



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

INFORMATIONAL MEMORANDUM

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Kenneth D. Ackerman /s/ Ken Ackerman 12-4-00
Administrator

SUBJECT: Claims Advisory - Loss Adjustment Clarification for Missouri Apple Heat
Damage

BACKGROUND:

This year's Missouri apple crop was exposed to extremely high late-summer temperatures that caused internal damage to most of the fruit. Apple policyholders are concerned that heat-damaged apples will be counted as production to count under the terms of the Apple Crop Provisions and any applicable fresh fruit option.

DISCUSSION:

This Informational Memorandum is issued to advise insurance providers that consistent with the current Apple Crop Provisions and applicable procedures, any apples damaged due to an insurable cause of loss that fail to meet the grade requirements of U.S. Cider grade will not be considered as production to count and will be considered cull production, whether insured under a fresh fruit option or the basic apple crop provisions. In addition, for fresh fruit option "B" only, the Apple Crop Provisions (99-054), Section 13, (f), (2), (vii) states "Thirty (30) percent of all cull production will be considered production to count, unless otherwise specified in the Special Provisions."

DISPOSAL DATE:

This Informational Memorandum is providing information and does not change existing policy or procedure. The disposal date is December 31, 2000.



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The Risk Management Agency Administers and Oversees
All Programs Authorized Under the Federal Crop Insurance Corporation

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