

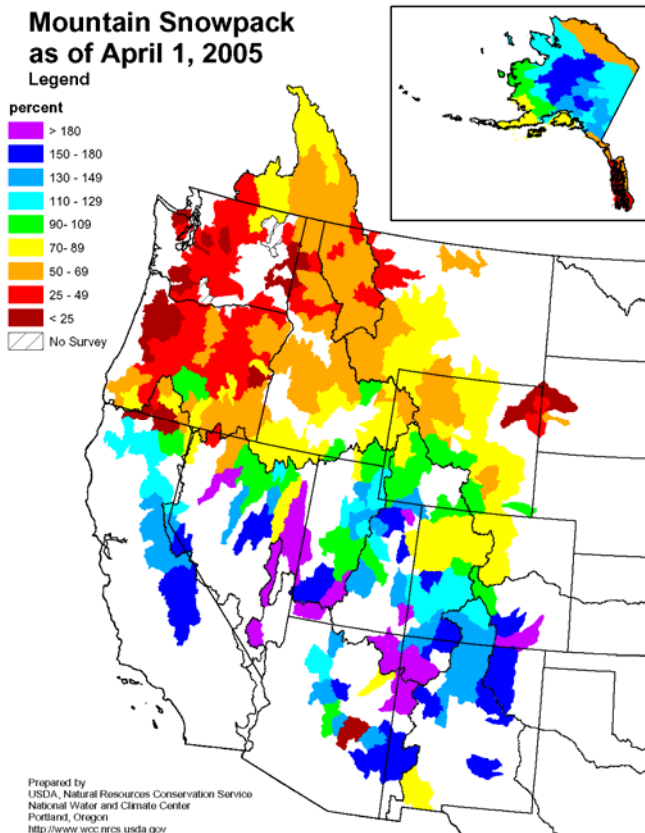
Attachment 3: Spokane Region Irrigation Assessment for the 2005 Crop Year

The Spokane Regional Office has completed our Regional Irrigation Assessment of surface irrigation supplies (as specified on pages 62-63 of the 2005 Loss Adjustment Manual, FCIC-25010, Section 6, Paragraph 40, D, E, and F).

The Pacific Northwest states of Idaho, Oregon, and Washington continue to experience severe drought conditions. The U.S. Drought Index lists the intensity of drought from severe to extreme drought in most of the irrigated areas in the three states. As a result of the developing drought situation, the severe drought (D2) category was just expanded to cover parts of central Washington and north-central Oregon.

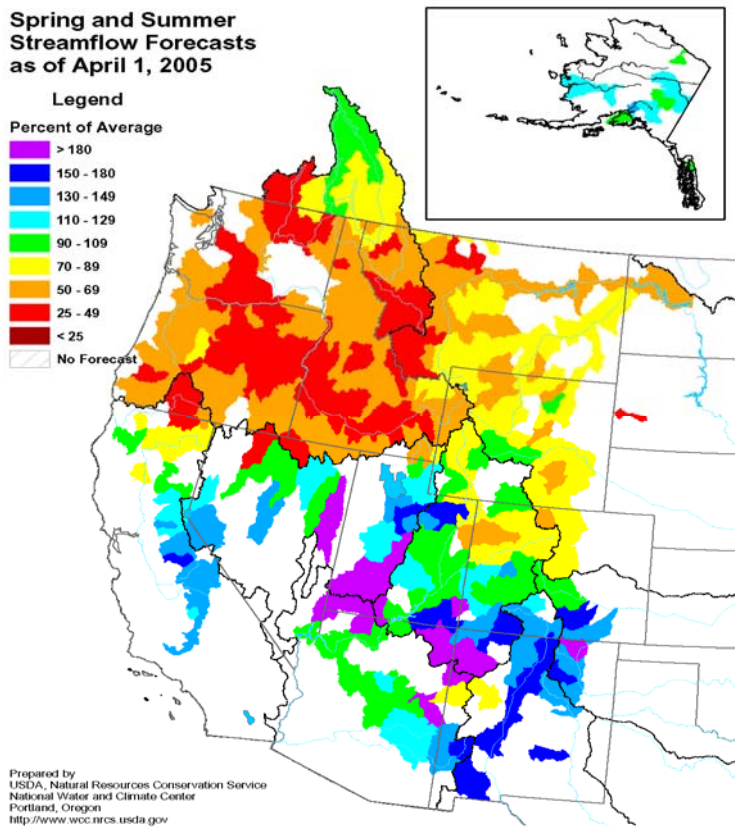
The Natural Resources and Conservation Service (NRCS) SNOTEL measurements within the most severe and extreme drought areas reveal irrigation water shortages are expected. Statewide snowpack averages as of March 10 are approximately 53 percent in Idaho, 29 percent in Oregon, and 23 percent in Washington.

Shown below are snowpack levels in the region as of April 1. Warm and dry conditions continue to deteriorate conditions. Snow water equivalent values of the mountain snowpacks across Oregon, Washington, Idaho, are either at or near new low levels for this time of year.



The warm and dry trend has continued through February and March with many areas receiving record low average precipitation numbers.

We have reviewed and continue to track summaries of the streamflow forecast probabilities, basin area reservoir supplies, and SNOTEL data from the Water and Climate Center of the USDA NRCS. Below are spring and summer streamflow forecasts as of April 1.



Based on review of all data available as of April 1, the availability of water for irrigation throughout the year is suspect in virtually all Idaho, Oregon and Washington Counties where producers are able to insure irrigated crops.

Insured crops grown in Idaho, Oregon and Washington that may be affected by lack of irrigation water and inability to pump water include: apples, barley, blueberries, canola, cherries, corn, dry beans, dry peas, forage production, fresh apricots, fresh freestone peaches, fresh nectarines, grapes, green peas, mint, mustard, oats, onions, pears, potatoes, processing beans, raspberries & blackberries, safflower, sugar beets, sweet corn and wheat. There also may be additional crops insured under AGR and AGR-Lite policies where intended commodity reports reflect an irrigated practice.

Severity of irrigation shortages in many areas will depend on how the remaining snow melts and future precipitation. Irrigated crops are identified on the actuarial documents and on our website at <http://www.rma.usda.gov>.

We will continue to track summaries of irrigation related information in the region and inform the Administrators Office of any deteriorating conditions. We encourage insurance providers to notify the Spokane Regional Office immediately of any changes that would indicate there would not be any shortages of irrigation water. If you have questions, please call our office at 509-353-2147.