

NAU Country Insurance Company is an equal opportunity provider.

Re: 2024 Acceptable Scale Types

Dear NAU Country Agents and Policyholders:

The Risk Management Agency (RMA) has approved loss adjustment procedures for harvested production using acceptable scale types for claims purposes. Below are the procedures and producer requirements from the 2024 Loss Adjustment Manual that must be followed for acceptable scale types to be used in the settlement of a claim.

Paragraph 902: Production Weighed and Farm-Stored

A. Insured's Weighed Production for the Current Crop Year

Adjusters must measure and calculate all farm-stored production for the unit and current crop year unless allowed in A(1) below or PTC is determined from pre-harvest appraisals as required or permitted in Subparagraph 902C(4) below.

(1) Adjusters may use the insured's weighed production, converted to the applicable unit of measure, and adjusted for excess moisture in accordance with the CP, for the current crop year provided the:

(a) Insured's weighed production is within three percent (3%) of the adjuster measured and calculated production, adjusted for any excess moisture, pack factor, and test weight factor, if applicable.

(b) Insured has met the criteria for acceptable scale types, as stated in Subparagraph 902B and provides the verifiable location of the scales (if applicable) used to weigh the production.

The adjuster will not be required to verify the production records, from the following acceptable scale types by other means (e.g., measuring, calculating, and comparing the stored production to within three percent (3%)), unless there is reason to question the accuracy of the records provided by the insured, if the insured's weighed production records are from a:

(i) non-portable scale provided the scale:

(A) has been calibrated by an independent third party within the last 12 months; and

(B) is integrated with a wired or wireless (e.g., Bluetooth) interface capable of electronically recording and storing weight records from which the insured can produce a printed or electronic record, which includes all of the required information listed in Subparagraph 902C below. December

(ii) grain cart as described in Subparagraph 902B(3)(c).

(c) Insured's records have met the criteria for acceptable weight tickets/records as stated in Subparagraph 903C.

(2) If the accuracy of the insured's weighed production records is in question, the adjuster

NAU Country Insurance Company is an equal opportunity provider.

must verify the production by other means (e.g., bin measurements, sales records, etc.). The insured's weighed production records may be accepted if the adjuster-measured and calculated production is within three percent (3%) of the insured's weighed production records, after being adjusted for any excess moisture, pack factor, and test weight factor, if applicable.

(3) If the insured's weighed production for the current crop year is not within three percent (3%) of the adjuster-measured and calculated production with adjustments for excess moisture, pack factor, and test weight factor, if applicable, the AIP will use the greater of the:

(a) insured's weighed and adjusted production (as stated above) for the current crop year; or

(b) adjuster-measured and calculated production (adjusted as stated above) for the current crop year.

(4) When the insured's weighed production is not within three percent (3%) of the adjuster measured and calculated production:

(a) If the insured's weighed production for these units is greater than the adjuster's measured and calculated production, no proration is needed.

(b) If the adjuster's measured and calculated production (adjusted as stated in (3) above) is greater than the insured's weighed production, then the adjuster measured and calculated production must be prorated to each unit, as follows:

(5) If the insured's scale and/or weight tickets/records are unacceptable, the insured's records of weighed production cannot be used. The adjuster-measured and calculated production will be used and the procedures for commingled production in Paragraph 1133 will apply.

(6) Insured's weight tickets/records for previous year's production cannot be used to separate prior year's production from current year's production stored in the same storage structure, unless the AIP or another USDA agency measures the previous year's production just prior to current year's production being added (a copy of the other USDA agency's measurements must be kept in the loss file). Also, refer to Subparagraph 834(4).

B. Acceptable Scale Types

The AIP must provide the following information (in writing) to the insured prior to harvest of what is needed to have acceptable scale weight tickets/records for loss adjustment purposes.

Acceptable scale types are, as follows:

*(1) non-portable on-farm scales; ****

(2) commercial elevator scales; or

(3) grain cart scales provided the grain cart:

(a) can produce a printed or an electronic record of loads;

(b) has an integrated display panel to show the weight of the production in the cart, provided the cart is available so the capacity of the cart can be determined; or

(c) is equipped with scales integrated with a wired or wireless (e.g., Bluetooth) interface, calibrated according to manufacturer's specifications

NAU Country Insurance Company is an equal opportunity provider.

and is capable of electronically recording and storing weight records on a field-by-field basis from which the insured can produce a printed or electronic record of loads, including all of the required information listed in Subparagraph C below. If a producer used multiple grain carts, but not all were equipped with the system described herein, the adjuster must verify the production by other means (e.g., measuring, calculating, and comparing the stored production to within three percent (3%)).

C. Acceptable Scale Weight Tickets or Records

(1) To be acceptable, each individual scale weight ticket or record for each load must be available and must provide at least the following information:

(a) insured's name;

(b) crop;

(c) the gross weight, per load, of the conveyance with production and the gross weight of the conveyance without production, except as stated in (i) below;

(i) only the gross weight, per conveyance, of the production is required if the production is weighed using a grain cart that:

(A) produces a printed or an electronic record of loads;

(B) has an integrated display panel showing the gross weight of the production from which the insured documents the weight as a handwritten contemporaneous log for each grain cart load weighed; or

(C) is equipped with scales integrated with a wired or wireless (e.g., Bluetooth) interface, calibrated according to manufacturers' specifications, and is capable of electronically recording and storing weight record from which the insured can produce a printed or an electronic record which includes all of the required information in Subparagraph 902C(1).

(ii) scale weight tickets/records printed from grain carts should be photocopied or saved electronically to preserve the information.

(d) date weighed;

(e) load Number (if the scale used does not print a number, the insured must apply a number);

(f) unit and/or field identification from which the production was harvested that can be correlated to the unit numbers for the crop stored. To be acceptable, the adjuster must verify that the field identification can be correlated with the unit numbers for the crop for the current crop year. If a field identification cannot be correlated to a unit number for the crop, the production must be considered commingled, and the procedures in Paragraph 1133 apply; and

*(g) identification and location of farm-storage structure in which the load(s) from each field are stored and/or satisfactory explanation of disposition of the production if any or all of the production is no longer stored at the time of inspection. ****

(2) A summary record of all scale weight tickets/records is not acceptable. The insured must hand-write any of the required information listed in C(1) above if the scale used is not capable of producing a printed ticket or electronic record of loads with the required

NAU Country Insurance Company

Corporate office

7333 Sunwood Drive, Ramsey, MN 55303

Phone: 763.427.3770 Toll-free: 888.942.6557 Fax: 763.427.6473

www.naucountry.com



NAU Country Insurance Company is an equal opportunity provider.

information. Any record containing hand-written information, unless allowed in C(1)(c)(i)(B) and (e) above, will require the adjuster to verify production by other means (e.g., measuring, calculating, and comparing the stored production to within three percent (3%).

(3) To convert scale weight to units of measure, divide the weight by the standard weight per unit of measure. Refer to Exhibit 22 for standard weights by crop.

Example: The standard weight for a bushel of wheat is 60 lbs. (10,256 lbs. ÷ 60 lbs. = 170.9 bu.). This bushel amount would be entered in the column for

gross production on the PW. Refer to Exhibit 22, Unit of Measure of Production, by crop

(4) Pre-harvest appraisal in lieu of the adjuster measuring & accepting the insured's weight tickets, when:

(a) Production will be stored in such a manner that the production cannot be measured (refer to Subparagraphs 821A(3)(c) and (d)) to determine whether the weighed production was within the three percent (3%) tolerance as stated in A(1)(a) above (e.g., high-moisture corn stored in airtight structures). If a preharvest appraisal is not done to determine the PTC, the claim must be denied because the insured does not have verifiable records of the stored production in the absence of the AIP being able to verify the actual harvested production in the structure by measuring the production in the structure.

(b) The insured intends to farm-store production in commercial-sized storage structures. However, if a pre-harvest appraisal is not done, the AIP must still measure the stored production or have the stored production measured at the AIP's expense. When loss adjustment inspections are required for such units, the insured cannot be charged or told by the AIP that they have to pay for such measurements.

For further information on acceptable scales or acceptable scale records, please contact your agent.

Sincerely,

NAU Country Insurance Company