United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

Product
Development
Division

GRAIN SORGHUM LOSS ADJUSTMENT STANDARDS HANDBOOK

FCIC-25210 (01-1998)
FCIC-25210-1 (06-2000)

2000 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK	NUMBER: 25210 (01-1998) 25210-1 (06-2000)
SUBJECT: GRAIN SORGHUM LOSS ADJUSTMENT STANDARDS HANDBOOK 2000 AND SUCCEEDING CROP YEARS	DATE: June 5, 2000 OPI: Product Development Division APPROVED: 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 Crop Year 2000 (FCIC-25210-1) issued June 2000:

(1) Changed the instructions to measure row width in section 5, to using four or more rows.

(2) Deleted Posted County Price in Abbreviation section.

(3) Changed text in section 13 for the adjuster to take not less than the “required” minimum number of representative samples in lieu of “recommended”.

(4) Deleted references in section 21 to Posted County Price and substituted Local Market Price. The Local Market Price is defined in the crop provisions.

(5) Deleted text in section 21 that referenced the combination of using Reduction in Value (RIV) with pre-established discount factors (item R).

(6) Added text in section 21 of the narrative to document the name of a charitable organization when gleaned acreage is applicable.

(7) Added a note in section 21, item S, to provide for instructions when separate line entries are made on the claim form.

GRAIN SORGHUM LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (con't)

CONTROL CHART FOR: GRAIN SORGHUM LOSS ADJUSTMENT STANDARDS HANDBOOK						
	SC Page(s)	TC Page(s)	Text Page(s)	Exhibit(s)	Date	Directive Number
Remove	1-2		1-2 5-6 11-14 45-48 53-54		01-1998 01-1998 01-1998 01-1998 01-1998	FCIC-25210 FCIC-25210 FCIC-25210 FCIC-25210 FCIC-25210
Insert	1-2		1-2 5-6 11-14 45-48 53-54		06-2000 06-2000 06-2000 06-2000 06-2000	FCIC-25210-1 FCIC-25210-1 FCIC-25210-1 FCIC-25210-1 FCIC-25210-1
Current Index	1-2	1-2	1-2 3-4 5-6 7-10 11-14 15-44 45-48 49-52 53-54 55-60	1-(61-62) 2-(63-64) 3-(65-66) 4-(67-68) 5-(69-70)	06-2000 01-1998 06-2000 01-1998 06-2000 01-1998 06-2000 01-1998 06-2000 01-1998 06-2000 01-1998	FCIC-25210-1 FCIC-25210 FCIC-25210-1 FCIC-25210 FCIC-25210-1 FCIC-25210 FCIC-25210-1 FCIC-25210 FCIC-25210-1 FCIC-25210 FCIC-25210-1 FCIC-25210

PART 1 GENERAL

1 PURPOSE

This handbook identifies the crop-specific procedural requirements for adjusting Multiple Peril Crop Insurance (MPCI) grain sorghum losses in a uniform and timely manner. These procedures, which include crop appraisal methods and claims completion instructions, supplement the general (not crop-specific) procedures, forms, and manuals for loss adjustment identified in the Loss Adjustment Manual (LAM).

2 SPECIAL INSTRUCTIONS

This handbook remains in effect until superseded by reissuance of **either** the entire handbook **or** selected portions (through slipsheets or bulletins). If slipsheets have been issued for a handbook, the original handbook as amended by slipsheet pages shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slipsheets.

3 OPERATING POLICY

A Insurance Providers. Insurance providers must use this handbook as a basis for developing any appropriate loss adjustment procedures and training consistent with the standards in this handbook. Insurance providers may find it necessary to provide additional internal guidelines or procedures for adjusting losses on their insurance contracts. Any additional guidelines or procedures will require Federal Crop Insurance Corporation approval unless otherwise provided in writing by FCIC.

B Specific Entry Standards. These standards are entry-specific to generic forms. Insurance providers' forms and procedures are to comply with the FCIC standards in at least an equivalent manner.

4 ABBREVIATIONS

APH	Actual Production History
CAT	Catastrophic Risk Protection Coverage
CES	Cooperative Extension Service
CIH	Crop Insurance Handbook
CREES	Cooperative State Research, Education, and Extension Service
FCIC	Federal Crop Insurance Corporation
FDA	Food and Drug Administration
FSA	Farm Service Agency
GLAS	General Loss Adjustment Standards (also LAM)
LAM	Loss Adjustment Manual (also GLAS)
MPCI	Multiple Peril Crop Insurance
***	
RIV	Reduction in Value
RMA	Risk Management Agency
RO	Regional Office
USDA	United States Department of Agriculture

5 FORMS AND PROCEDURES

A Insurance Providers. Insurance providers are to use FCIC-approved standard procedures in developing procedures, training, forms, and completion instructions. All procedures, forms, and completion instructions must be submitted for approval in accordance with the FCIC-24030, Submission Standards Handbook.

B General Forms and Manuals. General forms and manuals (or their equivalent) necessary for loss adjustment are identified in the LAM.

C Distribution. The following is the minimum distribution of form(s) completed by the adjuster for the loss adjustment inspection:

(1) Original copy to the office designated by the insurance provider to retain original documents relative to the policyholder's file.

(2) One legible copy to the insured.

6 DEFINITIONS

A General. Terms and definitions that are general (not crop specific) to loss adjustment are identified in the LAM.

B Specific. Terms and definitions specific to grain sorghum loss adjustment and this handbook, which are not defined in this section, are defined as they appear in the text.

E Quality Adjustment

(1) Refer to the LAM for information on contract prices in quality adjustment. THE QUALITY ADJUSTMENT FACTOR CANNOT BE GREATER THAN 1.000.

(2) For damage caused solely by fire, refer to the LAM.

(3) Explain reasons for quality adjustment in the narrative or on a Special Report.

(4) For additional quality adjustment definitions, instructions, qualifications, and testing requirements; refer to the LAM and the Official United States Standards for Grain. Refer to the quality adjustment instructions in the "Narrative" instructions herein.

(5) The adjuster must refer to the Special Provisions if production is eligible for quality adjustment as identified in the Coarse Grains Crop Provisions.

(6) Moisture adjustment is applied prior to any qualifying quality adjustment factors such as test weight, kernel damage, etc. A grain sorghum moisture adjustment chart is in Exhibit 5. Moisture adjustment results in a reduction in production to count of 0.12 percent for each 0.1 percent moisture exceeding 14.0 percent.

(7) When due to insurable cause(s), use of quality adjustment for grain sorghum 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). Refer to the Special Provisions for chart discount factors, instructions for calculating non-chart discount factors, and other discounts allowed. Also, refer to the LAM for examples and guidance in determining reduction in values (RIV's) to determine non-chart discount factors.

(8) If a local market cannot be found for the grain sorghum, refer to the LAM.

(9) For grain sorghum for which RIV's apply, and which can be conditioned/reconditioned, refer to the Special Provisions for instructions.

(10) Refer to the LAM for special instructions regarding mycotoxin infected grain.

9 REPLANTING PAYMENT STANDARDS

A Any acreage of the insured crop damaged before the final planting date, to the extent that the majority of growers in the area would normally not further care for the crop, must be replanted unless the insurance provider agrees that replanting is not practical. Refer to the LAM for replanting provision issues.

B To qualify for replanting payment the:

(1) grain sorghum must be damaged by an insurable cause;

(2) insurance provider must determine that it is practical to replant;

(3) acres must have been planted on or after the initial planting date established by the Special Provisions;

(4) appraisal (or appraisal plus any appraisals for uninsured causes of loss) must be less than 90 percent of the production guarantee for the acreage;

(5) 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

(6) insurance provider has given consent to replant.

Note: In the narrative of the Production Worksheet or on an attachment, show the appraisal and calculations to document that qualifications for a replant payment have been met.

C The replanting payment per acre will be the LESSER OF:

(1) the insured's actual replanting cost;

(2) the product of multiplying the maximum bushels allowed in the policy (7 bushels) by the insured's price election, times the insured's share in the crop;or

(3) 20 percent of the production guarantee times applicable price election times the insured's share.

Note: Compute the number of bushels per acre allowed for a replanting payment (column N on the claim form), by dividing the insured's cost to replant by the price election, and multiply this result by the share. This number must reflect the insured's cost to replant, but cannot exceed the maximum amount allowed. Show all calculations in the narrative of the production worksheet or on a special report.

PART 2 GRAIN SORGHUM APPRAISALS

12 GENERAL APPRAISAL STANDARDS

A General Instructions

(1) The following are directions for appraising potential production of grain sorghum according to growth stages through maturity.

(2) ANY DEVIATIONS IN THE APPRAISAL METHODS REQUIRE FCIC WRITTEN AUTHORIZATION (as described in the LAM).

B As specified in the LAM, grain sorghum appraisals are to be made:

(1) For uninsured causes of loss. Such appraisals will NOT be used for actual production history (APH) purposes. For additional instructions refer to the CIH.

(2) For damage such as hail, flooding, etc., defer appraisals to a later date in order to assess crop recovery and to obtain more accurate appraisals. Refer to the LAM for further instruction on deferred appraisals.

(3) Refer to the LAM for additional reasons for appraisals.

13 SAMPLE SELECTION STANDARDS

A Selecting Representative Samples for Appraisals

(1) Determine the minimum number of required samples for a field or subfield by the field size, the average stage of growth (refer to Section 14), age (size) and general capabilities of the plants, and variability of potential production and plant damage within the field or subfield.

(2) Split the field into subfields when:

(a) variable damage causes the crop potential to appear to be significantly different within the same field; or

(b) the insured wishes to destroy a portion of a field.

(3) Each subfield must be appraised separately.

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

TABLE - A
MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS

ACRES IN FIELD OR SUBFIELD	MINIMUM NO. OF SAMPLES
0.1 - 10.0	3
10.1 - 40.0	4
Add one additional sample for each additional 40.0 acres (or fraction thereof) in the field or subfield.	

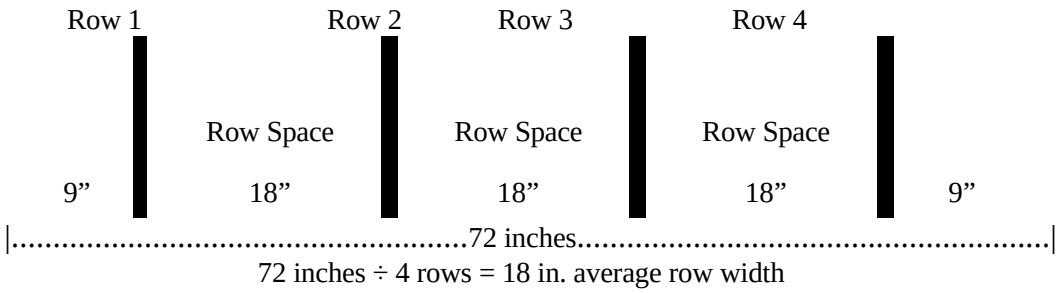
B Measuring Row Width for Sample Selection

Use these instructions for all appraisal methods.

(1) Use a measuring tape marked in inches or convert a tape marked in tenths, to inches, to measure row width (refer to the LAM for conversion table).

(2) Measure across FOUR OR MORE rows, from the center of the first row **space** to the center of the fourth row **space** (or as many rows as needed), and divide the result by the number of rows measured across, to determine an average row width in whole inches.

EXAMPLE:



72 inches ÷ 4 rows = 18 in. average row width

(3) Apply the average row width to TABLE B to determine the required length for the sample row.

TABLE - B ROW WIDTH

Row Width	Row Length for 1/100 Acre	Row Length for 1/1000 Acre	Row Length for 1/2000 Acre
42 inches	125 feet	12.5 feet	6.3 feet
40 inches	131 feet	13.1 feet	6.6 feet
38 inches	138 feet	13.8 feet	6.9 feet
36 inches	145 feet	14.5 feet	7.3 feet
34 inches	154 feet	15.4 feet	7.7 feet
32 inches	163 feet	16.3 feet	8.2 feet
30 inches	174 feet	17.4 feet	8.7 feet
28 inches	187 feet	18.7 feet	9.4 feet
26 inches	202 feet	20.2 feet	10.1 feet
24 inches	218 feet	21.8 feet	10.9 feet
22 inches	238 feet	23.8 feet	11.9 feet
20 inches	262 feet	26.2 feet	13.1 feet
18 inches	290 feet	29.0 feet	14.5 feet
16 inches	326 feet	32.6 feet	16.3 feet
14 inches	374 feet	37.4 feet	18.7 feet
Broadcast	---	6.6 X 6.6	----

(4) When two or more rows are used for a pattern, divide the length of a single row pattern by the number of rows in the pattern. The combined length of all rows must equal the single row length.

(5) Where rows are skipped for tractor and planter tires, refer to the LAM.

(6) Broadcast (6.6 foot square grid).

14 GROWTH STAGES

Grain Sorghum growth stages identifies the time interval to next stage in relation to appraisal methods.

A Stages of Growth for Grain Sorghum

(1) Actual leaf count is used to determine the stage of growth until all the leaves are exposed.

(a) Starting with the rounded tip leaf, count all leaves developed up to, and including the stage indicator leaf. The stage indicator is that leaf which is at least 50 percent exposed. It is usually the uppermost leaf tip that is pointing below a horizontal line.

(b) The node identification system will be used if the rounded tip leaf cannot be determined (see page 17, Figure A):

1 Pull up the entire plant, and carefully split the stalk to expose stalk nodes and root whorls.

2 The SEVENTH leaf attaches to the top of the first noticeable elongation between the nodes (an internode).

3 After the seventh leaf node is identified, count upward to the stage indicator leaf.

4 In the early stages of the plant's development, the nodes are very compact and difficult to distinguish; by stage nine or ten, the internode elongation should be easily found.

(2) The development of the head determines the stage of growth after the boot stage [(Refer to Stage Characteristics (Heading through Maturity), in paragraph C)].

(3) Stage Definitions. The definitions listed in paragraph B below are based on the average normal conditions for a 20-leaf, 115-day plant.

NOTE: If there is sufficient reason to suspect significant mycotoxin presence, the insurance provider can pay reasonable costs of testing. The insurance provider will determine if testing is to be done on a paid basis and if such costs are considered reasonable.

M **+ Uninsured Causes**

R MAKE NO ENTRY

P&F EXPLAIN IN THE NARRATIVE.

a Hail and Fire exclusion NOT in effect.

(1) Enter NOT LESS than the insured's production guarantee per acre in bushels, to tenths, for the line, (calculated by multiplying the elected coverage level percentage times the approved APH yield per acre shown on the APH form) for any "P" stage acreage.

NOTE: On preliminary inspections, advise the insured to keep the harvested production from any acreage damaged SOLELY by uninsured causes separate from other production.

(2) For acreage that is damaged PARTLY by uninsured causes, enter the APPRAISED UNINSURED loss of production per acre in bushels, to tenths, for any such acreage.

b When there is late-planted acreage, the applicable per-acre production guarantee for such acreage is the production guarantee that has been reduced for late-planted acreage.

c Refer to the LAM when a Hail and Fire Exclusion is in effect and damage is from hail or fire.

d Enter the result of adding uninsured cause appraisals to hail and fire exclusion appraisals.

NOTE: For fire losses, if the insured also has other fire insurance (double coverage), refer to the LAM.

N	**Adjusted Potential** R		Enter the bushels per acre allowed for replanting. (See Section 9, for qualifications and computations.)
		P&F	Column "J" times Column "K_2" times Column "L" plus Column "M."
O	**Total to Count**		Column "C_1" (actual acres) times Column "N."
P	**Per Acre**		Per Acre Guarantee-Enter the production guarantee from the insured's policy.
Q	**Total**		Column "C_2" (reported acres) times Column "P" ("C" if acreage is not under-reported).
16	**Total Acres**	P	MAKE NO ENTRY
		R&F	Total Actual Acres (Column "C" or ["C_1" if there are under reported acres] total), rounded to tenths.

NOTE: FOR ITEM 17. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, 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.

17	**Totals**	P	MAKE NO ENTRY
		R&F	Totals of Column "O" and Column "Q."

NARRATIVE: If more space is needed, attach a Special Report.

a Document the appraisal (plus appraisal for uninsured causes of loss, if applicable) for replanted acreage, and the calculations to show that the qualification for a replant payment have been met. See Section 9.

b If any acreage to be replanted in the unit does not qualify for a replanting payment, enter Field No., "NOT QUAL FOR RP PAYMENT," date of inspection, your initials, and reason not qualified.

c Show the calculations for determining the number of bushels allowed for a replanting payment.

d Enter "No acreage released," adjuster's initials, and date if no acreage is released on the unit.

e If notice of damage was given and "No Inspection" is necessary, enter in the Narrative the unit number(s), "No Inspection," date, and adjuster's initials. The insured's signature is not required.

f Explain any uninsured causes, unusual, or controversial cases.

g If there is an appraisal in item M in Section I for uninsured causes due to a hail/fire exclusion, show the original hail/fire liability per acre and the hail/fire indemnity per acre.

h State that there is "No other fire insurance" when fire damages or destroys the insured grain sorghum crop and the adjuster determined that the insured has no other fire insurance. Also refer to the LAM.

i Explain any errors found on the Summary of Coverage.

j Explain any commingled production. Refer to the LAM.

k Explain any entry for "Production Not to Count" in Section II, item "O," and/or any production not included in Section II, item I or item B - E entries (e.g., harvested production from uninsured acreage that can be identified separately from the insured acreage in the unit).

l Explain any ".000" QA factor entered in items L and R. Explain any deficiencies, substances, or conditions that are allowed for quality adjustment, as well as any which were not allowed. Also enter the RIV's and local market price used in establishing the QA factor for mature appraised production. Document any excess transportation costs or conditioning costs used to determine the QA factor.

m Explain a "NO" checked in item 19.

n Attach a sketch map or aerial photograph to identify the total unit:

(1) If consent is or has been given to put part of the unit to another use or to replant;

(2) If acreage has been replanted to a practice uninsurable as an original practice;

(3) If uninsured causes are present; or

(4) For unusual or controversial cases.

NOTE: Indicate on the aerial photo or sketch map, the disposition of acreage destroyed or put to other use with or without consent.

o Explain any difference between date of inspection and signature dates. For an ABSENTEE insured, enter the date of the inspection AND the date of mailing the form for signature.

p Enter the code number of any other adjuster or supervisor and date of inspection in the lower right corner of this space when he/she accompanied the adjuster on the inspection.

q Explain the reason for a "No Indemnity Due" claim. "No Indemnity Due" claims are to be distributed in accordance with insurance provider's instructions.

r Document field ID's and date and method of destruction of mycotoxin-infested grain sorghum if it has no market value. For further documentation instructions, refer to the LAM.

s Explain any delayed notices or delayed claims as instructed in the LAM.

t Document any authorized estimated acres shown in Section 1, item C as follows: "Line 3 'E' acres authorized by Insurance Provider MM/DD/YY."

u Document, in the narrative or a Special Report, the method and calculation used to determine acres for the unit. Refer to the LAM.

v Document any other pertinent information, including any data to support any factors used to calculate the production.

w Document the name and address of the charitable organization when gleaned acreage is applicable. Refer to the LAM for more information on gleaning.

x Specify the type of insects or disease when the insured cause of damage or loss is listed as insects or disease. Explain why control measures did not work.

SECTION II - HARVESTED PRODUCTION

General Information:

(1) Account for ALL HARVESTED PRODUCTION (for **ALL ENTITIES** sharing in the crop) except production appraised BEFORE harvest and shown in SECTION I because the quantity cannot be determined later (e.g., high moisture grain going into air-tight storage, released for other uses, etc.).

(2) Columns "B" through "E" are for structure measurements entries (Rectangular, Round, Square, etc.). If structures are a combination of shapes, break into a series of average measurements, if possible. Enter "Odd Shape" or "Conical Pile" if production is stored in an odd shaped structure or conical pile. Document measurements on a Special Report or other FCIC-approved worksheet used for this purpose.

(3) If farm-stored production has been weighed prior to storage and acceptable weight tickets are available showing gross weights, enter "Weighed and Stored On Farm" in columns "B" through "E." Refer to the LAM for acceptable weight tickets.

M_1	**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.
M_2	**Factor**	Test Weight Factor - enter the result of dividing the actual test weight by 56, to three decimal places.
N	**Adjusted Production**	Result of multiplying ("H" or "I") x "K_2" x "$L_{2"}$ x "M_2". (Round to nearest tenth).
O	**Production Not to Count**	Net production NOT to count 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. 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 sample in the LAM.
P	**Production**	Result of subtracting the entry in Column "O" from Column "N", rounded to tenths.
Q_1	**Value**	When applicable, enter the Reduction in Value (RIV). 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**.**

Q_2 **Market Value** — If an entry is in item Q_1, enter the Local Market Price for U.S. Grade No. 2 Grain Sorghum (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 production eligible for quality adjustment, enter the 3-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.**

***

S **Production to Count** — Enter result from multiplying Column "P" times Column "R" **in bushels to tenths.**

NOTE: FOR ITEMS 22 - 24. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, 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** — F — Total of Column "S", to tenths.

23 **Section I Total** — F — Enter figure from Section I Column "O" total.

24 **Unit Total** — F — Total of 22 and 23, to tenths.

25 **Adjuster's Signature, Code #, and Date** — P — 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.

R&F **NOTE**: Final indemnity inspections and final replanting payment inspections should be signed on bottom line.