

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



FORAGE LOSS ADJUSTMENT STANDARDS HANDBOOK

Product
Development
Division

FCIC -25150 (09-2000)
FCIC -25150-1 (04-2001)
FCIC -25150-2 (05-2001)
FCIC -25150-3 (12-2001)

2002 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25150 (09-2000) 25150-1 (04-2001) 25150-2 (05-2001) 25150-3 (12-2001)
SUBJECT: FORAGE LOSS ADJUSTMENT STANDARDS HANDBOOK 2002 AND SUCCEEDING CROP YEARS	DATE: December 10, 2001	
	OPI: Product Development Division	
	APPROVED: <i>/s/ Tim B. Witt</i> Deputy Administrator, Risk Management Agency	

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2002 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR THIS CROP FOR 2002 AND SUCCEEDING CROP YEARS, ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

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

Changes for December 2001 Issuance (FCIC-25150-3)

- A. Modified language in Section 3A(1)(c) and (2) to match the Forage Production Crop Provisions.
- B. Modified language in Section 3B(4) to match the Forage Seeding Crop Provisions.
- C. Added newly developed standards language for section 3C(3).
- D. Modified language in Section 6F(4)(a), “machine-mowing height (not to exceed three inches),” to “machine-mowing height (as appropriate for the terrain).”

FORAGE LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (continued)

CONTROL CHART FOR: FORAGE LOSS ADJUSTMENT STANDARDS HANDBOOK						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-2		3-4 11-12		05-2001 09-2000 04-2001	FCIC-25150-2 FCIC-25150 FCIC-25150-1
Insert	1-2		3-4 11-12		11-2001 11-2001	FCIC-25150-3 FCIC-25150-3
Current Index	1-2	1-4	1-2 3-4 5-10 11-12 13-14 15-50	51-54 55-56 57-67	11-2001 09-2000 11-2001 09-2000 11-2001 04-2001 09-2000 05-2001 09-2000	FCIC-25150-3 FCIC-25150 FCIC-25150-3 FCIC-25150 FCIC-25150-3 FCIC-25150-1 FCIC-25150 FCIC-25150-2 FCIC-25150

Spring planted (FP) (FS)	A forage crop seeded before July 1.
Windrow (FP)	Forage that is cut and placed in a row.
Year of Establishment (FP)	The period between seeding and when the forage production crop has developed an adequate stand. Insurance during the year of establishment may be available under the forage seeding policy. Insurance under this policy does not attach until after the year of establishment. The year of establishment is determined by the date of seeding. The year of establishment for spring planted forage is designated by the calendar year in which seeding occurred. The year of establishment for fall planted forage is designated by the calendar year after the year in which the crop was planted.

3. INSURANCE CONTRACT INFORMATION

The insurance provider is to determine that the insured has complied with all policy provisions of the insurance contract. Crop provisions which are to be considered in this determination include (but are not limited to):

A. FORAGE PRODUCTION INSURABILITY

- (1) The crop insured will be all the forage production in the county for which a premium rate is provided by the actuarial documents, in which the insured has a share, and:
 - (a) that is grown during one or more years after the year of establishment;
 - (b) that has an adequate stand at the beginning of the insurance period;
 - (c) that is not grown with a non-forage crop; or
 - (d) does not exceed the age limitations for the forage stands contained in the Special Provisions.
- (2) In addition to the causes of loss specifically excluded in the Basic Provisions, insurance is not provided against damage of loss of production that occurs after removal from the windrow.

B. FORAGE SEEDING INSURABILITY

- (1) The crop insured will be all the forage seeding in the county for which a premium rate is provided by the actuarial documents, in which the insured has a share, and:
 - (a) that is planted during the current crop year, or replanted during the calendar year following planting, to establish a normal stand of forage;
 - (b) that is not grown with the intent to be grazed, or not grazed at any time during the insurance period; and
 - (c) that is not interplanted with another crop, except nurse crops, unless allowed by the Special Provisions or by written agreement;
- (2) IN CALIFORNIA COUNTIES LASSEN, MODOC, MONO, SHASTA, SISKIYOU AND ALL OTHER STATES, any acreage of the insured crop damaged before the final planting date, to the extent that such acreage has less than 75 percent of a normal stand, must be replanted unless the insurance provider agrees that it is not practical to replant; and
- (3) In California, unless otherwise specified in the Special Provisions, any acreage of the insured crop damaged anytime during the crop year to the extent that such acreage has less than 75 percent of a normal stand must be replanted unless it cannot be replanted and reach a normal stand within the insurance period.
- (4) The amount of indemnity on any spring planted acreage will be reduced 50 percent if the stand is less than 75 percent but more than 55 percent of a normal stand. Follow the procedure outlined above for acreage with stand less than 55 percent.

C. PROVISIONS NOT APPLICABLE TO CAT COVERAGE

- (1) Optional units.
- (2) Written Agreements.
- (3) Hail and Fire Exclusion provisions (also not applicable if additional coverage is less than 65/100 or comparable coverage).
- (4) High-Risk Land Exclusion.
- (5) Replanting payments.

D. UNIT DIVISION

See the insurance contract for unit provisions. **NOTE:** Unless limited by the Crop or Special Provisions, a basic unit, as defined in the Basic Provisions, may be divided into optional units if, for each optional unit, all the conditions stated in the applicable provisions are met.

NOTE: Forage Seeding: A basic unit will also be divided into additional basic units by spring planted and fall planted acreage.

F. WEIGHT METHOD APPRAISALS

- (1) This procedure is for growers who destroy or put to other use, such as graze, all or part of a forage production field prior to the final cutting. This procedure is used to appraise acreage of alfalfa, alfalfa/grass mixtures, red clover, or grass alfalfa mixtures.
- (2) Adjusters will use stand count where applicable, harvested production from prior cuttings, vigor of the existing stand, and local area growing conditions to determine if the harvested and appraised potential will equal or exceed the insured's approved APH Yield.
- (3) Calculate the projected potential appraisal on the Appraisal Worksheet. Determine the current appraisal, and use the remaining space in the body of the worksheet to multiply the appropriate cutting factor (e.g., 0.67, 0.40, etc.; refer to **TABLE E (1)** or **TABLE E (2)**) times either the current appraisal (in cases where the harvested and appraised potential is less than 100 percent of APH yield) or the insured's APH yield (in cases where the harvested and appraised potential equals or exceeds 100 percent of the APH yield).
- (4) Alfalfa, alfalfa-grass mixtures, and red clover
 - (a) Use one of the measuring devices described in **EXHIBIT 1** to outline each sample area by tossing the device into representative areas of the field. Cut all plants within each sample area (pruning shears or scissors) at mowing-machine height **(as appropriate for the terrain)**.

NOTE: Retain all samples for use in determining moisture percentage.
 - (b) Weigh the plants in each sample for entries on the Appraisal Worksheet. When all of the samples have been gathered, determine the average percent of moisture by using the cuttings from all samples (refer to subparagraph H for instructions). The appraised weight will be adjusted by the factor obtained when the Moisture and Weight Adjustment (**TABLE C**) is applied to the average percent of moisture in the forage.
- (5) Grass alfalfa mixtures
 - (a) Appraise these when the majority of the field is heading; i.e., the head is out of the whorl. If the forage grass(es) is a non-heading species or is ordinarily harvested before heading, arrange to appraise it when harvest of the species is general in the locality.
 - (b) Select samples, weigh them, determine moisture content, and calculate the appraisal as described above for alfalfa, alfalfa-grass mixtures, and red clover.

NOTE: Where the appraisal of an unharvested cutting **precedes other use** of the acreage (plowing for crop rotation grazing, etc.), refer to **subparagraph F** instructions for calculating the **total** seasonal appraisal.

- (6) Appraisals generally are needed because the crop is damaged. The following steps are used in calculating the harvested and appraised production to count. The production to count for indemnity purposes is the harvested production, and the current appraisal plus the projected appraisal from future cuttings.
- (a) Use the factor from the “LESS THAN APH YIELD” table (**TABLE E (1)**) to project the potential production in order to determine whether the “LESS THAN APH YIELD” table or “EQUAL TO OR GREATER THAN APH YIELD” table (**TABLE E (2)**) will actually be used to establish the projected appraisal from future cuttings.
 - (b) Multiply the current appraisal by the appropriate factor from (**TABLE E (1)**) to determine the projected potential appraisal.
 - 1 If the harvested production per acre, plus the current appraised production, plus the projected appraisal from future cuttings determined in (b) above is LESS THAN the approved APH yield, the appraised production for the claim for indemnity will be the current appraisal plus the projected appraisal from future cuttings determined in (b). Refer to **EXAMPLE 1** below.
 - 2 If the harvested production per acre, plus the current appraisal, plus the projected appraisal from future cuttings determined in (b) above is EQUAL TO OR GREATER THAN the approved APH yield, refer to **TABLE E (2)** and follow the instructions in the appropriate block to determine the projected appraisal from future cuttings. The appraised production for the claim will be the current appraisal plus this projected appraisal from future cuttings. Refer to **EXAMPLE 2** below.

EXAMPLE 1:

The insured has 10.0 acres of insured non-irrigated alfalfa which he plans to destroy (mechanically or chemically). The approved APH yield is 10.0 tons/acre based on three cuttings per year, however, only one cutting was made this year that yielded 4.0 tons (4.0 tons/acre). The insured requested an appraisal to determine potential production. The adjuster's current appraisal of 2.5 tons/acre after the first cutting.

$$* \quad 2.5 \text{ tons} \times .40 \text{ (factor from TABLE E (1) - Before 2}^{\text{nd}}/3 \text{ NI)} = 1.0 \text{ tons}$$

$$4.0 \text{ tons} + 2.5 \text{ tons} + 1.0 \text{ tons} = 7.5 \text{ tons (less than APH yield of 10.0 tons/acre)}$$

The sum of the harvested and appraised production is less than the APH yield, the appraised potential will be 3.5 tons/acre (2.5 tons current appraisal + 1.0 ton projected appraisal from future cuttings)

EXAMPLE 2:

The insured has 10.0 acres of insured non-irrigated alfalfa which he plans to plow up. The approved APH Yield is 10.0 tons/acre. Based on three cuttings per year, but made only one cutting this year that yielded 55.0 tons (5.5 tons/acre). The insured requested an appraisal to determine potential production. The current appraisal is 3.9 tons/acre after the first cutting.