



United States
Department of
Agriculture

Farm Production
and Conservation

Risk
Management
Agency

Valdosta Regional
Office

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Valdosta, GA
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August 23, 2019

INFORMATIONAL MEMORANDUM

TO: Reinsured Companies servicing Alabama, Florida, and Georgia

FROM: Davina S. Lee, Director

SUBJECT: 2020 Crop Year Regional Approved Insurance Provider (AIP)
Underwriting Guidelines for Pecan Revenue Policies in Alabama, Florida,
and Georgia

BACKGROUND:

On February 20, 2019, the Valdosta RO issued an informational memorandum to provide procedures for AIPs to adjust the Approved Average Revenue of pecan orchards in the second year of the 2-year coverage module for damage from Hurricane Michael and Tropical Storm Gordon in lieu of requesting a RO Determined Yield.

The informational memorandum stated that the Valdosta RO would provide additional guidance for hurricane-damaged pecan acreage for subsequent crop years.

This memorandum provides the additional guidance for subsequent crop years.

ACTION:

1. Crop Year 2020 Renewal Policies (first year) with Damaged Pecan Acres

For crop year 2020, pecan orchards that had the Approved Average Revenue adjusted by AIPs, in accordance with the 2019 Valdosta RO information memorandum, will be entering the first year of the 2-year coverage module. In some situations, additional damage to trees may have become evident and additional tree removal may have occurred in the counties which were in the hurricane path.

AIPs should perform a Pre-Acceptance Inspection (PAIR) on any orchard which experienced revenue losses of 75% or more of liability in 2019 in Houston County, Alabama, and in the following Georgia counties: Baker, Decatur, Calhoun, Dougherty, Early, Lee, Miller, Mitchell, Seminole, and Worth. The purpose of the inspections is to evaluate hurricane damage to trees which has become evident in orchard blocks during the 2019 crop year.

If the inspection determines the damage may reduce the crop production and expected revenue by 15% or more below the revenue on which the acre guarantee is based, a RO Determined Yield should be submitted.

Where appropriate, acreage reduction should be completed. A reduction in insurable acreage will help orchards meet minimum production levels for insurability per the policy provisions. Acreage reduction should be completed prior to requesting a RO Determined Yield.

2. Damaged Pecan Acreage Not Meeting Minimum Production Insurability Requirements

Section 8(d) of the Pecan Revenue Crop Provisions includes an insurability requirement of 600 pounds of pecan in-shell production per acre in at least one of the previous four crop years unless the acreage is inspected, and insurance is allowed by written agreement.

Pecan acreage in Alabama, Florida, and Georgia have experienced losses due to hurricanes and tropical storm events in 2017 and 2018. In some cases, a single orchard may have been affected by multiple events which contributed to the acreage not meeting the minimum production insurability requirement. In these cases, the producer may request a Policy Exception written agreement. The request must be signed by the producer on or before the sales closing date of January 31, 2020.

If you have any questions or if we can be of any assistance, please contact our office.

DISPOSAL DATE:

January 31, 2021, unless rescinded.