



United States
Department of
Agriculture



Federal Crop
Insurance
Corporation

FCIC-25010 (10-2016)
FCIC-25010-1 (10-2017)

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

2018 and Succeeding Crop Years

**RISK MANAGEMENT AGENCY
KANSAS CITY, MO 64133**

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| TITLE: Loss Adjustment Manual Standards Handbook | NUMBER: FCIC-25010 FCIC-25010-1 |
| EFFECTIVE DATE: 2018 and Succeeding Crop Years | ISSUE DATE: October 12, 2017 |
| SUBJECT: Provides procedures and instructions for administering general loss adjustment of crop insurance programs. | OPI: Product Administration and Standards Division |
| | APPROVED: /s/ <i>Richard H. Flourney</i> Deputy Administrator for Product Management |

REASONS FOR AMENDMENT:

1. Subparagraph 202(25) – Added language regarding the filing of documentation used in loss adjustment information verification and determination.
2. Subparagraph 302A(1) – Corrected reference to the GSH.
3. Subparagraph 521(1) – Corrected reference to paragraph 523.
4. Subparagraph 522(1) – Removed “tobacco GP” from list of crops with LPP coverage.
5. Subparagraph 603A(3)(a)(iii) – Added clarifying language regarding added land. Example was also updated to clarify language and correct the result in Step D.
6. Subparagraph 606A – Added clarifying language to “SC” code regarding 1st crop/2nd crop. Revised chart headings to clarify purpose of crop codes.
7. Subparagraph 702B(6) – Removed (for annual crops only) language. There is no reason AIPs should not report extensions of harvest time for both annual and perennial crops. Corrected acronym for “ROs”.
8. Subparagraph 722A(1) – Removed duplicate word “in”.
9. Subparagraph 722A(4)(a) & (b) – Incorporated new replant language from 6/27/17 BP revision.
10. Subparagraph 904D(2)(b), (3)(a) & (b), E, & F(2) – Revised language for clarity regarding compensation for a gleaned crop that is considered to be for the crop and corrected references.
11. Subparagraph 931(5) – Corrected reference regarding acceptable PFTS production records.
12. Subparagraph 931(6) – Added “acceptable” to clarify alternate production record retention when PFTS records cannot be used.
13. Subparagraph 931(7)(a)(ii) – Deleted PFTS post-harvest calibration language when the initial calibrations still exceed the three percent tolerance.
14. Subparagraph 1003D(2) – Clarified language regarding storage structure marking and added a previous example with a bin measurement that included two units and two cones.
15. Subparagraph 1107C(1) – Corrected reference to exhibit 23 for standard weights by crop chart.
16. Subparagraph 1109H(1)(a) – Revised language regarding approved mycotoxin testing kit ranges.

REASONS FOR AMENDMENT (Continued):

17. Subparagraph 1109N(7) Chart – Corrected Fumonisin Category 1 and 3 recommended levels.
18. Subparagraph 1109O(6) Chart – Corrected Fumonisin Category 1 and 2 recommended levels.
19. Subparagraph 1221A(1) Example – Added the word “to” for clarity.
20. Paragraph 1231 & 1232– Added a “Note” to address the use of the three new stage codes regarding UUF/Third Party uninsured COLs.
21. Subparagraph 1243(2) – Added walnuts to the Simplified Claims Process eligible crops list.

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

CONTROL CHART:

| Loss Adjustment Manual (LAM) Standards Handbook | | | | | | | |
|---|------------|------------|--|-------------------|-----------------|---------|------------------|
| | TP Page(s) | TC Page(s) | Text Page(s) | Exhibit Number(s) | Exhibit Page(s) | Date | Directive Number |
| Remove | 1-4 | | 11-12 23-24 45-46 55-58 63-70 83-84 103-106 155-158 177-178 199-200 253-254 261-262 269-270 277-278 283-284 291-292 295-296 317-318 | | | 10-2016 | FCIC-25010 |
| Insert | 1-4 | | 11-12 23-24 45-46 55-58 63-70 83-84 103-106 155-158 177-178 199-200 253-254 261-262 269-270 277-278 283-284 291-292 295-296 317-318 | | | 10-2017 | FCIC-25010-1 |

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

CONTROL CHART (Continued):

| Loss Adjustment Manual (LAM) Standards Handbook | | | | | | | |
|---|------------|------------|--------------|-------------------|-----------------|---------|------------------|
| | TP Page(s) | TC Page(s) | Text Page(s) | Exhibit Number(s) | Exhibit Page(s) | Date | Directive Number |
| Current Index | 1-4 | 1-6 | 1-10 | | | 10-2017 | FCIC-25010-1 |
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| | | | | 1-23 | 326-406 | 10-2016 | FCIC-25010 |

FILING INSTRUCTIONS:

This handbook pages listed in the Control Chart above under the “Insert” heading replace such pages in the 2017 Loss Adjustment Manual (LAM) Standards Handbook, FCIC-25010 (10-2016). This handbook is effective for the 2018 and succeeding crop years and is not retroactive to any 2017 or prior crop year determinations.

202 Loss Adjustment Responsibilities (Continued)

- (16) Prior to obtaining the insured's (or authorized representative's) signature on the PW:
 - (a) Review all entries on appraisal worksheets and PWs with the insured;
 - (b) Explain any circumstances that may affect the indemnity; and
 - (c) Explain the Certification Statement on the PW and that the insured's (or authorized representative's) signature represents the insured's certification that the information on the PW is complete and accurate. Do not sign a final replant payment or final claim for indemnity (including PP payment) until satisfied with all determinations.
- (17) Use a Claim Checklist (similar to the one shown in exhibit 6) when instructed by the AIP.
- (18) Do not discriminate against any insured because of race, color, religion, sex, age, disability, marital status, national origin, or sexual orientation.
- (19) Do not solicit or accept money, gifts, or favors from any party that are designed to influence (or give the appearance of influencing) any loss adjustment finding or decision.
- (20) Do not use your position to gain favor, influence, or financial advantage over any insured or individual.
- (21) Adjusters must provide written consent (not verbal consent, unless specified otherwise in these procedures) to the insured when the adjuster is releasing acreage to:
 - (a) destroy the insured acreage;
 - (b) put the insured acreage to another use;
 - (c) replant the insured acreage (only for crops having replant provisions); or
 - (d) abandon the insured acreage.
- (22) Before a replanting, PP, or claim for indemnity is finalized, verify the insurability requirements of the crop and acreage; e.g., one of the insurability requirements of acreage is that the acreage upon which the insured crop is planted has had a crop planted and harvested or insured in one of the three previous crop years, unless it meets the exceptions, as stated in the CIH. Also, refer to the CIH for additional reasons that acreage would not be insurable. Insurability requirements for a crop can be found in the CIH, CP if applicable, or SP.
- (23) When there is contained water, verify and document the elevation of the contained water at the time of loss. Refer to subparagraph 843(6)I for details.
- (24) Loss Adjustment Form corrections.
 - (a) If during the time of loss adjustment the adjuster makes a correction on a loss adjustment form, the adjuster will follow the instructions for making corrections in the Section entitled PW Entries and Completion procedures in the applicable crop LASH.

202 Loss Adjustment Responsibilities (Continued)

- (b) If a claims reviewer or auditor makes a correction on the claim for indemnity form prior to processing it for payment, the auditor/reviewer will:
 - (i) Line through the incorrect information and replace with the correct information,
 - (ii) Initial and date the correction/change, and
 - (iii) Document on an attached Special Report the reason why the correction/change was needed.
- (c) The AIP should notify the insured of any correction/change if the correction/change results in a reduced Indemnity Payment, Replant Payment, or PP Payment, if applicable.

(25) Include in the insured's loss file, all documentation used to verify or support determinations as specified in this paragraph.

203 Insured's Responsibilities

Besides the requirement to provide notice when damage occurs, the BP requires the insured to:

- (1) Protect the crop from further damage by providing sufficient care.
- (2) Cooperate with the AIP in the investigation or settlement of a claim, and as often as the AIP reasonably requires:
 - (a) Show the AIP the damaged crop;
 - (b) Allow the AIP to remove samples of the insured crop; and
 - (c) Provide records and documents requested and permit the AIP to make copies.
- (3) Establish:
 - (a) The total production or value received for the insured crop on the unit;
 - (b) That any loss occurred during the insurance period;
 - (c) That the loss was caused by one or more of the insured causes specified in the CP; and
 - (d) That he/she has complied with all provisions of the BP.
- (4) Obtain consent from the AIP before, and notify the AIP after:
 - (a) Destroying any of the insured crop that will not be harvested,
 - (b) Putting the insured crop to an alternative use,
 - (c) Putting the acreage to another use, or
 - (d) Abandoning any portion of the insured crop.
- (5) Leave UH RSCs intact in accordance with the BP and/or CP. For additional information for RSCs, refer to subparagraph 902B.
- (6) Submit a claim declaring the amount of the insured's loss by the dates specified in the BP. For additional information, refer to paragraph 702.

E. Properly Identifying Cause of Loss

- (1) Drought cannot be a COL under a IRR Practice. AIPs are responsible for ensuring that damage and losses due to failure of the irrigation water supply are properly identified as such, and are not misidentified as drought, excessive heat, hot winds, etc. The AIP must not pay drought losses on acreage insured under the IRR practice, except where drought has caused the failure of the irrigation water supply, and in that instance, the COL code must be shown as failure of the irrigation water supply, not drought.
- (2) COLs under a IRR practice that normally do not occur, heat, hot winds, etc., may be appropriate COL on acreage insured under the IRR practice, but the likelihood of such causes are less compared to NIRR acreage. However, under the right climatic conditions, hot dry winds may cause the amount of evaporation of IRR water to be so great that the IRR equipment cannot deliver the water at a fast enough rate to benefit the crop. Also, there have been instances where hot dry winds have affected the ability of a drip irrigation system to deliver water to the seed zone area or enough water to enable the water to remain long enough for the seed to germinate and/or develop an adequate root system to survive. It may be possible that similar effects are experienced with other IRR methods.

When such claims are made, the AIP must verify and document whether:

- (a) other producers using the same type of irrigation system had the same problem; and
- (b) the problem can be attributed to hot dry winds in the area for the dates in question by verifying:
 - (i) what the local weather conditions and sub-soil moisture levels were for the dates in question (also refer to subparagraph C(7) above), and
 - (ii) with agricultural experts in the area, who are knowledgeable of the IRR practice method and irrigation equipment used, what the expected results would be utilizing the IRR practice method and irrigation equipment under the particular conditions and soil types for the dates in question.
- (3) When due to an unavoidable insured COL, insureds are unable to prepare the land for their established IRR method.
 - (a) In some areas, it is a normal and recognized practice to prepare furrows for irrigation after the crop is planted and established. In some instances severe, prolonged drought may not allow a crop to mature to a height sufficient enough to allow furrows to be made without severe damage or destruction of the crop trying to establish the furrows.

E. Properly Identifying Cause of Loss (continued)

Also, in some instances severe, prolonged drought may cause some soil types to collapse when trying to make the furrows. In either instance, without the furrows, IRR water cannot be properly distributed to all areas of the field, which may lead to loss of production. If it is determined that the severe drought was the sole reason for the furrows not being made, the resulting loss of production is covered. Confer with the local NRCS and other similar sources knowledgeable in furrow type irrigation operations to help make these determinations.

- (b) Besides drought preventing establishment of furrows for furrow irrigation as stated above, there may be other unavoidable insured causes of loss that prevent the insured from preparing the land for his/her established irrigation practice.
- (c) The COL code on the PW would be as stated in exhibit 3.
- (d) Document in the Narrative on the PW or on a Special Report, at least the following:
 - (i) The insured's established IRR method;
 - (ii) The insured COL that prevented the insured from being able to prepare the land for the insured's established IRR method; and
 - (iii) Additional supporting documentation explaining why it has been determined that drought or another insured COL was the sole reason the land could not be prepared for the established IRR method.

302 Organic Certified & Organic Transitional Practices

A. Coverage and Documentation

- (1) The insured must provide the AIP with copies of the records required in the **GSH** for OC and OT acreage. If the AIP has not obtained the records from the insured prior to loss adjustment, request these records from the insured. In addition, obtain any recent field inspection reports submitted by an inspector to the certifying agent. Verify pertinent information from these records to aid in the determination of:
 - (a) insurability, practice, if applicable,
 - (b) whether acreages reported agrees with the acreage shown on the certifier's records for certified acres and the organic plan or written documentation issued by a certifier if the insured has only transitional acreage; and

Section 2 Late Planting Coverage

521 General Information

These provisions provide automatic LPP coverage, unless the specific CP or SP specifies otherwise.

- (1) For applicable crops planted during the LPP (regardless of the reason for the delayed planting), the per-acre production guarantee for those acres will be reduced as stated in **paragraph 523** below, unless otherwise specified in the CP. The LPP, as specified in the BP, is 1-25 days after the FPD unless specified otherwise in the CP or SP. (CP for millet and tobacco specify less than 25 days).
- (2) If the insured crop was prevented from being planted, due to an insurable cause, by the FPD or during the LPP by an insurable cause occurring within the insurance period for PP coverage and PP provisions are applicable to the insured crop (not applicable to tobacco), coverage may be provided for acreage planted to the insured crop after the LPP (or after the FPD for crops that do not have a LPP). Refer to subparagraph 523(2) for more information.

522 Crops Having Late Planting Period Coverage

- (1) The following crops qualify for LPP coverage: buckwheat, canola/rapeseed, corn, cotton, ELS cotton, dry beans, dry peas, flax, grain sorghum, hybrid seed corn, hybrid sorghum seed, millet, oats, onions, peanuts, mustard, central and southern potatoes, northern potatoes, rice, silage sorghum, safflowers, soybeans, sunflower seed, and tobacco.
- (2) For Green Peas, Popcorn, Processing Sweet Corn, Processing Beans, and Rye, LPP is allowed only if provided in the SP and the insured provides written approval from the processor by the ARD that it will accept the production from the late planted acres when it is expected to be ready for harvest.
- (3) For Sugar Beets, LPP is not available in California counties with an April 30 CCD and a July 15 cancellation date.
- (4) For Barley and Wheat, LPP is applicable to small grains, except to any barley or wheat acreage covered under the terms of the Wheat or Barley Winter Coverage Endorsement.
- (5) Barley or wheat covered under the terms of the Winter Coverage Endorsement must be planted on or prior to the applicable FPD specified in the SP. In counties having one fall FPD for acreage covered under the Wheat or Barley Winter Coverage Endorsement and another fall FPD for acreage not covered under the endorsement, the fall LPP will begin after the FPD for acreage not covered under the endorsement.

523 Per-Acre Production Guarantee

- (1) For all the crops listed in paragraph 522 that are planted within the LPP, the per-acre production guarantee or per-acre amount of insurance will be reduced by one percent (1%) per day for each day planted after the FPD, unless otherwise specified in the SP. The per-acre production guarantee is reduced a maximum of twenty-five percent (25%) for planting 25 days after the FPD.

Exception: Refer to the CP and SP for millet, tobacco, and AUP cotton.

- (2) For all crops planted to the insured crop after the LPP (after the FPD for crops not having a LPP). Provided the crop was prevented from being planted due to an insurable cause as stated in subparagraph 521(2) above and PP coverage is available for the crop (this is not allowed for tobacco even though PP coverage is available for tobacco), the insured may choose to insure such acreage. Insureds must report the date acreage is late planted if they decide to report it as insured acreage. The per-acre production guarantee or per-acre amount of insurance for such acreage will be the same as for the insured's PP guarantee for the insured crop.

Example: The insured has sixty percent (60%) PP coverage level with a 100 bu. per-acre guarantee for timely planted acres. The guarantee for the LP acres will be 60 bu. (.60 X 100.0).

- (3) For acreage on which an insurable COL prevents completion of planting as specified in the policy definition of "planted acreage" (e.g., seed is broadcast on the soil surface but cannot be incorporated and it would have been insurable had the seed been incorporated), is covered at a reduced guarantee provided that PP coverage is available for the crop. Such acreage will be considered as acreage planted after the FPD (or after the LPP, if one applies), and the per-acre production guarantee will be the same as the PP guarantee for the crop.

Example: The insured has sixty percent (60%) PP coverage level with a 100 bu. per-acre guarantee for timely planted acres. The guarantee for these acres will be 60 bu. (.60 X 100.0).

- (4) If the insured crop is replanted during the LPP due to the crop being destroyed by an uninsured cause (e.g., chemical damage), no reduction in the guarantee will apply. However, refer to subparagraph 722F for additional details.

524-600 (Reserved)

602 Reduction of Payments & Premium due to 2nd Crop (Continued)

- (2) If the 1st insured crop is planted, is shared with another person or other people, and the crop suffers a loss, each of the shareholders can decide whether they want to insure a 2nd crop that is planted on the same acreage independently of each other. However, if the 2nd crop suffers a loss and the person or any one of the people who chose to insure the 2nd crop accepts their indemnity check, the 1st insured crop indemnity will be limited to thirty-five percent (35%) for all shareholders.
- (3) If the 1st insured crop acreage was planted acreage and the 2nd crop acreage does not suffer a loss or is not insured, one hundred percent (100%) of indemnity of the 1st insured crop acreage will be applicable.
- (4) Cash rent, as used below means cash renting for agricultural use (growing a crop, haying, grazing, etc.) This does not apply when the acreage is cash rented for a non-agricultural use; e.g., hunting.
 - (a) The crop that is planted by the person cash renting the acreage is considered the 2nd crop for both the person having the 1st insured crop, and is also considered the 2nd crop for the person that cash rented the acreage and planted a crop on this acreage.
 - (b) Another person planting the 2nd crop cannot choose not to insure the acreage if the 2nd crop is an insurable crop and that person has an active policy for this crop in the county. This is because only the insured that had the 1st crop indemnity may elect to not insure any 2nd crop acreage to preserve one hundred percent (100%) of his/her 1st crop indemnity.

603 Indemnity Payment as it Relates to Double-Cropping History

A. Double Cropping Criteria for Planted Acreage

If all of the following conditions are met, the insured qualifies for double-cropping history (Refer to the PPSH for criteria regarding double-cropping and PP):

- (1) It is a practice generally recognized by agricultural experts or the organic agricultural experts in the area to plant the second crop for harvest following harvest of the 1st insured crop;
- (2) Additional coverage insurance offered under the authority of the ACT is available in the county for two or more crops that are double-cropped;

Note: Available means that a FCI program is offered for the insured crop in the county by either having: (1) actuarial documents on file for the crop in the county (crop not required to be insured), or (2) if no actuarial documents are on file for the crop in the county, the crop is insured via a WA.

- (a) The insured is not required to have additional coverage to qualify for double-cropping.

A. Double Cropping Criteria for Planted Acreage (continued)

- (b) The two crops claimed as qualifying double-cropped acreage for the current crop year, must both be “insurable” in the current crop year in order to qualify as double-cropped acreage (i.e., insurance offered under the authorization of the ACT is available in the county for both crops.);

Example: Wheat planted for harvest as grain would have insurance available under the ACT, but wheat planted for haying purposes would not. For the purpose of determining double-crop history, both crops do not have to have been insurable or insured in prior years; e.g., for the current crop year, the 1st insured crop is wheat, and the 2nd crop is soybeans. Prior year records show wheat is followed by carrots in at least two of the last four crop years. If soybeans are planted following 1st insured wheat acres, the wheat qualifies for double-cropping (entitled to one hundred percent (100%) indemnity payment) due to the fact that there was double-cropping history for carrots, which is not a crop for which insurance is available.

- (3) The insured provides records as stated below:
 - (a) His/her own records acceptable to the AIP of acreage and production that show the insured has double-cropped acreage in at least two of the last four crop years in which the 1st insured crop was planted in the county for which the claim is being made, or
 - (i) If the 1st insured crop is the subsequent crop planted on the same acreage in the same crop year as the uninsured crop, the double crop records are based on the subsequent crop (1st insured crop). Refer to examples in subparagraph D below.
 - (ii) Refer to subparagraph C below for what constitutes acceptable records and the examples in subparagraph D below regarding the insured’s own records of double-cropping. When the double-cropping history requirements have been based on the insured’s own records, the double-cropping exemption may be used anywhere in the county.
 - (iii) If the insured acquired additional acreage for the current crop year and if the total cropland acres are greater than the previous year’s total cropland acres, the insured may apply the percentage of the acres previously double-cropped to the total cropland acres the insured is farming in the current crop year, using the following calculation:
 - (A) Determine the number of acres of the first insured crop that were double cropped in each of the years for which records are provided;
 - (B) Divide each result of (A) by the number of acres of the first insured crop that were planted in each respective year, rounded to tenths;

603 Indemnity Payment as it Relates to Double-Cropping History (Continued)

A. Double Cropping Criteria for Planted Acreage (continued)

- (C) Add the results of (B) and divide by the number of years the first insured crop was double cropped, rounded to tenths; and
- (D) Multiply the result of (C) by the number of insured acres of the first insured crop.

Example: An insured has 400 acres in the farming operation, acquired an additional 100 acres for the 2017 CY and all 500 acres are planted to a 1st insured crop. The insured provides records showing:

| Step A: | | | Step B: | |
|---------|---------------------------------------|---|---|--------|
| Year | Wheat Acres (1 st crop) | FAC Soybean Acres (2 nd crop) | 2 nd crop acres/ 1 st crop acres | % DC |
| 2009 | 300.0 | 100.0 | 100/300 | 33.3% |
| 2011 | 200.0 | 150.0 | 150/200 | 75.0% |
| 2013 | 175.0 | 175.0 | 175/175 | 100.0% |
| 2016 | 400.0 | 200.0 | 200/400 | 50.0% |

Step C: $(33.3 + 75.0 + 100.0 + 50.0)/4 = 64.6\%$

Step D: $(400 + 100) \times .646 = 323.0$ acres eligible for DC.

- (b) Someone else's records acceptable to the AIP of acreage and production that show the exact same acreage in the county on which the claim is being made for the 1st insured crop was actually double-cropped in at least two of the last four crop years in which the 1st insured crop was grown by someone else, and the insured has acquired this exact same acreage.
- (i) If the 1st insured crop is the subsequent crop planted on the same acreage in the same crop year as the uninsured crop, the double crop records are based on the subsequent crop (1st insured crop). Refer to examples in subparagraph D below.
- (ii) Refer to subparagraph C below for what constitutes acceptable records and refer to example 4 in subparagraph D below for an example of using someone else's double-cropping records. When the double-cropping history requirements have been met based on someone else's records, the double-cropping exemption may only be used for the exact same acreage for which the double-cropping records were provided.
- (4) The amount of acreage the insured is double-cropping in the current crop year does not exceed the number of acres for which the insured provides records, as required in subparagraph A(3) above.

B. Receiving a Full Indemnity Payment on Planted 1st Insured Crop Acreage

The insured may receive a full indemnity payment on the 1st insured crop in the following scenarios if all the double-cropping qualifications stated in subparagraph A above are met:

- (1) The 1st insured crop is planted, suffers a loss, and an indemnity is due. Then in the same crop year, a 2nd insured crop is planted (on the same acreage as the 1st insured crop) suffers a loss, and an indemnity is paid to the insured;
- (2) The 1st insured crop is planted and the subsequent insured crop is PP on the same acreage in the same crop year (the subsequent PP crop is not considered a 2nd crop since it is not a planted crop; refer to definition of “Second Crop”); or
- (3) The 1st planted crop for the crop year is uninsured but insurance is available for the uninsured crop and a subsequent insured crop is PP on the same acreage in the same crop year (the subsequent PP crop is the 1st insured crop).

C. Acceptable Double-Cropping Records

Acceptable double-cropping records include, but are not limited to, APH acreage and production history records, settlement sheets, bin measurements, FSA maps, or FSA 578s that identify the acreage, production, and location from which the production came.

For production from double-cropped acreage that was not kept separate from non-double-cropped acreage, the AIP may allocate commingled first/second crop production to that acreage in proportion to the liability for the acreage that was not double-cropped, provided the yields are representative as described below:

- (1) This allocation procedure applies to commingled production from the first crop that is double-cropped (i.e., wheat production from acreage planted to a second crop and not planted to a second crop) as well as the second crop that is double-cropped (i.e., soybean production from acreage planted after a first crop and not planted after a first crop). Refer to paragraph 607. AIPs may divide total production by total acres to allocate commingled production when the:
 - (a) liability per acre is the same for the crop on the acreage that was and was not double-cropped;
 - (b) crop was not insured or was not an insurable crop; or
 - (c) liability is not known or is not readily available to be obtained (e.g., year in question is 10 or 11 years ago and was insured with different AIP).

A. Inspection and Appraisal of 1st Insured Crop (continued)

- (2) The insured can elect not to insure a 2nd crop on a 1st insured crop unit, when only a portion of the 1st insured planted crop unit is being released for another use and it is unknown whether there will be a loss on the 1st insured crop unit. The election applies to all 2nd crop acreage on the unit of the 1st insured crop.
- (3) If the insured 1st crop is insured under the BP, and the insured does not plan to insure the 2nd crop acreage, the AIP must obtain a signed written notice (signed certification) from the insured at this time so stating, unless it is for a ARPI crop policy. Refer to subparagraph 601B(2)(b)(ii) if a 1st crop, 2nd crop, or both crops are insured under ARPI policies. Follow the individual AIP's instructions regarding the document to use in the completion of the written notice (certification). Refer to subparagraph 601A(9) and subparagraph 601B(2)(c) above for information pertaining to written notices.
- (4) If the insured plans to plant and insure a 2nd crop, explain the insured's requirements about keeping separate production records and the consequences if the insured cannot provide the required records, as explained in subparagraph 601B(3)(e) above. Refer to paragraph 606 instructions below for recording the separate production on the PW.
- (5) When it is known that some acreage of the 1st insured crop will be planted to a 2nd crop, and this acreage is going to be appraised, it needs to be appraised separately from the acreage that will not be planted to a 2nd crop. Refer to subparagraph 921A for information pertaining to when it is known that a specific part of the 1st insured crop acreage in a field will be or probably will be planted to a 2nd crop.

B. Inspection of 2nd Insured Crop

- (1) If the insured has any other insured crops, there is the potential of having 2nd crop acreage that is insured. Verify whether the crop being inspected is insured 2nd crop acreage.
- (2) When there is 1st and 2nd crop acreage within the same unit, obtain the insured's separate records of production of the 2nd crop acreage. Refer to subparagraph B(3)(e) for the record requirements. If the required records have not been kept, the PTC for the 1st and 2nd crop must include the allocation of production as stated in subparagraph C below.

C. How to Prorate Production

When separate records of crop production have not been kept for 1st insured crop acreage and 2nd crop acreage, the production must be prorated. Use the same formula as is used for commingled production in paragraph 1233. Also, refer to the example in the first Q&A in paragraph 607.

A. Codes for 1st and 2nd Crops

The following codes apply to all policies, except clams and nursery, and apply to all insurance plans, except WFRP and Livestock. More than one code may apply to a claim unit, but only one code per loss line.

The multiple cropping code(s) shown below must be entered on the PW (except replant claims) by the adjuster or any other person authorized to handle the claim. The adjuster must verify the multiple cropping code(s) match(es) the insured’s elected option on the certification form. If the AIP’s system automatically generates the multiple cropping code(s), the adjuster must verify the code correlates with the insured’s elected option on the certification form for 1st or 2nd crop acreage. The insured’s elected option on the certification form, and when applicable, the adjuster’s verification of the insured’s actual actions, must be maintained in the insured’s loss file.

When insureds do not certify their intent for the 1st crop acreage, the AIP shall limit the indemnity or PP payment to thirty-five percent (35%). However, if an insured’s certification limits him/her to a 35 percent payment, the appropriate codes would be used.

Example: The respective code to reinstate the remaining sixty-five percent (65%) (indemnity or PP payment), if thirty-five percent (35%) had already been paid; or one hundred percent (100%) if thirty-five percent (35%) had not already been paid. The reverse also applies when the certification form indicates the insured is entitled to one hundred percent (100%) payment but actions limit insured to thirty-five (35%).

| Codes for Insured Crop Loss Lines | Definition | Use Only When... |
|-----------------------------------|---|--|
| WI (on planted acres) | Waive insurance on 2 nd insured crop acreage 100% Indemnity on 1 st insured crop acreage | The insured waives insurance on 2 nd crop acreage contained in unit of a 1 st insured planted crop. (1) This waiver is based on the unit structure for each individual 1 st insured planted crop unit that contains 2 nd crop acreage; e.g., 100.0 acres of failed wheat, 1 st insured crop (unit 0001-0001OU). Soybeans (2 nd crop) are insured and planted on 10 acres (unit 0001-0003OU soybeans) of the failed wheat acres (unit 0001-0001OU). The insured waives insurance on the 10.0 acres of soybeans (2 nd crop acres). Soybeans, 2 nd crop acres (also unit 0001-0003OU) are planted on 150 acres of the failed wheat (unit 0001-0002OU), but the insured elects not to waive insurance on the 150.0 acres of soybeans (2 nd crop acres) in unit 0001-0003OU soybeans. |

606 Production Worksheet Entries for 1st & 2nd Insured Crops (Continued)

A. Codes for 1st and 2nd Crops (continued)

| Codes for Insured Crop Loss Lines | Definition | Use Only When... |
|--|--|---|
| WI (on planted acres) (continued) | Waive insurance on 2 nd insured crop acreage 100% Indemnity on 1 st insured crop acreage | (2) The waiver must be done by the time specified in paragraph 601 and cannot be accepted at a later date. Once the waiver is signed, it cannot be retracted at a later date. (3) Insurance cannot be waived on 2 nd crop acreage when the 1 st insured crop acreage was prevented from planting. |
| NS (on planted acres) | No 2 nd insured crop planted on 1 st insured crop acres 100% Indemnity on 1 st insured planted crop acreage If insurance is waived for 2 nd crop, use WI code above. | (1) The 2 nd crop planted is not insurable; (2) At the time of the final inspection for the 1 st insured crop acres, the AIP accepts the insured's certification that no 2 nd crop will be planted; or (3) The insured did not waive insurance on the 2 nd crop, the indemnity for the 1 st insured crop has not been processed yet, and the adjuster has verified after it is too late to plant a 2 nd crop that a 2 nd crop was not planted. If an indemnity payment of 35 percent has already been made on the 1 st insured crop acreage and it is determined that a 2 nd insured crop was not insured, or if insured, was not planted, the RI code would be used rather than the NS code. Refer to the RI code. If someone other than the insured plants a 2 nd crop on any of the 1 st insured crop acreage, policy provisions require the insured to notify their AIP of this. |
| NS (on PP acres) | No 2 nd crop on pp 1 st insured crop acres 100% PP payment on first insured crop acreage | The AIP, in accordance with paragraph 45 of the PP Handbook, allows and accepts the insured's certification that no 2 nd crop will be planted for harvest, or an approved planted cover crop or volunteer crop will not be hayed (including swathed or windrowed) or grazed from the PP acreage prior to November 1, or harvested (for other than haying or grazing) at any time. (1) If the AIP cannot or does not allow the insured's certification, an initial PP payment of 35 percent will be made as stated in the PPSH. |

606 Production Worksheet Entries for 1st & 2nd Insured Crops (Continued)

A. Codes for 1st and 2nd Crops (continued)

| Codes for Insured Crop Loss Lines | Definition | Use Only When... |
|--|---|---|
| NS (on PP acres) (continued) | No 2 nd crop on pp 1 st insured crop acres 100% PP payment on first insured crop acreage | (2) AIPs should require insureds to sign a statement certifying they will notify them if another person plants a second crop for harvest on the PP acreage (1 st insured crop) or if another person hays (including swaths or windrows) or grazes an approved cover crop or volunteer crop prior to November 1 st , or otherwise harvests (for other than haying or grazing) a cover crop or volunteer crop at any time. (3) If 35 percent of the PP payment has been made and it is determined the insured is entitled to the remaining 65 percent of the PP payment, the RI code rather than the NS code will be used. Refer to the RI code for PP. |
| DC | Meets Double-Cropping requirement 100% Indemnity or PP payment on 1 st insured crop | It has been verified the insured meets all double-cropping requirements as stated in paragraph 603. |
| IR | 65% Indemnity Reduction of the 1 st insured crop (planted acreage) | Double-cropping eligibility does not apply, and insurance was not waived on the 2 nd crop acreage. (1) The insured is unsure if a 2 nd crop will be planted; (2) The insured states a 2 nd crop will be planted and insured; (3) A 2 nd crop is insured and has been planted; (4) The AIP does not allow or does not accept the insured's certification that a 2 nd crop will not be planted; or (5) The AIP accepts the insured's certification that a 2 nd crop would not be planted and 100% of the indemnity was paid. However, it subsequently is planted, suffers an insurable loss, and the insured accepts the 2 nd crop indemnity. |

606 Production Worksheet Entries for 1st & 2nd Insured Crops (Continued)

A. Codes for 1st and 2nd Crops (continued)

| Codes for Insured Crop Loss Lines | Definition | Use Only When... |
|--|---|--|
| RP | 65% Reduction of PP payment of the 1st insured crop (PP acreage) | <p>It is determined that a PP payment is payable on the 1st insured crop and double-cropping eligibility does not apply but:</p> <ol style="list-style-type: none"> (1) At the time of final inspection for the PP payment, the insured is unsure if any of the following will occur, or the insured states or certifies that one of the following will occur: <ol style="list-style-type: none"> (a) 2nd crop will be planted for harvest after the FPD (or after the LPP, if applicable) for the 1st insured crop; (b) Cover crop will be planted and hayed (including swathed or windrowed) or grazed after the LPP (FPD if LPP does not apply) but prior to November 1; (c) Volunteer crop will be hayed (including swathed or windrowed) or grazed after the LPP (FPD if LPP does not apply) but prior to November 1; or (d) A cover crop or volunteer crop will be harvested (other than haying or grazing) at any time. (2) The insured or someone else actually carries out one of the items in (1) above. (3) The AIP accepted the insured's certification that any of the items in (1) above would not occur and 100% of the PP payment was made. However, subsequent to the certification and payment of 100% of the PP payment, the insured or another person carries out one of the items in (1) above. |
| RI (for planted acres indemnity) | Restore Indemnity of 1 st insured crop to 100% (planted acres) | <p>The 1st insured crop's indemnity was reduced to 35%, and the:</p> <ol style="list-style-type: none"> (1) Insured 2nd crop did not suffer a loss; or (2) Adjuster verified a 2nd crop was not insured, or if insured, was not planted; or (3) Indemnity of 1st insured crop was erroneously reduced; or (4) Insured waives indemnity on the 2nd crop acreage. |

606 Production Worksheet Entries for 1st & 2nd Insured Crops (Continued)

A. Codes for 1st and 2nd Crops (continued)

| Codes for Insured Crop Loss Lines | Definition | Use Only When... |
|--|---|---|
| RI (for planted acres indemnity) (continued) | Restore Indemnity of 1 st insured crop to 100% (planted acres) | Adjusters will only use this code on corrected claims they prepare that also need the indemnity restored. If no corrected claim is required, the AIP will use this code internally in the computer program. Refer to paragraph 1238 for the reasons that corrected claims are prepared. Documentation must be placed in the insured's loss file that explains why the indemnity is being restored. |
| RI (for PP Payment) | Restore PP Payment of 1 st insured crop to 100% | <p>The first insured crop PP Payment was reduced to 35% and the:</p> <ol style="list-style-type: none"> (1) Adjuster verified a 2nd crop was not planted, a volunteer or cover crop was not hayed (including swathed or windrowed) or grazed prior to Nov. 1, or a volunteer or cover crop was not otherwise harvested. The first insured crop PP Payment was reduced to 35% and the: (2) Insured stated or certified a 2nd crop would be planted, or a volunteer or cover crop would be hayed (including swathed or windrowed), grazed, or otherwise harvested. However, subsequent to the statement or certification, the adjuster verifies that a 2nd crop was not planted, or a volunteer or cover crop was not hayed (including swathed or windrowed), or grazed prior to November 1, or otherwise harvested. <p>If a cover crop or volunteer crop that still exists November 1 or later appears to be harvestable, the PP payment cannot be restored until the final disposition of the cover crop or volunteer crop is determined.</p> <ol style="list-style-type: none"> (3) PP payment of 1st insured crop was erroneously reduced. <p>Adjusters will only use this code on corrected claims they prepare that also need the PP payment restored. If no corrected claim is required, the AIP will use this code internally in the computer program. Refer to paragraph 1238 for the reasons that corrected claims are prepared. Documentation must be placed in the insured's loss file that explains why the indemnity was restored.</p> |

606 Production Worksheet Entries for 1st & 2nd Insured Crops (Continued)

A. Codes for 1st and 2nd Crops (continued)

| Codes for Insured Crop Loss Lines | Definition | Use Only When... |
|-----------------------------------|---|--|
| FC | 1 st insured Crop acreage for which no other multiple cropping code applies and 100% indemnity is applicable | <p>Example: First insured crop unit 0001-0001BU is 80.0 acres of wheat (Field A, 30.0 acres and Field B, 50.0 acres.) The unit suffers a loss. However, only Field B contributed to the unit loss. The acres in Field A did not. The AIP accepts the insured's certification that no 2nd crop will be planted on Field B and that soybeans (2nd crop) will be planted on Field A. Even if the soybeans (2nd crop) planted in Field A suffers an insurable loss, the 1st crop acreage on these 30.0 acres would receive 100% indemnity.</p> <p>Therefore, at the time unit 0001-0001BU wheat indemnity is paid, 50.0 acres would be coded as NS, and the 30.0 acres would be coded as FC, indicating the insured is paid 100% on the entire unit. The FC code cannot be used when all of the first crop acres were planted to a second crop, unless some of the 1st crop acres were not subject to an indemnity reduction.</p> |
| SC | <p>2nd Crop (or Subsequent, if PP) Acreage that is Insured</p> | <p>This insured crop was planted on the same acreage of the 1st insured crop (planted or prevented from planting) within the same crop year, and if the 1st insured crop acreage was planted acreage, the indemnity for the 2nd crop acreage was not waived.</p> <p>Note: This also applies to subsequent crop acreage that is double crop PP acreage.</p> <p>The indemnity for 2nd crop acreage cannot be waived if the insurable loss on the 1st insured crop was PP.</p> |

606 Production Worksheet Entries for 1st & 2nd Insured Crops (Continued)

A. Codes for 1st and 2nd Crops (continued)

| Codes for Insured Crop Loss Lines | Definition | Use Only When... |
|-----------------------------------|---|---|
| SW | <p>Second Crop Acreage Insured - Indemnity Waived</p> <p>Indemnity cannot be waived when the first insured crop has payable PP Payment.</p> | <p>(1) The acreage for the entire unit is 2nd crop acreage for which the indemnity is waived.</p> <p>(2) The acreage on this claim unit has both 1st insured crop planted acreage and the 2nd crop acreage indemnity is waived, or</p> <p>(3) The acreage on this claim unit has 2nd crop acreage on which part of the 2nd crop acreage indemnity is waived and some of it is not.</p> <p>The indemnity waiver is based on the unit structure for each individual 1st insured crop unit that contains 2nd crop acreage.</p> <p>Waiver of the 2nd crop acreage indemnity can be allowed when acreage of a 2nd crop unit lies in two different units of the 1st insured crop acreage. For example: 100.0 acres of failed wheat, 1st insured crop (unit 0001-0001OU). Soybeans, 2nd crop (unit 0001-0003OU), is insured and planted on 10.0 acres of Field A, the failed wheat acres (unit 0001-0001OU). The insured waives the payable indemnity on the 10.0 acres of soybeans (second crop acres). Soybeans (second crop) is insured and planted on 150.0 acres of the failed wheat (unit 0001-0002OU), but the insured elects not to waive the payable indemnity on the 150.0 acres of soybeans (2nd insured crop acres) that are also part of unit 0001-0003OU soybeans.</p> <p>Waiver of the 2nd crop acreage indemnity cannot be allowed when acreage of a 2nd crop unit lies in only one unit of the 1st insured crop acreage. For example: Unit 0001-0001OU consisted of 100.0 acres of failed wheat acres – 50 acres, Field A and 50 acres, Field B. Unit 0001-0002OU soybeans is the same legal description as unit 0001-0001OU wheat. Field A and B are planted to soybeans; i.e., total of 100.0 acres soybeans (2nd crop). In this situation, the insured cannot waive only a portion of the 100.0 acres since the acreage lies in the unit structure of the 1st insured crop. The insured can either waive indemnity on all 100.0 acres, or none. Exception to this would be if part of the 100.0 acres qualifies for double-cropping; e.g., Field A (50.0 acres) qualifies for double-cropping acreage. Then the indemnity on the remaining 50.0 acres in Field B that did not qualify for double-cropping acres could be waived.</p> |

B. End of the Insurance Period

- (1) When the calendar date for the EOIP has been reached and the crop has not been harvested, appraised production will be used to adjust the loss if the crop will not be harvested. A final inspection is required as soon as practical unless the AIP determines that insured perils (listed in the policy) delayed and prevented harvest of the crop.
- (2) AIPs may settle claims based on harvested production by authorizing additional time to harvest on a case-by-case basis if the:
 - (a) AIP determines and documents the delay in harvest is due to an insured COL;
 - (b) insured proves that harvest was not possible; and
 - (c) delay in harvest was not due to uninsured causes of loss or because the insured did not have sufficient equipment or manpower to harvest the crop by the calendar date for the EOIP.
- (3) AIPs should not perform final inspections when conditions (i.e., significant snow cover, the crop is under water, or extreme wet conditions) make it impossible to obtain accurate appraisals.
- (4) AIPs are expected to perform appraisals and close out any open claims after the calendar date for the EOIP once conditions improve sufficiently to do so.
- (5) When an appraisal is deferred for immature crop acreage that has been released to go to another crop or use, the EOIP does not occur for such acreage until the representative areas left for the deferred appraisal have been appraised or harvested (within time frame specified in procedures or CP where there is a disagreement of appraisal amount), unless the insured failed to care for the representative areas (i.e., abandons the acreage in the representative areas). Refer to subparagraph 921B and paragraph 924 for more information about deferred appraisals.

- (6) When the AIP authorizes additional time to complete loss adjustment due to an insured peril preventing harvest by the calendar date for the EOIP (as stated above), follow the instructions below:
 - (a) Notify RMA's RMSD via e-mail at RMA.RMSD@rma.usda.gov when authorization is being provided to an insured or insureds, list the number of units by crop, county, and state for which the authorization was given, the reason authorization is being given. If it is anticipated that there may be additional authorizations needed for crop units, provide approximates of the preceding information (i.e., number of units by crop, etc.) and note that the information is based on approximations. RMSD will notify the other AIPs, PASD, Risk Compliance, RMA ROs, and CFOs that service the counties/states where the authorizations have been provided.

B. End of the Insurance Period (continued)

- (b) If harvest completion was delayed due to an insurable cause occurring within the insurance period, any subsequent damage to the crop, due to the insurable causes specified in the contract, is covered provided that it is determined on a case-by-case basis that the insured has:
 - (i) Complied with the NOL or loss requirements identified in the policies and administered in accordance with the loss adjustment procedures, and
 - (ii) Made every reasonable attempt to harvest the crop timely and properly.
- (c) This does not include a mature crop that could have been harvested by the calendar date for the EOIP but was not because the insured was waiting for the moisture to decrease to avoid drying costs. In such cases, appraise the crop and finalize the claim as soon as possible after the calendar date for the EOIP.
- (d) The calendar date for the EOIP is not extended. Rather, the insured is given additional time to attempt to harvest the crop in order to settle any loss on the basis of harvested production.
- (e) In the above circumstances, any subsequent and unavoidable loss of production caused by insurable causes is to be considered as an unavoidable loss resulting from the original insurable cause, which prevented the timely harvest of the crop. Any avoidable loss of production is to be charged as an appraisal against the guarantee.
- (f) The insured is expected to harvest the crop if a window of harvest opportunity arises. If the insured had the opportunity to harvest and failed to do so, AIPs are to appraise the acreage and finalize the claim based on the appraisal. Damage occurring after the producer had an opportunity to harvest is uninsurable.
- (g) Verify and document that damage resulted from insured causes occurring during the insurance period (as clarified in B(6)(b) and (c)). Items to verify include (but are not limited to) the following:
 - (i) Specific variety planted.
 - (ii) Planting date.
 - (iii) Length of normal growing season needed for the insured crop variety.
 - (iv) Insurable causes preventing timely harvest and dates of occurrence.

C. Inspections for Crops Not Having Replanting Payment Provisions (continued)

- (3) Determinations that field inspections are not required, must be fully supported by information documented in the insured's loss claim file, based on contact with the insured or the insured's authorized representative. Notices of loss may not require a field inspection when the CP do not provide for replanting payments (or replant payments are not applicable because the policy has CAT coverage) for the crop and crop damage is consistent with other producers' crop damage in the area, and the other producers are replanting. Refer to (5) below.
- (4) When the NOL is cleared without a field inspection, consent to replant will be considered given to the insured when the adjuster documents in the insured's claim file why a field inspection is not required and closes the NOL.
- (5) A field inspection must be completed when:
 - (a) Policy provisions provide for replant payments (except self-certification replant inspections and policies with CAT coverage);
 - (b) An insured requests consent to put insured acreage to another use;
 - (c) There is reason to suspect the insured did not follow GFPs or uninsured causes of loss;
 - (d) Damage is inconsistent with other crops in the insured's area;
 - (e) There is any need to document actual field crop conditions; or
 - (f) It becomes evident (from contact with the insured or general crop conditions) that these insured crops have been damaged to the extent that replanting would be required, but the insured does not intend to replant the insured acreage. An inspection is required in order to determine practicability to replant and therefore insurability of the damaged acreage.
- (6) No potential production will be assessed to acreage the insured has destroyed with consent to replant (with or without a field inspection if, due to weather and/or soil conditions, the insured is unable to replant). However, if the insured could have replanted within the timeframe that it was still practical, the acreage must be considered uninsured and the AR revised accordingly.

This section applies to CPs that have replanting provisions regardless of whether the CPs also includes replanting payment provisions. Replanting payments are not to be used to offset amounts due (i.e., premium, interest, or overpayments), unless the insured agrees in writing to this.

A. Practical to Replant

The “Insurable Acreage” section in the BP provides that when the crop is damaged and it is “Practical to Replant,” (annual crops only) the crop must be replanted in order to maintain insurability. Therefore, acreage damaged after the FPD must not be released for other use until it is no longer practical to replant.

- ***
- (1) In addition to the definition of Practical to Replant in the BP, some CP or SP may provide additional or modified requirements/factors in order for it to be considered “practical to replant,” such as, availability of seeds or plants. Refer to the examples below.

Note: If irrigation water is only available from non-traditional sources and cost is excessive, replanting may not be practical.

Example 1: Some CP, for which processor or seed contracts apply, contain language stating that it is not practical to replant if the production from the replanted acreage cannot be delivered under the terms of the contract or the processor/seed contractor does not agree in writing to accept the production from the replanted acreage. Some CP for which processor contracts apply, state it is not practical to replant if the replanted acreage cannot produce at least the specified percentage of the approved yield and the processor agrees in writing to accept the production from the replanted acreage (e.g., processing sweet corn, processing beans, processing tomatoes, and green peas).

Example 2: The Sugar Beet CP state it will not be considered practical to replant 30 days after the initial planting date for all counties where a LPP is not applicable unless replanting is generally occurring in the area.

- (2) If the AIP determines it is practical to replant any acreage, it cannot be released to go to another crop. If the insured does not replant or plants another crop; the AIP:
 - (a) Will not pay an indemnity on such acreage; and
 - (b) Will revise the AR to designate such acreage as uninsurable.
- (3) AIPs must be cautious to not prematurely determine that it is not practical to replant, especially in situations where there is a lighter stand, dry soil conditions, and the possibility that precipitation may occur or there is sufficient time to produce a crop before the calendar date for the EOIP.

A. Practical to Replant (continued)

- (4) Insured notifies AIP of intent to replant, but the AIP determines it is not practical to replant:
 - (a) During the farm visit, appraise the acreage. Inform the insured that it is not practical to replant the original crop, but the AIP will release the acreage for another use if the insured desires. If the insured elects to plant the same crop under any practice, the crop will be considered a replanted insured crop and no replanting payment will be paid.
 - (b) If the entire unit acreage is damaged, the claim can be finalized after the insured certifies that the entire unit acreage was put to another use or a second crop. If the entire unit is released to go to another use or a second crop, a Certification Form may be left with the insured, refer to paragraph 831. Insurability of the second crop is determined in accordance with the applicable policy provisions and as outlined in paragraph 601.
 - (c) AIPs must document all sources of information used to make the determination that it was not practical to replant. This documentation must be retained in the insured's file folder.

- (5) When an herbicide has been properly applied as a recommended farming practice, and the label restrictions prohibit replanting the crop by the FPD, it will generally be considered not practical to replant the acreage. The individual circumstances should be documented using label restrictions and local CES information to make individual determinations.
 - (a) Advise the insureds that to protect their interest in determining it is not practical to replant they should notify the AIP of the circumstances in order to provide timely documentation of the facts.
 - (b) No standard response can be given as to the practicality to replant in this situation. Every case may have varied conditions that will affect the decision. Included in these conditions are the following:
 - (i) Label restrictions for herbicide used;
 - (ii) Crop variety;
 - (iii) Planting date;
 - (iv) Soil, moisture, and temperature conditions; and
 - (v) Stage of plant growth.

B. Spring Wheat Replanted in Counties Having Only Fall Planting Dates

If the insured's planted winter wheat is damaged to the point there is a loss situation and the insured wishes to plant the winter wheat acreage to a spring variety, the claim will be finalized based on the AIP's appraisal of the winter wheat crop. The spring-planted variety would not be considered replanted to the first crop (wheat). It would be considered an uninsurable second crop since spring wheat is not insurable in these counties. However, if the insured inter-seeds the spring variety into the existing winter variety, do not finalize the claim. The winter wheat will continue to be insured. Refer to subparagraph E below.

C. Replanted Without Notifying AIP of Intent to Replant or Replants without Consent

- (1) Insured's must provide all notices required under the policy provisions. This includes notices when the insured wants to destroy any acreage of an initially planted crop and replant it. Section 14 of the BP require these notices. The AIP must provide consent in advance of replanting. However, no potential production will be assessed to acreage the insured has destroyed with consent to replant if, due to weather and/or soil conditions, the insured is unable to replant. If it is determined that the insured could have replanted within the timeframe that it was still practical, prepare a revised AR designating the acreage as uninsurable (refer to the CIH for revised AR instructions).
- (2) Exceptions may not be made even when the original stand remained intact because the insured inter-seeded, replanted alongside the original damaged rows, or left RSAs at the insured's discretion. When the insured crop is destroyed without consent, the CP provide for an amount of PTC that is not less than the production guarantee. When an insured crop is destroyed without consent and then replanted, no replanting payment can be made (if replant payment provisions are applicable to the crop) and no indemnity payment associated with the acreage initially planted can be made.
- (3) Additional policy provisions provide guidance regarding replanting, determination of the first insured crop, the second crop and crops which may be planted subsequent to a second crop. A first insured crop includes acreage that is replanted when replanting is practical.
- (4) For any acreage where NOL was not given prior to the insured destroying any portion of the remaining stand and then replanting it, and the AIP determines replanting:
 - (a) Was not practical (for example, conditions were such that there was not adequate moisture, there was no marketing window, the condition of the field was not appropriate, etc.), no replant payment will be paid (if replant payment provisions applicable to the crop), and not less than the production GPA will be included as PTC. The subsequent planting will be the appropriate subsequent crop; e.g., second crop. Insurability of the second crop is determined in accordance with applicable policy provisions.

A. General Information (continued)

- (4) FCIC will allow gleaning only when the crop will be gleaned by a charitable organization defined as a 501(c)3 (nonprofit organization) and the insured has not received compensation from such organization (refer to subparagraph D).
- (5) Pertinent information to protect the insured (the donor) for liability issues can be found in:

The Bill Emerson Good Samaritan Food Donation Act:

<https://www.gpo.gov/fdsys/pkg/PLAW-104publ210/pdf/PLAW-104publ210.pdf>

The Volunteer Protection Act of 1997:

<https://www.gpo.gov/fdsys/pkg/PLAW-105publ19/html/PLAW-105publ19.htm>

- (6) The charitable organization's name and address will be shown in the Narrative section of the PW or on a Special Report.

B. Gleaning Harvested Acreage

- (1) Gleaning will be allowed on crop acreage that has been harvested as long as any remaining crop production on the harvested acreage cannot be harvested using normal and proper harvest methods (e.g., production from lodged corn that can only be hand harvested).
- (2) Some CP (e.g., tomatoes, peppers) state that production not meeting the specific requirements of the CP will not be considered PTC; other CP may contain similar provisions. Producers should be encouraged to permit such production to be gleaned.
- (3) For harvested production determined to be ZMV and that is required to be destroyed (e.g., corn with QAF of .000); gleaning or food recovery of any salvageable production will be allowed (except as limited by subparagraph D) and such production will not be considered as PTC.

C. Gleaning Unharvested Acreage

- (1) If the crop can be harvested, but the insured elects not to harvest, the acreage must be appraised before gleaning is allowed and such appraisal will be used as PTC.
- (2) On crop acreage that is routinely mechanically harvested and is damaged by insured causes (e.g., wind, hurricane, etc.) to the extent that it cannot be mechanically harvested with normal harvest equipment, no production is currently counted. However, if the insured elects to hand harvest or use specialized harvesting equipment, the production is counted. If the insured elects to allow gleaning in these situations, production on this acreage will not be considered PTC.

C. Gleaning Unharvested Acreage (continued)

- (3) For UH production determined to be ZMV and that is required to be destroyed (e.g., UH potatoes in excess of five and one tenth percent (5.1%) tuber rot that could not be sold); gleaning or food recovery of any salvageable production will be allowed (except as limited by subparagraph D) and such production will not be considered as PTC.
- (4) When gleaning is allowed for acreage qualifying as UH acreage, the acreage that is gleaned will not be considered harvested.

D. Compensation For the Gleaned Crop

- (1) Situations not to be considered compensation for the gleaned crop:
 - (a) State tax credits and other State or Federal tax advantages for donating gleaned commodities.
 - (b) Reasonable compensation from a qualified charitable organization to the insured for harvest and/or transportation of the gleaned (donated) crop:
 - (i) the qualified charitable organization indicates in writing the amount of compensation and that the compensation is solely for reimbursement of harvest and/or transportation costs incurred by the insured, and
 - (ii) the insured certifies in writing that the compensation is solely for harvest and/or transportation costs.
- (2) Situations considered to be compensation for the gleaned crop:
 - (a) When the qualified charitable organization and/or insured have not provided the required information in writing as specified in (1) above, the compensation received will be considered to be for the crop.
 - (b) When the AIP determines that the compensation for harvest and/or transportation as allowed in (1) above is excessive (i.e., not reflective of the associated costs) and/or that part of the compensation is for the crop, the AIP will consider the compensation received to be for the crop.
- (3) Do the following when compensation received for the gleaned crop is considered to be for the crop:
 - (a) If the claim has already been processed, a corrected claim will be prepared for the types of claims described in the above subparagraphs B(1), B(3), C(2) and C(3). The harvested production will be used as PTC. In cases where production records are not available, the amount received for gleaning will be divided by the elected price election to determine PTC.

D. Compensation For the Gleaned Crop (continued)

For dollar amount crops, the dollar amount received will be used to determine the amount of production or value to count.

- (b) For the types of claims described in above subparagraphs **B(2)** and **C(1)**; the claim will not be corrected.

E. Gleaning Codes For the Production Worksheet

In the “Intended Use” column on the PW (for most crops), code acreage that is released to be gleaned as shown in the table below:

| Gleaning Code... | Use When... |
|--------------------------|---|
| “HG” Harvested Gleaned | it is the type of claims described in paragraph B above. |
| “UG” Unharvested Gleaned | it is the type of claims described in paragraph C above. |

F. Certification of Gleaning

- (1) For the type of claim described in above subparagraph **C(2)**, the certification on the Certification Form as required in subparagraph **921D(8)** is still required except the statement must be modified as follows:

“As indicated by the insured’s signature below, the insured certifies that the damaged acreage that cannot be mechanically harvested with normal harvest equipment will not be harvested and if the acreage is gleaned it will be gleaned by the organization shown in the Narrative of the PW (or other USDA approved charitable organizations) and the insured will not receive any compensation from the organization. If the insured harvests the crop after this certification or receives compensation from the charitable organization, the insured understands he/she may be subject to the misrepresentation provisions in the crop insurance policy.”

- (2) For the type of claim described in above subparagraph **B(3)** and **C(3)**:

Before a claim can be finalized, the AIP must receive a completed Certification Form from the insured showing the insured’s certification of the name and address of the approved charitable organization that gleaned the acreage and/or production released for gleaning, that all such acreage and production was gleaned, and that the insured received no compensation from the charitable organization. Refer to the paragraph **831** for procedures regarding the Certification Form.

When the entire production is not gleaned on any acreage as indicated by the insured on the Certification Form, then the adjuster must make a farm visit to verify that the balance of the production has been destroyed or a completed Certification Form must be signed for destruction of the balance of the production.

Section 2 Appraisals

921 General Information

A. Performing Appraisals

- (1) If during an inspection any crop acreage is not going to be carried to harvest and an accurate appraisal of potential production cannot be made, do not release acreage to another use or to replant when replant payment is applicable until an accurate appraisal can be made or RSAs are left for later appraisals as described in subparagraph B below and paragraph 924.
- (2) If the inspection is performed at a time when production can be determined accurately by appraisal and the crop is not being carried to harvest (except when Pre-harvest Appraisals are required), appraise the production by unit, and grant written consent to put insured acreage to another use. Record this production on an appraisal worksheet and a Special Report, if needed. Refer to applicable crop LASHs for appraisal methods.
- (3) Perform appraisals when:
 - (a) The insured requests consent to put acreage to another use or to replant to the same crop originally planted if a replant payment will be claimed.
 - (b) The insured chooses not to harvest all of the acreage.
 - (c) The insured plans to use a crop in such a way that it will not be possible to determine production after harvest. Some examples, but not limited to, are:
 - (i) High-moisture grain that will be mechanically packed in an open pit;
 - (ii) A crop insured as grain (e.g., grain sorghum or corn) that will be partially or all cut for silage;
 - (iii) Corn that will be cut and ground for corn and cob meal or cut for earlage. Earlage is high moisture corn grain, cobs, husks, and in some cases, a portion of the stalk that is cut and ensiled; and
 - (iv) Silage that will be packed in ag bags. This is because there are no acceptable measurement calculation formulas to determine the amount of silage packed in ag bags.
 - (v) Forage stored in ag bags that have a diameter greater than the maximum diameter of horizontal plastic tubes listed in the Forage LASH. This is because there are no acceptable measurement formulas to determine the amount of forage packed in these larger diameter ag bags.

Section 3 Verifying Production

931 Verifying Harvested Production

- (1) Harvested production will be verified or determined by the following:
 - (a) Acceptable evidence of third party sales and/or commercial storage.
 - (b) Measuring farm-stored harvested production (refer to paragraph 1001).
 - (c) Comparing harvested production to appraisals made from the UH areas of the fields left under the terms of the policy when the amount of reported harvested production is questionable.
 - (d) Comparing reported production to appraisals and production in the area when there is reason to question the reported harvested production.
 - (e) Weighed and farm-stored records. Refer to paragraph 1002. Insured's records from prior years weighed and stored production cannot be used.
 - (f) Verifiable farm management records from producers using PFTS.
 - (g) If the insured claims the entire unit has been harvested, verify that all fields and areas of the field (orchards or vineyards, if applicable) have been harvested. Also, verify that all of the production that could be harvested has been harvested (i.e., if only the best acreage or best fruit (cherry picked) from the trees or vines has been harvested, the remaining UH crop must be considered PTC unless such crop is not considered PTC in accordance with subparagraph 921D) in accordance with procedures in the respective crop LASH, CP, or SP.
 - (h) When an insured is vertically integrated and cannot provide records of production from a disinterested third party, the production evidence listed in the CIH can be submitted as acceptable production records.
- (2) Do not rely solely on statements or evidence of sales to represent all of the production. Review all production evidence closely when the insured controls the transportation (e.g., trucking or handling company); manufacturing (processing plant); farm scales; or sales (warehouse) of a particular crop. If there is evidence that suggests the insured has misrepresented production, do not (adjuster) sign the claim. Notify the AIP of the situation.
- (3) Acceptable PFTS used to establish records for total production must include at least the following components:
 - (a) GPS technology integrated with planter monitors, combine monitors, yield mapping software;

931 Verifying Harvested Production (Continued)

- (b) The capability of producing summary reports that reflect planted acres, harvested acres, and harvested production; and
 - (c) Report of calibrations performed per manufacturer's requirements.
- (4) The AIP must inform the insured in writing of the PFTS record requirements prior to harvest.
- (5) Production records from PFTS may be used in lieu of settlement sheets and bin measurements provided all of the requirements under **item (7)** are met.
- (6) The insured should be advised to maintain alternate **acceptable** production records by unit in the event the PFTS production records are determined to be unacceptable.
- (7) For the PFTS production records to be acceptable, the insured must provide the following information:
- (a) Calibration of the automated yield monitoring system.
 - (i) The insured must have calibrated the yield monitoring system for each insured crop and crop year, in accordance with the owner's manual specifications. The sensor calibrations must not exceed three percent (3%) when compared to the actual weighed production harvested from the acreage used to calibrate the sensor (refer to subparagraph 1002B for acceptable scale types). If the initial sensor calibration difference exceeds three percent (3%) when compared to the actual weighed production harvested from the acreage used to calibrate the sensor, additional calibration samples must have been taken until the results were within tolerance
 - (ii) The insured must provide documentation showing the sensor calibrations for the crop and crop year. The annual calibration report, from the yield monitor system or documentation from the insured, must include all calibrations and adjustments performed, by crop, for the crop year, including the date each calibration/adjustment was performed and the difference from the previous setting. The annual calibration report must be provided to the AIP or RMA.
 - (b) Insured's name;

1003 Authorization to Accept Insured's Structure Markings, Load Records, & Combine Monitor Records (Continued)

D. Adjuster Verification of Insured's Records or Storage-Structure Markings & Production Determination from These Records (continued)

1,500.0 bu. unit 0001-0001OU + 1,000.0 bu. unit 0001-0002OU = 2,500.0 bu. total (in bin based on insured's records)

6 loads X 250.0 bu./load = 1,500.0 bu. unit 0001-0001OU
÷ 2,500.0 total = .600000

4 loads X 250.0 bu./load = 1,000.0 bu. unit 0001-0002OU
÷ 2,500.0 total = .400000

2,618.0 bu. (total measured and calculated production in bin "A") X .600000 = 1,570.8 bu. PTC for unit 0001-0001OU

2,618.0 bu. (total measured and calculated production in bin "A") X .400000 = 1,047.2 bu. PTC for unit 0001-0002OU

(2) Storage Structure Markings

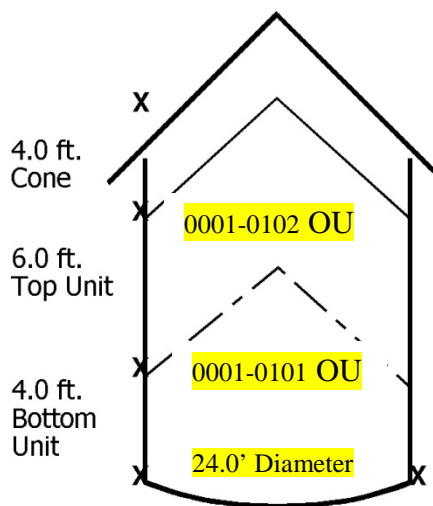
- (a) Verify whether the insured meets the criteria to accept records as stated in subparagraph B(4). If the insured has not met the criteria in subparagraph B(4) and/or followed the instructions in subparagraph C, the production must be considered commingled and the procedures for commingled production in paragraph 1233 will apply.
- (b) Verify with the insured whether the production in the structure was leveled prior to the addition of production from another unit (from uninsured acreage, if applicable), and whether the structure marking was made at the base of the cone or height of the cone. If the bin marking was made at the height of the cone, the depth of the unit must be adjusted for the height of the cone by using the height of the cone for the top unit (uninsured acreage, if applicable) in the bin.
- (c) Determine production for each unit or for production from insured and uninsured acreage by using the insured's markings.

If the insured has not leveled the production before adding additional production from another unit (uninsured acreage, if applicable), the adjuster must measure the cone at the top of the structure and use this measurement for the cone measurement for the bottom unit(s) of production in the structure. The cone of the lower unit protrudes into the upper unit and offsets the upper cone, therefore no cone measurement will be used for the upper unit of production (uninsured acreage, if applicable). The volume of the grain in all cones in the structure are considered the same.

1003 Authorization to Accept Insured's Structure Markings, Load Records, & Combine Monitor Records (Continued)

D. Adjuster Verification of Insured's Records or Storage-Structure Markings & Production Determination from These Records (continued)

Example: The insured did not level production of 0001-0101 OU before adding production from 0001-0102 OU.



The diameter of the bin is 24 feet. The depth of the cone at the top of the bin is 4 feet. There are two units of corn in the bin. Unit 0001-0101 OU is the unit at the bottom of the bin, and unit 0001-0102 OU is the unit at the top of the bin. (The depth measurements for each unit marked on the bin did not include the height of the cone.) The depth of unit 0001-0101 OU is 4 feet, and the depth of unit 0001-0102 OU is 6 feet.

Unit 0001-0101 OU gross stored production: (bottom unit in bin)

$$24^2 \times .7854 \times 4.0' \times .8 = 1,447.6 \text{ bu.}$$

$$\text{Cone: } 24^2 \times .2618 \times 4.0' \times .8 = 482.5 \text{ bu.}$$

$$\text{Total } 1,930.1 \text{ bu.}$$

Unit 0001-0102 OU gross stored production (top unit in bin):

$$24^2 \times .7854 \times 6.0' \times .8 = 2,171.5 \text{ bu.}$$

Total Production from Unit 0001-0101 OU and Unit 0001-0102 OU = 4,101.6 (1,930.1 + 2,171.5)

(d) To test the accuracy of the calculated individual unit production, the total production in the bin and the sum of the calculated production for the two individual units should be the same.

- (i) If the measured and calculated production is exactly the same, no further action is needed.
- (ii) If total measured production in the bin did not match the sum of each marked unit in the bin, then the total measured production in the bin must be prorated proportionately to each unit based on a percentage basis.

A. Test Weight for Mature Production (continued)

- (4) If samples of farm-stored production of barley, canola, flax, rye, non-oil type (confectionary) sunflowers, and wheat are going to be submitted to FGIS, a TW must be taken during the farm inspection, unless a special request is made to FGIS for a TW prior to removal of dockage or FM. TW is not a grading factor under the U.S. Grading Standards for canola or as a factor for QA. FGIS determines the TW for the crops listed in this subparagraph from a dockage-free sample (FM-free for oil-type sunflowers). The TW entered on the PW, as instructed above, is the TW prior to removal of dockage or FM.
- (5) If TW is measured in tenths of a pound, record weight to tenths in Section II of the PW, unless the AIP specified otherwise.
- (6) For QA, in addition to the TW determination in (2) above, a TW determination for barley, flax, rye, non-oil type (confectionary) sunflowers, and wheat must also be determined from a dockage-free sample. For oil-type sunflowers, TW must be determined from an FM-free sample.
 - (a) Enter the TW determined for QA purposes in the Narrative section of the PW. The TW determined for QA purposes may differ from the TW entered in the TW column on the PW since the TW determinations specified in (2) above must be made before the removal of FM and dockage.
 - (b) TW determinations for QA must be performed by the adjuster or by a grader licensed under the authority specified in the CP in accordance with the applicable FGIS official standards.
- (7) For ear corn, a representative sample must be shelled to make the TW determination (refer to Corn LASH for specific instructions).
- (8) To determine the TW and TWF for corn silage and sorghum silage, refer to the specific instructions in the Corn LASH for corn silage or the Silage Sorghum LASH, as applicable.

B. Determining Test Weight

- (1) Mix and pour samples of the stored grain into the test bucket from a height of approximately four inches (a normal hand width) above the bucket to simulate natural fall.
- (2) Fill the test bucket to overflowing and level with prescribed leveling stick. Unless the test-bucket manufacturer's instructions specify otherwise, level by using three zigzag motions across the rim of the grain bucket with the leveling stick held at a 90-degree angle to the top of the bucket (do not use scale bar to level the grain in the bucket and do not pack); and

1107 Test Weight & Test Weight Factor (Continued)

B. Determining Test Weight (continued)

- (3) Weigh the leveled bucket of grain using a calibrated scale. Determine the weight by using the “pound per bushel” line from the scale (to tenth of a pound if the test weight bucket shows pounds to tenth).

C. Determining Test Weight Factor

- (1) Divide the determined actual TW by standard TW for the crop and round the result to three decimal places. Refer to **exhibit 23** for a list of standard weights by crop.
- (2) Do not use a TWF for the following pound crops: Canola/rapeseed, dry beans, dry peas, mustard seed, popcorn, rice, safflowers, or sunflowers; use actual TW entered on the PW.
- (3) For unweighed farm-stored barley, corn, grain sorghum, hybrid seed crops, oats, popcorn, soybeans, and wheat that is:
 - (a) Shelled or threshed whole grain, use the combination TW pack factor as specified in subparagraph 1005B and the applicable crop LASHs.
 - (b) Ear corn or ear popcorn, use the TWF (refer to (1) above) instead of the combination test-weight pack factor as specified in subparagraph 1005B and the applicable crop LASH.
- (4) A pre-harvest appraisal is required to establish the production for corn insured as grain that will be harvested and ground for corn and cob meal (ground ear corn) or chopped for earlage. Refer to paragraph 921.

1108 Flooded Crops

A. Federal or State Agency Recommendations

When a Federal or State agency recommends destruction or disposal of production from qualified acreage, the AIP may apply a zero appraisal to any qualified UH acreage of an insured crop, based on the production of the crop having ZMV for crop insurance purposes. Production from qualified acreage is where the edible portion of the crop has been exposed to flood waters and it:

- (1) is considered adulterated;
- (2) can be injurious to human or animal health; and
- (3) should not be used for feed or food.

1109 Quality Adjustment when Production Contains Mycotoxins, Other Substances, or Conditions at Levels Injurious to Human or Animal Health (Continued)

F. Representative Sampling Methods for Samples Required Prior to Storage (continued)

Example 2:

| | | | |
|-----|-----|-----|-----|
| -X- | -X- | -X- | -X- |
| | -X- | | |
| -X- | -X- | -X- | -X- |

Nine probe pattern for flat-bottom trucks or trailers containing grain less than four feet deep

Example 3: Probing Combine Hoppers. From the top of the combine hopper, insert the probe slightly off-center at a ten-degree angle, and probe the entire depth of the hopper.

G. Sample Requirements for Farm-stored Production Contaminated with Vomitoxin

Samples may be obtained from the storage structure. When samples are obtained from storage, refer to subparagraph J for the required sample size and transportation requirements.

H. Criteria for AIP Approved Testing Facilities

To be an approved testing facility, the testing facility must meet all of the following criteria:

- (1) Perform Quantitative Tests;
 - (a) For mycotoxins: The test results on the production must itemize results in PPM parts-per-million or PPB parts-per-billion of mycotoxin present. The quantitative test kits used to perform the test must be verified by FGIS and must have a test-kit range applicable to the mycotoxin(s). A list containing quantitative test kit types and ranges certified by FGIS can be found in a document entitled “GIPSA Performance Verified Mycotoxin Test Kits” at the following link or successor link:
http://www.gipsa.usda.gov/fgis/metheqp/GIPSA_Approved_Mycotoxin_Rapid_Test_Kits.pdf
 - (b) For other types of substances or conditions: The test results on the production must itemize the results in the same unit of measurement (e.g., ppm or ppb or some other amount) as is stated in the Advisory or Action level (e.g., action levels for Aflatoxin is in ppb) issued by FDA or other public health organizations of the United States or public health agency of the applicable State in which the insured crop is grown.

1109 Quality Adjustment when Production Contains Mycotoxins, Other Substances, or Conditions at Levels Injurious to Human or Animal Health (Continued)

H. Criteria for AIP Approved Testing Facilities (continued)

- (2) Be a recognized commercial, governmental, or university testing laboratory (including approved testing facilities on site at the delivery point of the buyer; i.e., elevators) that uses industry recognized sample sizes, equipment, and procedures for testing the specific type of mycotoxin (or some other condition or substance injurious to human or animal health);
- (3) Be a disinterested testing facility. A disinterested testing facility is a facility not involved in buying or selling the production in question. A facility which buys production is not restricted if it does not buy or had no intention of buying the production from the insured for whom it is doing the testing. If a test was made by a facility that was a potential buyer but refused the production because of the mycotoxin (or if applicable other condition or substance injurious to human or animal health), the test performed by the potential buyer is still considered an interested party since they were interested at the time the production was delivered.

I. Sample Size and Transportation of Samples

- (1) Sample size to be submitted for testing will be dictated by the approved testing facility. For Aflatoxin, most facilities will likely require at least a ten-pound sample.
- (2) Follow the approved testing facilities recommendations for storage and transportation, including required container composition, provisions for maintaining proper temperatures of the sample, any special requirements for high-moisture production, and any other specific information pertaining to handling and transporting the sample to ensure and maintain the integrity of the sample.
- (3) Samples submitted for testing by the insured (or insured's authorized representative) cannot be used for quality adjustment. Also, adjusters shall not pull samples and then allow the insured (or insured's authorized representative) to maintain the samples until the adjuster can pick them at a later time to submit to an approved laboratory for testing. Only the adjuster or a person who is a disinterested third party approved by the AIP can maintain and submit the samples for testing. AIPs are responsible for assuring that samples are:
 - (a) Mailed or transported to the approved testing facility within 4 days of the time the sample(s) were taken or within the timeframe specified by the approved testing facility (if less than 4 days), and
 - (b) Stored in a breathable container (container composition type specified by the approved testing facility) in a cool, climate controlled place (at the temperatures recommended by the approved testing facility for the particular substance or condition) until shipping.

1109 Quality Adjustment when Production Contains Mycotoxins, Other Substances, or Conditions at Levels Injurious to Human or Animal Health (Continued)

N. Settlement of Claims for Crops Having QA Provisions in Section C of the SP (continued)

- (ii) .500 for production containing:
 - (A) Aflatoxin or any other substance or condition (except for Vomitoxin), that was in on-farm storage, fed, utilized in any other manner, put in on-farm storage and then transported to commercial storage and sold, or sold to other than a disinterested third party; or
 - (B) Vomitoxin only, that was fed, utilized in any other manner or sold to other than a disinterested third party.
 - (iii) For sold production containing Vomitoxin, determine the DF from the RIV applied by the buyer (a disinterested third party as verified by the AIP).
 - (iv) For sold production containing Aflatoxin or any other substance or condition (except for Vomitoxin), determine the DF from the RIV applied by the buyer (a disinterested third party as verified by the AIP) for production transported directly from the field to the buyer or transported directly from the field and put into commercial storage and later sold without going into on-farm storage. No other quality factors contained in sections A or B of the SP will be considered.
- (6) For production qualifying under item (5) above, an automatic extension of time will be allowed for the insured to submit their claim for indemnity, not to exceed 90 days after the calendar date for the EOIP. This does not limit the insured's ability to request an additional extension of time to submit a claim for indemnity in accordance with section 14 of the BP. For production that contains mycotoxins or any other substance or condition that exceeds the maximum amount allowed, the claim cannot be completed (i.e., will be held open) until the production is sold, fed, used, or destroyed. Refer to paragraph 702 for additional information.
- (7) Following is a table of FDA-issued recommended, advisory, or action levels for the most common mycotoxins found in production and the section in the SP for the level of mycotoxin. The advisory and action levels used in this table are current as of the issuance of this handbook. Always verify what the current FDA action or advisory levels are. These action levels are subject to change.

1109 Quality Adjustment when Production Contains Mycotoxins, Other Substances, or Conditions at Levels Injurious to Human or Animal Health (Continued)

N. Settlement of Claims for Crops Having QA Provisions in Section C of the SP (continued)

| | FDA Recommended, Advisory, or Action Levels | Aflatoxin (FDA Action Levels) | Fumonisin (FDA Recommended Levels) | Vomitoxin (FDA Advisory Levels) |
|--|--|-------------------------------|------------------------------------|--|
| Category 1 (No QA) | No FDA recommended, advisory, or action levels for this category; i.e., it is safe for humans and animals. | 0.0 ppb - 20.0 ppb | 0.0 ppm – 2.0 ppm | 0.0 ppm – 2.0 ppm (Wheat only) |
| Category 2 (QA applied, but no FDA recommended advisory or action level) | No FDA recommended advisory, or action levels. | | | 2.1 ppm – 5.0 ppm (Wheat only) |
| Category 3 (Injurious to human and some animal health.) | FDA-recommended, advisory, or action levels for this category | 20.1 ppb – 300.0 ppb | 2.1 ppm – 100.0 ppm | 5.1 ppm – 10.0 ppm (For Wheat and all other crops) |
| Category 4 (Exceeds the maximum level FDA has found safe for humans or animals use). | Exceeds maximum FDA-recommended, advisory, or action level | 300.1 ppb and above | 100.1 ppm and above | 10.1 ppm and above |

- (8) Examples of DF and QAF determinations for claims containing substances or conditions under section C of the SP.

1109 Quality Adjustment when Production Contains Mycotoxins, Other Substances, or Conditions at Levels Injurious to Human or Animal Health (Continued)

O. Settlement of Claims Involving Mycotoxins (or Other Condition or Substance) for Crops Having QA provisions in the CP (continued)

- (b) Reducing the dollar and cents value of the damaged production when a higher value for the production can be obtained due to:
 - (i) Conditioning costs of the damaged production, or
 - (ii) Transportation costs.
- (5) A claim for indemnity will not be finalized until all determinations as stated in subparagraph 702(8) are met.
- (6) Following is a table for crops that do not have QA provisions in the SP. The table contains FDA-issued recommended, advisory, or action levels for the most common mycotoxins found in production. The advisory and action levels used in this table are current as of the issuance of this handbook. Always verify the current FDA action or advisory levels. These action levels are subject to change.

| Category | FDA Recommend, Advisory, or Action Levels | Aflatoxin (FDA Action Levels) | Fumonisin FDA Recommended Levels | Vomitoxin (FDA Advisory Levels) |
|---|---|--------------------------------------|---|--|
| Category 1 (No Quality Adjustment) | No FDA-recommended, advisory, or action levels for this category; i.e., it is safe for humans and animals | 0.0 ppb - 20.0 ppb | 0.0 ppm – 2.0 ppm | 0.0 ppm – 5.0 ppm |
| Category 2 (Qualifies for quality adjustment) | FDA-recommended, advisory or action levels for this category – safe for some types of animals | 20.1 ppb – 300.0 ppb | 2.1 ppm – 100.0 ppm | 5.1 ppm- 10.0 |
| Category 3 | Exceeds maximum FDA-recommended, advisory, or action levels | 300.1 ppb and up | 100.1 ppm and up | 10.1 and up |

- (7) If any Federal or State agency requires destruction of any insured crop or crop production, as applicable, because it contains levels of a substance, or has a condition that is injurious to human or animal health in excess of the maximum amounts allowed by the Food and Drug Administration, other public health organizations of the United States or an agency of the applicable State, the insured must destroy the insured crop or crop production in a manner acceptable to the AIP and zero production will be counted. Refer to subparagraph 1102H(3) for a definition of Acceptable Destruction Methods and other information about destruction and verification of destruction.

1110-1200 (Reserved)

PART 12 UNUSUAL/CONTROVERSIAL CASES & SPECIAL CLAIMS PROCEDURES

Section 1 General Information

1201 General Procedures Involving Unusual or Controversial Cases

Whenever the adjuster is on an inspection and suspects problems in the information given by the insured or in previous contract information reported to the AIP (e.g., entity, APH, etc.), follow the procedures listed below that are applicable to the situation.

- (1) Complete the inspection according to procedure.
- (2) Document findings during the on-the-farm inspection, on the claim (MPCI Non-Waiver Agreement if the AIP uses one rather than a claim) and on a Special Report. Refer to paragraph 1202 for instructions on how to document your findings.
- (3) Obtain the insured's signature on the claim (or MPCI Non-Waiver Agreement). Obtain the insured's signature on the Special Report, if possible.
- (4) If a PW is used, do not sign the claim. If a MPCI Non-Waiver Agreement is used, the adjuster's signature is required.
- (5) Document on a Special Report the potential need for GSIs or pre-harvest appraisals, whenever the need appears, to protect the AIP's position in the case of a controversial claim due to uninsured causes of loss or not following recognized GFPs. Send a copy of the Special Report to the supervisor designated by the AIP.

1202 Report Writing

A. Principles of Report Writing

A report is written to convey concisely what the adjuster finds while on an inspection, the reason for the inspection, any problems the adjuster encounters, and to indicate follow-up actions that may be necessary.

- (1) The report should be sufficiently flexible to fit the special requirements of the subject matter and the individual(s) to whom it is submitted.
- (2) The report should be thorough and concise.
- (3) The tone of the report should be objective and factual.
- (4) The report should be legible.
- (5) Use illustrations such as sketch maps, photos, videos, bin locations, etc., whenever they will promote a better understanding of the report.

Section 2 Unusual/Controversial Cases

1221 Controversial Claim: Uninsured Causes of Loss

A. General Information

- (1) The contract provides protection only against unavoidable loss of production due to the named insured COL that occur during the insurance period. Any loss from the cause(s) named is not insured if it was avoidable.

Example: Loss due to insured taking inadequate measures to control insects, plant disease, or weeds when such measures are practical and have proven effective in the area, which is considered avoidable and is an uninsured COL. However, if the insured uses recognized and accepted measures to control insects or plant disease (insured COL) or weeds, these causes are considered unavoidable insured COLs. Although weeds are not a stated insured COL, FCIC will consider damage caused by weeds as insured if recognized and accepted control measures were used, or if adverse weather directly caused the control measures to be less effective.

- (2) Uninsured COL may be determined at the time of:
 - (a) Preliminary inspections.
 - (b) Final inspections.
 - (c) Quality assurance reviews.
 - (d) Farm visits made to obtain an original AR, revise an AR, or complete a GSI.
 - (e) Making appraisals for APH record keeping purposes.
 - (f) Driving by an insured farm on other assignments. Such observations will be documented on a Special Report and provided to the insured, advising the insured the AIP is aware of the damage by livestock, herbicide drift, etc.
- (3) The named uninsured COL can be found in the BP, CP, and AD. COL not listed as an insured peril, or that are not due to a naturally occurring event are also considered uninsured COL. For example, theft of a crop is an uninsured COL. Refer to paragraph 843 for a list of uninsured COLs that are specified in the BP.
- (4) In accordance with the BP, flooding from water contained by any governmental, public, or private dam or reservoir project is an uninsurable COL. If the elevation of the contained water (e.g. subject reservoir) as measured by the Corps of Engineers or other public source exceeds the elevation of the insured acreage at the time of loss, the flooding will be considered to have been caused by the contained water (uninsured cause), unless the insured can prove otherwise. Refer to subparagraph 843(6) for more information, including details on verification and documentation.

1221 Controversial Claim: Uninsured Causes of Loss (Continued)

A. General Information (continued)

- (5) Any loss of marketability of crops due to misapplication of chemicals or application of chemicals which are controversial, withdrawn from sale, etc., is not insured under the insurance contract unless provided specifically as a condition of the contract.
- (6) The AIP cannot indemnify an insured when all of the loss is due solely to uninsured COLs. In such cases, the appraisal per acre must not be less than the production guarantee or amount of insurance. When the appraisal is more than the production guarantee use the actual appraisal.
- (7) In every case, establish whether the damage or loss is due solely to one or more unavoidable insured COLs, to both unavoidable insured COLs and uninsured COLs, or solely to one or more uninsured COLs (including avoidable insured COLs).
- (8) If during the initial inspection it is determined that the loss adjustment will involve uninsured COLs, immediately contact the AIP and advise them of the situation and request assistance with the adjustment. Circumstances may warrant that an AIP claim's supervisor accompany the adjuster.
- (9) Judgment is extremely important for establishing production lost due to uninsurable COLs. A working knowledge of cultural practices and technical aspects of growing the crop in the area as well as scientifically sound research and publications from agricultural experts is essential.
- (10) If at all possible, the insured or the authorized representative should be present for appraisals involving uninsured cause(s) of loss. All aspects of the appraisal must be thoroughly discussed and explained to the insured. Mutual agreement is imperative if the insured is to be expected to sign the claim for indemnity and Special Report.

B. Included in Total Production to Count

Most CPs require that total PTC include all of the following:

- (1) An appraisal for potential production lost due to uninsured causes. Uninsured COL appraisals are not included in APH determinations.
- (2) An appraisal of not less than the per-acre guarantee (per-acre DO for dollar crops) or not less than the amount of production that when multiplied by the harvest price equals the RP GPA for crops under RP, for any acreage:
 - (a) Abandoned,
 - (b) put to another use without the AIP's prior written consent,
 - (c) damaged solely by an uninsured cause, and
 - (d) for some crops, for which the insured failed to provide records of production that are acceptable to the AIP.

1222 Claims for Indemnity Involving Suspected Concealment or Misrepresentation

If concealment or misrepresentation is suspected, do the following:

- (1) If the inspection is a result of the insured's NOL, make all field verifications and/or determinations necessary to complete a final inspection, but advise the insured that further assistance will be needed before the claim can be finalized. Record information from the field inspection on appropriate appraisal forms, if applicable, and any other necessary worksheets needed to complete a final inspection. The information from the field inspection may be recorded on a PW or MPCCI Non-Waiver Agreement, whichever the AIP prefers to use for this type of case. If a PW is used, the adjuster and the insured will not sign the PW at this time.
- (2) Provide the insured a copy of any form signed by the insured and adjuster at this time (e.g., appraisal worksheets, MPCCI Non-Waiver Agreement, etc.). Prior to signatures, review all data with the insured.
- (3) If the inspection is a GSI or pre-harvest inspection, record the information as described in the paragraphs 731 and 732.
- (4) The AIP will review all forms and documentation completed as a result of the field inspection and will provide any further assistance necessary for additional follow-up. After final evaluation of the case, the AIP will handle in accordance with the instructions in Appendix IV of the SRA for reporting suspected misrepresentation, fraud, waste, and abuse.

1223-1230 (Reserved)

Section 3 Special Claims Procedures

1231 Third Party Cause of Loss

- (1) The insurance contract does not cover loss from any cause which is due to neglect or wrongdoing of the insured, any member of the insured's household, tenants, sharecroppers, employees, nor uninsured damage caused by a third party.
- (2) If part of a loss is due to actions of any person, inform the insured that any claim settlement made under this policy will be limited to the insured amount of damage and it is the insured's responsibility to file any claim for the uninsured portion against any third party.

Note: Until such a time the stage codes are updated in the individual LASHs, use the applicable stage code (TZ - UUF/Third Party Damage - Zero Production on Same Acreage, TA - UUF/Third Party Damage - Appraised Production on Same Acreage, TH - UUF/Third Party Damage - Harvested Production on Same Acreage) on the PW for third party COLs.

1232 Claims Involving Fire Damage

A. General Information

- (1) Fire damage must be due to an insurable COL. To be an insurable cause, the fire must be due to a naturally occurring event.
- (2) The insured must report and document the COL. The AIP must determine whether the loss is insurable. If the AIP determines the COL is insurable, damage due to the fire is covered.
- (3) When the AIP verifies the insured's documentation of the fire, the AIP must verify that the documentation establishes the ignition source of the fire was due to a natural cause or natural disaster (refer to FAD-35, dated September 3, 2004 and FAD-60, dated November 1, 2006), and whether the fire damaged or destroyed the insured crop within the insurance period.
- (4) Any damage resulting from fire when the insured cannot establish that the ignition source of the fire was due to a natural cause or natural disaster is uninsurable and follow the instructions for uninsured causes of damage.
- (5) Tobacco Fire Damage in the Barn.
 - (a) Fire, flue or air-cured tobacco are recognized cultural practices used to cure tobacco.
 - (i) Fire cured tobacco is cured with the use of man-made controlled smoldering hardwood fires built on the barn floor. However, even with good management practices, an unavoidable naturally occurring insured peril (e.g., hurricane, tornado, or other abnormally excessive winds) can cause the smoldering fires to uncontrollably ignite unintended areas of the barn (e.g., timbers) that quickly spreads and damages or destroys the tobacco in the barn.

B. Other Fire Insurance and MPCFI Fire Coverage (Double-Fire Coverage) (continued)

- (2) Determining Total Value Per Acre Before and After the Loss
 - (a) For crops for which RP is not available and if the insured has an:
 - (i) Approved yield, the total value of the crop:
 - (A) Before the loss is the insured's approved yield times the highest price election for the crop; and
 - (B) After the loss is the insured's PTC times the highest price election for the crop; or
 - (ii) Amount of insurance, the total value of the crop
 - (A) Before the loss is the highest amount of insurance available for the crop; and
 - (B) After the loss is the insured's PTC times the price contained in the CP for valuing PTC.
 - (b) For crops for which RP is available and the insured elects:
 - (i) YP, the total value for the crop:
 - (A) Before the loss is the insured's approved yield times the applicable projected price (at the one hundred percent (100%) price level) for the crop; and
 - (B) After the loss is the insured's PTC times the applicable projected price (at the one hundred percent (100%) price level) for the crop.
 - (ii) RP, the total value for the crop:
 - (A) Before the loss is the insured's approved yield times the higher of the applicable projected price or harvest price for the crop (If the insured has elected the harvest price exclusion, the applicable projected price for the crop will be used); and
 - (B) After the loss is the insured's PTC times the harvest price for the crop.
- 3) Prepare documentation on a Special Report in the following manner:
 - (a) Name and address of other insurance company and the name of their adjuster.
 - (b) The other insurance policy number.

1232 Claims Involving Fire Damage (Continued)

B. Other Fire Insurance and MPCFI Fire Coverage (Double-Fire Coverage) (continued)

- (c) The applicant's issue date and the termination date of the other policy.
- (d) Whether the loss was total or partial (all or part of the unit).
- (e) Divide the determined acreage for the unit by the total acreage for all units involved and round the resulting factor to three decimal places.
 - (i) Multiply the amount of fire coverage by this factor.
 - (ii) Use the result obtained as the amount of fire coverage applicable to the unit.
- (f) The amount of indemnity paid or payable to the insured by the other insurer with respect to:
 - (i) the entire loss, and
 - (ii) that part of the loss applicable to the unit in question.
- (g) The quantity of the crop expressed in bushels, tons, pounds, etc., from the unit damaged or destroyed by fire include:
 - (i) The total value per unit of measure (e.g., pounds, bushel, etc.) and the total value on the date of the fire before fire damage.
 - (ii) The total value per unit of measure (e.g., pounds, bushel, etc.) (if any) on the date of the fire after fire damage from the "Value" column in the harvested production portion of the PW.
- (h) If the crop from two or more units was damaged or destroyed by the same fire, show the total unit of measure (e.g., pounds, bushel, etc.) and total value and the bushels and total value applicable to the unit for which the loss is being adjusted.
- (i) Indicate if an agreement with the other insurance adjuster has been reached as to the quantity and value per unit of production destroyed. If there is disagreement, explain what caused the difference and how the quantity and value of the crop destroyed were determined.
- (j) A statement of all known facts as to how the fire originated including location of the field(s), and if the fire resulted from the act of any person, the name and address of such person, and the name and address of person(s) having knowledge of the origin of the fire.

Note: Until such a time the stage codes are updated in the individual LASHs, use the applicable stage code (TZ -UUF/Third Party Damage - Zero Production on Same Acreage, TA -UUF/Third Party Damage - Appraised Production on Same Acreage, TH -UUF/Third Party Damage - Harvested Production on Same Acreage) on the PW for unavoidable uninsured fire COLs.

1241 Modification of Requirement to Destroy Crop Before Indemnification (Continued)

- (f) Accepted or Rejected Mark “Accepted” or “Rejected,” as appropriate.
 - (g) Code No. and Field Person’s Signature Adjuster’s signature, code and date of signature. (The form should be signed on the same day that the insured signed the PW.)
- (4) If this authority is utilized, the AIP will monitor the insured’s certified disposition of the crop by implementing a random review of not less than ten percent (10%) of such claims after sufficient moisture is received to allow destruction of the crop.
- (5) In the event that it is found that a crop has been harvested from the released acreage and the harvested production is greater than the appraised production, a corrected claim will be prepared using the harvested production if the amount of indemnity will be reduced.
- (6) Include in the insured’s loss file the following, but not limited to:
- (a) The written recommendation from the NRCS, soil specialist from CES, or other acceptable entity to not disturb the soil surface, crop, or crop residue;
 - (b) Pictures documenting this condition;
 - (c) The certification form signed by the insured and adjuster; and
 - (d) Paperwork from any random review of this unit.

1242 Chemical Damage due to Adverse Weather Condition

- (1) Although chemical carryover is not a named insured peril under the insurance contract, any loss of production caused by chemical carryover damage resulting from a named peril is covered, provided the insured followed GFPs.
- Example:** Drought extending from one crop year into another crop year caused chemical carryover damage to the next year’s crop. Such damage is covered provided the insured followed recognized GFPs (i.e., the chemical was appropriate for the crop, applied at the proper times, the proper amount applied in accordance with the manufacturer’s instructions, and the insured adhered to any manufacturer warnings about planting under certain conditions, etc.
- (2) Any payments or replacement product value(s) from chemical companies or suppliers as compensation for loss of production must be converted to an uninsured COL appraisal as instructed in (4) below.

1242 Chemical Damage due to Adverse Weather Condition (Continued)

- (3) Any loss of production caused by chemical damage resulting from excess precipitation causing the chemical previously applied to the crop to prematurely release all at once, is covered provided the insured followed recognized GFPs (i.e., the chemical was appropriate for the crop, applied at the proper times, the proper amount applied in accordance with the manufacturer's instructions, the insured adhered to any manufacturing warnings about planting under certain conditions, etc.). However, any payments or replacement product value(s) from chemical companies or suppliers as compensation for loss of production must be converted to an uninsured COL appraisal as instructed in (4) below.
- (4) Calculate the uninsured cause appraisal by dividing the payment (or replacement product value) by the insured's price election for the insured crop. Include, as an uninsured COL appraisal, any payments or replacement product values:
 - (a) Provided to the insured,
 - (b) Pending,
 - (c) Offered to the insured (even if such offer has been rejected by the insured), and/or
 - (d) For which the insured might be eligible if a claim to the chemical company or supplier had been filed.
- (5) Explain your calculations in the Narrative of the PW or on a Special Report.

1243 Simplified Claim Process

- (1) AIP and producer participation in SCP is voluntary.
- (2) Eligible crops are: Almonds, buckwheat, barley, canning and processing sweet corn, canola, corn, cotton, dry beans, dry peas, flax, grain sorghum, green peas, oats, peanuts, popcorn, rapeseed, rice, rye, soybeans, sugar beets, sunflowers, **walnuts**, and wheat.

Claims involving QA for the crops listed above that have pre-established DFs (to determine the QAF) for the level and type of damage in the SP quality provisions will qualify for SCP.

Exception: Claims involving substances or conditions injurious to human or animal health will not qualify for SCP.

Factors that affect quality must be determined by a licensed grain grader as specified in subparagraph 1102B. A verifiable document (e.g., grade certificate) from a licensed grader must be included with the SCP form. The grade slip must include insured's name, the applicable crop, and crop year.

- (3) Claims involving any of the following conditions are not eligible:
 - (a) Farm-stored production, even if weighed and returned to farm.
 - (b) Claims with only PP, and PP claims that have not been finalized prior to the submission of the SCP claim for the planted portion of the unit.