



United States
Department of
Agriculture

Farm Production
and Conservation

Risk
Management
Agency

St Paul Regional
Office

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August 26, 2022

INFORMATIONAL MEMORANDUM

TO: All Approved Insurance Providers Writing in the State of Wisconsin

FROM: Pamela Stahlke /s/
Director

SUBJECT: Crop Year 2023, Regional Underwriting Guidelines for Cranberries in
Wisconsin

BACKGROUND:

The 2023 FCIC-18010 Crop Insurance Handbook (CIH) authorizes the Risk Management Agency's (RMA) Regional Office (RO) to issue a RO Underwriting Guide (UG) for Category C crops as procedural exceptions for situations in their region.

The CIH, paragraph 1863, APH Database Tests for High Variability of Actual (and Assigned) Yields, provides testing requirements designed to identify alternate bearing and downward trending for Category C crop yields. Alternate bearing and downward trend procedure is intended to adjust the approved APH yield to reflect the natural yield variations over time exhibited by perennial crops, including cranberries. Widespread loss events caused by extreme weather may not reflect these patterns, which can inadvertently result in APHs being impacted by these procedures. The St. Paul RO identified 2021 as a year with widespread cranberry losses in Wisconsin caused by several weather events.

This UG provides Approved Insurance Providers (AIPs) instructions on excluding the 2021 crop year yield from High Variability Testing calculations for cranberries in Wisconsin.

ACTION:

Effective for the 2023 crop year in all Wisconsin counties, the AIP may exclude the 2021 crop year yield from the High Variability calculations when a database for cranberries triggers an adjustment for high variability in accordance with CIH paragraph 1863 D Alternate Bearing Tests or 1863 E Downward Trending Test.

High Variability – Yield Variance Test:

If the APH database does not meet the requirements in CIH paragraph 1863 C steps 3 and 4 when 2021 is excluded, no further APH database tests are conducted and no adjustment for high variability is required. The database must be identified with special case yield

indicator “D” to show that alternate bearing or downward trend criteria was met, but adjustments were waived by this UG. If applicable, Yield Adjustment (YA) is authorized, and the yield limitation flag will be “12.” Yield Exclusion (YE) and Yield Cup (YC) are not applicable, also see Exhibit A.

If the APH database meets the requirements in CIH paragraph 1863 C steps 3 and 4 when 2021 is excluded, the AIP must conduct the Alternate Bearing and Downward Trending tests excluding the 2021 crop year yield from the calculations.

High Variability – Alternate Bearing Tests:

Testing for Alternate Bearing (CIH 1863 D) should be conducted before testing for Downward Trending (CIH 1863 E). When conducting the alternate bearing test, exclude the 2021 crop year yield from the calculations and substitute with the most recent year(s) to reach the number of years required by the calculation. If the requirements of CIH paragraph 1863 D are met, the database must be adjusted for alternate bearing and identified with special case yield indicator “AF,” also see Exhibit A. The downward trending test in CIH paragraph 1863 E should only be performed if requirements for CIH paragraph 1863 D are not met.

High Variability – Downward Trending Test:

When conducting the downward trending test, exclude the 2021 crop year yield from the calculation and substitute with the most recent three years to reach the number of years required by the calculation. If the requirements of CIH paragraph 1863 E are met, the database must be adjusted for downward trending and identified with special case yield indicator “DF”. YA, YE, and YC are not applicable, also see Exhibit A.

If the APH database does not meet the requirements in CIH paragraph 1863 D or E when 2021 is excluded, no adjustment to the APH database is applicable. The database must be identified with special case yield indicator “D” to show that alternate bearing or downward trend criteria was met, but adjustments were waived by this UG. If applicable, YA is authorized, and the yield limitation flag will be “12.” YE and YC are not applicable, also see Exhibit A.

After this UG is applied and an APH database is still adjusted for alternate bearing or downward trending by the AIP, the insured may request an RO Determined Yield in accordance with CIH paragraph 1863 F.

See *Exhibit A, RO Determined Yield Type, Yield Limitation Flag and Rate Yield Chart* for procedure on use of special case yield indicators. This chart is for AIP Policy processing and consistent with the CIH Exhibit 22 and Appendix III.

Please contact the St. Paul Regional Office at RSOMN@usda.gov if you have any additional questions.

DISPOSAL DATE:

August 31, 2023

RO Determined Yield Type, Yield Limitation Flag and Rate Yield Chart

Not RO Determined Yields but Special Case Yield Indicators						
	Applicable Crop	Other Explanation	Special Case Yield Indicator	Rate Yield	YA	Yield Limitation Flag (applies whether RO UG or RO DY)
High Variability Yield Adjustment (AB/DT)	Category C	<i>Alternate Bearing</i>	AF (AIP adjusted per CIH)	Equal Approved Yield	No	11
	Category C	<i>Downward Trending</i>	DF (AIP adjusted per CIH)	Equal Approved Yield	No	11
	Category C	<i>Downward Trending & Alternate Bearing</i>	F (AIP Adjusted by Formula in RO UG)	Dependent upon authorization	No, unless specified by the RO UG.	• If Approved Yield Increased and no YA then YLF = 01; • If Approved Yield Increased & YA = 09 or YLF 12 (surcharge applies if the crop is contained in CIH Exhibit 22 chart); • If Approved Yield Decreased & YA applies = 11 or YLF 13 (surcharge applies if crop is contained in CIH Exhibit 22 chart); • If Approved Yield Decreased and no YA then YLF = 11
	Category C	<i>Downward Trending & Alternate Bearing</i>	D (Met AB or DT CIH test, but waived modification by CIH formula and adjusted by RO UG)		No, unless specified by the RO UG.	• If Approved Yield Increased and no YA then YLF = 01; • If Approved Yield Increased & YA = 09 or YLF 12 (surcharge applies if the crop is contained in CIH Exhibit 22 chart); • If Approved Yield Decreased & YA applies = 11 or YLF 13 (surcharge applies if crop is contained in CIH Exhibit 22 chart); • If Approved Yield Decreased and no YA then YLF = 11

Average Yield: The yield, calculated by totaling the yearly actual yields; assigned yields due to: failure to provide production report, excessive yields, and second crop planted without double crop history on prevented planted acreage, and, adjusted or unadjusted T-Yields and dividing the total by the number of yields contained in the database.

Approved Yield: The yield determined by the Regional Office, according to their procedures, based upon documentation submitted by the producer through the AIP, used to determine the guarantee.

Yield Descriptor: The applicable yield descriptor as provided in CIH Exhibit 15W. or a "F" yield descriptor IF provided by the Regional Office through RO DY or through RO UG.

Yield Indicator: Yield Indicators for yields authorized through RO UG, are the applicable Yield Indicators found in CIH Exhibit 15V (including applicable special case indicators).

YE, Cups & Floors: Are not authorized for RO DY request or Underwriting Guidelines.

If YA is applied by the RO through the determined yield or through Underwriting Guidelines then the AIP must send the YA option code on the acreage record through PASS. If YA was elected on a non-contiguous rated crop, then the surcharge flag on the acreage record must also be set to establish the .05 multiplicative rate. The yield record will not include the YA option codes.