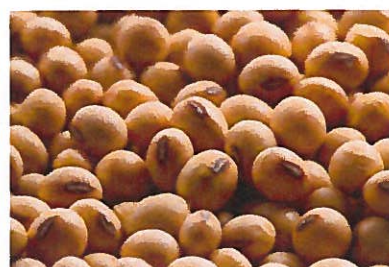


Reminder - New for 2017

Prorated Production

If an insured reports production at a level below the unit structure that applies for the current crop year, they must have acceptable records at the level reported, or assigned yield provisions will apply.

Production and acreage should be prorated according to the Crop Insurance Handbook (CIH), Paragraph 1005 or 1034B, if the insured has Basic Unit (BU) or Enterprise Unit (EU) structure in place, provides an acceptable production report, but it is not on the basis of APH databases established below the BU or EU, or production is commingled.



Example 1: An insured with EU certifies production on an Optional Unit (OU) basis and has acceptable records for all OUs. If the insured does not have acceptable records on an OU basis, they should not report production on that basis. Failure to have acceptable records at the level reported will result in assigned yield and related provisions applying.

Example 2: An insured has OU APH databases established and has EU for the current year. The insured does not keep records on an OU basis, or production is commingled for the current crop year. The insured reports total acres and production for the EU and the AIP will prorate production (yield descriptor PA) according to CIH Paragraph 1034B.

If the insured has reported production on an EU or BU policy by utilizing the optional unit structure, but has commingled the production and does not have acceptable soft records (load logs, precision farming records, etc.) or has merely reported a yield per database or prorated the production, they must use the yield descriptor of PA (Prorated Actual) INSTEAD of the standard "A" (Actual).

Failure to maintain acceptable records or report averaged production as ACTUAL versus PRORATED will result in assigned yields

Should you have any questions, please contact your underwriter.

