

PM-17-006

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Date

January 30, 2017

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 1/30/2017

Subject

Whole-Farm Revenue Protection (WFRP) and Commodities with Multiple Commodity Codes

Background

Due to changes in WFRP commodity lists for the 2017 crop year, some commodities may now have multiple commodity codes available, a primary commodity code, and separate commodity codes related to specific types or practices of the commodity. For example, actuarial documents may list the primary commodity code and separate commodity codes for specific types or practices, such as Fresh Market and Processing, or Irrigated, Nonirrigated, Summerfallow, and Continuous cropping.

To provide clarification on how commodities that could be reported under more than one commodity code should be reported on the WFRP Farm Operation Report, the Risk Management Agency (RMA) is issuing guidance on the applicability of subparagraphs 48(2)(d) and 48(2)(f) of the WFRP Handbook.

Action

To ensure that producers receive the correct premium rates for their farm operation, and to assure uniform reporting by all producers under WFRP, commodities with multiple commodity codes listed on the actuarial documents should (to the extent practical) be reported under the commodity code specific to the type or practice of the commodity being carried out by the producer. In addition, if a producer has a commodity that can be reported under a primary commodity code or separate commodity codes related to specific types or practices of the commodity, the commodity must be reported either under the primary commodity code OR under the commodity codes related to type/practice but cannot be reported under both.

Example 1: If a producer has both fresh and processing apples on their farm operation and the actuarial documents list commodity codes for 'Apples,' 'Apples (Fresh Market),' and 'Apples (Processing),' the producer should report the crop as 'Apples (Fresh Market)' and 'Apples (Processing)' on their farm operation report. The crop should not be reported as 'Apples' (unless the producer lacks adequate records to report by type) and cannot be reported using a combination of the primary commodity code and commodity codes specific to types or practices, such as 'Apples' and 'Apples (Processing).'

Example 2: If a producer has irrigated winter wheat, non-irrigated continuous cropping winter wheat, and non-irrigated summerfallow winter wheat, depending on available records the crop could be reported as:

- 'Wheat Winter'; or
- 'Wheat (Irrigated)' and 'Wheat (Nonirrigated)'; or
- 'Wheat (Irrigated),' 'Wheat (Continuous Cropping),' and 'Wheat (Summerfallow).'

The crop could not be reported using a combination of the primary commodity code and commodity codes relating to specific types or practices, such as:

- 'Wheat Winter' and 'Wheat (Irrigated)'; or
- 'Wheat (Irrigated),' 'Wheat (Nonirrigated),' 'Wheat (Continuous Cropping)' and
- 'Wheat (Summerfallow).'

DISPOSAL DATE

Until incorporated into procedure.