# IS-23-003

View PDF Date December 5, 2023 To All Approved Insurance Providers All Risk Management Agency Field Offices All Other Interested Parties From Delores Dean, Deputy Administrator for Insurance Services /s/ Delores Dean Subject Following Another Crop Written Agreement Details for 2024

## I. BACKGROUND

As part of a broader set of commitments made by President Biden and Secretary Vilsack to increase domestic food production amid potential global food shortages related to the invasion of Ukraine, the U.S. Department of Agriculture (USDA) is building on lessons learned in 2023 and continuing efforts to simplify sign-up and expand double cropping coverage availability for the 2024 crop year. These efforts will help enable agricultural producers to produce two crops on the same land each year, such as spring-planted soybeans or grain sorghum following the harvest of a crop such as winter wheat.

For the 2024 crop year, producers intending to plant soybeans or grain sorghum after wheat and other fall-seeded crops (double cropping) in counties where the Following Another Crop (FAC) practice is not available, may have the option to request coverage in select counties through their crop insurance agent. Additionally, producers in some areas of the country also have the option to request coverage for soybeans planted into wheat or camelina using a relay cropping practice. The following guidance is issued to explain the options and requirements to apply for FAC coverage under this initiative and in accordance with the <u>2024 Written</u> <u>Agreement Handbook (WAH)</u>.

## **II. FAC Written Agreement Options and Requirements**

In December 2023, RMA Regional Offices will post updated maps as well as guidance on written agreement availability and requirements for the FAC practices under each regional office's underwriting guidelines page at <u>RMA Regional Office</u>. National versions of these maps can also be found currently on the RMA webpage at <u>Double</u> <u>Cropping Initiative</u>. The following provides a description of the requirements to qualify, deadlines for submitting a request, and other items related to obtaining coverage. As described in the maps, several options are available to insure FAC crops when a written agreement for coverage is required, including the following:

- Blanket Written Agreement (Standardized Written Agreement)
- Written Agreement No History Required
- Written Agreement 2 Years of History Required
- Written Agreement 3 Years of History Required
- Written Agreement Irrigated FAC Only
- XC Written Agreement

To facilitate this initiative, this guidance provides requirements for applying for FAC written agreement coverage. The guidance does not change history requirements related to <u>first and second crop provisions</u> to receive two full indemnities or for qualifications for prevented planting with double cropping. Please see the <u>Double</u> <u>Cropping FAQs</u> located on the RMA webpage for further details.

## Blanket Written Agreement (Standardized Written Agreement)

## What is it?

A Blanket Written Agreement is a standardized written agreement offer prebuilt by RMA into the Regional Office Exceptions System (ROE) which allows for a producer to choose to insure their FAC soybean or FAC grain sorghum crop where it is available. Since the written agreement offer is prebuilt by RMA, a producer does not have to go through an extensive underwriting process and can simply choose to insure their FAC crop by submitting the request with an actuarial change request (ACR) form through their agent and Approved Insurance Provider (AIP).

#### What is the deadline?

A Blanket Written Agreement must be elected by the Sales Closing Date (SCD) for the applicable crop in their county. For example, if a producer would like to insure their FAC soybeans with the blanket written agreement offer in Champaign County, IL, they must apply for the blanket written agreement by the SCD of 03/15/2024. In accordance with the general deadlines of the WAH, AIPs will have an additional 30 days to transmit to RMA.

### Required documents, information, prior experience.

Producers requesting a blanket written agreement are not required to have prior experience in producing an FAC soybean or FAC grain sorghum crop to be able to obtain coverage; however, their prior years uninsured applicable FAC production experience may be used, if available. Prior insured production history must be used in accordance with the 2024 WAH. For a blanket written agreement, only a completed ACR form is required to obtain coverage, unless explicitly stated otherwise in the special provisions.

### Other things to know.

If a producer does not meet the deadline to apply for the blanket written agreement for their FAC soybeans or FAC grain sorghum, but later decides they would like to obtain insurance, they can still apply for a written agreement under the traditional written agreement process.

To apply for insurance, producers would apply for a Type/Practice (TP) written agreement with no prior history requirements to qualify. For a producer requesting a new TP written agreement and is not a renewal, they have up until the applicable Acreage Reporting Date (ARD) to submit the request. Evidence of adaptability from an agricultural expert and a viable market are not required; however, a crop inspection may be required if the producer applies after the SCD. The rates, yields, and dates offered under a TP written agreement request will be the same that are offered under a blanket written agreement. If this is a renewal request (blanket or TP) it must be requested by the applicable SCD. All other requirements for a TP written agreement request apply, in accordance with the WAH.

## Written Agreement - No History Required

#### What is it?

In these counties, a producer can apply for insurance under the TP written agreement request to insure their FAC soybeans or FAC grain sorghum. For these counties, a producer does not need prior history of producing FAC soybeans or FAC grain sorghum as a prerequisite to be able to qualify for a written agreement.

#### What are the deadlines?

For a renewal TP written agreement, the producer must submit an ACR form through their agent and AIP by the SCD. For a new TP written agreement request, producers have until the applicable ARD to submit.

## Required documents, information, prior experience.

Producers requesting a TP written agreement in these areas must submit all documentation as required in Paragraph 84 of the WAH, except for evidence of adaptability from an agricultural expert and a viable market. A crop inspection may be required if the producer applies after the SCD.

#### Other things to know.

All other procedures in the WAH and processing requirements for written agreement requests in ROE apply.

#### Written Agreement - 2 Years of History Required

#### What is it?

In these counties a producer can apply for insurance under the TP written agreement request to insure their FAC soybeans or FAC grain sorghum. For these counties, a producer will need two years of prior history of producing the applicable FAC soybeans or FAC grain sorghum practice as a prerequisite to be able to qualify for a written agreement.

#### What are the deadlines?

A producer requesting a TP written agreement in these counties must submit an ACR form through their agent and AIP by the SCD if it is a renewal request. Producers have up until the applicable ARD to request a new TP written agreement.

## Required documents, information, prior experience.

Producers requesting a TP written agreement in these areas must submit all documentation as required in Paragraph 84 of the WAH, except for evidence of adaptability from an agricultural expert and a viable market. A crop inspection may be required if the producer applies after the SCD.

## Other things to know.

All other procedures in the WAH and processing requirements for written agreement requests in ROE apply.

## Written Agreement - 3 Years of History Required

## What is it?

In these counties, a producer can apply for insurance under the TP written request to insure their FAC soybeans or FAC grain sorghum. For these counties, a producer will need three years of prior history of producing the applicable FAC soybeans or FAC grain sorghum practice as a prerequisite to be able to qualify for a written agreement.

## What are the deadlines?

A producer requesting a TP written agreement in these counties must submit an ACR form through their agent and AIP by the SCD if it is a renewal request. Producers have until the applicable ARD to request a new TP written agreement.

## Required documents, information, prior experience.

Producers requesting a TP written agreement in these areas must submit all documentation as required in Paragraph 84 of the WAH, except for evidence of adaptability from an agricultural expert and a viable market. A crop inspection may be required if the producer applies after the SCD.

## Other things to know.

All other procedures in the WAH and processing requirements for written agreement requests in ROE apply.

## Written Agreement - Irrigated only

#### What is it?

In these counties, only irrigated FAC soybeans or irrigated FAC grain sorghum crops are eligible to be insured under a written agreement. Irrigated Not Following Another Crop (NFAC) soybeans or irrigated NFAC grain sorghum is insurable in accordance with the applicable actuarial documents and do not require a written agreement. Coverage is not currently available for non-irrigated FAC crops. A producer may apply for coverage for their irrigated FAC crop by applying for the blanket written agreement (standardized offer) or by applying under the traditional TP written agreement request method. If a producer wants coverage for their FAC irrigated practice, they must apply for a written agreement by the applicable WA deadline.

A Blanket Written Agreement is a standardized written agreement offer prebuilt by RMA into the ROE which allows for a producer to elect to insure their irrigated FAC soybean or FAC grain sorghum crop in these areas. Since the written agreement offer is prebuilt by RMA, a producer does not have to go through an extensive underwriting process and can simply choose to insure their irrigated FAC crop by submitting the request on an ACR form through their agent and AIP.

## What are the deadlines?

A Blanket Written Agreement in these counties must be elected by the SCD for the applicable irrigated crop (irrigated FAC soybeans or irrigated FAC grain sorghum) in their county. Example, if a producer would like to insure their irrigated FAC grain sorghum with the blanket written agreement offer in Cameron County, TX, they must apply for the blanket written agreement by the SCD of 03/15/2024. In accordance with the general deadlines of the WAH, AIPs will have an additional 30 days to transmit to RMA. Any transmission that occurs after that deadline will prompt an error message.

## Required documents, information, prior experience.

Producers requesting a blanket written agreement are not required to have prior experience in producing an irrigated FAC soybean or irrigated FAC grain sorghum crop to be able to obtain coverage; however, their existing applicable irrigated FAC production experience may be used, if available. For a blanket written agreement, only a completed ACR form is required to obtain coverage, unless explicitly stated otherwise in the special provisions.

## Other things to know.

If a producer does not meet the deadline to apply for the blanket written agreement for their irrigated FAC soybeans or irrigated FAC grain sorghum, but later decides they would like to obtain insurance, they can still apply for a written agreement under the traditional written agreement process.

To apply for insurance, producers would apply for a TP written agreement with no prior history requirements to qualify. Evidence of adaptability from an agricultural expert and viable market are not required; however, a crop inspection may be required if they apply after the SCD. If this is a renewal request (blanket or TP), it must be requested by the applicable SCD. All other requirements for a TP written agreement apply in accordance with the WAH.

## **XC Written Agreement**

## What is it?

In these counties, RMA does not currently have a program available to insure soybeans or grain sorghum. However, producers can apply for insurance by requesting a County Without Actuarial Documents (XC) written agreement to insure their FAC soybeans or FAC grain sorghum. To qualify, producers are required to have at least three years of prior production history and will have to meet the other requirements outlined in Paragraph 85 of the WAH.

## What are the deadlines?

A producer requesting an XC written agreement in these counties must submit an ACR form through their agent and AIP by the Cancellation Date contained in the Crop Provisions or Special Provisions.

## Required documents, information, prior experience.

Producers requesting an XC written agreement in these areas must submit all documentation as required in Paragraph 85 of the WAH.

#### Other things to know.

All other procedures in the WAH and processing requirements for written agreement requests in ROE continue to apply.

## **Crop Inspections**

If required, crop inspections must be submitted according to RMA procedures outlined in Para. 42 of the 2024 WAH. Crop inspections that are not submitted in accordance with procedures may result in a withdrawn offer and the issuance of arbitration appeal rights in accordance with sub paragraph 63E of the 2024 WAH.

As a reminder, crop inspections are made on a field basis for written agreement offers, and not on a unit basis. Any field that does not have a potential yield equal to or greater than 90 percent of the yield used to determine the production guarantee will not be insurable.

A summary of the general requirements for crop inspections include:

- Crop inspections are completed by FSA FN, Tract Number, and Field Number.
- The written agreement must be signed by the producer on or before the first inspection date.
- The inspection must include the field and unit information for each inspection.
- The completed inspection must be signed by both the producer and the AIP.
- The inspection must clearly indicate that the field has the potential to meet 90 percent of the yield to determine the production guarantee.
- The inspection must be submitted by the AIP to RMA timely and in accordance with procedure and the terms offered on the written agreement.

## III. ACTION

Regional Offices will be loading Blanket Written Agreement (BL) offers into ROE after filing is completed. The details on the written agreement number applicable to each county and crop will be uploaded to each RO site, as well as any additional guidance or details which you may access from the following link: <u>rma.usda.gov/RMALocal/</u>.

AIPs may apply the BL offer via the RMA ROE system to the applicable crop types and practices identified in Section II and only needs to apply the **WA number** on the BL offer to the affected policyholders.

All other general guidance, frequently asked questions, maps, and other material related to the double cropping expansion can be found at: <u>rma.usda.gov/about-crop-insurance/highlighted-initiatives-plans/double-cropping</u>.

## Disposal:

Effective for the 2024 Reinsurance Year.