



United States
Department of
Agriculture

October 4, 2005

INFORMATIONAL MEMORANDUM

Risk Management
Agency

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Regional Office

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TO: Reinsured Companies servicing the Pacific Northwest States

FROM: Dave P. Paul /*Dave P. Paul*
Director

SUBJECT: **2005** Regional Underwriting Guidelines for Idaho, Oregon and
Washington Category C Perennial Crops (Apples, Blueberries,
Cranberries, Grapes, Pears, Stonefruit, etc.)

ISSUE:

For **2005**, the following Risk Management Agency (RMA) Spokane Regional Office (RO) Guidelines are issued to more accurately target perennial crop policies needing field inspections and to limit the number of field inspections to only those cases requiring further analysis and possible yield adjustment by the Spokane RO.

Revisions compared to last year's document are shown as highlighted/shaded text for your convenience

1 General Requirements:

When the policy triggers pre-acceptance field inspection selection criteria (tolerance guidelines) outlined in Section 7F(2) in the **2005** Crop Insurance Handbook (CIH) requiring RMA RO yield determination, the following information, for all applicable units by practice, type and variety (P/T/V) must be acquired:

- A Supporting documentation as outlined in Section 7F(6):
Actual Production History forms (FCI-19A, NCIS-765 or APH equivalent), hard copy records of acreage and production, Producer's Pre-Acceptance Worksheet(s), Pre-Acceptance Perennial Crop Inspection and Applicable Crop Addendum Worksheet(s), Block Production Worksheet(s), Unit Summary Worksheet(s), and if applicable, RMA RO Determined Yield Request(s)



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B Pre-Acceptance Perennial Crop Inspection and applicable Crop Addendum Worksheet(s) must be current, (five years old or less) as outlined in the chart shown in Section 7F(1)(C).

B(1) If the current inspection on file is greater than five years old (inspections for the 1999 crop year and prior), or a current copy cannot be obtained from the ceding company/FSA office, the units(s) in question must be field inspected for 2005.

B(2) A new inspection when the insured answers 'YES' to question 22 contained on the Producer's Pre-Acceptance Worksheet.

C Crop Insurance Handbook Changes.

This office previously provided procedures for determining approved APH yields for acreages with high variability of yields or down trending yields. Yield determination methodology for these exception cases has now been incorporated into CIH Section 7F(2)(b).

2 Yield Limitations (cups) / Sixty percent (60%) T-Yields in Reference to CIH Section 7F(2)(b):

Yield limitations (cups) {CIH Section 7J(6)}, and Sixty percent (60%) T-yields {CIH Section 13D(7)} generally do not apply to units (by P/T/V) in special cases referred to the RMA RO for yield determination, including those cases waived for company approval. Cases identified in Section 7F(2)(b)(2) and submitted to the RMA RO as a request for higher yield may be eligible for Sixty percent (60%) T-yields if qualified and elected by the insured, as determined by the RMA RO. However, all other Crop Insurance Handbook procedures apply.

3 Organic or Sustainable Practices (Pre-Acceptance Work Sheet Question #23 – Organic and Non-Conventional Practices)

A Insurance providers are authorized to approve the average APH yield using APH procedure stated in Exhibit 38 for all units {identified in 7F(2)(d)} grown with the transitional organic or organic production practice. For units/blocks meeting criteria specified elsewhere in 7F(2) {except (2)(d)}, the insurance provider will follow the procedures in this letter or the CIH.

- B Insurance providers are **also** authorized to approve the average yield using standard Category C APH procedure for all units {identified in 7F(2)(d)} grown with the sustainable production practice.

4 Utilization of Block Production Procedure:

When block production records are used to calculate the approved yield for **cases identified in CIH Section 7 F(2)(b) and (d)** and item 3B above, use the corresponding yield determination formula for only those blocks meeting the applicable tolerance test.

- A Standard APH procedures apply to blocks not meeting applicable tolerance tests.
- B Final approved APH yield is transferred from Unit Summary Worksheet (FCI-19-A-USW)

5 Grapes Grown Under Tonnage Contracts

When grape production is reduced under a tonnage contract **compared to previous levels**, CIH Section 7L(7) specifies that the approved APH yields for such policies is to be adjusted. Please forward the items specified in item 1 of this memo and the tonnage contract(s) currently and previously in effect to the RMA RO for yield establishment.

6 WAIVER

- A Insurance providers are authorized to approve average yields for situations via guidelines outlined in **CIH Sections 7 F (2) (b) and (d) and item 3B above**.
- B The waiver is not applicable to policy units when answering either 'YES' to question 22 or 'NO' to question 24 of the Producer Pre-acceptance worksheet (12-PAW) or marking the RMA RO Coverage Review on question 37 of the Pre-Acceptance Perennial Crop Inspection Report (12-P).

Any policy forwarded to the RMA Spokane RO must include supporting documentation as outlined under **item 1** of the General Requirements above. If you have any questions or if we can be of any assistance, please do not hesitate to contact our office.