

IMPORTANT NOTICE TO POLICYHOLDERS

New Allowance for Precision Farming Technology

Beginning with the 2011 crop year, Great American Insurance Company (GAIC) can allow farm management and harvested production records for those policyholders utilizing Precision Farming Technology. In an effort to effectively service your policy and provide you with the most current information in advance of the growing season, we have outlined the new allowance and requirements below.

It is important to point out that the Multiple Peril Crop Insurance (MPCI) program is very specific in what is viewed as Precision Farming Technology. We encourage you to discuss your Precision Farming System with your agent early in the year. If questions arise as a result of these discussions, the GAIC Claims Department will be happy to assist in determining how your system best fits within the framework of crop insurance claim reporting and record requirements.

What is Precision Farming Technology?

For crop insurance purposes, the USDA's Risk Management Agency has defined Precision Farming as follows:

The utilization of systems' technologies and agronomic principles to manage variability within and between fields and/or over time that is associated with all aspects of agricultural production. It requires the use of technologies, such as global positioning system (GPS) and geographic information systems (GIS) management tools for the purpose of improving crop management. Precision farming may include the combination of variable seeding and fertilizer rates, minimizing seed and chemical overlaps, and the use of GPS/GIS yield mapping technology (i.e. a producer using variable seeding, cutting planting rate from 36,000 to 18,000 seeds/acre for non-irrigated corners, indicating a discernible break in yield with the use of GPS/GIS mapping).

Specifically, Precision Farming Technology must include at least the following components in order to qualify:

- GPS technology integrated with planter monitors, combine monitors and yield mapping software.
- The ability to provide planting and harvesting summary reports.
- The ability to provide evidence by crop, via an Annual Calibration Report, that the system was properly calibrated according to the manufacturer's requirements (i.e. in accordance with owner's manual specifications), for the current crop year.

I believe my system qualifies. What does this mean for me?

By utilizing Precision Farming Technology that meets the above standard, GAIC may allow use of your planted acreage records to be acceptable as "determined" acres and use of your harvested production records to establish your total production (in lieu of settlement sheets and bin measurements). In other words, your crop insurance claim may be based on the data and reports collected from your Precision Farming Technology.

Please note that planted acreage records from your Precision Farming Technology cannot be used to determine acreage that is prevented from being planted. If you are prevented from planting, GAIC must measure the appropriate acres.

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If I wish to use my Precision Farming Technology as described above, what is required?

In addition to having a Precision Farming system that qualifies, there are several requirements that must be met. The requirements differ for acceptable planted acreage records vs. acceptable harvested production records. We have outlined the requirements for both categories below:

Planted Acreage Records

- For planted acreage records to be acceptable as determined acres, the following information must be provided in conjunction with the applicable production data:
 - Insured's Name
 - Unit Number
 - FSA farm/tract/field ID number (optional)
 - Legal description of the acreage; and
 - A print out from the Precision Farming system that includes the crop name, acres planted, and electronically produced maps of planted acreage and summary records. These records must illustrate any required discernable breaks between units or practices.
 - If overlapping rows were planted on the acreage, the system must account for this overlap. If the system does not account for the overlapping rows, we will determine acres as if the Precision Farming technology was not being used.

Harvested Production Records

- For harvested production records to be acceptable, the following information must be provided in conjunction with the applicable planting data:
 - The system must be calibrated for each insured crop and crop year, in accordance with the owner's manual specifications. The calibration must be within 3% of the actual weight of the production harvested during the calibration test.
 - Calibration results must be provided, to us, on an Annual Calibration Report or on acceptable documentation from you. The report must include all calibrations and adjustments performed, by crop, for the crop year. The report must also include the date of each calibration/adjustment, and the amount of adjustment from the previous setting.
 - Insured's Name
 - Unit Number
 - FSA farm/tract/field ID number (optional)
 - Legal description of the acreage; and
 - A print out from the Precision Farming system that includes the crop name, acres harvested, date harvested, total production (unadjusted for moisture), average moisture content; and
 - Yield maps and acreage/production summary records, which illustrate that separate production records were maintained by unit and/or practice.

What else should I consider regarding Precision Farming Technology and my crop insurance?

You are encouraged to maintain alternate production records by unit, which can be used in the event that your Precision Farming records are determined to be unacceptable.

Should you have any questions regarding Precision Farming Technology with respect to crop insurance and the contents of this letter, please contact your agent immediately.

Great American appreciates your business and the opportunity to service your crop insurance policy.