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ALMOND LOSS ADJUSTMENT STANDARDS HANDBOOK

2008 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK	NUMBER: 25020 (09-2006) 25020-1 (08-2007)
SUBJECT: **ALMOND LOSS ADJUSTMENT STANDARDS HANDBOOK 2008 AND SUCCEEDING CROP YEARS**	**OPI: Product Administration and Standards Division** **APPROVED:** **DATE:** **/S/ Tim B. Witt** **7/31/2007** **Deputy Administrator, Product Management**

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-ISSUED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2008 AND SUCCEEDING CROP YEARS. ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

The following list contains the significant changes to this handbook, as determined by us. It may not represent all changes made. All changes made to this handbook are applicable regardless of whether or not listed.

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

A. Updated section 3. A. (c) to reflect changes in the Almond Crop Provisions.

B. Revised language in section 4. A. (4).

C. Revised language in section 5.B. (3).

D. Revised language in section 5. B. (5) to show the result of the calculation to be average pounds of nuts per tree.

E. Inserted language in sections 7. C. 16, 7. C. 23. (c) and (d) for determined tree spacing.

F. Updated Tables A, B, C, and D.

SUMMARY OF CHANGES/CONTROL CHART (continued)

Control Chart For: Almond Loss Adjustment Standards Handbook							
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Exhibit(s)	Date	Directive Number
Remove	1-2		3-6, 9, 10	25-27	28	9/2006	FCIC-25020
Insert	1-2		3-6, 9, 10	25-27	28	8/2007	FCIC-25020-1
Current	1-2	1-2	1-2 3-6 7-8 9-10 11-24	25-27	28	9/2006 8/2007 9/2006 8/2007 9/2006	FCIC-25020 FCIC-25020-1 FCIC-25020 FCIC-25020-1 FCIC-25020

A. INSURABILITY

The following may not be a complete list of insurability requirements. Refer to the Basic Provisions, Almond Crop Provisions, and Special Provisions for a complete list.

(1) The crop insured will be all almonds in the county for which a premium rate is provided by the actuarial documents in which the insured has a share:

(a) That are grown for harvest as almonds;

(b) That are irrigated; and

(c) That are grown on acreage where at least 90 percent of the trees have reached at least the sixth growing season after set out, unless otherwise provided in the Special Provisions.

(2) Almonds interplanted with another perennial crop are insurable unless the AIP inspects the acreage and determines the (acreage) does not meet the requirements contained in the insured's policy.

(3) Insurance coverage is provided against damage or loss from insects or disease but not damage due to insufficient or improper application of pest and disease control measures.

(4) Insurance coverage is provided against damage or loss from wildlife, unless control measures have not been taken.

(5) Insurance coverage is not provided against damage or loss of production due to the inability to market the almonds for any reason other than actual physical damage to the almonds from an insurable cause specified in the crop provisions.

B. PROVISIONS AND PROCEDURES NOT APPLICABLE TO CAT COVERAGE

Refer to the Crop Insurance Handbook (CIH) and LAM for other provisions and procedures not applicable to CAT.

C. UNIT DIVISION

Refer to the insurance contract for unit provisions. Unless limited by the Crop or Special Provisions, a basic unit, as defined in the Basic Provisions, may be divided into optional units if, for each optional unit, all conditions stated in the applicable crop provisions are met.

4. ALMOND APPRAISALS

A. GENERAL INFORMATION

(1) Potential production for all types of inspections will be appraised in accordance with procedures specified in this handbook and the LAM.

(2) Make separate appraisals for each almond variety grown in the orchard, as applicable.

(3) Within the policy provisions is a requirement that insureds file a "notice of damage or loss." If the insured intends to claim an indemnity on any unit, the insured must notify the AIP prior to the beginning of harvest so that the AIP may inspect the damaged production. The insured must not sell or dispose of the damaged crop until after the AIP has given written consent to do so. If the insured fails to meet the requirements of the crop provisions, all such production will be considered undamaged and included as production to count. Refer to the Basic Provisions, the Crop Provisions, and the LAM for more information on "notices of damage or loss."

(4) Appraise almonds, when required, after the nut drop period but before any nuts are removed from the trees.

B. SELECTING REPRESENTATIVE SAMPLES FOR APPRAISALS

(1) Make a general examination of all acreage in the orchard. Determine the number and general location of trees to be used in the representative sample based on:

(a) Total acreage and number of trees;

(b) Extent of variation in the amount of production or damage within the acreage. 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 in the acreage;

(d) Tree age, size, density, and vigor; and

(e) 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.

(2) Take not less than the minimum number (count) of representative samples required in **TABLE A** for each orchard or sub-orchard.

(3) The Random Path Appraisal Method (RPAM) may be used at the discretion of the AIP to appraise the almond crop production. Use the RPAM method in lieu of appraisal methods in this handbook, as applicable.

C. ORCHARD APPRAISALS

Determining Variety Acreage for Appraisals:

(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.

(2) 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:

$$\frac{\text{Number of Rows Planted to a Single Variety}}{\text{Total Rows in the Planting Pattern}} = \text{Percent Variety in Unit or Plot, Round to Nearest Whole Percent}$$

EXAMPLE:

A 20.0 acre orchard is planted to three varieties (Variety 1, Variety 2, and Variety 3) in a four row pattern (1-1-1-1). The first row is Variety 1, the second and fourth rows are Variety 2, and the third row is Variety 3. Variety distribution is as follows:

Variety 1 = 1 row ÷ 4 rows = .25 or 5.0 acres
Variety 2 = 2 rows ÷ 4 rows = .50 or 10.0 acres
Variety 3 = 1 row ÷ 4 rows = .25 or 5.0 acres

D. HANDLING APPRAISAL DISCREPANCIES

If the insured disagrees with the appraisal, make arrangements for leaving representative trees UNHARVESTED and for inspecting those trees when the almonds are ready to harvest (harvest-appraisal). 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.

5. APPRAISAL METHODS

A. GENERAL INFORMATION

These instructions provide information on appraisal methods for:

Appraisal Method.....	Use....
Nut Count Appraisals	to appraise nuts on the tree prior to harvest that are taken from representative sample trees.
Representative Tree Appraisals	the production from representative trees to determine the appraisal.
Harvested Acreage Appraisals	the average yield per acre from harvested acreage as the appraisal per acre for unharvested acreage.

B. NUT COUNT APPRAISAL METHOD

(1) Use the Fig/Nut Tree Appraisal Worksheet to record nut counts taken from sample trees (refer to section 4 B for sampling requirements).

(2) Determine the percent of each variety for the acreage being appraised.

(3) By variety, count the total number of nuts on the sample trees (include nuts damaged by uninsured causes), and record nut counts on the Fig/Nut Tree Appraisal Worksheet.

(4) Total the number of nuts from all sample trees and divide by the number of trees in the sample.

(5) Multiply the result from (4) above by the nut size factor (from **TABLE B**) for the variety being appraised to determine the average pounds of nuts per tree.

(6) Next multiply by the number of bearing trees per acre to determine the number of whole pounds of nuts per acre for the variety.

(7) If more than one variety is in the acreage being appraised, multiply the number of whole pounds of nuts per acre for each variety by the percent determined in (2) above to determine the number of whole pounds of nuts per acre by variety.

(8) Add the number of pounds of nuts per acre for all varieties to determine the appraised number of whole pounds of nuts per acre. Transfer the appraisal per acre to column “J” or “M, ” as applicable, on the Production Worksheet (refer to section 8 below).

8. **Variety:** Variety name of trees in the acreage being appraised.

9. **Acres:** Number of determined acres to tenths for the variety being appraised.

10. **Number of Figs/Nuts per Tree:** Number of nuts from each sample tree (include nuts damaged by uninsured causes). If necessary, use additional lines to record nut counts for all sample trees. Document in the Remarks the number of nuts per tree damaged by uninsured causes.

11. **Total Figs/Nuts all Trees:** Total nuts from item 10 from all sample trees.

12. **Number Trees in Sample:** Total number of sample trees.

13. **Average Figs/Nuts Tree:** Item 11 divided by item 12, whole nuts.

14. **Figs/Nuts Lb. for Variety:** The number of nuts per pound (refer to **TABLE B**).

15. **Average Pounds per Tree:** Item 13 divided by item 14, to two decimal places.

16. **Bearing Trees per Acre:** Determine the tree spacing for the variety and enter the number of bearing trees per acre from Table C. Enter the tree spacing in Remarks (refer to **TABLE C**).

17. **Figs/Nuts Pounds per Acre:** Item 15 times item 16, in whole pounds.

18. **Reject Factor:** MAKE NO ENTRY.

19. **Net Nut Lbs. per Acre:** MAKE NO ENTRY.

20. **% Acres for Variety:** Item 9 divided by item 5, to two-decimal places (refer to subsection 4C for more information).

21. **Figs/Nut per Acre for Variety:** Item 17 times item 20, in whole pounds.

22. **Appraisal (Lbs./A.):** Total of all item 21 entries, in whole pounds.

23. **Remarks:** Document the following on the appraisal worksheet or on a Special Report:

    a. Acreage determinations for items 5 and 9;

    b. Any uninsured causes, the number of nuts per tree damaged by such causes and show any calculations; and

    c. Determined tree spacing.

    d. Any other pertinent information about the appraisal.

The following required entries are not illustrated on the appraisal worksheet example below.

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

25. **Adjuster's Code Number, Signature, and Date:** Signature of adjuster, code number, and date **after** the insured (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 section of the Appraisal Worksheet (if available); otherwise, document the appraisal date in the Narrative section of the Production Worksheet.

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

9. REFERENCE MATERIAL

TABLE A MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS

Acres in Orchard or Block	Minimum Number of Samples
0.1 - 10.0	The lesser of 5 trees or 5% of the number of trees.
One additional tree is required for each additional 10.0 acres (or fraction thereof) in the orchard.	

TABLE B ALMOND VARIETY CLASSIFICATION BY NUT SIZE

Extra Large (280 npp*)	Large (320 npp*)	Medium (360 npp*)	Medium Small (420 npp*)	Small (460 npp*)	Extra Small (500 npp*)
Planada	Jordanolo	Avalon	Ballico	Aldrich	Kapareil
	Monterey	Carmel	Butte	Milow	
	Ne Plus Ultra	Carrion	Davey	Norman	
	IXL	Jeffries	Drake	Ripon	
	Woods Colony	Livingston	Fritz	Valenta	
		Merced	Harvey	Morley	
		Monarch	Le Grand		
		Non Pareil	Mission		
		Peerless	Mono		
		Rosetta	Padre		
		Sauret I	Pearle		
		Sauret II	Price		
		Sonora	Ruby		
		Tokyo	Solano		
		Vesta	Thompson		
		Yosemite	Dottie Won		
			Savana		

***** npp = nuts per pound

TABLE C NUMBER OF TREES PER ACRE

DISTANCE BETWEEN TREES (In Feet) * \ DISTANCE BETWEEN ROWS (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
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

***** Use this Table for square or hedge plantings. To determine number of trees per acre for tree spacing not shown above, multiply the distance between trees in the row, in feet to tenths, by the distance between rows, in feet to tenths, and divide the result (in feet to tenths) into 43,560 sq. ft./acre (round to nearest whole number). **EXAMPLE:** 30.5 ft X 36.0 ft = 1098.0 sq. ft. 43,560 sq. ft ÷ 1098.0 sq. ft. = 39.67 or 40 trees/acre. To determined number of trees per acre for other tree planting patterns (e.g., hexagonal, quincunx, etc.) refer to the LAM.

TABLE D SHELLING PERCENTAGES FOR CLEAN UNSHELLED ALMONDS

Variety	Average Shelling Percent	Variety	Average Shelling Percent	Variety	Average Shelling Percent
Aldrich	60	Le Grand	60	Price	65
Avalon	64	Livingston	65	Ripon	45
Ballico	55	Merced	70	Rosetta	50
Butte	60	Milow	65	Ruby	55
Carmel	65	Mission	50	Sauret I	65
Carrion	60	Monarch	48	Sauret II	65
Davey	55	Mono	50	Solano	65
Dottie Won	50	Monterey	55	Sonora	70
Drake	40	Ne Plus Ultra	65	Thompson	70
Fritz	55	Non Pareil	70	Tokyo	55
Harvey	65	Norman	60	Valenta	55
IXL	50	Padre	55	Vesta	51
Jeffries	70	Pearle	55	Woods Colony	65
Jordanolo	65	Peerless	45	Yosemite	47
Kapareil	68	Planada	58	Morley	50
				Savana	65

Some almond processors take samples from deliveries for varieties that are typically sold inshell. These samples are cracked out to determine the actual shelling percent for the variety. The shelling percentage from the sample crack out is used to determine the payment per pound for the variety being sold inshell and is shown on the settlement sheet. In this situation, use the shelling percentages shown on the settlement sheet as the shelling percent entry on the claim form.

EXHIBIT 1

APPRAISALS FOR FAILURE TO USE RECOMMENDED NUMBER OF BEEHIVES FOR PROPER POLLINATION

Losses due to failure to use an adequate number of beehives for pollination is not an insurable cause of loss. In situations where no insurable cause of loss is evident, the adjuster must determine the number of hives set out by the producer. If it is determined that the producer set out less than the number of hives recommended by crop experts, the loss adjuster should verify the number of hives the producer used to establish the APH yield for the unit. The loss adjuster should review receipts for hive rentals for at least one non-loss year. If no documentation is available, use the number of hives recommended by experts (which is a minimum of two hives per acre) and assess uninsured causes of loss.

If the adjuster determines there are both insured causes of loss (rain and cool weather, etc.) and uninsured causes (e.g., lack of adequate beehives, etc.), refer to the LAM, Part 4, Unusual/Controversial Cases, Controversial Claim.

EXAMPLE:

Assume the insured has 100% share in one unit of Almonds with a 75% coverage level. The APH yield for this unit is 1600 pounds per acre. The insured has a guarantee of 1200 pounds per acre (.75 coverage level X 1600 lbs.). Historically the insured uses 2.5 hives per acre. However, for this crop year, the insured used only one hive per acre which is less than the minimum number of two hives per acre recommended by experts.

Assume for this crop year, the insured harvests 250 pounds of Almonds per acre. Surrounding farms with the same variety and adequate hives report an average production of 50% of normal yield due to insurable causes of loss. The insured provides hive rental receipts for the previous year that support the use of 2.5 hives per acre.

The adjuster must determine what the production would have been with an adequate number of hives.

1600 lbs. APH yield X .50 average production from surrounding farms for the year = 800 lbs. The 800 lbs. represents the pounds the insured should have produced if an adequate number of hives were used considering the insured causes of loss that occurred.

800 lbs. – 250 lbs harvested = 550 lbs. production lost due to failure to use adequate number of hives. Therefore, 250 lbs. harvested + 550 lbs. lost production = 800 lbs. total production to count.

Enter 550 lbs. in Section I, column “M” of the Production Worksheet as an uninsured cause of loss appraisal.

Document in the Narrative of the Production Worksheet or on a separate Special Report how the appraisal was determined.