

## **PM-19-054**

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Date

September 18, 2019

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Richard H. Flournoy, Deputy Administrator /s/ Richard H. Flournoy 9/18/2019

Subject

Sugar Beet Clarification - Involvement of Agricultural Experts

## **Background**

The Sugar Beet Crop Insurance Provisions, Section 13(f), added an Early Harvest Factor (EHF) in response to situations when sugar beet processors request a portion of their contracted acres be harvested early. The EHF increases the yield recognized for that year's harvest, preventing a decline in the producer's future insurable yield due to early harvest. Section 13(f)(2) stipulates that:

This adjustment [EHF] 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.

Paragraph 16(5)(a) of the Loss Adjustment Standards Handbook states that:

If it is questionable whether the crop is damaged, the adjuster should consult with agricultural experts in the area.

Questions have been raised regarding a loss adjuster's role in determining if the EHF will apply when the beets are harvested before full maturity as outlined in the crop provisions. This includes whether leaving the crop in the field will further reduce

production and if a loss adjuster must consult with an agricultural expert in the area before making a determination of damage and cause of loss.

## **Action**

For the 2019 and succeeding crop years, in determining if the EHF will be applied, the determination if there is an insurable Cause of Loss (COL) will be made by the loss adjuster on a case-by-case basis. The loss adjuster should work with agricultural experts in the area, if needed, to make the case-by-case determination as to the condition of the sugar beets in the field, whether the beets will be accepted for processing, and if they should be harvested early to avoid further damage. The loss adjuster is not required to obtain input from local agricultural experts in order to make the determination if the sugar beets are damaged by an insurable cause of loss and leaving the crop in the field will reduce production. If the loss adjuster is uncertain or is unable to make these determinations, they should consult local agricultural experts.

Updated [Sugar Beet FAQs](#) regarding EHF determinations are located on RMA's website. Also, below is a flow chart describing how EHF determinations are made.

# EARLY HARVEST FACTOR (EHF) DECISION FLOW CHART



