



United States  
Department of  
Agriculture

Farm Production  
and Conservation

Risk  
Management  
Agency

Davis Regional  
Office

430 G Street  
#4168  
Davis, CA 95616

August 25, 2025

## INFORMATIONAL MEMORANDUM

**TO:** Approved Insurance Providers Writing in the States of Arizona, California, Hawaii and Utah

**FROM:** Jeff Yasui /s/ *Jeff Yasui*  
Director

**SUBJECT:** Reinsurance Year 2026, Regional Underwriting Guidelines for Category C Crops in the Davis Region

### **BACKGROUND**

The 2026 FCIC 18010 Crop Insurance Handbook (CIH) provides Regional Offices (ROs) the authority to issue RO Underwriting Guidelines for regional exception(s).

These Guidelines apply to following:

- 1) 2027 crop year for Citrus, Avocados and Macadamia Nut;
- 2) 2026 crop year for 508(h) Kiwifruit and Pomegranate in California; and
- 3) 2026 crop year for all other Category C crops in Arizona, California, Hawaii, and Utah

### **ACTION**

#### **A. Higher Yield Requests:**

CIH Par. 1881A allows the insured to request a RO Determined Yield higher than the average Actual Production History (APH) yield with reasonable cause. The insured **may not** request a RO Determined Yield if the orchard/vineyard had a paid claim the previous crop year due to a failure of the irrigation source. The Davis Regional Office (DRO) will consider requests for the following situations:

#### **1. Young Orchards/Vineyards:**

Requests for higher yields will be accepted by the DRO for orchards/vineyards that have recently become insurable because they have met the insurability requirements within the last four years and have less than four years of actual yields in their APH Database, for APH databases with:

- a. one actual yield (applies only to added insurable acres, unless specified elsewhere in this guide); or
- b. two or three actual yields: when the most recent crop year's actual yield is at least 85% of the previous crop year's actual yield.

Exception: Young blocks **commingled** with an older block must meet the criteria for a higher yield request for an older block.

## 2. Older Orchards/Vineyards:

Requests for higher yields will be accepted by the DRO for older (mature) orchards/vineyards that meet one of the following conditions:

- a. Added insurable acres combined with an older unit; or
- b. Orchards/vineyards purchased or leased from another grower; or
- c. Removal of older, unproductive block(s), or portions of block(s) within the previous 4 crop years; or
- d. Organic or transitional organic transitioning back to conventional.

The request must **ALSO** meet the following requirements:

- e. The most recent actual yield in the APH database must be at least 85% or more of the previous crop year's actual yield; **AND**
- f. The insured must provide their own most recent two crop years of actual yields. The simple average of these two yields **must exceed 125%** of the average APH yield.

**Exception:** Orchards/vineyards purchased or leased from another grower(s), insured may use the previous owner's yield history in establishing the approved yield if the following conditions apply:

- The insured must provide a copy of the previous insured owner's recent APH database to be used as a reference; **AND**
- Previous insured owner's average yield exceeds 65% of the county T-Yields; **AND**
- Previous insured owner's average yield is within 150% of published T-Yield (Cap the yield at 150%).

AIP must submit the APH database with Special Case Yield Indicator "H". See Exhibit A, 'RO Determined Yield Type, Yield Limitation Flag and Rate Yield Chart'. This chart is for AIP Policy processing and consistent with the CIH Exhibit 22 and Appendix III.

If these conditions are not met, the Approved Insurance Provider (AIP) must use standard APH procedures. A RO Determined Yield request will not be accepted and will be scored as inappropriate.

## 3. For Almonds:

Requests to insure fourth leaf year orchards must be submitted to the DRO for yield approval and must provide third leaf year production on a block production worksheet. Hard copy records do not need to be sent to the DRO. Almond orchards that do not have third leaf year production cannot be insured for fourth leaf year. Zero production in third leaf year does not count as actual production.

AIPs are authorized to establish the approved APH yield for fifth, sixth, seventh, and eighth leaf year acreage that is a separate block or unit when the requested acreage meets the requirements specified in this Informational Memorandum.

- a. Production History Requirement for fifth leaf year. Insureds requesting higher yields for an APH database must provide the actual yields for that APH database. Hard copy records do not need to be sent to the DRO. For fifth leaf year orchards, the insured must provide only fourth leaf year production. If the fifth leaf year calculated yield (according to 3(c)(a) below) is less than 65% of the county T-yield, use 65% of the applicable county T-yield as the approved yield. This includes when fourth leaf year production is zero.
  
- b. Production History Requirement for sixth, seventh, and eighth leaf year. Hard copy records do not need to be sent to the DRO. Insureds requesting higher yields for an APH database must provide the actual yields for that APH database. In addition, the 2025 crop year's actual yield in the APH database must be at least 85% of the 2024 crop year's actual yield. For sixth leaf year orchards, the insured must provide fourth and fifth leaf year production on a block production worksheet to make the comparison. If the fourth leaf year wasn't insured, these yields do not need to be reported in the APH database. If fifth leaf year was insured, then include only fifth leaf production in the APH database. If these conditions are not met, the AIP must use standard APH procedures.
  
- c. Approving a Higher Yield.
  - 1) The 2025 crop year's actual yield in the APH database must be at least 85% of the 2024 crop year's actual yield.
  - 2) Determine the age of the acreage to be insured for the current crop year.
  - 3) Determine the calculated yield as follows:
    - a) If fifth leaf year, multiply fourth leaf year production by 1.35 to determine the calculated yield.
    - b) If sixth leaf year, multiply the fifth leaf year production by 1.25 to determine the calculated yield.
    - c) If seventh leaf year, apply the applicable calculation:
      - Use the two-year average of fifth and sixth leaf year production. Multiply the average by 1.10 to determine the calculated yield.
      - If fourth leaf year was insured, then use the three-year average (fourth, fifth and sixth). Multiply the result by 1.10 to determine the calculated yield.
    - d) If eighth leaf year, apply the applicable calculation:
      - Use the three-year average of fifth, sixth and seventh leaf year production. Multiply the average by 1.10 to determine the calculated yield.
      - If fourth leaf year was insured, use standard APH procedures on the four years of production (fourth, fifth, sixth, and seventh) provided to determine the Approved APH yield.
      - If the three-year average exceeds the maximum yield, use the three- year average to determine the approved APH yield

- 4) The Approved APH yield is **the LOWER** of either the calculated yield in c.3) above or the maximum yield allowed in the table below:

Maximum Approved Yield			
Age	Region I (Butte, Colusa, Glenn, Placer, Sacramento, Solano, Sutter, Tehama, Yolo and Yuba counties)	Region II (Merced, San Joaquin and Stanislaus counties)	Region III (Fresno, Kern, Kings, Madera and Tulare counties)
Fifth leaf	2,800	2,850	3,300
Sixth leaf	2,950	3,000	3,500
Seventh leaf	3,100	3,350	3,750
Eighth leaf	3,250	3,500	3,950

**Example 1.** An insured in Fresno County has an orchard that was planted in 2020. The first year of insurance is fifth leaf year. The orchard produced 2,400 lbs. /acre in fifth leaf year; and 2,800 lbs. /acre in sixth leaf year. The insured requests a higher yield for their seventh leaf year orchard.

1. The sixth leaf year actual yield (2,800 lbs. /acre) is higher than fifth leaf year actual yield (2,400 lbs. /acre).
2. It is determined that the orchard will be seventh leaf year in 2026.  

$$[(2026 - 2020) + 1]$$
3. The average yield is 2,600 lbs. /acre  $((2,400 + 2,800)/2)$ .
4. The average yield (2,600 lbs.) times the multiplicative factor (1.10) equals 2,860.
5. The orchard is in region III.
6. The maximum yield allowed is 3,750.
7. The calculated yield of 2,860 is less than the maximum yield of 3,750.
8. Use 2,860 lbs. /acre as the Approved APH Yield.
9. Use a Special Case Yield Indicator "H", and a yield limitation flag "01".

Year	Yield	Yield Descriptor
2022	2,542	T
2023	2,542	T
2024	2,400	A
2025	2,800	A
Average Yield	2,571	

Rate Yield: 2571

Approved Yield: 2860

**Example 2.** Same scenario as Example 1, but fifth leaf year actual yield is 2,800 lbs. /acre and sixth leaf year yield is 2,350 lbs. /acre.

1. The sixth leaf year actual yield (2,350 lbs. /acre) is not within 85% of fifth leaf's actual yield (2,800 lbs. /acre).
2. Use standard APH procedures.

**Example 3.**

An insured in Fresno County has an orchard that was planted in 2019. The acreage was insured in fourth leaf year. In fourth leaf year, it produced 2,400 lbs. /acre. The orchard produced 2,800 lbs. /acre in fifth leaf year; 3,000 lbs. /acre in sixth leaf year; and 3,200 lbs. acre in seventh leaf year.

1. It is determined that the orchard will be eighth leaf in 2026.  $[(2026 - 2019) + 1]$ .
2. No multiplicative factor will be used since there are four years of actual yield history.
3. The four-year average yield is 2,850 lbs. /acre  $[(2,400 + 2,800 + 3,000 + 3,200)/4 = 2,850]$ .
4. The approved yield is 2,850 lbs. /acre.

In this case, the four-year average yield is the Approved APH Yield.

**4. For Pistachios:**

Requests to insure eighth and ninth leaf year orchards must be submitted to the DRO for yield approval and must be accompanied by the prior year's production on a block production worksheet. Hard copy records do not need to be sent to the DRO. Zero production in the prior crop year is not acceptable. AIPs are authorized to establish the approved APH yield for tenth and eleventh leaf year acreage that is a separate block or unit when the requested acreage meets the requirements specified in this Informational Memorandum.

- a) Production History Requirement for tenth and eleventh leaf year. Hard copy records do not need to be sent to the DRO. Insureds requesting higher yields for an APH database must provide the actual yields for that APH database. In addition, the 2025 crop year's actual yield in the APH database must be at least 85% of the 2024 crop year's actual yield. For tenth leaf year orchards, the insured must provide eighth and ninth leaf year production on a block production worksheet to make the comparison. If eighth or ninth leaf year wasn't insured, these yields do not need to be reported in the APH database. If either eighth and/or ninth leaf year was insured, then include the insured production in the APH database. If these conditions are not met, the AIP must use standard APH procedures.

- b) Approving a Higher Yield.

1. The 2025 crop year's actual yield in the APH database must be at least 85% of the 2024 crop year's actual yield.
2. Determine the age of the acreage to be insured for the current crop year.
3. Determine the calculated yield as follows:
  - a. If tenth leaf year, multiply ninth leaf year production by 1.2 to determine the calculated yield.
  - b. If eleventh leaf year, multiply the tenth leaf year production by 1.05 to determine the calculated yield.
4. The Approved APH yield is **the LOWER** of either the calculated

yield in b.3 or the maximum yield allowed in the table below:

Maximum Approved Yield	
Age	All Counties
Tenth Leaf	5,000
Eleventh Leaf	6,000

5. Use a Special Case Yield Indicator “H”, and a yield limitation flag “01”.

## 5. For Walnuts:

Requests to insure fifth leaf year orchards must be submitted to the DRO for yield approval and must provide fourth leaf year production on a block production worksheet. Hard copy records do not need to be sent to the DRO. Walnut orchards that do not have fourth leaf year production cannot be insured for fifth leaf year. Zero production in fourth leaf year does not count as actual production.

AIPs are authorized to establish the approved APH yield for sixth, seventh, eighth, and ninth leaf year acreage that is a separate block or unit when the requested acreage meets the requirements specified in this Informational Memorandum.

- a) Production History Requirement for sixth leaf year. Insureds requesting higher yields for an APH database must provide the actual yields for that APH database. For sixth leaf year orchards, the insured must provide only fifth leaf year production. If the sixth leaf year calculated yield (according to section 5(c)(3)) is less than 65% of the county T-yield, use 65% of the applicable county T-yield as the approved yield. This includes when fifth leaf year production is zero.
- b) Production History Requirement for seventh, eighth and ninth leaf year. Hard copy records do not need to be sent to the DRO. Insureds requesting higher yields for an APH database must provide the actual yields for that APH database. In addition, the 2025 crop year’s actual yield in the APH database must be at least 85% of the 2024 crop year’s actual yield. For seventh leaf year orchards, the insured must provide fifth and sixth leaf year production on a block production worksheet to make the comparison. If fifth leaf year wasn’t insured, these yields do not need to be reported in the APH database. If the sixth leaf year was insured, then include only sixth leaf production in the APH database. If these conditions are not met, the AIP must use standard APH procedures.
- c) Approving a Higher Yield.
  - 1) The 2025 crop year’s actual yield in the APH database must be at least 85% of the 2024 crop year’s actual yield.
  - 2) Determine the age of the acreage to be insured for the current crop year.
  - 3) Determine the calculated yield as follows:
    - a) If sixth leaf year, multiply fifth leaf year production by

1.5 to determine the calculated yield.

- b) If seventh leaf year, multiply the sixth leaf year production by 1.18 to determine the calculated yield.
- If fifth leaf year was insured, then use the two-year average (fifth and sixth) and multiply the result by 1.18 to determine the calculated yield.
- c) If eighth leaf year, apply the applicable calculation:
- Use the seventh leaf year production. Multiply the result by 1.10 to determine the calculated yield.
  - If sixth leaf year was insured, then use the two-year average (sixth and seventh). Multiply the result by 1.10 to determine the calculated yield.
  - If fifth leaf year was insured, then use the three-year average (fifth, sixth and seventh). Multiply the result by 1.10 to determine the calculated yield.
- d) If ninth leaf year, apply the applicable calculation:
- Use the two-year average of seventh and eighth leaf year production. Multiply the average by 1.10 to determine the calculated yield.
  - If sixth leaf year was insured, then use the three-year average (sixth, seventh and eighth). Multiply the average by 1.10 to determine the calculated yield.
  - If fifth leaf year was insured, use standard APH procedures on the four years of production (fifth, sixth, seventh and eighth) provided to determine the Approved APH yield.
  - If the three-year average exceeds the maximum yield, use the three- year average to determine the approved APH yield
- 4) The Approved APH yield is **the LOWER** of either the calculated yield in section 5(c)(3) or the maximum yield allowed in the table below:

Maximum Approved Yield	
Age	All Counties
Sixth Leaf	7,500
Seventh Leaf	8,000
Eighth Leaf	8,500
Ninth Leaf	9,000

- 5) Use a Special Case Yield Indicator “H”, and a yield limitation flag “01”.

**Example 1.**

An insured in Colusa County has an orchard that was planted in 2018 and determined to be ninth leaf in 2026. The orchard produced 2,700 lbs./acre in sixth leaf year; 4,000 lbs./acre in seventh leaf year; and 4,300 lbs./acre in eighth leaf year. The insured requests a higher yield for their ninth leaf year orchard.

1. The eighth leaf year actual yield (4,300 lbs./acre) is higher than seventh leaf year actual yield (4,000 lbs. /acre).



2. It is determined that the orchard will be ninth leaf year in 2026.  
 $[(2026 - 2018) + 1]$ .
3. The average yield is 3,667 lbs./acre  $((2,700 + 4,000 + 4,300)/3)$ .
4. The average yield (3,667 lbs.) times the multiplicative factor (1.10) equals 4,033.
5. The maximum yield allowed is 9,000.
6. The calculated yield of 4,033 is less than the maximum yield of 9,000.
7. Use 4,033 lbs./acre as the Approved APH Yield.
8. Use a Special Case Yield Indicator “H”, and a yield limitation flag “01”.

Year	Yield	Yield Descriptor
2022	4387	T
2023	2700	A
2024	4000	A
2025	4300	A
Average Yield	3847	

Rate Yield: 3847

Approved Yield: 4033

**Example 2.**

Same scenario as Example 1, but eighth leaf year actual yield is 3,300 lbs./acre.

1. The eighth leaf year actual yield (3,300 lbs. /acre) is not within 85% of seventh leaf’s actual yield (4,000 lbs./acre).
2. Use standard APH procedures.

**B. Producer’s Pre-Acceptance Worksheet (PAW) – CIH Par. 1834**

A PAW triggers a PAIR and a RO Determined Yield when the insured answers: “Yes” to “*Have practices or production methods (e.g. removal, dehorning, grafting, transitioning to or from organic)) been performed, or not performed, that will reduce the insured crop’s production from previous crop years?*” For example, if an insured experienced a shortage of water in the 2025 Reinsurance Year (RY), there is a possibility that the orchard/vineyard will experience reduced productivity. In this situation, the AIP must submit a RO Determined Yield request along with the following additional information:

1. Amount of rainfall (inches/acre) in a normal year (2018).
2. Amount of water (inches/acre) applied in a normal year (2018) for the unit/block.
3. List all water sources used for the unit/block in RY 2025.
4. Amount of rainfall (inches/acre) in 2025 RY for the unit/block.
5. Amount of water (inches/acre) applied from all sources in 2025.

If the insured answers “No” to “*Irrigation: is the current water supply (surface allotment/well) adequate to produce a normal crop for the crop year being certified above?*” For example, the insured has received information from their irrigation district that indicates they will have insufficient water for the 2026 RY (current year). In this situation, the AIP must submit a RO a determined yield request along with the following additional information:

1. Amount of rainfall (inches) received in the 2025 RY for the unit/block.



2. Amount of water from all sources (inches/acre) other than rainfall applied in the 2025 RY for the unit/block.
3. List all water sources for the unit/block.
4. Amount of water (inches/acre) applied in a normal year (2018 CY) for the unit/block.
5. Amount of water insured expects to receive for the 2026 RY.
6. Documentation from the insured's irrigation district supporting a reduction in the water supply for the 2026 RY.

### C. High Variability – Downward Trending:

Paragraph 1863 APH Database Tests for High Variability of Actual (and Assigned) Yields, of the 2026 CIH, provides procedure and formulas designed to identify alternate bearing and downward yield trending for Category C crop yields.

1. If the APH database meets the downward trending test in the 2026 CIH Para.1863E(2), then these additional tests are required:
  - a. The two most recent crop years actual yields in the APH database are less than 75% of the Average APH Yield; (not applicable to almonds, avocados, grapes, prunes, and walnuts)
  - b. Three or more crop years actual yields in the APH database are less than 75% of the Average APH Yield in the last four or five years; or
  - c. One or more crop years in the most recent five crop years contains an Assigned Yield (P Yield Type).

Exception: The most recent crop year in the APH database will be excluded from the downward trending calculation for almonds, avocados, grapes, prunes, and walnuts only.

2. If the APH database **does not meet any** of the criteria above in 1. a., b., or c., it is **not considered** a downward trend. The AIP must submit the approved yield using Special Case Yield Indicator "D". The AIP may use yield adjustment (YA) procedures if selected by the insured.
3. When an APH database **meets** the criteria in 1. a., b., or c., Paragraph 1863E(2) DOES NOT APPLY as far as determining the approved yield. The AIP must determine the Approved APH yield as follows:
  - a. Determine the Downward Trend Factor (DTF) by dividing the most recent three-year average contained in the APH database by the Average APH Yield.
  - b. Find the DTF in the table below.
  - c. Find the Yield Adjustment Factor (YAF) in the following table that corresponds to the DTF.
  - d. Use the YAF to determine the Approved APH Yield.

*Downward Trend Factor and Yield Adjustment Factor*

Approved APH Yield = Average APH Yield x YAF	
Downward Trend Factor*	YAF
0.75 - 1.00	1.00
0.65 - 0.74	0.80

0.55 - 0.64	0.70
0.00 - 0.54	0.60

\*Round to the nearest 100<sup>th</sup>

- e. AIP must the APH database with Special Case Yield Indicator “F”. Yield adjustment (YA) does not apply. **See Exhibit A, ‘RO Determined Yield Type, Yield Limitation Flag and Rate Yield Chart’**. This chart is for AIP Policy processing and consistent with the CIH Exhibit 22 and Appendix III.
- f. If the insured can demonstrate that the high variability yield adjustment was not appropriate, a RO Determined Yield may be requested.
- g. **Example:** An insured submits the following APH database, which meets the criteria for High Variability of Actual Yields. Using the Downward Trend Factor and YAF, the following approved APH Yield was determined and submitted to RMA with the Special Case Yield Indicator “F”, and a Yield Limitation Flag “11”.

Year	Yield	Calculations
2020	1,500	Simple Average Yield: 950
2021	1,800	Low Years $950 \times .75 = 713$ , 3 years in 6 years
2022	<b>500*</b>	Three-year average = 633
2023	1,250	Trend Factor = $633/950 = .67$
2024	<b>550*</b>	Use a YAF = .80
2025	<b>100*</b>	$950 \times .80 = 760$ F
Approved Yield = 760 F      Rate Yield equals approved yield		

#### D. Policy Exceptions for Grapes and Stonefruit:

The Grape crop provisions (CP) Section 7(e), acreage insurability requires the crop to: *“have produced an average of at least two tons of grapes per acre (or as otherwise provided in the Special Provisions) in at least one of the three crop years immediately preceding the insured crop year, unless we inspect and allow insurance on acreage that has not produced this amount.”*

The Stonefruit crop provisions (CP) Section 6(b)(5), acreage insurability requires the crop to: *“Have produced at least 200 lugs of fresh market production per acre, or at least 2.2 tons per acre for processing crops, in at least one of the four most recent actual production history crop years, unless otherwise allowed by the Special Provisions.”*

For Grape and Stonefruit APH databases that have not met the minimum production requirement and are considered acceptable by the AIP, the AIP may issue the simple average as the approved APH yield provided in the APH database when:

1. The APH Database contains 4 – 10 years of actual production history; and
2. Does not meet the criteria for the high variability of actual (and assigned) yields (CIH Paragraph 1863).

**Exception:** Fourth leaf Grapes that have produced a minimum of 1.5 tons per acre in

third leaf, the AIP may issue an approved yield of 2.0 tons per acre.

AIP must submit the APH database with Special Case Yield Indicator “M”. See Exhibit A, ‘RO Determined Yield Type, Yield Limitation Flag and Rate Yield Chart’. This chart is for AIP Policy processing and consistent with the CIH Exhibit 22 and Appendix III.

**E. Revisions to the Insured’s APH Database.**

Procedure requires the insured to submit a RO Determined Yield request to omit yield history from the APH database. If there’s been a claim on an approved APH Determined Yield request, the yield history **CANNOT** be omitted or adjusted.

In the following situations, the AIP may drop the production and acreage from the APH database:

- a. When there is prior uninsurable production and acreage; or
- b. When there is prior production and acreage from a previous owner.

For further information, please contact the Davis Regional Office

**DISPOSAL DATE**

August 31, 2026