



United States
Department of
Agriculture

August 30, 2024

Farm Production
and Conservation

Risk
Management
Agency

106 S. Patterson
Street, Suite 250
Valdosta, GA
31601

INFORMATIONAL MEMORANDUM

TO: All Southeast Approved Insurance Providers Writing in the States of Alabama, Georgia, and South Carolina

FROM: Davina S Lee /s/
Director

SUBJECT: Reinsurance Year 2025 Regional Underwriting Guidelines for Category C Actual Production History (APH) Crops in the Valdosta Region

BACKGROUND:

The 2025 FCIC 18010 Crop Insurance Handbook (CIH) authorizes the Risk Management Agency (RMA) Regional Offices (RO) to issue RO Underwriting Guidelines (UG) for Category C crops as procedural exceptions for situations in their region.

Paragraph 1863 APH Database Tests for High Variability of Actual Yields of the CIH provides procedure and formulas designed to identify alternate bearing and downward yield trending for Category C crop yields. Events that caused widespread damage to Category C perennial crops are listed in the chart below:

Reinsurance Year	Crop Year	Event(s)	Crop/Applicable States
2022	2022	Freeze/Frost	Blueberry: GA
2023	2023	Cold Wet/Freeze/Frost	Peach: AL, GA, SC

This damage may inadvertently identify certain Category C perennial crops for high variability adjustments. To expedite the approved Actual Production History (APH) yield process and decrease the number of requests for RO Determined Yields, the Valdosta RO issues these guidelines.

Paragraph 2202 of the CIH outlines issuance and use of RO UG. Paragraph 2205B Category C Crops provides RO Determined Yield request requirements. Paragraph 2233A provides additional guidance for High Variability Determined Yields.

Effective for the 2025 reinsurance year, these RO UG are in effect for, Blueberries and Peaches in the states of Alabama, Georgia, and South Carolina.

ACTION

A. High Variability Requests

For APH databases meeting the criteria for high variability of actual yields in CIH Paragraph 1863, APH Database Tests for High Variability of Actual Yields, the Approved Insurance Provider (AIP) may approve the yield using the standard Category C APH procedure without adjustment of the approved APH yield by the formula if the AIP verifies the high variability is due to severe weather related events in 2022 or 2023 for the crops and states listed above, resulting in lower yields which inappropriately trigger an alternate bearing adjustment or downward trending adjustment.

For all databases meeting the above stated criteria resulting in no adjustment, Special Case Indicator “D” should be submitted. In accordance with procedures in the CIH 1863 B(1), Yield Exclusion (YE) may apply. If applicable, Yield Substitution (YA) and Quality Loss Option (QL) is authorized; however, Cup (YC) procedures are not applicable for any database identified for high variability of actual yields. For additional guidance on Special Case Yield Indicators, YA/QL applicability, or Yield Limitation Flags, refer to the 2025 CIH, Exhibit 22.

B. High Variability Request Documentation Guidance

For insureds submitting RO Determined Yield requests, additional documentation should be provided for any indemnified years not excluded by this guide to prove that weather related events occurred that resulted in lower yields which inappropriately triggered an alternate bearing adjustment or downward trending adjustment. This documentation should contain specific information about the weather event including the location and date of the event and specific conditions that led to crop damage. This information should come from a third-party source, such as Cooperative Extension, the news, or other published weather data sources.

Please contact the Valdosta Regional Office at RSOGA@usda.gov if you have any additional questions.

Exhibit A: RO Determined Yield Type, Yield Limitation Flag, and Rate Yield Chart
(Excerpt from CIH Exhibit 22)

Not RO Determined Yields but Special Case Yield Indicators	Applicable Crop	Other Explanation	Special Case Indicator	YA/QL/YE	Rate Yield	Yield Limitation Flag (applies whether RO UG or RO DY)
High Variability Yield Adjustment (AB/DT)	Category C	<i>Alternate Bearing</i>	AF (AIP adjusted per CIH)	See para. 1863B	Equal Approved Yield	Refer to Appendix III for YLF
	Category C	<i>Downward Trending</i>	DF (AIP adjusted per CIH)	See para. 1863B	Equal Approved Yield	Refer to Appendix III for YLF
	Category C	<i>Downward Trending & Alternate Bearing</i>	F (AIP Adjusted by Formula in RO UG)	If authorized by the RO UG	Dependent upon authorization	Refer to Appendix III for YLF
	Category C	<i>Downward Trending & Alternate Bearing</i>	D (Met AB or DT CIH test, but waived modification by CIH formula and adjusted by RO UG)	If authorized by the RO UG		Refer to Appendix III for YLF

Approved RO Determined Yield: The yield determined by the Regional Office, according to their procedures, based upon documentation submitted by the producer through the AIP, used to determine the guarantee.
Yield Descriptor: The applicable yield descriptor as provided in CIH Exhibit 15W, the RO Determined Yield, or RO UG.
Yield Indicator: The applicable yield indicators and special case indicators as provided by CIH Exhibit 15V, the RO Determined Yield or RO UG.
YC & Floors: Are not authorized for RO Determined Yield requests or Underwriting Guidelines.
If YA is applied by the RO through the RO Determined Yield or through RO UG then the AIP must send the YA option code on the acreage record through PASS. If YA was elected on a non-continuous rated crop, then the surcharge flag on the acreage record must also be set to establish the .05 multiplicative rate. The yield record will not include the YA option codes. See AD for crops with the surcharge.

DISPOSAL DATE

August 31, 2025, unless rescinded.