

# Checklist to Assist with Compliance Reviews

**When conducting a Compliance Review, the NAU Country reviewer shall verify the insureds:**

- production evidence which supports the amounts certified on the production report for prior crop years
- share evidence matches the share percentage certified on the acreage report for the current crop year
- acreage records support the amounts certified on the acreage report for the current and prior crop years.

**Specific to APH Reviews:** NAU is required to verify the reported yield for the most recent crop year (e.g., 2025) is correct and is supported by acceptable production and acreage records.

- If the reported yield exceeds the verified yield by more than the allowed 5% tolerance, then we are required to review the records from the prior two crop years (e.g., 2024 and 2023).
- If the verified yield is within the 5% tolerance or matches the reported yield, we are still required to verify production records exist for the prior two crop years.
- NAU Country will check records for past reviews and claims that cover the crop and county being reviewed. If you are aware that a review or loss with NAU Country or any other approved insurance provider ("AIP") had been completed on the same crop and county, please contact the NAU Country Compliance Department and provide the company name and policy number.

**NOTE:** Beginning in crop year 2025, indemnities from all loss types and all plans of insurance on a producer/crop/county are combined to determine if a \$200,000 review is needed.

## Production Evidence – For prior crop years

**For all insurance plans EXCEPT Rainfall Index and Livestock,** the following records are acceptable to support production and must be separated by crop year. 100% of the production must be provided, not just the insured's share.

Sold or Commercially Stored Production Records	Examples:	<ul style="list-style-type: none"><li>• Gin Records</li><li>• Ledger Sheets</li><li>• Buyer Records</li></ul>	<ul style="list-style-type: none"><li>• Load Summaries</li><li>• Processor Records</li><li>• Packer Records</li></ul>	<ul style="list-style-type: none"><li>• Settlement Sheets</li><li>• Elevator Receipts</li><li>• Warehouse Receipts</li></ul>	<ul style="list-style-type: none"><li>• Storage Facility Records</li><li>• Marketing Outlet Records</li><li>• Boiler House Records</li></ul>	<ul style="list-style-type: none"><li>• Broker Records</li><li>• Distiller Records</li><li>• First Handler Records</li></ul>
	Required Information:	<ul style="list-style-type: none"><li>➤ Name of the insured</li><li>➤ Name of crop</li></ul>	<ul style="list-style-type: none"><li>➤ Quantity of production</li><li>➤ Date of transaction</li></ul>	<ul style="list-style-type: none"><li>➤ Crop year commodity produced</li><li>➤ Practice and type of crop</li></ul>	<ul style="list-style-type: none"><li>➤ Unit number, block number, or location of production</li><li>➤ Planting period from which production was produced</li></ul>	
Farm-Stored Production	Examples:	<ul style="list-style-type: none"><li>• Actual measurements completed by FSA or an Approved Insurance Provider</li></ul>				
	Required Information:	<ul style="list-style-type: none"><li>➤ If a bin/structure contains prior crop year production, a disinterested third-party measurement is required before adding current year crop.</li><li>➤ If current year production in bin has not been measured, contact the Compliance Advisor or Field Claim Manager to arrange for measurement.</li></ul>				
Pick Records**	Examples:	<ul style="list-style-type: none"><li>• Typically includes apples, blueberries, grapes, macadamia nuts, peaches, pears, peaches, fresh apricots, fresh nectarines, and fresh plums.</li></ul>				
	Required Information:	<ul style="list-style-type: none"><li>➤ Name of the person(s) paid by the grower for the harvest of the crop</li><li>➤ Proof of payment to the picker(s) for the harvesting of the crop</li></ul>	<ul style="list-style-type: none"><li>➤ Price paid, per volume picked, for picking the crop</li><li>➤ Date the crop was picked and the location of the crop</li></ul>			
Precision Farming Technology Systems (PFTS) / Automated Yld Monitoring System	Criteria:	<ul style="list-style-type: none"><li>• The system must be properly calibrated, by crop, in accordance with the owner’s manual (manufacturer) specifications. The sensor calibration must result in an error rate of three percent or less based on actual production from the sample acres.</li></ul>				
	Required Information:	<ul style="list-style-type: none"><li>➤ Name of the insured</li><li>➤ Harvest date</li><li>➤ Acres Harvested</li></ul>	<ul style="list-style-type: none"><li>➤ Name of crop</li><li>➤ Unit number</li><li>➤ Total dry weight/yield adjusted for moisture, as req’d by the CP, actuarial documents, &amp; loss claims standards</li></ul>	<ul style="list-style-type: none"><li>➤ Average moisture content</li><li>➤ Legal description of acreage</li></ul>	<ul style="list-style-type: none"><li>➤ FSA farm/tract/field ID number (optional)</li><li>➤ Total production (unadjusted for moisture)</li></ul>	

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Machine Harvest Records**	Examples:	• Typically includes almonds, apples, avocados, blueberries, citrus, cranberries, dry beans, dry peas, figs, forage production, grapes, green peas, macadamia nuts, onions, pears, peaches, peanuts, pistachios, potatoes, processing beans, processing sweet corn, prunes, stonefruit (apricots, nectarines, peaches, and plums), sugarcane, sugar beets, table grapes, tobacco, tomatoes, and walnuts.				
	Required Information:	➤ Name of the insured	➤ Date of harvest	➤ Quantity of weighed production		
		➤ Name of crop	➤ Practice, type, and crop year	➤ Unit number or the location of the production		
Daily Sales Records**	Examples:	• Typically apply to fresh fruit such as apples or peaches				
	Required Information:	➤ Records must be contemporaneous (either a daily sales ledger or a transaction summary of sales from an electronic point of sale system). ➤ Records and/or receipts must specify the crop, quantity/weight sold, grade (when available to the insured), and amount received. ➤ If a transaction summary of sales is used, tax forms or other receipts which verify the income from the sale of the crop are required.				
Claim Production	Example:	• Proof of loss from previous AIP				
Non-portable On-farm Scales	Criteria:	• The scale must have been calibrated by an independent third party within the last 12 months. • The scale must be 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.				
	Required Information:	➤ Name of the insured	➤ Name of crop	➤ Load number	➤ Date weighed	➤ Unit and/or /field identification
		➤ The gross weight, per load, of the conveyance with production and the gross weight of the conveyance without production				
		➤ Identification and location of farm-storage structure in which the load(s) from each field are stored and/or satisfactory disposition of the production				
Grain Carts	Criteria:	• The cart must be equipped with scales integrated with a wired or wireless (e.g., Bluetooth) interface. • The cart must be calibrated according to manufacturer's specifications. • The cart must be capable of electronically recording and storing weight records on a field-by-field basis.				
	Required Information:	➤ Name of the insured	➤ Name of crop	➤ Load number	➤ Date weighed	➤ Unit and/or /field identification
		➤ The gross weight, per load, of the conveyance with production and the gross weight of the conveyance without production				
		➤ Identification and location of farm-storage structure in which the load(s) from each field are stored and/or satisfactory disposition of the production				
Livestock Feeding Records (Must be in writing)	Criteria:	• Contemporaneous livestock feeding records <b>will not</b> be required if all production is determined (by having it measured or appraised by the AIP) or by other allowable farm management records <u>prior</u> to insured feeding production. Insureds request to measure prior year(s) production must be made <i>at least 15 days</i> before the beginning of harvest of the current year production to allow time for the AIP to conduct a field visit.				
	Required Information:	➤ Be contemporaneous for each feeding as it occurs		➤ Identify the crop year in which fed production was harvested		
		➤ Provide the amount of production, by crop, fed at each feeding		➤ Provide the unit number from which the fed production was harvested		
Field Harvest Records**	Examples:	• Separate measurements of production, by unit, when placed in farm storage structures • Truck, wagon, or hopper loads that are documented by conveyance measurements				
	Required Information:	➤ Name of the insured	➤ Unit number or field identification		➤ Estimated bushel volume per conveyance	
		➤ Name of the crop	➤ Date harvested		➤ Identity of conveyance used (for load records)	

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<b>Unharvested Acreage Appraisals</b>	<b>Criteria:</b> <ul style="list-style-type: none"> <li>• Must be performed by a(n) authorized AIP or FSA personnel to be acceptable. If acreage of the crop was destroyed/put to another use and an appraisal of the potential production was not made (not requested for APH database purposes or no claim), the production report will indicate the planted acres and a yield of zero.</li> </ul>
<b>Insured's Seed Records</b>	<b>Required Information:</b> <ul style="list-style-type: none"> <li>➤ Name of the insured      ➤ Name of crop      ➤ Date of weighing</li> <li>➤ Documentation or a written statement which indicates the amount of seed planted per acre</li> <li>➤ A map which identifies the acreage where the seed was used for planting</li> </ul>

**\*\* Records alone are considered acceptable production records unless the policy requires a pre-harvest appraisal and/or records of sold production.**

**Acreage Verification** – For current and prior crop years and must be included for all crops and units for each year subject to review.

<b>Insured Owns the Land</b>	<b>Examples of Acceptable Documentation:</b> <ul style="list-style-type: none"> <li>• FSA 578s</li> <li>• CIMs data</li> <li>• Real Estate Documentation (for most recent year)</li> <li>• Deeds</li> <li>• Precision Farming Technology System (PFTS)</li> <li>• Measurement service (by AIP, FSA, or disinterested third-party)</li> </ul>
<b>Insured Leases the Land</b>	<b>Examples of Acceptable Documentation:</b> <ul style="list-style-type: none"> <li>• FSA 578s</li> <li>• CIMs data</li> <li>• Precision Farming Technology System (PFTS)</li> <li>• State or federal agency measurements (e.g., Bureau of Land Management (BLM), United States Forest Service (USFS), etc.)</li> <li>• Lease Agreement</li> <li>• NAU Lease Certification Form</li> <li>• Measurement service (by AIP, FSA, or disinterested third-party)</li> </ul>

**Direct Marketing Certification (formerly Vertically Integrated)** allows an insured without disinterested third-party records to use their own acceptable production records or to request a pre-harvest appraisal to allocate the insured's actual production to an APH database.

**Direct marketing** is the sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper, buyer, or broker. Production records are controlled exclusively by the policyholder. Examples of direct marketing include selling through an on-farm or roadside stand, a farmer's market, or permitting the general public to enter the acreage for the purpose of harvesting or picking all or a portion of the crop.

<b>Marketing Certification -</b> <i>Required at a policy level; however, may be reported by unit/APH database level when unit/APH database level information is known.</i>	<b>Criteria:</b>	<ul style="list-style-type: none"><li>• Complete and sign the Marketing Certification for the crop by the ARD.</li><li>• Certify that the acceptable production records available will be from an intermediary (e.g., wholesaler, retailer, packer, processor, shipper, buyer, or broker, etc.) controlled by the insured or non-disinterested third party.</li><li>• Only the portion of the crop sold directly to consumers will be considered direct marketed.</li><li>• If marketing plans change after the ARD and production records will not be from a disinterested third party, the insured must notify their AIP no later than 15 days prior to harvest and complete the Marketing Certification within 15 days of the initial notice to the AIP.</li></ul>		
	<b>Examples:</b>	<ul style="list-style-type: none"><li>➤ Records of Production Commercially Sold or Stored, even when not from a disinterested third party</li><li>➤ Certified Scale Weight Records (<i>require specific information</i>)</li></ul>		
	<b>Required Scale Information:</b>	✓ Name of the insured	✓ Quantity/weighed production	✓ Unit number or location of the production
		✓ Name of crop	✓ Date of harvest or date weighed	✓ Practice, type, and crop year
	<b>NOTE:</b> <i>NAU may request additional supporting records including but not limited to: pick records, food safety records, copies of receipts, ledgers of income, transportation records, bank statement, final sales records, tax records, and/or pre-harvest appraisal.</i>			

## Additional tips to expedite review processing

- **Sort and group** records by crop year and label properly by year, unit, etc.
- **For organic crops**, provide a copy of the organic certificate and the organic system plan, or documentation that a written request has been made for written certification or an organic system plan.
- **Do not submit original documents**, provide copies only.
- **If newly certified (crop/county basis)**, provide records for each certified crop year.