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Should the APH be Tied to the Land or to the Producer?

BACKGROUND

There are a variety of methods for the assignment of Actual Production History (APH) when a producer acquires new land under his or her crop insurance policy:

- If there is no history of production for the producer and he/she has produced the crop in that county previously but does not have verifiable records, the APH will be set at 65 percent of the County T-Yield.
- If the producer has a history of producing that crop in the county and is adding less than 2,000 acres, the producer may use a simple average of his or her existing history and apply that yield to the new land.
- If the farmer is considered a new producer, which indicates production of a new crop in the county, he or she can receive an APH based on 100 percent of the county T-Yield.
- If a producer is adding land that is being shared with another producer, he or she has the option to use the partner's records for the new land.

All of these options may still limit the expected yield of the crop in that county, depending on how that land has performed previously.

ISSUE

It has been suggested that maintaining the actual yield based on the existing land would be the most accurate and appropriate way to assign the yield as land passes between producers.

Tying APH to the land would likely require additional information and potential reporting requirements. Current production reporting does not require individual reported production for each piece of land. Recent Common Land Unit (CLU) reporting changes for acreage have created an opportunity for this; however, the time and expense to the producer necessary for production reporting may significantly increase.

For example, under the current crop insurance policy, a producer is only required to report his or her production by unit, which is established based on the producer's farming practices. In order to effectively report production based on CLU, a producer would need to document production each time he or she changes fields. Depending on the documentation requirements, this could add significant time and expense to the process.

OPTION #1

Should APH be tied to the land in order to provide a more accurate coverage when a producer acquires new land?

OPTION #2

Do the current requirements work well and should we leave them intact?

OPTION #3

Should any or all of the current requirements be updated?