

United States  
Department of  
Agriculture



Federal Crop  
Insurance  
Corporation



Product  
Development  
Division

FCIC-25260 (12-1999)

# MACADAMIA NUT LOSS ADJUSTMENT STANDARDS HANDBOOK

**2001 and Succeeding Crop Years**



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

<b>FEDERAL CROP INSURANCE HANDBOOK</b>		<b>NUMBER: 25260</b>
<b>SUBJECT:</b>  <b>MACADAMIA NUT LOSS ADJUSTMENT STANDARDS HANDBOOK 2001 AND SUCCEEDING CROP YEARS</b>	<b>DATE: December 13, 1999</b>	
	<b>OPI: Product Development Division</b>	
	<b>APPROVED: <i>R.E. Waggoner</i> for <i>Tim B. Witt</i> Deputy Administrator, Research and Development</b>	

**THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2001 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR THIS CROP FOR 2001 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 redlined. Three stars (\*\*\*) identify information that has been removed.

Inserts:

- A. Policy provisions contained in the Macadamia Nut Policy (00-023[Rev. 6-98]) and the Catastrophic Risk Protection Endorsement (99-CAT).
- B. Revised the format. All references to the FCI-74 have been removed. Claim form entries, instructions, and example are now modeled after the production worksheet currently used by most of the insurance industry.
- C. Modified language in section 2, Special Instructions, Distribution.
- D. Modified language in section 4 B "Selecting Representative Samples for Appraisals" to follow more closely with other nut crops.
- E. Added language to section 4 C (1) to state the total percent of each variety for the acreage should not exceed 100%.
- F. Modified language in section 6, Appraisal Deviations and Modifications.

# MACADAMIA NUT LOSS ADJUSTMENT STANDARDS HANDBOOK

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

- G. Replaced the FCI-74-A (Nut Tree) appraisal worksheet with the FCI-74-A (Figs/Nut Tree) appraisal worksheet and revised the completion instructions to match this form.
- H. Added language to the claim form completion instructions to refer to the Bulletin No. MGR-99-023, dated June 28, 1999, and Bulletin No. MGR-99-023.1, dated October 6, 1999, (or the LAM after bulletins have been incorporated) for information on gleaning.
- I. Added the word “insured’s” to the authorized representative in the appraisal and production worksheet applicable items. Also added instruction to document date of appraisal in narrative if performed prior to signature date.

Control Chart For: Macadamia Nut Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	Entire Handbook FCIC-25260 (March 1996)					
Current Index	1-2	1-2	1-22	23-24	12-1999	FCIC-25260

# MACADAMIA NUTS LOSS ADJUSTMENT HANDBOOK

## TABLE OF CONTENTS

	<u>PAGE</u>
<b>1. INTRODUCTION</b> .....	1
<b>2. SPECIAL INSTRUCTIONS</b> .....	1
A. DISTRIBUTION .....	1
B. TERMS, ABBREVIATIONS, AND DEFINITIONS .....	1
<b>3. INSURANCE CONTRACT INFORMATION</b> .....	2
A. INSURABILITY .....	2
B. PROVISIONS NOT APPLICABLE TO CAT COVERAGE .....	3
C. UNIT DIVISION .....	3
<b>4. MACADAMIA NUT APPRAISALS</b> .....	3
A. GENERAL INFORMATION .....	3
B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS .....	3
C. IMPORTANT APPRAISAL INFORMATION .....	4
<b>5. APPRAISAL METHODS</b> .....	5
A. GENERAL INFORMATION .....	5
B. UNHARVESTED METHODS .....	5
C. HARVESTED METHODS .....	5
<b>6. APPRAISAL DEVIATIONS AND MODIFICATIONS</b> .....	6
A. DEVIATIONS .....	6
B. MODIFICATIONS .....	6
<b>7. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES</b> .....	6
A. GENERAL INFORMATION .....	6
B. WORKSHEET ENTRIES AND COMPLETION INFORMATION .....	7
APPRAISAL WORKSHEET EXAMPLE .....	9

# MACADAMIA NUT LOSS ADJUSTMENT HANDBOOK

## TABLE OF CONTENTS (Continued)

	<u>PAGE</u>
<b>8. CLAIM FORM ENTRIES AND COMPLETION PROCEDURES</b> .. . . . .	10
A. GENERAL INFORMATION .. . . . .	10
B. FORM ENTRIES AND COMPLETION INFORMATION .. . . . .	11
SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS . . . .	13
SECTION II - HARVESTED PRODUCTION .. . . . .	18
CLAIM FORM EXAMPLE .. . . . .	22
<b>9. REFERENCE MATERIAL</b> .. . . . .	23
<b>TABLE A</b> - MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS .. . . . .	23
<b>TABLE B</b> - NUMBER OF WET IN-SHELL MACADAMIA NUTS PER POUND BY VARIETY .. . . . .	23
<b>TABLE C</b> - TREE POPULATION PER ACRE .. . . . .	24

# 1. INTRODUCTION

---

---

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

---

---

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 providers' 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 that are **general** (not crop specific) to loss adjustment are identified in the LAM.
- (2) Terms, abbreviations, and definitions **specific** to macadamia nut loss adjustment and this handbook, which are not defined in this section, are defined as they appear in the text.
- (3) Abbreviation(s):

**RPAM**                      Random Path Appraisal Method

- (4) Definition(s):

**Age**                      The number of complete 12-month periods that have elapsed since the month the trees were set out or were grafted, whichever is later. An age determination will be made for each unit, or portion thereof, as of January 1 of each crop year.

<b>Direct Marketing</b>	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 orchard for the purpose of picking all or a portion of the crop.
<b>Graft</b>	The uniting of a macadamia shoot to an established macadamia tree rootstock for future production of macadamia nuts.
<b>Harvest</b>	Picking of mature macadamia nuts from the ground.
<b>Rootstock</b>	The root and stem portion of the macadamia tree to which a macadamia shoot can be grafted.
<b>Wet in-shell</b>	The weight of the macadamia nuts as they are removed from the orchard with the nut meats in the shells after removal of the husk but prior to being dried.

### **3. INSURANCE CONTRACT INFORMATION**

---

The insurance provider 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**

- (1) Insurable Crop. The crop insured will be all macadamia nuts in the county, in which the insured has a share, for which a premium rate is provided by the actuarial documents, and:
  - (a) That are grown on tree varieties that:
    - 1 Were commercially available when the trees were set out;
    - 2 Are adapted to the area; and
    - 3 Are grown on rootstock that is adapted to the area.
  - (b) That are grown in an orchard that, if inspected, is considered acceptable by the insurance provider;
  - (c) That are grown on trees that have reached at least the fifth growing season after being set out or grafted. However, the insurance provider may agree in writing to insure acreage that has not reached this age if it (acreage) has produced at least 200 pounds of (wet in-shell) macadamia nuts per acre in a previous year; and



- (d) That are produced from blooms that normally occur during the calendar year in which insurance attaches and that are normally harvested prior to the end of the insurance period.
- (2) Insured Acreage: Macadamia acreage interplanted with another perennial crop are insurable unless the insurance provider inspects the acreage and determines that it does not meet the requirements contained in the policy.
- (3) Causes of Loss: See the crop provisions for specific insured causes of loss. See the Basic Provisions and the crop provisions for causes of loss that are excluded.

## **B. PROVISIONS NOT APPLICABLE TO CAT COVERAGE**

- (1) Optional Units.
- (2) Hail and Fire Exclusion provisions (also not applicable to limited coverage).
- (3) Written agreements.

## **C. UNIT DIVISION**

See the insurance contract for unit provisions. Unless otherwise allowed by written agreement, optional units may be established only if each optional unit:

- (1) Contains at least 80 acres of bearing macadamia trees; or
- (2) Is located on non-contiguous land.

# **4. MACADAMIA NUT APPRAISALS**

---

## **A. GENERAL INFORMATION**

Potential production will be appraised in accordance with procedures specified in this handbook and the LAM.

## **B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS**

Determine the number and general location of trees to be used in the representative sample based on:

- (1) Total acreage and number of trees.
- (2) Extent of variation in the amount of production or damage within the acreage and location of the nuts on the tree.

**NOTE:** When variable damage causes the crop potential to be significantly different within the same orchard, or when the insured wishes to destroy a portion of the orchard, split the orchard into sub-orchards and appraise each one separately.

- (3) Percent of each variety in the acreage.
- (4) Tree age, size, density, and vigor.
- (5) The acreage in the unit from which nuts have been harvested and the extent of variation in the amount of unharvested nuts on the trees.
- (6) Take not less than the minimum number (count) of representative samples required in **TABLE A**.
- (7) The Random Path Appraisal Method may be used at the discretion of the insurance provider to appraise the macadamia nut crop production. Use this method in lieu of appraisal methods in the macadamia nut crop loss adjustment handbook, as applicable.

### **C. IMPORTANT APPRAISAL INFORMATION**

- (1) Appraisals must take into consideration the planting pattern, variety mix, and the number of acres of each variety in the orchard or sub-orchard. Use the formula below to determine the percent acreage for each variety provided that the row length and planting patterns are the same for all varieties being appraised.

**FORMULA:** Rows planted to a single variety ÷ total rows in the planting pattern = percent variety in unit or plot (round to whole percentages; total should not to exceed 100%) Show the calculations in the “Remarks” section of the appraisal worksheet used to determine the percent of acreage for each variety.

**EXAMPLE:** A 20.0 acre orchard is planted to three varieties, in a four row pattern (1-2-1). One row is Kau, two rows are Kakea, and one row is Ikaika. Variety distribution is as follows:

$$\begin{aligned} \text{Kau} &= 1 \text{ row} \div 4 \text{ rows} = 25\% \text{ or } 5.0 \text{ acres} \\ \text{Kakea} &= 2 \text{ rows} \div 4 \text{ rows} = 50\% \text{ or } 10.0 \text{ acres} \\ \text{Ikaika} &= 1 \text{ row} \div 4 \text{ rows} = \underline{25\%} \text{ or } 5.0 \text{ acres} \\ &100\% \end{aligned}$$

- (2) Document the appraisal method used in the narrative portion of the appraisal worksheet.

## 5. APPRAISAL METHODS

---

### A. GENERAL INFORMATION

These instructions provide information on appraisal methods for:

Appraisal Method...	Use...
Unharvested Appraisal Methods:	
Harvested Sample from Representative Trees	after the crop has reached maturity.
Nut Count Appraisal Method	to record nut counts taken from sample trees.
Harvested Appraisal Method	when applying harvested acreage yields to unharvested acreage.

### B. UNHARVESTED METHODS

- (1) **Harvested Sample from Representative Trees.** Arrange with the insured to harvest nuts from the ground under representative trees after the crop has reached maturity. 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. Use the production from the representative trees to determine the appraisal.
- (2) **Nut Count Appraisal:**
  - (a) Determine the percent of each variety for the acreage being appraised.
  - (b) Count all harvestable nuts from the sample trees, discard blanks, and record nut counts on the Nut Count Appraisal Worksheet.
  - (c) Convert this production to pounds per acre.

**NOTE:** The RPAM method can be used for this purpose. See the RPAM Handbook for standards on selecting a random sample and tabulating the number of nuts per sample tree.

### C. HARVESTED METHODS

Use this method only when harvested acreage can be verified to be representative of unharvested acreage. Verify acreage by actually inspecting the harvested and unharvested acreage prior to any harvest to compare the nut crop on the ground under the trees. Document such inspections in the "Narrative" section of the claim form or on a Special Report.

- (1) Prior to harvest, the insured must notify the insurance provider of any damaged macadamia nut production so the insurance provider can inspect and verify the damaged production.
- (2) Divide harvested production by the number of harvested acres to calculate the harvested yield per acre.
- (3) Document such inspections and calculations in the “Narrative” section of the claim form or on a Special Report.

## **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. See the LAM for additional information.

## **7. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES**

---

---

### **A. GENERAL INFORMATION**

- (1) Include the insurance provider’s name in the appraisal worksheet title if not preprinted on the insurance provider’s worksheet, or when a worksheet entry is not provided.
- (2) Include the claim number on the appraisal worksheet (when required by the insurance provider), when a worksheet entry is not provided.
- (3) Separate appraisal worksheets are required for each unit appraised, and for each orchard or sub-orchard. Refer to section 4 B for sampling requirements.

**NOTE:** Standard appraisal worksheet items are numbered consecutively in subsection B. An example appraisal worksheet is also provided to illustrate how to complete entries.

## **B. WORKSHEET ENTRIES AND COMPLETION INFORMATION**

Verify or make the following entries:

### **Item**

### **No.**

### **Information Required**

**Company:** Name of insurance provider, if not pre-printed on the worksheet (Company Name).

**Claim Number:** Claim Number as assigned by the insurance provider, if required.

1. **Insured's Name:** Name of insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2. **Policy:** Insured's assigned policy number.
3. **Unit No.:** Five-digit unit number from the Summary of Coverage after it is verified to be correct. (e.g., 00100)
4. **Crop:** "Macadamia Nuts."
5. **Acres Appraised:** Number of determined appraised acres (rounded to tenths).
6. **Crop Year:** Crop year, as defined in the policy, for which the claim is filed.
7. **Orchard ID:** Orchard or sub-orchard identification symbol.
8. **Variety:** Variety name(s) of trees in the orchard, sub-orchard, or unit being appraised.
9. **Acres:** Number of determined acres in the orchard, sub-orchard, or unit being appraised, rounded to tenths.
10. **Number of Figs/Nuts Per Tree:** Number of nuts from each sample tree.
11. **Total Figs/Nuts All Trees:** Total nuts from "Number of Figs/Nuts Per Tree" (item 10) from all sample trees.
12. **Number Trees In Sample:** Total number of sample trees.
13. **Average Figs/Nuts Tree (11 ÷ 12):** "Total Figs/Nuts All Trees" (item 11) ÷ "Number Trees In Sample" (item 12), results in whole nuts.
14. **Figs/Nuts lb. for Variety:** The number of nuts per pound for the variety (see TABLE B).

15. **Average Pounds Per Tree (13 ÷ 14):** "Average Figs/Nuts Tree" (item 13) ÷ "Figs/Nuts lb. for Variety," (item 14) results rounded to two decimal places.
16. **Bearing Trees Per Acre:**
- Enter the number of bearing trees per acre by variety; or
  - Calculate the number of trees per acre. Refer to **TABLE C**.
- NOTE:** Item 16 represents the bearing trees per acre for the unit. In cases where a unit is a contiguous block with the same planting pattern throughout, the bearing trees per acre will be the same for each variety (line entry).
17. **Figs/Nuts Pounds Per Acre (15 x 16):** "Average Pounds Per Tree" (item 15) x "Bearing Trees Per Acre," (item 16) results in whole pounds.
18. **Reject Factor:** MAKE NO ENTRY.
19. **Net Nut Lbs. Per Acre:** MAKE NO ENTRY.
20. **% Acres for Variety:** "Acres" (item 9) ÷ "Acres Appraised," (item 5) results to two decimal places.
21. **Figs/Nut Acre for Variety (19 x 20):** "Figs/Nuts Pounds Per Acre" (item 17) x "% Acres for Variety," (item 20) results in whole pounds.
- NOTE:** The gross nut pounds/acre (item 17) for each variety must be factored by the percentage figure in item 20, which reflects the percent that the appraised variety represents of the total appraised acreage for the unit.
22. **Appraisal (Lbs./A.):** Total of all item 21 "Figs/Nuts Acre for Variety" entries, results in whole pounds.
23. **Remarks:** Enter whether the appraisal was a Nut Count Appraisal or a Harvested Sample Appraisal and any other pertinent information.
24. **Insured's Signature and Date:** Insured's (or insured's authorized representative's) signature and date. BEFORE obtaining insured's signature, REVIEW ALL ENTRIES on the Appraisal Worksheet WITH THE INSURED, particularly explaining codes, etc., which may not be readily understood.
25. **Adjuster's Signature, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured's authorized representative) has signed. If the appraisal is performed prior to signature date, document the date of appraisal in the Remarks/Narrative section of the Appraisal Worksheet (if available); otherwise, document the appraisal date in the Narrative of the Production Worksheet.

**Pg.:** Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 3, etc.).



## **8. CLAIM FORM ENTRIES AND COMPLETION PROCEDURES**

### **A. GENERAL INFORMATION**

- (1) The claim form (hereafter referred to as “Production Worksheet”) is a progressive form containing all notices of damage for all preliminary 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.
  - (d) Claims involving a Certification Form (when all the acreage on the unit has been appraised to be put to another use, or other reasons described in the LAM).
  - (e) “No Indemnity Due” claims (which must be verified by an APPRAISAL or NOTIFICATION from the insured that the production exceeded the guarantee).
- (4) The adjuster is responsible for determining if any of the insured's requirements under the notice and claim provisions of the policy have not been met. If any have not, the adjuster should contact the insurance provider.
- (5) Instructions labeled “**PRELIMINARY**” apply to preliminary inspections only. Instructions labeled “**FINAL**” apply to final inspections only. Instructions not labeled apply to **ALL** inspections.



## **B. FORM ENTRIES AND COMPLETION INFORMATION**

Verify or make the following entries:

### **Item**

### **No. Information Required**

1. **Crop/Code #:** “Macadamia nuts” (0023).
2. **Unit #:** Five-digit unit number from the **Summary of Coverage** after it is verified to be correct (e.g., 00100).
3. **Legal Description:** Section, township, and range numbers or other legal description that identifies the location of the unit.
4. **Date of Damage:** First three letters of the month during which MOST of the insured damage (including progressive damage) occurred for each inspection. Include the SPECIFIC DATE where applicable as in the case of hail damage (e.g., AUG 11).
5. **Cause of Damage:** Name of insured cause of loss for **this crop** as listed in the LAM. If it is evident that no indemnity is due, enter “NONE.” If an insured cause of loss is coded as “Other,” explain in the “Narrative.”

**NOTE:** See the Basic Provisions and the crop provisions for this crop for information pertaining to insured and uninsured causes of loss.

6. **Primary Cause %:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Percent of damage for the cause of damage listed in item 5 above that is determined to be the primary cause of damage, to the nearest whole percent. The primary cause of damage must exceed 50 percent (e.g., 51%). Enter an “X” for the major secondary cause of damage.

7. **Company/Agency:** Name of the company and agency servicing the contract.
8. **Name of Insured:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
9. **Claim #:** Claim number as assigned by the insurance provider.
10. **Policy #:** Insured’s assigned policy number.
11. **Crop Year:** Crop year, as defined in the policy, for which the claim is filed.

12. **Additional Units:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Unit number(s) for ALL non-loss units for the crop at the time of final inspection. A non-loss unit is any unit for which a Production Worksheet has not been completed. Additional non-loss units may be entered on a single Production Worksheet.

**NOTE:** If more spaces are needed for non-loss units, enter the unit numbers, identified as "Non-Loss Units," in the Narrative or on an attached Special Report.

13. **Est. Prod. Per Acre:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Estimated yield per acre, in whole wet in-shell pounds, of all non-loss units for the crop at the time of final inspection.

14. **Date(s) Notice of Loss:**

**PRELIMINARY:**

- a. Date the notice of damage was given for the unit in item 2.
- b. A third preliminary inspection (if needed) requires an additional set of Production Worksheets. Enter the date of notice for a third preliminary inspection in the 1st space of item 14 on the second set.
- c. Reserve the "Final" space on the first page of the first set of Production Worksheets for the date of notice for the final inspection.
- d. If the inspection is initiated by the insurance provider, enter "Company Insp" instead of the date.

**FINAL:** Transfer the last date in the 1st or 2nd space to the FINAL space if a final inspection should be made as a result of the notice. Always enter the complete date of notice (month, day, year) for the FINAL inspection in the FINAL space on the first page of the first set of Production Worksheets. For a delayed notice of loss or delayed claim, refer to the LAM.

15. **Companion Policy(s):**

- a. If no other person has a share in the unit (insured has 100 percent share), MAKE NO ENTRY.

- b. In all cases where the insured has LESS than a 100 percent share of a loss-affected unit, ask the insured if the OTHER person sharing in the unit has a multiple-peril crop insurance contract (i.e., not crop-hail, fire, etc.). If the other person does not, enter "NONE."
- (1) If the other person has a multiple-peril crop insurance contract and it can be determined that the SAME insurance provider services it, enter the contract number. Handle these companion policies according to insurance provider instructions.
  - (2) If the OTHER person has a multiple-peril crop insurance contract and a DIFFERENT insurance provider or agent services it, enter the name of the insurance provider and/or agent (and contract number) if known.
  - (3) If unable to verify the existence of a companion contract, enter "Unknown" and contact the insurance provider for further instructions.

**NOTE:** See the LAM for further information regarding companion contracts.

## SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

Make separate line entries for varying:

- (1) Rate classes, varieties or farming practices;
- (2) APH yields;
- (3) Appraisals;
- (4) Stages or intended use(s) of acreage;
- (5) Shares (e.g., 50 percent and 75 percent shares on the same unit); or
- (6) Appraisals for damage due to hail or fire if Hail and Fire Exclusion is in effect.

**Verify or make the following entries:**

**Item  
No.**

**Information Required**

A. **Field ID:** The field identification symbol from a sketch map or an aerial photo. See the Narrative. In the margin (or in a separate column), enter the date of inspection for the last line entry of each inspection.

B. **Preliminary Acres:**

**PRELIMINARY:** The number of acres, to tenths, (include "E" if estimated), for which consent for other use has been given. Determine actual acreage, to tenths, when the boundaries of the appraised acreage may not be determined later.

**FINAL:** MAKE NO ENTRY.

C. **Final Acres:** See the LAM for definition of acceptable determined acres used herein.

Determined acres to tenths (include “E” if estimated) for which consent is given for other use and/or:

- a. Put to other use without consent.
- b. Abandoned.
- c. Damaged by uninsured causes.
- d. For which the insured failed to provide acceptable records of production.
- e. From which production was sold by direct marketing if the insured failed to meet the requirements contained in the crop provisions.

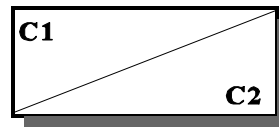
**FINAL:** Determined acres to tenths.

**NOTE:** Acreage breakdowns WITHIN a unit may be estimated (enter “E” in front of the acres) if a determination is impractical AND if authorization was received from the insurance provider. Document authorization in the Narrative.

ACCOUNT FOR ALL ACREAGE IN THE UNIT. In the event of over-reported acres, handle in accordance with individual insurance provider’s instructions. In the event of under-reported acres, draw a diagonal line in Column “C” as shown.

C<sub>1</sub> Enter the ACTUAL acres for the orchard or suborchard.

C<sub>2</sub> Enter the REPORTED acres for the orchard or suborchard.



D. **Interest or Share:** Insured’s interest in the crop to three-decimal places as determined at the time of inspection. If shares vary on the same UNIT, use separate line entries.

E. **Risk:** The correct rate class from the actuarial documents. Verify with the Summary of Coverage, and if the rate class is found to be incorrect, revise according to insurance provider’s instructions. See the LAM.

**NOTE:** Unrated land is uninsurable without a written agreement.

F. **Practice:** Three-digit code number, entered exactly as specified on the actuarial documents, for the practice carried out by the insured. If “No Practice Specified,” enter appropriate 3-digit code number from the actuarial documents.

G. **Type/Class/Variety:** Three-digit code number entered, exactly as specified on the actuarial documents, for the type grown by the insured. If “No Type Specified,” enter appropriate 3-digit code number from the actuarial documents.

H. **Stage:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Stage abbreviation as shown below.

<u>STAGE</u>	<u>EXPLANATION</u>
--------------	--------------------

"P". . . . .	Acreeage abandoned without consent, put to other use without consent, damaged solely by uninsured causes, for which the insured failed to provide records of production which are acceptable to the insurance provider, or from which production was sold by direct marketing if the insured failed to meet the requirements contained in the crop provisions.
--------------	--

"H". . . . .	Harvested.
--------------	------------

"UH". . . . .	Unharvested or put to other use with consent.
---------------	---

**GLEANED ACREAGE:** See Bulletin No. MGR-99-023, dated June 28, 1999, and Bulletin No. MGR-99-023.1, dated October 6, 1999, (or the LAM after bulletins have been incorporated) for more information on gleaning.

I. **Intended or Final Use:** Use of acreage. Use the following “Intended Use” abbreviations.

<u>USE</u>	<u>EXPLANATION</u>
------------	--------------------

"WOC". . . . .	Other use without consent
----------------	---------------------------

"SU". . . . .	Solely uninsured
---------------	------------------

"ABA". . . . .	Abandoned without consent
----------------	---------------------------

"H". . . . .	Harvested
--------------	-----------

"UH". . . . .	Unharvested
---------------	-------------

Verify any “Intended Use” entry. If the final use of the acreage was not as indicated, strike out the original line and initial it. Enter all data on a new line showing the correct “Final Use.”

**GLEANED ACREAGE:** See Bulletin No. MGR-99-023, dated June 28, 1999, and Bulletin No. MGR-99-023.1, dated October 6, 1999, (or the LAM after bulletins have been incorporated) for more information on gleaning.

J. **Appraised Potential:** Per-acre appraisal in WHOLE wet in-shell pounds of POTENTIAL production for the acreage appraised. (See section 4 for additional instructions.)

K<sub>1</sub> - L. MAKE NO ENTRY.

M. + **Uninsured Cause:** EXPLAIN IN THE NARRATIVE.

a. Hail and Fire exclusion NOT in effect.

- (1) Enter NOT LESS than the insured's production guarantee per acre in WHOLE wet in-shell pounds for the line, (calculated by multiplying the elected coverage level percentage times the approved APH yield per acre shown on the APH form) for any "P" stage acreage.

**NOTE:** On preliminary inspections, advise the insured to keep the harvested production from any acreage damaged SOLELY by uninsured causes separate from other production.

- (2) For acreage that is damaged PARTLY by uninsured causes, enter the APPRAISED UNINSURED loss of production per acre in whole wet in-shell pounds, for any such acreage.

b. Refer to the LAM when a Hail and Fire Exclusion is in effect and damage is from hail or fire.

c. Enter the result of adding uninsured cause appraisals to Hail and Fire Exclusion appraisals.

**NOTE:** For fire losses, if the insured also has other fire insurance (double coverage), refer to the LAM.

N. **Adjusted Potential:** Column "J" plus Column "M."

O. **Total to Count:** Column "C" or "C<sub>1</sub>" (**actual** acres) times column "N," results in WHOLE wet in-shell pounds.

P. **Per Acre:** Per Acre Guarantee - Enter the per-acre production guarantee from the insured's policy.

Q. **Total:** Column "C<sub>2</sub>" (**reported** acres; "C" if acreage is not under-reported) times Column "P," to tenths.

16. **Total Acres:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Total Actual Acres [Column "C" (or "C<sub>1</sub>" if there are under-reported acres)], to tenths.

**NOTE:** FOR ITEM 17. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, APH YIELDS, PRICE ELECTIONS, TYPES, ETC., WITHIN THE UNIT, AND TOTALS NEED TO BE KEPT SEPARATE FOR CALCULATING INDEMNITIES, MAKE NO ENTRY AND FOLLOW THE INSURANCE PROVIDER'S INSTRUCTIONS; OTHERWISE, MAKE THE FOLLOWING ENTRIES.

17. **Totals:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Total of Column "O" and total of Column "Q."

**NARRATIVE:**

If more space is needed, document on a Special Report, and enter "See Special Report." Attach the Special Report to the Production Worksheet.

- a. If no acreage is released on the unit, enter "No acreage released," adjuster's initials, and date.
- b. If notice of damage was given and "No Inspection" is necessary, enter the unit number(s), "No Inspection," date, and adjuster's initials. The insured's signature is not required.
- c. Explain any uninsured causes, unusual, or controversial cases.
- d. If there is an appraisal in Section I, item "M" for uninsured causes due to a Hail/Fire Exclusion, show the original hail/fire liability per acre and the hail/fire indemnity per acre.
- e. Document the actual appraisal date if an appraisal was performed prior to the adjuster's signature date on the appraisal worksheet, and the date of the appraisal is not recorded on the appraisal worksheet.
- f. State that there is "No other fire insurance" when fire damages or destroys the insured crop, and it is determined that the insured has no other fire insurance. Also see the LAM.
- g. Explain any errors found on the Summary of Coverage.
- h. Explain any commingled production. See the LAM.
- i. Explain any entry for "Production Not to Count" in Section II, item "O," and/or any production not included in Section II, item "I" or item "B" - "E" entries (e.g., harvested production from uninsured acreage that can be identified separately from the insured acreage in the unit).
- j. Explain a "NO" checked in item 19.

- k. Attach a sketch map or aerial photograph to identify the total unit:
- (1) If consent is or has been given to put part of the unit to another use;
  - (2) If uninsured causes are present; or
  - (3) For unusual or controversial cases.
- NOTE:** Indicate on the aerial photo or sketch map, the disposition of acreage destroyed or put to other use with or without consent.
- l. Explain any difference between date of inspection and signature dates. For an ABSENTEE insured, enter the date of the inspection AND the date of mailing the Production Worksheet for signature.
- m. When any other adjuster or supervisor accompanied the adjuster on the inspection, enter the code number of the other adjuster or supervisor and date of inspection.
- n. Explain the reason for a “No Indemnity Due” claim. “No Indemnity Due” claims are to be distributed in accordance with the insurance provider’s instructions.
- o. Explain any delayed notices or delayed claims as instructed in the LAM.
- p. Document any authorized estimated acres shown in Section I, item “C” as follows: “Line 3 ‘E’ acres authorized by insurance provider MM/DD/YYYY.”
- q. Document the method and calculation used to determine acres for the unit. See the LAM.
- r. Specify the type of insects or disease when the insured cause of damage or loss is listed as insects or disease. Explain why control measures did not work.
- s. Document the name and address of the charitable organization when gleaned acreage is applicable. See Bulletin No. MGR-99-023, dated June 28, 1999, and Bulletin No. MGR-99-023.1, dated October 6, 1999, (or the LAM after bulletins have been incorporated) for more information on gleaning.
- t. Document any other pertinent information, including any data to support any factors used to calculate the production.

## **SECTION II - HARVESTED PRODUCTION**

### **GENERAL INFORMATION:**

- (1) Account for ALL HARVESTED PRODUCTION (for ALL ENTITIES sharing in the crop) except production appraised BEFORE harvest and shown in Section I because the quantity cannot be determined later.
- (2) For production commercially stored, sold, etc., enter the name and address of storage facility, buyer, packinghouse, or processor as applicable in items “B” - “E.”



- (3) If additional lines are necessary, the data may be entered on a continuation sheet. USE SEPARATE LINES FOR:
- (a) Separate storage facilities;
  - (b) Different buyers or processors - the insured must have maintained satisfactory records of ALL production;
  - (c) Varying shares; e.g., 50 percent and 75 percent shares on same unit;
  - (d) Harvested production from more than one insured practice (or type) and a separate approved APH yield has been established for each, the harvested production also must be entered on separate lines in items “A” through “S” by type;
  - (e) There will generally be no harvested production entries in item “A” through “S” for preliminary inspections.

**NOTE:** if production has been commingled, see the LAM.

**Verify or make the following entries:**

**Item**

**No.**

**Information Required**

18. **Date Harvest Completed: (Used to determine if there is a delayed notice or a delayed claim. See the LAM.)**

**PRELIMINARY: MAKE NO ENTRY.**

**FINAL:**

- a. The earlier of the date the ENTIRE acreage on the unit was (1) harvested, (2) totally destroyed, (3) put to other use, (4) a combination of harvested, destroyed, or put to other use, or (5) the calendar date for the end of the insurance period;
- b. If at the time of final inspection (if prior to the end of the insurance period), there is any unharvested insured acreage remaining on the unit that the insured does not intend to harvest, enter “**Incomplete.**”
- c. If at the time of final inspection (if prior to the end of the insurance period), **none** of the insured acreage on the unit has been harvested, and the insured does not intend to harvest such acreage, enter “**No Harvest.**”
- d. If the case involves a Certification Form, enter the date from the Certification Form when the entire unit is put to another use, etc. See the LAM.

19. **Similar Damage:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Check “Yes” or “No.” Check “Yes” if amount and cause of damage due to insurable causes is similar to the experience of other orchards in the area. If “No” is checked, explain in the Narrative.

20. **Assignment of Indemnity:** Check “Yes” **only** if an assignment of indemnity is in effect for the crop year; otherwise, check “No.” See the LAM.

21. **Transfer of Right to Indemnity:** Check “Yes” **only** if a transfer of right to indemnity is in effect for the unit for the crop year; otherwise, check “No.” See the LAM.

A1. **Share:** RECORD ONLY VARYING SHARES on SAME unit to three decimal places.

A2. **Field ID:** If only one practice, variety, or type of harvested production is listed in Section I, MAKE NO ENTRY.

If more than one practice, variety, or type of harvested production is listed in Section I, and a separate approved APH yield exists, indicate for each practice/type the corresponding Field ID (from Section I, item “A”).

B. - E. **Length or Diameter, Width, Depth, Deductions:** For macadamia nuts commercially stored or sold, enter the name and address of the **Buyers or Processors**, as applicable. For macadamia nuts otherwise disposed of, indicate method of disposition.

F. - H. MAKE NO ENTRY.

I. **Bu., Ton, Lbs., Cwt.:** Circle “Lbs.” in column heading. Production in WHOLE wet in-shell pounds as determined by delivery records, production recaps, sales receipts from processors (must be NET WEIGHT), etc.

J. - M. MAKE NO ENTRY.

N. **Adjusted Production:** Enter WHOLE wet in-shell pounds from column “I.”

O. **Prod. Not to Count:** Net production NOT to count in WHOLE wet in-shell pounds WHEN ACCEPTABLE RECORDS IDENTIFYING SUCH PRODUCTION ARE AVAILABLE from harvested acreage which has been assessed an appraisal of not less than the guarantee per acre, or from other sources (e.g., other units or uninsured acreage).

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

P. **Production:** Column “N” minus column “O,” results in WHOLE wet in-shell pounds.

Q<sub>1</sub>, - R. MAKE NO ENTRY.

S. **Production to Count:** Column “P” entry in WHOLE wet in-shell pounds.

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

22. **Section II Total:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Total of Column “S”, to WHOLE wet in-shell pounds.

23. **Section I Total:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Enter figure from Section I, Column “O” total.

24. **Unit Total:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Total of 22 and 23, in WHOLE wet in-shell pounds.

25. **Adjuster’s Signature, Code #, and Date:** Signature of adjuster, code number, and date signed **after** the insured (or insured’s authorized representative) has signed. For an absentee insured, enter adjuster’s code number **ONLY**. The signature and date will be entered **AFTER** the absentee has signed and returned the Production Worksheet.

**NOTE:** Final inspection should be signed on bottom line.

26. **Insured’s Signature and Date:** Insured’s (or insured’s authorized representative’s) signature and date. **BEFORE** obtaining insured’s signature, **REVIEW ALL ENTRIES** on the Production Worksheet **WITH THE INSURED**, particularly explaining codes, etc., that may not be readily understood.

**NOTE:** Final inspection should be signed on bottom line.

27. **Page Numbers:**

**PRELIMINARY:** Page numbers - “1,” “2,” etc., at the time of inspection.

**FINAL:** Page numbers - (Example: Page 1 of 1, Page 1 of 2, Page 2 of 2, etc.).

**PRODUCTION WORKSHEET  
(FOR ILLUSTRATION PURPOSES ONLY)**

1 Crop/Code Macadamia Nuts..... 0023	2 Unit 00100	3 Legal Description SW1-96N-30W
4 Date of Damage AUG 11		
5 Cause of Damage wind		
6 Primary Cause % 100%		
12 Additional Units 00200		
13 Est. Prod. Per Acre 1000		

7 Company Any Company  
Agency Any Agency

8 Name of Insured I.M. Insured			
9 Claim # XXXXXXXXXX		11 Crop Year YYYY	
10 Policy # XXXXXXXXXX			
14 Date(s) Notice of Loss	1st MM/DD/YYYY	2nd	Final MM/DD/YYYY
15 Companion Policy(s)			

**SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS**

ACTUARIAL									POTENTIAL YIELD						STAGE GUARANTEE	
A	B	C	D	E	F	G	H	I	J	K.1 K2	L	M	N	O	P	Q
Field ID	Prelim Acres	Final Acres	Interest or Share	Risk	Practice	Type Class	Stage	Intended or Final Use	Appraised Potential	Moisture % Factor	Shell and/or Quality Factor	+Uninsured Cause	Adjusted Potential	Total To Count (C x N)	Per Acre	Total (C x P)
A M/D		20.0	1.000	A01	002	997	H	H							400	8000
B M/D		36.0	1.000	A01	002	997	UH	UH	121				121	4,356	400	14,400
C M/D		10.0	1.000	A01	002	997	P	WOC				400	400	4,000	400	4,000
16 TOTAL		66.0											17 TOTALS	8,356		26,400

NARRATIVE (If more space is needed, attach a Special Report) Determined acreage from permanent measurements. Sub-orchard C was destroyed without consent.

**SECTION II - HARVESTED PRODUCTION**

18 Date Harvest Completed MM/DD/YYYY      19 Is damage similar to other farms in the area? Yes  No       20 Assignment of Indemnity? Yes  No       21 Transfer of Right To Indemnity? Yes  No

MEASUREMENTS					GROSS PRODUCTION				ADJUSTMENTS TO HARVESTED PRODUCTION									
A.1 A.2	B	C	D	E	F	G	H	I	J	K.1 K.2	L.1 L.2	M.1 M.2	N	O	P	Q.1 Q.2	R	S
Share Field ID	Length or Diameter	Width	Depth	Deduction	Net Cubic Feet	Conversion Factor	Gross Prod. (F x G)	Bu. Ton (Lbs.) CWT	Shell/Sugar Factor	FM % Factor	Moistur Factor	Test WT Factor	Adjusted Production (Horl)xJxKxLxMxN	Prod. Not to Count	Production (N - O)	Value Mkt. Price	Quality Factor (Q1 ÷ Q2)	Production to Count (P x R)
								1880					1880		1880			1880
								478					478		478			478

I certify the information provided above, to the best of my knowledge, to be true and complete and that it will be used to determine my loss, if any, to my insured crops. I understand that this Production Worksheet and supporting papers are subject to audit and approval by the company. I understand that this crop insurance is subsidized and reinsured by the Federal Crop Insurance Corporation, an agency of the United States. The information I have furnished on this form is complete and accurate. I understand that any false or inaccurate information may result in the sanctions outlined in my policy and administrative, civil, and criminal sanctions under 18 U.S.C. §§ 1006 and 1014, 7 U.S.C. § 1506, 31 U.S.C. §§ 3729 and 3730 and other federal statutes.

22 Section II Total 2,358  
23 Section I Total 8,356  
24 Unit Total 10,714

25 Adjuster's Signature and Code #		Date	26 Insured's Signature		Date
1st Inspection	I.M. Adjuster XXXXX	MM/DD/YYYY	1st Inspection	I.M. Insured	MM/DD/YYYY
2nd Inspection			2nd Inspection		
Final Inspection	I.M. Adjuster XXXXX	MM/DD/YYYY	Final Inspection	I.M. Insured	MM/DD/YYYY

27 Page 1 of 1

## 9. REFERENCE MATERIAL

**TABLE A - MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS**

Number of Acres	Select:
10.0 or less	The lesser of 10 trees or 5% of the number of trees in the orchard (for .5 trees or more, round to the next whole tree).
10.1 to 100.0	10 trees plus 3 trees per additional 10.0 acres.
100.1 or more	37 trees plus 5 trees per additional 100.0 acres.

**TABLE B - NUMBER OF WET IN-SHELL MACADAMIA NUTS PER POUND BY VARIETY**

Variety Name (Number*)	Wet In-shell Nuts per Pound
Ikaika (333)	70
Takea (508)	65
Kau (344)	60
Keauhou (246)	57
Keaau (660)	80
Makai (800)	57
Mauka (741)	70
Pahala (788)	71
Purvis (294)	58

\*Commercial macadamia nut varieties were initially identified by code numbers before varietal names were designated. This list contains both code numbers and varietal names for reference purposes.

**TABLE C - TREE POPULATION 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	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	62
	21												99	94	90	86	83	80	77	74	72	69	67	65	63	61	59
	22													90	86	83	79	76	73	71	68	66	64	62	60	58	57
	23														82	79	76	73	70	68	65	63	61	59	57	56	54
	24															76	73	70	67	65	63	61	59	57	55	53	52
	25																70	67	65	62	60	58	56	54	53	51	50
	26																	64	62	60	58	56	54	52	51	49	48
	27																		60	58	56	54	52	50	49	47	46
	28																			56	54	52	50	49	47	46	44
	29																				52	50	48	47	46	44	43
	30																					48	47	45	44	43	41
	31																						45	44	43	41	40
	32																							43	41	40	39
	33																								40	39	38
	34																									38	37
	35																										36

For spacings not shown on the chart: Multiply the distance between plants (nearest tenth of a foot) times the distance between rows (nearest tenth of a foot) and divide the result into 43,460 sq. ft. per acre (rounded to nearest whole number).

**EXAMPLE:** 6.5 ft. x 10 ft. = 65 sq. ft.  
 43,460 sq. ft. per acre ÷ 65 sq. ft. = 670 trees per acre