



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

BULLETIN NO.: MGR-01-003

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Kenneth D. Ackerman /s/ Kenneth D. Ackerman 1/5/01
Administrator

SUBJECT: Grape Crop Provisions (053); Pierce's Disease and California Grapes

BACKGROUND:

Manager's Bulletin MGR-00-002 provided guidelines regarding Pierce's disease and administration of the Grape Crop Provisions (053) when the disease is present. This initial bulletin clarified that Pierce's disease is a covered cause of loss (section 10(c)(4)) and that coverage could not be purchased or increased for any grape variety grown on infected acreage or acreage contiguous to acreage where Pierce's disease was evident (section 7(c)).

As more research has been conducted on this disease, additional information has shown that Pierce's disease does not represent a significant risk unless it is found in combination with a certain insect, the glassy-winged sharpshooter (GWSS), which is a vector of the *Xylella fastidiosa* bacterium, the causal agent of Pierce's disease.

This bulletin is being provided to reflect this new information and replaces Manager's Bulletin MGR-00-002 effective with the 2001 crop year.

ACTION:

For the 2001 crop year, and for grapes insured in California under the Grape Crop Provisions (053) only:

1. Losses caused by Pierce's disease may be indemnified subject to the limitations of the policy. Prior to payment of any loss caused by Pierce's disease, the insurance provider should determine that recommended disease control measures were used. The measures used should be documented in the claim file. Any loss due to insufficient or improper application of disease control measures should not be paid.



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2. If Pierce’s disease was not evident on any of the producer’s acreage, regardless of variety, during the year preceding the sales closing date, the producer is eligible to purchase insurance or to increase the coverage level and/or price election for any variety.

3. If Pierce’s disease was evident on any of the producer’s acreage, regardless of variety, during the year preceding the sales closing date, and if the California Department of Food and Agriculture (CDFA) classifies any portion of the county in which the insured acreage is located as being GWSS infested, then the producer:
 - A. Is not eligible to increase the coverage level and/or price election for any variety grown on acreage where the disease was evident or on acreage that is contiguous to acreage where the disease was evident. For example, if variety A is grown on land contiguous to land on which the disease is evident, the producer could not increase coverage on any acreage of variety A.

 - B. Is eligible to increase the coverage level and/or price election for any variety grown only on acreage that is not contiguous to acreage where the disease was evident. For example, if variety B is grown only on a parcel of land noncontiguous to land on which variety A is grown and where the disease was evident, the producer could increase coverage for variety B.

 - C. In the case of new insureds the producer must indicate on a “Producer’s Pre-Acceptance Worksheet” the presence of Pierce’s disease that will or is likely to reduce production from previous levels. If the producer indicates the previous occurrence of such disease, the insurance provider should deny coverage for any grape variety grown on such acreage or acreage that is contiguous to acreage where the disease is evident.

4. As of the date of issuance of this Bulletin, the following California counties are classified by the CDFA as being partially or completely GWSS infested:

Butte	Sacramento
Contra Costa	Santa Barbara
Fresno	San Bernardino
Kern	San Diego
Los Angeles	Tulare
Orange	Ventura
Riverside	

5. In counties not classified by the CDFA as being partially or entirely GWSS infested and if there is no other evidence that GWSS's are present, the producer is eligible to purchase insurance or to increase the coverage level and/or price election for any variety, even if there is evidence of Pierce's disease on the producer's acreage during the year preceding the sales closing date. However, new or increased coverage will be allowed only if the producer has taken all appropriate phytosanitary measures, including the removal of diseased vines.

6. Note that when Pierce's disease is evident or vines are removed in a scattered pattern, the actual production history (APH) yields must be reduced in accordance with policy provisions and Crop Insurance Handbook (CIH) procedures to reflect the expected reduction in yield potential. When vines are removed from insured acreage in a block pattern, the reduced acreage should be reflected on the acreage report.

DISPOSAL:

This bulletin is for the purpose of transmitting/updating information and the disposal date is December 31, 2001.