

MGR-16-001

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Date

March 30, 2016

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Brandon C. Willis, Administrator /s/ Timothy J. Gannon

Subject

Malting Barley Endorsement – Obtaining and Grading Samples for Quality Adjustment for the 2016 Crop Year

Background

The Malting Barley Endorsement (MBE) is a private product approved under section 508(h) of the Federal Crop Insurance Act and was implemented beginning with the 2016 crop year. Section 8(c)(4) of the MBE specifies that all samples of farm-stored production used to determine eligibility for quality adjustment must be obtained no later than 30 days after the end of the insurance period. The Risk Management Agency (RMA) published MGR-15-008 on November 5, 2015, extending the timeframe to 60 days after the end of the insurance period to be consistent with the timeframe approved by the Federal Crop Insurance Corporation, Board of Directors and contained in the MBE Insurance Standards Handbook. This timeframe was also consistent with the 2015 and prior crop year's timeframe for obtaining samples for quality adjustment. However, RMA is aware the additional 30 days may still not provide sufficient time for buyers to obtain and grade the samples.

The grading procedures for malting barley are unique from other grain crops requiring a high level of germination, and thus can be labor and time intensive. Requiring all of the samples to be obtained and graded within 60 days after the end

of the insurance period may be impossible due to the volume of samples required for the number of contracted acres, and unnecessarily lead to an increase in rejection rates for reasons other than germination. In consultation with the malting barley industry and after further review, extending the timeframe from 60 days to 90 days does not result in any additional risk of degradation of the condition of the barley in storage or the quality of the sample.

Action

For the 2016 crop year, AIPs may permit samples of farm-stored production used to determine eligibility for quality adjustment to be obtained no later than 90 days after the end of the insurance period.

DISPOSAL DATE:

December 31, 2016