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Department of  
Agriculture



Federal Crop  
Insurance  
Corporation

FCIC 20400U  
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# **DAIRY REVENUE PROTECTION INSURANCE STANDARDS HANDBOOK**

## **2020 and Succeeding Crop Years**

**UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250**

<b>TITLE: DAIRY REVENUE PROTECTION INSURANCE STANDARDS HANDBOOK</b>	<b>NUMBER: FCIC-20400U</b>
<b>EFFECTIVE DATE: 2020 and Succeeding Crop Years</b>	<b>ISSUE DATE: April 22, 2019</b>
<b>SUBJECT:</b>  <b>Provides the procedures and instructions for administering the Dairy Revenue Protection Plan of Insurance</b>	<b>OPI: Product Administration &amp; Standards Division</b>
	<b>APPROVED:</b>  /s/ Richard Flournoy  <b>Deputy Administrator for Product Management</b>

**Reason for Issuance**

This handbook is being issued to provide procedures and instructions for administering the Dairy Revenue Protection Plan of Insurance for the 2020 and succeeding crop years.

**DAIRY REVENUE PROTECTION  
INSURANCE STANDARDS HANDBOOK**

**CONTROL CHART**

Control Chart For: Dairy Revenue Protection Insurance Standards Handbook							
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Numbers	Exhibit Page(s)	Date	Directive Number
Insert	Entire Handbook						
Current Index	1-2	1-2	1-13	1-10	14-46	month-2019	20400U

**FILING INSTRUCTIONS**

This handbook is effective for the 2020 and succeeding crop years.

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# PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

## **1 General Information**

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### **A. Purpose**

This handbook provides procedures for administering the Dairy Revenue Protection plan of insurance in accordance with the Dairy Revenue Protection Insurance Policy.

If there is a conflict between this handbook and the GSH or other FCIC approved handbook, this handbook controls. If there is a conflict between this handbook and the policy, the policy controls.

### **B. Source of Authority**

The Dairy Revenue Protection is a privately-developed product submitted and approved by the FCIC Board of Directors in accordance with section 508(h) of the Federal Crop Insurance Act (the Act).

### **C. Program Duration**

Dairy Revenue Protection is available beginning with the 2019 crop year.

### **D. Approved Insurance Provider (AIP) Option to Offer**

In accordance with Section II. (a) (3) of the Livestock Price Reinsurance Agreement (LPRA), AIPs are not required to offer Dairy Revenue Protection to producers. Accordingly, each AIP must determine whether it will offer the Dairy Revenue Protection in the approved pilot area. AIPs that elect to offer the Dairy Revenue Protection must offer it to all eligible producers in the approved pilot area, and must administer the program according to the policies approved and issued by FCIC, procedures in this handbook and the provisions of Section II. (a) (3) of the LPRA.

## **2 Responsibilities**

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### **A. AIP's Responsibilities**

AIPs must use standards, procedures, methods and instructions as authorized by FCIC in the sale and service of crop insurance contracts. Each AIP is responsible for using RMA approved procedure. AIPs should report any program issues or concerns to the Product Administration and Standards Division (PASD) of RMA.

### **B. Insured's Responsibilities**

To be eligible for Dairy Revenue Protection, the insured must comply with all terms and conditions of the Dairy Revenue Protection policy.

## **3-20 (Reserved)**

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## PART 2 INSURABILITY

### 21 Dairy Revenue Protection Insurability Requirements

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#### A. Application

Dairy Revenue Protection is a continuous policy and will remain in effect for each crop year following the acceptance of the original application until cancelled by the insured or AIP in accordance with the terms of the policy.

The original application can be submitted at any time during the crop year. It must be completed by the insured and received by the agent not later than the sales closing date for which coverage is requested under a quarterly coverage endorsement.

It is recommended that the producer complete the initial application before electing coverage on the quarterly coverage endorsement to ensure the producer is eligible to participate in the crop insurance program. Early completion of an application also confirms whether the producer is compliant with the conservation provisions and, if applicable, qualifies as a beginning farmer or rancher; or veteran farmer or rancher. These determinations may impact the producer's coverage decisions.

In the event of a possible loss, this policy requires the insured to submit the milk marketing records. To further confirm a producer's eligibility for Dairy Revenue Protection coverage, it is recommended that the agent review the applicant's records when the producer completes the application to verify the entity, tax id and other application data, and to confirm the producer is retaining records needed later in the coverage cycle.

Finally, a dairy producer can only apply for a Dairy Revenue Protection policy through one AIP during a single crop year. An existing DRP insured can *transfer* to a different AIP by the DRP cancellation date and begin the *next* crop year with a new AIP. For example, an insured has 2020 DRP coverage with AIP A that overlaps into the 2021 crop year. The insured transfers to AIP C for 2021. The first 2021 quarterly coverage endorsement the insured purchases with AIP C is for the same months as the last 2020 quarter insured with AIP A.

NOTE: Because the DRP policy allows an insured to purchase up to five quarters of coverage at one time, it is possible for an insured's coverage to overlap into the next crop year/reinsurance year. In the case of a transfer, the insured could have individual 3-month quarters that are insured with two AIPs, but each AIP insures that quarter for a different crop year.

#### B. Application Completion Instructions

- (1) AIPs can use existing application-related forms for Dairy Revenue Protection. The elements required on application related forms for Dairy Revenue Protection are similar to such forms for other policies. The crop information items required on the application for Dairy Revenue Protection are effective crop year, state, county, crop and plan of insurance. Coverage level, price, etc. are not required on the application; these elements are part of the quarterly coverage endorsement form.
- (2) Instructions for crop information to be entered on the application:

- (a) Effective crop year is the twelve-month period, beginning July 1 and ending the following June 30, which is designated by the calendar year in which it ends.
- (b) State where the milk storage tank of the dairy operation is physically located. Only one application is required per state and all the milk produced within a state is covered under this policy. A separate application is required to insure milk produced in another state.
- (c) County is any county, parish, or other political subdivision of a state shown on the accepted application where the milk storage tank of the dairy operation is physically located. If the dairy operation spans multiple counties within the state, then the application county will be the county elected by the insured as indicated on the application. Only one application is required per state and all the milk produced within a state is covered under this policy. A separate policy is required to insure milk produced in another state.
- (d) Crop is Milk.
- (e) Plan of insurance is Dairy Revenue Protection.

## **22 Written Agreements**

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Written agreements are not allowed under Dairy Revenue Protection.

## **23 Establishing Coverage**

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### **A. Quarterly Coverage Endorsement**

The quarterly coverage endorsement is required to obtain Dairy Revenue Protection coverage. A quarterly coverage endorsement must be submitted on the AIP's form within the sales period for each quarterly insurance period in which the insured elects coverage. There can be multiple quarterly coverage endorsements for the same quarterly insurance period but they cannot cover the same pounds of milk.

See Exhibit 6 for form standards and form completion instructions.

### **B. Sales Closing Date and Sales Period**

The sales closing date is each day, in the specified sales timeframe, during which coverage is available for purchase.

The sales period begins when the coverage prices and rates are validated and ends at 9:00AM Central time of the following business day in which the insured can purchase quarterly endorsements.

### **C. Other Insurance**

The Dairy Revenue Protection policy allows the insured to have other livestock policies covering milk for the same crop year. Only one policy can have endorsements in effect for



the quarterly insurance period. For example, if one policy is Dairy Revenue Protection and the other is a livestock policy insuring the same milk in at least one month during the quarterly insurance period, the policy with the earliest date of endorsement for the quarterly insurance period will be in force and the other endorsement will be void.

#### D. Quarterly Insurance Periods

The quarterly insurance period refers to the quarter or three-month period selected for coverage. A producer can purchase up to five quarters into the future on any sales closing date. There are eight unique quarterly insurance periods available during a crop year. Throughout a crop year, there are always five quarterly insurance periods available for quoting premium and obtaining coverage with the exception of June 16 – 30, when only four quarterly insurance periods are available. For example, the eight quarters available during the 2020 crop year begin with Oct – Dec 2019 and end with July – Sep 2021.

The available quarterly insurance periods can be viewed in the actuarial documents.

The applicable crop year is determined by the effective date of the quarterly coverage endorsement.

It is possible to have multiple quarterly coverage endorsements providing coverage for the same quarterly insurance period with different crop years, potentially insured under different AIPs if the insured transfers their policy between crop years.

Quarterly Insurance Period 801 - 808			Sales Available			Sales Not Available		
Calendar Year	2019	2020	2020	2020	2020	2021	2021	2021
Sales Dates	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep
July 1 – Sep 15	801	802	803	804	805	806	807	808
Sep 16 – Dec 15	801	802	803	804	805	806	807	808
Dec 16 – Mar 15	801	802	803	804	805	806	807	808
Mar 16 – June 15	801	802	803	804	805	806	807	808
June 16 – June 30	801	802	803	804	805	806	807	808

#### E. Type - Pricing Options

The Dairy Revenue Protection offers two pricing options. The class pricing option and the component pricing option. These pricing options are designed to allow producers to customize their price elections to more accurately reflect their price risk.

The class pricing option uses a combination of class III and class IV milk prices based on insured’s declared class price weighting factor.

The component pricing option uses a combination of butterfat, protein and other solids values based on the insured’s declared butterfat test and declared protein test.

The insured may purchase separate quarterly coverage endorsements for the same quarterly insurance period, including those purchased in two different crop years, and each quarterly coverage endorsement may have different elections, including switching between the class pricing option and the component pricing option on each of the quarterly coverage

endorsements purchased.

## F. Class Pricing Option

The insured reviews the expected class III and class IV milk prices published in the actuarial documents for the applicable quarterly insurance period(s) to be covered by a quarterly coverage endorsement. The insured declares their class III price weighting factor. The default class IV weighting factor is 1.00 minus the declared class III weighting factor. This allows the insured to establish coverage for prices to mirror their expected milk utilization.

Example: The cells highlighted in yellow are the insured's decisions necessary to determine the price used to calculate coverage.

Expected Class III Milk Price/cwt		Declared Class III Weighting Factor	
Expected Class IV Milk Price/cwt		Default Class IV Weighting Factor	
Class III	\$17.25	<b>0.50</b>	<b>\$8.6250</b>
Class IV	\$16.25	<b>0.50</b>	<b>\$8.1250</b>
Total Calculated Class Price per cwt			<b>\$16.7500</b>

The insured may purchase separate quarterly coverage endorsements for the same quarterly insurance period, including those purchased in two different crop years, and each quarterly coverage endorsement may have different elections.

## G. Component Pricing Option

The insured reviews the expected values per pound for butterfat, protein and other solids published in the actuarial documents for the applicable quarterly insurance period(s) to be covered by a quarterly coverage endorsement. The insured declares their butterfat test pounds and declares their protein test pounds. The expected value per hundredweight is obtained from the actuarial documents for the applicable quarterly insurance period selected. These elections allow the insured to establish coverage for prices to mirror their expected milk components. The other solids test is fixed at 5.7 pounds per 100 pounds of milk. The declared butterfat test elected can be no less than 3.25 pounds and no more than 5 pounds, in 0.05 pound increments. The declared protein test elected can be no less than 2.75 pounds and no more than 4 pounds, in 0.05 pound increments.

Example: The cells highlighted in yellow are the insured's decisions necessary to determine the price used to calculate coverage.

Expected Value/ pound	Declared Test Pounds	Calculated Value/ cwt
Butterfat	<b>\$2.50</b>	<b>\$12.0000</b>
Protein	<b>\$1.70</b>	<b>\$6.8000</b>
Other Solids	<b>\$0.31</b>	<b>\$1.7670</b>
Total Component Price/ cwt		<b>\$20.5670</b>

The insured may purchase separate quarterly coverage endorsements for the same quarterly insurance period, including those purchased in two different crop years, and each quarterly coverage endorsement may have different elections.

**A. Declared Covered Milk Production**

The declared covered milk production is the pounds of Grade A milk production chosen by the insured to establish the basis of coverage for the quarterly insurance period for each quarterly coverage endorsement. The insured may choose different amounts of declared covered milk production for each type and practice indicated on the quarterly coverage endorsement. There can be multiple quarterly coverage endorsements for the same quarterly insurance period, but they cannot cover the same milk.

**B. Coverage Level**

The coverage level is the coverage level percentage chosen by the insured between 80 percent and 95 percent, in 5 percent increments, used to determine the dairy revenue protection expected and final revenue guarantee. The insured may choose a different coverage level for each type and practice indicated on the quarterly coverage endorsement.

**C. Protection Factor**

The protection factor is a numeric value chosen by the insured for each type and practice between 1.00 and 1.50, in 0.05 increments. The protection factor is used to calculate the policy protection and impacts both the premium and indemnity proportionally. The insured may choose a different protection factor for each type and practice indicated on the quarterly coverage endorsement.

**D. Declared Share**

The declared share is the percentage interest in the insured milk as an owner at the time insurance attaches.

**E. Name of Other Person(s) Sharing in the Crop**

If the insured has less than 100 percent interest in the milk, may list the name of each person with an ownership share in the milk on the quarterly coverage endorsement.

**F. Expected Milk Production Per Cow**

Expected milk production per cow is the expected milk production in pounds per cow as shown in the actuarial documents for the quarterly insurance period and for the pooled production region in which the dairy operation is insured.

**G. Example Liability and Premium Calculation for a Class Pricing Option (Type 831)**

Producer Declarations:

Declared covered milk production	1,000,000 pounds
State	Wisconsin
Declared share	100%
Expected milk production per cow	6,000 pounds per cow per quarter
Coverage level	95%

Protection factor	1.10
Subsidy rate	44%

Producer Elections/Expected

Declared class price weighting factor	50%
Expected class III milk price	\$18 per hundredweight
Expected class IV milk price	\$17 per hundredweight

Step 1. Determine the liability used to calculate the premium

The liability used to calculate the premium is based on the information provided on the application and quarterly coverage endorsement.

Formula: ((expected class III price x declared class price weighting factor) + (expected class IV price x (1-declared class price weighting factor))) x declared covered milk production ÷ 100 x coverage level x declared share x protection factor.

$$\$182,875 = ((\$18 \times 0.5) + (\$17 \times (1-0.5))) \times 1,000,000 \div 100 \times 0.95 \times 1.0000 \times 1.10$$

Step 2. Determine the premium

The premium rate is based on the simulated losses under the class pricing option. For this example, the premium rate is \$0.024 per dollar of liability.

$$\text{Gross Premium } \$4389 = \$182,875 \times \$0.024$$

$$\text{Subsidy } \$1931 = \$4389 \times .44$$

$$\text{Producer premium } \$2458 = \$4389 - \$1931$$

**H. Example Liability and Premium Calculation for a Component Pricing Option (Type 832)**

Producer Declarations:

Declared covered milk production	1,000,000 pounds
State	Wisconsin
Declared share	100%
Expected milk production per cow	6,000 pounds per cow per quarter
Coverage level	95%
Protection factor	1.10
Subsidy rate	44%

Producer Elections/Expected

Declared butterfat test	3.85
Expected butterfat price	\$2.70
Declared protein test	3.15
Expected protein price	\$1.90
Other solids test	5.70
Expected other solids price	\$0.15

Step 1. Determine the liability used to calculate the premium

The liability used to calculate the premium is based on the information provided on the application and quarterly coverage endorsement.

Formula: ((declared butterfat test x expected butterfat price) + (declared protein test x expected protein price) + (5.70 x expected other solids price)) x declared covered milk production ÷ 100 x coverage level x declared share x protection factor.

$$\$180,106 = ((3.85 \times \$2.70) + (3.15 \times \$1.90) + (5.70 \times \$0.15)) \times 1,000,000 \div 100 \times 0.95 \times 1.0000 \times 1.10$$

Step 2. Determine the premium

The premium rate is based on the simulated losses under the component pricing option. For this example, the premium rate is \$0.027 per dollar of liability.

Gross Premium \$4863 = \$180,106 x \$0.013

Subsidy \$2140 = \$4863 x .44

Producer premium \$2723 = \$4863 - \$2140

## **25 Notice of Probable Loss**

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The notice of probable loss is used to notify the insured of a probable loss. In the case of a probable loss on insured milk, the AIP will send the insured a notice of probable loss approximately ten days after all Dairy Revenue Protection data applicable for the quarterly insurance period are released.

To receive an indemnity, the insured must submit a claim to the AIP on AIP's form and include all required documents, including the milk production worksheet, within sixty days (60) days following the date the notice of probable loss is issued. The insured should return the notice of probable loss to the AIP along with the milk production worksheet and the milk marketing records. See exhibit 7 for the notice of probable loss form standards and instructions.

## **26 Milk Production Worksheet**

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### **A. Milk Production Worksheet**

The milk production worksheet is due in the event of loss. The milk production worksheet must be accompanied by milk marketing records corresponding to the quarter insured from the insured dairy operation's milk cooperative or milk handler that provides records of the actual milk deliveries and, if applicable, the component levels in the milk sold. See exhibit 8 for the milk production worksheet form standards and instructions.

### **B. Acceptable Records**

Acceptable records are milk marketing records that provide the following information from the producer payroll report. This report is a supporting statement which shall show:

- (1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and payroll number or similar identifier of the producer;
- (2) The daily and total pounds, and the month and dates such milk was received from that producer; and if the component pricing option is elected;
- (3) The total pounds of butterfat and protein contained in the producer's milk.

## **27 Calculating a Loss**

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### **A. Causes of Loss**

The causes of loss covered by this policy provides insurance only for the difference between the final revenue guarantee and actual milk revenue, times the actual share and protection factor, caused by natural occurrences in market prices and yields in the pooled production region. This Policy does not insure against the death or other loss or destruction of the dairy cattle, or against any other loss or damage of any kind whatsoever.

## B. Indemnity Calculation Example for Class Pricing Option (Type 831)

Using the example in section 24 G as a basis of coverage.

### Actuals

Actual class III milk price	\$15 per hundredweight
Actual class IV milk price	\$16 per hundredweight
Actual milk production per cow	6,120 pounds per cow per quarter
Milk marketings	900,000 pounds

#### Step 1. Determine covered milk production

Verify with RMA if there is any declared covered milk production insured with another AIP for the same quarterly insurance period. Verify the producer's actual milk marketings as indicated on their milk production worksheet is sufficient to justify the declared covered milk production. Check if the milk marketings was equal to or greater than 85% of the declared covered milk production for all quarterly coverage endorsement in effect for the quarterly insurance period:

This calculation is total milk marketings greater than or equal to 85% times the declared covered milk production.

1,000,000 times 0.85 equals 850,000. 900,000 is greater than 850,000. Covered milk production equals 1,000,000.

#### Step 2. Calculate the final class pricing milk revenue

Formula: ((expected class III price x declared class price weighting factor) + (expected class IV price x (1-declared class price weighting factor))) x covered milk production ÷ 100.

$$\$175,000 = ((\$18 \times 0.5) + (\$17 \times (1-0.5))) \times 1,000,000 \div 100$$

#### Step 3. Calculate final revenue guarantee for the class pricing option

Formula: expected class pricing milk revenue x coverage level.

$$\$166,250 = \$175,000 \times 0.95$$

#### Step 4. Calculate the yield adjustment factor

Formula: Actual milk production per cow ÷ expected milk production per cow.

$$1.02 = 6,120 \div 6,000$$

#### Step 5. Calculate the class pricing actual milk revenue

Formula: ((actual class III price x declared class price weighting factor) + (actual class IV price x (1-declared class price weighting factor))) x covered milk production x yield adjustment factor ÷ 100.

$$\$158,100 = ((\$15 \times 0.5) + (\$16 \times (1-0.5))) \times 1,000,000 \times 1.02 \div 100$$

#### Step 6. Calculate the indemnity on class pricing policy

If the final revenue guarantee is less than the actual milk revenue, then no indemnity is due.

If the final revenue guarantee is greater than the actual milk revenue an indemnity is due. In

this example– (final revenue guarantee - actual milk revenue) x actual share x declared protection factor.

$$\$8,965 = (\$166,250 - \$158,100) \times 1.0000 \times 1.10$$

### C. Indemnity Calculation for Component Pricing Option (832)

Using the example in section 24 H as a basis of coverage.

#### Actuals

Actual butterfat test	3.85
Actual butterfat price	\$2.25
Actual protein test	3.15
Actual protein price	\$1.70
Other solids test	5.70
Actual other solids price	\$0.12
Actual milk production per cow	6,120 Pounds per cow per quarter)
Milk Marketings	900,000 pounds

#### Step 1. Determine covered milk production

Verify with RMA to determine if there is any declared covered milk production insured with another AIP for the same quarterly insurance period. Verify the producer's actual milk marketings as indicated on their milk production worksheet is sufficient to justify the declared covered milk production. Check if the milk marketings was equal to or greater than 85% of the declared covered milk production for all quarterly coverage endorsement in effect for the quarterly insurance period:

This calculation is total milk marketings greater than or equal to 85% times the declared covered milk production.

1,000,000 times .85 equals 850,000. 900,000 greater than 850,000. Covered milk production equals 1,000,000.

Step 2. Determine if the actual butterfat test and the actual protein test are greater than 90% of the declared component values. Declared butterfat test 3.85, and the lower limit for actual is  $3.85 \times .90 = 3.47$ . The actual is greater than 90% of the declared test value so the final butterfat test is 3.85. 90% of the declared protein test  $3.15 \times .90 = 2.84$ ; the actual test value is greater than 90% of the declared so the final protein test is 3.15.

#### Step 3. Calculate the final component pricing milk revenue

Formula: ((final butterfat test x expected butterfat price) + (final protein test x expected protein price) + (5.70 x expected other solids price)) x covered milk production ÷ 100  
 $\$172,350 = ((3.85 \times \$2.70) + (3.15 \times \$1.90) + (5.70 \times \$0.15)) \times 1,000,000 \div 100$

#### Step 4. Calculate final revenue guarantee for the component pricing option

Formula: final component pricing milk revenue x coverage level.

$$\$163,733 = \$172,350 \times 0.95$$

#### Step 5. Calculate the yield adjustment factor

Formula: Actual milk production per cow ÷ expected milk production per cow.

$$1.02 = 6,120 \div 6,000$$

#### Step 6. Calculate the actual milk revenue for the component pricing option

Formula: ((final butterfat test x actual butterfat price) + (final protein test x actual protein price) + (5.70 x actual other solids price) x covered milk production x yield adjustment factor ÷ 100.

$$\$149,955 = ((3.85 \times \$2.25) + (3.15 \times \$1.70) + (5.70 \times \$0.12)) \times 1,000,000 \times 1.02 \div 100$$

Step 7. Calculate the indemnity on component pricing policy

If the final revenue guarantee is less than the actual milk revenue, then no indemnity is due.

If the final revenue guarantee is greater than the actual milk revenue an indemnity is due. In this example– (final revenue guarantee - actual milk revenue) x actual share x protection factor.

$$\$15,156 = (\$163,733 - \$149,955) \times 1.0000 \times 1.10$$

## **D. Adjustments to Revenue Guarantee when Calculating an Indemnity**

### **(1) Marketings Less than 85% Declared Covered Milk Production**

In the event the milk marketings during the quarterly insurance period are less than 85 percent of the declared covered milk production summed over all quarterly coverage endorsements for the quarterly insurance period, then the covered milk production for this quarterly insurance period shall equal the milk marketings divided by 85%.

For example, two separate quarterly coverage endorsements are purchased at different points in time for a single quarterly insurance period, endorsement A has 1,500,000 pounds of declared covered milk production and endorsement B has 500,000 pounds of declared covered milk production for a total of 2,000,000 pounds. The milk marketings are 1,200,000 pounds of milk for the quarter. The total covered milk production for all quarterly coverage endorsements shall be 1,200,000 pounds divided by .85 which equals 1,411,765 pounds.

The covered milk production for each quarterly coverage endorsement will be determined by total covered milk production multiplied by declared covered milk production divided by total declared covered milk production.

For example, endorsement A, 1,411,765 pounds total covered milk production multiplied by (1,500,000 divided by 2,000,000) equals 1,058,824 pounds covered milk production for this endorsement.

Endorsement B, 1,411,765 pounds total covered milk production multiplied by (500,000 divided by 2,000,000) equals 352,941 pounds covered milk production for this endorsement.

### **(2) Declared Butterfat Test or Protein Test less than 90% of Actual Test**

If the insured elected the component pricing option, then the actual butterfat test and actual protein test component levels for milk sold during the quarterly insurance period as indicated on the milk production worksheet must not be less than 90 percent of the declared butterfat test or declared protein test.

The final butterfat test and final protein test used to calculate the final component pricing milk revenue and the actual component pricing milk revenue for indemnity



calculation purposes is determined as follows:

If either actual component test is less than 90 percent, then, as applicable, the final butterfat test and/or final protein test will be the actual determined test value percent divided by .90. For example, if the declared butterfat test is 5.00 pounds, the insured's average butterfat test during the quarter must exceed 4.50 pounds. If the actual butterfat test is 3.80 pounds, the final butterfat test will be 4.22 pounds.

The declared butterfat test minimum of 3.25 pounds and the declared protein test minimum of 2.75 pounds are not applicable to indemnity calculations.

For either actual component test that is at least 90 percent of the declared, then, as applicable, the final butterfat test and/or final protein test will equal the declared butterfat test or declared protein test. For example, if the declared protein test is 4.00 pounds, and the insured's actual protein test during the quarter is 3.80 pounds, the final protein test will be 4.00 pounds.

### **(3) Actual Share**

The percentage interest in the insured milk at the time of sale unless the actual share is greater than the declared share, then the actual share will equal to the declared share.

## **E. Two AIPs insuring milk for the same Quarterly Insurance Period**

The Dairy Revenue Protection policy makes available for purchase eight quarters during the crop year. An insured can only have one policy in effect for a crop year. Current crop year practices 805, 806, 807 and 808 have the same quarterly insurance periods as practices 801, 802, 803 and 804 respectively, in the subsequent crop year. These quarterly insurance periods provide coverage across two crop years. If insured transfers their policy by the cancellation date to another AIP, it is possible to have coverage for the same quarterly insurance period with two AIPs.

AIPs are to verify with RMA the total declared covered milk production for each AIP. This will provide each AIP the information needed to determine the covered milk production and calculate their respective indemnities based on the marketing records provided by the insured.

## **28 Final Proof of Loss**

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The final proof of loss is completed by the AIP and provided to the insured after the claim has been processed. See exhibit 9 for the final proof of loss form standards and instructions.

## **29-60 (Reserved)**

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## **PART 3 APPLICABILITY OF HANDBOOKS**

### **61 General Overview**

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This part identifies information specific to the applicability of the CIH, GSH, DSSH, LAM, LASH and any other procedural issuance that may require supplemental information with regard to a crop insured under the Dairy Revenue Protection policy.

### **62 Crop Insurance Handbook (CIH)**

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The duties and responsibilities identified in the CIH DO NOT apply to the Dairy Revenue Protection Insurance Policy.

### **63 General Standards Handbook (GSH)**

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The duties and responsibilities identified in the GSH apply to Dairy Revenue Protection.

The GSH Paragraph 852 Assignment of Indemnity is amended as follows:

The second sentence in opening paragraph “The assignment(s) applies for all acreage of the crop covered by the policy” is replaced with “The assignment(s) applies for all liability remaining on the crop covered by the policy at the time the assignment is accepted by the AIP.”

The duties and responsibilities identified for Landlord-Tenant are not applicable to Dairy Revenue Protection.

### **64 Document and Supplemental Standards Handbook (DSSH)**

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The duties and responsibilities identified in the DSSH apply to the Dairy Revenue Protection for applicable forms and procedures not identified below or in Exhibit 3 of this Handbook.

Landlord-Tenant standards outlined in the DSSH are not applicable to Dairy Revenue Protection.

The DSSH Exhibit 28 Assignment of Indemnity is amended as follows:

The second sentence in opening paragraph “The assignment(s) applies for all acreage of the crop covered by the policy” is replaced with “The assignment(s) applies for all liability remaining on the crop covered by the policy at the time the assignment is accepted by the AIP and any additional liability added for the crop year.”

### **65 Loss Adjustment Manual (LAM)**

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The duties and responsibilities identified in the LAM DO NOT apply to the Dairy Revenue Protection Insurance Policy.

### **66 Loss Adjustment Standards Handbook (LASH)**

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There is no Loss Adjustment Standards Handbook for Dairy Revenue Protection. This is a revenue-based area plan of insurance and the information necessary to calculate an indemnity will be released by RMA.

The instructions and form standards for the notice of probable loss, milk production worksheet and final proof of loss are included in this handbook.



# EXHIBITS

## Exhibit 1

### 1 Acronyms and Abbreviations

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The following table provides approved acronyms and abbreviations used in this handbook.

<b>Approved Acronym/Abbreviation</b>	<b>Term</b>
AIP	Approved Insurance Provider
AMS	Agricultural Marketing Service
CEPP	Commodity Exchange Price Provisions
CIH	Crop Insurance Handbook
CME	Chicago Mercantile Exchange
DRP	Dairy Revenue Protection
FCIC	Federal Crop Insurance Corporation
GSH	General Standards Handbook
LASH	Loss Adjustment Standards Handbook
LAM	Loss Adjustment Manual
LPRA	Livestock Price Reinsurance Agreement
MPCI	Multiple Peril Crop Insurance
NASS	National Agricultural Statistics Service
PASD	Product Administration and Standards Division
PASS	Policy Acceptance and Storage System
QCE	Quarterly Coverage Endorsement
RMA	Risk Management Agency
SBI	Substantial Beneficial Interest
SCD	Sales Closing Date
USDA	United States Department of Agriculture

## 2 Definitions

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The following are definitions of terms used in this handbook.

Act means the Federal Crop Insurance Act (7 U.S.C. 1501 - 1524).

Actual butterfat price is the price determined in accordance with the DRP-CEE as shown in the actuarial documents.

Actual butterfat test is the amount of butterfat determined in accordance with section 7(e) of the Dairy Revenue Protection Insurance Policy.

Actual class III milk price is the price determined in accordance with the DRP-CEE as shown in the actuarial documents.

Actual class IV milk price is the price determined in accordance with the DRP-CEE as shown in the actuarial documents.

Actual class pricing milk revenue is the value determined by summing the actual class III milk price,  $P^{III}$ , multiplied by the declared class price weighting factor,  $W$ , and the actual class IV milk price,  $P^{IV}$ , multiplied by one minus the declared class price weighting factor,  $1-W$ ; then multiplying that sum by the covered milk production,  $Q$ , times the yield adjustment factor,  $Y$ , divided by 100. That is,  $(P^{III} \times W + P^{IV} \times (1 - W)) \times Q \times Y \div 100$ .

Actual component pricing milk revenue is the value determined by summing the actual butterfat price,  $P^B$ , multiplied by the final butterfat test,  $Q^B$ , the actual protein price,  $P^P$ , multiplied by the final protein test,  $Q^P$ , the actual other solids price,  $P^{OS}$ , multiplied by the other solids test,  $Q^{OS}$ ; then multiplying that sum by the covered milk production,  $Q$ , times the yield adjustment factor,  $Y$ , divided by 100. That is,  $(P^B \times Q^B + P^P \times Q^P + P^{OS} \times Q^{OS}) \times Q \times Y \div 100$ .

Actual milk production per cow means the pounds determined in accordance with the DRP-CEE as shown in the actuarial documents.

Actual milk revenue means the milk revenue calculated for the quarterly insurance period used for determining indemnities under this policy.

- (1) If the insured elects the class pricing option for the pricing method election, then actual milk revenue equals the actual class pricing milk revenue.
- (2) If the insured elects the component pricing option for the pricing method election, then actual milk revenue equals the actual component pricing milk revenue.

Actual other solids price means the price determined in accordance with the DRP-CEE as shown in the actuarial documents.

Actual protein price means the price determined in accordance with the DRP-CEE as shown in the actuarial documents.

Actual protein test means the amount of protein determined in accordance with section 7(e) of the Dairy Revenue Protection Insurance Policy.

Actual share means the percentage interest in the insured milk at the time of sale unless the actual share is greater than the declared share, then the actual share will equal to the declared share.

Actuarial documents mean the information for the crop year which is available for public inspection in the agent's office and published on RMA's website which shows available crop insurance policies, coverage levels, information needed to determine amounts of insurance, prices, premium adjustment percentages, practices, particular types of the insurable crop, and other related information regarding crop insurance in the county.

AMS means the Agricultural Marketing Service of the USDA or a successor agency.

Application means the form required to be completed by the insured, containing all the information required in section 2 of the Dairy Revenue Policy and accepted by the AIP before insurance coverage will commence. Only one application is required per state and all the milk produced within a state is covered under this policy. A separate application is required to insure milk produced in another state.

Assignment of indemnity is a transfer of policy rights, made on our form, and effective when approved in writing by us in accordance with section 13.

Beginning farmer or rancher is an individual who has not actively operated and managed a farm or ranch in any state, with an insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than five crop years, as determined in accordance with FCIC procedures. Any crop year's insurable interest may, by election, be excluded if earned while under the age of 18, while in full-time military service of the United States, or while in post-secondary education, in accordance with FCIC procedures. A person other than an individual may be eligible for beginning farmer or rancher benefits if there is at least one individual substantial beneficial interest holder and all individual substantial beneficial interest holders qualify as a beginning farmer or rancher.

Business day means Monday through Friday unless the CME Dairy markets are closed for a scheduled holiday. In the case the CME Dairy markets are closed for a scheduled holiday the next business day will be based on the next day the CME Dairy markets reopens for trades.

Cancellation date means the calendar date specified in the actuarial documents on which coverage will automatically renew unless canceled in writing by either the insured or the AIP or terminated in accordance with the policy terms.

Class pricing option means a pricing method election made by the insured. If the insured elects this pricing option, the coverage and indemnities will be determined using the class III and class IV milk prices.

CME group means the Chicago Mercantile Exchange Group.

Component pricing option means a pricing method election made by the insured. If the insured elects this option, the coverage and indemnities will be determined using component milk prices for butterfat, protein, and other solids.

Contract change date means the calendar date contained in the actuarial documents, by which changes to the policy, if any, will be made available in accordance with section 20 of the Dairy Revenue Protection Insurance Policy.

County is any county, parish, or other political subdivision of a state shown on the accepted application where the milk storage tank of the dairy operation is physically located. If the dairy operation spans multiple counties within the state, then the application county will be the county elected by the insured as indicated on the application.

Coverage means the insurance provided by this policy against insured loss of revenue as shown on the summary of coverage.

Coverage level means the coverage level percentage chosen by the insured, used to determine the revenue guarantee.

Covered milk production means the amount of Grade A milk production determined in accordance with section 7(d) of the Dairy Revenue Protection Insurance Policy.

Crop year means the twelve-month period, beginning July 1 and ending the following June 30, which is designated by the calendar year in which it ends.

Dairy operation means a business commercially producing and marketing milk, produced from cows, as a single unit located in the United States. The dairy operation to be insured must be contained within one pooled production region.

Days means the Calendar days.

Declared butterfat test means the pounds of milkfat contained in 100 pounds of milk, as declared by the insured in accordance with section 3(c)(ii)(A) of the Dairy Revenue Protection Insurance Policy.

Declared class price weighting factor means a percentage value, chosen by the insured, to be used for determining the expected class pricing milk revenue.

Declared covered milk production means the pounds of Grade A milk production chosen by the insured to insure for that quarter under each quarterly coverage endorsement.

Declared protein test means the pounds of milk protein contained in 100 pounds of, as declared by the insured in accordance with section 3(c)(1)(ii)(B) of the Dairy Revenue Protection Insurance Policy.

Declared share means the percentage interest in the insured milk as an owner at the time insurance attaches and indicated on the quarterly coverage endorsement.

Delinquent debt has the same meaning as the term defined in 7 CFR part 400, subpart U.

DRP-CEE means the Dairy Revenue Protection Commodity Exchange Endorsement applicable for the crop year.

Effective date means the date coverage begins, as shown in the quarterly coverage endorsement. The effective date will always be the date the prices were published on the RMA website corresponding to the purchase date.

End of quarterly insurance period, date of means the date the insurance coverage provided by the quarterly coverage endorsement ceases.

Expected butterfat price means the price determined in accordance with the DRP-CEE as shown in the actuarial documents.

Expected class III milk price means the price determined in accordance with the DRP-CEE as shown in the actuarial documents.

Expected class IV milk price means the price determined in accordance with the DRP-CEE as shown in the actuarial documents.

Expected class pricing milk revenue means the value determined by summing the expected class III milk price,  $E(P^{III})$ , multiplied by the declared class price weighting factor,  $W$ , the expected class IV milk price,  $E(P^{IV})$ , multiplied by one minus the declared class price weighting factor,  $1-W$ ; then multiplying that sum by the declared covered milk production,  $Q$ ; divided by 100. That is,  $(E(P^{III}) \times W + E(P^{IV}) \times (1 - W)) \times Q \div 100$ .

Expected component pricing milk revenue means the value determined by summing the expected butterfat price,  $E(P^B)$ , multiplied by the declared butterfat test,  $Q^B$ , the expected protein price,  $E(P^P)$ , multiplied by the declared protein test,  $Q^P$ , and the expected other solids price,  $E(P^{OS})$ , multiplied by the other solids test,  $Q^{OS}$ ; then multiplying that sum by the declared covered milk production,  $Q$ ; divided by 100. That is,  $(E(P^B) \times Q^B + E(P^P) \times Q^P + E(P^{OS}) \times Q^{OS}) \times Q \div 100$ .

Expected milk production per cow means the pounds determined in accordance with the DRP-CEE as shown in the actuarial documents.

Expected other solids price means the price determined in accordance with the DRP-CEE as shown in the actuarial documents.

Expected protein price means the price determined in accordance with the DRP-CEE as shown in the actuarial documents.

Expected revenue guarantee means the milk revenue calculated for the quarterly insurance period used for determining coverage under this policy, calculated as:

(a) If the insured elects the class pricing option, then expected revenue guarantee equals the expected class pricing milk revenue times the coverage level.

(b) If the insured elects the component pricing option, then expected revenue guarantee equals the expected component pricing milk revenue times the coverage level.

FCIC means the Federal Crop Insurance Corporation, a wholly owned government corporation and agency within USDA.

Final butterfat test means the amount of butterfat determined in accordance with section 7(e).

Final class pricing milk revenue means the value determined by summing the expected class III milk price,  $E(P^{III})$ , multiplied by the declared class price weighting factor,  $W$ , the expected class IV milk price,  $E(P^{IV})$ , multiplied by one minus the declared class price weighting factor,  $1-W$ ; then multiplying that sum by the covered milk production,  $Q$ ; divided by 100. That is,  $(E(P^{III}) \times W + E(P^{IV}) \times (1 - W)) \times Q \div 100$ .

Final component pricing milk revenue means the value determined by summing the expected butterfat



price,  $E(P^B)$ , multiplied by the final butterfat test,  $Q^B$ , the expected protein price,  $E(P^P)$ , multiplied by the final protein test,  $Q^P$ , and the expected other solids price,  $E(P^{OS})$ , multiplied by the other solids test,  $Q^{OS}$ ; then multiplying that sum by the covered milk production,  $Q$ ; divided by 100. That is,  $(E(P^B) \times Q^B + E(P^P) \times Q^P + E(P^{OS}) \times Q^{OS}) \times Q \div 100$ .

Final protein test means the amount of protein determined in accordance with section 7(e).

Final revenue guarantee means the milk revenue calculated for the quarterly insurance period used for determining indemnities under this policy, calculated as:

(a) If the class pricing option is elected, then the final revenue guarantee equals the final class pricing milk revenue times the coverage level.

(b) If the component pricing option is elected, then the final revenue guarantee equals the final component pricing milk revenue times the coverage level.

Insured means the named person as shown on the application accepted by the AIP. This term does not extend to any other person having a share or interest in the animals, such as a partnership, landlord, or any other person unless also specifically indicated on the application as the insured.

Liability means the maximum amount payable under this policy for any given quarterly coverage endorsement. The liability equals the expected revenue guarantee x declared share x protection factor.

Limit movement means the maximum price change based on the CME group current daily price limit for milk or dairy commodity futures.

Limited resource farmer or rancher has the same meaning as the term defined by USDA at [https://lrftool.sc.egov.usda.gov/LRP\\_Definition.aspx](https://lrftool.sc.egov.usda.gov/LRP_Definition.aspx) or successor website.

Milk means the Grade A milk produced from any species of domesticated mammal of the family Bovidae commonly grown for production of dairy products, also referred to as dairy cows.

Milk marketings means the total amount of milk sold by the insured dairy operation during the quarterly insurance period and for which the dairy operation has proof of sale.

Milk marketing records is a supporting document that provides the information required in section 3(d) of the Dairy Revenue Protection Insurance Policy.

Milk production worksheet means a report submitted by the insured on our form showing for each month the milk marketings and, if applicable the butterfat test and protein test during the months insured under this policy for the applicable quarterly coverage endorsements in accordance with section 3(d) of the Dairy Revenue Protection Insurance Policy.

NASS means the National Agricultural Statistics Service of the USDA.

Notice of probable loss means our notice to the insured of a probable loss on the insured milk.

Offset means the act of deducting one amount from another amount.

Other solids test means the pounds of other milk solids contained in 100 pounds of milk, fixed at 5.7 pounds.

Person means an individual, partnership, association, corporation, estate, trust, or other legal entity, and wherever applicable, a State or a political subdivision or agency of a State. “Person” does not include the United States Government or any agency thereof.

Policy means the agreement between the insured and the AIP to insure an agricultural commodity consisting of the accepted application, these provisions, the Special Provisions, the DRP-CEE, the quarterly coverage endorsement, the actuarial documents for the insured commodity and the applicable regulations published in 7 CFR chapter IV.

Pooled production region(s) means the states within a region, as specified in the DRP-CEE.

Premium means the amount the insured owes the AIP for coverage based on the liability during the quarter in accordance with section 5 of the Dairy Revenue Protection Insurance Policy.

Premium billing date means the earliest date upon which the insured will be billed for the quarterly insurance period selected on quarterly coverage endorsement. The premium billing date is contained in the actuarial documents.

Protection factor means a numeric value chosen by the insured for each type and practice in accordance with section 3(c)(6)(i) of the Dairy Revenue Protection Insurance Policy.

Quarter means a three-month time period designated in the actuarial documents.

Quarterly coverage endorsement is an endorsement to the policy necessary to provide coverage that includes information about the quarterly insurance period and coverage options.

Quarterly Insurance period means the three-month period, corresponding to up to five of the eight quarters for which coverage is available under the quarterly coverage endorsement, designated in the summary of coverage to which this policy is applicable. For example: from July 1 to September 15 the practices 801 – 805 are available, from September 16 – December 16 the practices 802 – 806 are available and June 16 – June 30 the practices 805 – 808 are available. See the actuarial documents for additional detail on insurable quarterly insurance periods.

RMA means the Risk Management Agency, an agency within USDA.

RMA’s website means a website hosted by RMA and located at <http://www.rma.usda.gov/> or a successor website.

Sales closing date means the sales closing date is each day, in the specified sales timeframe, during which coverage is available for purchase.

Sales period means the period of time that begins when the coverage prices and rates are validated and ends at 9:00 AM Central time of the following business day in which the insured can purchase quarterly endorsements.

Sales period begin date is a date contained in the actuarial documents citing the first date coverage for a specific quarterly insurance period becomes available to be offered for the crop year.

Sales period end date is a date contained in the actuarial documents citing the last date coverage for a specified quarterly insurance period will be available to be offered for the crop year.

Share means the lesser of the percentage interest in the insured milk as an owner at the time insurance attaches or at the time of sale. Persons who lease or hold some other interest in the milk other than as an owner are not considered to have a share in the milk.

Special Provisions means the part of the policy that contains specific provisions of insurance for each insured crop that may vary by geographic area.

State means the state shown on the accepted application.

Substantial beneficial interest means an interest held by any person of at least ten percent in the insured (e.g., there are two partnerships that each have a 50 percent interest in the insured and each partnership is made up of two individuals, each with a 50 percent share in the partnership. In this case, each individual would be considered to have a 25 percent interest in the insured, and both the partnerships and the individuals would have a substantial beneficial interest in the insured. The spouses of the individuals would not be considered to have a substantial beneficial interest unless the spouse was one of the individuals that made up the partnership. However, if each partnership is made up of six individuals with equal interests, then each would only have an 8.33 percent interest in the insured and although the partnership would still have a substantial beneficial interest in the insured, the individuals would not for the purposes of reporting in section 2). The spouse of any individual applicant or individual insured will be presumed to have a substantial beneficial interest in the applicant or insured unless the spouses can prove they are legally separated or otherwise legally separate under the applicable State dissolution of marriage laws. Any child of an individual applicant or individual insured will not be considered to have a substantial beneficial interest in the applicant or insured unless the child has a separate legal interest in such person.

Summary of coverage is our statement to the insured, based upon the quarterly coverage endorsement, specifying the quarterly insurance period, coverage options, liability and the premium.

Termination date means the calendar date contained in the actuarial documents upon which the insurance ceases to be in effect because of nonpayment of any amount due the AIP under the policy, including premium.

USDA means the United States Department of Agriculture.

Veteran Farmer or Rancher An individual who has served in the [active military, naval, or air service](#) in the Armed Forces, and was discharged or released under conditions other than dishonorable in the Armed Forces, and: has not operated a farm or ranch; has operated a farm or ranch for not more than five years; or is a veteran who has first obtained status as a veteran during the most recent five-year period. A person other than an individual may be eligible for veteran farmer or rancher benefits if there is at least one individual substantial beneficial interest holder and all substantial beneficial interest holders qualify as a veteran farmer or rancher, unless the substantial beneficial interest holder is a spouse. A spouse's veteran farmer or rancher status does not impact whether an individual is considered a veteran farmer or rancher.

Void is when the Policy is considered not to have existed for a crop year.

Yield adjustment factor is the factor determined by dividing actual milk production per cow by expected milk production per cow.

### **3 Dairy Revenue Protection Application Related Forms**

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AIPs can use existing application-related forms for Dairy Revenue Protection. The elements required on application related forms for Dairy Revenue Protection are similar to such forms for other policies. The crop information items required on the application for Dairy Revenue Protection are effective crop year, state, county, crop and plan of insurance. Coverage level, price, etc. are not required on the application; these elements are part of the quarterly coverage endorsement form.

See DSSH, Exhibit 16 for application form standards.

See DSSH, Exhibit 19 for BFR application form standards.

See DSSH, Exhibit 20 for policy cancellation form standards.

See DSSH, Exhibit 21 for policy transfer/application form standards.

See DSSH, Exhibit 22 for policy change form standards.

See DSSH, Exhibit 23 for social security number and employer identification number reporting form standards.

See DSSH, Exhibit 26 for policy confirmation (policy declaration) form standards.

See DSSH, Exhibit 27 for power of attorney form standards.

See DSSH, Exhibit 28 for assignment of indemnity form standards.

**4 Transfer of Coverage and Right to an Indemnity**

Use a Transfer of Coverage and Right to an Indemnity to transfer insurance coverage and the right to any subsequent indemnity from one insured person to another person. The transfer is used when a transfer of part or all of the ownership/share of the insured milk revenue occurs during the insurance period. A transfer is allowed at an individual Quarterly Coverage Endorsement level (e.g., for a single type and practice in a given crop year). See the GSH for additional coverage transfer procedural details.

<b>1 Transferor Information</b>		
<b>A</b>	“Transferor’s Name”	Substantive
<b>B</b>	“Transferor’s Street and/or Mailing Address”	Substantive
<b>C</b>	“City and State”	Substantive
<b>D</b>	“Zip Code”	Substantive
<b>E</b>	“Policy Number”	Substantive
<b>2 Crop Information</b>		
<b>A</b>	“Crop(s)”	Substantive
<b>B</b>	“Crop Year”	Substantive
<b>C</b>	“Type”	Substantive
<b>D</b>	“Practice”	Substantive
<b>E</b>	“Is the entire insured milk revenue and the entire insured share on the listed type and practice being transferred? Yes <input type="checkbox"/> No <input type="checkbox"/> ”	Substantive
<b>F</b>	<p><b>Note:</b> Statement “(1)” below may be used alone. If both statements are used the form should indicate “Check one of the boxes”.</p> <p>“(1) <input type="checkbox"/> Make check payable jointly to insured and transferee(s). Check will be mailed to the insured’s address (unless an assignment of indemnity is on file); or</p> <p>(2) <input type="checkbox"/> Make checks payable to transferee(s) only. Check will be mailed to address shown in 3B.”</p>	
<b>3 Transferee Information</b>		
<b>A</b>	“Transferee’s Name”	Substantive
<b>B</b>	“Transferee’s Street and/or Mailing Address”	Substantive
<b>C</b>	“City and State”	Substantive
<b>D</b>	“Zip Code”	Substantive

<b>E</b>	“Policy Number”	Substantive
<b>F</b>	“Transferee’s Identification Number”	Substantive
<b>G</b>	“Transferee’s Identification Number Type”	Substantive
<b>H</b>	“Person Type”	Substantive
<b>I</b>	“Share Transferred”	Substantive
<b>J</b>	“Effective Date of Transfer”	Substantive
<b>K</b>	“Nature of Transfer”	Substantive

**Transfer of Coverage and Right to an Indemnity (Continued)**

<b>4 Terms and Conditions</b>			
<b>A</b>	<p>“Acceptance by the Approved Insurance Provider of the above-described transfer shall transfer the insured’s right to an indemnity to the above-named transferee subject to:”</p> <p>“Receipt by the Approved Insurance Provider of satisfactory evidence that said transfer occurred before the end of the calendar date for the end of insurance period for the type and practice being transferred, as determined by the Approved Insurance Provider.”</p> <p>(1) “The terms of the above-identified insurance contract, including any outstanding assignment of indemnity made by the transferor prior to the date of transfer.”</p> <p>(2) “All other terms and provisions set forth herein.”</p>		Substantive
<b>B</b>	“The Approved Insurance Provider shall not be liable for any more indemnity than existed before the transfer occurred.”		Substantive
<b>C</b>	“The insurance policy of the transferor covers the share hereby transferred only to the end of the insurance period for the current crop year.”		Substantive
<b>D</b>	“The “Transferee” and the “Transferor” shall be jointly and severally liable for any unpaid premium earned for the current crop year on the milk revenue and share transferred. The premium for the type and practice has been paid: Yes <input type="checkbox"/> No <input type="checkbox"/> ”		Substantive
<b>E</b>	\$ _____ “Total premium on this type and practice”		Substantive
<b>F</b>	\$ _____ “Premium on type and practice transferred”		Substantive
<b>G</b>	\$ _____ “Premium on retained type and practice”		Substantive
<b>H</b>	\$ _____ “Premium paid with transfer”		Substantive
<b>5 Required Statements</b>			
<b>A</b>	<p>“I, [INSERT TRANSFEREE’S NAME], the Transferee, understand that all billing statements and due process letters will only be issued to [INSERT TRANSFEROR’S NAME], the Transferor. Any unpaid premium on the termination date of the policy will make both the transferee and the transferor ineligible for the crop insurance program.”</p>	<b>Note:</b> This statement must appear above the signature line	Substantive
<b>B</b>	Certification Statement	See DSSH, Exhibit 2	Substantive
<b>C</b>	Privacy Act Statement	See DSSH, Exhibit 3	Substantive
<b>D</b>	Nondiscrimination Policy Statement	See DSSH, Exhibit 4	Substantive
<b>6 Required Signatures</b>			
<b>A</b>	“Transferor’s Printed Name, Signature and Date”		Substantive
<b>B</b>	“Transferee’s Printed Name, Signature and Date”		Substantive
<b>C</b>	“Agent’s Printed Name, Signature, Code Number and Date”		Substantive

## 5 Summary of Coverage (Schedule of Insurance)

This form is issued to the insured after the quarterly coverage endorsement has been accepted and the AIP has calculated the associated premium and liability. The AIP has the election of titling this form either the summary of coverage or the schedule of insurance. An updated summary of coverage or schedule of insurance should be issued each time an additional quarterly coverage endorsement is executed for the crop year.

<b>1 Insured Information</b>		
<b>A</b>	“Insured’s Name”	Substantive
<b>B</b>	“Street and/or Mailing Address”	Substantive
<b>C</b>	“City and State”	Substantive
<b>D</b>	“Zip Code”	Substantive
<b>E</b>	“Insured’s Telephone Number”	Substantive
<b>F</b>	“Policy Number”	Substantive
<b>G</b>	“Identification Number”	Substantive
<b>H</b>	“Identification Number Type”	Substantive
<b>I</b>	“Person Type”	<b>Note:</b> If the Policy Confirmation (Declaration) is sent every year to the insured; then this item is non-substantive.
<b>J</b>	“SBI’s Name”	
<b>K</b>	“SBI’s Identification Number”	
<b>L</b>	“SBI’s Identification Number Type”	
<b>M</b>	“SBI Person Type”	
<b>2 Crop Information</b>		
<b>A</b>	“Plan of Insurance”	Substantive
<b>B</b>	“State and County”	Substantive
<b>C</b>	“Effective Crop Year”	Substantive
<b>D</b>	“Effective Date”	Substantive
<b>E</b>	“Crop Insured”	Substantive
<b>F</b>	“Type”	Substantive
<b>G</b>	“Practice”	Substantive
<b>H</b>	“Practice Months and Year” Example: Jan – Mar 2021	Non-Substantive
<b>I</b>	“Declared Covered Milk Production”	Substantive
<b>J</b>	“Coverage Level”	Substantive
<b>K</b>	“Expected Revenue Guarantee”	Substantive
<b>L</b>	“Protection Factor”	Substantive
<b>M</b>	“Declared Share”	Substantive
<b>N</b>	“Liability”	Substantive
<b>O</b>	“Insured’s Premium”	Substantive



**Summary of Coverage (Schedule of Insurance), (Continued)**


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<b>3 Agent Information</b>		
<b>A</b>	“Agent’s Name”	Substantive
<b>B</b>	“Agent’s Street and/or Mailing Address”	Substantive
<b>C</b>	“Agent’s City and State”	Substantive
<b>D</b>	“Agent’s Zip Code”	Substantive
<b>E</b>	“Agent’s Code Number”	Substantive
<b>F</b>	“Agent’s Telephone Number”	Substantive
<b>4 Other Information</b>		
<b>A</b>	<p>The AIP shall display the A&amp;O subsidy amount based on the full 2.3 percent reduction, but shall include a footnote stating the following:</p> <p>“*<b>Note:</b> This amount may increase by 1.15 percent of net book premium (except for area plans of insurance) if the loss ratio in the State exceeds 1.20 or may otherwise change if required by the Standard Reinsurance Agreement. However, the amount of premium you are required to pay will not change.”</p> <p>Alternatively, the actual dollar amount that is the difference between the 2.3 percent reduction and the 1.15 percent reduction may be substituted for the phrase “...1.15 percent of net book premium...” in the above footnote.</p>	Substantive
<b>B</b>	“Date Issued”	Substantive
<b>C</b>	“Amount of Subsidy Paid by RMA”	Substantive

## 6 Dairy Revenue Protection Quarterly Coverage Endorsement

The quarterly coverage endorsement is required to determine the declared covered milk production, coverage level, type, practice, liability, premium, and the declared share at the time insurance attaches. The standards below represent all quarterly coverage endorsement data elements to establish coverage according to the Dairy Revenue Protection policy. The calculations on this endorsement are Non-Substantive but if performed, should be performed in accordance with the rules published in the corresponding PASS records. In accordance with the DRP Insurance Policy definition of “sales period,” this form must be signed by 9:00 a.m. Central time the next business day after the sales period begins.

<b>1 Insured Information</b>		
<b>A</b>	“Insured’s Name”	Substantive
<b>B</b>	“Insured’s Authorized Representative”	Substantive
<b>C</b>	“Street and/or Mailing Address”	Substantive
<b>D</b>	“City and State”	Substantive
<b>E</b>	“Zip Code”	Substantive
<b>F</b>	“Insured’s Telephone Number”	Substantive
<b>G</b>	“Policy Number”	Substantive
<b>H</b>	“Identification Number”	Substantive
<b>I</b>	“Identification Number Type”	Substantive
<b>J</b>	“Person Type”	Substantive
<b>K</b>	“Spouse’s Name”	Substantive
<b>L</b>	“Spouse’s Identification Number”	Substantive
<b>2 Crop Information</b>		
<b>A</b>	“Crop Year”	Substantive
<b>B</b>	“Crop”	Substantive
<b>C</b>	“State and County”	Substantive
<b>D</b>	“Plan of Insurance”	Substantive
<b>E</b>	“Remarks”	Substantive
<b>3 Class Pricing Option (This section is Non-Substantive if Component Pricing Option Elected)</b>		
<b>A</b>	“Type”	Substantive
<b>B</b>	“Practice”	Substantive
<b>C</b>	“Effective Date”	Substantive
<b>D</b>	“Expected Class III Price per cwt”	Substantive
<b>E</b>	“Declared Class III Price Weighting Factor”	Substantive
<b>F</b>	“Calculated Class III Price per cwt”	Non-Substantive
<b>G</b>	“Expected Class IV Price per cwt”	Substantive
<b>H</b>	“Default Class IV Price Weighting Factor” (1.00 minus Declared Class III Price Weighting Factor)	Non-Substantive
<b>I</b>	“Calculated Class IV Price per cwt”	Non-Substantive
<b>J</b>	“Total Price per cwt”	Non-Substantive
<b>K</b>	“Declared Covered Milk Production” “Enter in Pounds”	Substantive
<b>L</b>	“Expected Class Pricing Milk Revenue”	Non-Substantive
<b>M</b>	“Coverage Level”	Substantive
<b>N</b>	“Expected Revenue Guarantee”	Non-Substantive
<b>O</b>	“Protection Factor”	Substantive

P	“Declared Share”	Substantive
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**Exhibit 6**

**Dairy Revenue Protection Quarterly Coverage Endorsement (Continued)**

Q	“Name of Other Person(s) Sharing in the Crop”	Non-Substantive
R	“Liability”	Non-Substantive
T	“Total Premium”	Non-Substantive
U	“Premium Subsidy”	Non-Substantive
V	“Producer Premium”	Non-Substantive
W	“Expected Milk Production per Cow”	Substantive
<b>4 Component Pricing Option (This section is Non-Substantive if Class Pricing Option Elected)</b>		
A	“Type”	Substantive
B	“Practice”	Substantive
C	“Effective Date”	Substantive
D	“Expected Butterfat Price per Pound”	Substantive
E	“Declared Butterfat Test”	Substantive
F	“Calculated Butterfat Price per cwt”	Non-Substantive
G	“Expected Protein Price per Pound”	Substantive
H	“Declared Protein Test”	Substantive
I	“Calculated Protein Price per cwt”	Non-Substantive
J	“Expected Other Solids Price per Pound”	Substantive
K	“Other Solids Test” (fixed at 5.7 pounds)	Substantive
L	“Calculated Other Solids Price per cwt”	Non-Substantive
M	“Total Price per cwt”	Non-Substantive
N	“Declared Covered Milk Production” “Enter in Pounds”	Substantive
O	“Expected Component Pricing Milk Revenue”	Non-Substantive
P	“Coverage Level”	Substantive
Q	“Expected Revenue Guarantee”	Non-Substantive
R	“Protection Factor”	Substantive
S	“Declared Share”	Substantive
T	“Name of Other Person(s) Sharing in the Crop”	Non-Substantive
U	“Liability”	Non-Substantive
V	“Total Premium”	Non-Substantive
W	“Premium Subsidy”	Non-Substantive
X	“Producer Premium”	Non-Substantive
Y	“Expected Milk Production per Cow”	Substantive
<b>5 Required Statements</b>		
	Provide the following question above the Certification Statement.	
A	“I have verified my identification number affixed to this Quarterly Coverage Endorsement is true and accurate. <input type="checkbox"/> Yes <input type="checkbox"/> No. If the affixed identification number is not correct or you have not had an opportunity to verify your identification number please contact [INSERT AIP CONTACT POINT] and submit a Policy Change.”	Non-Substantive
B	USDA Multiple Benefit Certification Statement	See DSSH, Exhibit 5. Substantive
C	Certification Statement	See DSSH, Exhibit 2. Substantive
D	Privacy Act Statement	See DSSH, Exhibit 3. Substantive
E	Nondiscrimination Policy Statement	See DSSH, Exhibit 4. Substantive
<b>6 Required Signatures</b>		
A	“Insured’s Printed Name, Signature and Date”	Substantive
B	“Agent’s Printed Name, Signature, Date and Code Number”	Substantive

**Dairy Revenue Protection Quarterly Coverage Endorsement (Continued)**

**Dairy Revenue Protection Quarterly Coverage Endorsement Form Completion Instructions**

<b>Insured Information</b>	
Insured's Name	Enter information as listed on application.
Insured's Authorized Representative	Enter information as listed on application.
Street and/or Mailing Address	Enter information as listed on application.
City and State	Enter information as listed on application.
Zip Code	Enter information as listed on application.
Insured's Telephone Number	Enter information as listed on application.
Policy Number	Enter information as listed on application.
Identification Number	Enter information as listed on application.
Identification Number Type	Enter information as listed on application.
Person Type	Enter information as listed on application.
Spouse's Name	Enter information as listed on application.
Spouse's Identification Number	Enter information as listed on application.
<b>Crop Information</b>	
Crop Year	Enter information as listed on application.
Crop	Enter Milk (830)
State and County	Enter information as listed on application.
Plan of Insurance	Enter Dairy Revenue Protection (83)
Remarks	Enter any applicable remarks.
<b>Class Pricing Option</b>	
Type	Enter Class Pricing Option - 831
Practice	Enter the selected practice. There are eight practices available for purchase during the crop year. The insured has the option to select a practice up to five quarters out. For example: From July 1, 2019 to September 15, 2019 the insured can select practices 801 – 805. Practice 801 - Oct - Dec 2019 Practice 802 - Jan - Mar 2020 Practice 803 - Apr – Jun 2020 Practice 804 - Jul – Sep 2020 Practice 805 - Oct – Dec 2020 Practice 806 - Jan – Mar 2021 Practice 807 - Apr – Jun 2021 Practice 808 - Jul – Sep 2021

**Dairy Revenue Protection Quarterly Coverage Endorsement (Continued)**

Effective Date	Enter the effective date which is the date coverage begins. The effective date will always be the date the prices were published on the RMA website corresponding to the purchase date.
Expected Class III Price per cwt	Enter the expected class III milk price published in the actuarial documents for the practice for the sales period.
Declared Class III Price Weighting Factor	Enter the declared class III price weighting factor chosen by insured, between 0 percent and 100 percent, in 5 percentage point increments.
Calculated Class III Price per cwt	This equals the sum of the expected class III milk price per cwt times the declared class III price weighting factor rounded to 4 decimals.
Expected Class IV Price per cwt	Enter the expected class IV milk price published in the actuarial documents for the practice for the sales period.
Default Class IV Price Weighting Factor	Enter the default class IV price weighting factor which is 1.00 minus declared class III price weighting factor.
Calculated Class IV Price per cwt	This equals the sum of the expected class IV milk price per cwt times the default class IV price weighting factor rounded to 4 decimals.
Total Price per cwt	This equals the sum of the expected class III milk price per cwt plus the sum of the expected class IV milk price per cwt rounded to 4 decimals.
Declared Covered Milk Production - Enter in Pounds	Enter the declared covered milk production in pounds of milk chosen by the insured to insure for the practice.
Expected Class Pricing Milk Revenue	Enter the expected class pricing milk revenue which is the value determined by summing the expected class III milk price, multiplied by the declared class price weighting factor, the expected class IV milk price, multiplied by one minus the declared class price weighting factor; then multiplying that sum by the declared covered milk production, divided by 100.

**Dairy Revenue Protection Quarterly Coverage Endorsement (Continued)**

Coverage Level	Enter the coverage level which is the coverage level percentage chosen by the insured between 80 percent and 95 percent, in 5 percent increments.
Expected Revenue Guarantee	Enter the sum of the expected class pricing milk revenue multiplied by the coverage level.
Protection Factor	Enter the protection factor chosen by the insured between 1 and 1.5, in 0.05 increments.
Declared Share	Enter the share which is the insured's percentage interest in the insured milk as an owner at the time insurance attaches.
Name of Other Person(s) Sharing in the Crop	Enter the name(s) of other person(s) sharing in the crop.
Liability	Enter the sum of the expected revenue guarantee times the protection factor times the declared share.
Total Premium	Enter the calculated total premium.
Premium Subsidy	Enter the calculated premium subsidy.
Producer Premium	Enter the calculated producer premium which is the sum of total premium minus premium subsidy.
Expected Milk Production per Cow	Enter the expected milk production per cow in pounds as published by RMA for the practice for the applicable pooled production region.

**Dairy Revenue Protection Quarterly Coverage Endorsement (Continued)**

<b>Component Pricing Option</b>	
Type	Enter Component Pricing Option - 832
Practice	<p>Enter the selected practice. There are eight practices available for purchase during the crop year. The insured has the option to select a practice up to five quarters out. For example: From July 1, 2019 to September 15, 2019 the insured can select practices 801 – 805.</p> <p>Practice 801 - Oct - Dec 2019  Practice 802 - Jan - Mar 2020  Practice 803 - Apr – Jun 2020  Practice 804 - Jul – Sep 2020  Practice 805 - Oct – Dec 2020  Practice 806 - Jan – Mar 2021  Practice 807 - Apr – Jun 2021  Practice 808 - Jul – Sep 2021</p>
Effective Date	Enter the effective date which is the date coverage begins. The effective date will always be the date the prices were published on the RMA website corresponding to the purchase date.
Expected Butterfat Price Per Pound	Enter the expected butterfat price per pound published in the actuarial documents for the practice for the sales period.
Declared Butterfat Test	Enter the declared butterfat test which is the pounds of milkfat contained in 100 pounds of the milk, as declared by the insured. The declared butterfat test elected by the insured can be no less than 3.25 pounds and no more than 5 pounds, in 0.05 pound increments.
Calculated Butterfat Price per cwt	Enter the sum of expected butterfat price per pound times the declared butterfat test rounded to 4 decimals.

**Dairy Revenue Protection Quarterly Coverage Endorsement (Continued)**

Expected Protein Price per Pound	Enter the expected protein price published in the actuarial documents for the practice for the sales period.
Declared Protein Test	Enter the declared protein test which is the pounds of milk protein contained in 100 pounds of the milk, as declared by the insured. The declared protein test elected by the insured can be no less than 2.75 pounds and no more than 4 pounds, in 0.05 pound increments.
Calculated Protein Price per cwt	Enter the sum of expected protein price per pound times the declared protein test rounded to 4 decimals.
Expected Other Solids Price per Pound	Enter the expected other solids price published in the actuarial documents for the practice for the sales period.
Other Solids Test (fixed 5.7 pounds)	Enter 5.7 pounds.
Calculated Other Solids Price per cwt	Equals the sum of expected other solids price per pound times the other solids test rounded to 4 decimals.
Total Price per cwt	This equals the sum of the calculated butterfat price per cwt plus the calculated protein price per cwt plus the calculated other solids price per cwt rounded to 4 decimals.
Declared Covered Milk Production - Enter in Pounds	Enter the declared covered milk production in pounds of milk chosen by the insured to insure for the practice.
Expected Component Pricing Milk Revenue	Enter the expected component pricing milk revenue which is the value determined by summing the expected butterfat price, multiplied by the declared butterfat test, the expected protein price, multiplied by the declared protein test, and the expected other solids price, multiplied by the other solids test; then multiplying that sum by the declared covered milk production, divided by 100.
Coverage Level	Enter the coverage level which is the coverage level percentage chosen by the insured between 80 percent and 95 percent, in 5 percent increments.



**Dairy Revenue Protection Quarterly Coverage Endorsement (Continued)**

Expected Revenue Guarantee	Enter the sum of the expected class pricing milk revenue multiplied by the coverage level.
Protection Factor	Enter the protection factor chosen by the insured between 1 and 1.5, in 0.05 increments.
Declared Share	Enter the share which is the insured's percentage interest in the insured milk as an owner at the time insurance attaches.
Name of Other Person(s) Sharing in the Crop	Enter the name(s) of other person(s) sharing in the crop.
Liability	Enter the sum of the expected revenue guarantee times the protections factor times the declared share.
Total Premium	Enter the calculated total premium.
Premium Subsidy	Enter the calculated premium subsidy.
Producer Premium	Enter the calculated producer premium which is the sum of total premium minus premium subsidy.
Expected Milk Production per Cow	Enter the expected milk production per cow in pounds as published by RMA for the practice for the applicable pooled production region.
<b>Required Statements</b>	
<p>Provide the following question above the Certification Statement.</p> <p>I have verified my identification number affixed to this Quarterly Coverage Endorsement is true and accurate. <input type="checkbox"/> Yes <input type="checkbox"/> No. If the affixed identification number is not correct or you have not had an opportunity to verify your identification number please contact [INSERT AIP CONTACT POINT] and submit a Policy Change.</p>	Review and answer as applicable.
<b>Required Signatures</b>	
Insured's Printed Name, Signature and Date	Have the insured print name, sign and date the document.
Agent's Printed Name, Signature, Date and Code Number	Have the agent print name, sign and date the document.

## 7 Dairy Revenue Protection Notice of Probable Loss

The notice of probable loss is used to notify the insured of a probable loss after all Dairy Revenue Protection data necessary to calculate an indemnity for the selected type and practice are released by RMA. The insured should return the notice of probable loss to the AIP with the milk production worksheet and the milk marketing records. The AIPs may combine the milk production worksheet and the notice of probable loss into one form provided all the “substantive” items are included. These forms may include multiple quarterly coverage endorsements in effect for the same practice. The calculations on this form should be performed in accordance with the rules published in the corresponding PASS records.

<b>1 General Information</b>		
<b>A</b>	“Insured’s Name”	Substantive
<b>B</b>	“Insured's Authorized Representative”	Substantive
<b>C</b>	“Street and/or Mailing Address”	Substantive
<b>D</b>	“City and State”	Substantive
<b>E</b>	“Zip Code”	Substantive
<b>F</b>	“Insured's Telephone Number”	Substantive
<b>G</b>	“Policy Number”	Substantive
<b>H</b>	“Claim Number”	Substantive
<b>I</b>	“Identification Number”	Substantive
<b>J</b>	“Identification Number Type”	Substantive
<b>K</b>	“Person Type”	Substantive
<b>L</b>	“Spouse’s Name”	Substantive
<b>M</b>	“Spouse’s Identification Number”	Substantive
<b>N</b>	“Assignment of Indemnity Yes <input type="checkbox"/> No <input type="checkbox"/> ”	Substantive
<b>O</b>	“Transfer of Coverage and Right to an Indemnity Yes <input type="checkbox"/> No <input type="checkbox"/> ”	Substantive
<b>P</b>	“Date Notice of Probable Loss Issued”	Substantive
<b>2 Crop Information</b>		
<b>A</b>	“Effective Crop Year”	Substantive
<b>B</b>	“Crop”	Substantive
<b>C</b>	“State and County”	Substantive
<b>D</b>	“Plan of Insurance”	Substantive
<b>E</b>	“Type”	Substantive
<b>F</b>	“Practice”	Substantive
<b>G</b>	“Coverage Level”	Substantive
<b>H</b>	“Declared Covered Milk Production”	Substantive
<b>I</b>	“Yield Adjustment Factor”	Substantive
<b>J</b>	“Expected Milk Production per Cow”	Substantive
<b>K</b>	“Actual Milk Production per Cow”	Substantive

**Dairy Revenue Protection Notice of Probable Loss (Continued)**

<b>3 Indemnity Calculation</b>			
<b>A</b>	“Expected Revenue Guarantee”		Substantive
<b>B</b>	“Actual Milk Revenue”		Substantive
<b>C</b>	“Total”		Non-Substantive
<b>D</b>	“Protection Factor”		Substantive
<b>E</b>	“Declared Share”		Substantive
<b>F</b>	“Probable Indemnity”		Substantive
<b>4 Required Statements</b>			
<b>A</b>	Certification Statement	See DSSH, Exhibit 2	Substantive
<b>B</b>	Privacy Act Statement	See DSSH, Exhibit 3	Substantive
<b>C</b>	Nondiscrimination Policy Statement	See DSSH, Exhibit 4	Substantive
<b>D</b>	I am an agent, employee, or contractor affiliated with Federal crop insurance program? <input type="checkbox"/> YES <input type="checkbox"/> NO	<b>Note:</b> Include instruction for insured to complete.	Non-Substantive
<b>5 Required Signatures</b>			
<b>A</b>	"Insured’s Printed Name, Signature and Date”		Substantive
<b>B</b>	“AIP Verifier’s Printed Name, Signature and Date”		Substantive

**Dairy Revenue Protection Notice of Probable Loss (Continued)****Notice of Probable Loss Form Instructions**

<b>General Information</b>	
Insured's Name	Enter information as listed on application.
Insured's Authorized Representative	Enter information as listed on application.
Street and/or Mailing Address	Enter information as listed on application.
City and State	Enter information as listed on application.
Zip Code	Enter information as listed on application.
Insured's Telephone Number	Enter information as listed on application.
Policy Number	Enter information as listed on application.
Claim Number	Enter information as listed on application.
Identification Number	Enter information as listed on application.
Identification Number Type	Enter information as listed on application.
Person Type	Enter information as listed on application.
Spouse's Name	Enter information as listed on application.
Spouse's Identification Number	Enter information as listed on application.
Assignment of Indemnity Yes <input type="checkbox"/> No <input type="checkbox"/>	Check appropriate box.
Transfer of Coverage and Right to an Indemnity Yes <input type="checkbox"/> No <input type="checkbox"/>	Check appropriate box.
Date Notice of Probable Loss Issued	Enter the Date the Notice of Probable Loss was Issued.
<b>Crop Information</b>	
Effective Crop Year	Enter information as listed on application.
Crop	Enter information as listed on application.
State and County	Enter information as listed on application.
Plan of Insurance	Enter information as listed on application.
Type	Enter information as listed on quarterly coverage endorsement.
Practice	Enter information as listed on quarterly coverage endorsement.
Coverage Level	Enter information as listed on quarterly coverage endorsement.
Declared Covered Milk Production	Enter the declared covered milk production reported on the quarterly coverage endorsement.
Yield Adjustment Factor	Enter the sum of actual milk production per cow divided by expected milk production per cow.

**Dairy Revenue Protection Notice of Probable Loss (Continued)**

Expected Milk Production per Cow	Enter information as listed on quarterly coverage endorsement.
Actual Milk Production per Cow	Enter actual milk production per cow as released by RMA for the practice.
<b>Indemnity Calculation</b>	
Expected Revenue Guarantee	Enter information as listed on summary of coverage.
Actual Milk Revenue	Enter the actual milk revenue as calculated from information released by RMA for the practice.
Total	Enter the sum of expected revenue guarantee minus actual milk revenue.
Protection Factor	Enter information as listed on quarterly coverage endorsement.
Declared Share	Enter the declared share reported on the quarterly coverage endorsement.
Probable Indemnity	Enter the sum of expected revenue guarantee minus actual milk revenue times protection factor times declared share equals probable indemnity.
Insured's Printed Name, Signature and Date	Complete and sign by Insured.
AIP Verifier's Printed Name, Signature and Date	Completed and sign by AIP Verifier.

## 8 Dairy Revenue Protection Milk Production Worksheet

The milk production worksheet with supporting milk marketing records must be completed by the insured and returned to the AIP with the notice of probable loss form. The AIPs may combine the milk production worksheet and the notice of probable loss into one form provided all the “substantive” items are included. These forms may include multiple quarterly coverage endorsements in effect for the same practice.

<b>1 General Information</b>		
<b>A</b>	“Insured’s Name”	Substantive
<b>B</b>	“Insured's Authorized Representative”	Substantive
<b>C</b>	“Insured’s Street and/or Mailing Address”	Substantive
<b>D</b>	“City and State”	Substantive
<b>E</b>	“Zip Code”	Substantive
<b>F</b>	“Insured's Telephone Number”	Substantive
<b>G</b>	“Policy Number”	Substantive
<b>H</b>	“Claim Number”	Substantive
<b>I</b>	“Identification Number”	Substantive
<b>J</b>	“Identification Number Type”	Substantive
<b>K</b>	“Person Type”	Substantive
<b>L</b>	“Spouse’s Name”	Substantive
<b>M</b>	“Spouse’s Identification Number”	Substantive
<b>2 Crop Information</b>		
<b>A</b>	“Effective Crop Year”	Substantive
<b>B</b>	“Crop”	Substantive
<b>C</b>	“State and County”	Substantive
<b>D</b>	“Plan of Insurance”	Substantive
<b>E</b>	“Type”	Substantive
<b>F</b>	“Practice”	Substantive
<b>G</b>	“Date Notice of Probable Loss Issued”	Substantive
<b>H</b>	“Declared Butterfat Test”	Substantive for Type 832
<b>I</b>	“Declared Protein Test”	Substantive for Type 832
<b>3 Other Information</b>		
<b>A</b>	“Provide the Effective Date and the Pounds of Covered Milk Production for all Quarterly Coverage Endorsements providing coverage for the quarter with the probable loss.”	Substantive
<b>B</b>	“Effective Date”	Substantive
<b>C</b>	“Pounds of Covered Milk Production”	Substantive
<b>D</b>	“Total”	Substantive

**Dairy Revenue Protection Milk Production Worksheet (Continued)**

<b>E</b>	“Provide the total pounds of Milk sold for each month in the quarter and if the Type 832 Component Pricing Option was elected, provide the Total Average Butterfat Test and Average Protein Test.”		Substantive
<b>F</b>	“Month”		Substantive
<b>G</b>	“Pounds of Milk Sold”		Substantive
<b>H</b>	“Total”		Substantive
<b>I</b>	“Average Butterfat Test”		Substantive for Type 832
<b>J</b>	“Average Protein Test”		Substantive for Type 832
<b>H</b>	“The milk marketing records for the applicable quarter must be submitted with the milk production worksheet which shall show: (1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and payroll number or similar identifier of the producer; (2) The daily and total pounds, and the month and dates such milk was received from that producer; and if component pricing option elected, (3) The total pounds of butterfat and protein contained in the producer’s milk.”		Substantive
<b>4 Required Statements</b>			
<b>A</b>	Certification Statement	See DSSH, Exhibit 2	Substantive
<b>B</b>	Privacy Act Statement	See DSSH, Exhibit 3	Substantive
<b>C</b>	Nondiscrimination Policy Statement	See DSSH, Exhibit 4	Substantive
<b>5 Required Signatures</b>			
<b>A</b>	"Insured’s Printed Name, Signature and Date”		Substantive
<b>B</b>	“AIP Verifier’s Printed Name, Signature and Date”		Substantive

**Dairy Revenue Protection Milk Production Worksheet (Continued)**

**Milk Production Worksheet Form Instructions**

All information available to the AIP should be preprinted on the documents prior to mailing to the insured.

<b>General Information</b>	
Insured's Name	Enter information as listed on application.
Insured's Authorized Representative	Enter information as listed on application.
Street and/or Mailing Address	Enter information as listed on application.
City and State	Enter information as listed on application.
Zip Code	Enter information as listed on application.
Insured's Telephone Number	Enter information as listed on application.
Policy Number	Enter information as listed on application.
Claim Number	Enter information as listed on application.
Identification Number	Enter information as listed on application.
Identification Number Type	Enter information as listed on application.
Person Type	Enter information as listed on application.
Spouse's Name	Enter information as listed on application.
Spouse's Identification Number	Enter information as listed on application.
<b>Crop Information</b>	
Effective Crop Year	Enter information as listed on application.
Crop	Enter information as listed on application.
State and County	Enter information as listed on application.
Plan of Insurance	Enter information as listed on application.
Type	Enter information as listed on quarterly coverage endorsement.
Practice	Enter information as listed on quarterly coverage endorsement.
Date Notice of Probable Loss Issued	Enter the Date the Notice of Probable Loss was Issued.
Declared Butterfat Test	If component pricing option elected, enter the declared butterfat test listed on quarterly coverage endorsement. If class pricing option selected leave blank or N/A.
Declared Protein Test	If component pricing option elected, enter the declared protein test listed on quarterly coverage endorsement. If class pricing option selected leave blank or N/A.



**Dairy Revenue Protection Milk Production Worksheet (Continued)**

Effective Date	Enter the effective date for each quarterly coverage endorsement in effect for the practice. Verify with RMA for additional effective dates of other quarterly coverage endorsements in effect from another AIP during the same quarterly insurance period. These can be preprinted on the form.
Pounds of Declared Covered Milk Production	Enter the pounds of declared covered milk production for each quarterly coverage endorsement in effect for the quarterly insurance period. Verify with RMA for additional pounds of declared covered milk production of other quarterly coverage endorsements in effect from another AIP during the same quarterly insurance period. These can be preprinted on the form.
Total	Enter the sum of all pounds of declared covered milk production from all quarterly coverage endorsements in effect for the quarterly insurance period. This can be preprinted by the AIP.
Month/Year	Enter the three months/year of the quarterly insurance period. This can be preprinted by the AIP.
Pounds of Milk Sold	The insured should enter the total pounds of milk sold for each month of the quarterly insurance period and total the total pounds of milk sold.
Average Butterfat Test	If component pricing option elected, enter the average butterfat test for all milk sold during the quarterly insurance period. If class pricing option elected, leave blank or preprint N/A.
Average Protein Test	If component pricing option elected, enter the average protein test for all milk sold during the quarterly insurance period. If class pricing option elected, leave blank or preprint N/A.
Insured's Printed Name, Signature and Date	The Insured will complete, sign and date this information.
AIP Verifier's Printed Name, Signature and Date	The AIP Verifier will complete, sign and date this information.

The insured must include the following records and return to the AIP with the milk marketing report; The milk marketing records for the applicable quarterly insurance period must be submitted with the milk production worksheet which shall show: (1) The name, address, Grade A identifier assigned by a duly constituted regulatory agency, and payroll number or similar identifier of the producer; (2) The daily and total pounds, and the month/year and dates such milk was received from that producer; and if component price option elected, (3) The total pounds of butterfat and protein contained in the producer's milk.

## 9 Dairy Revenue Protection Final Proof of Loss

The final proof of loss is issued to the insured once the claim verifications have been determined and the claim has been finalized. This form may include multiple quarterly coverage endorsements in effect for the same quarterly insurance period. The calculations on this form should be performed in accordance with the rules published in the corresponding PASS records.

<b>1 General Information</b>		
<b>A</b>	“Insured’s Name”	Substantive
<b>B</b>	“Insured’s Authorized Representative”	Substantive
<b>C</b>	“Street and/or Mailing Address”	Substantive
<b>D</b>	“City and State”	Substantive
<b>E</b>	“Zip Code”	Substantive
<b>F</b>	“Insured’s Telephone Number”	Substantive
<b>G</b>	“Policy Number”	Substantive
<b>H</b>	“Claim Number”	Substantive
<b>I</b>	“Identification Number”	Substantive
<b>J</b>	“Identification Number Type”	Substantive
<b>K</b>	“Person Type”	Substantive
<b>L</b>	“Spouse’s Name”	Substantive
<b>M</b>	“Spouse’s Identification Number”	Substantive
<b>N</b>	“Assignment of Indemnity Yes <input type="checkbox"/> No <input type="checkbox"/> ”	Substantive
<b>O</b>	“Transfer of Right to an Indemnity Yes <input type="checkbox"/> No <input type="checkbox"/> ”	Substantive
<b>P</b>	“Date Notice of Probable Loss Issued”	Substantive
<b>2 Crop Information</b>		
<b>A</b>	“Effective Crop Year”	Substantive
<b>B</b>	“Crop”	Substantive
<b>C</b>	“State and County”	Substantive
<b>D</b>	“Plan of Insurance”	Substantive
<b>E</b>	“Type”	Substantive
<b>F</b>	“Practice”	Substantive
<b>G</b>	“Coverage Level”	Substantive
<b>H</b>	“Covered Milk Production”	Substantive
<b>I</b>	“Yield Adjustment Factor”	Substantive
<b>J</b>	“Expected Milk Production per Cow”	Substantive
<b>K</b>	“Actual Milk Production per Cow”	Substantive
<b>3 Indemnity Calculation</b>		
<b>A</b>	“Final Revenue Guarantee”	Substantive
<b>B</b>	“Actual Milk Revenue”	Substantive
<b>C</b>	“Total”	Non-Substantive
<b>D</b>	“Protection Factor”	Substantive
<b>E</b>	“Actual Share”	Substantive
<b>F</b>	“Indemnity” or “Amount Payable”	Substantive

**Dairy Revenue Protection Final Proof of Loss (Continued)****Final Proof of Loss Form Instructions**

<b>General Information</b>	
Insured's Name	Enter information as listed on application.
Insured's Authorized Representative	Enter information as listed on application.
Street and/or Mailing Address	Enter information as listed on application.
City and State	Enter information as listed on application.
Zip Code	Enter information as listed on application.
Insured's Telephone Number	Enter information as listed on application.
Policy Number	Enter information as listed on application.
Claim Number	Enter information as listed on application.
Identification Number	Enter information as listed on application.
Identification Number Type	Enter information as listed on application.
Person Type	Enter information as listed on application.
Spouse's Name	Enter information as listed on application.
Spouse's Identification Number	Enter information as listed on application.
Assignment of Indemnity Yes <input type="checkbox"/> No <input type="checkbox"/>	Check appropriate box.
Transfer of Coverage and Right to an Indemnity Yes <input type="checkbox"/> No <input type="checkbox"/>	Check appropriate box.
Date Notice of Probable Loss Issued	Enter the date the notice of probable loss was Issued.
<b>Crop Information</b>	
Effective Crop Year	Enter information as listed on application.
Crop	Enter information as listed on application.
State and County	Enter information as listed on application.
Plan of Insurance	Enter information as listed on application.
Type	Enter information as listed on quarterly coverage endorsement.
Practice	Enter information as listed on quarterly coverage endorsement.
Coverage Level	Enter information as listed on quarterly coverage endorsement.
Covered Milk Production	Enter the covered milk production determined in accordance with section 7(d) of the Dairy Revenue Protection policy.
Yield Adjustment Factor	Enter the sum of actual milk production per cow divided by expected milk production per cow.

**Dairy Revenue Protection Final Proof of Loss (Continued)**

Expected Milk Production per Cow	Enter the expected milk production per cow in pounds as published by RMA for the practice for the applicable pooled production region.
Actual Milk Production per Cow	Enter actual milk production per cow as released by RMA for the practice for the applicable pooled production region.
<b>Indemnity Calculation</b>	
Final Revenue Guarantee	Enter the final revenue guarantee as calculated based on the information provided on the milk production worksheet and milk marketing records in accordance with Section 7 of the Dairy Revenue Protection Insurance policy.
Actual Milk Revenue	Enter the actual milk revenue as calculated from information released by RMA for the quarterly insurance period and adjusted for any revisions required from the verification of the producer's milk marketings as indicated on their milk production worksheet in accordance with Section 7 of the Dairy Revenue Protection Insurance policy.
Total	Enter the sum of final revenue guarantee minus actual milk revenue.
Protection Factor	Enter information as listed on quarterly coverage endorsement.
Actual Share	Enter the lessor of the declared share reported on the quarterly coverage endorsement or the actual share determined at time of loss.
Indemnity or Amount Payable	Enter the sum of final revenue guarantee minus actual milk revenue times protection factor times actual share.