

HEMP APH PROGRAM Q & A

1. The hemp has been damaged by an insurable cause of loss but remains unharvested by the calendar date for the end of the insurance period. The AIP appraises the crop and the loss is paid based on the appraisal. The insured has a policy requirement under the Basic Provisions to notify the AIP if the crop is later harvested. The crop is later harvested, and the harvested production is greater than the appraised production, but the production is hot and not sellable as hemp. Is the claim revised and then what production is reported for APH purposes?

If the crop is later harvested and the production is greater than the appraisal, the terms of section 15(b) of the Basic Provisions will apply, and the PTC would be treated as zero for APH purposes.

2. If the crop was damaged due to an insurable cause of loss and the harvested or appraised production tests above acceptable THC limits, will an indemnity be paid on the production lost due to insurable causes?

Yes, provided the insured meets all policy provisions including the notification requirements in section 11(b) of the Crop Provisions.

3. If fall seeded canola is planted but fails and is destroyed prior to reaching the headed/budded stage, is hemp timely planted on the same acreage in the spring insurable?

Yes. Hemp is treated like any other spring crops such as corn or soybeans. Neither the rotation statement nor the Following Another Crop statements in the Special Provisions apply in this situation.

4. Does the AIP have to get a copy of the test results from the governing authority (e.g. state, tribe or USDA)?

The insured is required to notify the AIP within 72 hours of notification from the applicable governing authority stating the results of the THC testing.

5. When insuring CBD, how does the insured know whether to insure the crop under the floral or whole plant practice?

The processor contract will determine whether the processor is purchasing only the floral or the whole plant biomass, and the hemp should be insured accordingly.

6. If a producer grew hemp the previous year for a pre-determined fee (contract grower) but will have an insurable share in the crop for 2020, does the insured meet the 1-year production requirement?

Yes, the policy requires the insured to provide acceptable production evidence to verify they have produced the crop in any previous year. Acceptable production evidence includes records from FSA or, in the absence of FSA records, a THC testing record from the applicable governing authority.

7. Will a tolling contract meet the definition of a processor contract?

No. The definition of a processor contract requires the processor to purchase the hemp produced by the grower.

8. During the growing season, plants capable of producing pollen must be removed when growing hemp for CBD to avoid the fertilization of the plant. What are the policy requirements surrounding this production practice?

Provided removal of plants capable of producing pollen is a standard practice that is reflected in the APH yield and the method used in the current crop year satisfies the definition of Good Farming Practices found in the Basic Provisions, no additional requirements apply. If plant removal falls outside the insured's standard practice, the insured must provide notice to the AIP for inspection and appraisal purposes. Any appraised loss of production due to deficient seed (e.g. excessive population of male plants in feminized seed) is not an insurable loss.

9. The Basic Provisions state that an insured is ineligible for premium subsidy if they have not filed an AD-1026 with FSA for the reinsurance year by the premium billing date. Does this provision also apply to the hemp policy?

Yes. The requirements in 7(h) of the Basic Provisions are applicable to the Hemp APH Plan of Insurance.

10. If the processor provides genetics or other services (e.g. seedlings/clones, foliar feeds, harvesting, drying, etc.), can the grower insure 100% of the crop?

No. The grower can only insure insurable share in the crop.

11. Can a grower insure the processor's share under 10(a)(2)(ii) of the Basic Provisions which allows the tenant to insure the landlord's share?

No, unless the processor meets the definition of a tenant (rents the land) or a landlord (owns the land), or vice versa, as provided in the Basic Provisions and General Standards Handbook. The same response applies for a processor insuring a grower's share.



12. When certifying historical yields to establish the approved yield, what is certified on the production report for a year in which the hemp crop tested hot?

The insured will certify the number of acres planted to hemp for the crop year with a yield of zero. The acres and yield will be included in the APH database with an “A” yield descriptor and will be used to determine the approved yield.
13. If the processor contract is for hemp grown for the production of a cannabinoid other than CBD (e.g. CBC, CBG, etc.) can I insure the crop as CBD?

No. The insured crop must be a type designated in the Special Provisions for which rates, prices and T-yields are provided.
14. Can a grower insure two crops of hemp (e.g. autoflower varieties) on the same acreage in the same crop year?

No. The Special Provisions do not provide coverage for a second hemp crop planted on acreage in which a hemp crop was planted and harvested in the same crop year.
15. What production is reported when CBD Hemp insured under the floral practice is initially harvested for the premium flower for the smokable market and then the remainder floral material of the plant is harvested?

The total production of floral biomass is reported. End uses such as premium flowers has no impact on what is reported for insurance purposes.
16. Does the acreage need to be covered by a processor contract in order to apply for coverage?

No. The processor contract must be submitted by the acreage reporting date as a requirement in establishing the insured acreage.
17. If a claim occurs prior to the Acreage Reporting Date, is the insured required to prove the acreage is contracted and meets acreage minimums?

Yes. The AIP must determine that the insured crop meets all policy provisions prior to paying an indemnity.
18. The Hemp policy requires acres to be under contract with insurable acres limited per the contracted acreage or etc. How will acreage and production from such acreage be handled and identified under the terms of the Hemp policy and procedures when/if the grower actually plants more acres of hemp than determined to be insurable?

Acreage not covered by a processor contract must be reported as uninsurable and standard procedures apply regarding the commingling of insured and uninsurable production.

Version: 7/30/2020

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19. The rotation statement in the Special Provisions states: Insurance will not attach to any acreage on which Cannabis, canola, dry beans, dry peas, mustard, rapeseed, soybeans, or sunflowers were grown the preceding crop year. Does this mean a grower is restricted from planting hemp in the same field year after year?
- Hemp planted on acreage in which any plant from the genus *Cannabis* was grown the preceding crop year is uninsurable. This includes, but is not limited to, *Cannabis sativa*, *Cannabis indica*, and *Cannabis ruderalis*.
20. If the grower planted hemp in a previous year and certified at FSA but the crop failed and no production was harvested, does that satisfy the requirement of producing the crop at least one year?
- Yes.
21. If the grower provides evidence that they produced the crop in a previous year but cannot provide acceptable production records for that year, are they excluded from coverage?
- No. The policy requires evidence that the insured produced the crop in a previous year. If the insured cannot provide acceptable production records, they are not excluded from coverage.
22. Is the added county election available for hemp?
- Yes.
23. Is the Special Provision statement allowing planting rows too narrow to permit cultivation applicable?
- Yes.
24. Scenario: Hemp was planted in the spring of 2019 and harvested in the fall. Wheat was planted in the fall of 2019 and harvested in June of 2020 on the same acreage and hemp is subsequently planted in July of 2020 on the same acreage. Is the hemp planted in July of 2020 insurable?
- No. The hemp is not insurable as it doesn't meet the requirements of the rotation statement found in the Special Provisions.
25. If the insured plants both CBD and grain types with 100% share in the same county, is that a single or two basic units? How many enterprise units?
- Unit structure is determined by county and crop, so in this scenario, there is a single basic unit or a single enterprise unit if the qualifications for an enterprise unit are met. Units by type are not applicable.

26. Paragraph 7(b) of the Crop Provisions requires the insured to provide acceptable production evidence to verify they have produced the crop in any previous year. Does that statement require the insured to provide evidence of yields or only evidence they have produced the crop?

The insured must provide evidence they have produced the crop but are not required to provide actual production records to establish insurability. Certifying the actual yields on the production report will affect the percentage used under the variable T-Yield procedures in 1503(2) of the Crop Insurance Handbook.

27. Will evidence of a hemp crop planted in a previous year that would not have been insurable under the 2020 policy (e.g. hemp following hemp, less than acreage minimums, CBG type, etc.) satisfy the 1-year of producing the crop requirement?

Yes.

28. Can a yield from a hemp crop produced in a previous year that would not have been insurable under the 2020 policy (e.g. hemp following hemp, less than acreage minimums, CBG type, etc.) be certified on the production report and included in the database?

Production from acreage that would not be insurable in the 2020 crop year must be certified on the production report but will not be included in the APH database in accordance with paragraph 1305B of the Crop Insurance Handbook.

29. What does providing GPS coordinates require?

The Hemp Crop Provisions specify that the GPS coordinates are required. Google Maps, FSA maps, or other similar programs that provide spatial data represented by GPS coordinates meet this requirement.

30. How does the insured know which practice - Floral or Whole Plant – to choose when growing hemp for CBD?

If the insured is selling floral material from the plant including all parts of the flower, fan leaves, and potentially small amounts of stems or branches, under the processor contract they would select the Floral practice.

If the insured is harvesting and selling the entire plant, including the stalk, under the processor contract they would select the Whole Plant practice.

31. If the insured is harvesting multiple parts of the plant (e.g. seed and floral material) from the same acreage, can they insure both types?

No. Only one type can be insured on the acreage.

32. Does CBD hemp stored on the farm require verifiable production evidence for production reporting purposes?

Yes. Hemp grown for CBD requires verifiable records from a disinterested third party. If the hemp remains unsold, it must be appraised by authorized AIP or FSA personnel.

33. Scenario: A tenant and landlord are planting hemp for 2020 and are sharing in the crop 50/50. Each has their own crop insurance policy. The tenant can provide evidence of producing the crop in a prior year, but the landlord has never produced hemp. Is the landlord's share of the hemp insurable under their policy?
- No. The policy requires evidence that the **insured** has produced the crop in any previous crop year.
34. If the insured only has production records for wet hemp (green), is there a method to convert the production to dry pounds?
- Yes. The conversion formula can be found in the Hemp Loss Adjustment Standards Handbook.
35. If the processor contract only specifies the amount of production to be purchased, how will the number of insurable acres be determined?
- The amount of production specified in the production contract for the unit will be determined as provided in section 8(b)(2) of the Crop Provisions.
36. If a grower meets all the qualifications to grow hemp and has grown 10 acres in the county in a prior year, how many acres could they expand in 2020?
- The hemp policy does not contain any expansion limitations. The insurable acreage will be based on the terms of processor contract subject to section 8(b)(2) of the Crop Provisions.
37. Will the Beginning and Veteran Farmer and Rancher qualifications and benefits apply to the Hemp APH policy?
- All BFR and VFR procedures and qualifications apply to the Hemp APH policy, except for the increase in benefits under the Yield Adjustment (YA) option as YA is not available under the policy.
38. A producer qualifies for Hemp insurance by having a license and experience of growing hemp in 2019. For 2020 they have a processor contract for 20 acres of fiber. They timely plant 15 acres and due to adverse weather plants the other 5 acres after the final planting date. Under this scenario, does the producer meet the 20-acre minimum requirement?
- No. The minimum acreage required to establish insurability is based on insured/insurable acreage.
39. If a covered cause of loss were to take place after the governing authority tests the crop and determines the THC is within acceptable levels, will additional testing be required or will the original testing stand?
- No additional testing will be required provided the crop is harvested within the timeframe allowed by the governing authority.

40. If the insured provides a contract with the acreage report and the processor later cancels the contract or goes out of business, will the policy be canceled?

No. Failure of the processor to fulfill their obligations will not result in cancellation of the policy.

41. If a grower insures the crop as transplant floral practice and later decides to harvest the whole plant, how would that be defined in the policy? Would the type/practice be changed?

The insured must notify the AIP prior to harvest in accordance with section 11(c) of the Crop Provisions. The AIP will appraise the crop to determine the amount of production for the insured practice.

42. If a particular use of hemp (e.g. CBD) is banned by a state during the growing season, will the policy be cancelled?

No.

43. The insured has 1 year of evidence of producing the crop as AAA, LLC. They will be expanding operations this year and are considering creating a new entity for just the hemp that will be named BBB, LLC. Assuming SBI's are the same, will this new entity meet the 1-year of producing the crop requirement?

Yes.

44. If a pesticide or herbicide is approved for use on hemp and the insured does not use the product to avoid violating the terms of their processor contract, will loss due to pest damage be covered?

Yes, provided the practice is consistent with the production practices for which the approved yield is based upon, is consistent with good farming practices and is in accordance with the terms of the processor contract. This response is applicable to the 2020 crop year only.

45. Is hemp insurable if Kenaf was planted on the acreage in the prior crop year?

Yes. Kenaf is not included in the SP rotation statement.

46. If a producer plants multiple varieties and one of the varieties goes hot and has to be destroyed, are the "cold" acres still insured?

Yes, all varieties remain insured, including the "hot" variety. The difference is the production from the "hot" variety is treated as production lost due to an uninsured cause.

47. If an insurable cause of loss occurs after the crop tests hot, will the loss from the insurable cause be covered?

No. The production was lost due to an uninsurable cause of loss prior to the insurable cause of loss event.

48. The insured is an entity (e.g. joint venture, partnership, corporation) that consists of multiple individuals with a substantial beneficial interest (SBI) in the entity and the processor contract is written in the name of the entity. The governing authority will only issue licenses to individuals. Does the entity meet the applicable insurability requirement (i.e. “grown under a license issued by the governing authority”) as the license is issued to an individual member of the entity?

No, an official certification or official license must be issued to the entity by the applicable governing authority that permits production of the hemp for insurability under the policy.

49. The crop is being produced by a partnership in which both the license from the governing authority and the processing contract are issued in the name of the partnership. The partnership does not choose to insure the crop; however, one of the members of the partnership wants to insure their share under their individual policy. Since the license and the processing contract are not in the name for the individual insured, is the crop insurable under the individual’s policy, as the individual is a member of the partnership possessing the license?

No, an official certification or official license must be issued to the entity by the applicable governing authority that permits production of the hemp for insurability under the policy. Similarly, the processing contract must be executed between the insured entity and the processor for insurability.

50. If the grower planted hemp in a previous year and it tested hot, does that satisfy the requirement of producing the crop at least one year?

Yes.

51. If insured did not report acres to FSA and therefore, no 578 is available to show hemp was raised for one year, does insured just use his state license certificate to show prior year qualification?

A license certificate is not included as acceptable evidence of producing the crop in section 52B(3) of the Crop Insurance Standards Handbook; however, it does allow a record from an applicable governing authority documenting the official THC testing of hemp grown by the insured as an acceptable substitute only if an FSA record is not available.

52. If a grower has a valid contract with a processor, is licensed, and meets all other policy requirements BUT the contract is for a smaller number of acres of hemp than is required for that type under the policy, and that grower does not have a second contract to make up the difference, is that grower's hemp uninsurable?

Example: Grower plants 5 acres for CBD production, which meets the policy minimum, BUT the grower's contract stipulates the processor will take production from only 4 acres.

To be insurable, the crop must be grown under a processor contract. In this scenario, only 4 acres are to be grown under the processor contract, which does not meet the acreage minimum resulting in no insurable acreage.

53. What if a farmer has a contract to sell to a Broker, not a processor? The farmer sells to a Broker who has the drying and storage capabilities and compiles a large amount of hemp and then distributes it to licensed processors for further refinement. This Broker is not a licensed processor but is providing a proper contract with price and yields? Is this an invalid contract?

To be insurable, the crop must be grown under a processing contract. The definition of a processing contract in the Crop Provisions defines it as a written agreement between the producer and a processor. A broker does not meet the definition of a processor; therefore, the acreage would not be insurable.

54. A Producer is raising hemp for CBD, they swath the hemp so it can cure, a windstorm blows the hemp swaths across the field and a majority of the flowers/leaves get knocked off the plants. Is this a covered loss?

No. Cutting the insured crop for CBD is considered harvested.

55. In Colorado, each field a grower wants to plant hemp on will be issued a permit. Do we need all permits or just one showing they have been given approval?

A permit will need to be provided for each acre that is insured.

56. The definition of contract states that there needs to be a base price or a method to derive a value that will be paid to the producer. What methods will be acceptable?

The contract must contain language that provides a base price or, in the absence of a base price, language outlining how the price will be determined. AIPs should follow the underwriting process they use for other crops with processor contracts that contain provisions for a derived value.

57. What is the actual THC threshold? According to the SP statement, if the laboratory doesn't provide a measurement of uncertainty, the THC threshold is 0.3%. How will that be handled in states operating under the 2014 Pilot Research language that allow a higher threshold such as 0.399%?

Production containing THC in excess of the measurement of uncertainty band as provided in the AMS Interim Final Rule language is not hemp production and will be deemed production lost due to uninsurable causes, irrespective of state statutes. See the examples in Exhibit 3 of the Hemp CISH.

58. We have a client who has a contract in California where they are intending to fulfill three harvests in the same calendar year: First harvest will be in February, 2nd harvest in June and 3rd harvest in October. If the rotation requirements for hemp are met, we can only insure the acres that are planted in 2020, correct? The first harvest will be planted and harvested before the SCD for 2020, so presume we cannot insure it this year. Will we be able to use the February 2020 harvest when setting up their APH for 2020? As a carryover insured next year, will a similarly early planted crop ever be able to be insured under the current Hemp program?

The following responses assume the three plantings of the crop are on different acreage and not excluded by rotation and double cropping statements.

- The planting of the crop for harvest in February is not insurable under the policy.
- Coverage on the second planting of the crop for harvest in June will not begin until the later of the AIP acceptance of the application or the planting of the crop provided all other insurability requirements are met.
- The third planting of the crop for harvest in October is insurable provided it is planted by the 2020 Final Planting Date and meets all other insurability requirements.

Production from uninsurable acreage must be included on the Production Report but is not included in the APH database in accordance with 1305B of the Crop Insurance Handbook.

59. Excess moisture causes mold on the product and or the insured cannot get into the field to harvest timely due to the excess moisture. Is there any coverage?

Loss of production due to excess moisture is a covered cause of loss. However, any harvested production infected by mold, yeast, fungus, or other microbial organisms after harvest is not an insurable cause of loss, except as specified in section 12(e) of the Crop Provisions.

60. Since there isn't a NP status for hemp, and the APH follows SENT procedure, could an AIP do measurements of farm stored 2019 production for the first year of APH history? We have producers who have production from 2019 that they were unable to sell (due to market failure), and as we do with other crops and AIP can measure the farm stored production for a verifiable production record.

Standard production reporting requirements in accordance with 3(f) of the basic provisions apply. As per section 54 of the Crop Insurance Standards Handbook:

- CBD hemp stored on the farm requires acceptable verifiable records which may include measurement by the AIP.
- Fiber and grain types may also qualify for the use of acceptable farm management records.

61. In regard to contracted acres, let's say a producer has a contract for 5 acres but has a 10-acre field planted to the crop. We would only be able to insure 5 of those acres, how would we identify which 5 are being insured?

Response revised 4.22.2020: If the insurable and uninsurable acreage are distinguishable (e.g. separate fields), the insured must provide separate GPS coordinates for each field and identify the field as insurable or uninsurable acreage.

If the insurable and uninsurable acreage are not distinguishable (e.g. same field), GPS coordinates must be provided for the field.

Note: the requirement to provide GPS coordinates for acreage reporting is not intended to supersede or replace the language in Para. 803 of the Loss Adjustment Manual (LAM) regarding verifying insurable acreage. In the event of a loss, production from the insurable and uninsurable acreage would be determined as described in the LAM.

62. Would a contract for hemp seed be insurable under the grain type?

Yes.

63. I grow hemp under a state operating under the 2014 Farm Bill and it tests above the Federal limit, but the state program does not require me to destroy it. Then the crop gets destroyed because of flooding. Would crop insurance pay out because of the flooding or no because it's not hemp?

In the scenario described, no indemnity would be paid for the flooding. Production determined by an applicable governing authority to have levels of THC in excess of 0.3 percent on a dry weight basis is an uninsurable cause of loss. Since what would otherwise be an insurable cause of loss (flooding) occurred after the time of testing by the applicable governing authority that determined THC to exceed the maximum acceptable hemp THC level, the production would be treated as production lost to an uninsured cause of loss.

64. For APH purposes, do we need to be using the gross harvested pounds or cleaned pounds?

Section 12(d) of the Crop Provisions requires moisture adjustments in accordance with FCIC procedures (LASH) for both CBD and Grain types during the settlement of a claim; however, no moisture adjustment is required for Fiber types. Production determined on a claim for indemnity will be used in the APH database in accordance with 1310B of the Crop Insurance Handbook. Procedures outlined in section 1403B of the CIH apply for non-loss units.

65. One week from harvesting flowers for CBD, a rain event occurs during the insurance period. The flowers in the field begin to mold and are no longer marketable. What production is counted?

The production to count used to determine the amount of loss will include any undamaged production that is harvested. In the event the insured chooses not to harvest the crop, an AIP appraisal of undamaged production will be used as production to count provided all policy provisions are met.

66. A freeze occurs during the insurance period rendering the crop unmarketable. What production is counted?

The production to count used to determine the amount of loss will include any undamaged production that is harvested. In the event the insured chooses not to harvest the crop, an AIP appraisal of undamaged production will be used as production to count provided all policy provisions are met.

67. Is a grain crop that is swathed and then damaged after swathing but before combining covered because it is not considered harvested?

For hemp insured under the grain type, damage that occurs due to an insurable cause of loss after the crop has been swathed but prior to harvest is covered under the policy.

68. An insured said that they are swathing hemp into windrows and then using a combine to get the flowers. Is that an insurable method of harvest for flowers?

For CBD types, swathing is considered harvesting, according to the definition of “harvest” in the Crop Provisions. Therefore, swathing ends insurance on the crop, and any damage that occurs to the crop after cutting the crop for swathing is not insurable.

69. We have learned that in some cases, hemp growers were issued a “Certificate of Analysis” from an independent testing facility last year. The testing facility is not on the current AMS list of Hemp Analytical Testing Laboratories. We are unclear what is meant by “a governing authority,” or whether the “official” testing (as stated in the ISH) should be at a facility listed on the AMS site. Can you provide any clarification on this requirement? In this case, since an FSA record is not available, would this Certificate from an independent facility be acceptable documentation to verify that the grower produced Hemp in a previous year, provided the name on the Certificate is the same as the potential insured?

If an FSA record is not available, the insured must provide a record from the applicable governing authority that was in charge of regulating and licensing the production of hemp the year in which the crop was grown (e.g. state, tribe) documenting the hemp was tested for THC in accordance with the official hemp program for the area for that crop year.

70. If the hemp crop was not certified at FSA, and a document from the State is provided indicating the crop failed (planted but not harvested in a previous year) without any THC testing documentation, is this considered acceptable production evidence to verify production of the hemp crop?

No, the CISH, Para. 52B(3) specifies "...A record from an applicable governing authority documenting the official THC testing of hemp grown by the insured will be an acceptable substitute **only** if an FSA record is not available."

71. Does Farmer A meet the one-year requirement for obtaining insurance under the following scenario?

Scenario:

In 2019 Farmer A contracted with Processor B to grow hemp. Farmer A certified the hemp with FSA. FSA later determined that under the terms of the contract that Farmer A had no insurable interest in the crop, so they revised their 578 certification and removed the hemp.

Processor B has now left the market in this area and is not contracting here for 2020.

Farmer A (and others) have been in negotiation with Processor C to grow hemp for 2020. Processor C did contract some hemp last year.

No. Farmer A did not have an insurable interest in the 2019 crop.

72. Under the scenario in question 71, does Processor C meet the requirement for obtaining insurance if the contract states that they have an insurable interest in the crop?

Processor C must be able to demonstrate they have an insurable interest in the hemp crop and provide acceptable evidence they produced hemp in a prior crop year in accordance with 52B(3) of the CISH.

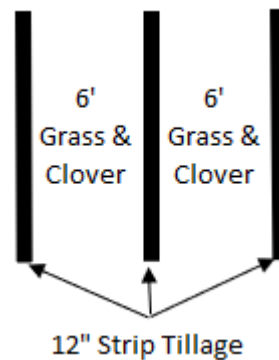
73. What documentation is needed to ensure that the facility meets the definition of a processor? What is needed to meet the conditions in the policy?

If the AIP has any reason to suspect the processor is not legitimate, they should take all steps they deem necessary including, but not limited to, requiring a copy of the processor's licenses and permits. If the processor or insured cannot document that the processor meets the definition of a processor, then there is no processor contract and under the terms of the policy, the crop is not insurable. The AIP would document the findings to justify any actions they take in administering the Hemp program.

74. What is the timeline for completing the inspection in question 73? It appears to be a condition of insurability.

Inspections of processing facilities of hemp producers who are also processors are on an “as needed basis” at the discretion of the AIP and there is no timeline for the inspections. The language in the Hemp Crop Provisions does not specify how or when such inspections are conducted, which allows the AIP to take appropriate action in administering the hemp insurance program.

75. Would planting hemp in rows with an established and maintainable cover crop between rows be considered an insurable practice?



This practice would be considered planting into an established grass or legume and would be uninsurable.

76. John Smith (individual) grew hemp last year and has a THC testing document in his individual name. This year, he formed an entity John Smith Farms where he and his brother, Jack Smith are SBIs. Does the THC testing document from his individual name work for the new entity?

Yes, provided the THC testing document is from an applicable governing authority and a Farm Service Agency (FSA) record is not available. The insured must provide evidence that they or someone with a substantial beneficial interest (SBI) in the entity, has produced hemp in any previous year.

77. Could you please help clarify whether a grain crop is covered for quality issues if the grain doesn't meet food grade specifications and what the insurance covers if it does account for a loss in quality?

There is no quality adjustment for grain not meeting food grade standards unless the production contains substances injurious to animals or humans and is required to be destroyed by a Federal or State agency, in which case the production to count would be zero. The policy only covers production losses, regardless of quality.

78. Is there procedure for the AIP to appraise hemp hanging in the barn to determine production quantity for APH or indemnity purposes?

There are no procedures to appraise hemp production hanging in the barn for APH or indemnity purposes. Such production must be further processed and sold or stored in various storage containers (bales, bags, or other storage containers) in order to establish the quantity of production for indemnity and APH purposes (production report).

79. The SP statement: Insurance will not attach to any acreage on which Cannabis, canola, dry beans, dry peas, mustard, rapeseed, or sunflowers were grown the preceding crop year. Consider a field of hemp that suffers a loss and is destroyed. At what stage in the growth of the plant does it disqualify the acreage from being planted to hemp the next year? Specifically, will hemp destroyed before it reaches the reproductive stage disqualify the acreage from being planted to hemp the next year?

A planted crop is considered to have been grown for the purposes of the rotation statement in the Special Provisions, regardless of the growth stage. Acreage planted to any of these crops the preceding year prevents insurance from attaching to the hemp acreage for the current crop year.