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Department of
Agriculture



Federal Crop
Insurance
Corporation



Product
Development
Division

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APPLE PILOT QUALITY OPTION LOSS ADJUSTMENT STANDARDS HANDBOOK

2001 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25830 25830-1
SUBJECT: APPLE PILOT QUALITY OPTION LOSS ADJUSTMENT STANDARDS HANDBOOK 2001 AND SUCCEEDING CROP YEARS	DATE: June 14, 2001	
	OPI: Product Development Division	
	APPROVED:	
	/s/ Tim B. Witt Deputy Administrator, Research and Development	

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.

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

Changes for June 2001 Issuance (FCIC-25030-1):

- A. These handbook changes track with the current Apple Crop Provisions (01-054) and the Apple Crop Insurance Pilot Quality Option (00-54AP).
- B. In section 3 C, Unit Division, amended unit information to track with the Apple Crop Insurance Pilot Quality Option (00-54AP).
- C. In section 5 C, Harvest Production Appraisals, inserted harvested appraisal information that tracks with the Apple Loss Adjustment Standards Handbook, so that both handbooks have consistent harvested appraisal information.
- D. In section 7 C, Apple Fresh Fruit Quality Option Appraisal Worksheet Entries and Completion Information, item 5 - Unit Acre, inserted reference to unit acres and removed reference to orchard acres. Item 6, Orchard ID. b., removed cull production information. Item 22 - APF, amended line entry information to transfer entry from item 17. Item 24 - DIFF, removed erroneous "NOTE."

**APPLE PILOT QUALITY OPTION
LOSS ADJUSTMENT STANDARDS HANDBOOK (Continued)**

- E. In section 8 B, Section I - Acreage Appraised, Production and Adjustments, item G - Type/Class/Variety, removed erroneous **"NOTE."** Item J - Appraised Potential, removed erroneous reference to whole boxes and **"NOTE."** Item L - Shell and/or Quality Factor, removed erroneous **"NOTE."** Item O - Total to Count, inserted new instructions to multiply Adjusted Potential by Actual Reported Acres to calculate the total to count. Item P - Per Acre, removed erroneous **"NOTE."**
- F. In section 8 B, Section II - Harvested Production, item I - Bu., Ton, Lbs., Cwt. - removed erroneous reference to whole boxes. Item J - Shell/Sugar Factor, moved value per box or bushel line entry information to item Q₁ - Value so handbook information tracks with other dollar plan crop programs. Amended the example production worksheet to track with section 8 changes.
- G. Throughout the handbook slipsheets, made editorial changes to correct spelling and punctuation errors.

Control Chart For: Apple Pilot Quality Option Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	References	Date	Directive Number
Remove	1-2		5-6		11-2000	FCIC-25830
			11-14		11-2000	FCIC-25380
			17-22		11-2000	FCIC-25380
			27-36		11-2000	FCIC-25380
Insert	1-2		5-6		06-2001	FCIC-25830-1
			11-14		06-2001	FCIC-25830-1
			17-22		06-2001	FCIC-25830-1
			27-36		06-2001	FCIC-25830-1
Current Index	1-2	1-2	1-4		06-2001	FCIC-2830-1
			5-6		11-2000	FCIC-25830
			7-10		06-2001	FCIC-25830-1
			11-14		11-2000	FCIC-25830
			15-16		06-2001	FCIC-25830-1
			17-18		11-2000	FCIC-25830
			17-18		06-2001	FCIC-25830-1
			19-20		11-2000	FCIC-25830
			21-22		06-2001	FCIC-25830-1
			23-26		11-2000	FCIC-25830
27-36	06-2001	FCIC-25830-1				
				37 - 41	11-2000	FCIC-25830

C. UNIT DIVISION

Basic units will be divided into additional basic units by varietal group. Refer to the insurance contract for unit provisions. **NOTE:** Unless limited by the Crop or Special Provisions, a basic unit, as defined in the Basic Provisions, may be divided into optional units only for those units for which the producer has both APH and packout records.

NOTE: Refer to **EXHIBIT 1** for an illustration of units by varietal groups A and B.

D. QUALITY ADJUSTMENT

Appraised and harvested potential apple production consists of the two grades listed below, or any other grade classification as shown in the Special Provisions.

- (1) Fancy (refer to subsection 2 B for definition).
- (2) All-other Apples (refer to subsection 2 B for definition).

NOTE: The USDA grade standards for fresh and processing apples are located on the internet at: www.ams.usda.gov/standards/

4. APPLE APPRAISALS

A. GENERAL INFORMATION

- (1) Unharvested and harvested appraised potential production will be appraised in accordance with procedure as specified in this handbook and the LAM.
- (2) Specifically for apples, circumstances that require an appraisal include (but are not limited to):
 - (a) If verifiable production records may not be available (roadside markets, etc.); or
 - (b) If any production will be sold by direct marketing.
- (3) Make separate appraisals for each variety/varietal group grown in the orchard, as applicable.
- (4) Applicability. Within the crop 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) Within 3 days of the date harvest should have started if the crop will not be harvested.

- (b) At least 15 days before any apple production from any unit will be sold by direct marketing.

NOTE: 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 amount of insurance per acre, if such failure results in the inability of the insurance provider to make the required appraisal.

- (c) In accordance with section 10 of the Apple Crop Insurance Provisions and the insured intends to claim an indemnity on any unit, notice must be given at least 15 days prior to the beginning of harvest of the damaged varietal group so that the insurance provider may inspect the damaged production.
- (d) If the insured fails to meet the requirements listed above and such failure results in the insurance provider's inability to inspect the damaged production, all such production is to be considered undamaged and included as production to count.

(5) Appraisal Dates.

- (a) Insurance provider representatives will set appraisal dates.
- (b) Whenever possible, appraise apples after the fruit drop period and before the fruit is removed from the trees or the ground, as applicable.

B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS

- (1) Determine the number and general location of trees to be used in the representative sample based on:
 - (a) Total acreage and number of trees by variety and/or varietal group A or B (as shown in the Special Provisions), as applicable;
 - (b) Extent of variation in the amount of production or damage within the acreage and location of the fruit 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.

- (c) Percent of each variety and/or varietal group A or B in the acreage;
- (d) Tree age, density, and vigor when significant yield-potential differences exist within an orchard or within an orchard with separate blocks.

NOTE: Select representative sample trees within a block when separate blocks of trees are used to determine a weighted average approved yield (refer to **EXHIBIT 1**).

NOTE: Ask the insured the fruit size for the acreage being appraised, or use records from prior years with similar crop size and remember to use lower fruit counts when production is light, etc.

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 appraisal worksheet.
- ii** An alternative method of determining the number of fruit per box/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/bushel, as applicable.

FORMULA:

Weight of 10 apples in lbs. ÷ 10 = lbs./apple
 lbs./bu. or box* ÷ lbs./apple = apples/bu. or box

*42 lbs. of apples per bushel or 35 lbs. of apples per box

EXAMPLE:

<u>Number of Apples per Bushel</u>	<u>Number of Apples per Box</u>
3.5 lbs. ÷ 10 = .35 lbs.	3.5 lbs. ÷ 10 = .35 lbs.
42 lbs./bu. ÷ .35 lbs./apple = 120 apples/bu.	35 lbs/box ÷ .35 lbs./apple = 100 apples /box

NOTE: Insurance providers can authorize other methods for determining the number of fruit per box or bushel, provided the method is documented in the Remarks section of the appraisal worksheet or on a Special Report, as applicable.

- (c) Transfer appraised amounts of gross production to item 8 on the AFQA Worksheet.

(2) Apple Fresh Fruit Quality Option Appraisals.

- (a) Use this appraisal method when apples are damaged due to insurable causes during the insurance period while fruit is still on the tree and before harvest has begun, or when apples will not be harvested, or when apples will be sold by direct marketing (e.g., roadside sales, u-pick).

- (b) Quality Adjustment Appraisals: Use the AFQA Worksheet procedure to calculate appraisals with quality adjustment. From each representative sample tree, count the number of marketable fruit that would be included in the following categories:
- 1 Fancy, and
 - 2 All Other Apples.
- (c) Calculate unharvested appraised potential production by grade in boxes/bushels as follows:
- 1 From each sample tree, separate the fruit into Fancy and All-other Apples. Tally fruit counts for each grade on the AFQA Worksheet.
 - 2 Calculate the percent of Fancy and All-other grade apples using the gross production appraisal.
 - 3 Calculate the average appraisal.
 - 4 Document any appraised potential production that is damaged by uninsured causes.
 - 5 Calculate the adjusted appraisal.
- NOTE:** For Fancy grade only, add any uninsured potential production to the Fancy grade adjusted appraisal.
- 6 Calculate the annual packout factor (Fancy grade only).
 - 7 Calculate the quality factor (Fancy grade only).
 - 8 Calculate the unit appraisal and the per acre appraisal.
- (d) Uninsured Causes of Damage or Loss: Any unharvested potential apple production that is damaged by uninsured causes will be counted as Fancy grade and will be subtracted from the APF when calculating the HPF.

C. HARVESTED PRODUCTION APPRAISALS

(1) **Representative Tree Appraisals:**

Arrange with the insured to harvest representative trees after the crop has reached maturity. Use the production harvested from the representative trees to determine the yield per acre.

(2) **Harvested Acreage Appraisals:**

Use the average yield per acre from harvested acreage as the appraisal per acre for unharvested acreage. Use this method only when the harvested acreage can be verified as being representative of the unharvested acreage. Verify by actually inspecting the harvested and unharvested acreage prior to any harvest to compare the crop on the trees.

NOTE: Substitute harvested appraised potential production references for unharvested appraised potential production references, as applicable for completing harvested appraisals.

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

Modifications in appraisal methods require insurance provider authorization (as described in the LAM).

7. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES

A. GENERAL INFORMATION

- (1) Include the insurance provider name in the applicable appraisal worksheet title if not preprinted on the worksheet.
- (2) Include the claim number on the applicable appraisal worksheet (when required by the insurance provider) when a worksheet entry is not provided.
- (3) Separate worksheets are required for each unit or plot inspected (refer to section 4 for sampling instructions).

NOTE: Standard worksheet items are numbered consecutively in subsections B and C. Example worksheets are provided to illustrate item entries.

B. APPLE PRODUCTION APPRAISAL WORKSHEET ENTRIES AND COMPLETION INFORMATION

PART I - HEADING

Verify or make the following entries:

Item

No. Information Required

Company: Name of the insurance provider if not preprinted on the worksheet (company name).

Claim No.: Claim number as assigned by the insurance provider.

1. **Insured's Name:** Name of insured identifying EXACTLY the person (legal entity) to whom the policy is issued.
2. **Policy Number:** Insured's assigned policy number.
3. **Crop Year:** Crop year, as defined in the policy, for which the claim is filed.
4. **Unit Number:** Five-digit unit number from the Summary of Coverage after it is verified to be correct (e.g., 00100).
5. **Variety:** If there is more than one insured variety in the unit, select representative sample trees from each variety.
6. **Acres:** Acres rounded to tenths of an acre.
7. **No. of Trees/Acre:** Number of trees per acre included in the appraisal (refer to **TABLES B or C**).
8. **Total No. of Trees:** Item 6 times item 7, to tenths.

PART II - NUMBER OF APPLES/TREE

9. **Samples:** Enter the total number of apples per tree. Make counts after all chemical and hand thinning has been completed. Use a sketch map to identify the location of each sample tree.
10. **Total:** Total number of **apples** from all item 9 entries.
11. **No. of Samples:** The total number of **samples** from item 9.
12. **Average:** Item 10 divided by item 11, to tenths.

APPLE PRODUCTION APPRAISAL WORKSHEET
(For Illustration Purposes Only)

PART I - HEADING

COMPANY: *Acme Insurance Co.*

CLAIM NO.: *XXXXXXXX*

1. INSURED'S NAME <i>I.M. Insured</i>	2. POLICY NUMBER <i>XXXXXXXX</i>	3. CROP YEAR <i>YYYY</i>	4. UNIT NUMBER <i>00200</i>
5. VARIETY <i>Red Delicious</i>	6. ACRES <i>4.9</i>	7. NO. OF TREES/ACRE <i>194</i>	8. TOTAL NO. OF TREES <i>951</i>

PART II - NUMBER OF APPLES/TREE

9. SAMPLES					10. TOTAL	11. NO. OF SAMPLES	12. AVERAGE
<i>15</i>	<i>12</i>	<i>14</i>	<i>12</i>	<i>10</i>	<i>123</i>	<i>÷ 10</i>	<i>= 12.3</i>
<i>12</i>	<i>13</i>	<i>15</i>	<i>10</i>	<i>10</i>			

PART III - NUMBER OF APPLES/BOX OR BUSHEL

13. SAMPLES					14. TOTAL	15. NO. OF SAMPLES	16. AVERAGE
<i>40</i>	<i>38</i>	<i>44</i>	<i>39</i>	<i>46</i>	<i>420</i>	<i>÷ 10</i>	<i>= 42.0</i>
<i>42</i>	<i>43</i>	<i>39</i>	<i>47</i>	<i>42</i>			

PART IV - CALCULATIONS

17. APPLES/TREE (ITEM 12 ENTRY) <i>12.3</i>	÷	18. APPLES/BOX OR BUSHEL (ITEM 16 ENTRY) <i>42.0</i>	=	19. BOXES OR BUSHELS/TREE (TO HUNDRETHS) <i>0.29</i>
20. BOXES OR BUSHELS/TREE (ITEM 19 ENTRY) <i>0.29</i>	x	21. NUMBER OF TREES/ACRE (ITEM 7 ENTRY) <i>194</i>	=	22. BOXES OR BUSHELS/ACRE <i>56.3</i>
23. BOXES OR BUSHELS/ACRE (ITEM 22 ENTRY) <i>56.3</i>	x	24. TOTAL ACRES (ITEM 6 ENTRY) <i>4.9</i>	=	25. APPRAISED PRODUCTION TO COUNT (BOXES OR BUSHELS) <i>275.9</i>

PART V - SKETCH MAP/REMARKS *Tree spacing 15' x 15'*

HARVESTED APPRAISAL EXAMPLE

PART VI - SIGNATURES

26. INSURED'S SIGNATURE <i>I.M. Insured</i>	DATE <i>MM/DD/YYYY</i>
27. ADJUSTER'S SIGNATURE AND CODE NUMBER <i>I.M. Adjuster XXXXX</i>	DATE <i>MM/DD/YYYY</i>

C. APPLE FRESH FRUIT QUALITY OPTION APPRAISAL WORKSHEET ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

<u>Item No.</u>	<u>Information Required</u>
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PART A: HEADING

Company: Name of the insurance provider if not preprinted on the worksheet (company name).

Claim No: Claim number as assigned by the insurance provider.

1. **Insured's Name:** Name of insured identifying EXACTLY the person (legal entity) to whom the policy is issued.
2. **Policy No:** Insured's assigned policy number.
3. **Crop Year:** Crop year, as defined in the policy, for which the claim is filed.
4. **Unit No:** Five-digit unit number from the Summary of Coverage.
5. **Unit Acres:** Total acreage (rounded to tenths) **in the unit.**
 - a. If part of a unit or orchard is harvested prior to damage, determine such production separately from the summary sheets, etc., and include with production entries on the Production Worksheet. Account for all production from all **unit** acreage.

NOTE: Refer to subsection 3 A (7) for instructions.
 - b. If any significant amount of apples meeting the policy grade requirements remain on the trees or on the ground, as applicable after harvest is complete, appraise the quantity of such apples for entry on the Production Worksheet.

PART B: ORCHARD INFORMATION

6. **Orchard ID:** The orchard identification symbol from a sketch map, aerial photo, or orchard inspection form after verification.
 - a. If there is more than one orchard in a unit under the applicable option, complete a separate appraisal for each orchard. Use extra worksheet pages if necessary.
 - *** b. Record harvested and unharvested acreage on separate sections of the worksheet.

7. **Varietal Group/Variety:** "A" or "B," as applicable. Also, enter the variety name (e.g., Fuji, Gala, etc.). **NOTE:** Refer to the insured's Summary of Coverage for the applicable varietal group/variety.
8. **Gross Production:** Circle either "Unharvested" or "Harvested," as applicable. Transfer gross appraised production in boxes or bushels to tenths from item 25 on the APA Worksheet.
9. **HPF:** From the Packout Factor Worksheet, transfer the Historical Packout Factor (HPF) for Fancy grade apples, to two decimal places.
10. **Appraised Acres:** Number of acres to tenths, for the varietal group/variety inspected. Inspect harvested and unharvested acres in the SAME orchard separately. List the corresponding acreage for each category separately.
11. **Damage:** Individual causes of damage and the date of each occurrence (e.g., Aug. 11). Refer to the LAM for causes of damage.
12. **Practice:** Three-digit code number entered exactly as specified in the actuarial documents, for the practice carried out by the insured. If "No Practice Specified," enter appropriate three-digit code number from the actuarial documents.

PART C: SAMPLE INFORMATION

NOTE: For items 13 through 15 entries only, when there are more than 10 samples per line, consolidate additional samples under the "10" heading for the line.

13. _____: Enter applicable grade standard (e.g., Fancy, etc.) as shown in the Special Provisions. Record the number of apples in each sample that meet or exceed the applicable grade standards. When sampling is complete, total the individual sample entries in item 16.
14. **All-other:** Record the number of apples in each sample that grade less than the applicable grade standard in item 13 and grade U.S. Cider or better or any other grade classification as shown in the Special Provisions. When sampling is complete, total the individual sample entries in item 16.
15. **Total No. of Apples:** Total the number of apples in each sample for the applicable grade standard as shown in the Special Provisions and for All-other apples.
16. **Line Total:** Total number of apples from all of the samples by the applicable grade standard as shown in the Special Provisions, for All-other, and for Total No. of Apples.

17. **Percent:**

- a. **For the applicable grade standard as shown in the Special Provisions:** Item 16, Line Total for the applicable grade standard divided by item 16, Total No. of Apples from all samples, results to two decimal places (see example below).
- b. **All-other:** Item 16, Line Total for All-other grade divided by item 16, Total No. of Apples from all samples, results to two decimal places (see example below).

EXAMPLE:

Line Total *Fancy*: **168**
Total No. of Apples: **275**
Percent: $168 \div 275 = .61$
Enter **.61**

Line Total All-other: **107**
Total No. Apples: **275**
Percent: $107 \div 275 = .39$
Enter **.39**

PART D: APPRAISAL INFORMATION

18. **Grade:**

- a. _____: Enter the applicable grade standard shown in the Special Provisions.
- b. **All-other:** MAKE NO ENTRY.

19. **Average Appraisal:**

- a. **For the applicable grade standard as shown in the Special Provisions:** Item 17, times item 8, to tenths.
- b. **All-other:** Item 17 for All-other grade times item 8, to tenths.

EXAMPLE:

Fancy: $.61$ (Item 17, Percent) x 292.8 (Item 8, Gross Prod) = 178.6 (Item 19, Avg. Appraisal)

All-other: $.39$ (Item 17, Percent) x 292.8 (Item 8, Gross Prod) = 114.2 (Item 19, Avg. Appraisal)

20. **Uninsured Causes:**

- a. **For the applicable grade standard as shown in the Special Provisions:** In boxes or bushels to tenths, any appraised production that is damaged by uninsured causes (e.g., spray burn, uninsured insect damage, etc.). Uninsured cause do not include "natural" culls that occur each year (explain in the Remarks).
- b. **All-other:** MAKE NO ENTRY.

21. **Adjusted Appraisal:**

- a. **For the applicable grade standard as shown in the Special Provisions:** Item 19 plus item 20, to tenths.
- b. **All-other:** Transfer entry from item 19, to tenths.

22. **APF:**

- a. **For the applicable grade standard as shown in the Special Provisions:** Enter the percent from item 17 for the applicable grade standard (i.e., U.S. Fancy, etc.).
- b. **All-other:** MAKE NO ENTRY.

23. **Qual. Factor:**

- a. **For the applicable grade standard as shown in the Special Provisions:** Calculate the QF only when the current year's APF is more than 10 whole percentage points less than the HPF; otherwise make no entry. Calculate the QF as follows: item 9 minus item 22 equals the number of percentage points less than the HPF. Locate this value on **TABLE D** and identify the corresponding QF, to two decimal places (see example below).

EXAMPLE:

.78 (HPF) - .61 (APF) = .17 (17 percentage points difference between HPF and APF). From **TABLE D** find the corresponding QF for 17 which is .86, enter **.86**

- b. **All-other:** MAKE NO ENTRY.

24. **DIFF:**

- a. **For the applicable grade standard as shown in the Special Provisions:** Calculate only when there is an entry in item 23; otherwise make no entry. Calculate the DIFF as follows: item 21 times item 23, to tenths. Enter the difference between item 21 and the above calculation (see example below).

EXAMPLE:

Item 21 (Adj. Appraisal) = 178.6 bu.
Item 23 (QF) = .86
Calculate: $178.6 \times .86 = 153.6$
so, $178.6 - 153.6 = 25.0$, enter **25.0**

- b. **All-other:** MAKE NO ENTRY.

25. **Unit Appraisal:**
- a. **For the applicable grade standard as shown in the Special Provisions:** item 21 minus item 24, in boxes or bushels, to tenths.
 - b. **All-other:** Item 21 plus item 24, in boxes or bushels to tenths.
26. **Per Acre Appraisal:**
- a. **For the applicable grade standard as shown in the Special Provisions:** Item 25 divided by item 10, in boxes or bushels to tenths, as applicable.
 - b. **All-other:** Item 25 divided by item 10, in boxes or bushels to tenths, as applicable.
27. **Remarks:** List and/or explain:
- a. The bin-to-field box/bushel ratio, or weight per bushel, as applicable.
 - b. The date of sampling if harvest is NOT complete (worksheet and claim to be completed at a later date).
 - c. Any uninsured cause(s) of damage or loss.
 - d. Any damaged acreage harvested before appraisal.
 - e. Any voluntary destruction (removal) of orchard acreage.
 - f. References for orchard identification (aerial photo, sketch map, etc.).
28. **Adjuster's Signature, Code #, and Date:** Signature of adjuster, code number, and date signed **after** the insured's (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/Narrative section of the appraisal worksheet (if available); otherwise, document the appraisal date in the Narrative section of the Production Worksheet.
29. **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.
30. **Pg. ___ of ___:** Page number - (Example: Page 1 of 2, Page 2 of 2, etc.).

NOTE: Refer to the LAM for further information regarding companion contracts.

SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

Make separate line entries for varying:

- (1) Rate classes, types, 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. Refer to 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:** Refer to the LAM for definition of acceptable determined acres used herein.

Determine 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.

FINAL: Determined acres to tenths.

NOTE: Acreage breakdown 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.

C₁ Enter the ACTUAL acres for the orchard or suborchard
 C₂ Enter the REPORTED acres for the orchard or suborchard



NOTE: Since "QF" and "QP" types are on the same acreage, make no entry for "QP" acreage for both "UH" and "H" stages (see items "G" and "H" instructions below).

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 the insurance provider's instructions. Refer to 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 three-digit code number from the actuarial documents.

G. **Type/Class/Variety:** "QF" for Fancy grade or "QP" for All-other grade as specified in the actuarial documents.

H. **Stage:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Stage abbreviations as shown below.

<u>STAGE</u>	<u>EXPLANATION</u>
"P"	Acreage abandoned without consent, put to other use without consent, damaged solely by uninsured causes, or 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 without consent.

GLEANED ACREAGE: Refer to the LAM for information on gleaning.

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

<u>USE</u>	<u>EXPLANATION</u>
“WOC”	Other use without consent
“SU”	Solely uninsured
“ABA”	Abandoned without consent
“H”	Harvested
“UH”	Unharvested

GLEANED ACREAGE: Refer to the LAM for information on gleaning.

J. **Appraised Potential:** Appraisal by grade in boxes or bushels to tenths from item 26 on the AFQA Worksheet.

K₁ - K₂ MAKE NO ENTRY.

L. **Shell and/or Quality Factor:** Line through Shell and/or Quality Factor, and enter “Value per Box or Bushel,” as applicable. Enter the dollar and cents value per box or bushel contained in the Special Provisions, as applicable, for “QF” and “QP” grades.

M. **+ Uninsured Causes:** MAKE NO ENTRY (uninsured causes are calculated in the AFQA worksheet).

N. **Adjusted Potential:** Column “J” times column “L, results in whole dollars.

O. **Total to Count:** Column “C” or “C₁” (actual acres) times column “N,” rounded to whole dollars.

P. **Per Acre:** Draw a diagonal line. On the left side of the line, enter the per acre guarantee times the HPF for each grade. On the right side of the line, enter the price election for each grade.

EXAMPLE:

QF, guarantee per acre = 750 bu. x .78 (HPF) = 585 bu. entered on the left side of the line. On the right side of the line enter \$10.00 price election.

QP, guarantee per acre = 750 bu x .22 (HPF) = 165 bu entered on the left side of the line. On the right side of the line enter \$3.00 price election.

Q. **Total:** For both grades, item “P” guarantee times the price election times item “C” acres, results in whole dollars.

NOTE: Use “QF” acres in item “C” to complete this calculation for both “QF” and “QP” types for both “UH” and “H” stages.

EXAMPLE:

QF: 585 bu. x \$10.00 x 4.9 acres = \$28665

QP: 165 bu. x \$3.00 x 4.9 acres = \$2426

16. **Total Acres:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Total Actual Acres [Column “C” (or “C₁” if there is under-reported acres)], to tenths.

NOTE: Since “QF” and “QP” types are on the same acreage, total the acreage from “QF” types only, to tenths for both “UH” and “H” stages.

NOTE: FOR ITEM 17, WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, AMOUNTS OF INSURANCE, PRICE ELECTIONS, TYPES, ETC., WITHIN THE UNIT, AND TOTALS NEED TO BE KEPT SEPARATELY 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,” in whole dollars.

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. 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.
- e. 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 refer to the LAM.
- f. Explain any errors found on the Summary of Coverage.
- g. Explain any commingled production. Refer to the LAM.

- h. Explain “NO” checked in item 19.
- i. 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 photograph or sketch map, the disposition of acreage destroyed or put to other use or without consent.

- j. Explain any differences 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.
- k. 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.
- l. 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.
- m. Explain any delayed notices or delayed claims as instructed in the LAM.
- n. Specify the type of insects or disease when the insured cause of loss is listed as insects or disease. Explain why control measures did not work.
- o. Document the name and address of the charitable organization when gleaned acreage is applicable. Refer to the LAM for more information on gleaning.
- p. 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) If additional lines are necessary, the data may be entered on a continuation sheet. USE SEPARATE LINES FOR:
 - (a) Different buyers or processors - the insured must have maintained satisfactory records of ALL Production.
 - (b) Varying shares; e.g., 50 percent and 75 percent shares on same unit.
 - (c) 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, if production has been commingled, refer to 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). Refer to 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. Refer to 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 an indemnity is in effect for the crop year; otherwise check “No.” Refer to the LAM.

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

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

A₂. **Field ID:**

a. If only one practice and/or type of harvested production is listed in Section I, MAKE NO ENTRY.

b. If more than one practice and/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. - G. **Length, Diameter, Width, Depth, and Diameter:** For production sold, enter the name and address of the **Buyer, Packer, or Processor**. For apples otherwise disposed of, indicate method of disposition.

H. **Gross Prod.:** Line through Gross Prod. and enter “Grade.” On separate lines, enter “QF” for the applicable grade standard as shown in the Special Provisions and “QP” for All-other Apples.

NOTE: Make a separate line for any sold cull production and/or any damaged marketable production that is not sold and identify as “QP.”

I. **Bu., Ton, Lbs., Cwt.:** Circle “Bu.” or enter “Boxes” and line through Bu., Ton, Lbs., Cwt. in column heading, as applicable. Transfer the appraised potential production in **boxes or bushels to tenths** from the AFQA Appraisal Worksheet.

NOTE: Make a separate line for any sold cull production and/or any damaged marketable production that is not sold and identify as “QP.”

J. **Shell/Sugar Factor:** MAKE NO ENTRY.

K₁. - M₂. MAKE NO ENTRY.

N. **Adjusted Production:** Transfer results from column "I," results in bushels or boxes, to tenths.

O. **Prod. Not to Count:** Net production NOT to count in bushels or boxes, to tenths, 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," in bushels or boxes, to tenths.

Q₁. **Value:** Enter the dollars and cents value per box or bushel from the Special Provisions for "QF" and "QP" apple production, as applicable.

NOTE: Make a separate line for any sold cull production and/or any damaged marketable production that is not sold and identify as "QP" and enter the applicable value per box or bushel in dollars and cents (refer to the Production Worksheet example).

Q₂. - R. MAKE NO ENTRY.

S. **Production to Count:** Column "P" times column "Q₁," rounded to whole dollars.

NOTE: FOR ITEMS 22 - 24. WHEN SEPARATE LINE ENTRIES ARE MADE FOR VARYING SHARES, STAGES, 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," in whole dollars.

23. **Section I Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Enter figure from Section I, column "O" total, in whole dollars.

24. **Unit Total:**

PRELIMINARY: MAKE NO ENTRY.

FINAL: Total of items 22 and 23 in whole dollars.

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 indemnity inspections should be signed on the 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., which may not be readily understood.

NOTE: Final indemnity inspections should be signed on the 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 <i>Apples</i> 0054	2 Unit 00100	3 Legal Description SW1 -96N - 30W	7 Company Agency <i>Any Company</i> <i>Any Agency</i>	8 Name of Insured <i>I.M Insured</i>
4 Date of Damage <i>Jun 10</i>	5 Cause of Damage <i>Hail</i>	6 Primary Cause % <i>100</i>	9 Claim Number xxxxxxx	11 Crop Year YYYY
12 Additional Units 00200	13 Est. Prod Per Acre <i>120</i>	10 Policy Number xxxxxxx	14 Date(s) Notice of Loss	15 Companion Policy(s)
			1st MM/DD/YYYY	2nd MM/DD/YYYY
			3rd MM/DD/YYYY	

SECTION I - ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS																
ACTUARIAL									POTENTIAL YIELD						STAGE GUARANTEE	
A	B	C	D	E	F	G	H	I	J	K ₁ K ₂	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 Value per Bu.	Uninsured Cause	Adjusted Potential	Total to Count (C x N)	Per Acre	Total (C x P)
<i>C-2</i>		<i>4.9</i>	<i>1.000</i>	<i>A01</i>	<i>002</i>	<i>QF</i>	<i>UH</i>	<i>UH</i>	<i>31.3</i>		<i>10.00</i>		<i>313</i>	<i>1534</i>	<i>585/10.00</i>	<i>28665</i>
<i>C-2</i>			<i>1.000</i>	<i>A01</i>	<i>002</i>	<i>QP</i>	<i>UH</i>	<i>UH</i>	<i>28.4</i>		<i>3.00</i>		<i>85</i>	<i>417</i>	<i>165/3.00</i>	<i>2426</i>
<i>C-1</i>		<i>5.9</i>	<i>1.000</i>	<i>A01</i>	<i>002</i>	<i>QF</i>	<i>H</i>	<i>H</i>							<i>585/10.00</i>	<i>34515</i>
<i>C-1</i>			<i>1.000</i>	<i>A01</i>	<i>002</i>	<i>QP</i>	<i>H</i>	<i>H</i>							<i>165/3.00</i>	<i>2921</i>
16 TOTAL		<i>10.8</i>											17 TOTALS		<i>1951</i>	<i>68527</i>

NARRATIVE (If more space is needed, attach a Special Report) *See the Apple Fresh Fruit Option Appraisal Worksheet for quality adjustment calculations. 100 bu. of cull apples sold @ \$1.50 to Acme Peelers, Inc. 120 bu. unsold harvested production valued at \$1.50/bu.*

SECTION II - HARVESTED PRODUCTION																		
18 Date Harvest Completed MM/DD/YYYY					19 Is damage similar to other farms in the area? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				20 Assignment of Indemnity Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				21 Transfer of Right to Indemnity? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					
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	Length or Diameter	Width	Depth	Deduction	Net Cubic Feet	Conversion Factor	Gross Prod. (F x G) Grade	(Bu) Ton Lbs. CWT	Shell/ Sugar Factor	FM% Factor	Moisture % Factor	Test WT Factor	Adjusted Production (R or U) x M ₂ x M ₂	Prod. Not to Count	Production (N - O)	Value Mkt. Price	Quality Factor (Q1 ÷ Q2)	Production to Count (P x R)
	<i>Acme Processors Anytown, Anystate</i>						<i>QF</i>	<i>314</i>					<i>314</i>		<i>314</i>	<i>10.00</i>		<i>3140</i>
	<i>Acme Processors Anytown, Anystate</i>						<i>QP</i>	<i>97</i>					<i>97</i>		<i>97</i>	<i>3.00</i>		<i>291</i>
	<i>Acme Processors Anytown, Anystate</i>						<i>QF</i>	<i>100</i>					<i>100</i>		<i>100</i>	<i>1.50</i>		<i>150</i>
	<i>Unsold</i>						<i>QP</i>	<i>120</i>					<i>120</i>		<i>120</i>	<i>1.50</i>		<i>180</i>

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 crop. 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. 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.

25 Adjuster's Signature			Code #	Date	26 Insured's Signature			Date
1st Inspection	<i>I.M. Adjuster</i>	<i>xxxx</i>		<i>MM/DD/YYYY</i>	1st Inspection	<i>I.M. Insured</i>	<i>MM/DD/YYYY</i>	
2nd Inspection					2nd Inspection			
3rd Inspection	<i>I.M. Adjuster</i>	<i>xxxx</i>		<i>MM/DD/YYYY</i>	3rd Inspection	<i>I.M. Insured</i>	<i>MM/DD/YYYY</i>	

22 Section II Total *3761*
23 Section I Total *1951*
24 Unit Total *5712*

27 Page *1* of *1*