

United States
Department of
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Federal Crop
Insurance
Corporation



Product
Development
Division

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PEACH LOSS ADJUSTMENT STANDARDS HANDBOOK

2001 and Succeeding Crop Years

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

FEDERAL CROP INSURANCE HANDBOOK		NUMBER: 25310 (01-2000) 25310-1 (10- 2000)
SUBJECT: PEACH LOSS ADJUSTMENT STANDARDS HANDBOOK 2001 AND SUCCEEDING CROP YEARS	DATE: November 8, 2000	
	OPI: Product Development Division	
	APPROVED: <i>/s/ Tim B. Witt</i> 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.

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.

Changes for November 2000 Issuance (FCIC-25310-1):

- A. Inserts slipsheets that amend the Peach Handbook (issued January 2000) and comply with the current Peach Crop Provisions (01-034).
- B. In section 2 B, inserts a definition for “Marketable” peaches.
- C. In section 8 B, items “H, “I,” and the “Narrative” - amended gleaning procedure language.
- D. In section 9, amended **TABLE A** - selection procedure for rounding the number of sample trees for 10.0 acres or less.

PEACH LOSS ADJUSTMENT STANDARDS HANDBOOK

SUMMARY OF CHANGES/CONTROL CHART (Continued)

Control Chart For: Peach Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-2		1-2 19-20 23-24	29-30	01-2000 01-2000 01-2000 01-2000	FCIC-25310 FCIC-25310 FCIC-25310 FCIC-25310
Insert	1-2		1-2 19-20 23-24	29-30	11-2000 11-2000 11-2000 11-2000	FCIC-25310-1 FCIC-25310-1 FCIC-25310-1 FCIC-25310-1
Current Index	1-2	1-2	1-2 3-18 19-20 21-22 23-24 25-28	29-30 31-34	11-2000 01-2000 11-2000 01-2000 11-2000 01-2000 11-2000 01-2000	FCIC-25310-1 FCIC-25310 FCIC-25310-1 FCIC-25310 FCIC-25310-1 FCIC-25310 FCIC-25310-1 FCIC-25310

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 insured. The original and all remaining copies as instructed by the insurance provider.

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

B. TERMS, ABBREVIATIONS, AND DEFINITIONS

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

FOB	Free On Board
FSA	Farm Service Agency
FSN	Farm Serial Number
RPAM	Random Path Appraisal Method

(4) Definitions:

Actual Price per Bushel:	Fresh peaches means the average price per bushel of U.S. Extra No. 1 “2-inch peaches” (if not available, the next larger size for which a price is available) determined from applicable prices reported by the Market News Service of the USDA for seven consecutive marketing days, commencing with the day harvest of the variety begins. In the absence of FOB shipping point prices from the Market News Service, the price per bushel of U.S. Extra No. 1 “2-inch” peaches will be the total of the price election and allowable costs for the undamaged peaches. Processing peaches means the average price per bushel received from the processor for that applicable variety determined for seven consecutive marketing days, commencing with the day harvest of the variety begins.
Bearing Tree:	A tree in at least the 4th growing season after set out.
Bushel:	50 pounds of ungraded peaches.
Loss in Quality:	When the crop is damaged to the extent that the producer does not receive the average price for U.S. Extra No. 1 peaches.
Marketable	Peach production acceptable for processing or other human consumption even if failing to meet any U.S. or applicable state grading standard.

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):

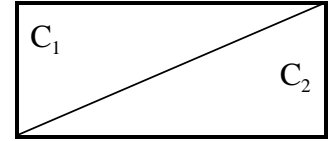
A. INSURABILITY

- (1) The crop insured will be all the peaches in the county for which a premium rate is provided by the actuarial documents, in which the insured has a share and that are grown on tree varieties that:
 - (a) Were commercially available when the trees were set out;
 - (b) Have chilling hour requirements appropriate for the area;
 - (c) Are grown on a rootstock that is adapted to the area;

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.

C₁ Enter the ACTUAL acres for the orchard or suborchard
 C₂ 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. 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:** Three-digit code number, entered exactly as shown on the actuarial documents, for the type grown by the insured. If “No Type Specified,” enter appropriate three-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”	Acreage 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: Refer to the LAM for 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
“TH”	To be harvested

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: Refer to the LAM for information on gleaning.

J. **Appraised Potential:** Per-acre appraisal in bushels, to tenths, of POTENTIAL production for the acreage appraised. See appraisal methods for additional instructions.

NOTE: If there is no potential on UH acreage, enter “0.”

K. **Quality Factor:** For mature unharvested peaches, enter the three-place decimal quality adjustment factor obtained from item 24 on the Peach Appraisal Worksheet.

L. **Adjusted Potential:** Column “J” times Column “K,” in bushels to tenths.

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 bushels, to tenths, 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 bushels, to tenths, for any such acreage.

- l. Explain any difference between inspection and signature dates. For an ABSENTEE insured, enter the date of the inspection AND the date of mailing the TPC 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 any delayed notices or delayed claims as instructed in the LAM.
- o. Document any authorized estimated acres shown in Section I, item C as follows: “Line 3 ‘E’ acres authorized by insurance provider MM/DD/YYYY.”
- p. Document the method and calculation used to determine acres for the unit. Refer to the LAM.
- q. Record any trees removed without an inspection.
- 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. 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.
- t. Document the name and address of the charitable organization when gleaned acreage is applicable. Refer to the LAM for more information on gleaning.
- u. 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 sold, enter the name and address of processor as applicable in items “B” through “D.” For fruit otherwise disposed of, indicate the disposition (sold at roadside stand, etc.).
- (3) If additional lines are necessary, the data may be entered on a continuation sheet. USE SEPARATE LINES FOR:

- (a) Different FIRST handlers (buyers, packinghouses, or processors). The insured must have maintained satisfactory records of ALL production sold. Verify any packinghouse or processor records.

NOTE: (In all localities) if the first handler was not a packer or processor, the production will be determined by the adjuster on the basis of available records.

- (b) Varying shares; e.g., 50 percent and 75 percent shares on the same unit.
 - (c) Varying determinations of production (varying value, etc.)
- (4) There will generally be no harvested production entries in items “A₁” through “N” for preliminary inspections.

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, etc. Refer to the LAM.

19. **Similar Damage:**

PRELIMINARY: MAKE NO ENTRY.

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 (rounded to the nearest 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 - AVERAGE NUMBER OF PEACHES PER POUND AND PER BUSHEL

Average Diameter of Fruit in Inches*	Number of Fruit per Pound	Number of Fruit per Bushel
1¾	7.7	383
2	5.9	293
2¼	4.3	215
2½	3.2	159
2¾	2.5	127
3	2.0	98
3¼	1.64	83
3½	1.38	68

* Diameter is the shortest distance when measured through the center of the peach at right angles to a line running from the stem to the blossom end.

TABLE C - NUMBER OF TREES PER ACRE

		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
DISTANCE BETWEEN TREES (IN FEET)	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 spacing 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 43,560 (round to the nearest whole number). **EXAMPLE:** (6.5 ft. times 10 ft. equals 65 sq. ft.) then (43,560 divided by 65 equals 670 plants per acre.)