

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Product
Administration &
Standards
Division

FRESH MARKET PEPPER LOSS ADJUSTMENT STANDARDS HANDBOOK

FCIC-25340-1 (7-2008) **2009 and Succeeding Crop Years**

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25340-1
SUBJECT: FRESH MARKET PEPPER LOSS ADJUSTMENT STANDARDS HANDBOOK 2009 AND SUCCEEDING CROP YEARS	OPI: Product Administration and Standards Division	
	Approved:	Date:
	<i>/s/ Tim B. Witt</i>	<i>7/31/2008</i>
Deputy Administrator, Product Management		

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-ISSUED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2009 AND SUCCEEDING CROP YEARS. ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

The following list contains significant changes to this handbook, as determined by us. It may not represent all changes made. All changes made to this handbook are applicable regardless of whether or not listed.

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

Changes for Crop Year 2009 (FCIC-25340-1) issued **JULY 2008**:

- A. **Section 8 D, Item 14** – Added Column for Minimum Value/Minimum Value Option I and II entries.
- B. **Section 8 D, Item 15** - Revised Total Value Per Load calculation in order to coincide with the Crop Provisions.
- C. **Summary of Harvested Production Illustration** – Inserted Column 14, Minimum Value and revised applicable column headings for clarification purposes.
- D. Revised according to current RMA approved standard language.
- E. **Subsection 9 C, Section II, Column “Q₁”** – Revised instructions to clarify that entry will come from Summary of Harvested Production Worksheet, Item 20.

FRESH MARKET PEPPER LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

Control Chart For: Fresh Market Pepper Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-2		21-26 39-40		04-2007	FCIC-25340
Insert	1-2		21-26 39-40		07-2008	FCIC-25340-1
Current Index	1-2	1-2	1-20 21-26 27-38 39-40 41-43	45-47	07-2008 04-2007 04-2007 07-2008 04-2007 07-2008 04-2007 04-2007	FCIC-25340-1 FCIC-25340 FCIC-25340 FCIC-25340-1 FCIC-25340 FCIC-25340-1 FCIC-25340 FCIC-25340

D. SUMMARY OF HARVESTED PRODUCTION WORKSHEET ENTRIES AND COMPLETION INFORMATION

- (1) Use this worksheet to record harvested production of marketable peppers, which are harvested. Use separate Summary of Harvested Production Worksheets for:
 - (a) Harvested production, U-Pick production (including “penhookers,” etc.), and unsold production.
 - (b) Each different first handler (buyer, packinghouse, or processor).

Scavenged (“penhooker”) peppers and other production harvested and sold to someone other than a first handler is to be reported as “u-pick.”

- (2) Packout computer printout sheets may be used to record harvested production in lieu of Summary of Harvested Production Worksheets, provided that they establish the total value per load in the same manner with no load valued at less than zero after subtracting allowable costs (refer to the Special Provisions for allowable costs). File a copy of the printout sheets in the contract folder.
- (3) The actual allowable cost of harvested production will include only those allowable costs shown in the Special Provisions including picking, grading, packing containers, hauling, and selling, not to exceed the amount shown in the Special Provisions. The actual allowable costs can be obtained from the grower. Only deduct allowable costs for production actually packed.

This worksheet is used to determine average value (per box) actually received for harvested production. Actual value according to the crop provisions or minimum value option I or option II, if applicable, is recorded on the production worksheet.

Verify or make the following entries:

Item No.

Information Required

Company: Name of the AIP, if not preprinted on the worksheet (Company Name).

Claim No.: Claim number as assigned by the AIP.

1. **Insured’s Name:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2. **Crop:** “Peppers” (0083).
3. **Crop Year:** Four-digit crop year, as defined in the policy, for which the claim has been filed.
4. **Policy No:** Insured’s assigned policy number.

5. **Planting Period:** Planting period (e.g. Fall, Winter, or Spring). Refer to the Summary of Coverage for the planting date and the actuarial documents to determine the planting period.
6. **Unit No.:** Five-digit unit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).
7. **Name, Address, and Phone No. of Buyer/Packer:**
 - a. For sold production, enter name, address, and telephone number of the buyer/packer of the production.
 - b. For unsold production, MAKE NO ENTRY.If applicable, identify the minimum value option selected in the lower right corner of item 7.

PART I – PRODUCTION

8. **Sale Date:**
 - a. For sold production, enter date the load was sold in MM/DD/YYYY format.
 - b. For unsold production, enter “unsold” (harvested and/or packed but could not be sold due to insured causes).
9. **Load No.:**
 - a. For sold production, enter the ticket number of the load.
 - b. For unsold production, enter the number of the USDA certificate of inspection, if available, and attach a copy of the certificate to the Summary of Harvested Production worksheet. Enter “u-pick” for u-pick, penhooker, and other production harvested and sold to someone other than a first handler.
10. **No. of Boxes/Cartons:**
 - a. For packed production, enter the number of boxes per load. (Packed production is boxes of marketable peppers.)
 - b. For production considered to be u-pick and unsold production, enter the number of boxes of such production. Refer to subsection 2 B (4) for the definition of u-pick.

11. **Gross Value:**

- a. For sold production, enter the value per box, determined by dividing the gross value of sales (from the sales invoice) by the number of boxes sold. Enter the result in dollars and cents.
- b. For unsold production, MAKE NO ENTRY.

12. **Allowable Cost:**

- a. FOR PACKED PRODUCTION ONLY, enter the allowable cost, in dollars and cents per box. Refer to the Special Provisions.

If the actual allowable cost is less than the value provided in the Special Provisions, enter the actual allowable cost.

- b. For production considered to be u-pick, enter "0." Refer to subsection 2 B (4) for the definition of u-pick.
- c. For unsold production, MAKE NO ENTRY.

13. **Net Value:**

- a. Subtract allowable cost (item 12) from value per box (item 11). Enter the result in dollars and cents. If the value is negative enter "0.00."
- b. For unsold production, MAKE NO ENTRY.

14. **Minimum Value:**

Enter one of the following, as applicable:

- a. Minimum Value as stated in the Special Provisions, if no minimum value option is selected;
- b. Minimum Value Option I price as stated in the Special Provisions, if Minimum Value Option I is elected; or
- c. Minimum Value Option II price as stated in the Special Provisions, if Minimum Value Option II is elected.

Refer to the crop provisions for more information on minimum value, minimum value option I, and minimum value option II.

15. Total Value per Load: Enter the results in dollars and cents.

a. Multiply number of boxes (item 10) **by the greater of:**

(1) Net Value (item 13); or

(2) Minimum Value (item 14).

b. For unsold production, MAKE NO ENTRY.

16. Total Boxes/Cartons: Sum the number of boxes for all loads from number of boxes column (item 10).

17. Total (\$) All Loads: Sum total dollar value for all loads from total value per load column (item 14).

PART II – WEIGHTED VALUE

18. Total (\$) All Loads: Transfer entry from item 16.

19. Total Boxes/Cartons: Transfer entry from item 15.

20. Value per Box/Carton: Divide total dollars for all loads (item 17) by total boxes/cartons/crates (item 18). Enter the result in dollars and cents.

The following required entries are not illustrated on the Summary of Harvested Production Worksheet example below.

21. Insured Signature and Date: Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining the signature, REVIEW ALL ENTRIES on the appraisal worksheet WITH THE INSURED (or insured's authorized representative), particularly explaining codes, etc., which may not be readily understood.

22. Adjuster Signature, Code Number, and Date: Signature of adjuster, code number, and date signed **after** the insured (or insured's authorized representative) has signed.

Page: Page numbers – (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.)

For Illustration Purposes Only			COMPANY:		1. INSURED'S NAME		
SUMMARY OF HARVESTED PRODUCTION (Fresh Market Peppers or Fresh Market Tomatoes)			ANY COMPANY		I. M. Insured		
CLAIM NO.:			XXXXXXXX		2. CROP		
Peppers (0083)			3. CROP YEAR				
4. POLICY NO.			7. NAME, ADDRESS, AND PHONE NO. OF BUYER/PACKER				
5. PLANTING PERIOD			6. UNIT NO.				
FALL			00100				
			ABC Packing Co., Box XX, Any Town, Any State XXXXX Tel (XXX) XXX-XXXX				
			Minimum Value Option II Selected				
PART I – PRODUCTION							
SALE DATE	LOAD NO.	NO. OF BOXES / CARTONS	PER BOX/CARTON			MINIMUM VALUE	TOTAL VALUE PER LOAD
			GROSS VALUE	ALLOWABLE COST	NET VALUE		
8	9	10	11	12	13	14	15
12-11-YYYY	21642	185	11.00	4.85	6.15	0.00	1,137.75
12-11-YYYY	21645	170	13.00	4.85	8.15	0.00	1,385.50
12-11-YYYY	21647	150	6.00	4.85	1.15	0.00	172.50
12-11-YYYY	22450	160	5.00	4.85	0.15	0.00	24.00
12-18-YYYY	22690	170	15.00	4.85	10.15	0.00	1,725.50
12-18-YYYY	23100	100	0.90	4.85	0.00	0.00	0.00
12-20-YYYY	24250	90	2.00	4.85	0.00	0.00	0.00
12-22-YYYY	24301	140	6.00	4.85	1.15	0.00	161.00
12-24-YYYY	24330	150	11.00	4.85	6.15	0.00	922.50
12-30-YYYY	24600	131	7.67	4.85	2.82	0.00	369.42
16. TOTAL BOXES/CARTONS		1,446	17. TOTAL (\$) ALL LOADS			5,898.17	
PART II – WEIGHTED VALUE							
18. TOTAL (\$) ALL LOADS		19. TOTAL BOXES/CARTONS			20. VALUE PER BOX/CARTON		
5,898.17		1,446			4.08		

Refer to the Above Summary of Harvested Production Worksheet instructions for required statements and signature entries.

9. CLAIM FORM ENTRIES AND COMPLETION PROCEDURES

A. CLAIM FORM STANDARDS

- (1) The entry items in subsection C are the minimum Claim Form (hereafter referred to as “Production Worksheet”) requirements. All of these entry items are considered “Substantive,” (i.e., they are required.)
- (2) The completion instructions for the required entry items on the Production Worksheet in the following subsections are “Substantive,” (i.e., they are required.)
- (3) The Privacy Act and Nondiscrimination statements are required statements that must be printed on the form or provided as a separate document. These statements are not shown in the example form in this section. The Nondiscrimination Statements can be found in the DSSH. The current Privacy Act can be found on the RMA website at <http://www.rma.usda.gov/regs/required.html> or successor website.
- (4) The certification statement required by the current DSSH must be included on the form directly above the insured’s signature block and immediately followed by the statement below.

“I understand the certified information on this Production Worksheet will be used to determine my loss, if any, to the above unit. The AIP may audit and approve this information and supporting documentation. The Federal Crop Insurance Corporation, an agency of the United States, subsidizes and reinsures this crop insurance.”

- (5) Refer to the DSSH for other crop insurance form requirements (e.g., point size of font, etc.)

B. GENERAL INFORMATION FOR ENTRIES AND COMPLETION PROCEDURES

- (1) The claim form (hereafter referred to as “Production Worksheet”) is a progressive form containing all notices of damage for all preliminary, replant, and final inspections on a unit.
- (2) If a Production Worksheet 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 insured should 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.

- b. If more than one practice and/or type of harvested production is listed in Section I, indicate for each practice/type the corresponding Field ID (from Section I, Column “A”).

REFER TO THE LAM FOR INSTRUCTIONS REGARDING ENTRIES OF FIRST CROP AND SECOND CROP CODES.

B. - E. Length or Diameter, Width, Depth, and Deduction:

- a. For peppers stored or sold, enter the name and address of the buyer, packinghouse, or processor as applicable.
- b. For unsold marketable production enter “UNSOLD.”
- c. For u-pick production sold off insurable acreage, enter “U-PICK.”

F. - H. MAKE NO ENTRY.

I. Bu., Ton, Lbs., Cwt.:

- a. Line through Bu., Ton, Lbs., CWT. (~~Bu., Ton, Lbs., CWT~~) and enter “Box.”
- b. Total harvested sold or unsold production in whole boxes (from item 18 of Summary of Harvested Production). Account for production harvested but not delivered to a packinghouse separately from packed production.

The insured is obligated to provide the number of boxes of “u-pick” (and penhooker) production harvested from insurable acreage. If the insured will not or cannot provide the number of boxes harvested from “u-pick” acreage and you cannot determine the value or number of boxes for such production, not less than the amount of insurance per acre must be assigned for the actual acres affected.

J. - M. MAKE NO ENTRY.

N. Adjusted Production: Enter whole boxes from column “I.”

O. Prod. Not to Count:

- a. Number of boxes from harvested acreage damaged solely by uninsured causes.
- b. If production records are NOT available from acreage damaged solely by uninsured causes, MAKE NO ENTRY.

THIS ENTRY MUST NEVER EXCEED PRODUCTION SHOWN ON THE SAME LINE. EXPLAIN ANY “PRODUCTION NOT TO COUNT” IN THE NARRATIVE.

P. Production: Result of subtracting the entry in Column “O” from Column “N.”

Q₁. **Value:** Enter the dollars and cents value per box for harvested sold and unsold marketable peppers.

a. For SOLD production, enter the value per box from item 20 of the Summary of Harvested Production. This entry may not be less than zero for any box of peppers.

b. For UNSOLD MARKETABLE production, enter not less than the applicable minimum value per box as listed in the Special Provisions.

c. For UNSOLD, UNMARKETABLE production damaged or defective due to insurable causes, enter "0.00."

Q₂ - R. MAKE NO ENTRY.

S. **Production to Count:** Production from Column "P" times Column "Q₁," rounded to whole dollars.

FOR ITEMS 22 - 24. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, PRICE ELECTIONS, TYPES, ETC., WITHIN THE UNIT, AND TOTALS NEED TO BE KEPT SEPARATE FOR CALCULATING INDEMNITIES, MAKE NO ENTRY AND FOLLOW THE AIP'S INSTRUCTIONS; OTHERWISE, MAKE THE FOLLOWING ENTRIES.

22. **Section II Total:**

PRELIMINARY AND REPLANT: MAKE NO ENTRY.

FINAL: Total of Column "S," in whole dollars.

23. **Section I Total:**

PRELIMINARY AND REPLANT: MAKE NO ENTRY.

FINAL: Enter figure from Section I, Column "O" total, in whole dollars.