



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

December 7, 1982

SUBJECT: Calculation of Production Losses

TO: State Directors, District Directors,  
County Supervisors, and Director, Finance Office

This AN is issued to clarify the interpretation of Section 1945.154 (a)(30) of FmHA Instruction 1945-D for calculating production losses.

To qualify for EM loan assistance based on production losses, an applicant must sustain at least a 30 percent production loss in any single enterprise considered a basic part of the farming operation. A single enterprise considered a basic part of the farming operation is defined in Section 1945.154 (a)(15) of FmHA Instruction 1945-D.

The amount of production loss calculated on Form FmHA 1945-26, "Calculation of Actual Losses," should be rounded to the nearest whole percentage number. To illustrate, if the calculation shows a 29.49 percent production loss, you should round it down to 29 percent. If the calculation shows a 29.50 but less than 30 percent loss, you should round it up to 30 percent.

All future calculations relative to determining an applicant's production loss must be done in accordance with this AN.

*Charles W. Shuman*

*for*

CHARLES W. SHUMAN  
Administrator

Sent via electronic mail on December 7, 82 at 11:39 a.m. by MISD(IMPS).

EXPIRATION DATE: December 31, 1983

FILING INSTRUCTION:  
Preceding FmHA Instruction 1945-D

