

## **COM-15-003**

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Date

October 26, 2015

To

All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

From

Heather Manzano, Deputy Administrator for Compliance /s/ Heather Manzano

Subject

Livestock Feeding Records

## **Background**

The Risk Management Agency (RMA) is required annually, in accordance with [Appendix C of the Office of Management and Budget \(OMB\) Circular No. A-123, Requirements for Effective Estimation and Remediation of Improper Payments](#) dated October 20, 2014, to estimate and report an improper payment rate for the Federal crop insurance program. RMA recently completed its field review of policies for the 2015 reporting period and is currently reviewing policies for the 2016 reporting period.

In the recent improper payment review sample, RMA identified policies with errors that resulted from insureds not maintaining proper livestock feeding records. Policy reviews for other case work also found that a large number of producers who fed production to livestock did not meet the requirements for acceptable feeding records set forth by the Crop Insurance Handbook (CIH). Section 3, paragraph 1434 of the 2016 CIH, states "AIPs should encourage insureds who feed all or a portion of the harvested production to have the total amount of production determined by the AIP prior to beginning feeding. Contemporaneous livestock feeding records will not

be required if all production is determined by the AIP prior to insured beginning to feed production.”

## **Action**

Approved Insurance Providers (AIPs) and their agents should remind insureds if they plan to feed all or a portion of their production to either maintain acceptable feeding records or request the AIP to determine the total amount of production prior to beginning feeding. Accurate production reporting will help maintain the integrity of the crop insurance program and reduce the program's overall improper payment rate.

### **DISPOSAL DATE:**

December 31, 2016