the depth for production to count has been entered in column “D,” and the depth for production not to count has been entered in the Narrative. Refer to the example in the LAM.

P. **Production:** Result of subtracting the entry in column “O” from column “N,” to whole pounds.

Q₁. **Value:** When applicable, enter the Reduction in Value. **RIV must be limited to amounts that are usual, customary, and reasonable.** (Refer to the Special Provisions and the LAM for further instructions).

NOTE: DO NOT make an entry when the quality adjustment factor can be obtained from the charts in the Special Provisions.

Q₂. **MKT Price:** If an entry is in item “Q₁,” enter the **Local Market Price** for U.S. No. 2 grade canola (**refer to the crop provisions**). Refer to the LAM for further instructions.

NOTE: DO NOT make an entry when the quality adjustment factor can be obtained from the charts in the Special Provisions.

- R. **Quality Factor:** For canola production eligible for quality adjustment, enter the three-digit quality adjustment factor determined by subtracting the result of Q_1 divided by Q_2 from 1.000, or 1.000 minus the discount factor(s) obtained from the Special Provisions.

NOTE: Rapeseed is not eligible for quality adjustment.

- S. **Production to Count:** Enter result from multiplying column "P" times column "R" round to whole pounds.

NOTE: FOR ITEMS 22 - 24. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, APH YIELDS, PRICE ELECTIONS, TYPES, ETC., WITHIN THE UNIT, AND TOTALS NEED TO BE KEPT SEPARATE FOR CALCULATING INDEMNITIES, MAKE NO ENTRY AND FOLLOW THE INSURANCE PROVIDER'S INSTRUCTIONS; OTHERWISE, MAKE THE FOLLOWING ENTRIES.

22. **Section II Total:**

PRELIMINARY AND REPLANT: MAKE NO ENTRY.

FINAL: Total of column "S," to whole pounds.

23. **Section I Total:**

PRELIMINARY AND REPLANT: MAKE NO ENTRY.

FINAL: Enter figure from Section I Column "O" total.

24. **Unit Total:**

PRELIMINARY AND REPLANT: MAKE NO ENTRY.

FINAL: Total of "22" and "23," to whole pounds.

25. **Adjuster's Signature, Code #, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured's authorized representative) has signed. For an absentee insured, enter adjuster's code number **ONLY**. The signature and date will be entered **AFTER** the absentee has signed and returned the Production Worksheet.

NOTE: Final indemnity inspections and final replant payment inspections should be signed on bottom line.