



United States  
Department of  
Agriculture



Federal Crop  
Insurance  
Corporation

FCIC 25900 (08-2019)  
FCIC 25900-1 (07-2020)

# **ACTUAL REVENUE HISTORY (ARH) TART CHERRY FOR PROCESSING PILOT**

# **LOSS ADJUSTMENT STANDARDS HANDBOOK**

**2020 and Succeeding Crop  
Years**



**UNITED STATES DEPARTMENT OF AGRICULTURE  
KANSAS CITY, MO 64133**

<b>TITLE: ARH TART CHERRY FOR PROCESSING PILOT LOSS ADJUSTMENT STANDARDS HANDBOOK</b>	<b>NUMBER: 25900-1</b>
<b>EFFECTIVE DATE: 2020 and succeeding crop years</b>	<b>ISSUE DATE: 07-17-2020</b>
<b>SUBJECT:</b>  <b>Provides the loss adjustment procedures and instructions for the ARH Tart Cherry For Processing (Pilot) crop insurance program.</b>	<b>OPI: Product Administration and Standards Division</b>
	<b>APPROVED:</b>  <i>/s/ Richard H. Flournoy</i>  <b>Deputy Administrator for Product Management</b>

**REASON FOR AMENDMENT**

Major changes: See changes or additions in text which have been highlighted in yellow. Three stars (\*\*\*) identify information that has been removed.

1. Revised language for General Information for Worksheet Entries and Completion Procedures.

**ARH TART CHERRY FOR PROCESSING PILOT LOSS ADJUSTMENT STANDARDS  
HANDBOOK**

**CONTROL CHART**

	ARH Tart Cherry for Processing Loss Adjustment Standards Handbook						
	TP Page(s)	TC Page(s)	Text Page(s)	Exhibit Number	Exhibit Page(s)	Date	Directive Number
Remove	1-2		15-16			8-2019	FCIC-25900
Insert	1-2		15-16			7-2020	FCIC-25900-1
Current Index	1-2	1-2	1-14 15-16 18	1-9	19-58	7-2020 8-2019 7-2020 8-2019	FCIC-25900-1 FCIC-25900 FCIC-25900-1 FCIC-25900

These inserted pages listed in the Control Chart above in the “Insert” row replaces such pages in the 2020 Actual Revenue History Tart Cherry Loss Adjustment Standards Handbook , FCIC-25900 (08-2019). This handbook is effective for the 2020 and succeeding crop years and is not retroactive to any 2019 or prior crop year determinations.

## PART 4 HARVESTED PRODUCTION WORKSHEET

### 41 Determining the Annual Price

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- (1) Use the insured's Net Dollars Received as the value of Sold harvested production if the AIP determines the insured received a reasonable price per pound for such production. A reasonable price is the price buyers in the area are paying on the date of sale for tart cherries of the same variety and quality.
- (2) If the AIP determines the price was reasonable, the **annual price** will be the total of the net dollars received for production sold, other than revenue from diverted acres, divided by the pounds sold. If the annual price for tart cherries is determined using actual grower sales, the AIP must ensure the production sold is from a legitimate run of tart cherries, complete with the settlement sheets. A small volume of tart cherries brought to the processor with the sole intent of establishing an annual price does not qualify unless it comprises at least 2 standard tart cherry tanks (1,998 pounds) and is confirmed as picked from representative trees by an adjuster.
- (3) This value is determined for each unit by type as follows:
  - (a) the total revenue received from the unit from sale of tart cherries and diversion certificates when handlers/processors initiate the diversion, divided by the total pounds sold from that unit; or
  - (b) if there was no sold production from that unit or the price is determined not reasonable, the amount determined in (a) for a similar unit of the same processing type from which you did have sold production; or
  - (c) if there is no unit of the same processing type that is determined to be reasonable, the total revenue to count from all units of the same type divided by the total pounds sold; or
  - (d) if there were no sales from any unit or if we determine you did not receive a reasonable price per pound RMA will determine the price per pound.
- (4) Harvested production damaged or defective due to insurable causes and not marketable will have a zero value and will not be included in determining the annual price.
- (5) The marketable production from the diverted acres will be valued at a price determined by RMA.
- (6) If a producer/handler/processor is exclusively processing fruit from his/her own production, the Annual Price will be as identified in (3)(d).
- (7) If a producer supplies his/her cooperative, and that cooperative is exclusively processing fruit from its members, the Annual Price will be as identified in (3)(d).
- (8) If a producer in either of the two situations (6) or (7) cannot provide evidence that they are paid a price considered reasonable when compared with purchases from other suppliers without a financial interest in the company or cooperative, the Annual Price will be as identified in (3)(d).

## 42 General Information for Worksheet Entries and Completion Procedures

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- (1) Use this worksheet to record harvested production and sale of tart cherries.
- (2) Record all the production delivered to each processor, or other first handler on separate Harvested Production Worksheets. Convert production delivered to pound equivalents and enter production pounds on the Harvested Production Worksheet, as applicable.
- (3) Complete a separate worksheet for sold, unsold, and diverted production, as applicable. Use multiple worksheets for sold, unsold, and diverted production as needed to record all individual load or lot data.
- (4) A year-end summary from a processor, or other first handler by tart cherry type may be used in lieu of individual load or lot data. The examples herein demonstrate individual load or lot data.
- (5) The allowable revenue may not include any handling charges such as grading, cooling, fumigating, packing, packing containers, selling commissions, **CIAB assessments, marketing fees, and other assessments.**
- (6) For production from diverted acres the allowable revenue may **not** include any remittances from the sale of diversion certificates.
- (7) The end of the insurance period for inadequate market price is January 15, the year following harvest. Any production not sold by January 15 will be valued using the Annual price **procedure**. If a pool should close after January 15, but before April 15, the insured must still use the annual price **procedure** because the end of insurance period for inadequate market price is January 15. In addition, the revenue report for the next insurance year will need to use the revenue to count amount from the loss claim.
- (8) All entries on the Harvested Production Worksheet must reflect the insured's share.
- (9) While one or more individual lines within a worksheet, or individual worksheets within a unit, may have net returns of less than zero dollars, the unit summary worksheet cannot have a final net value less than zero as the unit's liability establishes the maximum indemnity payable on the unit.

43-50 (Reserved)

## PART 5 PRODUCTION WORKSHEET

### 51 General Information for Worksheet Entries and Completion Procedures

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- (1) The PW is a progressive form containing all notices of damage for all preliminary and final inspections (including “No Indemnity Due” claims) made on a unit.
- (2) If a PW has been prepared on a prior inspection, verify each entry and enter additional information as needed. If a change or correction is necessary, strike out all entries on the line and re-enter correct entries on a new line. The adjuster and the insured are to initial any line deletions.
- (3) Refer to the LAM for instructions regarding the following:
  - (a) Acreage report errors.
  - (b) Delayed notices and delayed claims.
  - (c) Corrected claims or fire losses (double coverage), and cases involving uninsured causes of loss, unusual situations, controversial claims, concealment, or misrepresentation.
  - (d) Claims involving a Certification Form, (when all the acreage on the unit has been appraised to be put to another use or other reasons described in the LAM).
  - (e) “No Indemnity Due” claims (which must be verified by an APPRAISAL or NOTIFICATION from the insured that the production exceeded the guarantee).
- (4) The adjuster is responsible for determining if any of the insured’s requirements under the notice and claim provisions of the policy have not been met. If any have not, the adjuster should contact the AIP.
- (5) Instructions labeled “Preliminary” apply to preliminary inspections only. Instructions labeled “Final” apply to final inspections only. Instructions not labeled apply to all inspections.
- (6) Refer to Section 15 (b) of the Basic Provisions for information on determining production to count when acreage is harvested after the crop has been appraised.
- (7) If the AIP determines the claim is to be denied, refer to the LAM for PW completion instructions.
- (8) Standard PW items are numbered consecutively in exhibit 5. An example PW is also provided to illustrate how to complete item entries.

**52-60 (Reserved)**

## Acronyms and Abbreviations

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The following table provides the acronyms and abbreviations used in this handbook.

Approved Acronym/Abbreviation	Term
AIP	Approved Insurance Provider
ARH	Actual Revenue History
BP	Basic Provisions
CAT	Catastrophic Risk Protection
CIH	Crop Insurance Handbook, FCIC-18010
CP	Crop Provisions
DSSH	Document and Supplemental Standards Handbook, FCIC-24040
FAD	Final Agency Determination
FCIC	Federal Crop Insurance Corporation
FSA	Farm Service Agency
GSH	General Standards Handbook
LAM	Loss Adjustment Manual, FCIC-25010
RMA	Risk Management Agency
SP	Special Provisions