



United States
Department of
Agriculture



Federal Crop
Insurance
Corporation

FCIC-25740 (11-2017)
FCIC-25740-1 (12-
2018)

MUSTARD LOSS ADJUSTMENT STANDARDS HANDBOOK

2019 and Succeeding Crop Years

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

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| TITLE: Mustard Loss Adjustment Standards Handbook | NUMBER: FCIC-25740 FCIC-25740-1 |
| EFFECTIVE DATE: 2019 and Succeeding Crop Years | ISSUE DATE: December 17, 2018 |
| SUBJECT: Provides the procedures and instructions for administering the Mustard crop insurance program | OPI: Product Administration and Standards Division APPROVED: <i>/s/ Richard H. Flourney</i> Deputy Administrator for Product Management |

REASON FOR ISSUANCE

Major changes: See changes or additions in text which have been highlighted. Three stars (***) identify information that has been removed.

1. Paragraph 1A: Updated web link.
2. Paragraph 2D (2) & (4): Updated weblink.
3. Paragraph 12(2)(iii): Updated language to include Multi-County Enterprise Unit.
4. Exhibit 4 item 29: Entered stage code "RN" for replanted acreage not qualified for replanting payment.

MUSTARD LOSS ADJUSTMENT STANDARDS HANDBOOK

CONTROL CHART

| Mustard Loss Adjustment Standards Handbook | | | | | | | |
|--|---------------|---------------|-----------------|----------------------|-------------------------|---------|----------------|
| | TP Page(s) | TC Page(s) | Text Page(s) | Exhibit Number(s) | Exhibit Page(s) | Date | FCIC Number |
| Remove | 1-2 | | 1-2 | 4 | 33-34 | 11-2017 | FCIC-25740 |
| | | | 5-6 | | | 11-2017 | FCIC-25740 |
| Insert | 1-2 | | 1-2 | 4 | 33-34 | 12-2018 | FCIC-25740-1 |
| | | | 5-6 | | | 12-2018 | FCIC-25740-1 |
| Current Index | 1-2 | 1-2 | 1-2 | 1-4 4 4-11 | 21-32 33-34 35-58 | 12-2018 | FCIC-25740-1 |
| | | | 3-4 | | | 11-2017 | FCIC-25740 |
| | | | 5-6 | | | 12-2018 | FCIC-25740-1 |
| | | | 7-20 | | | 11-2017 | FCIC-25740 |
| | | | | | | 12-2018 | FCIC-25740-1 |
| | | | | | | 11-2017 | FCIC-25740 |
| | | | | | | 12-2018 | FCIC-25740-1 |

FILING INSTRUCTIONS:

The handbook pages listed in the Control Chart above under the “Insert” heading replace such pages in the 2018 Mustard Loss Adjustment Standards Handbook, FCIC-25740 (11-2017). This handbook is effective for the 2019 and succeeding crop years and is not retroactive to any 2018 or prior crop year determinations.

PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 General Information

A. Purpose and Objective

The RMA-issued loss adjustment standards for this crop are the official standard requirements for adjusting losses in a uniform and timely manner. The RMA-issued standards for this crop and crop year are in effect as of the signature date for this crop handbook located at www.rma.usda.gov.

This handbook remains in effect until superseded by reissuance of either the entire handbook or selected portions (through amendments, bulletins, or FADs). If amendments are issued for a handbook, the original handbook as amended shall constitute the handbook. A bulletin or FAD can supersede either the original handbook or subsequent amendments.

B. Related Handbooks

The following table identifies handbooks that must be used in conjunction with this handbook.

| Handbook | Relation/Purpose |
|----------|--|
| CIH | Provides overall general underwriting (not crop specific) process. |
| DSSH | Provides the form standards and procedures for use in the sales and service of crop insurance contracts. |
| GSH | Provides general crop insurance information. |
| LAM | Provides overall general loss adjustment (not crop-specific) process. |

- (1) Terms, abbreviations, and definitions general (not crop specific) to loss adjustment are identified in the GSH.
- (2) Terms, abbreviations and definitions specific to Mustard loss adjustment and this handbook are in exhibits 1 and 2, herein.

C. CAT Coverage

Refer to CIH, GSH and LAM for provisions and procedures not applicable to the LAM.

D. Irrigated Practice

Refer to the DSSH for irrigated practice guidelines.

2 AIP Responsibilities

A. Utilization of Standards

All AIPs shall utilize these standards for both loss adjustment and loss training for the applicable crop year. These standards, which include crop appraisal methods, claims completion instructions, and form standards, supplement the general (not crop specific) loss adjustment standards identified in the LAM.

B. Form Distribution

The following is the minimum distribution of forms completed by the adjuster and signed by the insured (or the insured's authorized representative) for the loss adjustment inspection:

- (1) One legible copy to the insured; and
- (2) The original and all remaining copies as instructed by the AIP.

C. Record Retention

It is the AIP's responsibility to maintain records (documents) as stated in the SRA and as described in the LAM.

D. Form Standards

- (1) The entry items in exhibits 3-4 are the minimum requirements for the Appraisal Worksheet and Claim Form (hereafter referred to as "Production Worksheet"). All entry items are "Substantive," (they are required).
- (2) The Privacy Act and Non-Discrimination statements are required statements that must be printed on the form or provided to the insured as a separate document. These statements are not shown on the form on the example form(s) in exhibits 3-4. The current Non-Discrimination Statement and Privacy Act Statement can be found on the RMA website at www.rma.usda.gov.

- (3) The certification statement required by the current DSSH must be included on the Production Worksheet directly above the insured's signature block immediately followed by:

"I understand the certified information on this Production Worksheet will be used to determine my loss, if any, to the above unit. The insurance provider may audit and approve this information and supporting documentation. The Federal Crop Insurance Corporation, an agency of the United States, subsidizes and reinsures this crop insurance."

- (4) Refer to the DSSH for other crop insurance form requirements (e.g., point size of font, and so forth).

3-10 (Reserved)

12 Unit Division (Continued)

- (ii) Verify existence of other optional units; and
- (iii) Determine if the total amount of production contracted has been filled or not before completing a claim on any optional unit.

For information on Enterprise, **Multi-County Enterprise**, and Whole-Farm units, refer to the LAM.

13 Mustard Quality Adjustment

A. General Information

- (1) Refer to the LAM for information on speculative type contract prices in QA. The QAF factor cannot be greater than 1.000 or less than zero (.000).
- (2) Mature mustard production, in accordance with the crop provisions, will be eligible for QA only if:
 - (a) Deficiencies in quality result in the mustard not meeting the requirements for acceptance under the processor contract because of damaged seeds (excluding heat damage), or a musty, sour, or commercially objectionable foreign odor; or
 - (b) Substances or conditions are present that are identified by the Food and Drug Administration or other public health organization of the United States as being injurious to human or animal health;
 - (c) The deficiencies, substances, or conditions result in a salvage price less than the base contract price.

Refer to the LAM for instructions on who can obtain samples for grading, and who can make determinations of deficiencies, conditions and substances that would cause the crop to qualify for QA.

- (3) Document QA information as described in the instructions for the “Narrative” section of the PW (paragraph 41), or on a Special Report.
- (4) For mustard eligible for QA, the salvage price of the qualifying damaged production will not include any reductions for:
 - (a) moisture content;
 - (b) damage due to uninsured causes; or
 - (c) drying, handling, processing, or any other costs associated with normal harvesting, handling, and marketing of mustard; except, if the salvage price can be increased by conditioning, the AIP may reduce the salvage price after the production has been conditioned by the cost of conditioning but now lower than the salvage price before conditioning. Refer to the LAM for specific instructions.

13 Mustard Quality Adjustment (Continued)

A. General Information (continued)

Moisture adjustment is applied prior to any qualifying QAFs such as damaged seeds and objectionable odors.

- (5) The QAF will be calculated as follows (unless the SP contains QAFs):
 - (a) Divide the salvage price per pound by the base price per pound to determine the QAF (not to exceed 1.000).
 - (i) The salvage price will be determined at the earlier of the date such quality adjusted production is sold or the date of final inspection for the unit.
 - (ii) Discounts used to establish the salvage price will be limited to those that are usual, reasonable, and customary.
 - (iii) If the insured has multiple processor contracts with varying base contract prices within the same unit, the AIP will value the production to count by using the highest base contract price first and will continue in decreasing order to the lowest base contract price based on the amount of production insured at each base contract price.
 - (b) The number of pounds remaining after any reduction due to excess moisture (the moisture adjusted gross pounds) of the damaged or conditioned production will be multiplied by the QAF to determine the net production to count.
- (6) If salvage price cannot be found, refer to the LAM.

For additional QA definitions, instructions, qualifications and testing requirements, refer to the LAM, and/or the Agricultural Marketing Act of 1946, as amended.

B. Federal or State Ordered Destruction

Under section 15 (j) of the BP if due to insured causes, a Federal or State agency has ordered the appraised insured crop or production to be destroyed, on the PW enter the factor “.000” in column 35 for appraised production or column 65 for harvested production, as applicable. Instruct the insured to complete and submit a Certification Form stating the date the crop was destroyed and the method of destruction (refer to item 40 and the “Narrative” in the PW instructions). Also refer to the LAM for additional information. Otherwise, make no entry.

Note: Refer to the LAM for instructions on who can obtain samples for grading, and who can make determinations of deficiencies, conditions and substances that would cause the crop to qualify for QA.

14-20 (Reserved)

Form Standards Production Worksheet (Continued)

| Item Number/ Element | Standard | | | | | | | | | | | | | | | | | | | | | | |
|------------------------|--|--------------|--------------------|-----------|--|------------|----------------------------|-------------------|--|--------------|--------------------|-----------|--|-----------|------------|------------|---|------------|---|------------|--|------------|--|
| 26. Irr. Practice: | Three-digit code number, entered exactly as specified on the actuarial documents for the irrigated practice carried out by the insured. If “No Irrigated Practice Specified” is shown in the actuarial documents, enter the appropriate three-digit code number from the actuarial documents (e.g., 997). If an irrigated practice is not specified on the actuarial documents, make no entry. | | | | | | | | | | | | | | | | | | | | | | |
| 27. Cropping Practice: | Three-digit code number, entered exactly as specified on the actuarial documents for the cropping practice (or practice) carried out by the insured. If “No Cropping Practice” or “No Practice Specified” is shown in the actuarial documents, enter the appropriate three-digit code number from the actuarial documents (e.g., 997). If a cropping practice is not specified on the actuarial documents, make no entry. | | | | | | | | | | | | | | | | | | | | | | |
| 28. Organic Practice: | Three-digit code number, entered exactly as specified on the actuarial documents for the organic practice carried out by the insured. If “No Organic Practice Specified” is shown in the actuarial documents, enter the appropriate three-digit code number from the actuarial documents (e.g., 997). If an organic practice is not specified on the actuarial documents, make no entry. | | | | | | | | | | | | | | | | | | | | | | |
| 29. Stage: | <p>Preliminary: Make no entry.</p> <p>Replant: Replant stage abbreviation as shown below.</p> <table border="0"> <thead> <tr> <th data-bbox="526 915 634 949"><u>STAGE</u></th> <th data-bbox="919 915 1146 949"><u>EXPLANATION</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="526 953 857 1016">“R”</td> <td data-bbox="919 953 1503 1016">Acreage replanted and qualifying for replanting payment.</td> </tr> <tr> <td data-bbox="526 1020 857 1054">“NR”</td> <td data-bbox="919 1020 1250 1054">Acreage not replanted. ***</td> </tr> <tr> <td data-bbox="526 1058 857 1092">“RN”</td> <td data-bbox="919 1058 1422 1121">Acreage replanted and not qualified for a replanting payment.</td> </tr> </tbody> </table> <p>Final: Stage abbreviation as shown below.</p> <table border="0"> <thead> <tr> <th data-bbox="526 1213 643 1247"><u>STAGE</u></th> <th data-bbox="919 1213 1146 1247"><u>EXPLANATION</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="526 1251 886 1285">“P”</td> <td data-bbox="919 1251 1578 1390">Acreage abandoned without consent, put to other use without consent, damaged solely by uninsured causes, or for which the insured failed to provide acceptable records of production to the AIP.</td> </tr> <tr> <td data-bbox="526 1394 886 1428">“H”</td> <td data-bbox="919 1394 1049 1428">Harvested.</td> </tr> <tr> <td data-bbox="526 1432 886 1465">“UH”</td> <td data-bbox="919 1432 1471 1465">Unharvested or put to other use with consent.</td> </tr> <tr> <td data-bbox="526 1470 886 1524">“TZ”</td> <td data-bbox="919 1470 1578 1524">UUF/Third Party Damage – Zero production on same acreage.</td> </tr> <tr> <td data-bbox="526 1528 886 1583">“TA”</td> <td data-bbox="919 1528 1578 1583">UUF/Third Party Damage – Appraised production on same acreage.</td> </tr> <tr> <td data-bbox="526 1587 886 1642">“TH”</td> <td data-bbox="919 1587 1578 1642">UUF/Third Party Damage – Harvested production on same acreage.</td> </tr> </tbody> </table> <p>Prevented Planting: Refer to the PPSH for proper codes for any eligible prevented planting acreage.</p> <p>Gleaned Acreage: Refer to the LAM for information on gleaning.</p> | <u>STAGE</u> | <u>EXPLANATION</u> | “R” | Acreage replanted and qualifying for replanting payment. | “NR” | Acreage not replanted. *** | “RN” | Acreage replanted and not qualified for a replanting payment. | <u>STAGE</u> | <u>EXPLANATION</u> | “P” | Acreage abandoned without consent, put to other use without consent, damaged solely by uninsured causes, or for which the insured failed to provide acceptable records of production to the AIP. | “H” | Harvested. | “UH” | Unharvested or put to other use with consent. | “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. |
| <u>STAGE</u> | <u>EXPLANATION</u> | | | | | | | | | | | | | | | | | | | | | | |
| “R” | Acreage replanted and qualifying for replanting payment. | | | | | | | | | | | | | | | | | | | | | | |
| “NR” | Acreage not replanted. *** | | | | | | | | | | | | | | | | | | | | | | |
| “RN” | Acreage replanted and not qualified for a replanting payment. | | | | | | | | | | | | | | | | | | | | | | |
| <u>STAGE</u> | <u>EXPLANATION</u> | | | | | | | | | | | | | | | | | | | | | | |
| “P” | Acreage abandoned without consent, put to other use without consent, damaged solely by uninsured causes, or for which the insured failed to provide acceptable records of production to the AIP. | | | | | | | | | | | | | | | | | | | | | | |
| “H” | Harvested. | | | | | | | | | | | | | | | | | | | | | | |
| “UH” | Unharvested or put to other use with consent. | | | | | | | | | | | | | | | | | | | | | | |
| “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. | | | | | | | | | | | | | | | | | | | | | | |

Form Standards Production Worksheet (Continued)

| Item Number/ Element | Standard | | | | | | | | | | | | | | | | | | |
|--------------------------|--|------------|--------------------|----------------|-------------------|----------------------|-----------------------|------------------|-------------------------|------------|---------------------------|-----------|------------------|------------|---------------------------|----------|-----------|-----------|-------------|
| 30. Use of Acreage: | <p>Use of acreage. Use the following “Intended Use” abbreviations.</p> <table border="0" data-bbox="535 336 1266 682"> <thead> <tr> <th><u>USE</u></th> <th><u>EXPLANATION</u></th> </tr> </thead> <tbody> <tr> <td>“Replant”.....</td> <td>Acreage replanted</td> </tr> <tr> <td>“Not Replanted”.....</td> <td>Acreage not replanted</td> </tr> <tr> <td>“To Millet”.....</td> <td>Use made of the acreage</td> </tr> <tr> <td>“WOC”.....</td> <td>Other use without consent</td> </tr> <tr> <td>“SU”.....</td> <td>Solely uninsured</td> </tr> <tr> <td>“ABA”.....</td> <td>Abandoned without consent</td> </tr> <tr> <td>“H”.....</td> <td>Harvested</td> </tr> <tr> <td>“UH”.....</td> <td>Unharvested</td> </tr> </tbody> </table> <p>Verify any “Intended Use” entry. If final use of the acreage was not as indicated, strike out the original line and initial it. Enter all data on a new line showing the correct “Final Use.”</p> | <u>USE</u> | <u>EXPLANATION</u> | “Replant”..... | Acreage replanted | “Not Replanted”..... | Acreage not replanted | “To Millet”..... | Use made of the acreage | “WOC”..... | Other use without consent | “SU”..... | Solely uninsured | “ABA”..... | Abandoned without consent | “H”..... | Harvested | “UH”..... | Unharvested |
| <u>USE</u> | <u>EXPLANATION</u> | | | | | | | | | | | | | | | | | | |
| “Replant”..... | Acreage replanted | | | | | | | | | | | | | | | | | | |
| “Not Replanted”..... | Acreage not replanted | | | | | | | | | | | | | | | | | | |
| “To Millet”..... | Use made of the acreage | | | | | | | | | | | | | | | | | | |
| “WOC”..... | Other use without consent | | | | | | | | | | | | | | | | | | |
| “SU”..... | Solely uninsured | | | | | | | | | | | | | | | | | | |
| “ABA”..... | Abandoned without consent | | | | | | | | | | | | | | | | | | |
| “H”..... | Harvested | | | | | | | | | | | | | | | | | | |
| “UH”..... | Unharvested | | | | | | | | | | | | | | | | | | |
| 30. Use of Acreage: | <p>Prevented Planting: Refer to the PPSH for proper codes for any eligible prevented planting acreage.</p> <p>Gleaned Acreage: Refer to the LAM for information on gleaning.</p> | | | | | | | | | | | | | | | | | | |
| 31. Appraised Potential: | <p>Replant: Enter the whole pounds per acre allowed for replanting as determined from the replant calculation documented in the “Narrative.” (Refer to Part 3, for qualifications and computations.)</p> <p>Preliminary and Final: Per-acre appraisal in whole pounds of potential production for the acreage appraised as shown on the appraisal worksheet. Refer to Paragraph 34, “Appraisal Methods” for additional instructions.</p> <p>If there is no potential on UH acreage, enter “0.” Refer to the LAM for procedures for documenting zero yield appraisals.</p> | | | | | | | | | | | | | | | | | | |
| 32a. Moisture %: | <p>Replant: Make no entry.</p> <p>Preliminary and Final: Moisture percent to nearest tenth, only if in excess of 10.0 percent. Moisture adjustment is applied prior to applying any qualifying adjustment for quality.</p> | | | | | | | | | | | | | | | | | | |
| 32b. Factor: | <p>Replant: Make no entry.</p> <p>Preliminary and Final: For appraised mature production in excess of 10.0 percent moisture, obtain factor from exhibit 11 (Mustard Moisture Adjustment Factors).</p> | | | | | | | | | | | | | | | | | | |