



United States Department of Agriculture  
Risk Management Agency

# Keep Good Records ... Protect Your Crop Insurance Interests



# Good records protect your crop insurance interests

## *Keeping records for your yield-based crop insurance policy*

Keeping detailed (accurate and certified) crop production reports and supporting records, which meet the standards required by your crop insurance policy, helps protect your farming interests.

If you have accurate production reports and supporting records, you pay only the premium needed and no more. If you maintain accurate production reports and supporting records, you may get an indemnity payment if you suffer a crop production loss that is covered in your policy. With accurate production reports and supporting records, the integrity of the whole crop insurance program is protected, which helps to keep your premiums down.

The following questions are only some of the many questions you may have about what kind of production records you need to be fully protected under your federally subsidized crop insurance program. If you need more details, or have other questions, contact your crop insurance agent. If you do not have a crop insurance agent, you can check the USDA Risk Management Agency's "Agent Locator" link at: <http://www.rma.usda.gov/tools/agent.html>.

### **Some of the most frequently asked questions about record keeping are:**

#### **1 What is a new insured?**

A new insured is a person who did not have insurance on the crop the previous crop year. If you had a Multi-Peril Crop Insurance, Income Protection, Crop Revenue Coverage, Revenue Assurance, Group Risk Protection, Group Risk Income Protection, or other Federal crop insurance policy the previous crop year on the same crop in the same county, you are an existing policyholder.



The material in this brochure is for educational purposes only. It should not be used as a substitute or replacement for individual legal advice. Consult a crop insurance agent or an attorney for advice and further information regarding your specific situation.

We have made reasonable efforts to ensure the accuracy of the information in this brochure. However, we cannot predict the effect of future legislative, administrative, and judicial developments.

**2** *If I'm a new insured, do I need to provide any production records to get insurance coverage?*

No. However, to maximize your crop insurance coverage, we strongly encourage you to submit production records.

**3** *What production records should I provide?*

If you provide or certify less than 4 crop years of actual production history records to establish your Actual Production History, your approved yield and your production guarantee will be based on a percentage of your county's transitional yield (T-yield) and the production records you provided or certified. The T-yield percentage is determined by the number of years of actual/assigned yields available for the crop in the county.

If you provide or certify 4 or more crop years (maximum of 10 crop years) of actual production history, the production guarantee will be based on your actual yield.

**4** *Can I get crop insurance if I have never grown the crop?*

Yes. You may also qualify as a new producer. You are a new producer if you have not grown the crop or had a share of the insured crop in the county for more than 2 crop years. In this case, your approved actual production history yield will be 100 percent of the county T-yield.

**5** *Do I have to insure all my planted acres of the same crop in a county?*

Yes. Crop insurance coverage is determined on a crop/county basis unless the crop provisions indicate that certain practices, types, or varieties are separate, insurable crops.



**6** *Can I insure my dryland corners of a center pivot irrigation system (non-irrigated) without insuring my irrigated acreage?*

No. Crop insurance is determined on a crop/county basis unless the individual crop provisions state otherwise. In general, all insurable acres in the county must be insured for one crop.

However, if you provide separate acreage and production records for the non-irrigated corner(s) of a center pivot irrigation system of a field planted to the insured crop and the portion of the field irrigated, the non-irrigated corners may qualify for a separate optional unit if there is a discernable boundary between the irrigated and non-irrigated acreage within the field.

**7** *Can my total crop acres in a county be broken down into smaller insurable units? If so, do the units have to have the same level of coverage?*

Yes. Cropland acres may be broken down into different insurable units and yes, the level of coverage must be the same unless the crop provisions state otherwise.

**8** *What types of units are available for crop insurance?*

There are generally four different types of units that policyholders may qualify for: basic, optional, enterprise, and whole farm:

- The **basic unit** includes all insurable acreage of the insured crop in the county in which the producer has a 100-percent share or which is owned by one entity and operated by another specific entity on a share basis. Basic units may be further divided into optional units.
- **Optional units** are determined by section, section equivalents, USDA Farm Service Agency farm serial number, irrigated and non-irrigated practices, noncontiguous land (for certain perennial crops), and for crops grown and insured as an organic practice.

When the policy allows, optional units may be established, provided the crop is planted in a manner that results in a clear and discernible break in the planting pattern at the boundaries of each optional unit, and the producer keeps separate, identifiable records of planted acreage and harvested production for each optional unit.

- The **enterprise unit** consists of all insurable acreage of the insured crop in the county.

- The **whole-farm unit** includes all insurable acreage of all insured crops in the county.

**9 What type of acceptable production records do I need to support my reported production?**

You need acceptable records to support the acreage and production reported/certified on your production reports. Your production reports and supporting records are used to calculate approved actual production history yields. Such production reports may consist of the following: farm management records, verifiable production reports, evidence recorded by the Farm Service Agency, evidence recorded by your RMA regional office or by an insurance company or agent approved by the Risk Management Agency, supporting evidence, and measurements of farm-stored production.

If you have crops or portions of a crop that were not sold or cannot be supported by records from an independent source such as bartered, used on the farm as seed, fed to livestock, from a vertically integrated grower-packer, etc., you must have records that show the harvesting, storing, or feeding of the insured crop for each crop year reported that were created at the time the harvesting, storing, or feeding took place. For example, you can use feeding records that account for the part of your crop that was fed to livestock. These records must have been maintained on a daily basis, and must have been generated during the time that your crop was fed to the livestock.

**10 What is a farm management record?**

A farm management record must show your total acres and production by crop, crop year, and unit. It must use the unit structure that applies for the current insurance year in which you have a share in the crop and must include each actual production history year for which your production reports are certified.

These records are acceptable for barley, canola/rapeseed, corn, cotton, extra long staple cotton, dry beans (except contract seed beans), flax, forage production (fed and farm-stored production), grain sorghum, millet, oats, popcorn, rice, rye, safflower, soybeans, sunflower seed, and wheat.

The following types of records may be used to separate and document the production from different units, and to account for total production for the crop year:

- a. Field harvest records, which show production determined from truck or grain wagon loads that is documented by weight tickets or by conveyance measurements, separate measurements of unit production when placed in farm storage structures, cotton module measurements, and/or livestock feeding records.
- b. Precision farming and yield monitoring systems may be used for actual production history records if they are calibrated to the manufacturer's specifications and if the farm, field ID, crop, acres, total yield, harvest date, grower, and crop year are identified on a yield map or summary report.



**11 What are verifiable production reports?**

Verifiable production reports are reports that are supported by records from a marketing outlet, processor, packer, first handler, etc., or measurements of production stored on the farm by an authorized person from an approved crop insurance provider, the Farm Service Agency, or a Risk Management Agency regional office. These reports can be used for almonds, apples, blueberries, citrus (Arizona, California, and Texas citrus fruit), cranberries, dry beans (contract seed beans), dry peas, figs, forage production (sold production), grapes, macadamia nuts, onions, peaches, peanuts, pears, green peas, pecan revenue, plums, potatoes (Northern, Central, and Southern), processing beans, processing beets, sugarcane, table grapes, tobacco, tomatoes (processing and fresh-market, guaranteed production plan), and walnuts.

Measurements of farm-stored production performed by an authorized person from a RMA regional office, the Farm Service Agency, or an approved crop insurance agent are considered to be verifiable production records for almonds, apples, blueberries, citrus (Arizona, California, and Texas citrus fruit), cranberries, dry beans (contract seed beans), dry peas, figs, forage production (sold production), grapes, macadamia nuts, onions, peaches, peanuts, pears, green peas, pecan revenue, plums, potatoes (Northern, Central, and Southern), processing beans, processing beets, sugarcane, table grapes, and tobacco.

**12** *Do the Farm Service Agency, the Risk Management Agency, and my crop insurance agent have documents that I can use to record my acreage and production? Can I use these documents as supporting evidence to prove my actual production history?*

Yes. The Farm Service Agency uses standard forms to record acreage and production. These documents must meet the RMA's record requirements for your crop such as being accurate and verifiable. If you have questions concerning the RMA's record requirements, please contact your RMA regional office. The RMA or your crop insurance agent use Field Inspection and Claim for Indemnity forms, or Multi-Peril Crop Insurance Production Worksheet forms. Please contact your RMA regional office or your crop insurance agent for more information.

**13** *What does the Risk Management Agency accept as substantiated evidence?*

Copies of elevator or warehouse receipts, ledger sheets, load summaries, settlement sheets, Commodity Credit Corporation loan



documents, etc., are accepted as supporting evidence as long as they include the following information:

- a. Commodity;
- b. Name of the buyer, storage facility, or marketing outlet;
- c. Crop year produced and transaction date;
- d. Insurance holder's name;
- e. Practice/type/variety (when applicable) and production quantity that can be converted to the proper unit of measure, if necessary.

**14** *Are pick records acceptable for fruit, nuts, and vegetable crops?*

Where pick records are allowed as production evidence, they must meet the requirements of a record to support production reports and include the following:

- a. Pick records must indicate the names of individuals paid by the grower (crew leader or picker).
- b. A photocopy of the complete pick records for the crop year must be submitted to your crop insurance agent. There are provisions for summaries under certain circumstances (check with your crop insurance agent for more information).
- c. Pick records must be accompanied by verifiable receipts.
- d. Pick records must include the calculations you used to determine your total production or be accompanied by a cover page that shows the calculations you used to determine your production on the actual production history form. The RMA or your crop insurance agent must be able to verify all of your calculations.

e. If the crop is marketed directly to the consumer, a pre-harvest appraisal (performed by your crop insurance agent or the RMA office in your region) is required by the policy. However, if the actuarial document for the crop has provisions that allow for it, the RMA may be able to waive this requirement if you can provide evidence that you are maintaining acceptable supporting documentation. Please check with your regional office or your crop insurance agent about what is considered acceptable supporting documentation for your crop in your area.



**15** *If I plan to feed some of my crop, do I need additional production records?*

Yes. As a livestock producer, you should determine the amount of your production prior to feeding, if possible. However, if it is not possible, you must keep feeding records while you feed the crop to your livestock.

- If you do not keep acceptable records (e.g., bin measurements, ledger sheets, weight tickets, load records, etc.) that account for all

harvested production of the insured crop, and some or all of your production is then fed, you must keep acceptable written records of the fed production to prove your actual production history.

- You must keep records of each feeding (daily, weekly, bi-weekly), so you can prove the production you fed to livestock and the time feeding occurred.
- If you feed livestock from a previous year's inventory and the current year's production will be added to this inventory, the amount of the previous year's production must be measured before you begin to harvest.

**16** *What kind of production records do I need to keep if I continuously feed the crop to livestock?*

If you feed your livestock continuously, you must record the following:

- a. Amount of grain/insured crop or commodity fed at each feeding interval (i.e., each day).
- b. Bin/storage facility identification from which the crop was taken.
- c. Estimated average weight of each kind of livestock, number of head, and location or pen number.
- d. The crop year and unit number from which the fed production was harvested.

**17** *What if a crop from a prior year(s) is still in the bin, can I add the current year's crop?*

Yes. You can add the current year's crop as long as the previous year's crop is measured and documented first.

**18** *Can I combine grain production from different units and practices in the same storage structure?*

Yes. You can combine grain storage provided that separate measurements of unit production are taken when placed in the bin. However, if you do not plan to make separate measurements from other units, you must maintain written records that reflect the production from each unit prior to being placed in the structure.

**19 Am I required to have a third party measure my on-farm grain storage or can I measure the grain?**

You may measure your grain storage structure, or you can request measurements from your crop insurance agent or from the Farm Service Agency for your actual production history records.

**20 What type of documentation do I need to prove the grain storage structure measurements I make?**

If you measure the grain storage structure, you must document your measurements and they must be supported by farm management records that account for your total production.

**21 Do I include grain as seed for my own use in my actual production history, yield history? If so, are there additional requirements?**

Yes. Grain as seed for your own use should be included in your actual production history, yield history. You must include your total production from all insurable acres.

The requirements for including grain as seed for your own use in your actual production history are:

- a. You must furnish scale tickets or weight slips showing date of weighing, name of producer, and commodity.
- b. You also must certify the amount of seed which was used for planting by certifying the amount of seed planted per acre and certifying and identifying the acreage on an aerial photo.

**22 How many years do I need to keep production records that are used to substantiate my actual production? What happens if I cannot provide the records?**

If you are applying for insurance for the first time, you must keep your acreage and production evidence 3 years after the end of the year in which they were certified. Once you are insured, you must keep the production records you used to prove your actual production for 3 years after the end of the year in which the actual production is certified. If you cannot supply records for those 3 years, the assigned yield provisions will apply and you will be assigned a yield (an annual yield would be 75 percent of the prior year's approved yield and a loss of optional units).

**23 Do I need to file a production report for a unit if I was paid an indemnity on that specific unit for the current crop year?**

No. The claim for indemnity will be used as the production report for the indemnified unit.

**24 Are there any special requirements for inspections before harvesting a crop and putting it into farm storage?**

Yes, for some crops. For example, potatoes covered under the Northern Potato Crop Provisions must have a grade inspection prior to being put in storage if you do not buy the Storage



Coverage Endorsement. If you do buy the Storage Coverage Endorsement, you must get samples within 60 days after the end of the insurance period and a grade determination must be completed using 21 days of sampling.

If you would like additional information or instructions about inspection and production reporting requirements, please refer to your crop insurance policy, the Risk Management Agency's Web site: <http://www.rma.usda.gov>, or contact your crop insurance agent.

## Some things to remember

- The accuracy of your records helps ensure that your rights under your crop insurance policy are protected.
- Having 4 or more years of records means that your actual production history will be the basis for your crop insurance coverage.
- Different crops have different kinds of recordkeeping requirements.

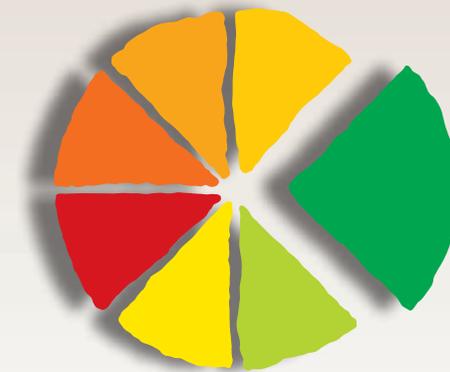


- If you choose the Group Risk Plan or Group Risk Income Protection insurance plans, you are NOT required to report yield history or maintain production records. However, we encourage you to maintain your individual crop yield and acreage history in case you choose an insurance plan that uses actual production history yields for the same crop in the future.
- If you would like more detailed information, or if your question was not answered in this brochure, please contact a crop insurance agent. It doesn't cost to ask.
- If you do not know how to contact a crop insurance agent, you can visit the Risk Management Agency's "Agent Locator" link at <http://www.rma.usda.gov/tools/agent.html>.



## *For information about risk management*

Go to the Web site created especially for you:



**Farm-Risk-Plans.USDA.gov**  
*Helping farmers & ranchers find success*



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