



United States
Department of
Agriculture

Risk
Management
Agency

1400 Independence
Avenue, SW
Stop 0801
Washington, DC
20250-0801

BULLETIN NO: MGR-08-014

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Eldon Gould /s/ *Eldon Gould* 8/26/2008
Administrator

SUBJECT: Termination of the Fixed Dollar Cherry Pilot Crop Insurance Program

BACKGROUND:

The Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) approved a Dollar Amount of Insurance Cherry pilot crop insurance program effective crop year 1999 for selected counties in California, Montana, Oregon, and Washington. The program was expanded into Michigan and Utah in 2000 and converted to a Fixed Dollar Cherry pilot crop insurance program in 2001. In 2005, the Risk Management Agency (RMA) presented to the Board results from a contracted evaluation of the Fixed Dollar Cherry pilot crop insurance program. The Board resolved to continue the Fixed Dollar Cherry pilot crop insurance program only through the 2008 crop year, and instructed RMA to develop a potential alternative.

On April 24, 2008 the FCIC Board approved the implementation of an Actual Revenue History (ARH) pilot plan of insurance for cherries (ARH-Cherry pilot program) effective crop year 2009 and terminated the Fixed Dollar Cherry pilot crop insurance program. The ARH-Cherry pilot program will be implemented in selected counties in California, Idaho, Michigan, Montana, Oregon, Utah, and Washington.

ACTION:

The Fixed Dollar Cherry pilot crop insurance program is being terminated for the 2009 and subsequent crop years. To provide policyholders with an opportunity to review alternate risk management options, cancellation notices must be sent to all producers participating in this program at least 30 days prior to the cancellation date of November 20, 2008 in all states except for California, which has a cancellation date of January 31, 2009. If an approved insurance provider accepts an application or fails to timely cancel the Fixed Dollar Cherry pilot crop insurance policy for the 2009 crop year by November 20, 2008 (January 31, 2009 in California), no reinsurance will be provided.

Producers who participated in the Fixed Dollar Cherry pilot crop insurance program should be advised about the availability of coverage under the ARH Cherry pilot program. Please refer to Informational Memorandum: PM-08-038 dated August 4, 2008 for more information on the ARH-Cherry pilot program. This Memorandum can be found at:

<http://www.rma.usda.gov/bulletins/rd/>.

The Risk Management Agency Administers
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

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Producers who were previously eligible for the Fixed Dollar Cherry pilot crop insurance program may be eligible for the ARH-Cherry pilot program if they meet the requirements for coverage contained in that policy. The change of insurance plans will require that the producer complete a new application for coverage.

Catastrophic coverage is not available for the new ARH-Cherry pilot program. Therefore, coverage under the Noninsured Crop Disaster Assistance Program (NAP) will be available. Information can be found at the Farm Service Agency Website at:
<http://www.fsa.usda.gov>.

DISPOSAL DATE:

This bulletin may be disposed of after December 31, 2008.