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Soybean Quality Issues & Shatter

Over the past several weeks, some areas have experienced excessive moisture. This has created some potential damage and/or quality issues in these areas. We have put together some talking points to use when visiting with your insureds.

Kernel Damage - If a producer is receiving deduction for Kernel Damage (excluding heat damage), there may be coverage under the Quality Statements in the Special Provisions (SPOI's). The chart located in the SPOI would be used to convert the percent of damaged kernels into a Discount Factor.

The discount charts in the SPOI's list the discount factors for damage (excluding heat damage).

Example: A policyholder has 1000 bu. of Soybeans that has Kernel Damage that is 10.1%. Based on the U.S. Grain Standards this grain would classify as Sample Grade. Therefore, the total discount factor would be calculated using both .030 for sample grade, and .060 for the kernel damage.

The production to count would be multiplied by the discount factor. (1000 bu. x .91 (1.000 - .030 + .060) = 910 bu.)

Shatter Loss - Soybean pods drying out and then taking on moisture over the last few weeks have created a situation where pods are opening, and shatter loss is taking place. There have been reports that some beans are falling to the ground and/or germinating in the open pod. There is no quality provision that accounts for shatter loss directly. However, this decrease in production could put your insureds into a potential loss situation.

If you would like to read more about quality the RMA Actuarial browser click [HERE](#).

Who can obtain samples for Quality?

- Adjuster
- Disinterested 3rd party
 - The elevator at the buying point are considered a disinterested 3rd party as long as they are trained in how to pull samples and are approved by the AIP. **At no time can we accept a sample obtained by the insured or an insured's representative.**

Flooded grain

The Food and Drug Administration guidelines state when an edible portion of a crop is exposed to flood waters, it is considered adulterated and can be injurious to human or animal health and should not be used for feed or food. For acreage of an insured crop in which the edible portion of the crop has been exposed to flood waters, such production is considered to contain substances or conditions qualifying under Section C3 with a level exceeding the maximum amount allowed. Such production is not required to be sampled and tested by an approved laboratory. Whether you intend to harvest or not harvest such acreage, you must give us notice to inspect the crop.

What should you do as an agent?

If your policyholders believe they have a potential loss, turn in a claim within 72 hours of the initial date of damage, but not later than 15 days after the end of insurance period (EOIP). As a reminder, the end of insurance period is the earliest of:

- Total destruction of the crop on the unit
- Harvest of the crop on the unit
- Final adjustment of the loss on the unit
- Calendar date - as mentioned above
- Abandonment of the crop

Additional reminders

- Elevator tickets can be used to identify the percent of damage. For farm stored production, an adjuster would need to collect a sample from the bin.
- The elevator will adjust the price for which the damaged grain can be sold. The MPC1 policy will reduce their bushels. This is something you will want to point out to your insureds.
- There are also discount factors for other quality items such as low test weight and odors. Multiple discount factors are added together.