United States
Department of
Agriculture

ONION LOSS ADJUSTMENT STANDARDS HANDBOOK

Federal Crop
Insurance
Corporation

2002 and Succeeding Crop Years

Product
Development
Division

FCIC-25290 (11-1999)
FCIC-25290-1 (08-2002)

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

FEDERAL CROP INSURANCE HANDBOOK	**NUMBER: 25290** **25290-1**
SUBJECT: **ONION LOSS ADJUSTMENT STANDARDS HANDBOOK 2002 AND SUCCEEDING CROP YEARS**	**DATE: August 12, 2002** **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 2002 AND SUCCEEDING CROP YEARS. IN THE ABSENCE OF INDUSTRY-DEVELOPED, FCIC-APPROVED PROCEDURE FOR THIS CROP FOR 2002 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 information that has been removed.

Changes for August 2002 Issuance (FCIC-25290-1)

A. Clarify language regarding unharvested mature onions lost in the second stage.

B. Clarify language regarding harvested mature onions in the final stage.

SUMMARY OF CHANGES/CONTROL CHART (Continued)

Control Chart For: Onion Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	Reference Material	Date	Directive Number
Remove	1-2		13-14 15-16		11-1999 11-1999	FCIC-25290 FCIC-25290
Insert	1-2		13-14 15-16		08-2002 08-2002	FCIC-25290-1 FCIC-25290-1
Current Index	1-2	1-2	1-12 13-16 17-40	41-43	11-1999 08-2002 11-1999	FCIC-25290 FCIC-25290-1 FCIC-25290

1 Take the total weight (after drying) of all samples divided by the number of actual onions in the samples to determine the average weight per onion.

2 Multiply the total number of onions from the original count in item (a) above (all onions sampled and discarded) by the average weight per onion to determine the total samples weight.

3 Divide the total graded weight (including any onions with uninsured damage) by the determined total sample weight to determine the percent of damage. Enter this percent on the worksheet. If the percent of damage referenced in section 13 (d) of the crop provisions exceeds the tolerance (i.e., 50% as shown in Special Provisions) and onions are not harvested and marketed, production to count will be zero. If onions that exceeded the tolerance are harvested and marketed, the total weight sold for all marketable onions will be used in determining production to count.

EXAMPLE: (See Example of Appraisal Worksheet)

Three samples were taken on a 10 acre field. Each sample was taken on 1/1000 of an acre. Thus, the weight method factor was determined to be 10.0. All onions of a recoverable size and condition were dug.

SAMPLE # 1 contained 110 onions, with 10 onions (field-culled) (shown in 19 a_2) excluded that obviously would not meet applicable grade, with 100 onions remaining in the sample (shown in 19 a_1).

The 100 remaining onions were dried 7 days and weighed 50 pounds. The sample was graded with 6 pounds excluded that did not meet applicable grade. Thus, item 19 b_1 was shown as 44 pounds (50 pounds in sample - 6 pounds excluded that do not meet applicable grade = 44) and 11 {10 onions excluded during sampling X 0.5 pound average (50/100) = 5 pounds + 6 pounds (graded-culls) (shown in 19 b_2) excluded that do not meet applicable grade = 11 total} pounds of excluded onions.

SAMPLE #2 contained 92 onions, with 12 onions (field-culled) (shown in 19 a_2) excluded that obviously would not meet applicable grade, with 80 onions remaining in the sample (shown in 19 a_1).

The 80 remaining onions were dried 7 days and weighed 40 pounds. The sample was graded with 5 pounds excluded. Thus, item 19 b_1 was shown as 35 pounds (40 pounds in sample - 5 pounds excluded that do not meet applicable grade = 35) and 11 {12 onions excluded during sampling X 0.5 pound average (40/80) = 6 pounds + 5 pounds (graded-culled) (shown in 19 b_2) excluded that do not meet applicable grade = 11 total} pounds of excluded onions.

SAMPLE #3 contained 101 onions, with 5 onions (field-culled) (shown in 19 a_2) excluded that obviously would not meet applicable grade, with 96 onions remaining in the sample (shown in 19 a_1).

The 96 remaining onions were dried 7 days and weighed 48 pounds The sample was graded with 8 pounds excluded. Thus, item 19 b_1 was shown as 40 pounds (48 pounds in sample - 8 pounds excluded that do not meet applicable grade = 40) and 10.5 {5 onions excluded during sampling X 0.5 pound average (48/96) = 2.5 pounds + 8 pounds (graded culled) (shown in 19 b_2) excluded that do not meet applicable grade = 10.5 total} pounds of excluded onions.

D. SETTLEMENT OF ONION CLAIMS IF MATURE STORAGE OR NON-STORAGE ONIONS CONTAIN SIGNIFICANT INTERNAL DAMAGE AND ARE REJECTED BECAUSE THEY DO NOT MEET THE APPLICABLE STANDARDS (Applicable standards are USDA Grade Standards for Onions, any applicable Marketing Orders or other standards contained in the Special Provisions)

(1) Unharvested Mature Onions

(a) Advise insureds that acreage with unharvested mature onions for which topping and lifting is not completed will be deemed to have been lost in the second stage if they:

1 Are damaged in excess of the applicable standards, and

2 Are not able to be separated into onion production and damaged onion production by the normal sorting process.

(b) Collect samples from unharvested acreage and allow the samples to dry for approximately 1 week.

(c) Clean the onions, simulating the normal cleaning processes.

(d) Take the samples to a licensed grader for grading.

(e) If after normal cleaning and grading the percent of damaged onions (usually due to internal defects) exceeds the applicable standards, count no production for that unit or portion of a unit unless the production is subsequently sold. Such damaged sold production to be counted will be adjusted by dividing the price received for the damaged onion production by the price election and multiplying the resulting factor times the hundredweight sold.

(2) Harvested Mature Onions

(a) Onion acreage that has been topped and lifted or dug is eligible for the final stage
*** guarantee.

NOTE: Any acreage of onions damaged in the first or second stage, to the extent that producers in the area would not normally further care for the onions, will be deemed to have been destroyed even though the insured may continue to care for the onions. The production guarantee for such acreage will not exceed the production guarantee for the stage in which the damage occurred. **(Not applicable when the Onion Crop Insurance Pilot Stage Removal Option is in effect.)**

(b) If production has not passed over the sort line in the pack shed, representative samples of the production should be run in the normal manner, including reruns if that is customary (without price consideration) to separate damaged onion production.

(c) If after normal cleaning and grading (without regard to (2)(b), above) the percent of damaged onions (usually due to internal defects) exceeds the applicable standards, count no production for that unit or portion of a unit unless the production is subsequently sold, in which case the damaged sold production to be counted will be adjusted by dividing the price received for the damaged onion production by the price election and multiplying the resulting factor times the hundredweight sold.

(d) Damage must be determined prior to shipping or storing. Sampling will not be performed on onions shipped or stored because damage percentages may increase over time and with additional handling.

7. APPRAISAL DEVIATIONS AND MODIFICATIONS

A. DEVIATIONS

Deviations in appraisal methods require FCIC written authorization (as described in the LAM) prior to implementation.

B. MODIFICATIONS

There are no pre-established modifications contained in this handbook. See the LAM for additional information.

8. APPRAISAL WORKSHEET ENTRIES AND COMPLETION PROCEDURES

A. GENERAL INFORMATION

(1) Include the insurance provider=s name in the appraisal worksheet title if not preprinted on the insurance provider=s worksheet or when a worksheet entry is not provided.

(2) Include the claim number on the appraisal worksheet (when required by the insurance Provider) when a worksheet entry is not provided.

(3) Separate appraisal worksheets are required for each unit appraised, and for each field or subfield which has a differing base (APH) yield or farming practice. Refer to **TABLE A** for sampling requirements.

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

B. WORKSHEET ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

Item No.	Information Required
	Company: Name of company, 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 that identifies EXACTLY the person (legal entity) to whom the policy is issued.
2.	**Policy Number:** Insured=s assigned policy number.
3.	**Unit Number:** Five-digit unit number from the Summary of Coverage after it is verified to be correct. (e.g., 00100).
4.	**Crop Year:** Crop year, as defined in the policy, for which the claim has been filed.
	PART I - PLANT COUNT METHOD (From Emergence to Maturity)
5A.	**Field ID:** Field identification symbol.
5B.	**Stage:** Enter the appropriate stage for damaged onions.
6.	**Acres:** Number of determined acres, to tenths, in field or sub-field being appraised.