

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



Product
Administration
And Standards
Division

FCIC-25650 (08/2007)
FCIC-25650-1 (08/2008)

**FLORIDA
AVOCADO
PILOT
LOSS
ADJUSTMENT
STANDARDS
HANDBOOK
2009 and Succeeding Crop Years**

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25650 (08-2007) 25650-1 (08-2008)	
SUBJECT: FLORIDA AVOCADO PILOT LOSS ADJUSTMENT STANDARDS HANDBOOK 2009 AND SUCCEEDING CROP YEARS	OPI: Product Administration And Standards Division		
	APPROVED: /s/ Tim B. Witt Deputy Administrator, Product Management	DATE: August 19, 2008	

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 where information has been removed.

Changes for Crop Year 2009 (FCIC-25650) issued **AUGUST 2008:**

1. Page 1, subsection 2 B (3): Added abbreviations for CAT and CIH.
2. Page 3, subsection 3 D: Added instructions to refer to the Special Provisions for instructions on reducing the insurance guarantee in accordance with the crop provisions.
3. Page 7, subsection 5 C (7): Clarified instructions pertaining to production 'per acre.'
4. Page 12, subsection 7 C, Appraisal Worksheet example: Corrected figure in item 18.
5. Page 29, subsection 9, Table A: Revised instructions for clarification.

FLORIDA AVOCADO PILOT LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

Control Chart For: Florida Avocado Pilot Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-2		1-4 7-8 11-12	29-30	08-2007	FCIC-25650
Insert	1-2		1-4 7-8 11-12	29-30	08-2008	FCIC-25650-1
Current Index	1-2	1-2	1-4 5-6 7-8 9-10 11-12 13-28	29-30	08-2008 08-2007 08-2008 08-2007 08-2008 08-2007 08-2008 08-2007 08-2007	FCIC-25650-1 FCIC-25650 FCIC-25650-1 FCIC-25650 FCIC-25650-1 FCIC-25650 FCIC-25650-1 FCIC-25650 FCIC-25650-1

DSSH	Document and Supplemental Standards Handbook, FCIC-24040
RPAM	Random Path Appraisal Method
(4) Definitions:	
Bushel	A unit of measure equal to 55 pounds of avocados.
Buckhorning	Cutting any scaffold limb to a length that is not greater than one-fourth (1/4) the height of the tree before such cutting.
Direct Marketing	Sale of the insured crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper, or buyer. Examples of direct marketing include selling through an on-farm or roadside stand, farmer's market, and permitting the general public to enter the fields for the purpose of picking all or a portion of the crop.
First Handler	A person or entity who takes possession of, or purchases, the insured crop for the purpose of acting as an intermediary in the marketing/sales process. (This is referenced in the General Information Section of Section II of the Production Worksheet)
Harvest	Picking of the avocados from the trees or ground by hand or machine.
Set Out	Transplanting a tree into the grove.

3. INSURANCE CONTRACT INFORMATION

The AIP is to determine that the insured has complied with all policy provisions of the insurance contract. Crop provisions which are to be considered in this determination include (but are not limited to):

A. INSURABILITY

The following may not be a complete list of insurability requirements. Refer to the Basic Provisions, Florida Avocado Pilot Crop Provisions, and Special Provisions for a complete list.

- (1) The crop insured will be all the commercially grown avocado types in the county for which a guarantee and premium rate is provided by the actuarial documents, in which the insured has a share, and that is grown:
 - (a) For harvest as avocados;
 - (b) On trees that, if inspected, are considered acceptable to the AIP; and
 - (c) On trees that have reached at least the fifth growing season after setout unless the AIP agrees in writing to insure avocados on acreage that has not reached this age and if the acreage has produced at least 50 bushels of avocados per acre in a previous year.

- (2) Insurance coverage is provided against damage or loss from insects and disease but not damage due to insufficient or improper application of pest and/or disease control measures.
- (3) Insurance coverage is not provided for damage or loss of production due to:
 - (a) Theft; or
 - (b) Inability to market the avocados for any reason other than actual physical damage from an insurable cause of loss specified in the crop provisions. For example, the AIP will not pay the insured an indemnity if the insured is unable to market avocados due to quarantine, boycott, or refusal of any person to accept production.
- (4) Refer to the Special Provisions for insurability provisions when a certain percentage of trees has been removed or stumped.
- (5) Refer to the Special Provisions for a list of insurable early and late avocado varieties.

B. PROVISIONS AND PROCEDURES NOT APPLICABLE TO CAT COVERAGE

Refer to the CIH and LAM for provisions and procedures not applicable to CAT.

C. UNIT DIVISION

Refer to the insurance contract for unit provisions. Unless limited by the crop or Special Provisions, a basic unit, as defined in the Basic Provisions, may be divided into optional units if, for each optional unit, all the conditions stated in the applicable provisions are met.

D. INSURANCE GUARANTEES

The AIP will reduce the yield used to establish the insured's production guarantee as necessary, based on the effect of interplanting a perennial crop; removal of trees; buckhorning; damage; or a change in practices, on the yield potential of the insured crop. If the insured fails to notify the AIP of any circumstances as set out in 3 (c) of the crop provisions, the AIP will reduce the insured's production guarantee as necessary, at any time the AIP becomes aware of the circumstance. **Refer to the Special Provisions for instructions on reducing the insurance guarantee when the aforementioned circumstances occur.**

4. FLORIDA AVOCADO PILOT APPRAISALS

A. GENERAL INFORMATION

- (1) Potential production for all types of inspections will be appraised in accordance with procedures in this handbook and in the LAM.
- (2) Specifically for Florida avocados, circumstances that require an appraisal include (but are not limited to):

- (a) If verifiable production records may not be available later (trees pushed, etc.); or
 - (b) If any production will be sold by direct marketing.
- (3) Make separate appraisals for each Florida avocado type grown in the grove, as applicable.
- (4) **Applicability** - Within the policy provisions is a requirement that insureds file a “notice of damage or loss” unless the insurance period has ended prior to each of the following events:
- (a) At least 15 days before any production from any unit will be direct marketed to consumers.

In the event of failure to give timely notice that the production will be sold by direct marketing, apply an appraised amount of production to count of not less than the production guarantee per acre, if such failure results in the inability of the AIP to make an accurate appraisal.

- (b) If the insured intends to claim an indemnity on any unit, the insured must notify the AIP 15 days prior to the beginning of harvest or immediately if damage is discovered during harvest so that the AIP may inspect the damaged production.
- (5) If the insured fails to meet the requirements listed in 4 (a) and (b) above, and such failure results in the AIP’s inability to inspect the damaged production, all such production may be considered undamaged and included as production to count.
- (6) **Appraisal Dates:**
- (a) AIP representatives will set appraisal dates.
 - (b) Whenever possible, appraise Florida avocados when they have reached harvestable maturity after the drop period and before the fruit is removed from the trees.

For the purpose of this handbook, the drop period, commonly referred to as “June drop,” is a natural self-thinning phenomenon where an avocado tree reduces a heavy fruit load by dropping small unripened fruit. This second fruit drop usually occurs in June and is distinguished from the first drop of fruit occurring shortly after bloom and is usually caused by lack of or incomplete pollination, pests, or temperatures.

B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS

- (1) Make a general examination of all acreage in the unit. Determine the minimum number and general location of trees to be used in the representative sample, based on:
- (a) Total acreage and number of trees;
 - (b) Extent of variation in the amount of production or damage within the acreage and location of the fruit on the tree;

C. UNHARVESTED APPRAISALS

Fruit Count Appraisals

- (1) Select representative sample trees for fruit counts, appraising each avocado type as a separate sample.
- (2) Count as production all avocados **for each sample tree**, including those lost through uninsured causes, on and under the tree.
- (3) Harvest one representative sample of 25 avocados from the applicable sample **trees** (lumped together) and weigh, in pounds to tenths.
- (4) Divide the harvested weight determined in (3) by 25, recording the result in pounds, to hundredths, to determine the average weight per fruit.
- (5) Multiply the fruit count determined in (2), by the average avocado weight (determined in (4)) to determine the potential production, in pounds to tenths, for each sample tree.
- (6) Enter the average pounds of avocados per sample tree on the appraisal worksheet.
- (7) Convert fruit counts from sample trees to bushels of appraised production. (Multiply the determined pounds of fruit per sample tree times the number of trees **per acre**, dividing this result by 55 pounds per bushel to determine the total appraised production **per acre** for the grove or sub-grove.)

6. APPRAISAL DEVIATIONS AND MODIFICATIONS

A. DEVIATIONS

Deviations in appraisal methods require FCIC written authorization (as described in the LAM) prior to implementation.

B. MODIFICATIONS

There are no pre-established modifications contained in this handbook. Refer to the LAM for additional information.

7. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES

A. APPRAISAL WORKSHEET FORM STANDARDS

- (1) The entry items in subsection 7 C are the minimum requirements for the Florida Avocado Appraisal Worksheet for all harvested and unharvested appraisals. All of these entry items are “Substantive” (i.e., they are required.)

- (2) Appraisal Worksheet Completion Instructions. The completion instructions for the required entry items on the Appraisal 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 to the insured as a separate document. These statements are not shown on the example form in this exhibit. The current Privacy Act and Nondiscrimination Statements can be found in the DSSH.
- (4) Refer to the DSSH for other crop insurance form requirements (e.g., font point size, etc.)

B. GENERAL INFORMATION FOR WORKSHEET ENTRIES AND COMPLETION PROCEDURES

- (1) Include the AIP’s name in the appraisal worksheet title if not preprinted on the AIP’s worksheet, when a worksheet entry is not provided.
- (2) Include the claim number on the appraisal worksheet (when required by the AIP), when a worksheet entry is not provided.
- (3) Separate appraisal worksheets are required for each unit and type inspected. Refer to subsection 4 B for sampling instructions.
- (4) For every inspection, complete items 1 through 9 and items 36 through 39.

Standard appraisal worksheet items are numbered consecutively in subsection 7 C. An example appraisal worksheet is also provided to illustrate how to complete all entries, except the last three items on the appraisal worksheet.

C. WORKSHEET ENTRIES AND COMPLETION PROCEDURES

Verify or make the following entries:

Item

No. Information Required

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

1. **Insured’s Name:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2. **Policy Number:** Insured’s assigned policy number.
3. **Claim Number:** Claim number as assigned by the AIP.
4. **Unit Number:** Five-digit unit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).

36. **Remarks:** Enter any additional information pertinent to the unit appraisal (e.g., tree spacing, etc.).
37. **Adjuster's Signature, Code Number, and Date:** Signature of the adjuster, adjuster's code number, and the date signed **after** the insured (or insured's authorized representative) has signed. If the appraisal is performed prior to the signature date, document the date of appraisal in the Remarks section of the Appraisal Worksheet (if available); otherwise, document the appraisal date in the Narrative of the Production Worksheet.
38. **Insured's 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.
39. **Page:** Page numbers - (Example: Page 1 of 1, Page 1 of 2, etc.).

Company Name: Any Company

FLORIDA AVOCADO APPRAISAL WORKSHEET (For Illustration Purposes Only)	1. INSURED'S NAME I.M. Insured				2. POLICY NO. XXXXXXXX			3. CLAIM NO. XXXXXXXXXX		
	4. UNIT NO. 00100	5. CROP Avocados (0019)	6. CROP YEAR YYYY	7. CAUSE OF DAMAGE Hail	8. DATE OF DAMAGE June 11	9. APPRAISED ACRES 17.5				

A – HARVESTED SAMPLE METHOD

GROVE ID. 10.	TYPE 11.	ACRES 12.	POUNDS OF AVOCADO PER SAMPLE TREE 13.				TOTAL LBS. AVOCADOS 14.	NUMBER OF SAMPLES 15.	AVG. POUNDS/TREE 16.	TREES/ACRE 17.	GROSS LBS./ACRE 18.	CONVERSION FACTOR 19.	BUSHEL/ACRE 20.
			36.9	33.0	27.5	34.2							
D-4	Early	2.5	35.3	37.2	28.4	29.9	262.4	÷ 8 = 32.8	x 104 =	3,411	÷ 55 =	62.0	
											55		
											55		
											55		

B – FRUIT COUNT APPRAISAL

GROVE ID. 21.	TYPE 22.	ACRES 23.	HARVESTED WEIGHT 24.	NUMBER AVOCADOS PER SAMPLE 25.	AVG LBS. PER FRUIT 26.	FRUIT COUNT - NO. FRUIT PER SAMPLE TREE 27.				TOTAL FRUIT COUNT 28.	TOTAL LBS. AVOCADOS 29.	NUMBER OF SAMPLES 30.	AVG. POUNDS/TREE 31.	TREES/ACRE 32.	GROSS LBS./ACRE 33.	CONVERSION FACTOR 34.	BUSHEL/ACRE 35.
				÷ 25 =													55 =
				÷ 25 =													55 =

36 Remarks
Tree spacing in grove is 15' x 28'

This form example does not illustrate all required entry items (e.g., signatures, etc.)

9. REFERENCE MATERIAL

TABLE A - MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS

Number of Acres:	Select:
0.1 – 10.0	The lesser of 5 trees or 1% change of the number of trees in the grove or sub-grove.
One additional tree is required for each additional 10.0 acres (or fraction thereof) in the grove or sub-grove	

TABLE B – NUMBER OF TREES PER ACRE

		DISTANCE BETWEEN TREES (IN FEET)																											
		10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35		
DISTANCE BETWEEN ROWS (IN FEET)	10	436	396	363	335	311	290	272	256	242	229	218	207	198	189	182	174	168	161	156	150	145	141	136	132	128	124		
	11		360	330	305	283	264	248	233	220	208	198	189	180	172	165	158	152	147	141	137	132	128	124	120	116	113		
	12			303	279	259	242	227	214	202	191	182	173	165	158	151	145	140	134	130	125	121	117	113	110	107	104		
	13				258	239	223	209	197	186	176	168	160	152	146	140	134	129	124	120	116	112	108	105	102	99	96		
	14					222	207	194	183	173	164	156	148	141	135	130	124	120	115	111	107	104	100	97	94	92	89		
	15						194	182	171	161	153	145	138	132	126	121	116	112	108	104	100	97	94	91	88	85	83		
	16							170	160	151	143	136	130	124	118	113	109	105	101	97	94	91	88	85	83	80	78		
	17								151	142	135	128	122	116	111	107	102	99	95	92	88	85	83	80	78	75	73		
	18									134	127	121	115	110	105	101	97	93	90	86	83	81	78	76	73	71	69		
	19										121	115	109	104	100	96	92	88	85	82	79	76	74	72	69	67	66		
	20												109	104	99	95	91	87	84	81	78	75	73	70	68	66	64		
	21													99	94	90	86	83	80	77	74	72	69	67	65	63	61		
	22														90	86	83	79	76	73	71	68	66	64	62	60	58		
	23															82	79	76	73	70	68	65	63	61	59	57	56		
	24																76	73	70	67	65	63	61	59	57	55	53		
	25																	70	67	65	62	60	58	56	54	53	51		
	26																		67	64	62	60	58	56	54	52	49		
	27																			65	60	58	56	54	52	50	47		
	28																				60	56	54	52	50	49	46		
	29																					56	52	50	48	47	44		
	30																						48	47	45	44	43		
	31																							45	44	43	41		
	32																								43	41	40		
	33																									40	39		
	34																										38		
	35																										37		
																											36		

For spacing not shown on this chart: Multiply the distance between trees (nearest tenth of a foot) times the distance between rows (nearest tenth of a foot) and divide the result into 43,560 (round to the nearest whole number). EXAMPLE: 6.5 ft. times 10.0 ft. equals 65.0 sq. ft.; then 43,560 divided by 65.0 equals 670 trees per acre.