

Quality Loss Option



The Quality Loss Option (QL) is a crop insurance option that first became available to growers starting with the 2021 crop year. The Risk Management Agency implemented the QL in response to the 2018 Farm Bill to carry out research and development that establishes an alternative method for adjusting quality losses that will not impact your Actual Production History (APH). The QL allows exclusion of quality loss from an APH database in circumstances where a quality loss occurs. The QL will be offered at an actuarially sound premium rate.

Like yield exclusion, the QL must be elected by the sales closing date. When elected, the QL will replace post-quality adjusted (QA) production with the pre-QA production for any year the insured filed a Notice of Loss (NOL). Quality adjustment to production will be based on the applicable quality statements contained in the Special Provisions, or on applicable quality requirements allowed by Crop Provisions or endorsements, for the crop. The QL is not available for policies insured under the catastrophic risk protection endorsement.

The QL may apply if you filed a NOL, regardless of whether you received an indemnity for that crop year. You are eligible to replace the post-QA production in your APH database with pre-QA production.



The QL is an available option under Yield Protection, Revenue Protection, Revenue Protection with Harvest Price Exclusion, and APH plans of insurance. The QL is available for the following crops:

Avocados ¹	Fresh Nectarines	Processing Apricots
Barley	Grain Sorghum	Processing Cling Peaches
Blueberries	Grapefruit ²	Processing Free-stone Peaches
Buckwheat	Grapes	Rice
Canola	Millet	Rye
Corn	Mustard	Safflower
Cotton	Oats	Soybeans
Cranberries	Oranges ²	Sunflowers
Figs	Peaches	Table Grapes
Flax	Peanuts	Walnuts
Fresh Apricots	Pears ¹	Wheat
Fresh Freestone Peaches	Plums	

¹California only.

²Texas only.

How this Option Works

Example:

Crop Year	Pre – QA PTC	Post – QA PTC
2019	80 bu/ac	80 bu/ac
2020	120 bu/ac	120 bu/ac
2021	100 bu/ac	30 bu/ac
2022	110 bu/ac	110 bu/ac
2023	90 bu/ac	60 bu/ac
Average	100 bu/ac	80 bu/ac

When the QL is elected, you can choose to substitute your pre-QA production amount for both the 2021 and 2023 crop years. In this example, the QL increases your APH from 80 bu/ac to 100 bu/ac.

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. A list of crop insurance agents is available on the RMA website at www.rma.usda.gov/tools-reports/agent-locator