

## **MGR-21-009**

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Date

August 31, 2021

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Acting Administrator

Subject

Drought Determination for the Sugar Beet Early Harvest Adjustment

## **Background**

Extreme drought conditions are causing damage to sugar beets in many parts of the nation. Stakeholders are concerned about the potential for inconsistent application of the Early Harvest Adjustment (EHA) for drought-damaged sugar beets.

The Sugar Beet Crop Provisions state that the EHA will not be made if the sugar beets are damaged by an insurable cause of loss and leaving the crop in the field will reduce production. The applicability of the EHA is a case-by-case determination made by the Approved Insurance Providers (AIPs). However, due to widespread drought conditions and the need for consistent AIP application of the EHA, RMA reached out to agricultural experts familiar with sugar beet growth and development. The agricultural experts advised that leaving drought-damaged sugar beets in the field increases the risk of reduced production (sugar content).

## **Action**

For the 2021 crop year, the EHA will not apply to any sugar beet units when the notice of loss results in an AIP determination that drought is the primary insurable cause of loss, regardless of whether there is an indemnity.

**DISPOSAL DATE:**

December 31, 2021