



United States  
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Agriculture

Farm and Foreign  
Agricultural  
Services

Risk  
Management  
Agency

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June 4, 2010

**TO:** All Approved Insurance Providers

**FROM:** Brian D. Frieden, Director  
Springfield Regional Office

**SUBJECT:** 2010 Crop Year Peach Tree Loss Affecting Reduced Tree Stand and  
Expected Yields in Illinois

**BACKGROUND:**

The exceptionally wet years Illinois has experienced over the last three growing seasons have caused prolonged soil saturation, which has led to higher susceptibility to winter injury. As a result, peach trees have been dying or have been weakened contributing to decline in tree stand counts and fruit productivity. Therefore, the Springfield Regional Office (RO) is issuing this memo to remind Approved Insurance Providers of policy language and procedures that address stand reduction and reductions in expected yield.

Policy language and procedures that address stand reduction and reductions in expected yields have been previously established within Section 3 of the Basic Provisions, Section 2 of the Peach Crop Provisions and the Special Provisions of Insurance. In Section 2 of the Peach Crop Provisions it specifically states:

- (b) You must report, not later than the production reporting date designated in section 3 (Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities) of the Basic Provisions, by type if applicable:
- (1) Any damage, removal of or addition of trees, or change in practices, or any other circumstance that may reduce the expected yield below the yield upon which the insurance guarantee is based, and the number of affected acres;
  - (2) The number of bearing and non-bearing trees on insurable and uninsurable acreage;
  - (3) The age of the trees, variety, type, and the planting pattern; and
  - (4) For the first year of insurance, acreage inter-planted with another perennial crop, and anytime the planting pattern of such acreage is changed:
    - (i) The age of the crop that is inter-planted with the peaches;
    - (ii) The variety, and type if applicable;
    - (iii) The planting pattern; and
    - (iv) Any other reasonable and pertinent information that we request in order to establish your approved yield.

Additionally, the Special Provisions of Insurance documents also contain language stating reductions in acreage will be made when a decrease in plant stand is greater than ten (10) percent of the original tree stand count and density for any reported insurable block, based upon damaged or removed trees (e.g., eighty-two percent stand on 10.0 acres  $\times$  .82 = 8.2 acres). In any subsequent crop year, acreage adjusted in accordance with this paragraph



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must be retained and updated based upon any additional reduction in stand. No increase in reduced acreage can be made without the Risk Management Agency (RMA) Regional Office (RO) authorization.

Furthermore, the 2010 Crop Insurance Handbook (CIH) states in Section 7 F that an inspection is required when known tree damage has occurred that will reduce the peach crop from previous production levels for any unit if the most recent Pre-Acceptance Perennial Crop Inspection Report is more than five years old.

**ACTION:**

Effective for the 2010 crop year, any unit where known tree damage will reduce productivity, the Pre-Acceptance Perennial Crop Inspection Report and supporting documentation must be sent to the RO for an RO Determined Yield {CIH, Section 7 F (2) (c)}. It is important to note in the Pre-Acceptance Perennial Crop Inspection Report the number of dead trees, number of trees under stress (including leaf presence, leaf size, and leaf color as well as quantity and quality of fruit) and the overall condition of the orchard. A tree will be counted as live if it has leaves at leaf time for the current crop year. A tree with yellowing leaves will be counted as live, but must also take into consideration and account that such a tree is under stress and will probably have reduced yields. It may also be important to note the type and variety of trees that are dead, stressed/damaged or healthy.

A Pre-Acceptance Perennial Crop Inspection Report will be required for the 2011 crop year due to the potential for further tree loss in Illinois. An increase in reduced acreage will not be made without the RO's authorization.

If you have any questions regarding this memo, please feel free to contact me at (217)-241-6600, Ext. 113.

CC: Midwest Regional Compliance Office