



Actual Production History Yield Exclusion

December 2014

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RMA has identified, in the actuarial documents, eligible crop years in which producers may elect to exclude actual yields from their actual production history. Crop years are eligible when the average per planted acreage yield for the county was at least 50 percent below the simple average for the previous 10 consecutive crop years. Separate determinations will be made for irrigated and non-irrigated acreage, when data is available.

RMA data is the primary data used to determine the average per planted acre yield for the county and the simple average for the previous 10 consecutive crop years, if sufficient RMA data exists. If RMA data is not sufficient for any given crop year, National Agriculture Statistics Service data is used, if available and appropriate, and then, in a limited number of situations, the applicable county transitional yield may be used, as appropriate, to complete a 10-year consecutive period.

A crop year that has been determined eligible for exclusion for a crop in a county will also be eligible for exclusion in contiguous counties, as identified in the actuarial documents.

Insurance Premiums

You may have a higher approved yield and insurance coverage when an actual yield is excluded from an actual production history database. If excluding a yield results in an increased approved yield, a higher insurance guarantee and greater indemnity payment could occur due to the yield exclusion. This requires an increase in the premium rate for Actual Production History Yield Exclusion to account for the increased risk of loss. For example, a producer with a 65-percent coverage level may get a yield guarantee equivalent to a higher coverage level, such as 70 percent. The premium charged will reflect the higher effective coverage level (70 percent for this example), and higher risk of loss, because of the yield exclusion

option. If you elect and use the yield exclusion option your premium will be adjusted while other producers will not be affected. For more information about the premium rating approach to yield exclusion go to RMA's website at www.rma.usda.gov or contact your crop insurance agent.

Eligible Insurance Plans and Crops

Beginning with the spring 2015 crop year, the actuarial documents identify eligible crop years that can be excluded. For the spring 2015 crop year, the Actual Production History Yield Exclusion Option is available for:

- Yield Protection Plan;
- Revenue Protection Plan;
- Revenue Protection with Harvest Price Exclusion Plan: and
- Crops with a contract change date on or after November 30, 2014, which include corn, soybeans, cotton, grain sorghum, spring wheat, spring barley, spring canola, rice, sunflowers, peanuts, and popcorn.

The Actual Production History Yield Exclusion Option is not available in dual coverage counties with spring and fall insurance coverage for the 2015 crop year. The yield exclusion option will be available for spring and fall crops beginning with the 2016 crop year, as identified in the actuarial documents.

Producers who have either Catastrophic Risk Protection or buy-up insurance policies can use this program.

Selecting an Option

You must choose the Actual Production History Yield Exclusion Option by the sales closing date for your insurance policy. You choose the option by insurance policy, for a crop in a county. The option is continuous until you request that the coverage end. When you choose the option it will automatically exclude all eligible crop years from your actual production history database, unless you specifically opt out of the exclusion for a specific crop year (you

wish to retain your yield for an eligible crop year in your actual production history database). You must opt out of the exclusion, by actual production history database, for any specific crop year(s) you wish to keep by the production reporting date for your crop in your county.

Yield Exclusion, Yield Adjustment, and Trend Adjustment

You may choose the Actual Production History Yield Exclusion Option and the Yield Adjustment Option and/or Trend Adjustment Option within an actual production history database. You can only apply one option, either yield exclusion or yield adjustment, to an actual yield for an eligible crop year within an actual production history database. When an actual yield in an eligible crop year is excluded, the excluded actual yield is not considered for trend adjustment.

Yield Exclusion and Less Than 4 Years of Actual Production History

If you choose to exclude an eligible crop year(s) and it lowers your actual production history to less than 4 crop years of production history in your actual production history database, the applicable transitional yield will be substituted for the excluded crop years to establish a minimum base period of 4 crop years.

Yield Limitations

Yield limitations that prohibit an actual production history-approved yield from decreasing more than 10 percent from one year to the next do not apply when yield exclusion applies to an actual production history database, or for the first crop year after you cancel the yield exclusion option.

Written Agreements

Written agreements cannot be used to buy the Actual Production History Yield Exclusion Option:

- For a county when the county does not contain the option in the actuarial documents;
- When a written agreement is created to insure a crop in a county without actuarial documents for that crop; or

- When a written agreement is created to insure an irrigation practice (irrigated, non-irrigated, or limited irrigation) in a county that does not contain that irrigation practice on the county actuarial documents.

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private crop insurance agents. A list of crop insurance agents is available at all USDA service centers and on the RMA website at: www3.rma.usda.gov/apps/agents/

Contact Us

USDA/RMA
Mail Stop 0801
1400 Independence Ave., SW
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Phone: (202) 690-2803
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