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Department of  
Agriculture**



**Federal Crop  
Insurance  
Corporation**



**Risk  
Management  
Agency**

**Product  
Administration  
& Standards  
Division**

**FCIC 18010  
(06-2013)**

**FCIC 18010-1  
(08-2013)**

# **2014 CROP INSURANCE HANDBOOK**

Underwriting and Actual Production History Standards for FCIC Programs Administered under the Common Crop Insurance Policy Basic Provisions and APH Administrative Regulations for 2014 and Succeeding Crop Years.



United States Department of Agriculture  
Risk Management Agency  
Washington D.C. 20250

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	/s/ Tim B. Witt  Deputy Administrator for Product Management

**REASON FOR ISSUANCE**

This handbook is being issued to provide the official FCIC approved underwriting standards for policies administered by AIPs under the Common Crop Insurance Policy Basic Provisions, 7 CFR Part 457 including the Catastrophic Risk Protection Endorsement, 7 CFR Part 402, and the Actual Production History Regulation 7 CFR Part 400 Subpart G for the 2014 and succeeding crop years.

## 2014 FCIC-18010-1 CROP INSURANCE HANDBOOK

### CONTROL CHART

	TP Page(s)	Text Pages	Date	Directive Number
Insert	1-2	27-28 229-230 253-254 487-488.24 489-490.32	08-2013 08-2013 08-2013 08-2013 08-2013	FCIC 18010-1
Current Index	1-2	27-28 229-230 253-254 487-488.24 489-490.32	06-2013 06-2013 06-2013 06-2013 06-2013	FCIC 18010

### FILING INSTRUCTIONS

These slipsheets replaces the pages listed above in FCIC-18010 Crop Insurance Handbook, dated June 21, 2013. These slipsheets are effective upon approval and until obsoleted.

## **243 Good Experience Discount (Continued)**

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### **C. Premium Adjustments for Favorable Experience**

The insured's premium is subject to a maximum credit of 50 percent for favorable experience based on the Premium Adjustment Table. Premium reductions are subject to the following conditions.

- (1) Premium reductions will not increase because of additional favorable experience in later crop years.
- (2) Premium reductions will decrease according to the Premium Adjustment Table because of unfavorable experience in later crop years.
- (3) Once the insured's loss ratio exceeds 0.80, no premium reduction is applicable.
- (4) Participation must be continuous. A break in insurance due to active duty in the armed services is not considered a break in participation for premium adjustment purposes.

## **244 Agent of Record**

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Agent of Record means, for the purposes of each eligible crop insurance policy, any agent or subagent who:

- (1) For a new or revised application, signs the application; and
- (2) For any crop year, signs the acreage or similar reports, as applicable.

Each eligible crop insurance policy has at least one, and may have multiple, agents of record. All agents of record for each eligible crop insurance policy must be reported by the AIP, in accordance with Appendix III.

Changes to the "Agent of Record" for an existing eligible crop insurance policy must be reported by the AIP, in accordance with Appendix III, and require certain additional actions by the AIP to include:

- (1) For any Agent of Record change (retirement, termination, resignation, death, expired license, etc.), the AIP will notify the named applicant of the new Agent of Record.
- (2) The notification letter should indicate that since this change occurred after the SCD, the AIP has assigned a new Agent of Record and advise the insured of the option to select an agent of their choice before the SCD for the following crop year(s). Any changes prior to the SCD require the Agent of Record to be reported on the applicable form (e.g., application).

## **245-250 (Reserved)**

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## Section 3 Policy Servicing Requirements

### **251 Policy Change**

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When changes to the insurance policy are needed a Policy Change is used to make such change without creating a new application. Some changes can be made after the SCD, such as changing an insured's physical address. A Policy Change may be used to request the following.

- (1) On or before the SCD for changes in plan of insurance (within APH-based plans of insurance), percentage of projected price/price election or coverage level.

**Exception:** In counties with either fall or winter and spring crop type SCDs, the change must be requested on or before the fall or winter SCD. However, the insured may elect or change options, plan of insurance, coverage level, percentage of projected price or price election on or before the spring SCD, if the fall or winter type is not planted.

- (2) On or before the cancellation date, the insured may cancel all crop policies in a county or a specific crop(s) in a county following the initial crop year insured.
- (3) At any time, the insured may correct its identification number or its SBIs identification number if the criteria in [Part 4 Section 2] are met. Correction of identification numbers will not be allowed and the policy will be void if these criteria are not met.
- (4) At any time, the insured may correct its name, its SBIs names, address(es), phone numbers or add or change their authorized representative.
- (5) On or before the date specified in the applicable policy, the insured may add or cancel options, elections and endorsements. See [Exhibit 5] for a summary of deadlines.
- (6) On or before the SCD, the insured may elect, revoke, or change its primary county for the election.

### **252 Assignment of Indemnity**

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An insured may assign the right to an indemnity payment for a crop(s) under a policy to a creditor(s) or other persons to whom the insured has a financial debt or other pecuniary obligation by using an Assignment of Indemnity. The assignment(s) applies for all acreage of the crop covered by the policy.

#### **A. Effective Date**

The Assignment is effective upon approval in writing by an authorized representative of the AIP. The AIP may request proof of debt or other pecuniary obligation before an assignment of indemnity is accepted. If the Assignment of Indemnity is not approved in writing by the AIP, the assignment is not effective and the proposed assignee does not obtain rights under the policy. An Assignment executed prior to the date of a Transfer of Coverage and Right to an Indemnity, remains effective after the Transfer of Coverage and Right to an Indemnity.

## **1004 Production Included on Production Report and in the APH Database (Continued)**

### **E. Unharvested Acreage**

Appraised potential production, determined by a RO, FSA, or AIP representatives, is included on the production report.

- (1) The production report and APH database must include planted insurable acreage for Category B crops. For Category C Crops, [see Part 15] for instructions concerning how to report insurable and uninsurable acreage.
- (2) If acreage of the crop was destroyed/put to another use and an appraisal of the potential production was not made (not requested for APH database purposes or no claim), the production report will indicate the planted acres and a yield of zero.

### **F. Zero Planted and Short Rated Acreage**

The acreage report serves as the production report for zero planted and short rated acreage. Although there is not any production from short rated acreage it is considered a year of producing the crop.

- (1) For short rated acreage, zero production, identified by a “Q” yield descriptor, with the actual acres short rated is reported on the production report and included in the APH database.

**Exception:** If short rated acreage is harvested, [see Para. 1005C].

- (2) For zero planted acreage, zero production, identified by a “Z” yield descriptor, is reported on the production report and included in the APH database.

## **1005 Production Included on Production Report but not in the APH Database**

Include all production from the following acreage types on the production report but do not include in the APH database.

### **A. Uninsured Acreage for Category B Crops**

If the production from uninsured and insured acreage is not commingled, the uninsured production must be reported on a production report but not included in the APH database. The production report for uninsured acreage must be identified as “uninsured acreage” and is not used to calculate the actual yield for the APH crop year. Separate APH databases for such acreage and production are not established.

For Category C crops uninsured acreage and production [see Part 15].

**B. Uninsurable Acreage**

If the production from uninsurable and insurable acreage is not commingled, it must be reported on a production report but not included in the APH database. A production report containing the acreage and production of uninsured acreage of a second crop that the insured elected not to insure to collect a full indemnity on the first insured crop planted on the same acreage is required [see Para. 202]. Although considered uninsurable production, a year when only uninsured acreage of a second crop is grown will be considered a year of producing the crop for new producer determinations and a year of actual yields for determining the applicable percentage of the variable T-Yield. [See Para. 915 for information on uninsurable acreage.]

The production report for uninsurable acreage must be identified as “uninsurable acreage” and is not used to calculate the actual yield for the APH crop year. Separate APH databases for such acreage and production are not established.

For Category C crops, separate APH database for such acreage and production are not established [See Part 15].

**Exception:** Previously uninsurable acreage, crops, practices, or types made insurable by RMA may be reported by insureds and have APH databases established that contain such production history if all record requirements are met.

**C. Short-Rated Acreage**

Production from acreage that was short-rated will be reported as uninsurable production. The production will not be used to calculate the approved APH yield, if the AIP was notified, prior to the published date in the SP, that the insured intended to destroy acreage of the crop prior to harvest either by grazing or mechanical means.

- (1) If short-rated acreage is harvested, the acreage and production from the short-rated acreage is used in the APH database only if the production is commingled with production from acreage of the insured crop that was not short rated.
- (2) If the AIP is not notified, and the crop’s acreage is grazed, destroyed, or put to another use, the total planted acres and harvested production (if any) will be used to calculate the approved APH yield. The full premium rate will apply (not short-rated). For claim purposes, such acreage is destroyed without consent and uninsured cause of loss procedures apply.

**D. Acreage Appraised for Production Lost due to Uninsurable Causes of Loss**

The appraised production from uninsurable causes of loss (e.g., chemical drift, fire, terrorism, etc.) must be reported on the production report as an uninsurable cause of loss appraisal.



## **PART 12 APH DATABASE**

### **Section 1 General Information**

#### **1201 APH Database Requirements**

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The production reports provided by the insured are used by the verifier to establish the APH database. The APH database consists of all years of production (within the base period) reported by the insured and is used to calculate the approved APH yield. The APH database may also be used as the insured's production report(s).

If insured on a continuous basis, all actual and assigned yields from the past APH database within the base period must be used; however, assigned yields may be replaced with actual yields. This includes policies that have been canceled and rewritten or transferred.

For specific procedure to calculate the approved APH yield, see [Part 16 for Category B] and for Category C crops. The APH database is used to establish and maintain or update the yield history for a farming operation by crop, unit/P/T/TMA. Supporting evidence (records), when required, must meet acreage and production requirements [outlined in Part 11]. AIPs are required to calculate preliminary yields for new insureds and are authorized to calculate approved APH yields.

#### **1202 The Base Period**

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The base period for the APH database for Category B and Category C crops consists of the 10 most recent APH crop years, except:

- (1) crops with a lag year:
  - (a) AZ-CA Citrus;
  - (b) Macadamia Nuts;
  - (c) Malting Barley (Insured under Option A only);
  - (d) Sugarcane;
  - (e) Texas Citrus Fruit; and
  - (f) CT & MA Tobacco (cigar wrapper).

For example, the APH database base period begins with the 2012 APH crop year for the 2014 policy crop year.

- (2) apples and peaches have a base period of the five most recent APH crop years.

#### **1203 Types of Yields**

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##### **A. Acceptable Production Reports Filed**

When acceptable production reports for the crop and county have been submitted by the PRD, the APH database will be updated with the following types of yields:

- (1) actual yields from:
  - (a) claim forms, or
  - (b) production reports.

**A. Acceptable Production Reports Filed (continued)**

- (2) applicable variable T-Yields if less than four years of actual and/or assigned yields are available for the database.
  - (a) The T-Yield percentage is determined by the number of actual/assigned yields available for the crop in the county, except, for new producers and for new insureds if farming entirely different land. For variable T-Yield purposes, AIPs may retain APH databases established for land previously contained in the farming operation that is no longer in the current farming operation. Additionally, a year when the entire crop was short-rated or was an uninsured second crop may count as a year of actual yields for determining T-Yield percentage [Para. 1004 F and 1005 B]. See chart for yield indicators and descriptors in [Exhibit 12] to identify whether a yield counts as a yield of records for determining variable T-Yield percentage.
  - (b) To meet the four year minimum yield requirement, variable T-Yield percentage determinations are made as follows:
    - (i) one year of actual/assigned yield, 80 percent of the applicable T-Yield.
    - (ii) two years of actual/assigned yields, 90 percent of the applicable T-Yield.
    - (iii) three years of actual/assigned yields, 100 percent of the applicable T-Yield.

If added land or new crop/P/T, [see Part 14 section 9 and Para. 1488 for procedure to determine approved yields].

- (3) temporary yields which are the prior year's approved APH yield, used only as a temporary yield (by unit) for the most recent year in the base period if an insured is unable to finish harvest (due to an insurable cause), it is a delayed claim, or records are unavailable from the processor or marketing outlets by the PRD.
  - (a) The temporary yield is considered an actual yield when determining the number of actual and assigned yields for APH database calculation purposes.
  - (b) Insureds using a temporary yield may retain OUs for the current crop year.
  - (c) The temporary yield is valid for one year only. A production report indicating the actual yield for that year must be filed by the following year's PRD or assigned yield provisions will apply.
  - (d) Temporary yields are not updated when the insured provides a production report or a claim is finalized after the PRD for the current crop year.

## PART 18 AREA RISK PROTECTION INSURANCE (ARPI)

### Section1 General Program Requirements

#### 1801 General Information

The GRP and GRIP plans of insurance have been replaced with Area Revenue Protection, Area Revenue Protection with the Harvest Price Exclusion, and Area Yield Protection contained within one Area Risk Protection Insurance (ARPI) Basic Provisions. ARPI uses the CEPP, so ARPI crops will use the same prices as those insured under the Common Crop Insurance Provisions (CCIP)BP. These changes will apply for the 2014 and succeeding crop years.

All references within the CIH to GRP/GRIP are changed to ARPI.

For 2014, AIPs may convert all existing GRP/GRIP policies to the most similar ARPI policy without a new application, unless the insured elects to change their coverage. Below is the Plan conversion between GRP/GRIP and ARPI.

GRP/GRIP		ARPI
Group Risk Plan (04)	→	Area Yield Protection (04)
Group Risk Income Protection with Harvest Revenue Option (05)	→	Area Revenue Protection (05)
Group Risk Income Protection (06)	→	Area Revenue Protection with Harvest Price Exclusion (06)

Under GRP/GRIP the insured elected 60-100 percent of the dollar amount of insurance (a range covering 40 percent); under ARPI the insured elects 80-120 percent of the protection factor (a range covering 40 percent).

The carryover policies will convert the applicable range selection of the dollar amount of insurance to the applicable percentage of the protection factor using that same 40 percent range, as follows:

Dollar Amount of Insurance	Protection Factor
60	80
61	81
62	82
Continues through the maximum election.....	
100	120

#### 1802 Insurance Availability

Insurance is available when crop information is included in the actuarial documents.

WAs are not authorized for ARPI.

An insured must elect coverage for the crop by the earliest SCD for the crop.

## 1803 Administrative Fees

Each insured is required to pay an administrative fee each year insurable acreage of the crop is planted.

### A. Administrative Fee Schedule

Coverage	Per Crop/County	Type of Policy	Fee Established When	Due By The
Additional	\$30 (plus premium)	New & Carryover	Insurance Attaches	Premium Billing Date
CAT	\$300	New & Carryover	Insurance Attaches	Premium Billing Date

### B. Administrative Fees

When an insured elects CAT and additional coverage or multiple levels of coverage for the same crop policy:

- (a) separate administrative fees are charged for both CAT and additional level coverage when an insured elects both for the crop in the county; and
- (b) the number of administrative fees will not be more than one for additional coverage and one for CAT.

Only one administrative fee is charged no matter how many different additional coverage levels are chosen by the insured for different P/T combinations for the crop in the county.

## 1804 Insurance Choices

The insured chooses the insurance plan, level of coverage and protection factor at the time the Application, or the Policy Change in subsequent years, is completed.

Since ARPI is a continuous policy, if an insured does not select a new plan of insurance, protection factor and/or coverage level before the SCD, the AIP must assign the same plan of insurance, protection factor and/or coverage level as the previous year.

An insured may elect different coverage levels and/or protection factors for each irrigated practice or for each P/T available in the actuarial documents by SCD. If the insured does not elect different coverage levels and/or protection factors by irrigated practice or by P/T, then the coverage level and protection factor for the crop will apply to all P/T of the crop.

## 1804 Insurance Choices

### A. Different Coverage Level and/or Protection Factors

To obtain different coverage levels and/or protection factors by crop/irrigation practices or by crop/P/T:

- (1) each irrigation practice must be listed on the application with the elected coverage level and protection factor; or
- (2) each P/T must be listed on the application with the elected coverage level and protection factor.

### B. Coverage Level and/or Practice Factors when P/T Not Listed on Application

If a P/T is not listed on the application, then the coverage level and protection factor will default to the lowest coverage level and protection factor on the application for the crop.

**Example:**

P/T	COVERAGE LEVEL	PROTECTION FACTOR
P/T 1	70	90
P/T 2	75	80
default	70	80

## 1805 Plans of Insurance

ARPI provides insurance coverage based on an area, not an individual, yield or revenue. When ARPI is elected, all acreage of the insured crop in the county must be insured under the same plan of insurance. ARPI plans of insurance include:

- (1) Area Yield Protection, which provides protection against loss of yield due to a county level production loss. This plan does not provide protection against loss of revenue or upside harvest price protection;
- (2) Area Revenue Protection, which provides protection against loss of revenue due to a county level production loss, a price decline, or a combination of both. This plan also includes upside harvest price protection, which increases the policy protection at the end of the insurance period if the harvest price is greater than the projected price and if there is a production loss; or
- (3) Area Revenue Protection with Harvest Price Exclusion, which provides protection against loss of revenue due to a county level production loss, price decline, or a combination of both. This plan does not provide upside harvest price protection.

Only Area Yield Protection is available for forage and CAT level coverage.

## **1806 Levels of Coverage**

(1) For Area Revenue Protection and Area Revenue Protection with the Harvest Price Exclusion:

- (a) CAT coverage is not available; and
- (b) for additional coverage, insured may select different coverage levels by P/T.

**Example:** The insured may choose a 75 percent coverage level for irrigated corn and a 90 percent coverage level for non-irrigated corn.

(2) For Area Yield Protection:

- (a) CAT coverage is available and may be selected by crop/P/T;
- (b) for additional coverage, insureds may select different coverage levels by crop/P/T; and
- (c) both (a) and (b) may apply for the same crop.

## **1807 Protection Factor**

The protection factor is the percentage used to calculate the dollar amount of insurance per acre and policy protection. The insured must choose a protection factor:

- (1) from a range of 80 to 120 percent, unless otherwise specified in the SP;
- (2) as a whole percentage; and
- (3) for each irrigation practice or crop/P/T [see Para. 1804].

## **1808 Projected Price**

The projected price is a price for each crop/P/T shown in the actuarial documents by additional and CAT coverage, determined in accordance with the CEPP, SP or the CP, as applicable.

## **1809 Endorsements and Options**

CAT is the only endorsement or option that applies to ARPI. CAT is only available for the Area Yield Protection plan and limits the coverage level and projected price.

## **1810 Organic**

ARPI coverage is available for certified organic acreage and transitional acreage when an organic practice is in the actuarial documents.

Organic practices do not apply to acreage transitioned to certified organic acreage without an organic plan, or written documentation from a certifying agent indicating an organic plan is in effect, as specified in the policy.

[See Para. 861D] for information regarding deadlines for documentation.

[See Para. 862] for information regarding certified organic and transitional acreage requirements.

[See Para. 863] for information regarding organic record requirements.

[See Para. 864] for information regarding organic certification and accreditation issues.

## **1811 Production Record Requirements**

[See Part 11] for acceptable production record requirements by crop.

## **1812-1830 (Reserved)**

## Section 2 Acreage Reporting Requirements

### 1831 General Information

The acreage report is required annually and determines the amount of insurance, premium, and insurable share at the time insurance attaches.

### 1832 Filing Requirements

The insured must sign and submit an annual acreage report, for each insured crop in the county, on or before the ARD in the actuarial documents.

Acreage reports must contain the following ([see Para. 1834] for a complete list of the required acreage report elements):

- (1) the amount of acreage of the crop (insurable and uninsurable) in which the insured has a share;
- (2) the last date any acreage of the insured crop was planted;
- (3) the number of acres planted (acreage initially planted after the FPD is not insurable and must be reported as uninsurable on the Acreage Report);
- (4) share at the time coverage begins;
- (5) practice;
- (6) type; and
- (7) land identifier for the crop acreage (e.g., legal description, FSA FN or CLU). Insured must report FSA FN/tract and field number, when available from FSA.

**Note:** An insured may report acreage using unit structure and unit number previously established under APH-based plans of insurance to maintain continuity of production reports.

If the insured fails to submit an acreage report or to report all acreage, the AIP may:

- (1) deny liability for the unreported acreage. No premium will be due on such acreage and no indemnity will be paid; or
- (2) determine the insurable acreage, by crop, P/T and share.



### 1833 Inaccurate Acreage Reports

The AIP will determine all premiums and indemnities based on the information submitted on the acreage report or upon the factual circumstances determined to have existed.

Inaccurate information reported on the acreage report can result in over- and under-reported liability.

- (1) If information on the acreage report is different than what is determined to be correct and the information reported on the acreage report results in:
  - (a) a lower liability than the actual, correct liability determined, the policy protection will be reduced to an amount consistent with the information reported on the acreage report; or
  - (b) a higher liability than the actual, correct liability determined, the information contained in the acreage report will be revised to be consistent with the correct information.
- (2) If the share is misreported and the share is:
  - (a) under-reported at the time of the acreage report, any claim will be determined using the share reported on the acreage report; or
  - (b) over-reported at the time of the acreage report, any claim will be determined using the share determined to be correct.

If an AIP discovers that an insured has incorrectly reported any information on the acreage report for any crop year, the insured may be required to provide documentation in subsequent crop years substantiating the acreage report including, but not limited to, an acreage measurement service at their own expense.

If the correction of any misreported information would affect an indemnity that was paid in a prior crop year, such claim will be adjusted, and the insured will be required to repay any overpaid amounts.

## 1834 Required Elements

The following elements must be included in the annual Acreage Report (additional information for certain elements is contained in [Para. 1836-1843]).

ELEMENT	REQUIRED INFORMATION:
<b>Insured's Name, Address, and Telephone Number</b>	Enter the insured's name, address (Street, City, State, and Zip code), and telephone number.
<b>Insured's Identification Number</b>	Enter the insured's identification number and type (SSN, EIN or RAN).
<b>Insured's Authorized Representative</b>	Enter the insured's authorized representative, if any.
<b>Policy Number</b>	Enter the insured's Policy Number.
<b>Person Type</b>	Enter the specific person type (e.g., partnership, trust, individual, corporation, etc.).
<b>Spouse's Name and Identification Number</b>	Enter the insured's spouses name and identification number, if applicable.
<b>Landlord/Tenant</b>	Enter the Landlord/Tenant whose share is being insured, if applicable [see Para. 452].
<b>Insured's Share</b>	Enter the insured's share of the crop at the time insurance coverage attaches.
<b>Name of Other Person(s) Sharing in Crop</b>	If applicable, enter name of other person(s) that have a share in the insured crop.
<b>Crop Year</b>	Enter the crop year (e.g., 2014).
<b>Crop</b>	Enter the name of the insured crop.
<b>State and County Name</b>	Enter the State and County where the crop is insured.
<b>Plan of Insurance</b>	Enter the plan of insurance elected by the insured.
<b>Price Election, Projected Price, or Amount of Insurance</b>	Enter the protection factor elected by the insured.
<b>Coverage Level</b>	Enter the coverage level elected by the insured.
<b>Options or Optional Coverage</b>	N/A.
<b>Practice</b>	Enter the insured crop practice.
<b>Type</b>	Enter the insured crop type.
<b>Unit Number</b>	N/A, unless the insured chooses to report by unit structure available under an APH-based plan.
<b>Legal Description</b>	Enter the section, township and range, or other descriptions for land if rectangular survey is not applicable. This may include GPS coordinates or other land identification.
<b>FSA Farm/Tract/Field Number</b>	Required. Enter the FSA Farm/Tract/Field, if available from FSA.
<b>Approved APH Yield</b>	N/A.

**1834 Required Elements (Continued)**

<b>ELEMENT</b>	<b>REQUIRED INFORMATION:</b>
<b>Date Planting Completed</b>	Required for all planted acreage. For acreage planted on or before the FPD, enter the last date of planting and the total acres planted by that date. For acreage after the FPD, enter the date that the insured crop was planted. Acreage planted after the FPD is uninsurable.
<b>Area Classification</b>	N/A.
<b>Acreage Type</b>	Identify whether acreage is: Insured (planted); Insured - Acreage emerging from CRP the initial crop year [See Para. 1835A]; Insured - New breaking acreage insured in accordance with the policy the initial crop year, or insured under SP, and the insured is able to substantiate the acreage has previously been in production [See Para 1835B]; Insured – New breaking acreage insured , under SP and the insured is unable to substantiate the acreage has previously been in production [See Para. 1835B)]Uninsurable [See Para. 1836)]; Uninsurable due to 2 <sup>nd</sup> crop provisions [see Para. 1836(4)]; Uninsurable due to new breaking and the insured cannot substantiate the acreage has previously been in production [See Para. 1835]; Unreported acreage [see Para. 917]; or Zero acreage report for county [see Para. 1838].
<b>Remarks</b>	Document pertinent information.
<b>Insured's Signature and Date</b>	Insured must sign and date.
<b>Agent Information</b>	Enter Agent's name, address, telephone number, and agent code number.
<b>Agent's Signature and Date</b>	Agent must sign and date.

## **1835 Insurable Acreage**

The insurable acreage is all of the acreage of the insured crop, for which a premium rate is provided in the actuarial documents, in which the insured has a share, and which is planted in the county listed on the application.

### **A. Acreage Must Have Been Planted And Harvested**

The acreage must have been planted and harvested (grazing is not considered harvested) or insured (excluding Rainfall and Vegetation Index policy or any other specific policy listed in the SP) in at least one of the three previous crop years unless:

- (1) the acreage was not planted:
  - (a) in at least two of the three previous crop years to comply with another USDA program;
  - (b) due to the crop rotation, the acreage would not have been planted in the previous three years (e.g., a crop rotation of corn, soybeans, and alfalfa; and the alfalfa remained for four years before corn was planted again); or
  - (c) because a perennial tree, vine, or bush crop was on the acreage in at least two of the three previous crop years;
- (2) the acreage constitutes five percent or less of the insured planted acreage on the unit;
- (3) the acreage was not planted or harvested because it was pasture or rangeland and the insured crop is pasture or rangeland; or
- (4) the CP or SP specifically allows insurance for such acreage.

### **B. Acreage Emerging From a USDA Program**

- (1) Acreage emerging from a USDA program (such as CRP, etc.) within the two most recent crop years that is being planted to a crop for the first time since being in the USDA program is insurable under the terms of the policy.
- (2) All acreage emerging from a USDA program must be reported as a separate line on the acreage report by FN/Tract/Field and include the applicable acreage type.
- (3) The FN/Tract/Field for the acreage that has emerged from a USDA program must continue to be reported on the acreage report, regardless of whether it is a different crop or not. However, the initial year requirement to report acreage as a separate line item does not apply in subsequent years.

**C. New Breaking Acreage**

- (1) Report all new breaking acreage as a separate line on the acreage report by FN/Tract/Field the initial year of planting. The applicable acreage type must be identified on the acreage report by the applicable code.
  - (a) Insured – New breaking acreage containing five percent or less of the insured planted acreage of the crop/P/T the initial crop year, or insured under SP, and the insured can substantiate that the acreage has been in previous crop production
  - (b) Insured – New breaking acreage insured in accordance with the terms of the policy (such as when allowed by SP) the initial crop year and the insured is unable to substantiate the acreage has previously been in production.
  - (e) Uninsurable - Uninsurable acreage due to new breaking and the insured substantiates acreage has previously been in production.
  - (f) Uninsurable - Uninsurable acreage due to new breaking and the insured is unable to substantiate the acreage has previously been in production.
- (2) The FN/Tract/Field for the new breaking acreage must continue to be reported on the acreage report in subsequent years, regardless of whether it is a different crop or not. However, the initial year requirement to report acreage as a separate line item does not apply in subsequent years.

## 1836 Uninsurable Acreage

The following acreage is not insurable:

- (1) acreage where the crop was destroyed or put to another use during the crop year for the purpose of conforming with, or obtaining a payment under, any other program administered by the USDA;
- (2) acreage where the AIP has determined the insured failed to follow good farming practices for the insured crop;
- (3) acreage where the conditions under which the crop is planted are not generally recognized for the area;

**Example:** Acreage where agricultural experts determine that planting a non-irrigated corn crop after a failed small grain crop on the same acreage in the same crop year is not appropriate for the area.

- (4) acreage of a second crop, if the insured elected not to insure such acreage when an indemnity for a first insured crop may be subject to a reduction in accordance with the provisions of [ARPI, Section 13] and the insured intends to collect an indemnity payment that is equal to 100 percent of the insurable loss for the first insured crop acreage.

The election must be made for all first insured crop acreage that may be subject to an indemnity reduction if the first insured crop is under ARPI or on a first insured crop unit basis if the first insured crop is not insured under ARPI (e.g., if the first insured crop insured under ARPI consists of 40 acres, or the first insured crop unit insured under another policy contains 40 planted acres, then no second crop can be insured on any of the 40 acres). In this case:

- (a) if the first insured crop is insured under ARPI, the insured must provide written notice to the AIP of the election not to insure acreage of a second crop by the ARD for the second crop if it is insured under ARPI, or before planting the second crop if it is insured under any other policy;
- (b) if the first insured crop is not insured under ARPI, at the time the first insured crop acreage is released by the AIP or another AIP who insured the first insured crop (if no acreage in the first insured crop unit is released, this election must be made by the earlier of acreage reporting date for the second crop or when you sign the claim for the first insured crop);
- (c) if the insured fails to provide notice required in [(i) and (ii) above], the second crop acreage will be insured in accordance with applicable policy provisions and the insured must repay any overpaid indemnity for the first insured crop;
- (d) in the event a second crop is planted and insured with a different AIP, or planted and insured by a different person, the insured must provide written notice to each AIP that a second crop was planted on acreage on which the insured had a first insured crop; and

## **1836 Uninsurable Acreage (Continued)**

- (e) the insured must report the crop acreage that will not be insured on the applicable acreage report;
- (5) acreage of a crop planted following a second crop or following an insured crop that is prevented from being planted after a first insured crop, unless it is a practice that is generally recognized by agricultural experts or organic agricultural experts for the area to plant three or more crops for harvest on the same acreage in the same crop year, and additional coverage insurance provided under the authority of the Act is offered for the third or subsequent crop in the same crop year. Insurance will only be provided for a third or subsequent crop as follows:
  - (a) the insured must provide acceptable records that show:
    - (i) the insured has produced and harvested the insured crop following two other crops harvested on the same acreage in the same crop year in at least two of the last four years in which the insured produced the insured crop; or
    - (ii) the applicable acreage has had three or more crop produced and harvested on it in the same crop year in at least two for the last four years in which the insured crop was grown on the acreage; and
  - (b) the amount of the insurable acreage will not exceed 100 percent of the greatest number of acres for which the insured provides acceptable records; and
- (6) any native sod acreage greater than five acres that meets the criteria contained in [Para. 915 (10)].

## **1837 Zero Acreage Report For County**

The insured must submit a zero acreage report for the county on or before the ARD if the insured does not have a share in the insured crop.

## **1838 Acceptable Acreage Report Revisions**

Acreage reports may only be revised when the following is applicable.

### **A. Before ARD**

Insureds may revise acreage reports for planted acres without AIP consent on or before the ARD.

## **1838 Acceptable Acreage Report Revisions (Continued)**

### **B. After Final ARD**

Acreage reports can only be revised after the ARD with the consent of the AIP when the AIP determines:

- (a) information on the acreage report is clearly transposed; or
- (b) adequate evidence is provided that the AIP or someone from USDA has committed an error regarding information on the acreage report.

### **C. Land Acquired After the ARD**

Acreage reports may be revised for land acquired after the ARD and AIPs may choose to insure or not insure the acreage, provided the acreage is insurable and an acreage report is filed. Acreage must meet all insurability requirements and policy elections cannot be modified, e.g. coverage level, protection factor, for the added acreage.

This does not apply to any acreage for which insurance attached under a different person's policy and a transfer of coverage and right to indemnity is executed. See [Para. 253] for more information regarding a transfer of coverage and right to indemnity.

## **1839 Measurement Services Requested for Acreage Reports**

An insured may request an acreage measurement service on or before the ARD. When an acreage measurement service is requested, follow the procedure located in [Para. 933] with the following exceptions:

### **A. Identify Acreage**

The insured must identify the acreage (e.g., field number) for which the measurement has been requested. If an acreage measurement is requested for only a portion of the insured crop/P/T, such acreage must be separately designated on the acreage report.

### **B. Failure to Provide Acreage Measurement**

If the insured fails to provide the acreage measurement to the AIP by:

- (1) the time the final county revenue or final county yield, as applicable, is calculated, the AIP may:
  - (a) elect to measure the acreage and finalize the claim in accordance with applicable policy provisions;
  - (b) defer finalization of the claim until the measurement is completed with the understanding that if the insured fails to provide the measurement prior to the termination date, any claim will not be paid; or



## **1839 Measurement Services Requested for Acreage Reports (Continued)**

### **B. Failure to Provide Acreage Measurement (continued)**

- (c) finalize the claim in accordance with applicable policy provisions after the insured provides the acreage measurement;
- (2) at least 15 days prior to the premium billing date and the acreage has not been measured, the premium will be based on the estimated acreage and will be revised, if necessary, when the acreage measurement is provided. Premium will still be due; or
- (3) the termination date, the insured will be precluded from providing any estimated acreage for all subsequent crop years.

## **1840-1850 Reserved**

## Section 3 Production Reporting

### 1851 Acceptable Production Report

An annual production report for the current crop year's production must be submitted, unless otherwise specified in the SP (e.g., forage), for each crop in the county by the PRD specified in the actuarial documents.

**Exception:** For the 2014 crop year, penalties for not providing a production report do not apply. Penalties for not providing a production report become effective for the 2015 crop year and will be assessed on any applicable 2016 crop policy.

#### A. Acceptability

Production reports must meet all of the following to be acceptable.

- (1) Include all acreage and production, insured and uninsurable, by P/T in the actuarial documents for the county.

**Exception:** If the acreage is unharvested, the insured must certify either unharvested and destroyed, unharvested and put to another use or unharvested appraised.

The insured may report production at an APH-based plan of insurance unit or lower level, in accordance with the procedures located in [Part 10]. [See Para. 1891 for use of production reports when switching to an APH-based plan of insurance.]

- (2) Be supported by acceptable production records. [See Part 11] for production evidence requirements.
- (3) Be signed by the insured.
- (4) Be submitted by the insured to the AIP by the PRD.

**Exception:** A production report will not be considered unacceptable if it is not received on or before the PRD when RMA has issued an exception due to widespread late harvesting in an area.

- (4) Be supported by acceptable production records. [See Part 11] for production evidence requirements.
- (5) Be signed by the insured.
- (4) Be submitted by the insured to the AIP by the PRD.

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## **1851 Acceptable Production Report (Continued)**

### **B. Zero Planted Acreage Report**

A zero planted acreage report submitted for the current crop year will be considered an acceptable production report for the current crop year, provided the acreage report was acceptable.

### **C. Acceptable Production Reports Not Provided**

If an insured does not submit an acceptable production report to the AIP by the PRD, the protection factor for the insured's policy in the following crop year will be limited to the lowest protection factor available. For transferred policies, the assuming AIP may obtain production report information for the prior year from RMA systems.

If the insured subsequently switches to an APH-based plan of insurance in the following year, the insured will be subject to assigned yields and related procedures. Since the prior year's approved APH yield will not be available, the assigned yield will be 65 percent of the applicable T-Yield. This penalty will not apply until 2016, e.g., 2014 production reports are required, penalty assessed in 2015 is waived, 2015 production reports are required, penalty applies in 2016.

AIPs must transmit a production report to RMA indicating the insured did not provide a production report using a record type of "UR".

### **D. Accuracy**

Insureds must certify to the accuracy of the information on the production report. If the insured fails to accurately report the production, the insured will be subject to the provisions in [C above] unless the information is corrected:

- (1) on or before the PRD; or
- (2) the incorrect information was the result of AIP error or the error of someone from USDA.

### **E. Supporting Production Evidence Requirement**

If the insured does not have acceptable supporting production records to support the information on the production report, the insured will be subject to the provisions in [C above].

### **F. Misreporting**

At any time it is discovered the insured has misreported any material information on the production report, the insured will be subject to the provisions in [C above].

## 1852 Production Reporting Requirements

### A. Certification

Insureds must certify the harvested and unharvested crop acreage and production by P/T for the current crop year. Insureds may report production by any of the following:

- (1) the county;
- (2) the basic unit or lowest level unit structure available for the crop under an APH-based plan of insurance (e.g., maintain OU for subsequent policy transfer to APH-based plan of insurance);
- (3) any level, such as field.

**Example:** Insured A insures corn under ARPI in 2014. The APH-based plan of insurance allows for the election of OU. Insured A may report his 2014 production at any of the following levels:

- (a) County
- (b) BU or OU structure; or
- (c) Any level, such as field.

### B. Insurable Production

Report as insurable production, all production from:

- (1) insurable acreage planted to the insured crop for harvest as provided in the CP [see Para. 1835].
- (2) uninsurable acreage, [see Para. 1836], when commingled with insurable production.

### C. Uninsurable Production

Report all production from uninsurable acreage as uninsurable production, unless it is commingled with insurable production. [See Para. 1835 and 1836] for information on uninsurable acreage.

The production for uninsurable acreage must be identified as “uninsurable”.

## **1852 Production Reporting Requirements (Continued)**

### **D. Unharvested Production**

When acreage is unharvested, the insured must report zero (0) production using the yield descriptor of UG, the number of unharvested acres and whether acreage was:

- (1) unharvested and destroyed; or
- (2) unharvested and put to another use.

**Exception:** Even though appraisals for production are not required, if an appraisal is made on representative samples, the insurable production reported is the amount determined by the appraisal. If an appraisal is for only a portion of the acreage in a field that remains unharvested after the remainder of the crop within the field has been destroyed or put to another use, the production must be reported on the production report as uninsured production, unless the appraisals were taken from representative samples.

## **1853 Required Elements of Production Report**

- (1) Production must be reported by crop year for each share arrangement and P/T. Although ARPI does not have units, production may be reported at BU or OU, if OUs are available for the crop under an APH-based plan of insurance or a field basis to facilitate subsequent APH database establishment, if the insured switches to an APH-based plan of insurance.

**1853 Required Elements of Production Report (Continued)**

(2) Required elements and information for a production report.

<b>ELEMENT</b>	<b>REQUIRED INFORMATION:</b>
<b>State</b> <b>County</b> <b>Policy Number</b>	State, county and policy number to which the report pertains.
<b>Insured's Name</b> <b>Address</b> <b>Phone</b> <b>No.</b> <b>Agent Code</b>	Name, address, phone number and code of the agent.
<b>AIP</b>	AIP's name and address.
<b>Crop/Practice/Type/TMA/Other</b> <b>Characteristics/ Unit Number</b>	Crop name, P/T. Unit number is required if the insured chooses to report on a unit basis; if not, unit number is N/A.
<b>Legal Description</b>	Enter the section, township and range, or other descriptions for land if rectangular survey is not applicable. This may include GPS coordinates or other land identification.  If additional space is needed, attach a supplemental sheet.
<b>FSA Farm/Tract/Field Number</b>	FSA Farm/Tract/Field number is optional unless insured is reporting production at the FSA Farm/Tract/Field level.
<b>Other Persons</b>	Enter the names of other persons with an insurable share in the crop acreage (not SBIs). If none, enter "NONE".
<b>Record Type</b>	Indicate the type of acceptable records maintained for the last year in the base period: Production Sold/Commercial Storage; Farm Stored Measured by Insured, Pick/Daily Sales Records, Automated Yield Monitoring System, Farm-Stored Measured by Authorized Representative, Livestock Feeding Records, Field Harvest Records, and/or Other. [See Part 11 for description of types of records].  For unharvested acreage specify: unharvested and destroyed; unharvested and put to another use; or unharvested appraised.  If an insured does not report production, indicate unreported.
<b>Processor Number/Name</b>	N/A.
<b>Number of Trees/Vines</b>	N/A.

### 1853 Required Elements of Production Report (Continued)

ELEMENT	REQUIRED INFORMATION:
Other	N/A.
Insurability	Indicate whether production being reported is from insurable or uninsurable acreage.
Area Classification	N/A.
Crop Year	Enter the current crop year.
Multi Crop Year Reporting Reason	N/A.
Total Production	Enter total production as adjusted for production reporting purposes.  For unharvested acres, enter 0, unless there is an appraisal.
Acres	Enter planted acreage in acres for each year production is available in the total production column. Enter "0.0" if the crop was not planted for any year.
Yield Descriptor	Enter the appropriate yield type descriptor, [see Exh. 13F].  For unharvested acres, enter "UG".  If the insured does not provide a production report, enter "UR"
Yield	Enter the appropriate yield (total production/acres).
New Producer	N/A.
Added Land	N/A.
Insured Signature and Date	Insured must sign and date production report.

- (3) AIPs must obtain the insured's signature and the date of the signature; explain certification statements to ensure the insured understands what is being certified and the consequences of an inaccurate production report and certification.

### 1854 Acceptable Production Evidence and Record Maintenance

The insured must maintain and provide upon request acceptable production records for each crop year to support the production report. Production records must be maintained for three years after the end of the crop year or three years after the date of final payment of indemnity, whichever is later. This requirement also applies to all such records for acreage that is not insured. [See Part 11] for production evidence and record retention requirements.

### 1855 Verification, Review and Correction

The production report is subject to verification and AIP review. When the crop is selected for review, supporting evidence of acreage and production will be required by P/T for all crop years' acreage and production during the record retention period.

The production report will not be subject to the AIP field review process for that crop year if:

- (1) the insured submits production evidence for all units for which yields are being certified; and

## 1855 Verification, Review and Correction (continued)

- (2) the AIP verifier reviews the information and determines it is acceptable. If AIP verifier determines the production records are not acceptable or yield does not appear reasonable, the AIP must verify the production information.

## 1856 Adjustments to Production

The adjusted production is entered in the total production column when actual yields are reported. Adjustments to production will be made on the same basis as a claim for indemnity for APH-based plans when such information is available on the acceptable supporting production records. [See Para. 1011] for more information on adjusting production.

## 1857 Production Reporting Differences for ARPI

The chart below highlights differences in production reporting requirement between ARPI and CCIP.

PRODUCTION REPORTING	ARPI	CCIP
<b>Production Report Structure</b>	Required: crop/county by actuarial offer/share. Allowed: lower level reporting, such as OU, field, etc.	Required: by unit (OU, BU, EU) by actuarial offer. Allowed by lower level reporting, such as field, OU when insured as an EU, etc.
<b>Due Date</b>	PRD as provided in the actuarial documents. Production reports are due by PRD at the end of the policy crop year insured, e.g., production is reported at the end of the growing season to close out the policy crop year.	PRD – as defined in the regulations, generally 45 days after cancellation date or the ARD, whichever is first.
<b>Supporting Documentation</b>	Supported by acceptable production records.	Supported by acceptable production records.
<b>Penalty for misreporting</b>	Protection factor limited to the lowest amount available for following year's policy; and assigned yield will apply if switching to an APH-based plan of insurance the following year.	Assigned yields apply; 75% of prior year's approved APH yield and loss of optional units in the following year.
<b>Production Report for Unharvested Production</b>	Producer certifies acreage as unharvested put to another use; or unharvested destroyed. If later transfers to APH-based plan of insurance; will not be included in the calculation of the approved APH yield.	Counted as zero production unless an appraisal for unharvested production.
<b>Record type 57 reported to PASS</b>	Required.	Allowed.
<b>Grace Period</b>	No penalty for not providing a production report in 2014.	N/A.
<b>Quality Control Reviews</b>	Incorporated into the Appendix IV requirements using data mining for anomalies.	Appendix IV requirements; claims reviews.

## 1858-1870 (Reserved)



## Section 4 CIH Procedures that Do Not Apply to ARPI

All procedures and instructions contained in the CIH apply to ARPI with the exception of the items identified in the following parts and paragraphs.

### **1871 Part 2 Application for Insurance**

The following paragraphs in Part 2 do not apply to ARPI.

- (1) Para. 208 Administrative Fees
- (2) Para. 233D Mutual Consent Cancellation
- (3) Para. 234 Insurance Choices
- (4) Para. 235 Plans of Insurance
- (5) Para. 236 Levels of Coverage
- (6) Para. 237 Price

### **1872 Part 5 Endorsements and Options**

Part 5, Endorsements and Options, in its entirety, does not apply.

### **1873 Part 6 Planting Provisions**

Part 6, Planting Provisions, in its entirety, does not apply to ARPI policies.

### **1874 Part 7 Units**

Part 7, Units, in its entirety, does not apply to ARPI.

**Exception:** The insured may choose to maintain unit structure based on an APH-based plan when reporting acreage and production.

### **1875 Part 8 Underwriting Standards for Specific Practices**

Part 8, Underwriting Standards for Specific Practices, except as provided in [Para. 1810], does not apply to ARPI.

### **1876 Part 9 Acreage Report**

Part 9, Acreage Report does not apply to ARPI. See [Part 18 Section 3] for acreage reporting requirements for ARPI.

### **1877 Part 10 Production Report**

Part 10, Production Report, in its entirety, does not apply to ARPI. See [Part 18, Section 4] for production reporting requirements for ARPI.

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**1878 Part 12 APH Database**

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Part 12, APH Database does not apply to ARPI.

**Exception:** The insured may choose to maintain APH databases following standard APH procedure, if such APH databases were previously established under an APH-based plan. .

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**1879 Part 14 Category B Crop Procedures**

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Part 14, Category B Crop Procedures, in its entirety, does not apply to ARPI.

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**1880 Part 15 Category C Crops**

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Part 15 Category C Crops procedure, in its entirety, does not apply to ARPI.

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**1881 Part 16 Additional Provisions by Crop**

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Part 16 Additional Provisions by Crop procedures, in its entirety, does not apply to ARPI.

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**1882 Part 17 Category D Crops**

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Part 17 Category D Crops procedure, in its entirety, does not apply to ARPI.

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**1883 Part 20 RO Underwriting**

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Part 20 RO Underwriting,, does not apply to ARPI.

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**1884-1890 (Reserved)**

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## 1891 2014 APH Database Impacts

The following requirements apply for the 2014 crop year only.

### A. Production Reporting Requirements

When insureds with GRP/GRIP in 2013 return to an APH-based plan of insurance in 2014, production reporting requirements contained in [Part 10] apply. Any previously established APH database will be updated only if continuous crop production reports (including the period insured under GRP/GRIP) for ALL units are filed when returning to an APH plan.

- (1) Insureds must maintain continuity of production reports across all units; once continuity is broken for one unit, it is broken for all units.
- (2) APH databases will not be updated with claim data while the insured is under GRP/GRIP.

### B. Continuous Production Reports

If the insured provides production reports that maintain continuity and the previously established APH database is available, then that APH database must be used in its entirety for the portion of the APH database that remains in the insured's farming operation. The APH database may be available due to being maintained by the AIP, transferred from another AIP, or available from RMA systems.

- (1) When prior APH database and production reports are available, they are not re-certified but used automatically.
- (2) If the APH database is not available, then only the years for which production reports are provided will be used.
- (3) All production reports are subject to record retention based on the initial date of certification. These reports are also subject to APH review.

### C. Continuity is Broken or Production Reports Not Provided

If the insured does not certify production reports that maintain the continuity of APH, then the APH databases must be established according to the following procedures:

- (1) If the insured does not certify production for the most recent crop year on all APH databases, the APH database will be established using 65 percent of the applicable T-Yield.
- (2) If the insured certifies only the most recent crop year on all APH databases, then the other three years required to complete the APH databases will be 80 percent of the applicable T-Yield.

## Section 5 Switching from ARPI to APH-Based Plans of Insurance

### 1891 2014 APH Database Impacts

#### C. Continuity is Broken or Production Reports Not Provided (continued)

- (3) If the insured certifies only the two most recent crop years on all APH databases, then the two remaining years required to complete the APH databases will be 90 percent of the applicable T-Yield.
- (4) If the insured certifies the three most recent crop years on all APH databases, then the one remaining years required to complete the APH databases will be 100 percent of the applicable T-Yield.

#### D. Applicability Of Yield Limitations And Substitutions.

Yield cups do not apply when switching from an area plan back to a yield-based plan of insurance the initial year. Yield floors and yield substitutions will apply when applicable.

#### E. Applicability Of Added Land Procedures.

If adequate documentation is kept for added land, a request for SA T-Yields may be made by the insured the initial year when switching from GRP/GRIP to an APH-based plan of insurance for the crop, if the crop has not been planted on that acreage.

### 1892 Unit Structure Impacts

Failure to file the most recent APH crop year's production report on an OU basis will limit the insured's choices regarding OUs under the selected plan of insurance.

### 1893-1900 Reserved

## **PART 19 Pecan Revenue**

### **Section 1 General Requirements**

#### **1901 Background**

The Pecan Revenue program provides protection against insurable causes of loss for yield and/or a decline in market price. The Pecan Revenue is a continuous policy purchased in two-year coverage modules (i.e., insurance coverage remains at the same premium rate, coverage level, and guarantee for two consecutive years for the crop), except as provided in the CP and this procedure.

The Pecan Revenue CP were revised for the 2014 crop year. All policies will automatically renew unless the policyholder provides written notification to their AIP to cancel coverage by the January 31, 2014, cancellation date. All policyholders will begin a new two-year coverage module for the 2014 crop year under the terms and conditions of the revised Pecan Revenue CP (e.g., for the 2014 crop year all carryover policyholders will begin the first year of the two-year coverage module).

For the purposes of Pecan Revenue, references in the CIH to “yield” shall be used interchangeably with “yield or revenue”.

#### **1902 Insurability Requirements**

To be eligible for coverage, an insured’s acreage must:

- (1) have produced at least 600 pounds or more of in-shell pecans per acre subsequent to any topwork, in at least one of the four most recent crop years at the beginning of the two-year coverage module, unless otherwise authorized by SP or WA;
- (2) contain at least one contiguous acre, unless otherwise authorized by WA;
- (3) be planted to varieties or groups of varieties that are not specified as uninsurable in the SP;
- (4) not be direct marketed to consumers, unless authorized by SP or WA;
- (5) not include trees that are/have been hedged, unless authorized by SP or WA;
- (6) be grown in an orchard that, if inspected, is considered acceptable;
- (7) have a share by the insured; and
- (8) not be interplanted with another perennial crop, unless authorized by SP or WA.

## **1902 Insurability Requirements (Continued)**

To qualify for a WA, the following conditions must be met. For counties:

- (1) with actuarial documents, at least two years of production and gross sales records must be provided.
- (2) without actuarial documents, four years of production and gross sales records must be provided. [See CIH Para. 1917A and Exh. 2D, and WAH Para. 76 and Para. 85s]

## **1903 Two-Year Coverage Module**

The insured must insure the crop for both years of the two-year coverage module. The actuarial documents for the initial year of the two-year coverage module remain in force both years; and the insured's elections remain the same for both years of the two-year coverage module (e.g., unit structure, amount of insurance per acre, coverage level), with the following exceptions:

- (a) Non-payment of premium results in cancellation [see Para.1905];
- (b) The insured fails to provide acceptable records necessary to determine a loss for OUs. [See Para. 786 for combining APH Databases.];
- (c) Removal of a contiguous block of trees from the unit [see Para. 1917B];
- (d) Damage to trees [See Para. 1917D];
- (e) Added acreage in excess of 12.5 percent [See Para. 1919A];
- (f) Change in practice or production methods. [See Para. 1919F]; and/or
- (g) Late or unreported gross sales by unit [see Para. 1931C].

## **1904 Unit Division**

The insured may elect:

### **A. EU**

In addition to the requirements of [Sec. 3 of Part 7], an EU must be:

- (1) located on at least two parcels of non-contiguous land; and
- (2) at least two of the parcels must contain at least the lesser of:
  - (a) 20 acres; or
  - (b) 20 percent of the insured crop acreage in the EU.

## **1904 Unit Division (Continued)**

### **B. BU**

[See Sec. 1 of Part 7].

### **C. OU**

OU(s) must:

- (1) be located on non-contiguous land;
- (2) have separate records of production for at least the most recent two consecutive crop years; and
- (3) be elected on the acreage report the first year of the two-year coverage module.

## **1905 Premium**

The AIP will terminate the policy for non-payment of premium in either year of the two-year coverage module after the ARD of the first year of coverage module, and before the second year.

If a timely filed acreage report is provided for removed acreage and/or relinquished acreage (insured no longer has a share in the crop), no premium is due in the second year of the two-year coverage module for such acreage.

## **1906 Transfers**

Insureds may not transfer policies to another AIP until the end of the two-year coverage module.

Transfer of coverage and right to indemnity may be used in the first or second year of the two-year coverage module, if executed by the ARD. [See Para. 253 for transfer of coverage and right to indemnity requirement].

## **1907 CAT Coverage**

For pecan acreage, CAT coverage is equal to the approved average revenue times 27.5 percent.

## **1908-1916 (Reserved)**

## Section 2 Acreage Reporting

### 1917 Acreage Reports

#### A. Acreage Report Required for Both Years of the Two-Year Coverage Module

Insureds are required to submit an acreage report by the ARD for each year of the two-year coverage module.

If an insured does not submit an acreage report by the ARD for the:

(1) first year of the two-year coverage module:

- (a) the AIP may choose to deny liability. If the AIP denies liability, no premium is due or liability is established for either year of the two-year coverage module; or
- (b) the AIP may determine acreage and assign the T-revenue in the SRH database for any applicable years that a Revenue Report is not provided. If the acreage is determined by the AIP and T-revenue(s), T-revenues are used to calculate the approved average revenue for both years of the two-year coverage module.

(2) second year of the two-year coverage module:

The AIP must determine acreage and premium based on what was reported or determined in the first year of the two-year coverage module, and the approved average revenue for the first year of the two-year coverage module is used to calculate the approved average revenue for the second year of the two-year coverage module. [See 1917 A(1) if no acreage was reported the prior year.]

#### B. Removed Acreage

When an insured removes a contiguous block of trees,:

- (1) on or before the ARD, during the first year of the two-year coverage module, then the removed acreage must not be reported on the acreage report.
- (2) after the ARD of the first year of the two-year coverage module, and on or before the ARD for the second year of the two-year coverage module, the removed acreage must be reported as zero acreage on the acreage report for the second year of the two-year coverage module.

**Note:** If acreage is removed after the first year's ARD of the two-year coverage module and before the second year's ARD this may result in the policy no longer qualifying for an EU or an OU. When this occurs, the unit structure will be BU for the remainder of the two-year coverage module.



## 1917 Acreage Reports (Continued)

### C. Added Acreage

[See Para. 1919A]

### D. Acreage Damage

- (1) For new insureds, once the acreage is inspected and the application accepted [see Para. 1917D], subsequent damage from insured cause(s) is covered.
  - (a) if the entire acreage is damaged prior to application or the date insurance attached, the application is not accepted and insurance does not attach.
  - (b) if part of the acreage is damaged, the application may be accepted; however, units with damaged acreage must be rejected and insurance does not attach to the damaged acreage.
- (2) For carryover insureds, when damage to trees is reported:
  - (a) after insurance attaches and on or before the ARD, during the first year of the two-year coverage module, then the acreage is reported on the acreage report. The insurable acreage may be adjusted by the AIP and require a PAIR to be performed for the second year of the two-year coverage module.
  - (b) after the ARD of the first year and on or before the ARD for the second year of the two-year coverage module, the insurable acreage must be adjusted by the AIP and requires a PAIR to be performed.
  - (c) on added acreage that is damaged prior to the PAIR [see Para. 1949], the request is rejected and insurance does not attach.
  - (d) for damage resulting, before or after the ARD of any year of the two-year coverage module, if any reduction in production and damage to the trees of 15 percent or more across the grove, an insured, through the AIP, must request an RO Determined Yield [see Para. 1968D].

## 1917 Acreage Reports (Continued)

### E. Relinquished Share

- (1) If the insured's share is relinquished on or before the ARD, insurance will not attach and no premium or indemnity is due;
- (2) If the insured's share is relinquished after the ARD, coverage is provided for any insurable cause of loss prior to the date the share is relinquished and the entire premium is due. If this occurs during the first year of the two-year coverage module, the acreage is reported as uninsurable or zero acreage during the second year of the two-year coverage module; or
- (3) An insured may also execute a Transfer of Coverage and Right to an Indemnity for the relinquished acres. [See Para. 1906].

## 1918 Acreage

### A. Acreage Determination

Refer to Part 15 of the CIH to determine acreage [Para. 1507 General; Para. 1508 Acceptable Forms of Acreage Measurement; Para. 1509 Acreage Measurement Methods; and Para. 1511 Prior Removed Acreage].

### B. Pecans Trees with No Established Planting Pattern

To calculate acreage for pecan trees with no established planting pattern [see Exh.15], use the formula below:

$A = \text{Acres}$   
 $N = \text{Number of trees in the orchard/grove}$   
**Formula:**  $N \div 14 = A$

#### Example:

$31 \div 14 = 2.214$  rounded to 2.2 acres

**Note:** For Native Pecan trees only, 14 trees per acre is used as the standard number of trees per acre, not to exceed the physical number of acres.

## 1919 Changes to the Amount of Insurance

The amount of insurance per acre will remain the same as stated in the Summary of Coverage for each unit, for each year of the two-year coverage module, with the following exceptions:

### A. Added Insurable Acreage

If the insured reports additional insurable acreage in the second year of the two-year coverage module, the added acreage must be added to an existing unit on the acreage report by the ARD.

(1) For OU, the added acreage must be:

- (a) added to the unit contiguous to the added acreage; or
- (b) added to the unit with the greatest number of insurable acres if the added acreage is not contiguous with an existing OU.

(2) For BU, the added acreage must be:

- (a) added to the existing BU, if only one exists; or
- (b) added to an existing BU with a similar share arrangement (e.g., 50 percent share in both or same landlord);
- (c) if neither a or b above are applicable, added to an existing BU with the greatest number of insurable acres if more than one BU exists.

(3) For all unit structures (EU, BU, OU), the AIP must determine if the acreage is more than 12.5 percent of the first year's insured acreage for the unit the acreage is added to.

If the added acreage is:

- (a) Greater than 12.5 percent:
  - (i) a Revenue Report must be provided by the insured by the ARD of the second year of the two-year coverage module, [see Para. 1931 for Revenue Reporting and Para. 1941E for SRH database Added Acreage];
  - (ii) the amount of insurance per acre for the second year of the two-year coverage module must be recalculated for the unit with the added acreage;

## 1919 Changes to the Amount of Insurance (Continued)

### A. Added Insurable Acreage (continued)

- (iii) the AIP must establish a new SRH database for the unit the acreage was added to if:
  - (A) there are assigned yields in the SRH database for the added or existing acreage;
  - (B) the added acreage is non-contiguous to acreage in the existing OU; or
  - (C) the added acreage will meet requirements for a separate BU in the next two-year coverage module.

**Note:** For the subsequent two-year coverage modules, i.e., the first year of the next two-year coverage module, the added insurable acreage may be separated into an additional unit if the acreage meets all of the requirements in the CP to qualify for a separate BU/OU.

(b) 12.5 percent or less:

- (i) the added acreage must be reported on the acreage report, by the ARD; and
- (ii) the amount of insurance per acre remains the same as the first year of the two-year coverage module.

For subsequent two-year coverage modules, i.e., the first year of the next two-year coverage module, the amount of insurance per acre for the SRH with the added acreage [see Para. 1941E] must be recalculated using the revenue reports for the added acreage, if available, and/or the T-revenue will be assigned to determine the amount of insurance for the added acreage for any years that revenue reports are not provided.

## **1919 Changes to the Amount of Insurance (Continued)**

### **B. Gross Sales Reduced Below the Approved Average Revenue**

Any action taken by the insured that may reduce the gross sales per acre below the approved average revenue, will result in an adjustment to the approved average revenue. [See Sec. 2 and Para. 1948].

### **C. Failure to Report Gross Sales for the Previous Two-year Coverage Module**

[See Para. 1931C]

### **D. Failure to Provide Acceptable Records for Determining an OU Loss**

[See Para. 1941D]

### **E. Removed Acreage**

[See Para. 1941F] for procedures. If an insured has both removed and added insurable acreage in the second year of the two-year coverage module, complete the removal procedures before completing the added acreage procedures in [Para. 1919 A].

### **F. Damaged Acreage**

[See Para. 1917D]

### **G. Change in Practice or Sequential Thinning**

[See Para. 1946].

### **H. Late Or Unreported Gross Sales By Unit**

[See Para. 1931C].

## **1920-1930 (Reserved)**

## Section 3 Revenue Reporting

### 1931 Revenue Reports

The Revenue Report must be provided on or before the ARD for the first year of the two-year coverage module for the previous two crop years. The Revenue Report must be provided for each unit and share arrangement (landlord or tenant). When changes are made that require a revision to the amount of insurance per acre [see Para. 1919], Revenue Reports may be required to be provided on or before the ARD for the second year of the two year coverage module.

Although the policy allows an insured to use 4 years of T-Revenue to establish an SRH database, the AIP must verify that the acreage has met the policy requirements for production minimums using the insured's submitted Revenue Reports. Assigned yields (Yield Descriptor "B") in the SRH are considered zero production for the purpose of determining insurability.

#### A. Acceptable Revenue Reports

Revenue reports must meet all of the following to be acceptable.

- (1) Include all acreage and production (insured and uninsurable/uninsured; harvested and appraised) in pounds for in-shell Pecans and gross sales by actuarial P/T/TMA, for each crop year in the two-year coverage module. Hedged and uninsurable acreage requires a separate Revenue Report [see Para. 1931D].

**Exception:** Insureds with commingled production between IRR and NI practices may use the commingled worksheet procedure [in Para. 1553] to separate production.

- (2) Revenue reports for the previous two crop years must conform to the unit structure (EU, BU, and/or OU) for the current crop year.
- (3) To qualify for OU, the insured must certify production for at least the two most recent consecutive crop years for each OU.
- (4) Report all SRH crop years continuously for the SRH Database when multiple years of revenue and production history are certified; there cannot be a break in continuity of production history. [See Para. 1006 and Para. 1007 for additional procedure related to continuity of production reports.]
- (5) Be supported by acceptable production evidence [see Para. 1933 for production evidence requirements].
- (6) Be signed by the insured.
- (8) Be submitted by the insured to the AIP by the ARD.

## **1931 Revenue Reports (Continued)**

### **B. Claims for Indemnity**

If a claim is filed for any year, the value of harvested production and appraised potential production used to determine the indemnity payment will be the production and gross sales for that year.

### **C. Late or Unreported Gross Sales by Unit**

- (1) If Revenue Reports are not provided or not provided timely, a gross sales amount will be assigned by the AIP for any crop year that was not reported, unless the AIP chooses to deny liability for failure to provide an acreage report timely in the first year of the two-year coverage module [see Para. 1917A.].

The yield amount assigned will be not greater than the assigned T-revenue for the current two-year coverage module. APH plan assigned yield provisions [see Para. 1224] do not apply.

- (2) If Revenue Reports are provided after the ARD for the first year of the two-year coverage module, the:
  - (a) Revenue Report(s) must be provided before the ARD of the second year of the two-year coverage module; and
  - (b) average gross sales per acre will be readjusted for the second year of the two-year coverage module, by unit, as applicable.

### **D. Uninsurable Acreage**

- (1) Uninsurable acreage must be reported on a separate Revenue Report.
- (2) If the production and gross sales from uninsurable acreage is commingled with production and gross sales from insurable acreage, OU would no longer apply.

Total production and gross sales, unless a claim is filed, is divided by total acreage and used for all crop years that were commingled. The commingled production and all acreage are entered in the SRH database for the insured acreage, and the yield descriptor “AY” must be shown.

The AIP must ensure that production minimums [see Para. 1902] are met for the commingled acreage.

- (3) [see Sec. 13(b) of the CP] for determination at the time of loss.

**1932 Revenue Report Required Elements**

<b>ELEMENT</b>	<b>REQUIRED INFORMATION</b>
<b>State</b> <b>County</b> <b>Policy Number</b>	State, county and policy number to which the report pertains.
<b>Insured's Name</b> <b>Address</b> <b>Phone No.</b>	Name, address, and phone number.
<b>Identification</b> <b>Number and Type</b>	Enter the insured's identification number and the type of identification.
<b>Practice/Type/Map</b> <b>Area/Unit Number</b>	P/T/TMA and unit number.
<b>Legal Description,</b> <b>FSA</b> <b>Farm/Tract/Field</b> <b>Number</b>	Enter the section, township and range, or other descriptions for land if rectangular survey is not applicable. This may include GPS coordinates or other land identification.  If additional space is needed, attach a supplemental sheet.
<b>Other Person(s)</b>	Enter the names of other persons with an insurable share in the crop acreage (not SBIs). If none, enter "NONE".
<b>Record Type</b>	Indicate the type of acceptable records maintained for at least the last two crop years within the two-year coverage module for the base period. [See Part 11 for description of types of records].
<b>Contract Number</b>	If applicable, enter the contract number(s) and buyer(s) name and phone number(s).
<b>Number of Trees</b>	Enter the total number of trees.
<b>Insurability</b>	Indicate whether acreage, production and gross sales being reported is from insurable, uninsurable, or uninsured acreage.
<b>Crop Year</b>	Enter the appropriate crop year within the two-year coverage module for the annual production and gross sales being reported.
<b>Multi Crop Year</b> <b>Reporting Reason</b>	Enter applicable reason an insured is reporting more than the most recent two crop years, such as:  (a) certification of crop years not previously certified; (b) correction; (c) certification by new insured; (d) recertification for new actuarial offer; (e) recertification for new unit structure; or (f) other.  If not applicable, leave blank. [See Para 1003E].



**1932 Revenue Report Required Elements (Continued)**

<b>ELEMENT</b>	<b>REQUIRED INFORMATION</b>
<b>Gross Sales</b>	The insured's share of pounds harvested and/or appraised pecans times the applicable in-shell average price, in accordance with the CP, reported in dollars and cents.
<b>Total Pound Production</b>	Enter total pound production.
<b>Acres</b>	Enter planted acreage for each crop year within the two-year coverage module that production and gross sales are available multiplied by insureds share (net acres).
<b>Yield Descriptor</b>	Enter the appropriate yield type descriptor for average gross sales per acre. [See Exh. 12].
<b>Yield in Pounds</b>	Enter the appropriate yield in pounds. The total in-shell Pecan pounds divided by the total number of net acres.
<b>Average Gross Sales Per Acre</b>	Enter the average gross sales which are the gross sales divided by the net acres rounded to whole dollars.
<b>Added Acreage</b>	Indicate whether Revenue Report is for added acreage.
<b>Insured Printed Name, Signature and Date</b>	Insured must sign and date Revenue Report.
<b>Comments</b>	Insured and/or AIP may provide any additional information.

**1933 Production Evidence**

Settlement sheets, sales receipts, and final or year-end statements from a processor and/or buyer must indicate the weight of pecans harvested in pounds (in-shell basis rounded to the nearest whole pound) by variety excluding foreign material and the in-shell price received per pound for each day the pecans were sold (in dollars and cents). If in-shell pounds or price is not shown, documentation must be obtained to determine the in-shell pounds and price (e.g. in-shell price may be shown as the price; received per day of sales). When not all pecans have been marketed, the pounds of pecans in storage and the market price, as determined in accordance with the CP and SP, must be reported.

[See Para. 1121] for acceptable pick records, and use of pre-harvest appraisal for direct market sales. If direct market is allowed by the SP or by WA, the AIP must review for any required adjustments in determining market price.

## **1934 Excessive Actual Yield**

Procedures for excessive actual yields apply to pecans. When identified, yields are adjusted as follows: [See also Para. 1251A and Para. 1253].

- (1) Simple average of all actual yields (including excessive actual yields prior to being adjusted) and assigned yields for the same crop year for the same P/T and TMA (if applicable) for the crop in the county.

Use the applicable actual yield descriptor “AX, GX, or VX”, [see Exh. 12] to identify the simple average actual yield used instead of excessive actual yields; or

- (2) Applicable T-revenue, if the insured has no other applicable actual yields. Use a “TX” yield descriptor to identify when the applicable T-revenue replaces the excessive actual yield.

## **1935-1940 (Reserved)**

## Section 4 Summary of Revenue History

### 1941 Summary of Revenue History (SRH) Database

For Pecan Revenue, the base period is determined by consecutive crop years, not calendar years, and consists of the consecutive crop years immediately preceding the current two-year coverage module, with a minimum of four, building to six crop years in two-year increments.

**Example:** For 2014, the current two-year coverage module provides coverage for the 2014 and 2015 crop years, and the base period in the SRH database includes, at a minimum, crop years 2013 through 2010.

#### A. Completing SRH Databases

- (1) A SRH database is completed in two-year increments from Revenue Reports. One SRH database is completed by P/T/TMA as provided in the actuarial documents, by WA, and by unit. The SRH database is established the first year of the two-year coverage module and continues for the second year of the two-year coverage module.

**Exception:** Added Acreage, [see Para. 1919A] or Reductions due to PAW, PAIR and subsequent RO Determined Yield when applicable [see Para. 1968], and late or unreported gross sales [see Para. 1931C].

- (2) If at least four prior consecutive years of gross sales records are not provided, the T-revenue for the current two-year coverage module is assigned to complete the SRH database.

At least one year of gross sales records must be provided in order to prove that the minimum production requirements in the CP for the acreage were met for the unit. If only one year of gross sales records are provided, AIPs must assign gross sales by using three years of T-revenues with yield descriptor “B’s”. If two years of production and gross sales are provided, use two years of actual yields with yield descriptors “A”, “G” or “V”, as applicable plus two years of T-revenues with yield descriptor “B” to complete the SRH database for the base period.

If assigned gross sales, yield descriptor “B”, are used in place of gross sales records, the “B’s” may be replaced with actual gross sales in the next two-year crop module.

- (3) Block reporting is not applicable.
- (4) Identify each value entered in the average gross sales of the SRH with the applicable yield descriptor [see Exh. 12V].
- (5) Substitute yield [see Para. 1245] provisions are not applicable, i.e., YA.

**B. When Reporting SRH Databases**

- (1) [See CP section 10(b)] for changes in share on insurable acreage.
- (2) [See CP section 3(d)(2) and Para. 1919A] for increase in previous year's insured acreage.
- (3) [See CP sections 3(e), 6(b) and Para. 1919E-F] for removal of a contiguous block of trees or damage to trees.
- (4) For changes that may occur after insurance attaches or during the two-year coverage module, [see the CP and Para. 253, Transfer of Coverage and Right to Indemnity].

**C. Acreage Less than 1 Acre**

An SRH database cannot be established for acreage that is less than 1 acre, unless allowed by WA.

**D. Failure to Provide Acceptable Records for Determining an OU Loss.**

When an insured fails to provide acceptable records necessary to determine a loss for OUs, OUs will be adjusted or combined [see Para. 786 for combining units] to reflect the actual unit structure at the time of discovery. The insured's amount of insurance per acre will be recalculated for the current crop year and the subsequent crop year of the two-year coverage module (provided another year remains in the two-year coverage module).

**E. Added Insurable Acreage**

- (1) If using the gross sales records for the added acreage, the number of years used must not exceed the number of years in the insured's present SRH database. A minimum of two years (the most recent two years for the two-year coverage module base period applicable by county) must be shown on the SRH databases.
- (2) For the next two-year coverage module, the added net acreage and sales records with appropriate yield descriptor must be shown to account for the previous two crop years added insurable acreage within the prior two-year coverage module.
- (3) Acceptable records of production and gross sales from the prior producer must be provided or a gross sales amount will be assigned (not to exceed the T-revenue for the current two-year coverage module). [See also Para. 1950 for PAIR requirements.]

## 1941 Summary of Revenue History (SRH) Database (Continued)

### E. Added Insurable Acreage (continued)

- (4) A separate SRH database must be maintained if T-revenues (“B” yields) are used to complete the SRH database for the added land when less than 4 years of actual yields are provided. Once initial (2 or 4) “B” yields roll out of the most recent four years, the SRH database(s) must be combined into one SRH database for the unit.
- (5) For acreage added in the second year of the two-year coverage module, [see Para. 1919A].

### F. Removed Acreage

It is the insured’s responsibility to account for all prior acreage reported on the PAW. For removed blocks, the insured must indicate the removal date for the applicable acreage on the PAW. The insured must continue to report the removed acreage on subsequent PAW(s) until the related production information no longer remains in the SRH database(s) unless such acreage is accounted for by RO adjustment.

If the removed block represents an entire SRH database, annotate the removal on the PAW the initial crop year, and in subsequent crop years no further reporting of the removed SRH database is required.

If the removed acreage is part of an existing SRH database, the insured, through the AIP, may request removal of the acreage from the SRH database by submitting an RO Determined Yield request.

The AIP should select the “Other” category on the RO Determined Yield Request. If an RO Determined Yield for the removed acreage is not requested, the insured must continue to report the removed acreage on subsequent PAW(s) until related yields from the removed acreage no longer remain in the SRH database.

If a contiguous block of trees is removed from the unit after the ARD, the insured must report the removal on the acreage report within 3 days of the removal [see Sec. 3(e) of the CP and Para. 1919B above].

## 1942 Summary of Revenue History Required Elements

ELEMENT	REQUIRED INFORMATION
<b>Insured's Name, Address, Telephone Number, and Identification Number</b>	Insured's name, address, phone number, SSN, EIN or RAN, and identification number type.
<b>State County Policy No.</b>	State, county and policy number.
<b>Crop Year</b>	Enter the first year of the two-year coverage module.
<b>Practice/Type/TMA/Unit No.</b>	P/T/TMA and unit number.
<b>Legal Description, FSA Farm/Tract/Field Number</b>	Enter the section, township and range, or other descriptions for land if rectangular survey is not applicable.  If additional space is needed, attach a supplemental sheet.
<b>Others Sharing in the Crop</b>	Enter the names of others sharing in the crop. If none, enter "NONE".
<b>T-Revenue</b>	Enter the applicable T-Revenue.
<b>Crop Year of History</b>	Enter the appropriate crop year(s) within the two-year coverage module for production and gross sales being reported.
<b>Acres</b>	Applicable acreage of pecans multiplied by insured's share.
<b>Total Pounds Production</b>	Total pounds of harvested and/or appraised pecans, insured's share only (in-shell basis rounded to the nearest whole pound).
<b>Gross Sales</b>	The insured's share of pounds harvested and/or appraised pecans times the applicable in-shell average price, in accordance with the CP, reported in dollars and cents.
<b>Average Gross Sales Per Acre</b>	Enter the Average Gross Sales which is the Gross Sales divided by the Net Acres rounded to whole dollars.
<b>Yield Descriptor</b>	Indicate any yield descriptors that may apply for each average gross sales entered in the SRH database. [See Exh. 12V for yield descriptors].
<b>Total Number Of Years</b>	Enter the applicable total number of years.
<b>Total Average Gross Sales Per Acre</b>	Enter the total of the Average Gross Sales (the total of the Average Gross Sales Per Acre column).
<b>Approved Average Revenue Per Acre</b>	Enter the Approved Average Revenue Per Acre (the Total Average Gross Sales Per Acre divided by the Total Number of Crop Years) rounded to whole dollars.
<b>Yield In Pounds</b>	Enter the appropriate yield in pounds [see Para. 1932].
<b>Yield Indicator</b>	Indicate any yield indicators that may apply. [See Exh. 12U for yield indicators].
<b>Required PAIR</b>	If a PAIR is required, the "Required PAIR" box must be checked when the acreage requires an inspection. [See Para. 1948].
<b>Comments</b>	The insured and/or AIP may include any additional comments.

## 1943-1944 (Reserved)

## Section 5 PAW/PAIR/CAW

### 1945 PAW

The PAW is an insured's self-certification of the planting and other conditions of the pecans. The PAW is used by the AIP to determine insurability and other policy requirements.

#### A. PAW Submission

The insured must complete and submit a PAW by the ARD for each year of the two-year coverage module.

#### B. Failure to Submit a PAW

If the insured fails to complete and submit a PAW by the ARD, the AIP must either:

- (1) obtain the required information from the insured;
- (2) conduct a PAIR to determine the required information; or
- (3) deny coverage for the crop year.

The AIP representative may assist the insured with the PAW completion.

### 1946 PAW Required Elements

ELEMENT	REQUIRED INFORMATION
Unit Number	Enter the applicable unit number for the acreage.
Month/Year Planted	Enter the month and year trees were planted.
Month/Year Grafted	Month and year of grafting to the current variety, if applicable; otherwise, enter N/A.
Variety	Name(s) of the variety(ies) contained in this unit whether specified in the actuarial document(s) or not.
Type	Enter the applicable type from the actuarial document(s).
Number of Plants	Enter the number of bearing trees which make up the unit.
Plant Spacing	Average tree spacing and/or pattern observed within this unit (example 18.5 X 20). [See Exh. 15 for other patterns].
Planting Pattern	Enter:  "S" for Square Planting Pattern "B" for Hedgerow or Border Planting Pattern "Q" for Quincunx Planting Pattern "H" for Hexagonal Planting Pattern "D" for Double Row Planting Pattern "O" for Other Planting Pattern

## 1946 PAW Required Elements (Continued)

ELEMENT	REQUIRED INFORMATION
<b>Density</b>	<p>Calculate the tree density (number of trees per acre) as follows:</p> $\frac{\text{number of square feet per acre}}{\text{number of square feet per tree (based on the current planting pattern)}}$ <p>There are 43,560 square feet per acre.</p> <p><b>Example:</b> Based on a tree spacing of 40 X 40 = 1600 square ft., the number of trees per acre is calculated as 43,560 square ft. per acre ÷ 1600 square ft. per tree = 27 trees per acre.</p> <p>Or, if trees are being interplanted as a part of a tree replacement program and the spacing changes to 20 X 40 = 800 sq. ft., per tree, the correct density becomes 43,560 sq. ft. per acre ÷ 800 sq. ft. = 54 trees per acre.</p>
<b>Acres</b>	<p>Number of planted acres to tenths (0.10).</p> <p>It is the carryover insured's responsibility to account for all prior acreage reported. Removed acreage, shown on the SRH, should continue to be shown on the PAW until they roll out and no longer remain on the SRH database, (e.g., line through block entries and show removal date, except as otherwise allowed [see Para. 1941F]).</p>
<b>Percent Stand</b>	N/A
<b>Practice</b>	<p>Designate if the block is: Irrigated or non-irrigated; and/or Certified organic or acreage transitioning to organic.</p>
<b>Insurable or Uninsurable</b>	<p>Designate whether this unit has met insurability requirements. Refer to the policy provisions, e.g., production minimums, direct marketed to consumer, etc., the actuarial document(s), and this procedure for determining insurable and uninsurable acreage.</p> <p><b>Example:</b> Acreage must be reported as uninsurable when minimum production requirements are not met.</p> <p>When prior production or acreage is commingled, the entire commingled acreage must meet the production minimum requirements for insurability. Acreage combined to meet insurability requirements may require additional yield adjustment by the AIP or should be submitted as a RO Determined Yield Request.</p>



**1946 PAW Required Elements (Continued)**

<b>ELEMENT</b>	<b>REQUIRED INFORMATION</b>
<b>Totals (For Acres and Number of Plants)</b>	This is the last row in the table on the form used to enter the summation of the total acres and total number of trees.
<b>IMPORTANT:</b> Prior to answering these questions, the approved average revenue per acre from the preliminary SRH database must be calculated.	
<b>Has Damage (E.G., Disease, Hail, Freeze) Occurred to Trees/Vines/Bushes/Bog that Will Reduce the Insured Crop's Production from Previous Crop Years?</b>	If the insured answers "YES", then hard copy records of acreage, production, and gross sales are required.
<b>Have Practices or Production Methods (e.g., Removal, Dehorning, Grafting, Transitioning to Organic) been Performed that Will Reduce the Insured Crop's Production from Previous Crop Years?</b>	<p>If the insured answers "YES", then hard copy records of acreage, production, and gross sales are required.</p> <p>Tree thinning, hedging and top-work is considered a cultural practice change that could reduce the insured crop's gross sales below the approved average revenue and/or make the crop uninsurable.</p>
<b>Is the Current Water Supply (Surface Allotment/Well) Adequate to Produce a Normal Crop For the Crop Year Being Certified Above?</b>	<p>For irrigated practice only.</p> <p>If the insured answers "NO", hard copy records of acreage, production, and gross sales are required.</p>

## **1947 AIP PAW Review**

The AIP must use the information provided by the insured on the PAW to determine:

- (1) the insurable acreage for the current crop year; and
- (2) if a PAIR must be conducted by the AIP.

## **1948 PAW Triggers a PAIR**

A PAW triggers the need for a PAIR and a RO Determined Yield for insurability when the insured answers:

- (1) Yes to whether or not "... damage (e.g., disease, hail, freeze) occurred to Trees/Vines/Bushes/Bog that will reduce the insured crop's production from previous crop years?" .
- (2) Yes to whether or not "...practices or production methods (e.g. removal, dehorning, grafting, transitioning to organic) been performed that will reduce the insured crop's production from previous crop years?".
- (3) No to "Is the current water supply (surface allotment/well) adequate to produce a normal crop for the crop year being certified above?".

**Exception:** Unless the acreage is insured under a non-irrigated practice.

## **1949 PAIR**

A PAIR is an underwriting tool used by the AIP to:

- (1) establish insurability of the crop;
- (2) evaluate the risk to be assumed by the AIP; and
- (3) verify information provided by the insured on the PAW.

If the PAIR discloses that information provided on the PAW was incorrect or incomplete, the PAW must be corrected. The PAIR must include the applicable CAW(s).

## **1950 PAIR Requirements**

A PAIR is required for the current crop year when:

- (1) required by the policy, SP, or for WA to determine insurability;
- (2) triggered by the PAW;
- (3) an insured either does not complete a PAW or does not complete a PAW in an acceptable manner;
- (4) requested in writing by PM for county crop program;
- (5) the AIP is mandated by the policy provisions and agree in writing as a condition of insurance attachment, [see Para. 76 of the WAH];
- (6) requested by the RO if a new PAIR is necessary for the RO to approve a RO Determined Yield;
- (7) damage has occurred to trees;
- (8) cultural practices have been performed that will reduce the insured crop's production and gross sales from previous levels;
- (9) added acreage to a unit is greater than 12.5 percent of the existing acreage in the unit;
- (10) a new application is submitted; a PAIR is required not later than 30 days after the SCD and the insured must be notified of acceptance or rejection of their application; or
- (11) spot checks are completed.

A PAIR is required within the most recent five years for RO Determined Yield Request unless triggered by the PAW or new applicant.

## **1951 PAIR Waivers**

PAIRs may be waived by RMA, in writing, when an excessive number of policies require PAIRs that cannot be feasibly accomplished. The RO may provide written approval to the AIP authorizing PAIR waivers, if the AIP provides:

- (1) a written request to the RO;
- (2) the reason for the waiver;
- (3) documentation supporting an excessive number of PAIRs; and
- (4) alternative means to reasonably assess the impact to the perennial crop.

## **1952 PAIR Deadline**

The PAIR must be completed within 30 calendar days after the ARD. When a PAIR is required for a RO Determined Yield Request, it must be received in the RO no later than 45 calendar days after the ARD.

When an AIP expects that PAIRs cannot be completed within the established deadline, the AIP must notify the RO in writing to request an extension and include the reason for the extension. Based upon the information provided by the AIP, the RO may establish a revised deadline. The RO will not extend the deadline more than 60 calendar days after the ARD.

If the deadline for the RO Determined Yield Request is extended in accordance with [Para. 1967], the PAIR deadline will be extended. The PAIR must be completed and submitted with the request.

PAIRs not completed by the deadline for the RO Determined Yield Request results in a RO Determined Yield not being issued.

**Exception:** A RO Determined Yield Request will be accepted when the request results in a lower approved average revenue per acre.

**Exception:** New applications require a PAIR not later than 30 days after the SCD and the insured must be notified of acceptance or rejection of their application.

## **1953 PAIR Completion Requirements**

### **A. Inspector**

The AIP, not the insured's agent, will conduct the PAIR/CAW. The person completing the inspection must possess training equivalent to that of a loss adjuster.

### **B. Supporting Documentation**

The AIP may request that the insured provide acceptable supporting acreage, production and gross sales evidence to assist with the completion of the PAIR.

### **C. Insurable and Uninsurable Acreage**

Complete a separate CAW for insurable and uninsurable acreage.

## 1954 PAIR Required Elements

ELEMENT	REQUIRED INFORMATION
<p><b>Number of Years Insured has Operated this Unit.</b></p> <p><b>If Less than Three Years, Include Previous Owner Name and Address, if Known.</b></p>	<p>Obtain this information from the insured.</p> <p>This information will assist the inspector in determining the accuracy and completeness of the SRH databases and Revenue Reports.</p> <p>If less than three years, include previous owner name and address, if known.</p>
<p><b>Has this Unit Been Insured in Previous Years?</b></p> <p><b>If Yes, Include the Number of Years Insured and Prior Policy Number(s).</b></p>	<p>Enter “No” if the acreage in this unit has not been previously insured by the current insured or another producer.</p> <p>Enter “Yes” if the acreage in this unit has been previously insured by the current insured or another producer.</p> <p>If the unit was previously insured, review any previous PAIRs, PAWs and other policy information (e.g. SRH databases) to assist in the PAIR completion to understand any insurability concerns, whether changes have occurred in production practices or methods that may impact the insurability of the unit.</p>
<p><b>Describe Weed Control Measures Used for the Unit.</b></p> <p><b>Include a Description of the Orchard/Vineyard/Plantation/Field/Bog Floor Management, i.e., Sterile/Sod/Cover Crop.</b></p>	<p>Review with the insured and explain in detail the cultivation and/or spray program used to control weeds.</p> <p>Include a description of the current orchard or grove floor management (e.g., sterile/sod/cover crop, etc.).</p>
<p><b>Describe the Fertilization Program Used for the Unit.</b></p> <p><b>Include the Insured’s Method of Monitoring Soil Fertility, e.g., Soil Analysis, Foliar Analysis, or both.</b></p>	<p>Describe in detail the fertilization program being used for the unit.</p>

## 1954 PAIR Required Elements (Continued)

ELEMENT	REQUIRED INFORMATION
<p><b>Describe in Detail the Insect Control Measures Used (I.E., Integrated Pest Management/ Calendar Spray Program)</b></p> <p><b>Evidence of Disease/Insects (Check One):</b></p> <p><input type="checkbox"/> Rare</p> <p><input type="checkbox"/> Moderate</p> <p><input type="checkbox"/> Severe</p>	<p>Describe in detail the insect and disease control measures used by the insured (e.g., integrated pest management, a calendar spray program, methods used for organic practices, etc.).</p> <p>Identify current evidence of disease/insects as: rare, moderate or severe.</p>
<p><b>Is Tree/Vine/Bush/Plant Replacement Program Being Carried Out?</b></p> <p><b>If Applicable, is Fumigation Used in the Replacement Program?</b></p>	<p>Determine the insured's tree replacement program. Are dead or diseased trees replaced? If so, explain how.</p> <p>If applicable, indicate if fumigation is used in the replacement program.</p>
<p><b>Crops Grown Primarily For:</b></p> <p><input type="checkbox"/> Fresh Market</p> <p><input type="checkbox"/> Processor</p> <p><input type="checkbox"/> Juice Market</p>	<p>Although the terms are not generally used for pecan marketing, the AIP must describe the primary use of the crop and/or how the insured typically markets their crop.</p>
<p><b>What Date is Harvest Completed For the Unit Under Normal Conditions?</b></p>	<p>Determine the normal harvest completion date from the insured.</p>
<p><b>Describe in Detail the Use and Placement of Bees for Pollination.</b></p> <p><b>Include Type, Quality, Quantity and Location.</b></p>	<p>N/A</p>

## 1954 PAIR Required Elements (Continued)

ELEMENT	REQUIRED INFORMATION
<p><b>Describe in Detail the Irrigation Water Source.</b></p> <p><b>Surface:</b></p> <ul style="list-style-type: none"> <li>Percentage of Total Supply</li> <li>Irrigation District Name</li> <li>Allocation Last Year Percentage of Normal</li> <li>Expected Allocation This Year's Percentage of Normal</li> </ul> <p><b>Irrigation:</b></p> <ul style="list-style-type: none"> <li>Wells: Percentage of Normal;</li> <li>How Many Wells?</li> </ul> <p><b>Total Gallons per Minute?</b></p>	<p>Describe in detail the irrigation source(s).</p> <p>Obtain from the insured, water source(s) and irrigation district(s) from which water is allocated, allocation percentage, and irrigation well information.</p> <p>Include any information regarding water obtained through water transfers (transfer volume and number per year) and any potential curtailment of current and future water supplies, as well as pumping rate.</p>
<p><b>Is the Unit Subject to Above Normal Flood Hazard? If so, Explain.</b></p>	<p>Determine whether any abnormal flood hazards exist.</p> <p>Explain in detail.</p>
<p><b>Are There Soil Limitations (E.G., Slope, Depth, Drainage, pH, Saline/Alkali, Toxicity)?</b></p> <p><b>If so, Explain.</b></p>	<p>Discuss with the insured (and perform an assessment) to determine any potential soil limitations (e.g., slope, depth, drainage, pH, saline, or alkaline toxicity, etc.).</p> <p>Other resources should also be considered when appropriate, such as soil maps.</p> <p>Areas of frequent replanting or stunted growth may indicate that soil limitations exist.</p> <p>Explain in detail.</p>
<p><b>Describe in Detail:</b></p> <ul style="list-style-type: none"> <li>The Pruning Practices Used</li> <li>The Date Normally Completed</li> </ul> <p><b>Indicate Whether Pruning is Annual or Biennial.</b></p>	<p>Describe in detail the pruning practices used, date normally completed, and whether pruning is annual, biennial, etc.</p> <p>Indicate if there is excessive pruning or top working which affect production of the crop to be insured.</p>

**1954 PAIR Required Elements (Continued)**

ELEMENT	REQUIRED INFORMATION
<b>Describe in Detail the Varieties Being Used as Pollinator(s).</b>  <b>Include:</b> <ul style="list-style-type: none"><li>▪ Variety</li><li>▪ Location</li><li>▪ Quantity</li><li>▪ Density</li><li>▪ Configuration.</li></ul>	Describe in detail the varieties used as a pollinizer when applicable.  Include variety, location, quantity, density, and configuration.
<b>Measured or Determined Acres of Unit</b>  <b>Total Unit Acreage Insurable and Uninsurable</b>  <b>Method(s) of Measurement</b>	Enter the total unit acreage (insurable and uninsurable) and the methods of measurement.
<b>Measured or Determined Acres of Unit</b>  <b>Total Unit Acreage Insurable</b>	Enter the total unit insurable acreage .
<b>Determine Whether Current Observed Conditions Reconcile to Prior Records</b>	Review the SRH database for prior production, gross sales, and acreage as compared to the current acreage and varieties based upon the PAIR.  Note any inconsistencies and reconcile tree removals, replacements, top-working, hedging, grafting, production or practice changes, etc.  This review will assist in determining acceptability of prior revenue records and insurability determinations for the current crop year.



**1954 PAIR Required Elements (Continued)**

ELEMENT	REQUIRED INFORMATION
<p><b>Percent Stand</b></p> <ul style="list-style-type: none"> <li>▪ <b>Less Than 50 %</b></li> <li>▪ <b>50-60 %</b></li> <li>▪ <b>61-70 %</b></li> <li>▪ <b>71-80 %</b></li> <li>▪ <b>81-90 %</b></li> <li>▪ <b>91-100 %</b></li> </ul>	<p>N/A</p>
<p><b>Determine the Current Unit Potential:</b></p> <p><input type="checkbox"/> <b>Stable</b></p> <p><input type="checkbox"/> <b>Declining</b></p> <p><input type="checkbox"/> <b>Increasing</b></p>	<p>Evaluate and describe the unit's current crop potential as stable, declining or increasing.</p>
<p><b>Do Trees/Vines/Bushes/Plants have Sufficient Vigor to Produce the Preliminary APH Yield Computed for this Unit?</b></p> <p><b>Note Overall Plant Vigor as:</b></p> <p><input type="checkbox"/> <b>Good</b></p> <p><input type="checkbox"/> <b>Average</b></p> <p><input type="checkbox"/> <b>Poor</b></p>	<p>These are subjective questions requiring evaluation of the unit's vigor relative to the preliminary SRH approved average revenue.</p> <p>Note the amount of tree growth, limb size, and color, and other factors which indicate the unit's ability to produce the preliminary approved average revenue per acre.</p> <p>Note the overall plant vigor as: good, average or poor.</p>
<p><b>If Applicable, Provide Inside Bin Measurements</b></p>	<p>N/A</p>
<p><b>Insurable Acreage and Tree/Vine/Bush/Bog Information, Complete Check Boxes</b></p>	<p>Complete a CAW(s) for the acreage being inspected.</p> <p>Verify PAW(s) entries, making any corrections needed, and initial the PAW.</p>
<p><b>Uninsurable Acreage and Tree/Vine/Bush/Bog Information, Complete Check Boxes</b></p>	<p>Complete a CAW(s) for the acreage being inspected.</p> <p>Verify entries on PAW(s), making any corrections needed, and initial the PAW.</p>

## 1954 PAIR Required Elements (Continued)

ELEMENT	REQUIRED INFORMATION
<p><b>Obtain and Attach Aerial Photo(s)/Map(s).</b></p>	<p>Obtain aerial photo(s) and/or maps (e.g., GPS) with blocks, units, and legal description, must be clearly identified.</p> <p>When the aerial photo(s) and/or map(s) (e.g., GPS) are not available, include a hand sketch map with the following information:</p> <p>(a) identify the location of separate units for the same insured. The unit location must identify roads, the nearest intersection, landmarks along with cardinal directions (e.g., a north arrow);</p> <p>(b) identify the location of blocks within one unit. Sketch out the blocks, showing the exact location of each block in relation to other blocks in the unit. Label each block with a Block Number and any other applicable identification (e.g., home farm); and</p> <p>(c) include an overall sketch map of all units.</p>
<p><b>Additional Information and Comments (Attach Additional Sheets as Necessary)</b></p>	<p>Additional notes and observations, which will assist the verifier in relating unit information to actual average gross sales contained within the SRH database.</p> <p>Include additional sheets, as necessary, referencing appropriate items.</p>
<p><b>Your Evaluation Of The Management of This Operation: (Above Average; Average or Below Average)</b></p> <p><b>Your Evaluation of the Orchard/Vineyard/Bog/ Grove/Field Condition: (Above Average; Average or Below Average)</b></p>	<p>These are subjective questions requiring consideration for overall evaluation of management and conditions of the unit.</p> <p>Evaluate each block to determine if light penetration into the canopy is sufficient to stimulate nut development. Rate as above average, average, or below average based on the Inspector's review.</p>
<p><b>Action Recommended:</b></p> <p><b>Acceptance, RO Determined Yield Request, Rejection</b></p>	<p>Provide recommended action. Sign and date the report.</p> <p>Attach, and if needed, provide any applicable CAW, SRH database(s), PAW, revenue records, and acreage determinations.</p>

## 1954 PAIR Required Elements (Continued)

Key items the Inspector should consider in conducting the PAIR are:

- (1) Age by block;
- (2) Damage to the tree(s);
- (3) Date of any sequential thinning or hedging;
- (4) Whether the orchard/grove is being maintained in a recommended manner with adequate tree spacing, no over-crowding of adjoining tree branches, good orchard/grove floor management practice;
- (5) Review of marketing methods. A review of records may determine whether any direct market of production occurred. Direct marketing is insurable only as provided by the SP or WA;
- (6) Verification of correct practice in counties with separate irrigated and non-irrigated practices. If reported as irrigated, an adequate water supply and functional irrigation system must be verified; and
- (7) A review of production records to determine if the insured acreage meets the minimum production requirement of 600 pounds of in-shell pecans per acre unless otherwise provided in the SPs.

The above key items, as well as, other information shown on the PAIR/CAW, and certification by the insured on the PAW/SRH, must be considered in completion of the PAIR/CAW.

## **1955 CAW Information**

A CAW is an underwriting tool used by the AIP to:

- (1) establish insurability of the crop;
- (2) evaluate the risk to be assumed by the AIP; and
- (3) verify information provided by the insured on the PAW.

The CAW is a part of the PAIR, and is used to collect specific information for the crop being inspected and is completed while completing the PAIR by the AIP. Because the CAW must be completed in conjunction with the PAIR, it is due with the PAIR, or the date established by the RO.

[See Exh. 15G for the collective “Almonds, Citrus, Figs, Fresh Plums, Macadamia Nuts, Pecans, Prunes, Stonefruit, Walnuts” CAW completion requirements.]

Refer to the crop provisions and/or actuarial document(s) for determining insurable and uninsurable acreage.

A separate CAW must be completed for insurable and uninsurable acreage.

## **1956-1966 (Reserved)**

## Section 6 RO Underwriting

### 1967 RO Determined Yield Request Requirements

#### A. Deadline

A RO Determined Yield request must be signed by the insured and submitted by the AIP, with any applicable inspections, to the RO no later than 45 calendar days after the ARD.

A RO Determined Yield Request deadline may be extended when:

- (1) the request requires a PAIR and the PAIR deadline was extended by the RO [see Para. 1952];
- (2) the request results in a lower approved average revenue per acre; or
- (3) an insured notifies the AIP of a change in practice.

When a RO Determined Yield Request deadline is extended, the RO Determined Yield Request must be signed by the insured and submitted by the AIP to the RO no later than 60 calendar days after the ARD.

- (1) For a timely submitted request, any additional information requested by the RO must be submitted by the AIP within 20 calendar days from the date of notification from the RO or by the date specified in the RO's request.
- (2) If the request and required supporting documentation are not received by the applicable date, they will be considered unacceptable. A RO Determined Yield will not be issued.

**Exception:** A RO Determined Yield Request will be accepted when the request results in a lower approved average revenue per acre.

#### B. Required Documentation

A RO Determined Yield Request must include all of the following.

- (1) PAW;
- (2) Revenue Report(s);
- (3) SRH database(s);
- (4) Acreage Report;
- (5) A current PAIR and CAW;
- (6) Color photos representative of the condition of the orchards/sub-orchards or grove/sub-grove(s);

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**1967 RO Determined Yield Request Requirements**

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**B. Required Documentation (continued)**

(7) If not already documented on the PAIR, a narrative providing details addressing:

- (a) The health or condition of trees in the orchards/sub-orchards or grove/sub-grove(s);
- (b) The causes of damage (insured or uninsured) and estimated dates of the tree canopy damage or change in cultural practice;
- (c) The expected production of the orchard/grove; and

(8) Any additional supporting documentation

The RO will utilize any additional supporting documentation (e.g., letters from agricultural experts, lab reports, etc.) that may be useful in determining the appropriate amount of insurance on which the premium and any indemnity will be based.

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**1968 RO Determined Yield Request**

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A RO Determined Yield may be requested [see Para. 1581], when applicable, for the following:

**A. Higher Yield Requests**

Higher Yields can be requested for other changes in management practices (i.e., change in practice from non-irrigated to irrigated, RO determined yields “F” in two year increments up to the most recent four years may be applicable where higher non-irrigated history is provided).

**B. Gross Sales Reduced Below the Approved Average Revenue Per Acre.**

Any action, including sequential thinning, that is taken that may reduce the insured’s gross sales below their approved average revenue for a unit, may result in an adjustment to the approved average revenue.

**C. Change in Practice or Production Methods**

Change in practice or production methods, triggers a PAIR and subsequent RO Determined Yield.

**D. Removed and/or Damaged Acreage**

Damage resulting in any reduction in production and damage to the tress of 15 percent or more across the grove, triggers a PAIR and subsequent RO Determined Yield request.

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**1969-1975 (Reserved)**

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