



United States
Department of
Agriculture

Farm Production
and Conservation

Risk
Management
Agency

4405 Bland Road
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Raleigh, NC 27609

July 31, 2020

INFORMATIONAL MEMORANDUM

TO: All Northeast Approved Insurance Providers Writing in the States of Connecticut, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia

FROM: Alexander Sereno /s/
Director

SUBJECT: Crop Year 2021 Regional Underwriting Guidelines for Category C Actual Production History (APH) Crops in the Raleigh Region

BACKGROUND:

The 2021 FCIC 18010 Crop Insurance Handbook (CIH) authorizes the Risk Management Agency (RMA) Regional Offices to issue underwriting procedures for Category C crops that modify procedure and to provide additional underwriting procedure for regional exceptions.

Paragraph 1862 APH Database Tests for High Variability of Actual Yields of the CIH provides procedure and formulas designed to identify alternate bearing and downward yield trending for Category C crop yields. As a result of damaging hail and wind in 2011, severe weather in 2012, freeze and significant drought in 2016, and freeze/frost and excess moisture in 2020, widespread damage to Category C perennial crops was caused in all states listed above. Additionally, as a result of damaging freeze and frost in 2017 widespread damage to Category C perennial crops was caused in North Carolina.

This damage may inadvertently identify certain Category C perennial crops for high variability adjustments. In order to expedite the approved Actual Production History (APH) yield process and decrease the number of requests for Regional Office determined yields, the Raleigh Regional Office issues these guidelines.

Paragraph 2212 Category C Crops of the CIH provides RO Determined Yield Request Requirements. Paragraph 2212 C(3)(c) provides additional guidance for information needed on certain types of Determined Yields.

Effective for the 2021 crop year, these Regional Office Underwriting Guidelines (UG) are in effect for Apples, Blueberries, Cranberries, Grapes, Peaches, and Pears in the states of Connecticut, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia, and West

Virginia.

ACTION

A. High Variability Requests

For blocks or units meeting the criteria for high variability of actual yields in CIH Paragraph 1862 APH Database Tests for High Variability of Actual Yields, the Approved Insurance Provider (AIP) may approve the yield using the standard Category C APH procedure without adjustment of the approved APH yield by the formula if the AIP verifies the high variability is due to severe weather related events in 2011, 2012, 2016, and 2020 for all states listed above, resulting in lower yields which inappropriately trigger an alternate bearing adjustment or downward trending adjustment. Additionally, the AIP may approve the procedure as stated above if the AIP verifies high variability is due to severe weather related events in 2017 in North Carolina only, resulting in lower yields which inappropriately trigger an alternate bearing adjustment or downward trending adjustment.

For all databases meeting the above stated criteria resulting in no adjustment, Special Case Indicator “D” should be submitted. If applicable, yield substitution (YA) is authorized; however, Yield Exclusion (YE) and CUP procedure are not applicable for any database identified for high variability of actual yields. For additional guidance on Special Case Yield Indicators, YA or YE applicability, or Yield Limitation Flags, refer to the 2021 CIH, Exhibit 22.

B. High Variability Request Documentation Guidance

For insureds submitting RO Determined Yield requests, additional documentation should be provided for any years not excluded by this guide to prove that weather related events occurred that resulted in lower yields which inappropriately triggered an alternate bearing adjustment or downward trending adjustment. This documentation should contain specific information about the weather event including the date of the event and specific conditions that led to crop damage. This information should come from a third-party source, such as Cooperative Extension, the news, or other published weather data sources.

Please contact the Raleigh Regional Office at RSONC@rma.usda.gov if you have any additional questions.

DISPOSAL DATE

August 31, 2021