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# APPLE LOSS ADJUSTMENT STANDARDS HANDBOOK

**2003 and Succeeding Crop Years**



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

<b>FEDERAL CROP INSURANCE HANDBOOK</b>		<b>NUMBER: 25030 25030-1</b>
<b>SUBJECT:</b>  <b>APPLE LOSS ADJUSTMENT STANDARDS HANDBOOK 2003 AND SUCCEEDING CROP YEARS</b>	<b>DATE: September 3, 2002</b>	
	<b>OPI: Product Development Division</b>	
	<b>APPROVED:</b> <b>/S/ Tim B. Witt</b> Deputy Administrator, Research and Development	

**THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2003 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR THIS CROP FOR 2003 AND SUCCEEDING CROP YEARS, ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.**

**SUMMARY OF CHANGES/CONTROL CHART**

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

**Changes:** For September 2002 Issuance (FCIC-25030-1)

- A. In subsection 2 B (4) adding a definition for mature apples
- B. In Section 4 E added instructions for appraising apple production with potential *E.coli* contamination.

**APPLE LOSS ADJUSTMENT STANDARDS HANDBOOK**

**SUMMARY OF CHANGES/CONTROL CHART (Continued)**

Control Chart For: Apple Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	References	Date	Directive Number
Remove	1-2	1-2	1-2 11-12		11-2000 11-2000	FCIC-25030 FCIC-25030
Insert	1-2	1-2	1-2 11-12.1		09-2002 09-2002	FCIC-25030-1 FCIC-25030-1
Current Index	1-2	1-2	1-2 3-10 11-12.1 13-37	38-49	09-2002 09-2002 11-2000 09-2002 11-2000	FCIC-25030-1 FCIC-25030-1 FCIC-25030 FCIC-25030-1 FCIC-25030

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# 1. INTRODUCTION

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This handbook identifies the crop-specific procedural requirements for adjusting Multiple Peril Crop Insurance (MPCI) losses in a uniform and timely manner. These procedures, which include crop appraisal methods and claims completion instructions, supplement the general (not crop-specific) procedures, forms, and manuals for loss adjustment identified in the Loss Adjustment Manual (LAM).

## 2. SPECIAL INSTRUCTIONS

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This handbook remains in effect until superseded by reissuance of **either** the entire handbook **or** selected portions (through slipsheets or bulletins). If slipsheets have been issued for a handbook, the original handbook as amended by slipsheet pages shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slipsheets.

### A. DISTRIBUTION

The following is the minimum distribution of forms completed by the adjuster for the loss adjustment inspection:

One legible copy to the insured. The original and all remaining copies as instructed by the insurance provider.

**NOTE:** It is the insurance provider's responsibility to maintain original insurance documents relative to policyholder servicing as designated in their approved plan of operations.

### B. TERMS, ABBREVIATIONS, AND DEFINITIONS

- (1) Terms, abbreviations, and definitions **general** (not crop-specific) to loss adjustment are identified in the LAM.
- (2) Terms, abbreviations, and definitions **specific** to apple loss adjustment and this handbook, which are not defined in this section, are defined as they appear in the text.
- (3) Abbreviations:

<b>APA</b>	Apple Production Appraisal Worksheet
<b>AQA</b>	Apple Quality Adjustment Appraisal Worksheet
<b>RPAM</b>	Random Path Appraisal Method

(4) Definitions:

<b>Bin</b>	A container that contains a minimum of 875 pounds of apples or some other quantity designated in the Special Provisions.
<b>Box</b>	A container that contains 35 pounds of apples or some other quantity designated in the Special Provisions.
<b>Bushel</b>	In all states except Colorado, 42 pounds of apples. In Colorado, 40 pounds of apples
<b>Culls</b>	Apples that fail to meet the requirements of U.S. Cider Grade.
<b>Direct Marketing</b>	Sale of the insured (apple) crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper, buyer, or broker. Examples of direct marketing include selling through an on-farm or roadside stand, or a farmer ' s market, and permitting the general public to enter the field for the purpose of picking all or a portion of the crop.
<b>Excessive Sun</b>	Exposure of unharvested apples to direct or indirect sunlight that causes apples to grade less than U.S. Fancy due to sunburn damage.
<b>Harvest</b>	The picking of mature marketable apples from the trees or removing such apples from the ground.
<b>Marketable</b>	Apple production that grades U.S. No. 1, 2, or Cider grade in accordance with the United States Standards for Grades of Apples (fresh and processing).
<b>Mature Apples</b>	<b>Mature apple is an apple that is gradable.</b>
<b>Natural Culls</b>	Apples from each sample which, due to any reason other than insured causes, fail to meet or exceed the policy minimum grade requirements
<b>Natural Drop Apples</b>	Individual apples that occasionally drop from trees as an ordinary occurrence throughout the growing season.
<b>Russeting</b>	A brownish roughened area on the surface (skin) of the apple.
<b>Sunburn damage</b>	A defect (insured cause of damage under the sunburn option only) caused by the sun evidenced by blistering, or cracking of the skin, or when the discolored area does not blend into the normal color of the fruit as defined in the U.S. Standards for Grades of Apples. Sunburn damage materially detracts from the appearance, or the edible or shipping quality of the apple.
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<b>Varietal Group</b>	Apple varieties with similar characteristics that are grouped for insurance purposes as specified in the Special Provisions.



## **D. HANDLING APPRAISAL DISCREPANCIES**

If the insured disagrees with the appraisal, make arrangements for leaving representative trees UNHARVESTED and for inspecting those trees when the apples are ready to harvest (see harvested production appraisal procedure). The adjuster and insured should jointly determine the trees to be selected for this representative sample. Make a sketch map of the orchard and mark the sample trees by row number and tree count within the chosen row. An adjuster must be present when the representative trees are harvested.

## **E. APPRAISING APPLES WITH POTENTIAL *E. COLI* CONTAMINATION**

1. When appraising potential apple production with potential *E. coli* contamination, use the applicable RMA-approved apple loss adjustment procedures to select samples, and document appraised and harvested potential production.
2. Any mature apples on the ground (grounders) which meet or exceed the applicable minimum grade standards for the policy WILL BE COUNTED as production to count UNLESS such fruit is unmarketable due to **potential *E. coli*** contamination. For each orchard or block being appraised, any apples (including grounders) that meet the applicable grade requirements of the policy that are potentially contaminated by *E. coli*, **and are NOT delivered** to a processor, buyer or packer, enter in item 13 (Natural Culls) on the Apple Quality Adjustment Appraisal Worksheet the number of **potential *E. coli*** contaminated apples from each representative sample.
3. Any mature apples picked up, delivered to, and purchased by a packer, processor, or other buyer will be counted as production to count. Document such production in item 16 (Gross Production) on the Apple Quality Adjustment Worksheet, as applicable. Document any additional pertinent information in the Remarks section that describes where and when this production was harvested.
4. **For Uninsured Causes:** Any apple production on the ground due to uninsured causes (e.g., such as wind drops due to not harvesting timely) will be considered production to count. For harvested appraisals only, enter the number of boxes or bushels of apples that are damaged by uninsured causes in item 20 (Uninsured Causes) on the Apple Quality Adjustment Worksheet.

**NOTE: FOR APPRAISED APPLE PRODUCTION ONLY:** Any representative apple samples damaged by uninsured causes are to be counted and documented in item 13 (Natural Culls); therefore, no additional item entries are required in item 20 (Uninsured Causes) on the Apple Quality Adjustment Worksheet.

## 5. APPRAISAL METHODS

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### A. GENERAL INFORMATION

These instructions provide information on appraisal methods for:

<b>Appraisal Methods . . . . .</b>	<b>Use . . . . .</b>
Apple Production Appraisals	when there is any production that will be left unharvested; or will be sold by direct marketing; for conflict of interest appraisals; and for APH purposes.
Apple Quality Adjustment Appraisals	when there is insured damage and the insured selects basic coverage; basic coverage plus Option "A," and/or Option "B;" or, Option "B" and the "Sunburn" Option.
Representative Tree Appraisals	the production harvested from the representative trees to determine the yield per acre.
Harvested Acreage Appraisals	the average yield per acre from harvested acreage as the appraisal per acre for unharvested acreage.

## **B. UNHARVESTED PRODUCTION APPRAISALS**

### **(1) Apple Production Appraisals:**

(a) Record by variety and acreage:

- 1 The number of apples per tree,
- 2 The number of apples per box or bushel, and
- 3 Appraised production calculations based on the number of apples per tree and the number of apples per box or bushel.

(b) Appraised amounts of production will be transferred to either the AQA Worksheet or the Production Worksheet, as applicable.

(c) Appraisal method:

- 1 Select sample trees and sample fruit as stated in section 4.
- 2 Count and record the number of apples per tree. Make counts when all chemical and hand thinning has been completed.
- 3 Count and record on the APA Worksheet, the number of apples per bushel or box.

a **For early pre-harvest appraisals:** After all chemical and hand thinning (and before apples have reached mature size), determine the average number of apples per box or bushel. This information can be obtained from the grower (ask the insured the fruit size, for the acreage being appraised, processor, or extension service, etc.). Enter the average number (e.g., 100, 110, etc.) on the APA Worksheet and note the source of the information.

b **For near harvest appraisals:**

- i Use apple sizing rings to determine fruit size. Randomly select 10 fruit from each sample tree and determine fruit size. Determine the number of fruit per box/bushel based on the fruit size. Record the number of fruit per box/bushel on the APA Worksheet.
- ii An alternative method of determining the number of fruit per box or bushel is to randomly select 10 apples from the sample tree and weigh them, round weight to tenths of a pound. Use the following formula to calculate the number of apples per box or bushel, as applicable.

**(Reserved)**