

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Product
Development
Division

FCIC-25010 (3-2003)
FCIC-25010-1 (4-2003)

LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK

2003 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK	NUMBER 25010 (3-2003) 25010-1 (4-2003)
SUBJECT: LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK 2003 and SUCCEEDING CROP YEARS	DATE: April 2, 2003
	OPI: Product Development Branch
	APPROVED: <i>/S/ Tim B. Witt</i> Deputy Administrator, Research and Development

SUMMARY OF CHANGES/CONTROL CHART

Major Changes: **Highlight** identifies changes or additions in the text. Three stars (***) identify where information has been removed.

Changes for April 2003 Issuance (FCIC-25010-1):

1. PAR. 45 D (2)
(c) 1 and 2 Moved the graphics to correspond with the appropriate text due to graphics being erroneously switched.

2. PAR. 77 C (1)
(a) 1 In the "NOTE," changed "(no more than a 6 foot break)" to "(no more than a 30-foot break)." This change will allow a passage large enough for several cattle to pass through at a time and, if needed, will accommodate a tractor or other equipment to pass through to access the water or livestock.

3. PAR. 98 In the Metric Conversion Table, corrected the metric symbol and metric unit of measure for conversion to feet. The metric unit of measure was incorrectly changed in the March 2003 issuance instead of correcting the metric symbol.

LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)_

CONTROL CHART FOR: LOSS ADJUSTMENT MANUAL STANDARDS HANDBOOK						
	SC Page(s)	TC Page(s)	Text Page(s)	Exhibits	Date	Directive Number
Remove	1-6		71-72		03-2003	FCIC-25010
			127-128		03-2003	FCIC-25010
			181-182		03-2003	FCIC-25010
Insert	1-2		71-72		04-2003	FCIC-25010-1
			127-128		04-2003	FCIC-25010-1
			181-182		04-2004	FCIC-25010-1
Current Index	1-2	1-8	1-70		04-2003	FCIC-25010-1
			71-72		03-2003	FCIC-25010
			73-126		04-2003	FCIC-25010-1
			127-128		03-2003	FCIC-25010
			129-180		04-2003	FCIC-25010-1
			181-182		03-2003	FCIC-25010
			183-236		04-2003	FCIC-25010-1
			1(237-254)		03-2003	FCIC-25010
			2(255-262)		03-2003	FCIC-25010
			3(263-265)		03-2003	FCIC-25010
			4(266-268)		03-2003	FCIC-25010
			5(269-270)		03-2003	FCIC-25010
			6(271-272)		03-2003	FCIC-25010
			7(273-274)		03-2003	FCIC-25010
			8(275)		03-2003	FCIC-25010
			9(276-277)		03-2003	FCIC-25010
			10(278-279)		03-2003	FCIC-25010
			11(280-283)		03-2003	FCIC-25010
			12(284-288)		03-2003	FCIC-25010
			13(289)		03-2003	FCIC-25010
14(290-298)		03-2003	FCIC-25010			
15(299-300)		03-2003	FCIC-25010			
16(301-304)		03-2003	FCIC-25010			
17(305-307)		03-2003	FCIC-25010			
18 (308-316)		03-2003	FCIC-25010			

- b New land or a new practice (irrigated or non-irrigated), type or variety is added to the operation for the current crop year that meets all optional unit requirements, and the insured:
 - i has not produced the crop,
 - ii is not providing records from another person sharing in the crop on that acreage, and
 - iii intends to keep separate acreage and production records according to optional unit provisions.

NOTE: Verifiers (as applicable, RMA RO or insurance providers) have the option of considering a bona fide zero acreage report for a unit as a production report for that unit.

(b) **Separate Optional Units Determined By:**

- 1 **Section**, for most crops, when the Rectangular Survey System is applicable. For the purpose of the unit structure, a section is defined as a unit of measure under the rectangular survey system describing a tract of land usually one mile square and containing approximately 640 acres.
- 2 **Section equivalents**, such as Spanish land grants, railroad surveys, leagues, labors, and Virginia Military Lands in the absence of section descriptions. Each section equivalent must contain 640 acres or more.
- 3 **Separate FSA FSN's:**
 - a in the absence of sections, section equivalents, or other unit division arrangements approved by FCIC;
 - b in areas where survey boundaries are not readily discernable;
 - c in Alabama, Arkansas, Florida, Louisiana, Mississippi, and South Carolina for barley, corn, cotton, grain sorghum, oats, rice, rye, soybeans, and wheat.

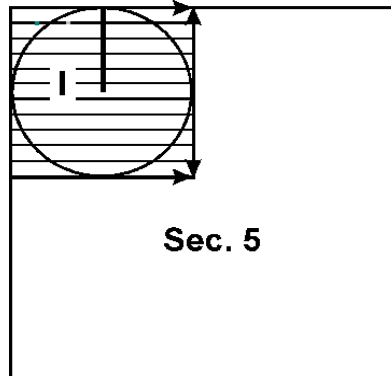
NOTE: See Exhibits 2, 3, 4, and 5 in the CIH for further explanation and illustrations. The boundaries of the section, section equivalent, or FSA FSN must be easily identifiable by the insurance provider without using survey instruments or locating survey markers.

- 4 **Irrigated and non-irrigated practices** within a single section (section equivalent, or FSA FSN) may qualify for separate optional units, provided such division is allowed by the crop policy and all requirements in subparagraph D (2) (a) above are met. For annual crops, this includes the non-irrigated corners of a field in which a center pivot irrigation system is used to irrigate the insured crop.

(c) **Center pivot irrigation systems for all annual crops for which the crop policy permits unit division for irrigated and non-irrigated practices.**

- 1 If the crop's planting pattern/rows continue into one or more non-irrigated corners of the field and the portion of the field irrigated by a center pivot irrigation system (circle), the acreage within intersecting lines drawn at right angles to the radius of the center pivot is NOT eligible for a separate optional non-irrigated unit.

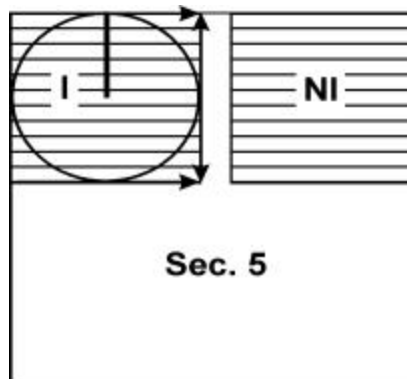
(One Unit)



NOTE: The acres and production from the non-irrigated corners of a field planted to the insured crop may be included in the irrigated acreage. A separate line entry for a non-irrigated practice is not required on the acreage report for the corners of the field when they are considered to be irrigated. Refer the CIH for further information.

- 2 If the crop's planting pattern/rows continue between the non-irrigated corners of the field and the portion of the field irrigated by a center pivot irrigation system (circle), but do NOT extend into other non-irrigated acreage in the same section, section equivalent, or FSN; other non-irrigated acreage can qualify as a separate non-irrigated optional unit if the requirements in subparagraph D (2) (a) above are met.

(May qualify for two units.)



- (4) The insured does not agree with the initial appraisal of the acreage to be released, and the insurance provider agrees to allow the insured to leave representative sample areas, as described herein.
- (5) Such sample areas are otherwise required by the policy (e.g., for grain deficient corn silage).

NOTE: PAR. 77 is not referring to the policy provisions that require the insured to leave representative areas of the insured crop if the insured initially discovers damage within 15 days of, or during harvest.

B Insured's Agreement. When representative sample areas of immature production are established for appraisal purposes, the insured **MUST** agree, in writing:

- (1) to leave the size, number and location of representative sample areas, per field, selected by the adjuster (as described below). The sample areas must remain intact until the time they are appraised;
- (2) to care for the representative sample areas in the same manner as if they were to be harvested and this care must continue until the areas are appraised;
- (3) that production for the acreage released will be determined from appraisals from the sample areas, unless the insured fails to comply with any part of this agreement; and
- (4) that when the released acreage is to be grazed, to protect the representative sample areas from livestock by fencing or an equally effective barrier that is acceptable to the insurance provider. The fencing or effective barriers must remain in place until completion of the appraisal

NOTE1: Include on or attached to the agreement the items listed in C (4) below.

NOTE 2: Insurance providers may choose to leave representative sample areas due to disagreement with the initial appraisal. When this is done, some crop provisions state that the representative areas must be left and properly cared for until the crop has matured. **However, if the insurance provider determines there is no insured cause of loss present when the producer requests acreage to be released to be put to another use (e.g., grazing), then no deferred appraisal will be allowed. The insured must decide whether to take the appraisal, carry the crop to harvest, or in the case of short-rated wheat, take the short rate and graze or destroy the acreage by mechanical means as stated in the Special Provisions.**

C Adjuster's Instructions for First On-the-Farm Inspection

NOTE: Insureds' disagreement of an appraisal must be from the appraisal made prior to giving consent to put acreage to another use.

Do the following while on the first on-the-farm inspection:

- (1) Select at **least two or more** representative sample areas of the crop (per field) that:
 - (a) are at **least** the following size:

1 For fields where the direction of the rows

- a **follow the length of the field**, at least 10 feet wide and extend the entire length of the field. (Appraisal samples must not be taken in the same area of the strip; move down or up the strip for each sample.) To assure that adequate care of the crop can be achieved, it may be necessary to require the width of the sample area to be the width needed to maintain the crop with the equipment used to care for the crop up to the time the crop would be appraised.

NOTE: When acreage has been released for grazing and the only access the livestock has to a permanent structure containing water (e.g., pond, lake, etc.) is through the field, a small break (no more than a 30-foot break) in the length of the strip may be left for the cattle to pass through, provided the ends of the break are also fenced.

- b **are other than the length of the field** or contour farming is involved, it may be more practical to not have strips that actually extend the entire "length" of the field. In these cases, use the following procedures:
- i the shorter strips must accumulatively reflect the minimum area stated in (a) 1 above, and
 - ii must be sufficient enough in size to provide buffer areas of a size large enough to ensure that the area from which the appraisal will be extracted will not be exposed to damage in excess of what would be experienced had the crop not been released (e.g.; excessive drying, insect or weed infestation, grazing, etc.). There must be at least 10 feet of surrounding buffer area.

2 **For crops planted with row widths wider than small grains are normally planted**, the width of each sample must be wider than 10 feet and must be wide enough to maintain the crop with the equipment used to maintain the crop (i.e., sprayer with a 30 foot boom, cultivation with a six row cultivator, etc.) and large enough to ensure that the area from which the appraisal will be extracted will not be exposed to damage in excess of what would be experienced had the crop around the sample not been released (e.g.; excessive drying, insect or weed infestation, grazing, etc.). When wider widths are needed, the square feet of each representative area can be equivalent to the square feet of 10 feet X length of field).

- (b) Will enable, at least, the minimum recommended number of samples stated in the crop handbook to be selected on a proportional basis to the acreage represented. See example below for an explanation of what samples to be selected on a proportional basis means.

EXAMPLE: The minimum representative samples required are five for the acreage being appraised. The adjuster has determined that splitting the field into subfields is inappropriate because although one-third of the field is in uniformly satisfactory condition and two-thirds of the field is in uniformly poor condition, the respective portions are randomly scattered across the field. To maintain the proper proportionate sampling as it relates to

97 TABLE TO CONVERT FRACTIONS TO PERCENT FIGURES

TABLE TO CONVERT FRACTIONS TO PERCENT FIGURES																	
	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th
1	.333	.250	.200	.167	.143	.125	.111	.100	.091	.083	.077	.071	.067	.063	.059	.056	.053
2	.667	.500	.400	.333	.286	.250	.222	.200	.182	.167	.154	.143	.133	.125	.118	.111	.105
3		.750	.600	.500	.429	.375	.333	.300	.273	.250	.231	.214	.200	.188	.176	.167	.158
4			.800	.667	.571	.500	.444	.400	.364	.333	.308	.286	.267	.250	.235	.222	.211
5				.833	.714	.625	.556	.500	.455	.417	.385	.357	.333	.313	.294	.278	.263
6					.857	.750	.667	.600	.545	.500	.462	.429	.400	.375	.353	.333	.316
7						.875	.778	.700	.636	.583	.538	.500	.467	.438	.412	.389	.368
8							.889	.800	.727	.667	.615	.571	.533	.500	.471	.444	.421
9								.900	.818	.750	.692	.643	.600	.563	.529	.500	.474
10									.909	.833	.769	.714	.667	.625	.588	.556	.526
11										.917	.846	.786	.733	.688	.647	.611	.579
12											.923	.857	.800	.750	.706	.667	.632
13												.929	.867	.813	.765	.722	.684
14													.933	.875	.824	.778	.737
15														.938	.882	.833	.789
16															.941	.889	.842
17																.944	.895
18																	.947

98 METRIC CONVERSION TABLE

FROM METRIC TO BRITISH UNITS OF MEASUREMENT				
LENGTH	SYMBOL	WHEN YOU KNOW	MULTIPLY BY:	TO FIND:
	mm	Millimeters	0.04	inches
	Cm	Centimeters	0.4	inches
	M	Meters	3.3	feet
	M	Meters	1.1	yards
	Km	kilometers	0.6	miles
AREA	Cm ²	square centimeters	0.16	square inches
	m ²	square meters	1.2	square yards
	Km ²	square kilometers	0.4	square miles
	Ka	hectares	2.5	acres
VOLUME	m ³	cubic meters	35	cubic feet
	m ³	cubic meters	1.3	cubic yards
MASS (Weight)	G	grams	0.035	ounces
	Kg	kilograms	2.2	pounds
	T	tonnes	1.1	tons

99 RECORDING FARM-STORED PRODUCTION ON THE CLAIM FORM

A Reference. For production weighed prior to farm-storage, see PAR. 93.

B For Production Not Weighed Prior to Storage

(1) For square, rectangular, and round storage structures.

Entries for internal measurements of structural space occupied by the crop, test weight, and any entries for moisture, dockage, production not to count, and/or quality will be entered in the appropriate columns on the claim form as instructed in the crop handbook. From these entries the net production-to-count will be calculated for the storage structure(s).

NOTE: Outside measurements of storage structures may be used when internal measurements cannot be obtained; however, the dimension used should reflect the internal space occupied by the crop taking the wall-thickness into consideration. Do not adjust circumference measurements of steel bins for the wall-thickness of the structure because the circumference range on the Round Bin Conversion Chart (Exhibit 14) accommodates varying wall-thickness.

(2) ALL OTHER STRUCTURES (Hexagon, Octagon, Odd Shaped, etc.)

- (a) If the insurance provider's Production Worksheet requires calculation of gross production for odd-shaped structures, hand calculate gross production adjusted by test weight from these structures, and enter in the column used for gross production on the claim form.
- (b) If the insurance provider's Production Worksheet requires calculation of net cubic feet, hand calculate the net cubic feet from these structures, and enter in the column used for net cubic feet on the claim form UNLESS component parts from an odd shape structure are square, rectangular, or round as explained in B (3) below.
- (c) Enter any applicable entries for moisture, dockage, quality, test weight (conversion factor, if applicable per insurance provider's Production Worksheet) or production not to count, etc., in the appropriate columns on the claim form as instructed in the crop handbook and from these entries, make further adjustments to the production entered in the column for gross production to determine the net production.
- (d) PAR. 100 shows the steps to calculate gross production adjusted for test weight and PAR. 101 provides gross cubic feet formulas for these structures.

NOTE: If the odd-shaped structure consists of component parts that are square, rectangular, or round, the individual component-part-measurement for each square, rectangular, conical, or round part in the odd-shaped structure may be entered on the claim as stated in subparagraph B above. See PAR. 102 for unusual (odd-shaped) storage configurations for measurement and computations.