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CALIFORNIA CITRUS TREE CROP INSURANCE STANDARDS HANDBOOK

2021 and Succeeding Crop Years

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**RISK MANAGEMENT AGENCY
KANSAS CITY, MO. 64133**

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REASON FOR ISSUANCE

This handbook provides procedures and instructions for administering the California Citrus Tree insurance program.

CALIFORNIA CITRUS TREE CROP INSURANCE STANDARDS HANDBOOK

CONTROL CHART

California Citrus Tree Crop Insurance Standards Handbook							
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FILING INSTRUCTIONS

This handbook is effective for the 2021 and succeeding crop years.

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PART 1 GENERAL INFORMATION AND RESPONSIBILITIES

1 Purpose

The purpose of this handbook is to provide supplementary instructions for establishing citrus tree crop insurance coverage in accordance with the California Citrus Tree CP (21-CCT), the California Citrus Tree LASH (FCIC-20560L), and the CIH (FCIC-18010).

In the course of delivering citrus tree crop insurance, AIPs may develop forms based on their internal needs. The forms must be developed according to RMA's approved standards contained in this handbook or as specified in the FCIC 24040, DSSH, and provide all required information. Standards; examples contained in this handbook do not contain the required statements. Refer to the FCIC 24040 to determine the applicable statements to be included on each form. The Collection of Information and Data (Privacy Act) Statement and the Nondiscrimination Statement must be included on any form the insured signs or must be provided to the insured on a separate form, for each form that is signed by the insured. A copy must be maintained by the AIP. The Certification Statement must be included on any form that the insured signs that collects information from the producer

2 Background Information

RMA is implementing the California Citrus Tree (CCT) program for all insurable citrus trees beginning with the 2021 crop year. The program is patterned after other tree-based dollar amount of insurance crop programs and provides an indemnity for trees that are damaged by adverse weather and other listed perils during the insurance period.

The CCT insurance program is a Tree Based Dollar Amount of Insurance Crop (Plan Code 40) program. The terminology and instructions contained in the CIH that apply to the responsibilities of the AIP and the insured apply to the CCT program.

3 Availability

The CCT program is available in counties where the FCIC CCT program is offered.

Written agreements are not allowed under the CCT insurance program.

4 Eligibility

A. California Citrus Tree Program

The CCT program is available to all persons with a share in a citrus tree grove in the counties listed in the actuarial documents for the purpose of producing a crop intended to be sold for human consumption in accordance with the BP, CP, and SP.

B. Ineligible Persons

Any person with a delinquent debt to RMA or an AIP or who is otherwise ineligible under the BP may not obtain CCT insurance coverage.

5 Important Dates

A. Contract Change Date

August 31, preceding the cancellation date

B. Sales Closing Date

November 1

C. Cancellation and Termination Dates

November 1 before the beginning of the crop year

D. Premium Billing Date

August 15 of the crop year

E. Acreage Reporting Date

For new and carryover insureds, November 15

F. Beginning of the Insurance Period Dates

(1) For new policies: On November 21 following the SCD date unless the AIP notifies the insured that all or a part of the insured's trees are not insurable. (See section 10(a)(2) of the CP for attaching insurance for added trees after November 21.)

(2) For carryover policies: November 21 of the crop year

G. Calendar Date for the End of the Insurance Period

November 20 of the crop year

6 Coverage Levels, Price Elections, and Policy Changes

A. Coverage Levels

The insured may elect different coverage levels for different types of the insured crop if the insured has not elected the Catastrophic Risk Protection (CAT) coverage (e.g. the insured may elect the 75 percent coverage level on one type, late season orange trees, and the 65 percent coverage level on a different type, navel orange trees).

B. Price Election (Tree Reference Price)

The insured may select a different percent of the price election by type even if the price elections for each type are the same (e.g., if the insured chooses 100 percent of the maximum price election for one type, late season orange trees, the insured may choose 75 percent of the maximum price election for another type, navel orange trees).

C. CAT Coverage

If the insured elects the CAT coverage for any citrus tree type of the insured crop, CAT coverage (i.e. 50 percent coverage level/55 percent price election) will be applicable to all insured citrus tree acreage of that crop in the county.

6 Coverage Levels, Price Elections, and Policy Changes (Continued)

D. Policy Changes

Changes to the insurance coverage that would become effective for the current crop year are limited as follows:

- (1) For new policies, changes may not be made after the SCD.
- (2) In subsequent years, for carryover policies, the insured may elect, prior to the sales closing date, a higher coverage level, higher price percentage, or optional coverage on the applicable form except as provided in section 3(c) of the CP.
- (3) The insured may elect:
 - (a) by the SCD:
 - (i) a higher coverage level;
 - (ii) a higher price percentage; or
 - (iii) to add optional coverage (Occurrence Loss Option); or
 - (b) by the ARD:
 - (i) to increase the insured share; or
 - (ii) to report additional insurable trees such that the amount of protection increases more than ten percent. The additional trees must be inspected and accepted before insurance will attach.
- (4) If insured damage is evident at the time the election is made under Para. 6C(2) or if damage occurs after the SCD but before the date insurance coverage attaches for the crop year under Para. 6C(3)(a) or (b), any election or change made under Para. 6(C)(2) or (3) will not be effective for the crop year for which the election or reported change was made.

7 Additional Responsibilities

A. Agent Responsibilities

In addition to the responsibilities discussed in the CIH, the agent will assist the insured in completing the annual acreage report and advise insureds of their responsibility to comply with all of the reporting requirements of the policy.

- (1) The agent will assist the insured to ensure that the stage-blocks reported by the insured are established in accordance with the definitions of block and stage found in the CP and the stage table in Para. 10D of this handbook.
- (2) The agent will assist the insured in correctly reporting the number of trees by block within the unit by utilizing plat maps, Grove Identification Maps, past acreage reports, and/or other relevant sources.

B. Insured Responsibilities

In addition to the responsibilities discussed in the CIH, the insured must accurately report the number of trees in each unit, by stage-block, as well as the applicable planting dates on the California Tree Grove Producer Pre-Acceptance Worksheet, Grove Identification Map, and the acreage report. If the insured is unable to correctly report this information, the agent should be requested to provide assistance.

PART 2 CALIFORNIA CITRUS TREE PROVISIONS AND PROGRAM DETAILS

8 Insured Crop

A. Insured Commodity

The insured commodity is listed in the SP.

B. Insurability

In accordance with section 8 of the CP, the insured crop will be all citrus trees of each citrus tree commodity contained in the SP for which the insured elects insurance coverage in the county and for which a premium rate is quoted in the AD:

- (1) that are grown in the county listed on the insured's application;
- (2) that are adapted to the production area;
- (3) in which the insured has a share;
- (4) that are irrigated;
- (5) that have the potential to produce a yield typical of a healthy tree of the same age as the subject trees; and
- (6) that are grown to produce a commodity intended to be sold as fruit or juice for human consumption.

C. Exclusions

In addition to the exclusions listed in section 8 of the CP, the insured crop will not include any trees that:

- (1) have been grafted within a 12-month period before the date insurance attaches;
- (2) are non-grafted seedlings (grown from seed);
- (3) are unsound, diseased, or unhealthy;
- (4) were damaged by a cause of loss before the beginning of the insurance period. If trees suffered such damage the previous crop year, then insurance will not attach until the previous year's damage is determined, the insured submits a revised acreage report, and the trees are accepted by the AIP; or
- (5) are inspected by the AIP and considered unacceptable.

9 Causes of Loss

A Crop Provisions – Insured Causes

The CP provide crop insurance coverage only against the following causes of loss that occur within the insurance period:

- (1) freeze;

9 Causes of Loss (Continued)

- (2) fire, unless weeds and other forms of undergrowth have not been controlled or pruning debris removed; and
- (3) failure of the water supply caused by an unavoidable, naturally occurring event (for example, a drought is a naturally occurring event) that occurs during the insurance period.

B. Crop Provisions – Exclusions

In addition to causes of loss excluded in section 12 of the BP, damage other than actual damage to the tree due to the causes specified above is not insured except as provided in section 13(e) of the CP.

10 Establishing the Amount of Protection for the Unit

A. Amount of Protection (unit)

The dollar amount for the unit is calculated by multiplying the number of insurable trees reported by the insured in each stage-block by the applicable tree reference price for each stage-block by the price percentage selected by the insured for the type, totaling these values, and then multiplying this result by the insured's coverage level for the type.

The **applicable reference price** is the Tree Reference Price shown in the AD.

B. Certification

Applicants for insurance certify the numbers and ages of trees to be insured by completing a California Tree Grove Producer Pre-Acceptance Worksheet (i.e. PAW, shown in Exhibit 3 with instructions for completion).

- (1) The applicant identifies the blocks of trees in each unit and provides information about the number of trees and planting dates used to designate the stage-blocks that comprise each unit.
- (2) The applicant also provides a Grove Identification Map (shown in Exhibit 4 with instructions for completion) that shows locations of the stage-blocks identified in the worksheet.
- (3) Insureds are not required to submit new worksheets or maps in subsequent years of coverage unless changes occur which alter the numbers of trees and/or stage-block designation, trees are damaged (see section 8(b)(4) of the CP), or as required by the CIH. The insured may use the original worksheet to certify that no changes have occurred. [See Exhibit 3, Remarks instructions and sample worksheet.]

10 Establishing the Amount of Protection for the Unit (Continued)

C. 75/25 Rule for Determining Tree Stages

- (1) Insureds must report trees by block on the PAW.
- (a) For blocks in which 75% or more of the trees are the same stage, the insured may report the block as one stage-block.

Example 1: An insured has one unit of standard density trees containing 400 stage II trees and 100 stage I trees.

The block may be reported as follows:

Block No.	Stage-Block	Stage	No. of Trees
1	1-II	II	500

The insured elects a 75% coverage level and **100% price percentage**. The stage II tree reference price is \$90.

Amount of protection = [(500 trees x (\$90 x 100% price percentage)] × 75% = \$33,750

Example 2: The 100 stage I trees in the preceding example could be reported as a separate block if there were a distinct change in planting pattern in one area of the grove (e.g. end rows at the edge of a grove).

The insured may report the blocks as follows:

Block No.	Stage-Block	Stage	No. of Trees
1	1-II	II	400
2	2-I	I	100

The stage I tree reference price is \$38.

Amount of protection = [(400 trees x (\$90 x 100% price percentage)] + [(100 trees x (\$38 x 100% price percentage)] × 75% = \$29,850

- (b) For blocks in which less than 75% of the trees are the same stage, the insured must separate the blocks into stage-blocks and report the number of trees in each stage-block.

10 Establishing the Amount of Protection for the Unit (Continued)

Example 3: An insured has one unit of standard density trees containing 300 stage II trees and 200 stage I trees.

The block must be reported as follows:

Block No.	Stage-Block	Stage	No. of Trees
1	1-II	II	300
1	1-I	I	200

Each stage-block would be reported separately on the PAW.

The insured elects a 75% coverage level and **100% price percentage**. The tree reference prices are \$90 for stage II, and \$38 for stage I.

Amount of protection = [(300 trees x (\$90 x 100% price percentage)] + [(200 trees x (\$38 x 100% price percentage)] × 75% = \$25,950

- (c) If the trees described in (b) were inter-planted, the two stage-blocks would be shown in the same location on the Grove Identification Map.

D. Tree Stages

Tree stages will be based on the number of months since the tree was set out (stage I – set out – 24 months; stage II – 25 – 48 months) as described in the table below:

Event Crop Year	Stage At The Beginning Of The Crop Year ¹	
	Crop Year 2021 – 2022	Crop Year 2023 – 2024
Set Out April 10, 2020	Stage I November 1, 2020 – 7 months old ² November 1, 2021 – 19 months old	Stage II November 1, 2022 – 31 months old November 1, 2023 – 43 months old
		Crop Year -2025
		November 1, 2024 – 55 months old Non-Insurable

¹The crop year is designated by the calendar year in which insurance ends.

²Stage is based on whole months (including the month of set out) as of November 1 prior to the November 21 beginning of the crop year.

11 Acceptable Records

A. Acceptable Records

Acceptable records may be requested at the time of loss to substantiate the tree counts and stages reported by applicants/insureds. Insureds are not required to submit copies of their records to the AIP unless required by the loss adjuster at the time of claim settlement due to discovery of a discrepancy between the stage-blocks that were established for the unit and the actual numbers and stages of trees in the unit.

B. Record Types

The following types of records are acceptable, if the records indicate the location, the number of trees and planting dates:

- (1) planting records (grove management records); and
- (2) AIP recorded evidence, which includes pre-acceptance inspection reports, acreage reports, and any other documentation of tree ages that was used to establish insurance coverage for the trees.

C. California Tree Grove Pre-Acceptance Worksheet and Grove Identification Map

- (1) Insureds should be encouraged to obtain and use acceptable records to prepare a California Tree Grove Pre-Acceptance Worksheet (PAW) and Grove Identification Map (See Exhibits 3 and 4 for completion instructions and sample worksheet and map).
- (2) The PAW and Grove Identification Map is submitted with the application. For subsequent crop years, the PAW is completed annually (self-certification allowed following year of application) and submitted by the ARD. The Grove Identification Map is also used in conjunction with the PAW.
- (3) The applicant/insured certifies:
 - (a) by stage-block for each unit, the numbers and age of trees to be insured and the applicable stage, by completing a PAW (see Exhibit 6 for instructions on determining tree age); and
 - (b) other information contained on the PAW.

D. California Tree Grove Pre-Acceptance Inspection Report (PAIR)

See Exhibit 5 for instructions and completion of the PAIR.

E. Tree Numbers and Stage Determinations

- (1) A visual inspection is required to establish the unit value for claim settlement and will be completed by a loss adjustment contractor or company employee, who has been trained in loss adjustment procedures to determine the actual (existing) tree numbers and stages.
 - (a) If an inspection reveals no discrepancy between the reported and actual numbers and stages of trees, the loss adjuster (or trained company employee) should sign and date the PAW that was submitted by the insured to verify that the information was found to be accurate.
 - (b) If an inspection reveals a discrepancy between the reported and actual numbers and stages of trees, the loss adjuster can:
 - (i) request to examine the records used by the insured to complete the Pre-Acceptance Worksheet and Grove Identification Map;

11 Acceptable Records (Continued)

- (ii) establish the numbers of trees in each stage-block using the setting distances shown in Exhibit 7; or
 - (iii) conduct a tree count.
- (2) AIPs may use a PAW and the instructions provided in Exhibit 3 to establish the stage-blocks of trees in each unit at the time of loss, if the information provided by the policyholder was not accurate. Both the insured and the AIP representative should sign and date the revised PAW.

12 Unit Division

A. Whole Farm Unit

Whole farm units are not applicable.

B. Basic Unit

A basic unit as defined in the BP will apply.

C. Optional Units.

In lieu of section 34(b), (c)(1), and (c)(2) of the BP, optional units may be established only if each optional unit is:

- (a) located on non-contiguous land;
- (b) a separate grove located on contiguous acreage that is separated from any other grove on such acreage and that meets the minimum distance and acreage requirements specified on the SP (see Exhibit 7); or
- (c) grown under an organic farming practice (see section 34(c)(3) of the BP).

D Enterprise Units

In lieu of section 34(a)(2), (4)(i), and (4)(ii) of the BP, for an enterprise unit:

- (1) To qualify, an enterprise unit must contain all of the insurable acreage of the same insured crop in:
 - (a) two or more optional units;
 - (b) two or more sections, section equivalents, or FSA farm numbers where sections, section equivalents, or FSA farm numbers are applicable for unit division purposes;
 - (c) any combination of two or more parcels under Para. D(1)(a) or (b); or
 - (d) one optional unit, section, section equivalent, or FSA farm number that contains at least 660 planted acres of the insured crop; and

12 Unit Division (Continued)

- (2) At least two of the optional units, sections, section equivalents, or FSA farm numbers under Para D(1)(a) – (c) each must contain at least the lesser of 20 acres or 20 percent of the insured crop acreage in the enterprise unit. Separate optional units, sections, section equivalents, or FSA farm numbers may be aggregated to meet the 20 acre or 20 percent acreage requirement.
- (3) Section 34(a)(4)(iii), (iv), (v), and (viii) of the BP are not applicable.

13 Base Policy Calculation Example

Actuarial documents show the following tree reference prices:

- Grapefruit trees: \$62.00/tree stage I; \$119.00/tree stage II
- Premium Rate: 1.5%

The insured elects the 75% coverage level and 100 percent price percentage. The insured has a 100 percent share in 3,000 grapefruit trees (1,400 stage I trees and 1,600 stage II trees) in the unit. The amount of protection provided by the policy for the crop unit is \$207,900.00 [(1,400 stage I trees x (\$62.00 x 100%)] + [(1,600 stage II trees x (\$119.00 x 100% price percentage)] x 75% coverage level].

The premium due is \$3,119.00 (\$207,900.00 amount of insurance × .015 premium rate × 100% share).

Freeze destroys 700 stage II grapefruit trees. The unit value is determined to be the same as the amount of protection and the URF is 1.000. The indemnity will be calculated as follows:

- The number of trees destroyed because of freeze is 700.
- The unit deductible is \$69,300.00 = [(1,400 stage I trees x (\$62.00 x 100% price percentage)] + (1,600 stage II trees x (\$119.00 x 100% price percentage)] x 25-percent deductible].
- The damage value is \$83,300.00 = [700 stage II trees x (\$119.00 x 100% price percentage) x 100 percent damage for destroyed trees].
- The damage value for the crop year for this loss minus the unit deductible is \$14,000.00 = \$83,300.00 damage value - \$69,300.00 unit deductible.
- The preliminary indemnity multiplied by the URF and share is \$14,000.00 = \$14,000.00 x 1.000 x 1.000.
- The indemnity payable is \$14,000.00.

14 Excluded Coverages

The following coverages do not apply to the CCT insurance program:

- A. **Prevented Planting**
- B. **Late Planting**
- C. **Replanting**

15 Service Forms

The following forms are required for the CCT Program:

- A. Application**
- B. Policy Change**
- C. California Tree Grove Producer Pre-Acceptance Worksheet**
- D. Grove Identification Map**
- E. California Tree Grove Pre-Acceptance Inspection Report**
- F. Acreage Report**

PART 3 ENDORSEMENTS AND OPTIONS

16 Endorsements and Options

The CCT Program has options that add supplemental coverage, exclude coverage, or otherwise modify the coverage.

A. Occurrence Loss Option (OLO)

An insured with a CCT Policy in effect may elect to obtain additional coverage on the insured trees through the use of this option (where premium rates for the option are provided on the AD). The option applies to all insurable trees of the insured crop in the county. The option is continuous and must be elected by the sales closing date for the crop year. The option may be cancelled in accordance with the cancellation provisions of the policy.

- (1) The insured may elect the OLO if he/she has not elected coverage under the CAT Endorsement.
- (2) An indemnity will be due under the OLO only if the amount of insured damage within all SDTs identified as a result of the most recent cause of loss is at least five percent (5%) of the unit value (unless otherwise specified in the SP).
- (3) The amount of the indemnity will be determined by:
 - (a) multiplying the total number of trees in each stage-block (in all SDTs identified as a result of the most recent cause of loss) by the insured's tree reference price (the applicable AD tree reference price by the insured's price percentage) and applicable percent damage for each stage and then totaling these values to determine the damage value;
 - (b) multiplying the damage value by the coverage level selected by the insured for the type to determine the amount of insured damage;
 - (c) multiplying the amount of insured damage by the underreporting factor (URF); and
 - (d) multiplying the result of (3)(c) by the insured's share.

If A(3)(b) is greater than A(2), the amount in A(3)(d) is the amount of indemnity due.

- (4) The total amount of indemnities payable on a unit during the crop year is limited to the lesser of the amount of protection for that unit or the unit value times the insured's share.

OLO Calculation Example

Actuarial documents show the following tree reference prices:

- Grapefruit trees: \$62.00/stage I tree; \$119.00/stage II tree
- Premium Rate: 3%

16 Endorsements and Options (Continued)

The insured elects the 75% coverage level and 100% price percentage. The insured has a 100% share in 3,000 grapefruit trees (1,400 stage I trees and 1,600 stage II trees) in the unit. The amount of protection provided by the policy for the crop unit is \$207,900 [(1,400 stage I trees x (\$62.00 x 100% price percentage)) + [(1,600 stage II trees x (\$119.00 x 100% price percentage))] x 75% coverage level.

The premium due is \$6,237.00 (\$207,900.00 amount of insurance × .03 premium rate × 100% share).

Freeze destroys 700 stage II grapefruit trees. The unit value is determined to be the same as the amount of protection and the URF is 1.000. The indemnity will be calculated as follows:

- Five percent (5%) of the unit value is \$10,395.00 = \$207,900.00 x 0.05.
- The damage value is \$83,300.00 = [700 stage II trees x (\$119.00 x 100% price percentage)] x 100% damage for destroyed trees.
- The amount of insured damage is \$62,475.00 = \$83,300.00 damage value x 75% coverage level.
- The amount of insured damage is more than 5% of the unit value (\$62,475.00 > \$10,395.00).
- Indemnity owed for the most recent cause of loss is \$62,475.00 = \$62,475.00 x 1.000 URF x 100% share.

B. High Risk Land Exclusion Option

This option is available for citrus trees on any land identified in the AD as high risk and allows the insured to exclude land identified as high risk in accordance with section 3(b)2 of the BP.

EXHIBITS

Acronyms

The following table contains RMA-approved acronyms used in this handbook.

Approved Acronym/Abbreviation	Term
AD	Actuarial Documents
ARD	Acreage Reporting Date
AIP	Approved Insurance Provider
CCT	California Citrus Tree(s)
BP	Basic Provisions
CAT	Catastrophic Risk Protection Endorsement
CIH	FCIC-18010 Crop Insurance Handbook
CP	Crop Provisions
DSSH	Document and Supplemental Standards Handbook
FCIC	USDA Federal Crop Insurance Corporation
FSA	Farm Service Agency
LAM	FCIC-25010 Loss Adjustment Manual
LASH	Loss Adjustment Standards Handbook
OLO	Occurrence Loss Option
PAW	Producer's Pre-acceptance Worksheet
RMA	Risk Management Agency
SCD	Sales Closing Date
SP	Special Provisions
SDT	Stand of Damaged Trees

Definitions

Amount of insured damage – means the dollar amount determined by multiplying the damage value by the coverage level.

Amount of protection (unit) – means the dollar amount for the unit calculated by multiplying the number of insurable trees reported by the insured in each stage-block by the insured's tree reference price for the stage-block, totaling these values, and then multiplying this result by the coverage level selected by the insured subject to any limitations contained in the Special Provisions.

Block – means a stand of trees of the same type on acreage sharing a common boundary with no discernible change in the planting pattern.

Bud union – means the location on the tree trunk where a bud from one tree variety is grafted onto the rootstock of another variety.

Citrus tree commodity – means each category of citrus trees listed below and contained in the actuarial documents:

- (1) Orange trees;
- (2) Lemon trees;
- (3) Grapefruit trees;
- (4) Mandarin/Tangerine trees;
- (5) Tangelo trees; and
- (6) Any other citrus trees designated in the actuarial documents.

Citrus trees – means citrus trees contained within each citrus tree commodity for each type specified in the Special Provisions.

Crop year – means the period beginning November 21 and extending through November 20 of the following year and is designated by the calendar year in which the period ends.

Damaged (damage) – means a tree that requires removal or rehabilitation due to an insured cause of loss that occurs during the insurance period.

Damage value – means the dollar amount determined by multiplying the actual number of insurable trees in each stage-block damaged by the most recent cause of loss by the insured's tree reference price for each stage-block, multiplying this result for each stage-block by the percent of damage applicable to each stage-block, and totaling these values.

Density practice – means each density practice designated in the Special Provisions.

Destroyed tree – means:

- (a) For damage due to insured causes, any insurable tree that:
 - (1) Is dead;
 - (2) There is no live wood above the bud union;
 - (3) There is split bark on the trunk; or
 - (4) Has more than 50 percent canopy damage.
- (b) Destroyed trees are considered 100 percent damaged. The percent of damage is determined in accordance with section 13(d), (e), and (i) of these Crop Provisions.

Definitions (Continued)

High Density – means groves containing the number of trees per acre specified in the Special Provisions.

Occurrence loss option – means an option that may be elected by the insured that eliminates the unit deductible in accordance with section 15 of these Crop Provisions.

Partial damage factor – means a factor contained in the Special Provisions for stage II trees and used to determine the percent of damage for partially damaged trees.

Partially damaged tree – means an insurable stage II citrus tree that requires rehabilitation for which damage to the tree's canopy is 30 percent or greater but not more than 50 percent. The percent of damage is determined in accordance with section 13(d) and (i) of these Crop Provisions.

Prune – means the removal of limb(s) from the citrus tree.

Rehabilitation – means the pruning of limbs of a partially damaged tree in an attempt to remove the damaged areas and allow the tree to recover. Rehabilitation is only applicable to stage II trees.

Remove (removal, removed, removing) – means conducting the necessary operations to remove a destroyed tree including preparing the planting site for a replacement tree and removing the destroyed tree.

Replacement tree – means a tree set out in an existing grove in the same location of a damaged tree that cannot be rehabilitated or is otherwise destroyed.

Set out – means transplanting a tree into the grove.

Share – means in addition to the definition in section 1 of the Basic Provisions, an insured tenant or operator must have a lease with the owner of the citrus grove that requires him or her to maintain the citrus grove using accepted grove management practices. The lease agreement must clearly state the tenant is entitled to his or her insured share of any indemnities under the California Tree Crop Provisions. A copy of the lease must be on file with the insuring company at the time insurance attaches. However, only for the purpose of determining the amount of indemnity, the insured's share will not exceed the insured's share at the time of loss.

Stage – means a tree-classification system used by AIP. At the time insurance attaches, the stage of each insurable tree in the unit, unless otherwise specified in the Special Provisions, is:

- (a) Stage I, from when the tree is set out through 24 months after set out.
- (b) Stage II, trees that are 25 through 48 months old after set out.

Stage-block – means a block in which at least 75 percent of the trees are the same stage, at the time insurance attaches.

Stand of damaged trees – means the area or areas within a unit where damage due to the same insurable cause of loss occurs, as established by the insurance provider for the crop year, and used to determine the damage value for the unit. If distinct areas of damaged trees within the unit cannot be established, the stand of damaged trees will be the entire unit.

Standard Density – means groves containing the number of trees per acre specified in the Special Provisions.

Definitions (Continued)

Tree reference price – means the price per tree, by stage, type, and practice listed in the actuarial documents for tree replacement or rehabilitation, that is used in calculating the unit value, the amount of protection, and the damage value.

Type – means a category of citrus trees as identified as a type in the Special Provisions for the purpose of allowing separate coverage levels and price elections (see section 3(a)(1) and (2) of these Crop Provisions).

Undamaged – means a tree that does not require rehabilitation or removal.

Underreport factor (unit) – means a factor determined by the insurance provider and used to adjust the insured's indemnity in section 13(a) of these Crop Provisions when the insured has underreported the number of insurable trees. The factor is the result of dividing the amount of protection by the unit value, rounded to three decimal places not to exceed 1.000.

Unit deductible – means the dollar amount determined by multiplying the actual number of insurable trees in each stage-block in the unit on the day before the loss (but not reduced for any insured damage that occurred during the crop year) by the insured's tree reference price for each stage-block, totaling these values, and multiplying this result by the deductible (1.0 minus the coverage level).

Unit value – means unless otherwise specified on the Special Provisions, the amount determined by multiplying the actual number of insurable trees in each stage-block in the unit, as determined by the insurance provider, on the day before the loss (but not reduced for any insured damage that occurred during the crop year) by the insured's tree reference price for each stage-block, totaling these values, and then multiplying this result by the coverage level selected by the insured.

California Tree Grove Producer Pre-Acceptance Worksheet

Instructions for Completion

Items to be completed by the approved insurance provider are denoted [AIP].

ELEMENT	REQUIRED INFORMATION
Name of Applicant/Insured	Enter the name of the applicant or insured as it appears on the application for insurance.
Crop Year	Enter the crop year for which the worksheet is being completed.
County	Enter the name of the county in which the trees are located.
Agent [AIP]	Enter the name, address, and phone number of the agent who services or will service this contract, as applicable.
Contract Number [AIP]	Enter the contract number from the most recent Policy Confirmation. In the case of a new applicant, enter only the 2-digit state and 3-digit county code, e.g., XX-XXX.
Address of Applicant/Insured	Enter the mailing address of the applicant or insured as it appears on the application for insurance.
Phone Number of Applicant/Insured	Enter the area code and telephone number at which the applicant or insured can be reached during normal business hours.

INDIVIDUAL GROVE DATA:

Item #	REQUIRED INFORMATION
(1) Unit Number [AIP]	Each insured crop type will begin unit numbering with 0001-0000BU or 0001-0001OU. Basic and optional units are allowed as defined in the CP.
(2) Block Number	<p>By line, enter the block number as identified on the grove identification map.</p> <p>A block is a stand of trees on acreage in the unit sharing a common boundary with no discernible change in planting pattern (a homogenous planting pattern) and may or may not consist of different tree stages (age classes.) If there is a change in planting pattern that distinguishes areas of different tree ages within the stand (grove), the insured can report the areas as separate blocks.</p>
(3) Section	<p>Enter the legal description (section number or other applicable legal description in place of section, township, and range) for the grove location.</p> <p>(a) Complete a separate worksheet for each section. Note all section numbers in the “Remarks” section.</p> <p>(b) In the absence of sections, townships, and ranges, use the applicable legal description for the area to complete items (3) through (5). Enter the Farm/Tract/Field Number if available.</p>

California Tree Grove Producer Pre-Acceptance Worksheet (Continued)

Item #	REQUIRED INFORMATION
(4) Township (Twp.)	Enter the legal description (township number) for the grove location if available [(see item (3)(b))].
(5) Range	Enter the legal description (range number) for the grove location if available [(see item (3)(b))].
(6) Crop & Type	Enter the applicable commodity name (such as oranges); also enter the insured crop type (such as early and mid-season oranges, late season oranges, etc.) as specified in the SP.
(7) Acres in Block	Enter the acres occupied by the block, rounded to the nearest tenth.
(8) Tree Spacing	Enter the average tree spacing, in whole feet, for the block. If there is a wide variation in spacing, enter "varying."
(9) Tree Count	Enter the total number of trees in the block. Enter an estimate (identify as "Est") if accurate determination is impractical.
(10) Tree Stage	The stages (I - II) are shown on separate lines of the worksheet.
(11) Month & Year Set	Enter the month and year of set out for the trees in each stage shown on separate lines. If the trees of a stage were set out in different years, enter the date when most of the trees were set out.
(12) Tree Age	Enter the tree age in months (that corresponds to the date in (item 11)) for the trees in each stage shown on separate lines.
(13) Number of Trees	Enter the number of trees in each stage on separate lines.
(14) Percent of Trees	For each line, enter the result of dividing the number of trees (item 13) by the tree count for the block (item 9), and multiplying by 100. Round the result to whole numbers; for example, report 65.48% as 65% and 65.84% as 66%.
(15) Stage-Block Number	Determine if the block should be reported as one or more stage-blocks. If one of the percentages reported in item 14 is at least 75%, report the block as one stage-block. If none of the percentages reported in item 14 is at least 75%, report each block as a separate stage-block. Denote the stage-block on each line for which there are entries in item 14, by the block number and the tree stage. For example, if the block is No. 1 and 80% of the trees in the block are stage II, record the stage-block number as 1-II on each line for which there are entries in item 14; if the block is No. 2 and 50% of the trees in the block are stage II and 50% are stage I, record the stage-block numbers as 2-II and 2-I, respectively.

California Tree Grove Producer Pre-Acceptance Worksheet (Continued)

<p>REMARKS</p>	<p>Enter notes pertinent to the grove certification, such as the source of information used to complete the worksheet, method of determining tree numbers, and description of the grove.</p> <p>Once the initial certification (worksheet and grove identification map) has been provided, insureds who continue insurance coverage in subsequent crop years will be allowed to self-certify in the remarks section of the original pre-acceptance worksheet that no change has occurred. The insured will write “No change for XXXX Crop Year,” initial and date.</p> <p>If any changes (e.g., tree damage, change in the number of trees, stage changes, etc.) have occurred since the original certification that would alter the stage-block designations or the numbers of trees in each stage-block, an amended or revised worksheet and grove identification map should be completed for any blocks of trees affected by the change. The nature and date of the revisions or amendments should be noted in the remarks section.</p>
<p>Signature of Applicant/Insured</p>	<p>Sign and date the worksheet.</p>
<p>Enter the page number of this form in the first blank and the total number of pages of this form for this contract in the second blank. For example: PAGE <u>2</u> OF <u>3</u> PAGES.</p>	
<p>Signature of Insurance Provider Representative</p>	<p>Sign and date the worksheet after conducting an inspection to verify the information provided on the worksheet.</p>

California Tree Grove Producer Pre-Acceptance Worksheet (Continued)

CALIFORNIA TREE GROVE PRODUCER PRE-ACCEPTANCE WORKSHEET FOR ILLUSTRATION ONLY														
NAME OF INSURED/APPLICANT I. M Farmer					CROP YEAR YYYY		COUNTY Fresno			AGENT Frank Agent			CONTRACT NUMBER 06-XXX	
ADDRESS OF INSURED/APPLICANT XXXX North Street Mission, California xxxxx					PHONE NUMBER OF INSURED/APPLICANT XXXX Palm Drive Mission, California XXXXX XXX-XXX-XXXX									
INDIVIDUAL GROVE DATA:														
UNIT NO. (1)	BLOCK NO. (2)	SECTION (3)	TWP (4)	RANGE (5)	CROP & TYPE (6)	ACRES IN BLOCK (7)	TREE SPACING (8)	TREE COUNT (9)	TREE STAGE (10)	MONTH & YEAR SET (11)	TREE AGE (12)	NUMBER OF TREES (13)	PERCENT OF TREES (14)	STAGE-BLOCK NUMBER (15)
0001 0000BU	1	E6	11S	13E	Orange Trees, Early Oranges	4.5	12x19	860	I	April 2019	18	95	11%	1-I
									II	April 2017	42	765	89%	1-II
0001 0000BU	2	E6	11S	13E	Orange Trees, Early Oranges	0.5	12x19	96	I	April 2020	6	96	100%	2-I

Grove Identification Map & Instructions for Completion

Item:

- (1) Enter the name of the insured or applicant.
- (2) Enter the county where insurance attaches.
- (3) Enter the policy number.
- (4) Enter the crop.
- (5) Enter the unit number.
- (6) Enter the section, township, and range (or applicable legal description in place of section, township, and range) in which the insured crop is located.
- (7) Maps: Identify the acreage to be mapped using a unit designation.
 - (a) Identify highways and other significant landmarks that can be used to help identify grove locations.
 - (b) Outline grove locations. Draw groves in actual shapes and as close to scale as possible. Indicate the stages of planted trees, if identifiable. Indicate any acreage of trees that has been excluded from coverage by labeling as “excluded.”
 - (c) Outline land ownership boundaries in red for each section involved. Indicate land ownership across section lines with tie bars.

Grove Identification Map & Instructions for Completion (Continued)

GROVE IDENTIFICATION MAP – Continuation Sheet (for illustration only)

Section: _____

Section: _____

Section: _____

Section: _____

Section: _____

Section: _____

California Tree Grove Pre-Acceptance Inspection Report

The AIP must inspect all acreage of trees and complete an CT PAIR and map (see Exhibit 4) for insurable and uninsurable trees listed on the acreage report.

A. PAIR Requirements

PAIRs may be initiated at the AIP’s discretion except that PAIRs and inspections are required:

- (1) for all new applicants (the PAIR will be completed by November 30);
- (2) for new added units (trees not previously in the operation);
- (3) when any acreage of trees is added under an existing policy (new tree acreage not previously in the operation meeting insurability);
- (4) the year following any substantial damage;
- (5) for damage or probable loss, when an indemnity will be claimed on any unit; or
- (67) When triggered by the PAW (e.g., tree damage, change in the number of trees, stage changes, etc.).

B. Unreported Trees

If the AIP finds unreported trees during the insurance period that have not been damaged by an insured peril, the AIP must prepare a revised acreage report that includes all unreported insurable trees not entered on the original acreage report.

C. PAIR Completion Instructions

The AIP will conduct the PAIR. The person completing the inspection must possess training equivalent to that of a loss adjuster.

ELEMENT	REQUIRED INFORMATION
Name of Applicant/Insured, County, and Contract Number	Complete the appropriate information that corresponds with the applicant/insured.
Name, Mailing Address, and Phone Number of Applicant	Complete the appropriate information that corresponds with the insured.
Is grove managed by owner?	Check “Yes” or “No”. If “No”, enter manager’s name, address, and telephone number.
Was Acreage Report Verified?	Answer “Yes” or “No”. If “No” explain why in the “REMARKS”.
Are other citrus groves owned or operated by the applicant or insured?	Answer “Yes” or “No”. If “Yes”, note the condition of the other citrus groves owned or operated by the insured. In addition, note the physical location of where the grove is located. If necessary, enter additional comments in “REMARKS”.

California Tree Grove Pre-Acceptance Inspection Report (Continued)

ELEMENT	REQUIRED INFORMATION
Is grove located in an established citrus area?	<p>Answer “Yes” or “No”.</p> <p>If “No”, explain the general growing conditions and where the grove is physically located.</p> <p>Enter additional comments in “REMARKS”.</p>
Unit Number	<p>Enter unit number from the Summary of Coverage after it is verified to be correct.</p>
Crop/Type	<p>Appropriate crop and type from the AD.</p>
Acres in Block	<p>Number of acres in the block, rounded to tenths.</p>
Tree Spacing	<p>Spacing in feet (e.g., 15 x 15). If spacing varies, enter “varying” and explain in “REMARKS”.</p>
Tree Count	<p>Enter total number of trees in the block acreage. Enter an estimate (identify as “Est”) if accurate determination is impractical.</p>
Month & Year Set	<p>Enter the month and year of:</p> <p>(1) Original planting, or</p> <p>(2) Replacement, if more than 10 percent of the trees on any unit have been replanted.</p>
Tree Condition	<p>Enter “acceptable” or “unacceptable” as applicable.</p> <p>Explain any “unacceptable” tree conditions in “REMARKS”.</p>
Rate Area (Stage)	<p>The correct rate class from the AD. Verify with the Summary of Coverage, and if the rate class is found to be incorrect, revise according to AIP instructions See the LAM.</p>
Weed Control Measures	<p>Enter one of the following:</p> <p>a. “CWC” Chemical Weed Control;</p> <p>b. “W/O CWC” Weed Control Without Chemicals; or</p> <p>c. “None” No Weed Control.</p>
Excluded Trees	<p>Identify trees which are uninsurable due to policy requirements (see section 8(b) of the CP). Leave unit column blank and enter "Excluded" in column for such trees.</p> <p>Explain any entry in the Remarks. Report uninsurable trees/blocks/units on the acreage report.</p>

California Tree Grove Pre-Acceptance Inspection Report (Continued)

ELEMENT	REQUIRED INFORMATION
Result of Inspection Check “A” or Check “B”	<p>Check “A” if: There are no indications of a change in the data reported.</p> <p>Check “B” if: There are changes needed. Enter “A Revised Acreage Report”.</p>
Remarks	<p>Note any of the following:</p> <ol style="list-style-type: none"> (1) The number of trees in the original planting pattern. (2) If more than 10 percent of the trees on any unit have been replaced, enter the total number of trees per acre in new pattern, and the total number of new trees set out with the appropriate dates. (3) If any insurable tree acreage is set out in a new pattern (intersets), enter the number of trees per acre in a new pattern, and the total number of new trees set out with the appropriate dates. (4) Any unusual conditions in the grove or local growing area. (5) Variations in tree spacing within a grove. (6) Note any damage (e.g., hail, wind, freeze, etc.) and where such damage occurred. Explain in detail and provide the month/year of damage. (7) Any reasons for recommending insurance coverage not attach such as existing tree damage, etc. <p>If more space is needed, enter additional information on a Statement of Facts form and attach it to the inspection report.</p>
Is application/acreage report recommended for acceptance?	<p>Check “Yes” or “No” box, as applicable. If trees in the unit are damaged by any cause, the application may be accepted but those damaged blocks/units will be designated as uninsurable in the “REMARKS” section.</p>
Grove Inspector’s Signature	<p>Inspector signs report.</p>
DATE	<p>Inspector enters date of report (MM/DD/YYYY).</p>

California Tree Grove Pre-Acceptance Inspection Report (Continued)

CALIFORNIA TREE GROVE PRE-ACCEPTANCE INSPECTION REPORT								
(FOR ILLUSTRATION ONLY)								
Applicant or Insured I.M. Insured			County Fresno			Contract Number XX-XXX-XXXXX		
Applicant/Insured Address XXXX North Street Mission, California					Was Acreage Report Verified? YES Note condition of other citrus groves owned or managed by applicant or insured N/A			
Telephone Number (xxx) xxx-xxxx								
Is Grove Managed by Owner? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES If "No" who manages it?					Is grove located in an established citrus area? YES			
					Telephone Number: (xxx) xxx-xxxx			
UNIT & BLOCK NUMBER	CROP & TYPE	ACRES IN BLOCK	TREE SPACING	TREE COUNT	MONTH & YEAR SET	TREE CONDITION	RATE (Stage)	WEED CONTROL MEASURES
0001-0000 1	ORANGE TREES- EARLY/MID	4.5	12 X 19	860	MM/YYYY	ACCEPTABLE	D02	NONE
0001-0000 2	ORANGE TREES- LATE	0.5	12 X 19	96	MM/YYYY	ACCEPTABLE	D02	NONE
18 EXCLUDED TREES								
The Acreage Covered By The Above Contract Was Inspected On Date Shown Below With The Following Results: A. X Nothing Found To Require A Change In The Data Reported. B. Data Reported Was Found To Be Such That _____ Was Prepared.					REMARKS Blocks 1 and 2 trees on moderate slope. Excluded Trees: 18 non-grafted seedlings			
Is application/acreage report recommended for acceptance? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO				Code Number XXXX	Grove Inspector's Signature <i>I. M. INSPECTOR</i>		Date MM/DD/YYYY	

California Citrus Tree Age Determinations

Age/Leaf year is not applicable when determining the stage of the trees and insurability in accordance with the CP. For the CCT program, stage is based on the number of months rather than crop years.

Crop year is defined in the CP as a period beginning with the date insurance attaches extending through November 20 of the following calendar year and designated by the calendar year in which the insurance ends.

For the purposes of the CCT insurance program (see the CCT CP and paragraph 10 of this handbook), age is defined as the number of whole months that have elapsed since the month the trees were set out. An age determination will be made for each unit, or portion thereof, as of November 1 of each crop year.

Example: For crop year 2021, November 1, 2020, is used when determining age. Age on citrus trees set out in April 10 of 2020 is 7 months (includes the month of set out) as of November 1.

SET OUT ¹	CROP YEAR	INSURANCE ATTACHMENT	AGE IN MONTHS (on November 1)	STAGE
April 10, 2020	2021	November 21, 2020	7	I ²
April 10, 2019	2021	November 21, 2020	19	I ²
April 10, 2018	2021	November 21, 2020	31	II ³
April 10, 2017	2021	November 21, 2020	43	II ³
April 10, 2016	2021	November 21, 2020	55	Non-Insurable ³

¹Set Out month is counted as whole month regardless of the day of set out

²Stage I – Set Out to ≤ 24 months

³Stage II – >24 to ≤ 48 months

³Non-Insurable – >48 months on date of insurance attachment

Setting Distances and Approximate Number of Trees Per Acre

		ROW SPACING (feet)																
		14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
TREE SPACING (feet)	8	389	363	340	320	303	287	275	259	248	237	227	218	209	202	194	188	182
	9	346	323	303	285	269	255	242	230	220	210	202	194	186	179	173	167	161
	10	311	290	272	256	242	229	218	207	198	189	182	174	168	161	156	150	145
	11	283	264	248	233	220	208	198	189	180	172	165	158	152	147	141	137	132
	12	259	242	227	214	202	191	182	173	165	158	151	145	140	134	130	125	121
	13	239	223	209	197	186	176	168	160	152	146	140	134	129	124	120	116	112
	14	222	207	194	183	173	164	156	148	141	135	130	124	120	115	111	107	104
	15	207	194	182	171	161	153	145	138	132	126	121	116	112	108	104	100	97
	16	194	182	170	160	151	142	135	128	122	116	113	109	105	101	97	94	91
	17	183	171	160	151	142	134	127	121	115	110	107	102	99	95	92	88	85
	18	173	161	151	142	135	127	121	115	109	104	101	97	93	90	86	83	81
	19	164	153	143	135	127	121	115	109	104	100	96	92	88	85	82	79	76
	20	156	145	136	128	121	115	109	104	99	95	91	87	84	81	78	75	73
	21	148	138	130	122	115	109	104	99	94	90	86	83	80	77	74	72	69
22	141	132	124	116	111	104	99	94	90	86	83	79	76	73	71	68	66	

The above figures are for square and hedgerow plantings. Use the formula below for tree and/or row spacings not shown in the chart: Multiply the distance between tree rows by the spacing between trees within the row and divide into 43,560. Refer to the LAM for additional information on how to calculate the number of trees per acre.

Formula: 43,560 sq. ft. per acre ÷ tree spacing (L x W) = Number of trees per acre

Example: Tree row spacing 16.0 feet and tree spacing within rows 12.5 feet.

$$\frac{43,560 \text{ sq. ft.}}{16.0 \text{ ft.} \times 12.5 \text{ ft.}} = \frac{43,560 \text{ sq. ft.}}{200 \text{ sq. ft.}} = 217.8 = 218 \text{ trees per acre.}$$

Optional Unit Determinations

Section 2(b)(2) of the CP authorizes a minimum distance (see the SP) used to qualify separate groves as optional units. The minimum distance requirement of 1 mile between optional units is established based on the closest location of between the separate groves . Any groves that are within a one-mile distance of each other will be combined into a single optional unit. See the example below for guidance in determining optional units for separate groves.

