

United States
Department of
Agriculture



Federal Crop
Insurance
Corporation



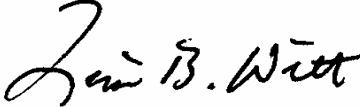
Product
Development
Division

FCIC-25720 (11-2003)
FCIC-25720-1 (10-2004)

PILOT PROCESSING CUCUMBER LOSS ADJUSTMENT STANDARDS HANDBOOK

2005 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25720 (11-2003) 25720-1 (10-2004)
SUBJECT: PILOT PROCESSING CUCUMBER LOSS ADJUSTMENT STANDARDS HANDBOOK 2005 AND SUCCEEDING CROP YEARS	DATE: October 20, 2004	
	OPI: Product Development Division	
	APPROVED:  Deputy Administrator, Research and Development	

THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-APPROVED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2005 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR THIS CROP FOR 2005 AND SUCCEEDING CROP YEARS, ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.

SUMMARY OF CHANGES/CONTROL CHART

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

Changes for Crop Year 2005 (FCIC-25720-1) issued **OCTOBER 2004**:

- A. Page 2, subsection 2 B (4): Revised definition for marketable cucumbers to match policy language and inserted reference to subsection 6 F (5) when a larger proportion of cucumbers exceed 6 inches in length or 2 ¼ inches in diameter.
- B. Page 28, subsection 8, Appraisal Worksheet Illustration: Changed item 15 entry from 1 to 0 to correctly calculate the % Harvest Remaining Factor in column 30.
- C. Page 42, subsection 9B, SECTION I, item A: Revised language pertaining to first crop and second crop language. Also revised language on page 50, item A₂.
- D. Page 55, **TABLE B**: Revised item (3) language stating instructions for row widths other than those in **TABLE B**.

PILOT PROCESSING CUCUMBER LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

Control Chart For: Pilot Processing Cucumber Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-4		1-2	55-56	11-2003	FCIC-25720
			27-28		11-2003	FCIC-25720
			41-42		11-2003	FCIC-25720
			49-50		11-2003	FCIC-25720
					11-2003	FCIC-25720
					11-2003	FCIC-25720
Insert	1-2		1-2	55-56	11-2004	FCIC-25720-1
			27-28		11-2004	FCIC-25720-1
			41-42		11-2004	FCIC-25720-1
			49-50		11-2004	FCIC-25720-1
					11-2004	FCIC-25720-1
					11-2004	FCIC-25720-1
Current Index	1-2	1-4	1-2	55-56 57-58	11-2004	FCIC-25720-1
			3-26		11-2003	FCIC-25720
			27-28		11-2004	FCIC-25720-1
			29-40		11-2003	FCIC-25720
			41-42		11-2004	FCIC-25720-1
			43-48		11-2003	FCIC-25720
			49-50		11-2004	FCIC-25720-1
			51-54		11-2003	FCIC-25720
					11-2004	FCIC-25720-1
					11-2003	FCIC-25720
					11-2004	FCIC-25720-1
					11-2003	FCIC-25720

1. INTRODUCTION

THIS HANDBOOK MUST BE USED IN CONJUNCTION WITH THE LOSS ADJUSTMENT MANUAL (LAM).

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 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 **and signed by the insured** for the loss adjustment inspection:

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

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

CAT	Catastrophic Risk Protection
CIH	Crop Insurance Handbook

(4) Definition(s):

Allowable Cost	The dollar amount per bushel for harvesting (picking, grading, packing containers and selling) and hauling that is shown in the Special Provisions.
Amount of Insurance	The amount shown on the actuarial documents for the corresponding coverage level percentage the insured selects.
Bushel	50 pounds of marketable processing cucumbers.
Direct Marketing	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 field for the purpose of picking all or a portion of the crop.
Hand-Harvest Operations	Harvest operations that consist of the crop being harvested by hand and of which multiple harvests are normally performed.
Harvest	The picking of cucumbers from the plant by hand or machine.
Intermediary	A business enterprise that has all licenses and permits required by the state in which it operates and has an agreement in writing with a processor that authorizes the intermediary to contract processing cucumber production on behalf of the processor.
Machine-Harvest Operations	Harvest operations that consist of the crop being harvested by machine and which only one harvest is performed.
Marketable Cucumbers	Processing cucumbers that meet the U.S. Standards for Grades of U.S. No. 3 or better. (Refer to subsection 6 F (5) when a larger proportion of cucumbers exceed 6 inches in length or 2 ¼ inches in diameter.)
Minimum Value	The dollar amount per bushel shown in the Special Provisions that is used for valuing the production.
Processor	Any business enterprise regularly engaged in processing cucumbers for human consumption, that possesses all licenses and permits for processing cucumbers required by the state in which it operates, and that possesses facilities, or has contractual access to such facilities, with enough equipment to accept and process the contracted cucumbers within a reasonable amount of time after harvest.

CUCUMBER APPRAISAL WORKSHEET EARLY APPRAISALS AND FRUIT DAMAGE AND FINAL ADJUSTMENT (For Illustration Purposes only)	Company ANY COMPANY					1. Insured's Name I. M. INSURED					2. Policy Number XXXXXXX	
	Claim Number XXXXXXXX											
	3. Unit Number 00100	4. Crop PROCESSING CUCUMBERS 0106	5. Crop Year YYYY	6. Field ID. 3A	7. Acres 9.0	8. Date Of Damage AUG 12	9. Variety VLASPIK	10. Min Value \$ 3.75 PER BU.				
	11. Harvest Type HAND	12. Date Planted 05/15/YYYY	13. Stage Of Life Cycle 3	14. Normal No. Of Harvests 6	15. No. Of Prior Harvests 2	16. No. Of Harvests Remaining 4	17. Row Width 36"					

Sample Number	STAND REDUCTION						DEFOLIATION						FRUIT DAMAGE AND FINAL ADJUSTMENT					
	Normal No. of Plants Per 1/100 Acre	No. of Live Plants Per 1/100 Acre	% Live Plants Remaining	Yield Factor	Normal Yield	Bushels Per Acre	% Defoliation	% Yield Loss (Defoliation Chart)	Yield Factor	Normal Yield\ Adjusted Normal Yield	Bushels Per Acre	% Harvest Remaining Factor	Adjusted Normal Yield	Marketable Cucumbers Harvested	Bushels Per Acre	Total Bushels Per Acre		
18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34		
1							25	13	.870	160	139.2	.500	139.2	13.6	83.2	83.2		
2							25	13	.870	160	139.2	.500	139.2	14.4	84.0	84.0		
3							25	13	.870	160	139.2	.500	139.2	14.8	84.4	84.4		
4							20	10	.900	160	144.0	.500	144.0	13.0	85.0	85.0		
5																		

38. Remarks EXAMPLE – DEFOLIATION WITH FRUIT DAMAGE AND FINAL ADJUSTMENT														35. Total Bushels of the Sample		336.6
														36. Number of Sample Plots		4
PROCESSING CUCUMBER FIELD NOTES														37. Bushels Per Acre		84.2

39 Sample No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	40 Total %	41 No. of Plants Evaluated	42 % Defoliation
1	20	22	26	20	21	25	27	27	18	28	29	20	24	19	26	27	28	22	24	29	482	20	25
2	28	30	33	24	22	21	28	30	25	27	25	22	24	29	31	20	24	25	26	30	524	20	25
3	28	21	23	29	30	20	22	24	26	28	31	21	26	27	22	24	26	25	23	28	504	20	25
4	19	18	16	24	26	20	23	21	15	20	22	26	22	21	18	17	24	22	23	19	416	20	20
5																							

43. Adjuster's Signature I. M. ADJUSTER						Code Number XXXXX			Date MM/DD/YYYY			44. Insured's Signature I. M. INSURED						Date MM/DD/YYYY		
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CUCUMBER APPRAISAL WORKSHEET EARLY APPRAISALS AND FRUIT DAMAGE AND FINAL ADJUSTMENT (For Illustration Purposes only)	Company ANY COMPANY				1. Insured's Name I. M. INSURED				2. Policy Number XXXXXXX	
	Claim Number XXXXXXXX									
	3. Unit Number 00100	4. Crop PROCESSING CUCUMBERS 0106	5. Crop Year YYYY	6. Field ID. 1B	7. Acres 20.0	8. Date Of Damage JUN 30	9. Variety VLASPIK	10. Min Value \$ 3.75 PER BU.		
	11. Harvest Type HAND	12. Date Planted 05/20/YYYY	13. Stage Of Life Cycle 4	14. Normal No. Of Harvests 4	15. No. Of Prior Harvests 0	16. No. Of Harvests Remaining 4	17. Row Width 36"			

Sample Number	STAND REDUCTION						DEFOLIATION						FRUIT DAMAGE AND FINAL ADJUSTMENT			
	Normal No. of Plants Per 1/100 Acre	No. of Live Plants Per 1/100 Acre	% Live Plants Remaining	Yield Factor	Normal Yield	Bushels Per Acre	% Defoliation	% Yield Loss (Defoliation Chart)	Yield Factor	Normal Yield(Adjusted Normal Yield	Bushels Per Acre	% Harvest Remaining Factor	Adjusted Normal Yield	Marketable Cucumbers Harvested	Bushels Per Acre	Total Bushels Per Acre
18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
1	300	15	5.0	.100	160	16.0	85	49	.510	16.0	8.2	.750	8.2	13.6	19.8	19.8
2	300	30	10.0	.200	160	32.0	95	55	.450	32.0	14.4	.750	14.4	14.4	25.2	25.2
3	300	22	7.3	.146	160	23.4	90	52	.480	23.4	11.2	.750	11.2	14.8	23.2	23.2
4	300	30	10.0	.200	160	32.0	80	46	.540	32.0	17.3	.750	17.3	13.0	26.0	26.0
5																

38. Remarks EXAMPLE – STAND REDUCTION WITH DEFOLIATION, FRUIT DAMAGE AND FINAL ADJUSTMENT														35. Total Bushels of the Sample		94.2
														36. Number of Sample Plots		4
PROCESSING CUCUMBER FIELD NOTES														37. Bushels Per Acre		23.6

39 Sample No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	40 Total %	41 No. of Plants Evaluated	42 % Defoliation
1	90	87	83	80	86	89	87	83	85	88	82	84	89	81	84	86	80	82	86	91	1,703	÷ 20 =	85
2	100	92	92	95	99	87	95	99	89	88	98	100	94	97	98	97	100	100	89	94	1,903	÷ 20 =	95
3	86	87	83	88	89	85	100	92	90	88	86	88	91	94	86	100	96	92	93	86	1,800	÷ 20 =	90
4	75	73	77	86	95	80	82	77	78	79	84	85	80	82	83	86	75	77	79	79	1,612	÷ 20 =	80
5																						÷ =	

43. Adjuster's Signature I. M. ADJUSTER						Code Number XXXXX			Date MM/DD/YYYY			44. Insured's Signature I. M. INSURED						Date MM/DD/YYYY		
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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.

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 bushels, 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 the 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.

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) Dollar amount of insurance;
- (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.

REFER TO THE LAM FOR INSTRUCTIONS REGARDING ENTRIES OF FIRST CROP AND SECOND CROP CODES.

- (b) Varying shares; e.g., 50 percent and 75 percent shares on same unit.
- (5) There will generally be no harvested production entries in Columns “A₁” through “S” for preliminary inspections.
- (6) If there is harvested production from more than one insured practice (or type) and a separate amount of insurance (if applicable) has been established for each, the harvested production also must be entered on separate lines in Columns “A₁” through “S” by type or practice. If production has been commingled, refer to the LAM.
- (7) The total average value of marketable production will be the greater of:
 - (a) The actual value per bushel minus the allowable cost shown in the Special Provisions; or
 - (b) The applicable minimum value shown in the Special Provisions.
- (8) Production that is not marketable due to insurable causes (does not meet the U. S. Standards for Grades of U.S. No. 3, or better), which is not and will not be sold (zero value) will not be counted as production to count.

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 (final) or the date harvest should have started but acreage will not be harvested, (2) totally destroyed or abandoned, (3) harvested and the proceeds from the processor minus the allowable costs exceeds the dollar amount of insurance, (4) a combination of harvested, destroyed, abandoned, or put to other use, (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 and 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. 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 farms 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.” Refer to 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.” 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 amount of insurance exists, indicate for each practice/type, the corresponding Field ID (from Section I, Column “A”).

REFER TO THE LAM FOR INSTRUCTIONS REGARDING ENTRIES OF FIRST CROP AND SECOND CROP CODES.

B. - E. **Buyers, Packinghouse, or Processor:**

- (a) For production sold, enter the name and address of the buyer, packinghouse, or processor, etc., as applicable. For production otherwise disposed of, indicate the disposition.
- (b) For unsold marketable production, enter “UNSOLD.”

10. REFERENCE MATERIAL

TABLE A - MINIMUM REPRESENTATIVE SAMPLE REQUIREMENTS

ACRES IN FIELD OR SUBFIELD	MINIMUM NO. OF SAMPLES
0.1 - 10.0	4
10.1 - 20.0	5

Add one additional sample for each additional 10.0 acres (or fraction thereof) in the field or subfield.

TABLE B - ROW WIDTHS AND LENGTHS FOR 1/100 ACRE

ROW WIDTH (INCHES)	SAMPLE ROW LENGTH (FEET)	ROW WIDTH (INCHES)	SAMPLE ROW LENGTH (FEET)
	1/100 ACRE		1/100 ACRE
12	435.6	28	186.7
14	373.4	30	174.2
16	326.7	32	163.4
18	290.4	34	153.7
20	261.4	36	145.2
22	237.6	38	137.6
24	217.8	40	130.7
26	201.0	42	124.5

For row widths other than those in **TABLE B**, determine the sample row length as follows:

- (1) Divide row width in inches (nearest one-half inch) by 12 in./ft. and round to the nearest thousandth.
- (2) Divide 43,560 sq. ft./acre by the determined row width in item (1) above and round to the nearest thousandth.
- (3) Divide the result in item (2) above by 100 (for 1/100 acre) and round to the nearest tenth.

EXAMPLE: Measured row width in the field is 37 in.
 $37 \text{ in.} \div 12 \text{ in./ft.} = 3.083 \text{ ft.}$
 $43,560 \text{ sq. ft./acre} \div 3.083 \text{ ft.} = 14,129.095$
 $14,129.095 \div 100 = 141.3 \text{ ft. row length}$

TABLE C - YIELD FACTORS STAND REDUCTION METHOD

% LIVE PLANTS REMAINING	0	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100
YIELD FACTOR	0	.100	.200	.300	.520	.672	.674	.680	.688	.700	.713	.729	.749	.771	.795	.823	.852	.885	.921	.959	1.000

INTERPOLATION EXAMPLE:

The percent live plants remaining is calculated to be 7.3% in the sample area. The yield factor for 5% live plants remaining and 10% live plants remaining is .100 and .200, respectively. The difference in the percent live plants remaining is 5 (10 - 5 = 5) and the difference in the yield factor is .100 (.200 - .100 = .100). Divide the difference in the yield factors by the difference of the percent live plants remaining to calculate each 1.0 increment of percent live plants remaining rounded to a 3-place decimal (.100 ÷ 5 = .020). The difference between the sample's percent live plants remaining and the lower of the charted percent live plants remaining is 2.3 (7.3 - 5.0 = 2.3). Multiply 2.3 by .020 and add this result to .100 (2.3 × .020 = .046 + .100 = .146). Enter as a 3-place decimal. Therefore, a 7.3% stand loss equals a .146 yield factor.

TABLE D - HAND HARVESTED PROCESSING CUCUMBERS PERCENT YIELD LOSS DUE TO DEFOLIATION

LIFE CYCLE STAGE	PERCENT DEFOLIATION																			
	5	10	15	20	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100
1	2	3	5	6	9	12	14	15	18	20	22	23	26	28	30	31	34	36	38	40
2	3	5	7	9	12	14	16	18	21	23	25	27	31	32	34	36	39	41	44	46
3	4	5	8	10	13	16	19	21	24	26	29	31	34	36	39	41	44	46	49	51
4	5	6	9	12	15	18	21	23	26	29	32	35	38	40	43	46	49	52	55	58