



United States
Department of
Agriculture

Risk
Management
Agency

1400 Independence
Avenue, SW
Stop 0801
Washington, DC
20250-0801

BULLETIN NO.: MGR-08-015

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Eldon Gould /s/ *Eldon Gould* 8/27/2008
Administrator

SUBJECT: Termination of the California Avocado Revenue Pilot Crop
Insurance Program

BACKGROUND:

The FCIC Board of Directors (Board) approved the California Avocado Revenue pilot crop insurance program for the 1998 crop year in Ventura County, California. In subsequent years the program was expanded to five additional counties in California: Orange, Riverside, San Diego, San Luis Obispo, and Santa Barbara. Currently, the California Avocado Revenue pilot crop insurance program is available in all six counties through the 2009 crop year. In 2004, the Risk Management Agency (RMA) contracted for an evaluation of the California Avocado Revenue pilot crop insurance program. The contractor recommended several changes to the program to make it easier to understand and correct certain weaknesses.

The results of the evaluation, along with other information, was considered by the Board who determined that a new program based on an Actual Production History plan of insurance should be developed to replace the revenue program. The California Avocado Revenue pilot crop insurance program was continued until such time that the new Actual Production History program could be put into place. In August 2008 the California Avocado Actual Production History pilot crop insurance program was approved by the Board as a pilot program in the same six counties in California beginning with the 2010 crop year. Program materials for the 2010 California Avocado Actual Production History pilot crop insurance program should be released within the next few weeks.

ACTION:

The California Avocado Revenue pilot crop insurance program is being terminated for the 2010 and subsequent crop years. To provide policyholders with an opportunity to review alternate risk management options, cancellation notices should be sent to all producers participating in this program at least 30 days prior to the cancellation date of November 30, 2008. If an Approved Insurance Provider accepts an application or fails to timely cancel the California Avocado Revenue pilot policy for the 2010 crop year by November 30, 2008, no reinsurance will be provided.



The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

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Producers who participated in the California Avocado Revenue pilot crop insurance program should be advised about the availability of coverage under the new California Avocado Actual Production History pilot crop insurance program. Program materials will be made available on the RMA website:

<http://www.rma.usda.gov/pilots/>

DISPOSAL DATE:

This bulletin may be disposed of after December 31, 2008.