

Report on Specialty Crop Insurance

U.S. Department of Agriculture
Risk Management Agency



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audio tape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

May 2004

Contents

PREFACE.....	iv
EXECUTIVE SUMMARY.....	v
DEFINITIONS.....	viii
FCIC PROGRESS IN RESEARCH AND DEVELOPMENT OF INNOVATIVE RISK MANAGEMENT PRODUCTS	
Background	1
Insurance Availability.....	1
Small- and Moderate-Size Farms	2
Section 508(h) Products	4
Pilot Program Development, 1995-2003	4
FY 2001 Research, Development, and Evaluation Projects.....	5
Pilot Crop Insurance Program Evaluations	9
FY 2002 Request for Applications (RFA) Projects	12
New Pilot Programs Beginning the 2002 Crop Year	13
Pilot Program Conversions and Expansions for the 2003 and 2004 Crop Years	14
Future Risk Management Program Development Plans.....	15
Measuring Progress	16
FCIC PROGRESS IN INCREASING THE USE OF RISK MANAGEMENT PRODUCTS OFFERED THROUGH THE CORPORATION	
Background	18
Risk Management Education (RME).....	19
Public Awareness	20
Community Outreach	22
Other Initiatives	22
Measuring Progress	22
APPENDIX TABLES AND FIGURES	
Table 1 - Current Status of Crops Identified in Section 10006 of the 2002 Farm Bill	27
Table 2 - RMA-Developed Pilot Program History, 1995-2003	28
Table 3 - Crops Insured Under 1998 Crop Insurance Programs	30
Table 4 - Crops Insured Under 1999 Crop Insurance Programs	31
Table 5 - Crops Insured Under 2000 Crop Insurance Programs	32
Table 6 - Crops Insured Under 2001 Crop Insurance Programs	33
Table 7 - Agricultural Commodities Insured Under 2002 Crop Insurance Programs	34
Table 8 - Agricultural Commodities Insured Under 2003 Crop Insurance Programs	35
Table 9 - Active Pilot Risk Management Programs for the 2003 Crop Year	36
Table 10 - Underserved States Insurance Liabilities, 1998-2002.....	37
Table 11 - Number of Policies With Earned Premium in Underserved States, 1998-2002	38
Table 12 - Specialty Crops Insurance Liabilities, 1998-2002	39
Table 13 - Specialty Crops Number of Insured Policies, 1998-2002	41
Figures 1-16 - Underserved States Insurance Liabilities, 1998-2002.....	43
Figures 17-32 - Number of Policies With Earned Premium in Underserved States, 1998-2002	47
Figures 33-82 - Specialty Crops Insurance Liabilities, 1998-2002	51
Figures 83-132 - Specialty Crops Number of Insured Policies, 1998-2002.....	58

Preface

Section 10006 of the *Farm Security and Rural Investment Act of 2002* (2002 Farm Bill) directs the Secretary of Agriculture to submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a *Report on Specialty Crop Insurance*. In accordance with the above provisions, this *Report on Specialty Crop Insurance* is hereby submitted.

This report demonstrates that the Risk Management Agency has made excellent progress in making crop insurance protection available to specialty crop growers. For example, during 1998-2002:

- The number of insurable crops increased 29 percent (see appendix table 3)
- The number of active policies increased 28 percent (see appendix table 13)
- The amount of coverage (liability) increased 98 percent (see appendix table 12)

In addition, a number of innovative pilot programs were developed that make insurance protection available for livestock and aquaculture producers. However, because these products are considered commodities and not crops, they fall outside the parameters of this report.

Executive Summary

This *Report on Specialty Crop Insurance* provides an overview of the progress made by the Federal Crop Insurance Corporation (FCIC) in research and development of innovative risk management products and the progress made by FCIC in increasing the use of FCIC's risk management products by producers of specialty crops, by small- and moderate-sized farms, and in areas that are underserved, as determined by the Secretary.

The Risk Management Agency (RMA) and its many partners have achieved significant progress in the research and development of innovative risk management products. Appendix 1 shows that 21 of the 31 crops named in section 10006 of the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) are currently insured, with 8 still in the pilot stage. Six of the remaining 10 named crops are at the forefront of FCIC's research and development priorities, with projects underway for fiscal year (FY) 2003. A seventh crop, eggplant, is currently covered under the Adjusted Gross Revenue (AGR) plan in certain States and is being considered as part of a study for small value crops, which will have a research report and feasibility study contracted for during FY 2004. RMA plans to assess the interest in a wild blueberry program before entering into a contract or partnership. The feasibility for the development of a carrot program was studied during FY 2001 and is not being recommended to proceed to the development stage because of insufficient producer interest. Mushrooms have not been moved higher on the priority list due to insufficient interest in a crop insurance program, which has been repeatedly communicated to RMA by the mushroom industry.

A cost of production (COP) insurance concept was researched and developed by AgriLogic, Inc., one of the contractors in the FCIC's research and development pool of contractors under an umbrella contract implemented in 2001. Cotton was the first of 12 crops to be researched and developed by AgriLogic under their contract task order. Specialty crops included in the 12 crops are almonds, apricots, cranberries, nectarines, onions, and peaches. On October 22, 2002, the FCIC Board of Directors (Board) tabled a docket that would have authorized implementation of a Cotton Cost of Production Pilot Crop-Revenue plan of insurance pending resolution of issues raised by expert reviewers, RMA, the USDA Office of the General Counsel, and the FCIC Board. RMA and the contractor attempted to resolve the Board's issues, and on July 1, 2003, the Board voted to send the revised COP program out for independent expert review. Based on these reviews, on October 9, 2003, the FCIC Board of Directors voted to disapprove the COP product because it was "unable to make a determination that the policy and associated materials, as submitted, complies with all applicable provisions of the Federal Crop Insurance Act..." The Board continues to search diligently for innovative risk protection products that meet the needs of farmers and ranchers that are actuarially appropriate and promote program integrity.

The Board also approved an AGR-Lite crop insurance program in Pennsylvania. This insurance plan allows farmers to insure a portion of their revenue from crops; animals such as chickens, dairy cows, hogs, and sheep; and animal products such as eggs, milk, meat, and wool. Under this insurance plan, producers can also cover revenue generated from the production and sale of any of the specialty crops listed in section 10006 of the 2002 Farm Bill. On August 1, 2003, the FCIC Board voted to

expand the availability of AGR-Lite to include most agricultural counties in Connecticut, Delaware, Maine, Maryland, West Virginia, New York, Massachusetts, New Hampshire, New Jersey, Rhode Island, and Vermont, for crops grown in 2004. On May 6, 2004, the Board voted to expand the availability of AGR-Lite to include most agricultural counties in Alaska, Idaho, Oregon, Washington, and North Carolina, for crops grown in 2005.

In addition to the projects listed above, research, development, and evaluation projects were awarded through contract or partnership agreements in FY 2001 and 2002 to develop various risk management tools for small- and moderate-sized farms and specialty crop producers. RMA and its public and private sector partners undertake a number of initiatives each year to increase the use of risk management products offered through FCIC. Two major initiatives that target specialty crop producers, underserved areas, and small/moderate-sized farms are risk management education and public awareness.

RMA established risk management education programs for specialty crop producers in a number of States during FY 2001 through partnership agreements with State departments of agriculture, universities, and grower organizations. The objective of these partnerships included survival in the agricultural market place, risk management opportunities for alternative crops, risk analysis and decision support skills to help producers manage risks inherent in agriculture, and other general agricultural risk management issues and opportunities.

For FY 2002, RMA expanded its educational efforts directed to specialty crop producers. The agency announced the availability of funds for risk management education partnerships, with a priority for programs reaching producers of commodities not currently covered by crop insurance, specialty crops, and underserved commodities. In response to this announcement, RMA received 101 applications requesting \$5.6 million to help RMA deliver risk management education to producers. An evaluation panel selected the 72 most meritorious proposals, and RMA used approximately \$3.7 million to fund these projects. Many of the funded partnerships specifically targeted specialty crop producers during FY 2002. Several of the projects build on the risk management education efforts for specialty crops from FY 2001.

A significant component of the risk management education initiative is RMA's website, which contains a vast amount of information about risk management programs and tools available to specialty crop producers. RMA's public website is located at <http://www.rma.usda.gov> and interested parties are encouraged to explore and utilize the available information.

Another risk management education initiative is to encourage wide participation and input from producers and other outside organizations that may be impacted by a program under consideration for feasibility or development. Most of the feasibility studies and development projects currently underway are for specialty crops. RMA seeks input through consultation memos sent to organizations and producers who will be impacted by the program under consideration. In addition, contractors and partners hold listening sessions with producers, producer groups, and insurance company representatives as a program is studied, when recommendations are developed, and when

alternatives are considered. RMA regional offices also serve as a local contact point for such activities to ensure that local issues, concerns, and differences are considered. With the new emphasis on research and development of programs through contracts and partnerships, producers and producer groups are encouraged to participate in listening sessions and other forums that provide the opportunity to become involved in the research and development process.

The following measurements are used to evaluate FCIC's progress in increasing the use of risk management products by producers of specialty crops, and in areas that are underserved:

- C Insurance Liabilities in States determined to be underserved (see appendix table 10 and appendix figs. 1-16)
All but one underserved State had increases in insurance liability (coverage) during 1998-2002. The total liability for all 15 underserved States increased 91 percent during 1998-2002, from \$477 million to \$909 million.
- C Number of Insured Policies in States determined to be underserved (see appendix table 11 and appendix figs. 17-32)
All 15 underserved States had increases in the number of insured policies with earned premium from 1998 to 2002. The total number of policies in the 15 underserved States increased 64 percent during 1998-2002, from 17,272 to 28,389.
- C Insurance Liabilities for Specialty Crops (see appendix table 12 and appendix figs. 33-82)
Of the 46 specialty crops listed in appendix table 12, insurance liability (coverage) increased during 1998-2002 for 43 crops. Insurance liabilities for the 46 specialty crops increased 98 percent during 1998-2002, from \$4.358 billion to \$8.643 billion.
- C Number of Insured Policies for Specialty Crops (see appendix table 13 and appendix figs. 83-132)
Of the 46 specialty crops listed in appendix table 13, the number of insured policies with earned premium increased during 1998-2002 for 34 crops. The 46 specialty crops in total increased 28 percent during 1998-2002, from 58,139 to 74,504 policies.

The FCIC has made significant progress in research and development of innovative risk management products and in increasing the use of risk management products offered through FCIC to producers of specialty crops, to small- and moderate-sized farms, and to areas that are underserved.

Definitions

Small- and Moderate-Sized Farms - Farms earning less than \$250,000 gross income per year.

Specialty Crops - For the purpose of this report, specialty crop means any agricultural crop, except wheat, feed grains, oilseeds, cotton, rice, peanuts, and tobacco.

Underserved Agricultural Commodities - Agricultural commodities (as defined in section 518 of the Act) for which no Federal crop insurance programs are available.

Underserved Areas - Underserved areas are geographic areas within the United States where there is traditionally, and continues to be, a low level of Federal crop insurance participation and availability. Underserved areas may be determined without regard to whether such areas are located within underserved States.

Underserved States - RMA has designated 15 States, as determined by the Secretary, for education and risk management assistance purposes in section 524 of the Act. In addition to those other States specified by RMA, the same 15 States listed below are also considered underserved States for research and development purposes under section 522 of the Act. Twelve of the designated underserved States are contiguously located in the Northeastern United States, and the remaining three States are contiguously located in the Western United States. Others may be located around the country, depending on whether the crops produced in the States are adequately covered by insurance.

The 15 designated States for the purpose of section 524 of the Act are:

Connecticut	Nevada	Rhode Island
Delaware	New Hampshire	Utah
Maine	New Jersey	Vermont
Maryland	New York	West Virginia
Massachusetts	Pennsylvania	Wyoming

FCIC Progress in Research and Development of Innovative Risk Management Products for Producers of Specialty Crops

Background

The Agricultural Risk Protection Act of 2000 (ARPA) was enacted (1) to strengthen the safety net for agricultural producers by providing greater access to more affordable risk management tools and improved protection from production and income loss, (2) to improve the efficiency and integrity of the Federal crop insurance program, and (3) for other purposes.

Sections 131 and 132 of ARPA significantly changed the way the Risk Management Agency (RMA) develops new risk management programs. Section 131 amended the Federal Crop Insurance Act (Act) by adding research and development provisions as section 522 and pilot program provisions as section 523 of the Act. The new provisions in section 522 of the Act prohibited the research and development of any new policies by the Federal Crop Insurance Corporation (FCIC) for an agricultural commodity offered under the title and authorized funding for FCIC to enter into contracts and partnerships for research and development of new risk management programs.

Section 522(b) of the Act provided for the reimbursement of research, development, and maintenance costs directly related to a policy, plan of insurance, provision of a policy or plan of insurance, and related materials that (1) are submitted to and approved by the FCIC Board under section 508(h) of the Act for reinsurance, and (2) the Board approves such reimbursement.

The current status of FCIC's progress in research and development of innovative risk management products for specialty crop producers is described in the sections that follow.

Insurance Availability

In crop year 2003, crop insurance is available for 62 specialty crops. The State where crop insurance is available depends on the specialty crop. Insurance is available in the primary growing areas for these crops. If the specialty crop is not a pilot program crop, producers in areas for which actuarial documents are not available may apply for insurance coverage through a written agreement.

Nursery crop insurance, for example, is available in 50 States and 3,087 counties.

Following is a list of specialty crops from appendix table 12 and the number of States and counties where insurance is available:

<u>Crop</u>	<u>States</u>	<u>Counties</u>	<u>Crop</u>	<u>States</u>	<u>Counties</u>
	Number			Number	
Almonds	1	16	Green peas	13	150
Apples	32	349	Macadamia nuts	1	3
Avocados	2	7	Macadamia trees	1	3
Avocado/mango trees	1	1	Millet	3	55
Blueberries	9	32	Mint	4	9
Cabbage	15	27	Mustard	1	19
Canola/Rapeseed	8	146	Navel oranges (CA dollar)	1	4
Cherry	6	21	Nursery	50	3,087
Chili peppers	2	3	Onions	8	61
Citrus	4	46	Peaches	26	258
Citrus trees (Texas)	1	3	Pears	2	17
Crambe	1	7	Peppers	1	13
Cranberries	6	30	Plums	1	7
Cultivated wild rice	2	10	Potatoes	39	325
Dry beans	20	287	Raspberries/blackberries	3	7
Dry peas	6	97	Stonefruit	1	18
Figs	1	4	Strawberries	4	21
Florida fruit trees	1	28	Sweet corn for canning	11	170
Fresh market beans	3	5	Sweet potatoes	5	8
Fresh market sweet corn	13	213	Table grapes	2	12
Fresh market tomatoes	6	33	Tomatoes for canning	10	88
Grapes	13	91	Walnuts	1	26
Green beans for canning	17	32	Winter squash	6	18

Small- and Moderate-Size Farms

A partnership agreement called *Research of Labor Issues and Development of Labor Cooperatives as Operational Risk Management Tools for Limited Resource and Small Family Farms in Mississippi and Florida* was awarded in FY 2002 that specifically targets small- and moderate-size farms. This partnership is designed to establish two agricultural cooperatives to demonstrate to farmers how to utilize cooperatives as risk management tools.

Adjusted Gross Revenue (AGR) Insurance Pilot Program Expansion - The AGR program was expanded to eight counties each in California and Pennsylvania for 2003 and succeeding insurance years. The AGR pilot program, which was significantly modified in 2001, will now be available in 18 States and 230 counties. AGR protects the revenue derived from the sale of various agricultural commodities under one policy, and includes crops for which a Federal crop insurance program is not available. AGR coverage is calculated by multiplying the approved adjusted gross revenue by the coverage level and then multiplying the lost revenue by the payment rate selected by the producer. The coverage level determines when indemnity payments begin. The payment rate determines how much the producer will be paid for each dollar lost under the coverage level. AGR participation in crop year 2002 included 752 policies earning premium in 14 States.

AGR-Lite - The Board approved AGR-Lite on October 22, 2002. AGR-Lite is an insurance plan that allows producers to insure a portion of the revenue they make from crops; animals such as chickens, dairy cows, hogs, and sheep; and animal products such as eggs, milk, meat, and wool. Under this plan, producers can also cover revenue generated from specialty crops.

Section 508(h) Products

An innovative risk management product for specialty crop producers, small- and moderate-size farms, and underserved areas submitted to and approved by the FCIC Board under the provisions of section 508(h) is described below. These products are often referred to as "508(h) products" due to their enabling legislation reference.

The AGR-Lite pilot was developed by the State Department of Agriculture for the Commonwealth of Pennsylvania. The pilot program was initially available in all counties in Pennsylvania except Philadelphia County. On August 1, 2003, the FCIC Board expanded the availability of AGR-Lite to include most agricultural counties in Connecticut, Delaware, Maine, Maryland, New York, West Virginia, Massachusetts, New Hampshire, New Jersey, Rhode Island, and Vermont for crops grown in 2004.

Under this plan, the revenue from all commodities, including byproducts such as milk, can be protected with one insurance policy. Eligible producers can purchase coverage levels of 65-, 75-, or 80-percent of their 5-year revenue history, or current year's expected farm income, whichever is lower. Total coverage for each policy (liability) is limited to \$250,000. Coverage for AGR and AGR-lite are calculated the same way, by multiplying the approved adjusted gross revenue by the coverage level, and then multiplying the lost revenue by the payment rate selected by the producer. The coverage level determines when indemnity payments begin. The payment rate determines how much the producer will be paid for each dollar lost under the coverage level.

Pilot Program Development, 1995-2003

Appendix table 2 shows the development and expansion of new pilot risk management programs by FCIC or the RMA and their public and private sector partners for the 1995-2003 crop years. As indicated in the table, this listing does not include products submitted and approved under the provisions of section 508(h) of the Act. New program development was encouraged under the provisions of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994. Appendix table 2 shows increasing numbers of new programs being developed and expanded for specialty crops during the 1995-2003 crop years. A number of factors contributed to the significant progress during this period; however, two major factors were (1) the agency's increased emphasis on new program research and development, and (2) lessons learned and refinement in the research and development process, including leveraging the resources of RMA field offices and the private sector through their participation and leadership on new program development teams.

As indicated in the introduction of appendix table 2, pilot programs are limited in scope and used to test new risk management products before they become permanent programs through the regulatory

process. As a general rule, expansion of a pilot program during the pilot period is considered only if such expansion will provide different program experience (such as different crop types or practices) than may be gained from the original pilot program. After sufficient testing of the pilot program, including any modifications made as a result of the test, successful pilot programs may be approved by the FCIC Board and converted to permanent program status. At that time, the scope of the program may be expanded to additional States and counties, insurance types, crop varieties, or the like.

When the program is converted to permanent program status through the regulatory process, producers in areas for which actuarial documents are not available may apply for insurance coverage through a written agreement. This opportunity to insure through a written agreement in counties that are not designated for insurance is not an available alternative for pilot programs because the pilot programs are new and limited in scope. The number of years required for a program to graduate from pilot to permanent status varies, depending upon a number of factors. Some of the major factors are: producer participation levels, actuarial soundness of the program, FCIC's overall experience with the insurance plan or model utilized, credibility of the experience database, modifications required and tested during the pilot period, and competing priorities for limited human and financial resources in the agency.

Appendix tables 3-8 show the crops insured under 1998-2003 crop insurance programs, with specialty crops in bold. These tables show products developed by RMA-led teams as well as those submitted to RMA and approved under section 508(h) of the Act.

Appendix table 9 shows the active pilot risk management programs in effect for the 2003 crop year. Specialty crops are shown in bold along with the year they were introduced. The pilot period is normally 4 years, with the fifth year being an evaluation year for the crop. The evaluation is to determine whether the crop should be continued as a pilot, modified, terminated, or converted to a permanent program.

FY 2001 Research, Development, and Evaluation Projects

Project name/Contractor/Status:

- *Biomass Feasibility Study* (National Crop Insurance Service) - The purpose of this project, awarded to National Crop Insurance Services on September 16, 2002, is to conduct a feasibility study of the potential to develop risk management programs for the producers of biomass. If this project is feasible, it is designed to increase producer participation by developing an alternative innovative risk management program for existing crops. Potatoes are included in this feasibility study. Work is continuing on this project.
- *Changes to the Pilot Fresh Market Snap Bean Crop Insurance Program* (internal) - The purpose of this project was to obtain input from fresh market snap bean producers and producer groups in the pilot program States to address issues and concerns raised by growers about how the program operates. Changes implemented for the 2002 crop year include:
 - Adding stage guarantee language for loss adjustment consistent with other Dollar Plans of insurance. The stage guarantee compensates the producer for crop losses based on the crop's stage of development as determined by the number of days after

- planting;
- Adding new requirements to insurable acreage. The new requirements allow the insured the option to replant the damaged acreage and collect a replanting payment, or not to replant and receive an indemnity based on the stage of growth the plant attained at the time of damage;
- Removing the spring planting period for Florida and modifying language to accommodate planting period differences among Florida, North Carolina, and Virginia;
- Adding replanting payment provisions to allow for replanting payments in accordance with section 13 of the Common Crop Insurance Policy Basic Provisions; and
- Modifying the minimum value option provisions to allow for modifications to the minimum values in the Special Provisions of Insurance documents.

The Miami-Dade County program in Florida makes up approximately 87 percent of acreage in the pilot program. Policies sold increased by approximately 20 percent each year from 2000 through 2002. Net acreage insured increased approximately 64 percent for the 2002 crop year.

- *Cut Flower Research Report* (National Crop Insurance Services) - The purpose of this project was to research the best techniques for insuring cut flowers and cut cultivated floral greens. The final research report for this project was accepted September 10, 2002. RMA decided not to proceed with the development of a cut flowers and cut foliage crop insurance program because of insufficient actuarial data and a lack of interest by the cut flower and cut foliage growers.
- *Direct Marketing of Perishable Crops* (TKC Communications, Inc.) - The purpose of this project is to conduct a feasibility study and identify the risks faced by producers of crops marketed directly to consumers and to assess the potential economic impact of providing a new crop insurance policy for direct market producers. An FY 2002 GovWorks contract was awarded. Most directly marketed crops are specialty crops. Completion of this project is scheduled for August 2004.
- *Dry Bean Appraisals - Beans per Plant by Variety* (Watts and Associates) - The purpose of this project is to study possibilities for improving dry bean appraisals for use in the crop insurance program. A contract was awarded through GovWorks in October 2002. Work is continuing on this project.
- *Expanding Crop Insurance Coverage to Include Federal Agency Actions* (ERS) - The purpose of this project is to study the feasibility of expanding eligibility for crop insurance under the Act and noninsured crop assistance under the Federal Agriculture Improvement and Reform (FAIR) Act to agricultural producers experiencing disaster conditions caused primarily by Federal agency action restricting access to irrigation water, including any lack of access to an adequate supply of water caused by failure by the Secretary of the Interior to fulfill a contract in accordance with the Central Valley Project Improvement Act. RMA entered into an agreement with ERS on August 14, 2002, to conduct this study. Phase I of the study was completed in May 2003. This project has three phases and is scheduled for

completion in September 2005.

- *Fresh Vegetables - Research Report* (AgriLogic, Inc.) - The purpose of this project was to perform research and develop a risk management strategy to provide coverage for asparagus, broccoli, carrots, cauliflower, celery, garlic, globe artichoke, head lettuce, leaf lettuce, romaine lettuce, and spinach. During the course of the research project, the contractor determined that any subsequent development project should be expanded beyond fresh vegetables to include processed vegetables. The research report is completed and RMA is proceeding with a vegetable program development project, awarded September 30, 2003, for the following vegetables: asparagus, broccoli, celery, head lettuce, leaf lettuce, romaine lettuce, and spinach. Carrots, garlic, and globe artichokes are not included in the development project because the producers were not interested in a crop insurance program.
- *Feasibility of Revenue Coverage Plans That Maximize Producer Revenue - Research Report* (Watts and Associates) - The purpose of this project was to investigate opportunities for new and improved revenue coverage plans. A contract was awarded in FY 2003 to proceed with the development of new revenue plans of insurance for the following specialty crops: apples, avocados, dry beans, dry peas, maple syrup, oranges, and grapefruits.
- *Hawaii Tropical Fruits and Trees - Research Report* (AgriLogic, Inc.) - The purpose of this project was to conduct research and identify a risk management strategy for the following crops: bananas, coffee, guavas, papaya, pineapples, mango, lychee, rambutan, and atemoya (moya). The feasibility study was completed and a program development contract was awarded on September 26, 2002. The program development project is limited to yield, future crop value, and tree rehabilitation and replacement coverage for coffee, banana, and papaya; and tree rehabilitation and replacement coverage for specialty trees (guava, mango, lychee, rambutan, and atemoya). The project is scheduled for completion in 2004.
- *Hawaii Tropical Fruits and Trees Pilot Program Development* (AgriLogic, Inc.) - This project follows research conducted as a result of a project awarded during FY 2001. The project was awarded to AgriLogic in September 2002. The program development project is limited to yield, future crop value, and tree rehabilitation and replacement coverage for coffee, banana, and papaya; and tree rehabilitation and replacement coverage for specialty trees (guava, mango, lychee, rambutan, and atemoya). Completion of this project is scheduled for the second quarter of FY 2004.
- *Lawn Seed Pilot Program Feasibility Study* (Promar International) - The purpose of this project is to conduct research and provide RMA a report on the feasibility of a pilot program to provide lawn seed producers a risk management tool to address their needs. A contract was awarded through GovWorks for FY 2002. Work is continuing on this project and is scheduled for completion by June 2004.
- *Multiple Year Coverage - Research Report* (Watts and Associates) - The purpose of this project was to determine if a multi-year policy would reduce fraud, waste, and abuse of crop insurance in certain geographic areas. The project promotes the purpose of section 522(c)(7) of the Act requiring the FCIC to contract with a qualified person to determine whether

offering policies that provide coverage for multiple years would reduce fraud, waste, and abuse by participants in the Federal crop insurance program. The feasibility study is completed. The development project will be referred to as Preferred Producer Discount Pilot Risk Management Program and will include the specialty crop sweetpotatoes.

- *Nursery Program Plant List Research, Updating, and Revisions* (DataScape, LLC) - The purpose of these projects was to update and expand the nursery eligible plant list for the 2003 crop year, to review and revise winter storage requirements as needed, to address other nursery issues, and to update and enhance the nursery program software operating system. This project added new plants to the insurance plant list and also revised the hardiness zones to meet the needs of the growers of nursery crops. RMA updated the nursery program beginning with the 2003 crop year, including updating the software from a 16-bit to a 32-bit application to improve efficiency.
- *Nursery Program Plant List Research, Updating, and Revisions* (DataScape, LLC) - The purpose of these projects is to update and expand the nursery eligible plant list for the 2004 crop year, to review and revise winter storage requirements as needed, and to address other nursery issues. The contractor is currently entering plant and wholesale price data into the Eligible Plant List database. This project assists specialty crop producers by updating and adding new plants to the insurance plant list, and also revising the hardiness zones to meet the needs of nursery growers.
- *Perennial Pathogen Research Report* (AgriLogic, Inc.) - The purpose of this project was to research the potential to develop a risk management strategy for tree, vine, and bush crop growers that are subject to perennial crop pathogens. The research for this project is completed and RMA is using the information developed under this task order to identify a risk management strategy for covering disease.
- *Quarantine Research and Program Design Report* (AgriLogic, Inc.) - The purpose of this project was to research the potential to develop a risk management tool for producers of crops subject to quarantine regulations. Any quarantine risk management program will address underserved specialty crops that are neither currently insurable under the Federal crop insurance program nor generally insurable in the private sector, and will expand coverage for some crops, including specialty crops, currently insured but unprotected from quarantine risk. AgriLogic presented their findings and recommendations to senior RMA Research and Development staff in Kansas City on August 8, 2002. A contract was awarded on September 29, 2003, for the development of a quarantine risk management program. The specialty crop citrus and avocado will be covered as well as specialty crops in 10 counties in California.
- *Research and Development of a Cost of Production (COP) Insurance Program for Soybeans, Corn, Cotton, Wheat, Rice, Almonds, Peaches, Cranberries, Apricots, Nectarines, Onions, and Sugarcane* (AgriLogic, Inc.) - The purpose of this project is to research and deliver components of cost-of-production based revenue insurance programs for the 12 specified crops in select areas. On October 22, 2002, the FCIC Board tabled a docket that would have authorized implementation of a Cotton Cost of Production (COP) Pilot Crop-

Revenue plan of insurance pending resolution of issues raised by expert reviewers, RMA, Office of the General Counsel, and the FCIC Board. At the May 7, 2003, FCIC Board meeting, RMA updated the Board on the status of COP. The Board was informed that the contractor was making changes to address the concerns of the expert reviewers, RMA, and the Board. The revised COP Board Package was presented at the July 1, 2003, FCIC Board teleconference. The Board approved the request to forward the package on to the expert reviewers for a second evaluation.

Based on these reviews, the FCIC Board of Directors voted to disapprove the COP product on October 9, 2003, because it was “unable to make a determination that the policy and associated materials, as submitted, complies with all applicable provisions of the Federal Crop Insurance Act...” The Board continues to search diligently for innovative risk protection products that meet the needs of farmers and ranchers that are actuarially appropriate and promote program integrity.

- *Risk Management Stabilization Accounts - Feasibility Study (ERS)* - The purpose of this project is to conduct research and provide RMA a research report on the feasibility of a program to provide producers risk management stabilization accounts to enable them to manage or mitigate production or income losses, with priority consideration for producers growing agricultural commodities for which no Federal crop insurance program is available. This project was awarded to ERS late in FY 2002. ERS representatives met with RMA representatives on September 20, 2002, to discuss issues and approaches for this research. Work is continuing on this project and is scheduled for completion in September 2004.
- *Tree, Vine, and Bush Replacement Program Feasibility Study (AgriLogic, Inc.)* - The purpose of this project is to conduct research and provide RMA a research report on the potential research and development of a tree, vine, and bush replacement program as an option for growers of grapes, citrus, tree fruit, nut, kiwi, blueberries, and other high-value permanent crops. This task order was awarded to AgriLogic on September 26, 2002, with a scheduled completion date of February 2004.

Pilot Crop Insurance Program Evaluations

The purpose of the following projects is to conduct evaluations on pilot crop insurance programs. RMA will then use this information and the recommendations to determine whether to modify the programs, convert the programs to permanent program status, or take other appropriate actions based on the results of each evaluation and subsequent report. If the program is converted from pilot program to permanent status, the scope of the program may be expanded to additional States and counties, insurance types, and crop varieties. These projects address the objective in ARPA of increasing participation for underserved commodities by expanding the scope of the program where no program currently exists.

Project name/Contractor/Status:

- *Cherry Evaluation* - A contract was awarded to AgriLogic, Inc., in March 2003.
- *Florida Fruit Tree (and Avocado/Mango Tree) Pilot Research and Modifications* - This task order was awarded to AgriLogic in September 2002. Work is continuing on this evaluation and is scheduled for completion in June 2004.
- *Pecans (Evaluation report from previous year's evaluation)* - This internal evaluation is complete. On September 19, 2002, the FCIC Board approved expansion into 79 additional counties in Georgia for the 2003 crop year and conversion of the pilot program to permanent status as soon as the regulatory process to convert the pilot program is complete.
- *Squash and Pumpkin Evaluation* - A contract was awarded to Agrilogic, Inc., in March 2003.
- *Sweetpotato (evaluation report from previous year's evaluation)* - A contract was awarded to Watts and Associates in March 2003.
- *Wild Rice Evaluation* - A contract was awarded to Watts and Associates in March 2003.

Projects awarded through other vehicles - Following is a listing and status of research and development projects for specialty crops funded since FY 2001 awarded through contract or partnership vehicles other than the Base R&D Contract Pool.

Project name/Contractor/Status:

- *Assess the Demand for Specific Weather Peril Insurance* (University of Georgia) - The purpose of this project is to research the feasibility of developing a general class of insurance products to protect against specific weather risks such as high or low precipitation or temperature. If feasible, developing this type of program would provide protection for all crops, including specialty crops. Work is continuing on this project.
- *Avocado Pilot Rating Evaluation and Analysis* (GovWorks/Signal) - The purpose of this project is to evaluate a pilot crop insurance program as required under section 523(a)(5)(A) and (B) of the Act as amended by ARPA. The evaluation process is one of the key steps in the research and development process for a specialty crop pilot program. RMA will then determine disposition of the pilot program for the future.
- *California Crop Insurance Utilization* (University of California) - The purpose of this project is to identify the potential market for specialty crop insurance and provide the data to evaluate options for new or modified insurance programs to meet the needs of specialty crop producers. Through this partnership with researchers at the University of California, Davis, specialty crop producers were contacted to determine how crop insurance programs could be designed to better meet their needs. The results of the survey are being analyzed and a final presentation to RMA is expected in FY 2004.

- *Florida Specialty Crops Survey* (University of Florida) - The purpose of this project is to identify the potential market for specialty crop insurance and provide the data to evaluate options for new or modified insurance programs to meet the needs of specialty crop producers. Through this partnership with researchers at the University of Florida, specialty crop producers were contacted to determine how crop insurance programs could be designed to better meet their needs. The results of the survey are being analyzed and a final presentation to RMA is expected in FY 2004.
- *Forecasting the Occurrence of Potato Late Blight* (University of Idaho) - The purpose of this project is to develop a Potato Late Blight forecasting model for potatoes. Weather stations were calibrated in March and April 2002, and deployed in nine commercial potato fields and one research plot location. Research plots were established at Bonners Ferry and Aberdeen, ID, and researchers are in the process of creating the predictive model, performing fungicide tests, and scouting fields.
- *Investigation of Producers' Management of Storage Problems for Onions* (University of Idaho) - The purpose of this project is to research how producers can minimize losses to stored onions. Work is continuing on this project and is scheduled for completion in May 2005.
- *New York Specialty Crops Survey* (Cornell University) - The purpose of this project is to identify the potential market for specialty crop insurance and provide the data necessary to evaluate options for new or modified insurance programs to meet the needs of specialty crop producers. Through this partnership with researchers at Cornell University, specialty crop producers were contacted to determine how crop insurance programs could be designed to better meet their needs. The results of the survey are being analyzed and a final presentation to RMA is expected in FY 2004.
- *Organics Study* (USDA, ERS) - The purpose of this project is to study and provide recommendations on yields, risks, and related issues regarding crops grown for organic crops including specialty crops, dry beans, dry peas, lettuce, tomatoes, apples, grapes, and citrus. Work continues on this project.
- *Pecan Pilot Evaluation Feedback and Issues Report* (GovWorks/Signal/North Carolina A&T) - The purpose of this project was to evaluate the pecan pilot crop insurance program, as required under section 523(a)(5)(A) and (B) of the Act, as amended by ARPA. The evaluation process is one of the key steps in the research and development process. Both the project and the final evaluation of this pilot program are complete. On September 19, 2002, the FCIC Board approved expansion into 79 additional counties in Georgia for the 2003 crop year and conversion of the pilot program to permanent status as soon as the regulatory process to convert the pilot program is complete.
- *Pennsylvania Specialty Crops Survey* (Penn State University) - The purpose of this project is to identify the potential market for specialty crop insurance and provide the data necessary to evaluate options for new or modified insurance programs to meet the needs of specialty crop

producers. Through this partnership with researchers at Penn State University, specialty crop producers were contacted to determine how crop insurance programs could be designed to better meet their needs. The results of the survey are being analyzed and a final presentation to RMA is expected in FY 2004.

- *Product Portfolio Study* - In their September 19, 2002 meeting, the FCIC Board authorized the FCIC Manager to take such action as necessary to enter into and execute contracts with certain expert reviewers to review FCIC's product portfolio. The objective of this review is to assist RMA and the FCIC Board in the design and implementation of a comprehensive review of the existing and anticipated FCIC product portfolio to help the Board ensure that:
 - Producers' needs are being adequately and appropriately addressed;
 - FCIC and insurance company involvement in the assumption of risks for such products meets overall program objectives, guidelines, and legal requirements; and
 - The pattern and pace of future product development is managed in a strategic framework that reflects public policy priorities expressed by Congress and the Secretary of Agriculture, producer needs, and agency and delivery system resource constraints.

The expert reviewers completed the study on May 31, 2003, and the results of that study are currently being examined and reviewed by the Board and RMA.

- *Production Input Expenditures Study for Existing RMA Policies* (University of California) - The purpose of this project is to develop a methodology for determining and updating production input expenditure data for certain crops, particularly specialty crops, to facilitate the research and development of new and modified risk management products for producers, and to update crop budget information for current Dollar Plan specialty crops. This information will help the specialty crop producers developing new risk management programs for insurance and by providing updated data on which indemnities are calculated. The study was scheduled for completion in August 2003 and is currently being evaluated.
- *Sweetpotato Pilot Evaluation Feedback and Issues Report* (GovWorks/North Carolina A&T) - The purpose of this project is to evaluate a pilot crop insurance program as required under section 523(a)(5)(A) and (B) of the Act as amended by ARPA. The evaluation process is one of the key steps in the research and development process. The project was scheduled for completion by the end of 2003 and is currently being evaluated.

FY 2002 Requests for Applications (RFA) Projects

Project name/Contractor/Description:

- *Organic Comparative Analysis Tool (OCAT)* (Georgia Organics, Inc.) - Compare and contrast direct marketing strategies for organic producers and develop a tool that can be used to select the best strategy in production areas to reduce income variation.

- *Reduce Exposure to Drought Risk in Potato Production Systems* (University of Idaho) - Develop a web-based software tool that can be used by potato growers, water managers, and risk management personnel to reduce exposure to drought risk in potato cropping systems.
- *Risk Reduction for Specialty Crops in the Southeastern U.S.* (University of Florida) – Develop decision aids and tools to assess climate-related economic risks in peanut and tomato production systems, and reduce fertilizer use and environmental exposure in potato crops.
- *Risk Management for Fruit Crops Through Prediction of Frost Conditions* (University of Georgia Research Foundation, Inc.) - Develop a risk management system based on an Artificial Neural Network designed to utilize short-term weather data to predict frost and reduce risk for horticultural crop producers, especially fruit crops, in the Southeastern United States.

New Pilot Programs Beginning the 2002 Crop Year

Beginning with the 2002 crop year, RMA implemented a Pilot Raspberry/Blackberry Crop Insurance program and a Pilot Forage Seed (Alfalfa) Crop Insurance program. The following program participation information was taken from RMA's weekly Summary of Business report as of September 30, 2002. Current information on the participation by producers in these and other programs can be obtained from the RMA website under Participation Data.

The Pilot Raspberry/Blackberry Crop Insurance program was initiated in the following seven counties in California, Oregon, and Washington:

- C California - Monterey and Santa Cruz Counties;
- C Oregon - Clackamas, Marion, and Multnomah Counties;
- C Washington - Clark and Cowlitz Counties.

Pilot Raspberry/Blackberry Crop Insurance program participation (2002 crop year):

Policies Sold	Policies Earning Premium	Units Earning Premium	Net Acres Insured	Liability	Premium	Loss Ratio
27	25	27	1,710	\$1,094,225	\$75,940	0.00

The Pilot Forage Seed (Alfalfa) Crop Insurance program was initiated in the following 10 counties in California, Idaho, Montana, Nevada, Oregon, Washington, and Wyoming:

- C California - Kings County;
- C Idaho - Owyhee County;
- C Montana - Big Horn County;
- C Nevada - Humboldt and Pershing Counties;
- C Oregon - Malheur County;
- C Washington - Grant and Walla Walla Counties;
- C Wyoming - Big Horn and Park Counties.

Pilot Forage Seed (Alfalfa) Crop Insurance program participation (2002 crop year):

Policies Sold	Policies Earning Premium	Units Earning Premium	Net Acres Insured	Liability	Premium	Loss Ratio
106	62	172	10,394	\$5,174,196	\$385,589	0.00

Pilot Program Conversions and Expansions for the 2003 and 2004 Crop Years

Conversion and Expansion of the Pilot Millet Crop Insurance Program - The final rule was published in 7 CFR part 457, on January 23, 2002. Beginning with the 2003 crop year, the Pilot Millet Crop Insurance Program is being converted to permanent program status and expanded from 5 counties to 55 counties in Colorado, Nebraska, North Dakota, and South Dakota.

The five original counties for the pilot program were Logan County, Colorado; Cheyenne and Deuel Counties, Nebraska; Dickey County, North Dakota; and Bennett County, South Dakota.

The 50 expansion counties for millet are:

Colorado: Adams, Arapahoe, Cheyenne, Denver, Elbert, Kiowa, Kit Carson, Lincoln, Morgan, Phillips, Sedgwick, Washington, Weld, and Yuma Counties;

Nebraska: Banner, Box Butte, Chase, Dawes, Garden, Keith, Kimball, Morrill, Perkins, Scotts Bluff, and Sheridan Counties;

North Dakota: Sargent County; and

South Dakota: Beadle, Corson, Day, Dewey, Faulk, Gregory, Haakon, Hand, Hughes, Hyde, Jackson, Jones, Lyman, Meade, Mellette, Pennington, Perkins, Shannon, Spink, Stanley, Sully, Todd, Tripp, and Ziebach Counties.

With conversion of the pilot program to permanent program status, producers in the above 55 counties will be able to insure their millet crop under the Millet Crop Insurance program through the actuarial documents being made available for their county, provided the producers meet the policy eligibility requirements. Producers in counties other than the 55 insurable counties may be able to insure their crop through a written agreement as a result of the permanent program status, provided the policy eligibility requirements are met.

Continuation and Conversion of the Pilot Blueberry Crop Insurance Program - On February 7, 2002, the FCIC Board voted to continue the Pilot Blueberry Crop Insurance program through the 2003 crop year and to convert the program to permanent status beginning with the 2004 crop year. When the pilot program is converted to permanent status, producers in counties without a program in place may be able to insure their crop through a written agreement, provided the policy eligibility requirements are met.

Expansion and Conversion of the Pecan Revenue Pilot Program - A Pecan Revenue Pilot program has been available in Dougherty, Lee, and Mitchell counties, in Georgia since 1998, with 102 policies in force and over \$7.9 million in liability in 2001. The program was evaluated during FY 2001 and 2002. On September 19, 2002, RMA provided a copy of the pilot program evaluation to the FCIC Board at their meeting in Kansas City, MO. The FCIC Board approved conversion of the pilot program to permanent status for the 2004 crop year in that meeting. Based on that decision, the FCIC Board then approved expansion of the pilot program into 79 additional counties in Georgia for the 2003 crop year. When the pilot program is converted to permanent status, producers in counties without a program in place may be able to insure their crop through a written agreement, provided the policy eligibility requirements are met.

The expansion counties for pecans in Georgia are Appling, Atkinson, Bacon, Baker, Baldwin, Ben Hill, Berrien, Bibb, Bleckley, Brantly, Brooks, Bulloch, Burke, Calhoun, Camden, Candler, Clinch, Coffee, Colquitt, Cook, Crawford, Crisp, Decatur, Dodge, Dooly, Early, Emanuel, Evans, Grady, Hancock, Houston, Irwin, Jasper, Jeff Davis, Jefferson, Jenkins, Johnson, Lamar, Lanier, Laurens, Lowndes, McDuffie, Macon, Marion, Meriwether, Miller, Montgomery, Peach, Pierce, Pike, Pulaski, Putnam, Randolph, Richmond, Schley, Screven, Seminole, Spalding, Stewart, Sumter, Talbot, Tattall, Taylor, Telfair, Terrell, Thomas, Tift, Toombs, Truetlen, Turner, Twiggs, Upson, Ware, Washington, Wayne, Webster, Wheeler, Wilcox, and Worth counties.

Future Risk Management Program Development Plans

FY 2003 - Feasibility projects expected to initiate include: Christmas trees, melons, small-value crops, crop storage options, vegetable, and flower seed. Development projects expected to initiate include expansion of the nursery-eligible plan list for the 2005 crop year, perennial pathogen destruction, quarantine crop insurance, and vegetables. The following pilot programs scheduled for evaluations include avocado revenue, cabbage, mint, onion pilot stage removal option, processing chili peppers, processing cucumbers, and strawberries.

Feasibility Studies for FY 2004

- Bulbs, Corms, Tubers and Rhizomes
- Cost of Production for Additional Crops
- Fresh Cucumbers
- Green House Vegetables
- Hazelnuts
- Herbs
- Olives
- Radishes

Program Development Projects for FY 2004

- Acts of Terrorism
- Crop Storage Options
- Direct Marketing of Perishable Agricultural Commodities
- Expanding Crop Insurance to Include Federal Agency Actions

- Lawn Seed
- Organics
- Tree, Vine and Bush Replacement Program
- Triticale

Pilot Program Evaluations for FY 2004

- Adjusted Gross Revenue
- Apple Quality Option
- Citrus Dollar (Navel Oranges)
- Fresh Market Beans

Feasibility Studies Tentatively Scheduled for FY 2005

- Brussels Sprouts
- Eggplant
- Pod Peas

Measuring Progress

Various methods may be selected to measure the progress in the research and development of innovative risk management products for specialty crops. For this report, the following indicators are used:

Number of Insured Crops or Agricultural Commodities (referred to as crops in this section) - Crops can be counted in a number of ways. For this report, the listings in appendices 3-8 include crop counts on the last line of each page. Each listed crop has been counted as one crop, except that citrus and stonefruit counts were determined by counting the bulleted types of citrus and stonefruit; for example, citrus represents eight crops and stonefruit represents three crops.

During 1998-2003, the number of specialty crops insured increased from 48 to 62 (a 29-percent increase, or about 6 percent per year). During 1998-2003, the number of total crops insured increased from 70 to 88 (a 26-percent increase, or about 5 percent per year).

Number of Crop-Plan Combinations Insured - Crop-plan combinations counts are listed on the last line of each page in appendix tables 3-8. Each listed crop has been counted as one crop-plan combination, except crops having multiple insurance plans; for example, corn has five different insurance plans and is counted as five crop-plan combinations.

During 1998-2003, the number of specialty crop-plan combinations insured increased from 48 to 63 (a 31-percent increase, or about 6 percent per year). During 1998-2003, the number of total crop-plan combinations insured increased from 90 to 114 (a 27-percent increase, or about 5 percent per year).

Non-Insurance Risk Management Tools - Non-insurance risk management tools represent a small

but increasingly significant portion of the risk management portfolio available through FCIC. As indicated in this report, a number of other non-insurance risk management tools are under research and development by RMA. Examples of such tools or products are listed below and described elsewhere in this report.

- Investigation of Producers' Management of Storage Problems for Onions
- Forecasting the Occurrence of Potato Late Blight
- Organics Study
- Risk Management for Fruit Crops Through Prediction of Frost Conditions in Georgia
- Reducing Exposure to Drought Risk in Potato Production Systems
- Research of Labor Issues and Development of Labor Cooperatives as Operational Risk Management Tools for Limited Resource and Small Family Farms in Mississippi and Florida
- Risk Reduction for Specialty Crops in the Southeastern United States
- An Organic Comparative Analysis Tool (OCAT) for Direct Marketing Strategies of Organic Commodities
- Risk Management Stabilization Accounts
- Bioterrorism Research and Interim Solutions

In addition to the above projects, a large number of risk management education and community outreach programs reported elsewhere in this report provide producers with information and education on risk management issues and topics to help them better manage their risks. These products and programs represent a significant change in the transition of FCIC's and RMA's product portfolio to include much more than crop insurance, and validate that new and innovative approaches are not only being considered but implemented to enable America's agricultural producers to manage their risks. More than at any time in its history, RMA is emphasizing the research and development of market-based products to meet producers' diverse risk management needs.

Innovative Enhancements to Existing Crop Insurance Programs - At the same time the agency is developing new and innovative risk management solutions for producers, RMA is also strengthening and diversifying its existing crop insurance programs to stay current with the ever-changing agriculture industry. Examples include the introduction of new programs for existing products as indicated below:

- Apple Pilot Quality Option (2001)
- Coverage Enhancement Option (2000)
- Onion Pilot Stage Removal Option (2000)

Number of Pilot Programs Being Tested - As shown in appendix table 9, FCIC tested 30 pilot programs for the 2003 crop year. This has grown from two pilot programs on blueberries and canola/rapeseed for the 1995 crop year, and some pilot programs have been converted to permanent programs in the intervening years. Appendix table 2 provides a historical review of this progress during 1995-2003.

FCIC PROGRESS IN INCREASING THE USE OF RISK MANAGEMENT PRODUCTS OFFERED THROUGH THE CORPORATION

Background

A number of initiatives are undertaken each year by RMA and its public and private sector partners to increase the use of risk management products offered through the Corporation. Two major specific initiatives are discussed: risk management education (RME) and public awareness

These initiatives have a significant impact on the use of risk management products, whether they are new and innovative or have been available to producers for some time. There is no guarantee that producers will purchase crop insurance or participate in other risk management products offered through FCIC, and producers sometimes choose other means to manage their risks. These initiatives are expected to increase the use of risk management products offered through FCIC by raising producers' awareness of those risk management opportunities and their associated benefits. In fact, these initiatives raise producers' awareness of risk management opportunities and benefits beyond those offered through FCIC.

Risk Management Education (RME)

FY 2001 RME Activities - RMA established a number of RME programs for specialty crop producers during FY 2001 through partnership agreements with State departments of agriculture, universities, and grower organizations.

Examples include a partnership agreement with the Florida Department of Agriculture and Consumer Services that resulted in a curriculum "Risk Management Training and Information for Florida Specialty Crop Producers." This multi-faceted program with a minimum of 15 initiatives was conducted with 5 major Florida agricultural groups as well as the University of Florida's Department of Fisheries and Aquatic Sciences. More than 40 training/education/informational modules were implemented during October 2001 through August 2002. A partnership agreement with the Georgia Fruit and Vegetable Growers Association resulted in education and information sessions being delivered to specialty crop producers at the 2002 Fruit and Vegetable Winter Conference and the Southeastern Peach Convention held January 11-13, 2002, in Savannah, GA. The success of the conference was demonstrated by a larger number of concurrent educational sessions being offered by more subject matter experts to an increased number of specialty crop producers.

FY 2002 RME Projects - For FY 2002, RMA expanded its educational efforts directed to specialty crop producers. The agency announced the availability of funds for RME partnerships, with a priority for programs reaching producers of commodities not currently covered by crop insurance, specialty crops, and underserved commodities. In response to this announcement, RMA received 101 applications requesting \$5.6 million to help RMA deliver education to producers. An evaluation panel selected the 72 most meritorious proposals, and RMA used approximately \$3.7 million to fund these projects. Many of the funded partnerships specifically target specialty crop producers during FY 2002. Some of the projects build on RME efforts for specialty crops from FY 2001. These projects are authorized by sections 522(d) and (e) of the Federal Crop Insurance Act. The FY 2002 RME projects listed in this report in general include RME programs for small and limited-resource

farmers, livestock and specialty crop producers, underserved producers including minority operators, and other socially disadvantaged operators. Through these projects, RMA seeks to improve the financial health of small farms, increase specialty crop producers' skill and knowledge of risk management, and increase crop insurance participation for those specialty crop producers that could benefit. These producer education and information sessions and publications address a number of specific topics that are categorized under two general themes below.

C Availability and usage of risk management opportunities and tools:

- Aquaculture processing, direct sales, and marketing techniques
- Contract production
- Crop insurance and non-insured disaster assistance program (NAP)
- Crop production and harvest timing strategies to manage risk
- Enterprise budgets and market analysis usage to reduce risk through the production of alternative specialty crops
- Enterprise diversification
- Futures markets
- Information on specific risk management tools to best fit producers' needs, how the tools operate, and where to obtain them
- Localized risk management decision analysis using computers and other risk management decision-analysis tools
- Marketing specialty crop and aquaculture products to institutional buyers to mitigate risk
- Optimal crop-mix decisions

C General risk management education and information topics and issues:

- Agribusiness management
- Agronomic, economic, and regulatory information regarding canola and wild rice production practices
- Economic concepts (introductory training)
- Estate planning
- Farm enterprise evolution and individual expertise enhancement in a time of dynamic change in agriculture
- Farm food safety risks (understanding and managing those risks)
- Forestry issues
- Garden center management for nurserymen and growers
- Global risks
- Greenhouse tomato production, disease and pest control, economic risks, marketing risk, and environmental considerations
- Landscape design and management
- Marketing risk (general topics)
- National retail risks
- Nursery and landscape industry alternative production, marketing risk, financial risk, and health and safety risk
- Organic production transition through knowledge and exposure to agricultural

- research and statistics
- Sunflower irrigation information and training
- Value-added, agriculture-related products
- Wholesale marketing risks

Detailed information on the 2002 RME partnership agreements can be obtained at <http://www.rma.usda.gov/news/2002/11/agreements.html>, including recipients, amounts, targeted audiences, and contact people.

In addition, RMA administered two other educational programs that benefited specialty crop producers during FY 2002. The first was authorized in ARPA as an amendment to section 524(a)(2) of the Act. This program establishes crop insurance education and information programs in States in which crop insurance participation has been historically low. Most of these 15 States have a relatively high percentage of specialty crop production. Currently, RMA is implementing this program by establishing partnerships with State departments of agriculture, universities, and others in the underserved States.

Another RMA program to benefit specialty crop producers in the 15 underserved States is the Agricultural Management Assistance (AMA) program. RMA administers this program in collaboration with USDA's Natural Resources Conservation Service (NRCS) and Agricultural Marketing Service (AMS). RMA's contribution to AMA is through assistance to producers in the purchase of AGR insurance, a product particularly well suited for diversified specialty crop producers. It guarantees a revenue level for the whole farm, and rewards more diversified farmers with higher coverage levels and smaller insurance premiums.

The FCIC Board authorized expansion of the AGR program into eight counties each in California and Pennsylvania for the 2003 and subsequent crop years. California counties included in the expansion are Fresno, Kern, Riverside, San Diego, San Joaquin, San Luis Obispo, Tulare, and Ventura. Pennsylvania counties included in the expansion are Crawford, Columbia, Erie, Fayette, Lancaster, Schuylkill, Westmoreland, and York. Introduced into 36 counties in 5 States in 1999, the program is now available in 230 counties in 18 States. (See the related information pertaining to the AGR-Lite program discussed in a separate section on 508(h) products in this report.)

Public Awareness

Internet Web Sites - RMA's public Internet home page is devoted to making it easier for producers and other customers to access crop insurance data and materials related to the agency's work. As the web site is subject to change, web site location references below are likewise subject to change. A vast amount of information exists on RMA's web site, and interested parties are encouraged to explore and utilize the available information. Specialty crop producers may access information on crop policies, available pilot programs, and producer training sessions. Producers may also locate crop insurance agents and use the Premium Calculation software. The following is a sample of the information provided via the web site at <http://www.rma.usda.gov>.

Actuarial Information

Agent Locator
Events/Calendar
Crop Policies
Crop Weather
Participation Data
Pilot Programs
Feasibility Studies (Under Pilot Programs/Archives)
Publications, including:

- FCIC Board Briefs and Manager's reports
- Summary of Business Reports (Under Participation Data)
- County Crop Program Listings (Under Participation Data)
- Manager's Bulletins
- Research and Development Bulletins

In some cases, the contractors and partners working on the specific program research, development, and evaluation projects maintain updated information on their projects through their web sites. As a general rule, the organization that was awarded the project is listed in this report.

Consultations with Producers and Producer Groups - To encourage wide participation and input from producers and other outside organizations, RMA seeks their input through consultation memos sent to major organizations and producers who may be impacted by the program under consideration. In addition, contractors and partners hold listening sessions with producers, producer groups, and insurance company representatives as a program is being studied, as recommendations are being developed, and again when alternatives are being considered. RMA's Regional Offices also serve as a local contact point for such activities to ensure that local issues, concerns, and differences are considered. With the new emphasis on research and development of programs through contracts and partnerships, producers and producer groups are encouraged to participate in listening sessions and other forums that provide the opportunity to become involved in the process. In some cases, the contractors and partners working on the projects maintain updated information on their projects through their web sites.

In its rule-making process, RMA staff often contact grower groups when considering changes to programs. National, State, and regional grower groups, crop associations, and councils are contacted as program issues are raised and as programs are being researched, developed, or modified. These groups are very helpful in obtaining producer input from various areas of the country regarding crop program changes and relaying them to RMA for consideration. In the conversion of pilot programs to permanent program status, grower groups are included in the evaluation of the program. In addition, grower groups often serve as the catalyst for change by advising RMA at the local or national level of concerns with the programs that affect them. RMA is also conducting four projects to identify the potential market for specialty crop insurance and to provide the data necessary to evaluate options for new or modified insurance programs to meet the needs of specialty crop producers. Through these partnerships with researchers at Cornell University, Penn State University, the University of California at Davis, and the University of Florida, specialty crops producers were contacted to determine how crop insurance programs could be designed to better meet their needs. The results of these contacts are expected soon.

RMA representatives routinely participate in meetings, field visits, training sessions, speaking engagements, and other activities with growers, grower association representatives, the insurance industry, Congressional representatives, and other public and private organizations to inform those individuals and organizations about the agency's new and specialty crops programs and to gather information on the needs and interests of specialty crop producers. Public awareness of agricultural risk management has also been increased significantly by the efforts of representatives of Congress, the crop insurance industry, contractors, and partnership entities conducting projects for RMA, other government agencies, academia, the media, and the agriculture industry in general.

Community Outreach

RMA is funding 46 outreach projects for FY 2002 totaling over \$3 million in approximately 30 States. Through these partnership projects, women, limited-resource, and other traditionally underserved agricultural producers will receive program technical assistance and training on the availability and use of risk management tools to improve their economic viability. Partners include 1890, 1994, and 1862 land-grant universities; Hispanic-serving institutions (HSIs); and community-based and other State organizations serving women, limited-resource, and other traditionally underserved farmers and ranchers.

Other Initiatives

Examples of other recent initiatives undertaken by RMA and other organizations to increase the use of risk management products by producers include:

- C The RMA St. Paul, MN, regional office (RO) director attended the special session and spoke with State lawmakers on September 19, 2002, about State flood relief aid. State officials tied State aid for flood-damaged crops to crop insurance losses. The State will distribute \$3 million in crop loss aid only to those farmers who purchased crop insurance and can prove they had a crop insurance loss of 50 percent or greater. Officials estimate 750,000 acres, which includes a small amount of acreage of canola, in 15 counties could qualify for \$4.00 per acre of State money.
- C Organic Written Agreements. Since crop year 2001, insurance is offered through the use of written agreements to insure organic production. The numbers are up and liability has increased to approximately \$7.4 million in 2002 from \$1.3 million in 2001.

Measuring Progress

Various methods may be selected to measure the progress in increasing the use of risk management products offered to specialty crop producers through FCIC. This report uses the following indicators to measure this progress:

Number of Risk Management Products Offered through FCIC and Utilized by Producers - The following indicators that were reported earlier on the progress in the research and development of innovative risk management products are also indirect indicators for the increased use of risk management products offered through FCIC. RMA makes every effort to ensure that producers,

before proceeding with substantial research and development activities, will utilize the new products that are researched and developed. As new products are developed, increased utilization of risk management programs offered by the FCIC takes place. The progress details for each indicator can be found in the previous Measuring Progress section.

- Number of Insured Crops or Agricultural Commodities
- Number of Crop-Plan Combinations Insured
- Number of County Crop (Insurance) Programs in Place
- Non-Insurance Risk Management Tools
- Innovative Enhancements to Existing Crop Insurance Programs
- Number of Pilot Programs Being Tested

Insurance Liabilities in Underserved States (see appendix table 10 and appendix figs. 1-16) - All underserved States except Massachusetts increased in insurance liability (coverage) during 1998-2002. Following are the liability increases (Massachusetts decrease) and percentage changes during those 4 years, as well as the simple average percent change per year for each underserved State:

- Connecticut - Liability increased from \$44.49 million to \$75.10 million
This is a 69-percent increase during 1998-2002 (17 percent per year)
- Delaware - Liability increased from \$19.55 million to \$35.29 million
This is an 81-percent increase during 1998-2002 (20 percent per year)
- Maine - Liability increased from \$36.04 million to \$51.21 million
This is a 42-percent increase during 1998-2002 (10 percent per year)
- Maryland - Liability increased from \$65.30 million to \$127.99 million
This is a 96-percent increase during 1998-2002 (24 percent per year)
- Massachusetts - Liability decreased from \$51.44 million to \$42.75 million
This is a 17-percent decrease during 1998-2002 (4 percent per year)
- Nevada - Liability increased from \$1.57 million to \$14.10 million
This is a 989-percent increase during 1998-2002 (247 percent per year)
- New Hampshire - Liability increased from \$3.08 million to \$8.99 million
This is a 192-percent increase during 1998-2002 (48 percent per year)
- New Jersey - Liability increased from \$28.56 million to \$66.12 million
This is a 132-percent increase during 1998-2002 (33 percent per year)
- New York - Liability increased from \$82.68 million to \$180.96 million
This is a 119-percent increase during 1998-2002 (30 percent per year)
- Pennsylvania - Liability increased from \$79.44 million to \$222.22 million
This is a 180-percent increase during 1998-2002 (45 percent per year)
- Rhode Island - Liability increased from \$.89 million to \$1.67 million
This is an 88-percent increase during 1998-2002 (22 percent per year)
- Utah - Liability increased from \$4.89 million to \$8.06million
This is a 65-percent increase during 1998-2002 (16 percent per year)
- Vermont - Liability increased from \$4.79 million to \$10.68 million
This is a 123-percent increase during 1998-2002 (31 percent per year)
- West Virginia - Liability increased from \$8.78 million to \$12.70 million
This is a 45-percent increase during 1998-2002 (11 percent per year)
- Wyoming - Liability increased from \$45.39 million to \$51.22 million

- This is a 13-percent increase during 1998-2002 (3 percent per year)
- All 15 underserved States - Liability increased from \$477 million to \$909 million
- This is a 91-percent increase during 1998-2002 (23 percent per year)

The decrease in liabilities in Massachusetts is almost entirely due to economic problems faced by the cranberry growers in Massachusetts. Liabilities decreased in cranberries because of a drop in the price election available for cranberries producers. In 1998, the price election available for cranberries was \$66.00 per barrel. In 2002, the price election available for cranberries was \$22.00 per barrel. Cranberry liabilities in Massachusetts decreased by \$27 million, from \$38 million to \$11 million from 1998 to 2002. Most of the other crops in Massachusetts increased for a net decrease in liabilities of \$9 million.

See appendix table 10 and appendix figs. 1-16 for specific numbers for each underserved State. RMA plans to conduct further, more detailed analysis of the data to determine any appropriate action to be taken.

Number of Insured Policies in Underserved States (see appendix table 11 and appendix figs. 17-32) - All 15 underserved States increased in number of insured policies with earned premium during 1998-2002. Following are the policy number increases and percentage changes during the 4 years, as well as the simple average percent change per year for each underserved State:

- Connecticut - Policies increased from 275 to 372
This is a 35-percent increase during 1998-2002 (9 percent per year)
- Delaware - Policies increased from 744 to 999
This is a 34-percent increase during 1998-2002 (9 percent per year)
- Maine - Policies increased from 538 to 596
This is an 11-percent increase during 1998-2002 (3 percent per year)
- Maryland - Policies increased from 2,757 to 3,768
This is a 37-percent increase during 1998-2002 (9 percent per year)
- Massachusetts - Policies increased from 511 to 726
This is a 42-percent increase from 1998 to 2002 (11 percent per year)
- Nevada - Policies increased from 17 to 52
This is a 206-percent increase during 1998-2002 (52 percent per year)
- New Hampshire - Policies increased from 94 to 117
This is a 24-percent increase during 1998-2002 (6 percent per year)
- New Jersey - Policies increased from 587 to 1,144
This is a 95-percent increase during 1998-2002 (24 percent per year)
- New York - Policies increased from 2,961 to 4,144
This is a 40-percent increase during 1998-2002 (10 percent per year)
- Pennsylvania - Policies increased from 5,007 to 11,824
This is a 136-percent increase during 1998-2002 (34 percent per year)
- Rhode Island - Policies increased from 37 to 44
This is a 19-percent increase during 1998-2002 (5 percent per year)
- Utah - Policies increased from 372 to 499
This is a 34-percent increase during 1998-2002 (9 percent per year)
- Vermont - Policies increased from 346 to 539

- This is a 56-percent increase during 1998-2002 (14 percent per year)
- West Virginia - Policies increased from 617 to 767
- This is a 24-percent increase during 1998-2002 (6 percent per year)
- Wyoming - Policies increased from 2,409 to 2,798
- This is a 16-percent increase during 1998-2002 (4 percent per year)
- All 15 underserved States - Policies increased from 17,272 to 28,389
- This is a 64-percent increase during 1998-2002 (16 percent per year)

See appendix table 11 and appendix figs. 17-32 for specific numbers for each underserved State. RMA plans to conduct further, more detailed analysis of the data to determine any appropriate action to be taken.

Insurance Liabilities for Specialty Crops (see appendix table 12 and appendix figs. 33-82) Of the 46 specialty crops listed in appendix table 12, insurance liabilities (coverage) increased during 1998-2002 for all but 3 crops:

- Almonds (26-percent decrease)
- Crambe (96-percent decrease)
- Cranberries (66-percent decrease)

The decrease in liabilities for almonds is from the producers switching coverage levels and selecting a lower price election. The decrease in liabilities for crambe is due to the processors not offering the producers contracts until they had a loan price on crambe seed. This was not resolved until well after the acreage reporting date when the contracts had to be in force for crop insurance to attach. Liabilities decreased in cranberries because of a drop in the price election for cranberries producers. In 1998, the price election for cranberries was \$66.00 per barrel. In 2002, the price election for cranberries was \$22.00 per barrel.

The 46 specialty crops, in total increased from \$4.358 billion to \$8.643 billion. This is a 98-percent increase during 1998-2002 (25 percent per year). See appendix table 12 and appendix figs. 33-82 for specific numbers for each specialty crops program. RMA plans to conduct further, more detailed analysis of the data to determine any appropriate action to be taken.

Number of Insured Policies for Specialty Crops (see appendix table 13 and appendix figs.83-132) - Of the 46 specialty crops listed in appendix table 13, the number of insured policies with earned premium increased during 1998-2002 for all but the following 12 crops:

- Avocado/Mango Trees (15-percent decrease)
- Chile Peppers (12-percent decrease)
- Citrus Trees in Texas (12-percent decrease)
- Crambe (94-percent decrease)
- Cultivated Wild Rice (16-percent decrease)
- Dry Beans (2-percent decrease)
- Green Peas (9-percent decrease)
- Mint (8-percent decrease)
- Plums (7-percent decrease)
- Raisins (8-percent decrease)
- Sweet Corn for Canning (6-percent decrease)
- Tomatoes for Canning/Processing (8-percent decrease)

The 46 specialty crops, in total, increased from 58,139 to 74,504 policies. This is a 28-percent increase during 1998-2002 (7 percent per year). Relatively small decreases and increases in policies with earned premium occur each year due to producers being unable or electing not to get processor contracts on their acreage. The number of policies sold continues to remain steady or increase year to year. With the exception of two crops decreasing from 2000 to 2001, all of the other fluctuations in number of policies earning premium appear normal. Two crops that had large decreases were crambe and green peas. The 24-percent decrease in policies earning premium for crambe was the result of the processors not offering the producers contracts until they had a loan price on crambe seed. This was not resolved until well after the acreage reporting date, when the contracts had to be in force for crop insurance to attach. The 25-percent decrease in policies earning premium for green peas was partially the result of a large processor closing and another processor changing the processes of the plant and being unable to offer contracts to the producers of green peas.

See appendix table 13 and appendix figs. 83-132 for specific numbers for each specialty crops program. RMA plans to conduct further, more detailed analysis of the data to determine any appropriate action to be taken.

Appendix table 1 -- Current Status of Crops Identified in Section 10006 of the 2002 Farm Bill

Crop	Ins. Perm.	Ins. Pilot	Not Ins.	Plans/Activity
Apples	X			Quality Option Pilot added 2001 CY
Asparagus			X	Fresh Vegetables FS TO (FY 01) FY 03 Development
Blueberries (domestic)		X		Conversion to Permanent Status 04 CY
Blueberries (wild)			X	Assessing interest in a program
Cabbage		X		Pilot Evaluation FY 2003
Canola	X			
Carrots			X	Not recommended for development in Fresh Vegetables TO
Cherries		X		Pilot Evaluation
Christmas Trees			X	FY 03 TO
Citrus Fruits	X			Citrus Canker fruit damage protection under consideration
Cucumbers		X		Pilot Evaluation FY 03
Dry Beans	X			Revenue TO
Eggplants			X	FY 03 FS TO (Small Value Crops)
Floriculture			X	Cut Flowers Dev TO (FY 03)
Grapes	X			Pierce's Disease (Per. Path TO - FY 01)
Greenhouse and Nursery Ag Commodities	X		X	Greenhouse vegetables FS TO - 04; Bedding & Garden plants addition to nursery program
Green Peas	X			
Green Peppers	X	X		Pilot Evaluation for Chiles FY 03
Hay	X			Quality Options being explored
Lettuce			X	Fresh Vegetables Dev. TO (FY 03)
Maple (Syrup)			X	R&D (FY 03)
Mushrooms			X	Insufficient mushroom industry interest
Pears	X			Pathogen TO
Potatoes	X			U of ID - Forecasting Potato Late Blight
Pumpkins		X		Pilot Evaluation
Snap Beans		X		Pilot Evaluation/Changes in 2002 CY
Spinach			X	Fresh Vegetables Dev TO (FY 03)
Squash		X		Pilot Evaluation (Winter squash) Summer squash not insurable
Strawberries		X		Pilot Evaluation FY 2003
Sugar beets	X			Crop Storage Options FS TO (FY 03)
Tomatoes	X			
TOTAL (31 crops)*	13	9	11	28 crops with ongoing research and development.
CY = Crop Year FS = Feasibility Study FY = Fiscal Year R&D = Research & Dev. TO = Contract Task Order				

* 33 total columns because: (1) Although Nursery is insurable, the program doesn't cover greenhouse vegetables; (2) Bell green peppers are insured under a permanent program and chile peppers are insured under a pilot program.

Appendix table 2 -- RMA-Developed Specialty Crop Pilot Program* History, 1995-2003

Pilot programs are used as a means to test new risk management tools before they become permanent programs through the regulatory process. Prior to the enactment of ARPA, teams led by RMA representatives developed most pilot programs. With the enactment of ARPA and the prohibition of research and development of new policies by FCIC, RMA representatives now oversee the research and development of new risk management products by others in the public and private sector.

1995 Crop Year

Blueberry (APH) pilot initiated (4 States)

Canola/Rapeseed (APH) pilot initiated (5 States)

Cotton Harvest Incentive pilot initiated (TX) (program terminated beginning the 2000 crop year)

New Producer pilot initiated (10 States/26 crops) (terminated beginning the 1999 crop year)

1996 Crop Year

Apple Scab pilot initiated (2 States) (1996 crop year only)

Florida Fruit Tree pilot initiated (FL)

Millet (APH) pilot initiated (4 States) (Expanded from 5 counties to 55 counties and converted to permanent program status beginning the 2003 crop year)

1997 Crop Year

Blueberry (APH) pilot expanded (ME)

Canola/Rapeseed (APH) pilot expanded (fall canola in 3 States)

1998 Crop Year

Avocado Revenue pilot initiated (CA)

Avocado/Mango Tree pilot initiated (FL) (Originated as part of Florida Fruit Tree pilot program in the 1996 crop year; separated out in 1998.)

Canola/Rapeseed (APH) pilot expanded (fall canola in 2 States)

(Spring canola/rapeseed programs converted to permanent status)

Corn Rootworm IPM pilot initiated (6 States/several crops; such as corn, popcorn, hybrid seed)

Pecan Revenue pilot initiated (3 States)

Sweetpotato (APH) pilot initiated (5 States)

1999 Crop Year

Adjusted Gross Revenue (AGR) pilot initiated (36 counties in 5 States)

Cabbage (GYC) pilot initiated (7 counties in 5 States)

Cherry (Fixed Dollar) pilot initiated (9 counties in 4 States)

Crambe (APH) pilot initiated (7 counties in ND) [other ND cos. avail. via written agreement]

Cultivated Wild Rice (APH) pilot initiated (4 counties in CA; 6 counties in MN)

Florida Avocado (APH) pilot initiated in Dade Co., FL (Miami-Dade County beginning in 2002)

GRP Rangeland pilot initiated (12 counties in MT)

Appendix table 2 -- RMA-Developed Pilot Program* History, 1995-2003 - Continued

1999 Crop Year Continued

Mustard (APH) pilot initiated (11 counties in ND) (other ND counties via written agreement)

Watermelon (APH) pilot initiated (15 counties in 7 States) (suspended beginning the 2000 crop year)

Winter Squash (Dollar) pilot initiated (12 counties in 4 States)

Blueberry (APH) pilot expanded (5 counties in NC)

Canola/Rapeseed (APH) pilot expanded (56 counties in 5 States); converted to permanent 1998, 1999

2000 Crop Year

Aquaculture (Cultivated Clam) (Aquaculture Dollar) pilot initiated (13 counties in 4 States)

Cabbage (GYC) (6 counties in 4 States) pilot initiated with the 1999 States (see 2000 expansion)

Fresh Market Bean (Dollar) pilot initiated (5 counties in 3 States)

Mint (APH) pilot initiated (9 counties in 4 States)

Onion Pilot Stage Removal Option (OPSRO) pilot initiated (all onion counties in 2 States)

Processing Chile Pepper (Fixed Dollar) pilot initiated (3 counties in 2 States)

Processing Cucumber (Fixed Dollar) pilot initiated (11 counties in 4 States)

Strawberry (Fixed Dollar) pilot initiated (21 counties in 4 States)

Adjusted Gross Revenue (AGR) (Revenue) pilot expanded (52 more counties and 6 more States)

Blueberry (APH) pilot expanded (12 counties in 5 States)

Cabbage (GYC) pilot expanded (14 counties in 7 States) - 11/30 filing (see 2000 initiation above)

Cherry (Fixed Dollar) pilot expanded (12 counties in 6 States)

Florida Fruit Tree pilot expanded (24 counties in FL)

Mustard (APH) pilot expanded (8 counties in ND) - Additional counties with actuarial documents;
34 counties remain available by written agreement

Winter Squash (Dollar) pilot expanded (pumpkins added as insurable type) (6 counties in 3 States)

2001 Crop Year

Apple Pilot Quality Option initiated

Adjusted Gross Revenue (AGR) (AGR plan) pilot expanded (126 more counties and 6 more States)

CA Avocado Revenue pilot expanded (5 counties in CA)

Citrus (Navel Oranges) (Dollar) pilot initiated (4 counties in CA)

2002 Crop Year

Forage (Alfalfa) Seed (APH) pilot initiated (10 counties in 7 States)

Raspberry and Blackberry (Fixed Dollar) pilot initiated (7 counties in 3 States)

2003 Crop Year

Millet pilot expanded from 5 counties in 4 States to 55 counties in same 4 States (FCIC Board also approved conversion of the pilot program to permanent program status beginning the 2003 crop year)

Pecan Revenue pilot expanded (79 counties in Georgia) - Board also approved conversion of the pilot to permanent status beginning the 2004 crop year, pending the regulatory process

* The above listing does not include private submissions under Section 508(h) of the FCI Act.

Appendix table 3 -- Crops Insured Under 1998 Crop Insurance Programs

Almonds		Macadamia Nuts
Apples		Macadamia Trees
Avocado (Revenue)*		Mango Trees (Florida)*
Avocado Trees (Florida)*		Millet*
Barley (APH, GRP*)		Nursery
Blueberries*		Oats
Canola		Onions
Citrus		Peaches
C	Grapefruit	Peanuts (APH, GRP*)
C	Lemons	Pears
C	Limes	Pecan Revenue*
C	Mandarins	Peppers
C	Murcotts	Plums
C	Oranges	Popcorn
C	Tangelos	Potatoes
C	Tangerines	Prunes
Citrus Tree (Texas)		Raisins
Corn (APH, CRC**, GRP*, IP*, RA**)		Rapeseed
Cotton (APH, CRC**, GRP*, IP*)		Rice (APH)
Cranberries		Rye
Dry Beans		Safflower
Dry Peas		Soybeans (APH, CRC**, GRP*, IP*, RA**)
ELS Cotton		Stonefruit
Figs		C
Flax		C
Florida Fruit Tree*		C
Forage (APH, GRP)		California Apricots
Forage Seeding		California Nectarines
Fresh Market Sweet Corn		California Peaches
Fresh Market Tomatoes		Sugar Beets
Grain Sorghum (APH, CRC**, GRP*, IP*)		Sugarcane
Grapes		Sunflowers
Green Beans for Canning		Sweet Corn for Canning
Green Peas		Sweetpotatoes*
Hybrid Corn Seed		Table Grapes
<u>Hybrid Grain Sorghum Seed</u>		Tobacco
		Tomatoes (Canning and Processing)
		Walnuts
		<u>Wheat (APH, CRC**, GRP*, IP*)</u>

* Crops/crop programs which are currently insured under pilot programs of limited scope and duration.

** Crops/crop programs which were submitted and approved under section 508(h) of the FCI Act.

APH = Actual Production History; CRC = Crop Revenue Coverage; GRP = Group Risk Plan;

IP = Income Protection; RA = Revenue Assurance

(**Bold print = 48 specialty crops/48 specialty crop-plan combinations**); (70 total crops/90 total crop-plan combinations)

Appendix table 4 -- Crops Insured Under 1999 Crop Insurance Programs

Almonds		Macadamia Nuts
Apples		Macadamia Trees
Avocado (Revenue*, APH*)		Mango Trees (Florida)*
Avocado Trees (Florida)*		Millet*
Barley (APH, IP*)		Mustard*
Blueberries*		Nursery
Cabbage*		Oats
Canola		Onions
Cherry (Dollar)*		Peaches
Citrus		Peanuts (APH, GRP*)
C	Grapefruit	Pears
C	Lemons	Pecan Revenue*
C	Limes	Peppers
C	Mandarins	Plums
C	Murcotts	Popcorn
C	Oranges	Potatoes
C	Tangelos	Prunes
C	Tangerines	Raisins
Citrus Tree (Texas)		Rangeland (GRP)*
Corn (APH, CRC**, GRIP**, GRP*, IP*, RA**)		Rapeseed
Cotton (APH, CRC**, GRP*, IP*)		Rice (APH, CRC**)
Crambe*		Rye
Cranberries		Safflower
Cultivated Wild Rice*		Soybeans (APH, CRC**, GRIP**, GRP*, IP*, RA**)
Dry Beans		Stonefruit
Dry Peas		C
ELS Cotton		C
Figs		C
Flax		California Apricots
Florida Fruit Tree*		California Nectarines
Forage (APH, GRP*)		California Peaches
Forage Seeding		Sugar Beets
Fresh Market Sweet Corn		Sugarcane
Fresh Market Tomatoes		Sunflowers
Grain Sorghum (APH, CRC**, GRP*, IP*)		Sweet Corn for Canning
Grapes		Sweetpotatoes*
Green Beans for Canning		Table Grapes
Green Peas		Tobacco
Hybrid Corn Seed		Tomatoes (Canning and Processing)
<u>Hybrid Grain Sorghum Seed</u>		Walnuts
		Watermelons*
		Wheat (APH, CRC**, GRP*, IP*, RA**)
		<u>Winter Squash*</u>

* Crops/crop programs which are currently insured under pilot programs of limited scope and duration.

** Crops/crop programs which were submitted and approved under section 508(h) of the FCI Act.

APH = Actual Production History; CRC = Crop Revenue Coverage; GRIP = Group Risk Income Protection; GRP = Group Risk Plan; IP = Income Protection; RA = Revenue Assurance

(**Bold print = 55 specialty crops/56 specialty crop-plan combinations**); (78 total crops/103 total crop-plan combinations)

Appendix table 5 -- Crops Insured Under 2000 Crop Insurance Programs

Almonds		Macadamia Nuts
Apples		Macadamia Trees
Avocado (Revenue*, APH*)		Mango Trees (Florida)*
Avocado Trees (Florida)*		Millet*
Barley (APH, IP*)		Mint*
Blueberries*		Mustard*
Cabbage*		Nursery
Canola		Oats
Cherry (Dollar)*		Onions
Chile Peppers*		Peaches
Citrus		Peanuts (APH, GRP)
C	Grapefruit	Pears
C	Lemons	Pecan Revenue*
C	Limes	Peppers
C	Mandarins	Plums
C	Murcotts	Popcorn
C	Oranges	Potatoes
C	Tangelos	Processing Cucumbers*
C	Tangerines	Prunes
Citrus Tree (Texas)		Raisins
Clams*		Rangeland (GRP)*
Corn (APH, CRC**, GRIP**, GRP, IP*, RA**)		Rapeseed
Cotton (APH, CRC**, GRP, IP*)		Rice (APH, CRC**)
Crambe*		Rye
Cranberries		Safflower
Cultivated Wild Rice*		Soybeans (APH, CRC**, GRIP**, GRP, IP*, RA**)
Dry Beans		Stonefruit
Dry Peas		C
ELS Cotton		C
Figs		C
Flax		California Apricots
Florida Fruit Tree*		California Nectarines
Forage (APH, GRP*)		California Peaches
Forage Seeding		Strawberries*
Fresh Market Beans*		Sugar Beets
Fresh Market Sweet Corn		Sugarcane
Fresh Market Tomatoes		Sunflowers
Grain Sorghum (APH, CRC**, GRP, IP*)		Sweet Corn for Canning
Grapes		Sweetpotatoes*
Green Beans for Canning		Table Grapes
Green Peas		Tobacco
Hybrid Corn Seed		Tomatoes (Canning and Processing)
<u>Hybrid Grain Sorghum Seed</u>		Walnuts
		Wheat (APH, CRC**, GRP*, IP*, RA**)
		<u>Winter Squash*</u>

* Crops/crop programs which are currently insured under pilot programs of limited scope and duration.

** Crops/crop programs which were submitted and approved under section 508(h) of the FCI Act.

APH = Actual Production History; CRC = Crop Revenue Coverage; GRIP = Group Risk Income Protection; GRP = Group Risk Plan; IP = Income Protection; RA = Revenue Assurance

(**Bold print = 59 specialty crops/60 specialty crop-plan combinations**); (83 total crops/108 total crop-plan combinations)

Appendix table 6 -- Crops Insured Under 2001 Crop Insurance Programs

Almonds		Macadamia Nuts
Apples		Macadamia Trees
Avocado (Revenue*, APH*)		Mango Trees (Florida)*
Avocado Trees (Florida)*		Millet*
Barley (APH, IP*)		Mint*
Blueberries*		Mustard*
Cabbage*		Nursery
Canola		Navel Oranges (Citrus \$)*
Cherry (Dollar)*		Oats
Chile Peppers*		Onions
Citrus		Peaches
C	Grapefruit	Peanuts (APH, GRP)
C	Lemons	Pears
C	Limes	Pecan Revenue*
C	Mandarins	Peppers
C	Murcotts	Plums
C	Oranges	Popcorn
C	Tangelos	Potatoes
C	Tangerines	Processing Cucumbers*
Citrus Tree (Texas)		Prunes
Clams*		Raisins
Corn (APH, CRC**, GRIP**, GRP, IP*, RA**)		Rangeland (GRP)*
Cotton (APH, CRC**, GRP, IP*)		Rapeseed
Crambe*		Rice (APH, CRC**)
Cranberries		Rye
Cultivated Wild Rice*		Safflower
Dry Beans		Soybeans (APH, CRC**, GRIP**, GRP, IP*, RA**)
Dry Peas		Stonefruit
ELS Cotton		C
Figs		C
Flax		C
Florida Fruit Tree*		California Apricots
Forage (APH, GRP)		California Nectarines
Forage Seeding		California Peaches
Fresh Market Beans*		Strawberries*
Fresh Market Sweet Corn		Sugar Beets
Fresh Market Tomatoes		Sugarcane
Grain Sorghum (APH, CRC**, GRP, IP*)		Sunflowers
Grapes		Sweet Corn for Canning
Green Beans for Canning		Sweetpotatoes*
Green Peas		Table Grapes
Hybrid Corn Seed		Tobacco
<u>Hybrid Grain Sorghum Seed</u>		Tomatoes (Canning and Processing)
		Walnuts
		Wheat (APH, CRC**, GRP, IP*, RA**)
		<u>Winter Squash*</u>

* Crops/crop programs which are currently insured under pilot programs of limited scope and duration.

** Crops/crop programs which were submitted and approved under section 508(h) of the FCI Act.

APH = Actual Production History; CRC = Crop Revenue Coverage; GRIP = Group Risk Income Protection; GRP = Group Risk Plan; IP = Income Protection; RA = Revenue Assurance

(**Bold print = 60 specialty crops/61 specialty crop-plan combinations**); (84 total crops/109 total crop-plan combinations)

Appendix table 7 -- Agricultural Commodities Insured Under 2002 Crop Insurance Programs

Almonds		Livestock (Swine)* ** (LGM, LRP)
Apples		Macadamia Nuts
Avocado (Revenue*, APH*)		Macadamia Trees
Avocado Trees (Florida)*		Mango Trees (Florida)*
Barley (APH, IP*)		Millet*
Blackberries*		Mint*
Blueberries*		Mustard*
Cabbage*		Nursery
Canola		Navel Oranges (Citrus \$)*
Cherry (Dollar)*		Oats
Chile Peppers*		Onions
Citrus		Peaches
C	Grapefruit	Peanuts (APH, GRP)
C	Lemons	Pears
C	Limes	Pecan Revenue*
C	Mandarins	Peppers
C	Murcotts	Plums
C	Oranges	Popcorn
C	Tangelos	Potatoes
C	Tangerines	Processing Cucumbers*
Citrus Tree (Texas)		Prunes
Clams*		Raisins
Corn (APH, CRC**, GRIP**, GRP, IP*, RA**)		Rangeland (GRP)*
Cotton (APH, CRC**, GRP, IP*)		Rapeseed
Crambe*		Raspberries*
Cranberries		Rice (APH, CRC**)
Cultivated Wild Rice*		Rye
Dry Beans		Safflower
Dry Peas		Soybeans (APH, CRC**, GRIP**, GRP, IP*, RA**)
ELS Cotton		Stonefruit
Figs		C
Flax		C
Florida Fruit Tree*		C
Forage (APH, GRP)		California Apricots
Forage Seed (Alfalfa)*		California Nectarines
Forage Seeding		California Peaches
Fresh Market Beans*		Strawberries*
Fresh Market Sweet Corn		Sugar Beets
Fresh Market Tomatoes		Sugarcane
Grain Sorghum (APH, CRC**, GRP, IP*)		Sunflowers
Grapes		Sweet Corn for Canning
Green Beans for Canning		Sweetpotatoes*
Green Peas		Table Grapes
Hybrid Corn Seed		Tobacco
<u>Hybrid Grain Sorghum Seed</u>		Tomatoes (Canning and Processing)
		Walnuts
		Wheat (APH, CRC**, GRP, IP*, RA**)
		Winter Squash*

* Crops/crop programs which are currently insured under pilot programs of limited scope and duration.

** Crops/crop programs which were submitted and approved under section 508(h) of the FCI Act.

APH = Actual Production History; CRC = Crop Revenue Coverage; GRIP = Group Risk Income Protection; GRP = Group Risk Plan;

IP = Income Protection; RA = Revenue Assurance; LGM=Livestock Gross Margin; LRP=Livestock Risk Protection

(**Bold print = 62 specialty crops/63 specialty crop-plan combinations**); (88 total crops/114 total crop-plan combinations)

Appendix table 8 -- Agricultural Commodities Insured Under 2003 Crop Insurance Programs

Almonds		Livestock (Swine)* ** (LGM, LRP)
Apples		Macadamia Nuts
Avocado (Revenue*, APH*)		Macadamia Trees
Avocado Trees (Florida)*		Mango Trees (Florida)*
Barley (APH, IP*)		Millet
Blackberries*		Mint*
Blueberries*		Mustard*
Cabbage*		Nursery
Canola		Navel Oranges (Citrus \$)*
Cherry (Dollar)*		Oats
Chile Peppers*		Onions
Citrus		Peaches
C	Grapefruit	Peanuts (APH, GRP)
C	Lemons	Pears
C	Limes	Pecan Revenue*
C	Mandarins	Peppers
C	Murcotts	Plums
C	Oranges	Popcorn
C	Tangelos	Potatoes
C	Tangerines	Processing Cucumbers*
Citrus Tree (Texas)		Prunes
Clams*		Raisins
Corn (APH, CRC**, GRIP**, GRP, IP*, RA**)		Rangeland (GRP)*
Cotton (APH, CRC**, GRP, IP*)		Rapeseed
Crambe*		Raspberries*
Cranberries		Rice (APH, CRC**)
Cultivated Wild Rice*		Rye
Dry Beans		Safflower
Dry Peas		Soybeans (APH, CRC**, GRIP**, GRP, IP*, RA**)
ELS Cotton		Stonefruit
Figs		C
Flax		C
Florida Fruit Tree*		C
Forage (APH, GRP)		California Apricots
Forage Seed (Alfalfa)*		California Nectarines
Forage Seeding		California Peaches
Fresh Market Beans*		Strawberries*
Fresh Market Sweet Corn		Sugar Beets
Fresh Market Tomatoes		Sugarcane
Grain Sorghum (APH, CRC**, GRP, IP*)		Sunflowers
Grapes		Sweet Corn for Canning
Green Beans for Canning		Sweetpotatoes*
Green Peas		Table Grapes
Hybrid Corn Seed		Tobacco
<u>Hybrid Grain Sorghum Seed</u>		Tomatoes (Canning and Processing)
		Walnuts
		Wheat (APH, CRC**, GRP, IP*, RA**)
		Winter Squash*

* Crops/crop programs which are currently insured under pilot programs of limited scope and duration.

** Crops/crop programs which were submitted and approved under section 508(h) of the FCI Act.

APH = Actual Production History; CRC = Crop Revenue Coverage; GRIP = Group Risk Income Protection; GRP = Group Risk Plan;

IP = Income Protection; RA = Revenue Assurance; LGM=Livestock Gross Margin; LRP=Livestock Risk Protection

(**Bold print = 62 specialty crops/63 specialty crop-plan combinations**); (88 total crops/114 total crop-plan combinations)

Appendix table 9 -- Active Pilot Risk Management Programs for the 2003 Crop Year

Following are the 30 active pilot programs currently available by RMA and approved insurance providers, along with the plan of insurance as appropriate and the year they were introduced. The 24 pilot programs that include specialty crops are shown in **bold** print. This listing does not include private products submitted under section 508(h) of the Act. Details on these pilot programs can be found at the RMA web site:

<http://www.rma.usda.gov/pilots/>.

Adjusted Gross Revenue (AGR plan of insurance) - 1999
Apple Pilot Quality Option - 2001
Avocados (Revenue plan) - 1998
Avocados (APH) - 1999
Avocado/Mango Trees (Tree Based Dollar Amt. of Ins.) - 1998
Blueberries (GYC)- 1995
Cabbage (GYC) - 1999
Cherry (Fixed Dollar) - 1999
Citrus Fruit [Navel Oranges] (Fixed Dollar) - 2001
Corn Rootworm Integrated Pest Management - 1998
Coverage Enhancement Option - 2000
Crambe (APH) - 1999
Cultivated Clams (Aquaculture Dollar) - 2000
Cultivated Wild Rice (GYC) - 1999
Florida Fruit Trees (Tree Based Dollar Amt. of Ins.) - 1996
Forage Seed (APH) - 2002
Fresh Market Beans (Dollar Amt. of Ins.) - 2000
Income Protection plan of insurance (IP)- 1996
Mint (APH) - 2000
Mustard (APH) - 1999
Onion Pilot Stage Removal Option - 2000
Pecan (Pecan Revenue plan) - 1998
Processing Chile Peppers (Fixed Dollar) - 2000
Processing Cucumbers (Fixed Dollar) - 2000
Rangeland (Group Risk Plan) - 1999
Raspberry/Blackberry (Fixed Dollar) - 2002
Strawberries (Fixed Dollar) - 2000
Sweetpotatoes (APH) - 1998
Winter Squash [including pumpkins] (Dollar Amt. of Ins.) - 1999

Expansion of Pilot Programs - As a general rule, expansion of a pilot program during the pilot period is considered only if such expansion will provide different program experience (such as different crop types or practices than the original pilot program) than may be gained from the original pilot program.

Summary of Business - Summaries of the insurance experience of these pilot programs and other crop insurance programs can be found at the RMA web site at: <http://www.rma.usda.gov/data/>.

Appendix table 10 -- Underserved States Insurance Liabilities, 1998-2002

Insurance Liabilities															
\$ millions															
	1998			1999			2000			2001			2002		
	BUP*	CAT**	Total	BUP	CAT	Total	BUP	CAT	Total	BUP	CAT	Total	BUP	CAT	Total
CT	13.71	30.78	44.49	26.77	45.09	71.86	25.52	32.05	57.57	32.71	35.54	68.25	33.58	41.52	75.10
DE	12.11	7.44	19.55	14.30	7.51	21.81	16.62	9.30	25.92	21.20	8.75	29.95	26.77	8.52	35.29
ME	14.54	21.50	36.04	23.66	22.69	46.35	25.74	22.34	48.08	27.10	25.10	52.20	26.42	24.79	51.21
MD	38.16	27.14	65.30	47.39	42.33	89.72	53.73	51.42	105.15	62.89	41.54	104.43	81.17	46.82	127.99
MA	24.59	26.85	51.44	36.05	24.33	60.38	28.25	20.83	49.08	27.40	14.40	41.80	27.18	15.57	42.75
NV	1.11	0.46	1.57	1.08	0.50	1.58	0.75	0.83	1.58	0.49	3.06	3.55	11.33	2.77	14.10
NH	1.49	1.59	3.08	2.38	1.42	3.80	2.72	1.32	4.04	3.64	4.27	7.91	3.98	5.01	8.99
NJ	3.32	25.24	28.56	4.17	36.75	40.92	6.56	43.39	49.95	15.81	46.40	62.21	14.70	51.42	66.12
NY	21.74	60.94	82.68	40.75	73.79	114.54	45.38	75.96	121.34	95.68	78.31	173.99	102.16	78.80	180.96
PA	49.54	29.90	79.44	60.50	50.72	111.22	101.06	61.09	162.15	119.36	67.44	186.80	159.88	62.34	222.22
RI	0.47	0.42	0.89	0.63	1.53	2.16	0.46	1.50	1.96	0.38	0.97	1.35	0.63	1.04	1.67
UT	2.88	2.01	4.89	3.39	2.45	5.84	4.24	2.58	6.82	5.37	2.10	7.47	6.35	1.71	8.06
VT	0.82	3.97	4.79	1.73	3.21	4.94	2.28	3.14	5.42	5.72	2.64	8.36	7.72	2.96	10.68
WV	5.52	3.26	8.78	6.82	2.83	9.65	9.54	2.28	11.82	9.24	3.08	12.32	8.88	3.82	12.70
WY	39.20	6.19	45.39	43.26	8.96	52.22	46.17	9.50	55.67	40.20	4.75	44.95	46.04	5.18	51.22
Total	229	248	477	313	324	637	369	338	707	467	338	806	557	352	909

BUP* = Buyup (Additional Coverage): A level of coverage greater than catastrophic risk protection (CAT).
 CAT** = Catastrophic Risk Protection (CAT): The minimum level of coverage offered by RMA.

**Appendix table 11 -- Number of Policies with Earned Premium in Underserved States,
1998-2002**

	1998			1999			2000			2001			2002		
	BUP*	CAT**	Total	BUP	CAT	Total	BUP	CAT	Total	BUP	CAT	Total	BUP	CAT	Total
	Number														
CT	87	188	275	129	203	332	128	210	338	192	187	379	207	165	372
DE	451	293	744	532	336	868	598	404	1,002	633	331	964	713	286	999
	130	408	538	189	441	630	198	407	605	214	366	580	241	355	596
MD	1,335	1,422	2,757	1,842	1,646	3,488	2,044	1,719	3,763	2,161	1,345	3,506	2,622	1,146	3,768
	179	332	511	263	385	648	284	433	717	349	407	756	344	382	726
NV	5	12	17	9	17	26	4	19	23	5	12	17	42	10	52
	10	84	94	29	84	113	37	71	108	46	67	113	61	56	117
NJ	91	496	587	147	566	713	281	810	1,091	303	814	1,117	422	722	1,144
	495	2,466	2,961	823	2,579	3,402	805	2,652	3,457	1,392	2,467	3,859	1,666	2,478	4,144
PA	2,655	2,352	5,007	3,475	2,554	6,029	5,884	4,016	9,900	5,975	4,008	9,983	8,018	3,806	11,824
	5	32	37	11	35	46	12	41	53	17	32	49	21	23	44
UT	115	257	372	168	290	458	187	270	457	225	238	463	290	209	499
	27	319	346	82	305	387	85	292	377	144	228	372	247	292	539
WV	337	280	617	449	276	725	573	231	804	624	186	810	592	175	767
	1,715	694	2,409	1,856	729	2,585	1,802	715	2,517	1,874	505	2,379	2,161	637	2,798
Total	7,637	9,635	17,272	10,004	10,446	20,450	12,922	12,290	25,212	14,154	11,193	25,347	17,647	10,742	28,389

BUP* = Buyup (Additional Coverage): A level of coverage greater than catastrophic risk protection (CAT).

CAT** = Catastrophic Risk Protection (CAT): The minimum level of coverage offered by RMA.

Appendix table 12 -- Specialty Crops Insurance Liabilities, 1998-2002

Crop	1998		1999		2000		2001		2002		1998-2002
	\$ millions	% Chg	\$ millions	% Chg	\$ millions	% Chg	\$ millions	% Chg	\$ millions	% Chg	Overall % Chg
Almonds	386.44	-	364.77	-6	326.52	-10	281.13	-14	284.07	1	-26
Apples	263.57	-	264.14	0	291.97	11	352.56	21	319.63	-9	21
Avocados	10.47	-	11.18	7	12.28	10	33.89	176	39.11	15	274
Avocado Trees / Mango Trees	3.76	-	3.72	-1	3.50	-6	6.30	80	5.91	-6	57
Blueberries	9.83	-	13.18	34	15.74	19	20.37	29	22.44	10	128
Cabbage	0.00	-	3.08	-	17.23	459%	11.37	-34	13.42	18	336
Canola / Rapeseed	55.47	-	68.93	24	107.04	55	116.02	8	125.89	9	127
Cherry	0.00	-	39.70	-	47.92	21	50.29	5	52.76	5	33
Chile Peppers	0.00	-	0.00	-	4.07	-	4.83	19	4.51	-7	11
Citrus	341.56	-	273.49	-20	331.28	21	442.97	34	441.77	0	29
Citrus Trees (In Texas)	57.30	-	55.93	-2	63.22	13	64.53	2	64.29	0	12
Crambe	0.00	-	1.18	-	1.45	23	0.94	-35	0.05	-95	-96
Cranberries	109.41	-	104.47	-5	74.11	-29	27.61	-63	37.11	34	-66
Cultivated Wild Rice	0.00	-	5.00	-	5.30	6	0.94	-82	5.62	498	12
Dry Beans	219.99	-	271.91	24	238.02	-12	201.12	-16	278.61	39	27
Dry Peas	14.66	-	12.34	-16	12.90	5	16.16	25	26.45	64	80
Figs	4.76	-	4.91	3	4.68	-5	4.08	-13	5.20	27	9
Florida Fruit Tree	145.25	-	153.78	6	697.28	353	831.78	19	1085.93	31	648
Fresh Market Beans	0.00	-	0.00	-	16.23	-	16.77	3	25.30	51	56
Fresh Market Sweet Corn	16.38	-	23.25	42	28.48	23	32.61	15	27.15	-17	66
Fresh Market Tomatoes	86.87	-	106.10	22	115.93	9	126.06	9	117.36	-7	35
Grapes	432.30	-	494.86	14	512.59	4	564.49	10	535.40	-5	24
Green Beans for Canning	9.69	-	13.36	38	16.64	25	16.40	-1	19.74	20	104
Green Peas	22.00	-	28.77	31	33.51	16	27.01	-19	31.44	16	43
Macadamia Nuts	0.00	-	11.54	-	15.02	30	13.09	-13	18.77	43	63
Macadamia Trees	62.33	-	82.11	32	80.42	-2	78.51	-2	64.27	-18	3
Millet	2.10	-	2.80	33	2.35	-16	5.43	131	4.33	-20	106
Mint	0.00	-	0.00	-	5.18	-	6.12	18	7.17	17	38
Mustard	0.00	-	0.64	-	0.73	13	0.92	26	7.29	696	1036
Nursery	802.68	-	2369.23	195	2351.08	-1	2598.93	11	2978.23	15	271
Navel Oranges (CA \$ Citrus)	0.00	-	0.00	-	0.00	-	0.78	-	31.04	3879	3879
Onions	59.64	-	89.25	50	98.76	11	100.18	1	99.10	-1	66
Peaches	18.67	-	25.38	36	38.42	51	44.46	16	49.13	11	163

Appendix 12 -- Specialty Crops Insurance Liabilities, 1998-2002 - Continued

Crop	1998		1999		2000		2001		2002		1998-2002
	\$ millions	% Chg	\$ millions	% Chg	\$ millions	% Chg	\$ millions	% Chg	\$ millions	% Chg	Overall % Chg
Pears	35.15	-	34.55	-2	37.05	7	45.09	22	48.17	7	37
Pecans	19.60	-	20.74	6	24.22	17	24.44	1	29.86	22	52
Peppers	20.73	-	26.20	26	26.58	1	38.06	43	40.00	5	93
Plums	16.72	-	17.19	3	20.86	21	22.16	6	21.90	-1	31
Raspberries / Blackberries	0.00	-	0.00	-	0.00	-	0.00	-	1.09	-	-
Stonefruit	67.38	-	68.59	2	72.52	6	77.02	6	76.20	-1	13
Strawberries	0.00	-	0.00	-	36.74	-	49.90	36	63.56	27	73
Sweet Corn for Canning	39.38	-	43.90	11	43.97	0	53.27	21	58.85	10	49
Sweetpotatoes	9.41	-	22.27	137	23.27	4	27.42	18	23.32	-15	148
Table Grapes	125.40	-	126.52	1	140.06	11	158.86	13	154.77	-3	23
Tomatoes for Canning / Processing	170.87	-	254.77	49	223.32	-12	222.87	0	267.12	20	56
Walnuts	40.39	-	46.65	15	53.32	14	52.84	-1	54.94	4	36
Winter Squash	0.00	-	0.30	-	0.77	159	1.01	31	1.25	24	321
Total Liabilities	4358.35	-	6453.56	32.5	7287.36	11.5	7750.54	6.4	8642.52	11.4	98

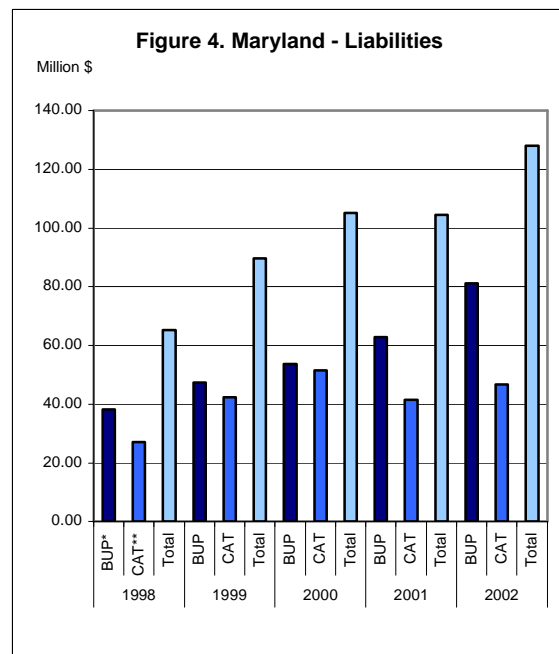
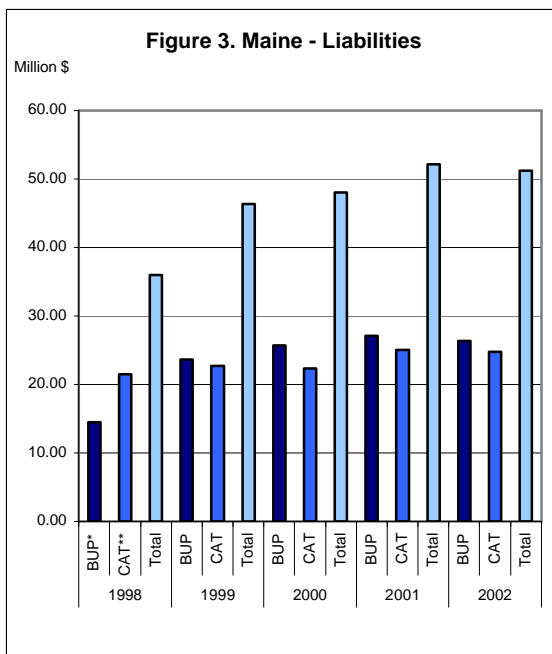
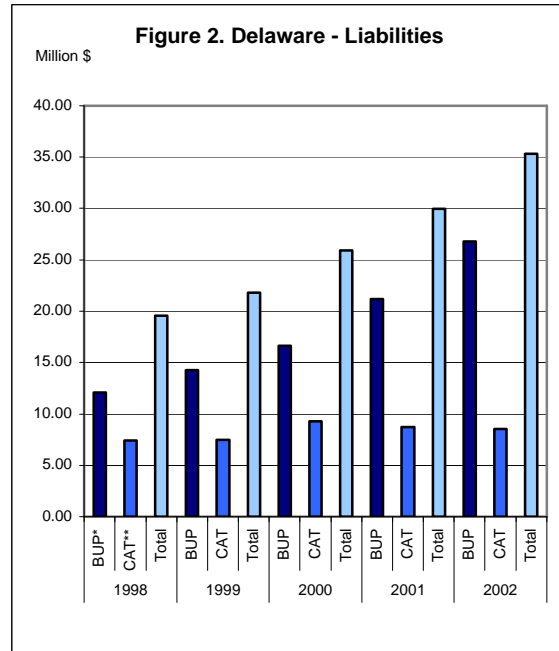
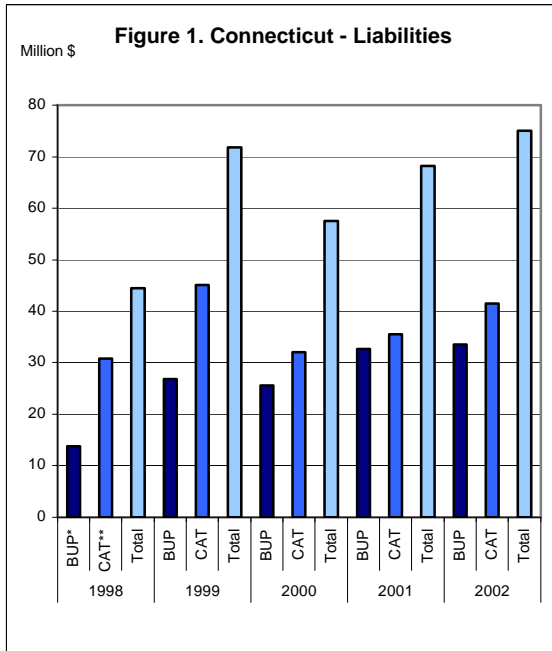
Appendix table 13 – Specialty Crops Number of Insured Policies, 1998-2002

Crop	1998		1999		2000		2001		2002		1998-2002 Overall % Chg
	Number	% Chg	Number	% Chg	Number	% Chg	Number	% Chg	Number	% Chg	
Almonds	2838	-	3219	13	3232	0	3130	-3	3063	-2	8
Apples	3275	-	3752	15	3508	-7	3552	1	3546	0	8
Avocados	285	-	357	25	370	4	1054	185	1209	15	324
Avocado Trees / Mango Trees	269	-	262	-3	249	-5	258	4	228	-12	-15
Blueberries	257	-	367	43	403	10	410	2	393	-4	53
Cabbage	0	-	55	0	168	205	158	-6	180	14	227
Canola / Rapeseed	4575	-	6309	38	7683	22	8026	4	7132	-11	56
Cherry	0	-	855	0	1075	26	1189	11	1260	6	47
Chile Peppers	0	-	0	0	49	0	49	0	43	-12	-12
Citrus:	6503	-	6742	4	6721	0	7009	4	6672	-5	3
Citrus Trees (In Texas)	1197	-	1145	-4	1114	-3	1080	-3	1050	-3	-12
Crambe	0	-	98	0	117	19	89	-24	6	-93	-94
Cranberries	519	-	592	14	583	-2	563	-3	547	-3	5
Cultivated Wild Rice	0	-	56	0	49	-13	55	12	47	-15	-16
Dry Beans	10252	-	11034	8	9270	-16	8877	-4	10067	13	-2
Dry Peas	1500	-	1572	5	1606	2	1770	10	2254	27	50
Figs	58	-	65	12	63	-3	63	0	67	6	16
Florida Fruit Tree	1390	-	635	-54	4813	658	4972	3	5031	1	262
Fresh Market Beans	0	-	0	0	99	0	105	6	105	0	6
Fresh Market Sweet Corn	128	-	392	206	718	83	770	7	768	0	500
Fresh Market Tomatoes	328	-	373	14	390	5	411	5	365	-11	11
Grapes	5018	-	6015	20	6101	1	5677	-7	5624	-1	12
Green Beans for Canning	539	-	601	12	676	12	636	-6	656	3	22
Green Peas	2381	-	2453	3	2782	13	2085	-25	2176	4	-9
Macadamia Nuts	0	-	33	0	33	0	35	6	37	6	12
Macadamia Trees	33	-	35	6	39	11	38	-3	39	3	18
Millet	403	-	572	42	502	-12	782	56	640	-18	59
Mint	0	-	0	0	64	0	63	-2	59	-6	-8
Mustard	0	-	81	0	109	35	112	3	503	349	521
Nursery	1588	-	2697	70	3348	24	3555	6	3825	8	141
Navel Oranges (CA \$ Citrus)	0	-	0	0	0	0	15	0	482	3113	3113
Onions	565	-	796	41	716	-10	704	-2	669	-5	18
Peaches	836	-	994	19	949	-5	952	0	944	-1	13
Pears	756	-	804	6	781	-3	823	5	834	1	10
Pecans	151	-	207	37	195	-6	184	-6	198	8	31
Peppers	39	-	62	59	82	32	98	20	118	20	203
Plums	688	-	716	4	694	-3	648	-7	637	-2	-7

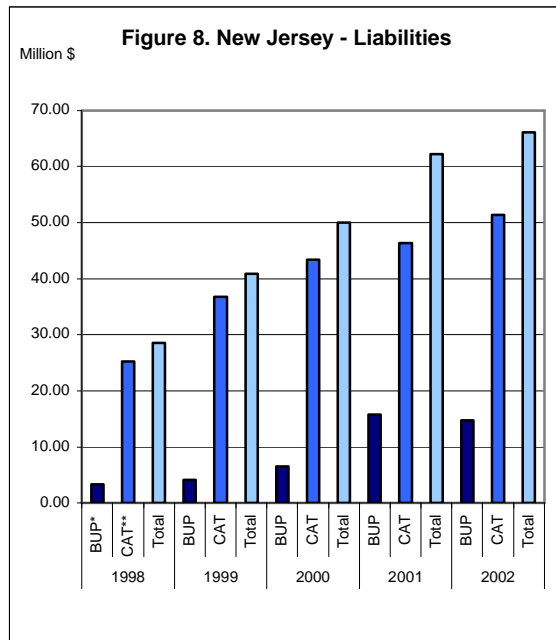
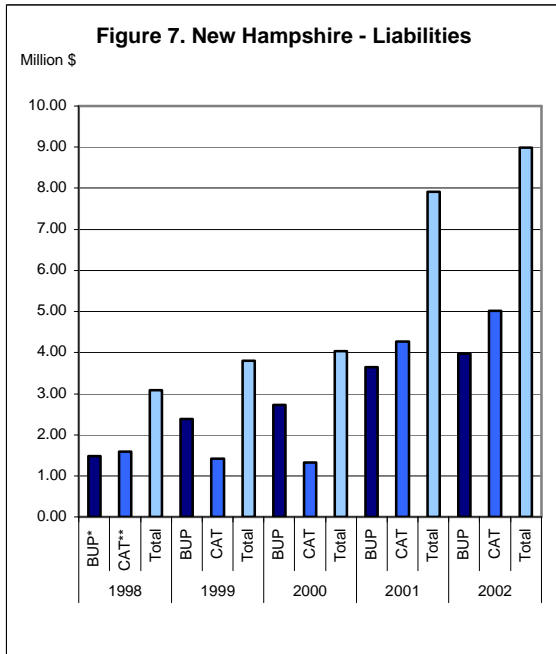
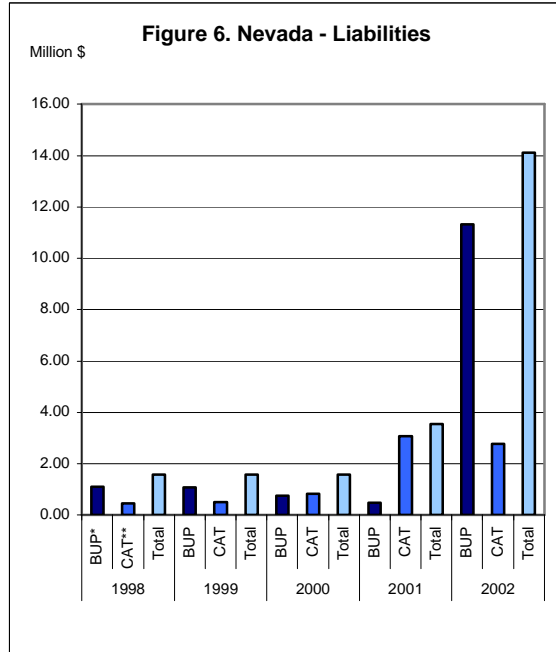
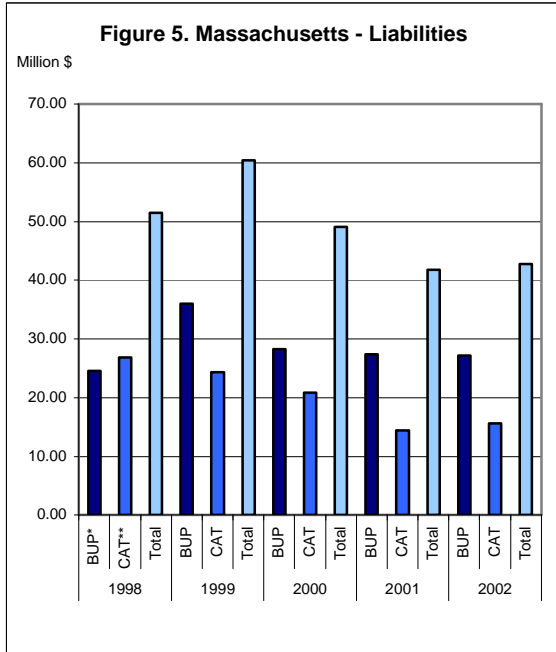
Appendix 13 – Specialty Crops Number of Insured Policies, 1998-2002 - Continued

Crop	1998		1999		2000		2001		2002		1998-2002 Overall % Chg
	Number	% Chg	Number	% Chg	Number	% Chg	Number	% Chg	Number	% Chg	
Potatoes	2495	-	2814	13	2802	0	2687	-4	2851	6	14
Raisins	2057	-	2332	13	2495	7	1933	-23	1899	-2	-8
Raspberries / Blackberries	0	-	0	0	0	0	0	0	25	0	0
Stonefruit	1692	-	1254	-26	1932	54	19116	889	1777	-91	5
Strawberries	0	-	0	0	179	0	148	-17	207	40	16
Sweet Corn for Canning	2579	-	2646	3	2657	0	2542	-4	2412	-5	-6
Sweetpotatoes	181	-	268	48	329	23	338	3	316	-7	75
Table Grapes	444	-	470	6	464	-1	468	1	499	7	12
Tomatoes for Canning/Processing	797	-	958	20	844	-12	739	-12	733	-1	-8
Walnuts	758	-	1185	56	1192	1	1128	-5	1101	-2	45
Winter Squash	0	-	31	0	103	232	118	15	118	0	281
Total Policies	58,139		66,906	15	73,513	10	90,354	23	74,504	-18	28

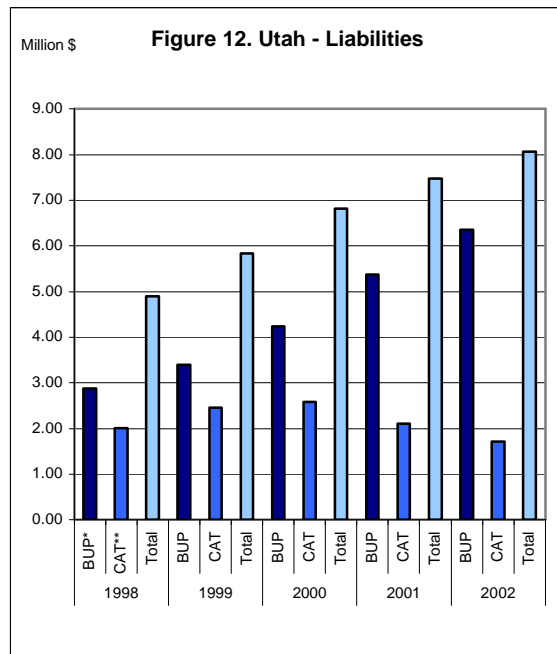
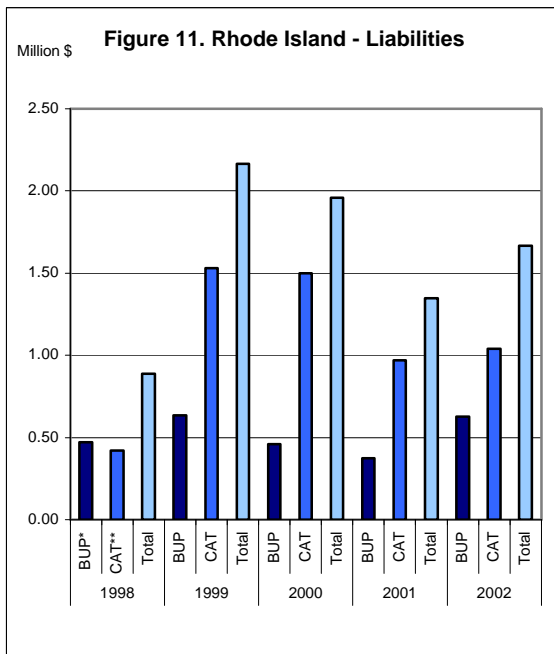
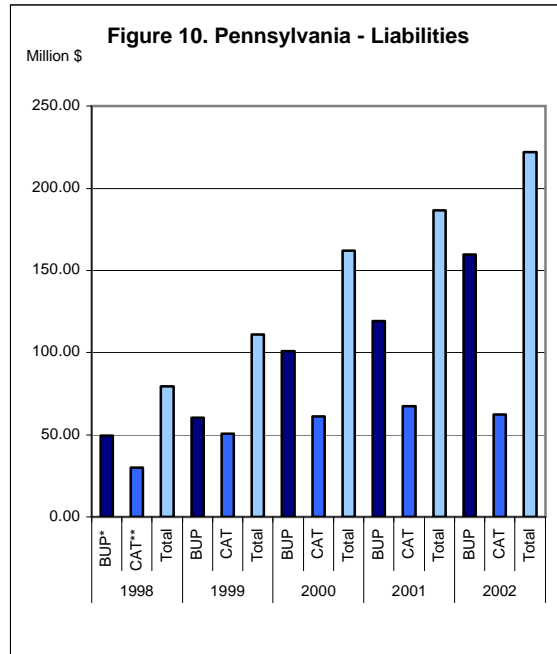
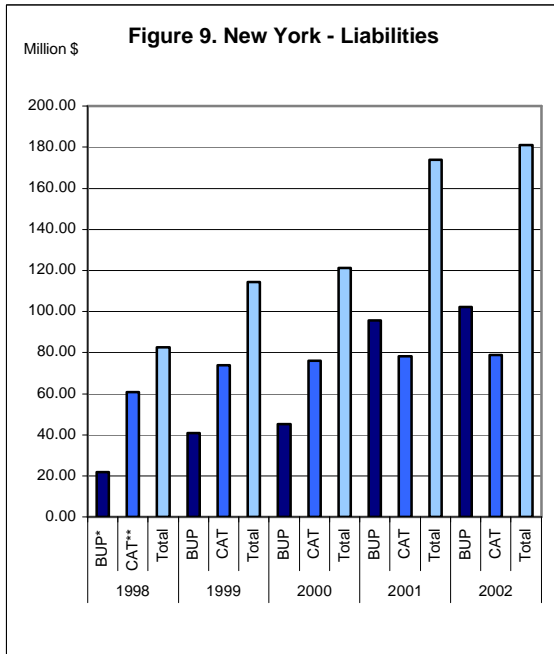
Appendix figures 1-4 -- Underserved States Insurance Liabilities, 1998-2002



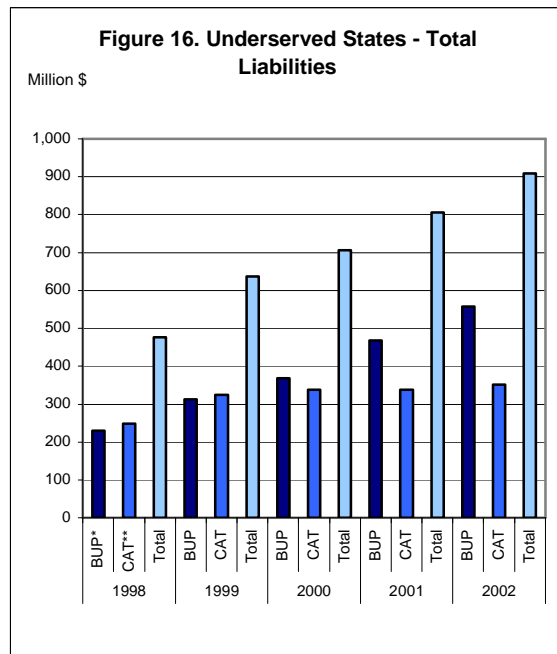
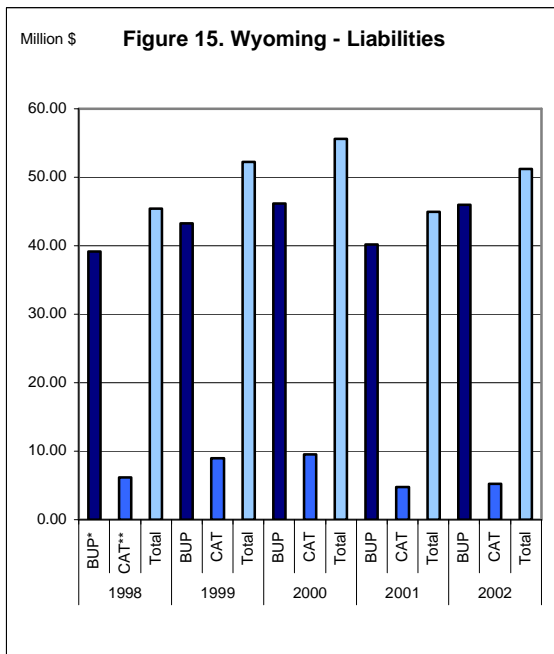
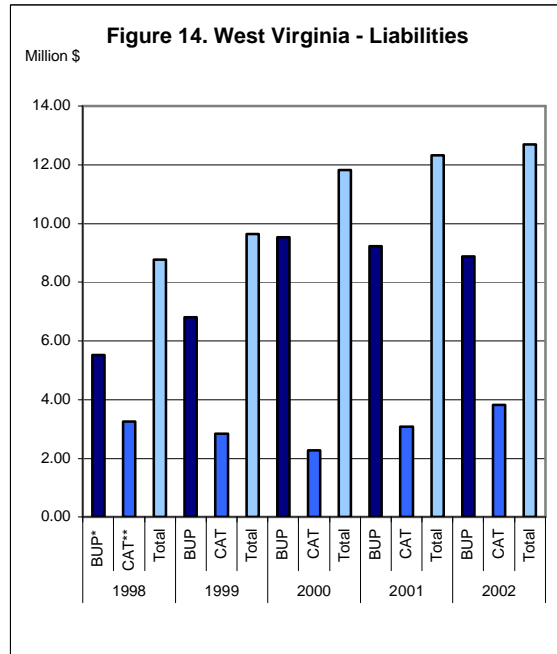
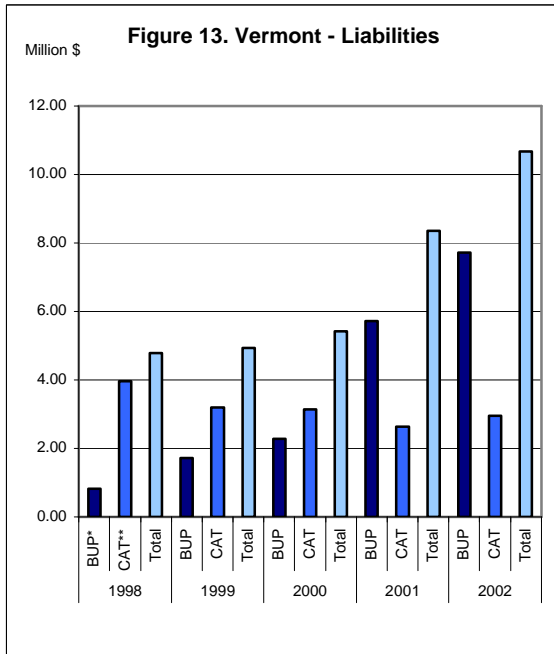
Appendix figures 5-8 -- Underserved States Insurance Liabilities, 1998-2002 – Continued



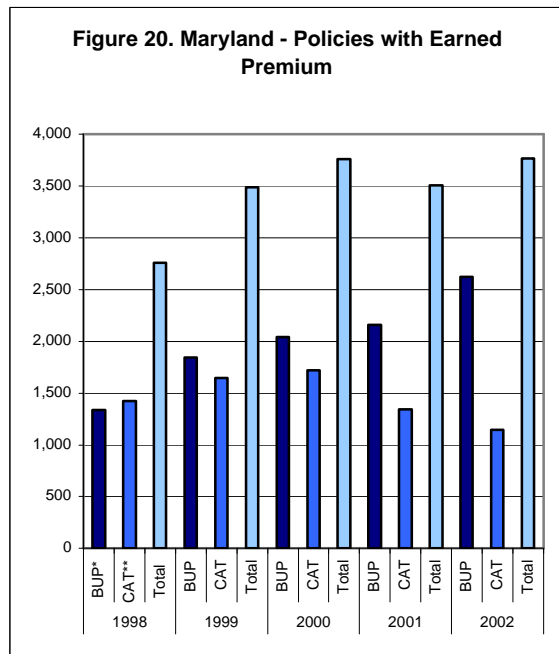
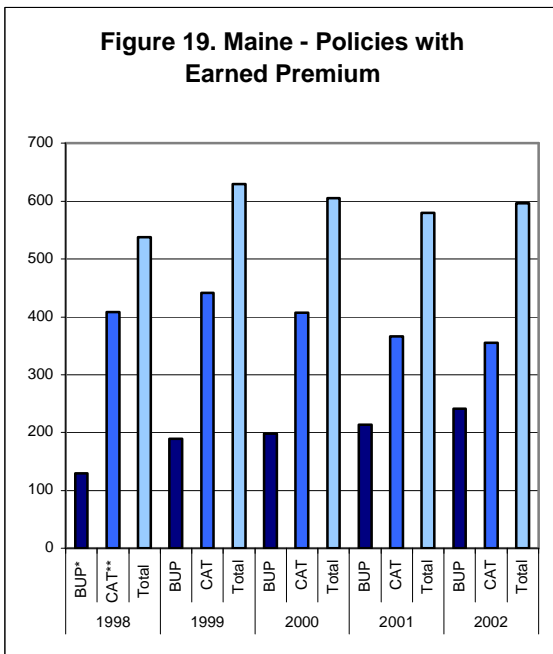
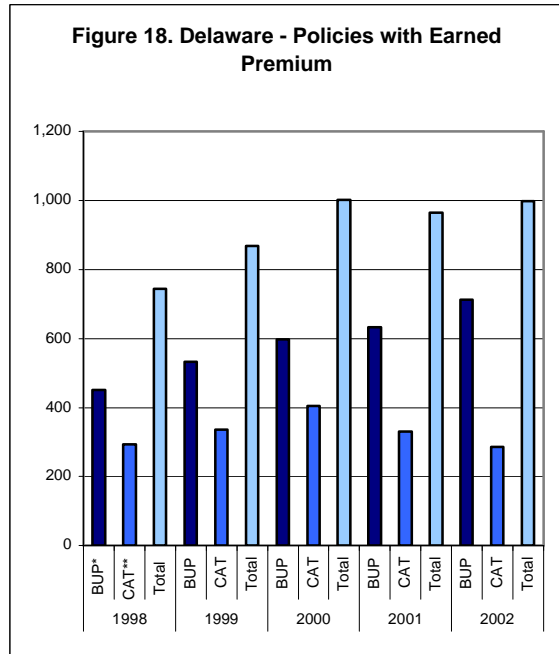
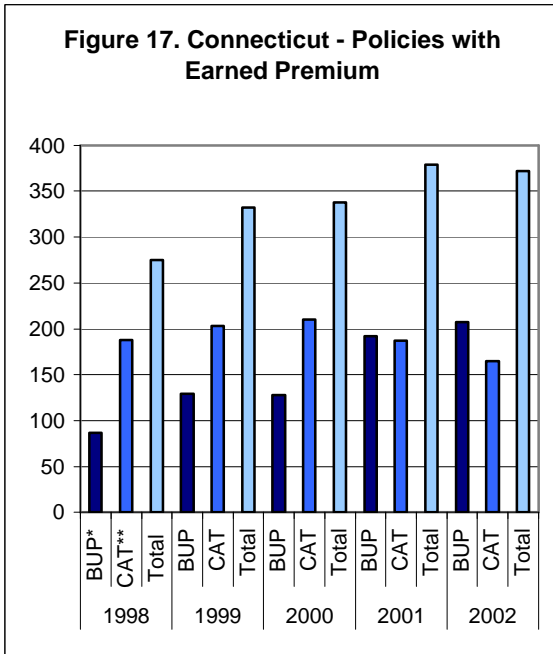
Appendix figures 9-12 -- Underserved States Insurance Liabilities, 1998-2002 – Continued



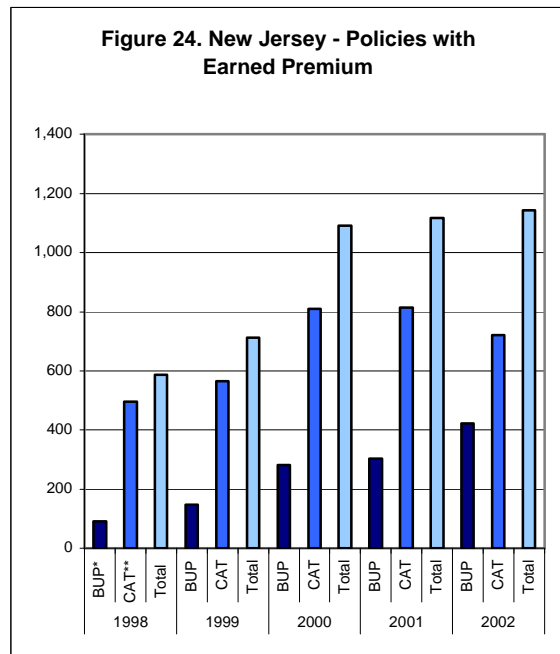
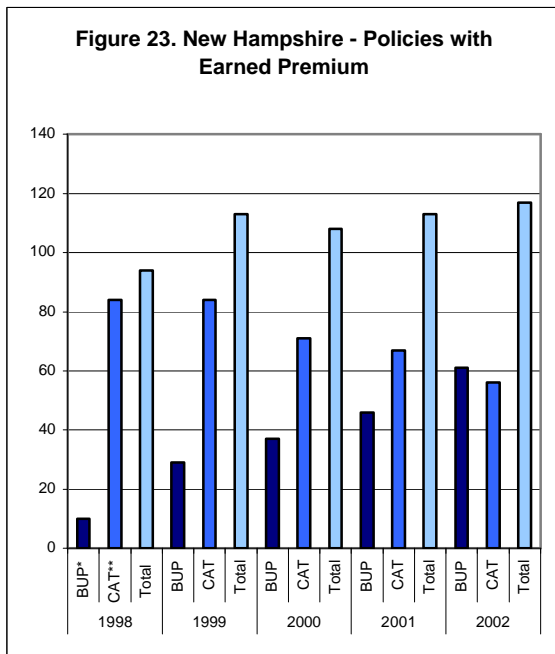
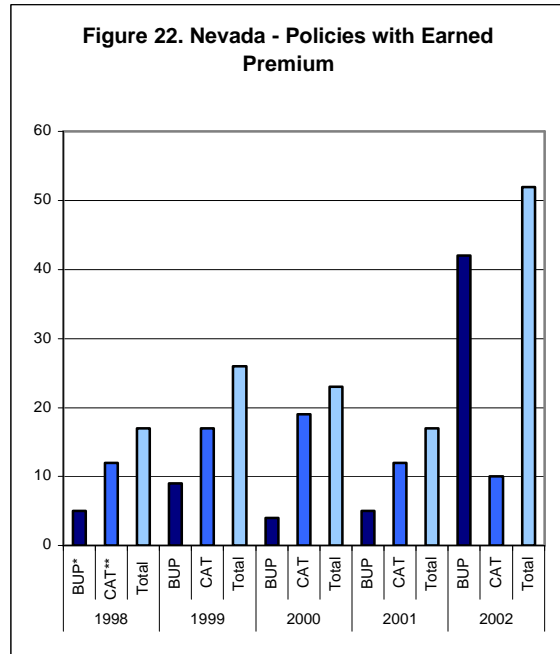
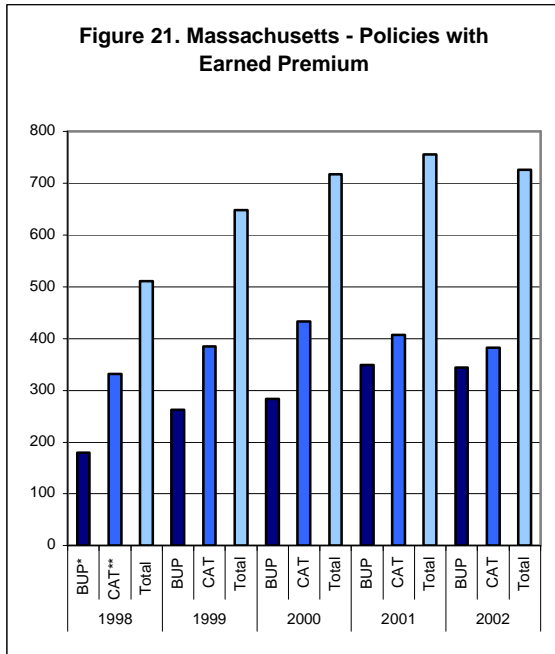
Appendix figures 13-16 -- Underserved States Insurance Liabilities, 1998-2002 – Continued



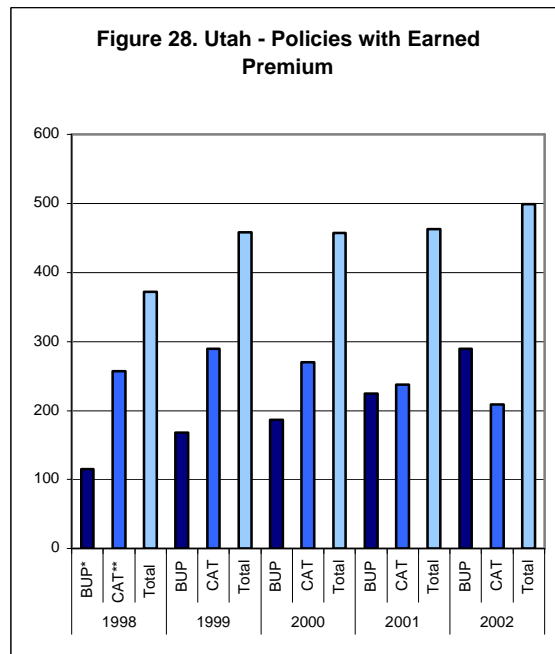
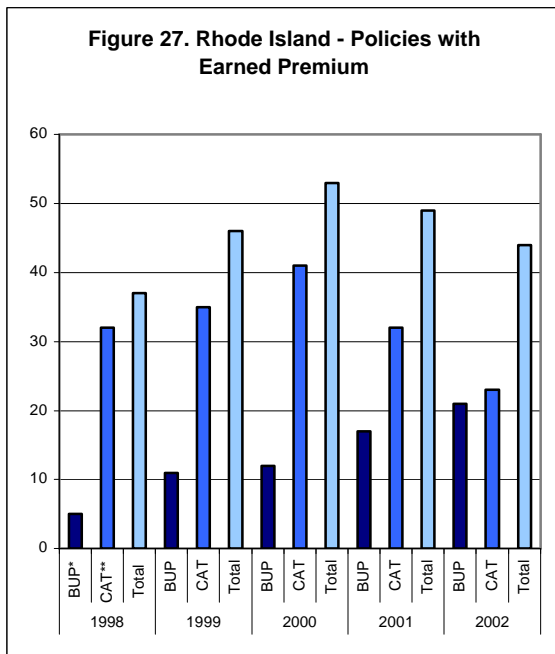
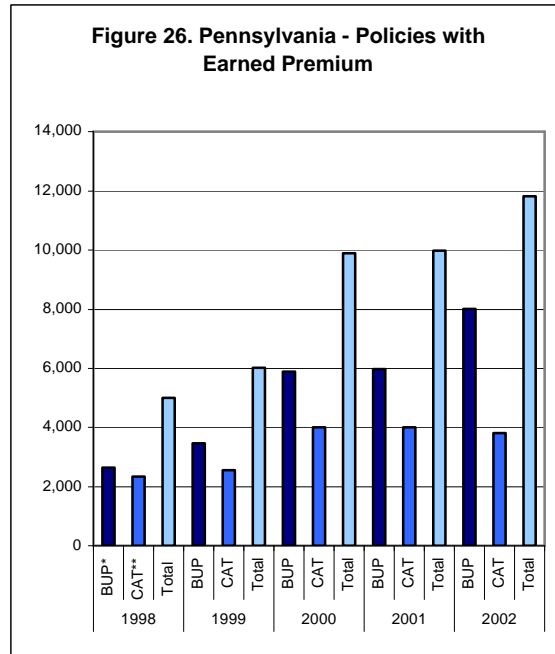
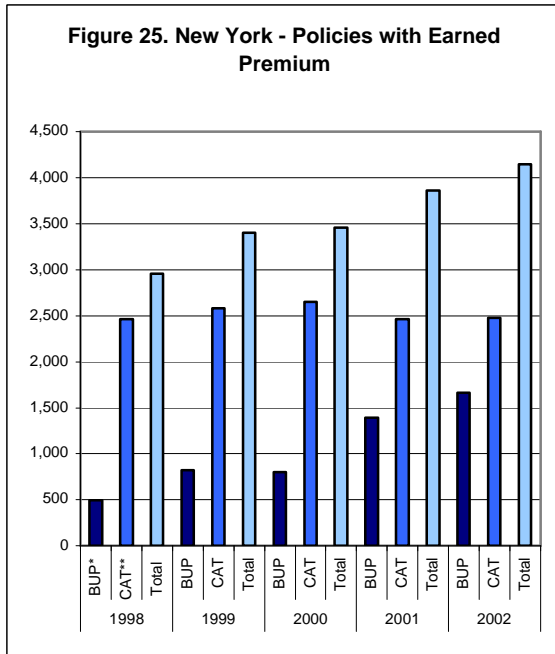
Appendix figures 17-20 -- Number of Policies with Earned Premium in Underserved States, 1998-2002



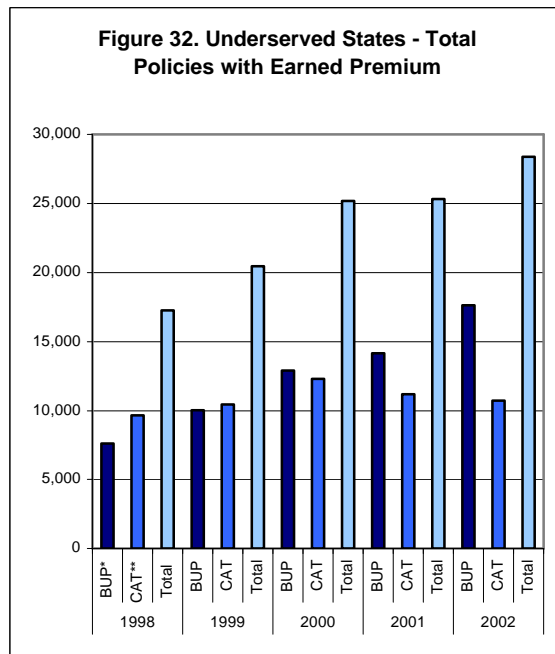
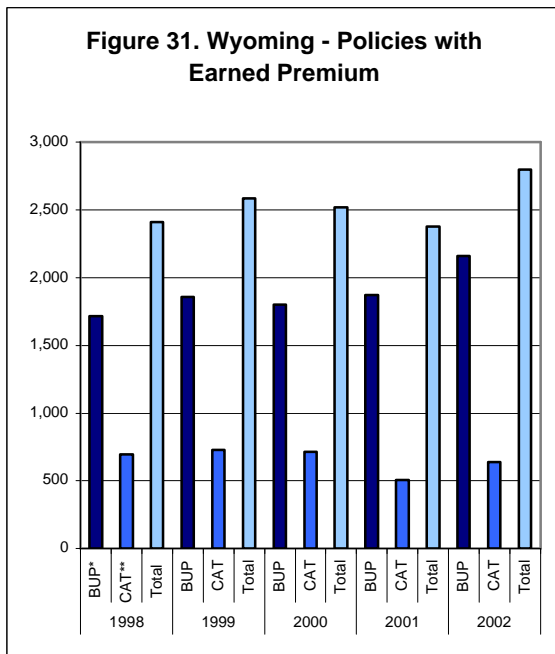
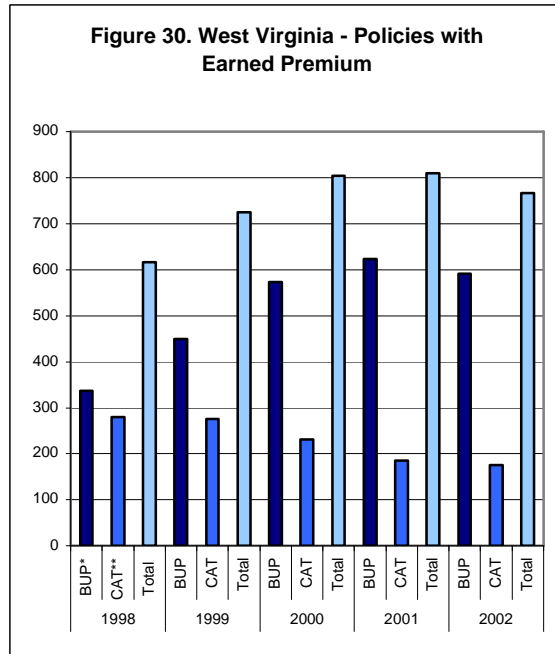
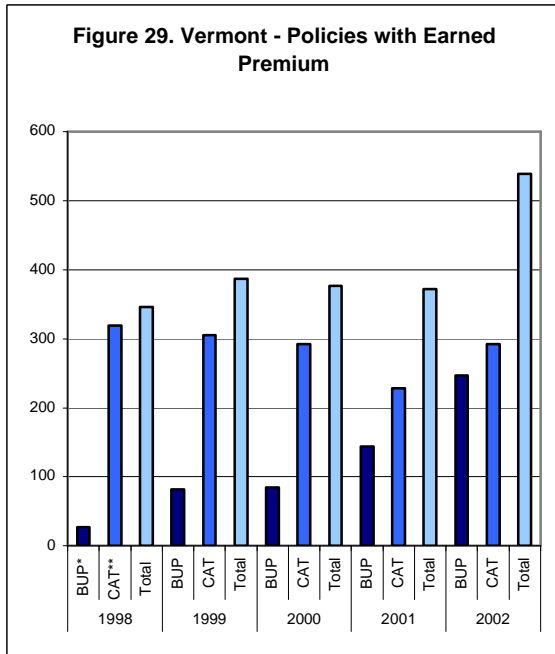
**Appendix figures 21-24 -- Number of Policies with Earned Premium in Underserved States,
1998-2002 – Continued**



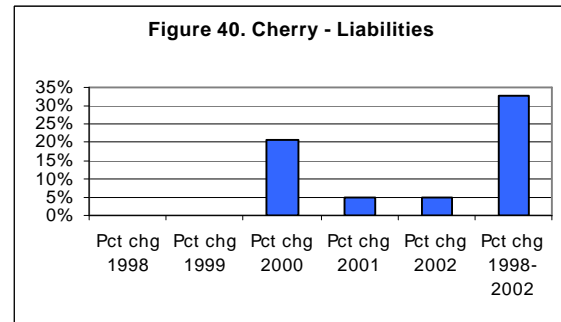
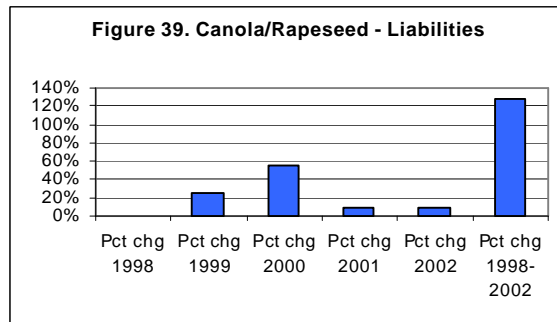
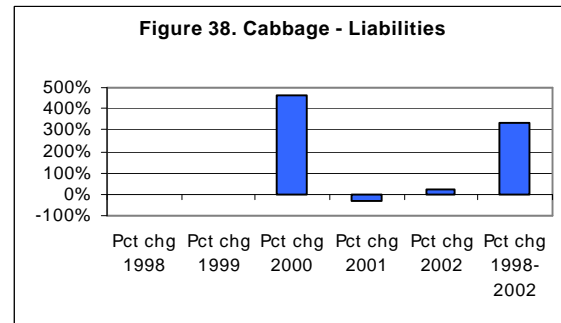
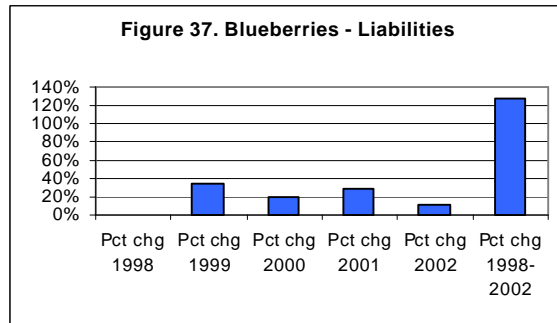
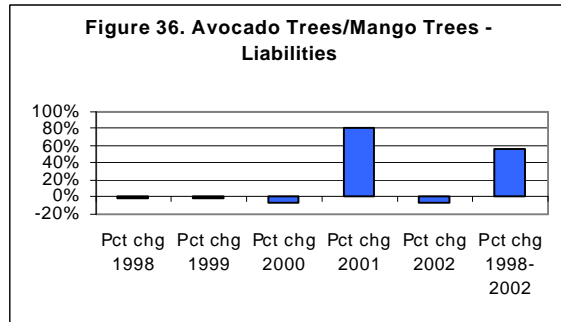
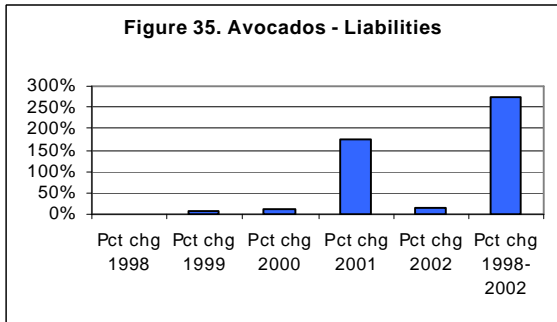
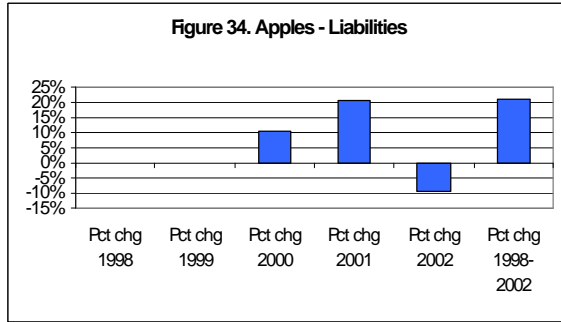
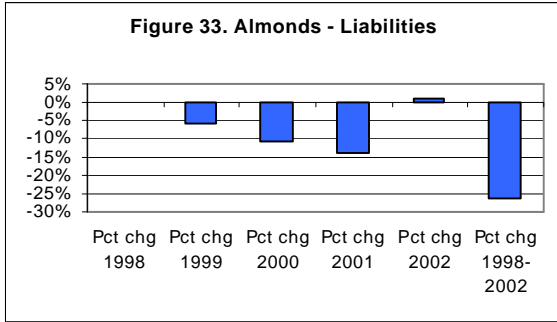
**Appendix figures 25-28 -- Number of Policies with Earned Premium in Underserved States,
1998-2002 – Continued**



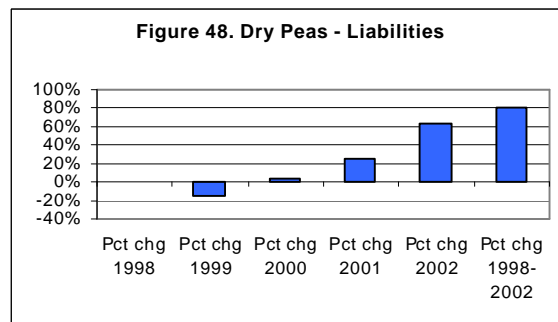
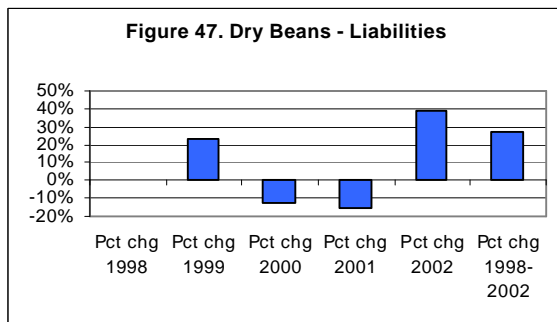
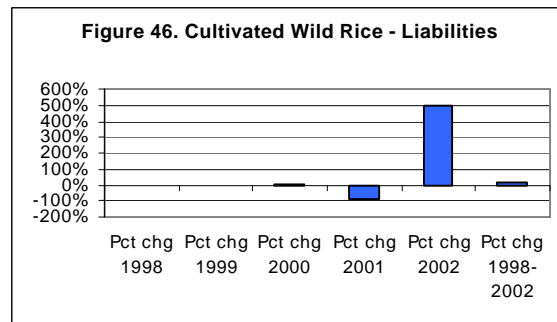
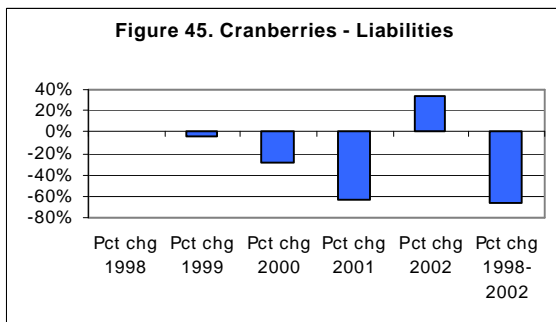
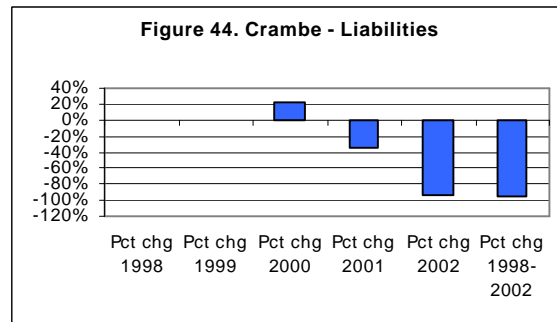
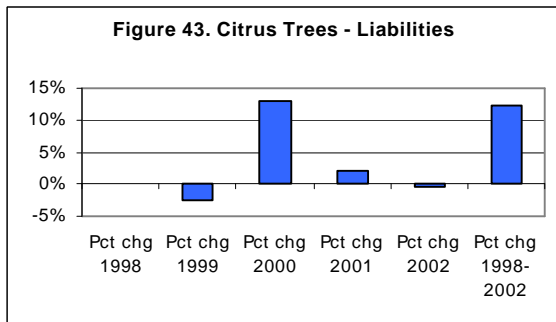
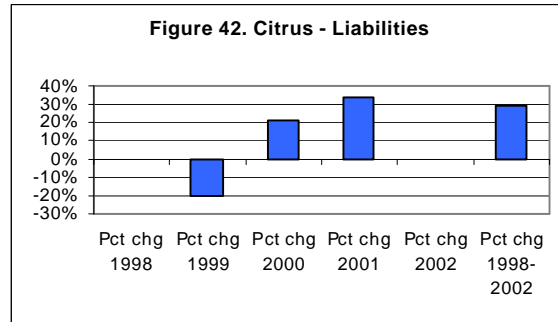
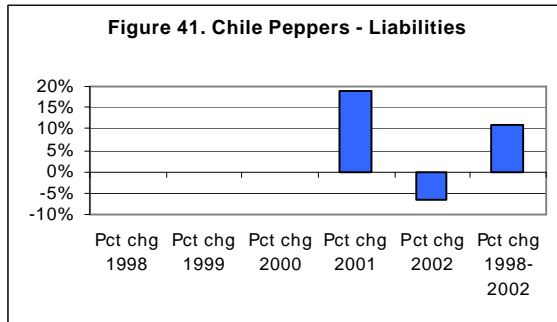
**Appendix figures 29-32 -- Number of Policies with Earned Premium in Underserved States,
1998-2002 – Continued**



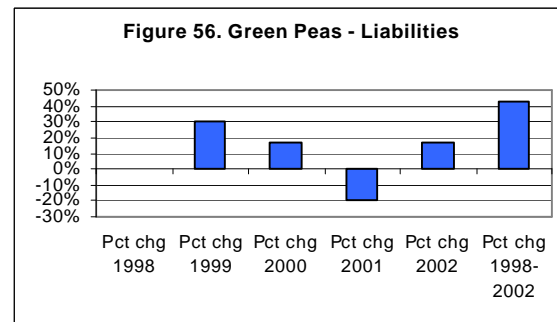
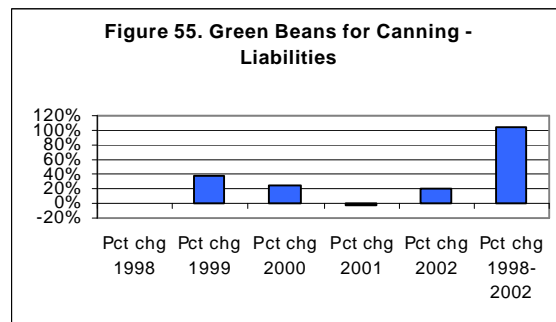
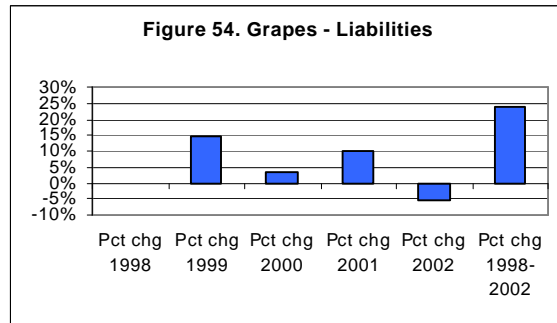
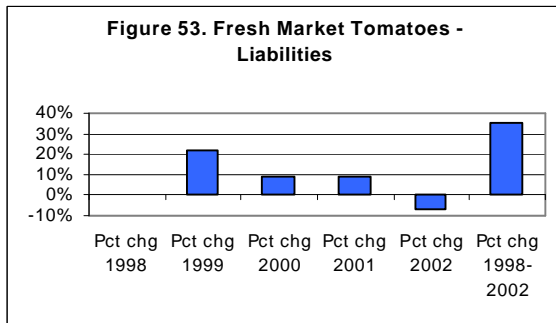
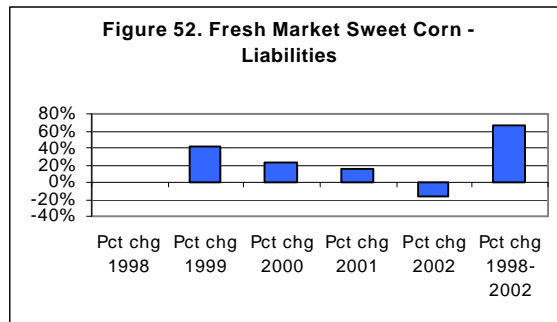
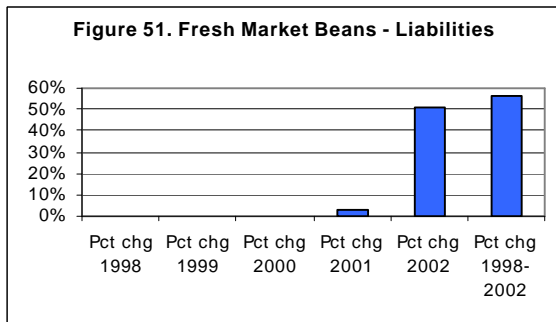
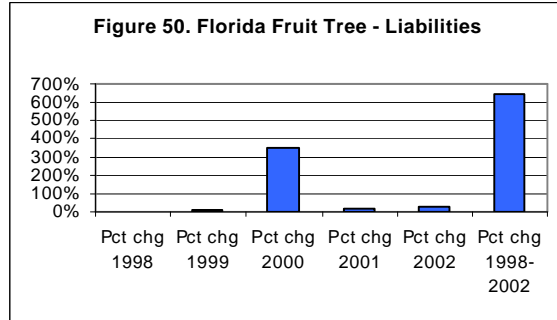
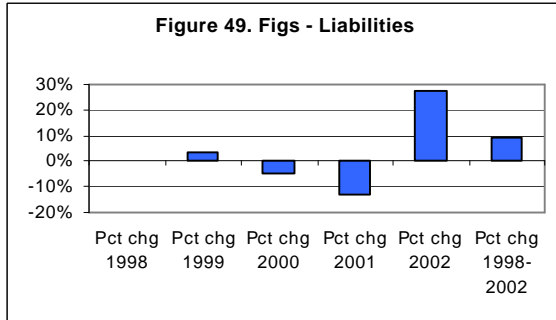
Appendix figures 33-40 -- Specialty Crops Insurance Liabilities, 1998-2002



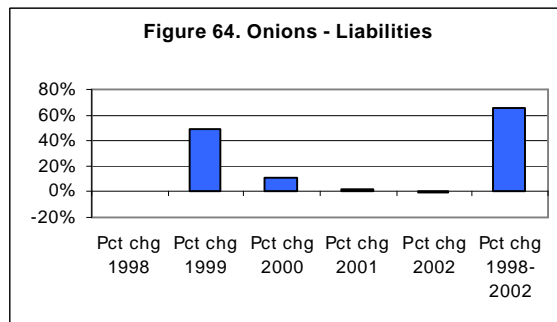
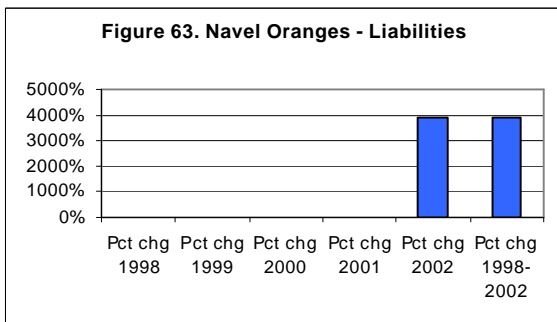
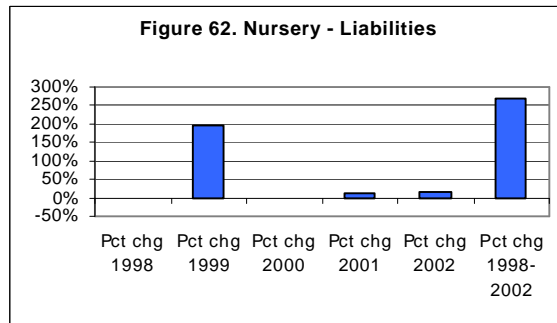
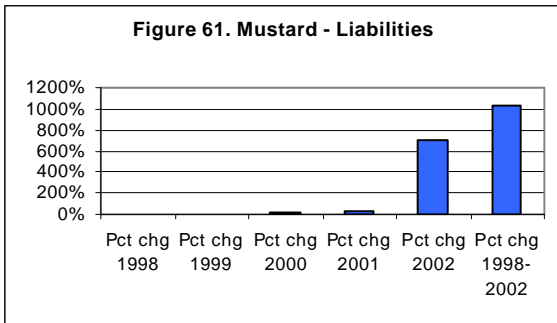
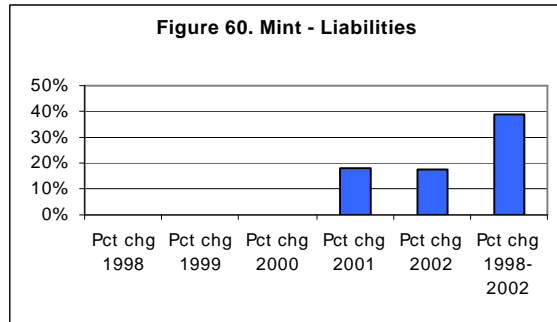
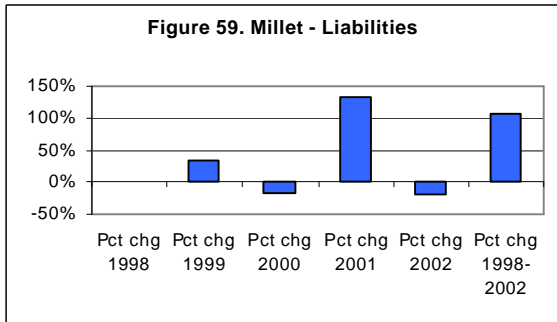
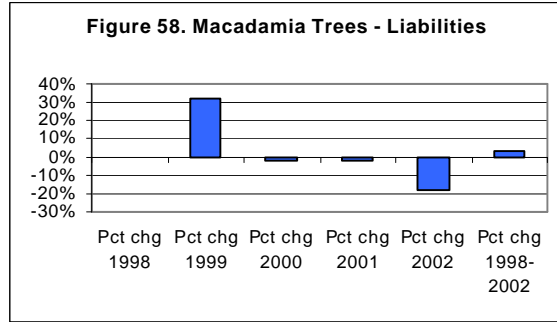
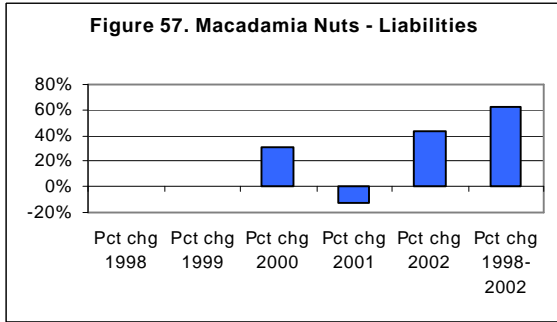
Appendix figures 41-48 -- Specialty Crops Insurance Liabilities, 1998-2002 - Continued



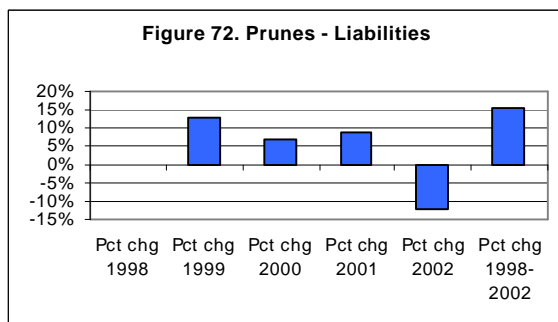
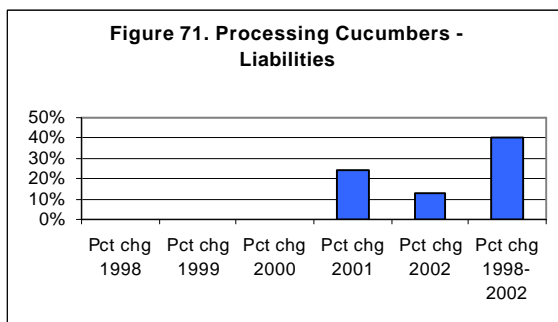
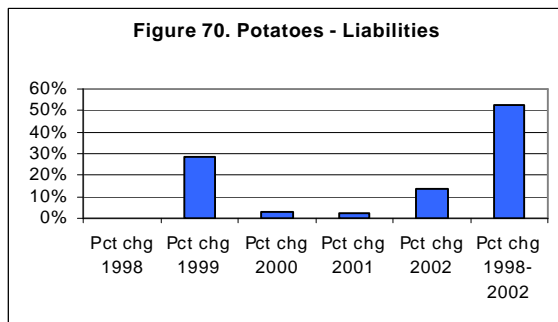
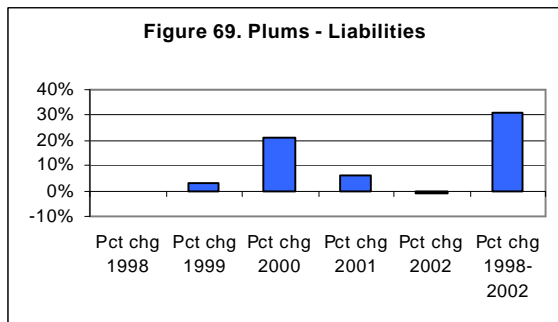
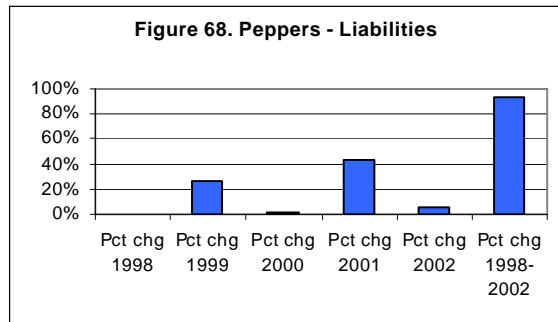
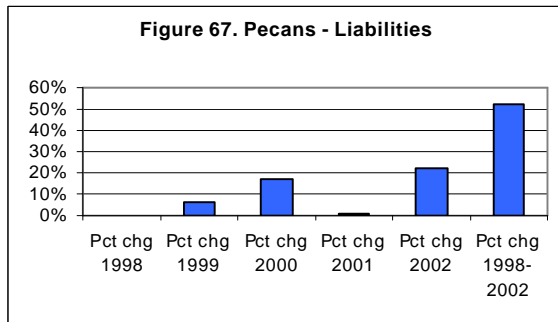
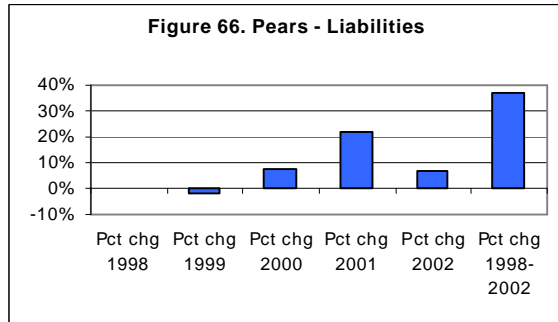
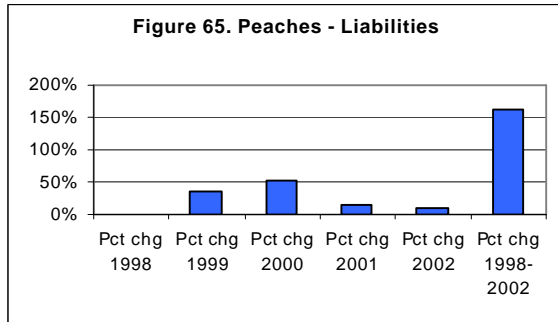
Appendix figures 49-56 -- Specialty Crops Insurance Liabilities, 1998-2002 - Continued



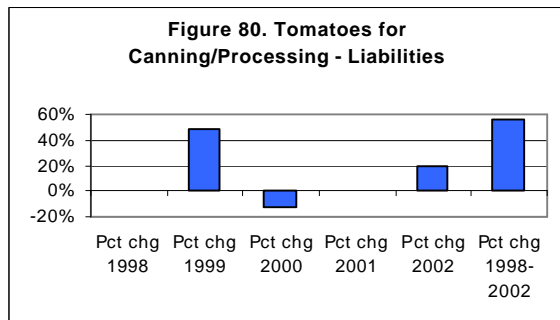
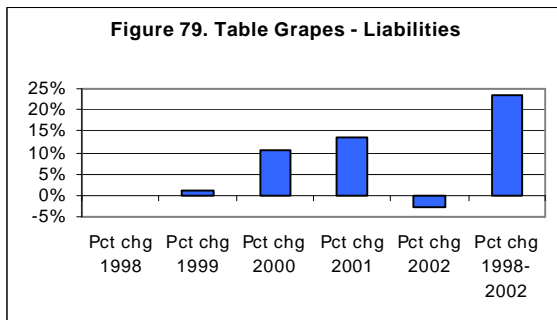
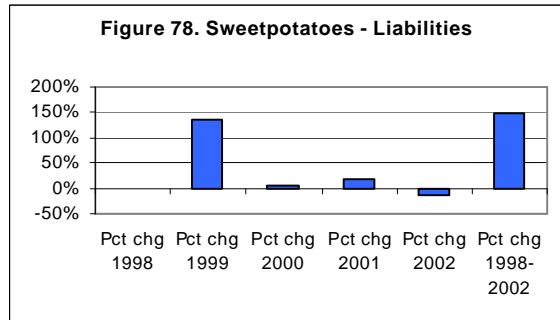
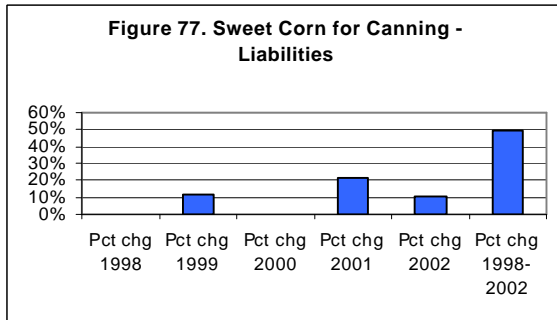
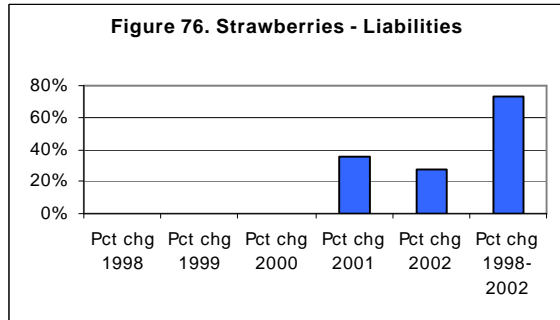
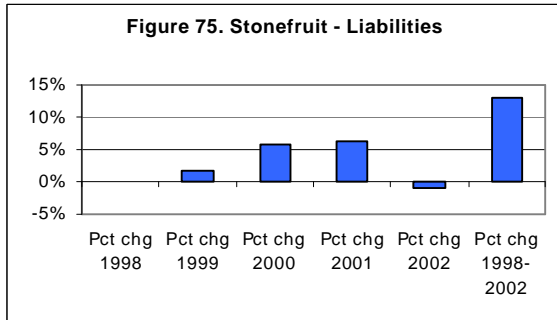
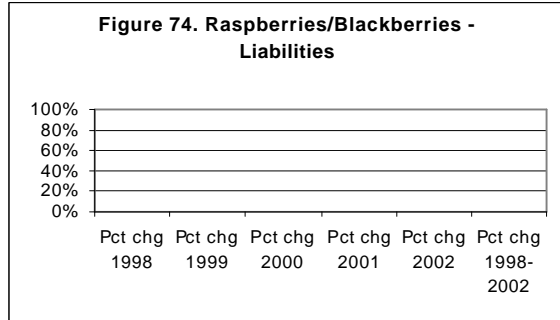
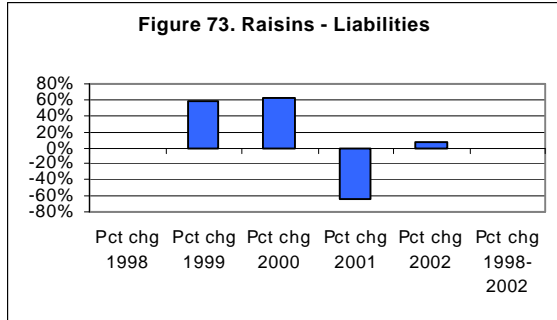
Appendix figures 57-64 -- Specialty Crops Insurance Liabilities, 1998-2002 – Continued



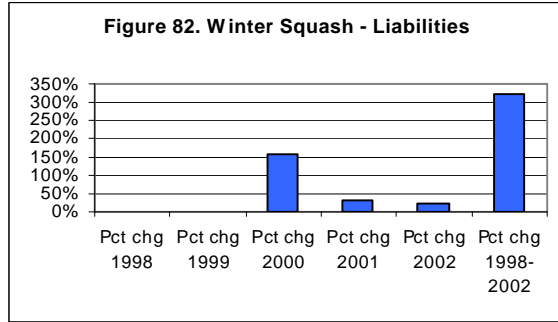
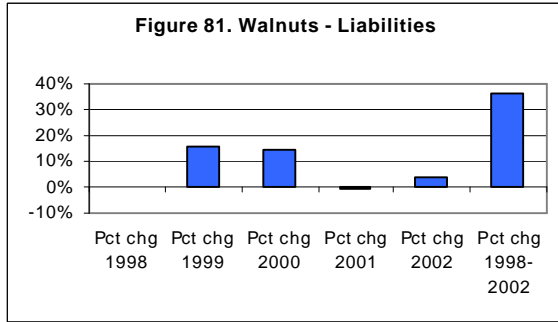
Appendix figures 65-72 -- Specialty Crops Insurance Liabilities, 1998-2002 - Continued



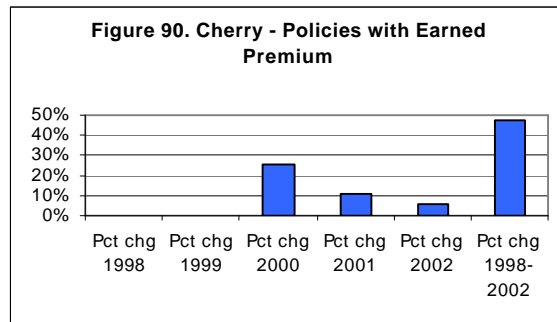
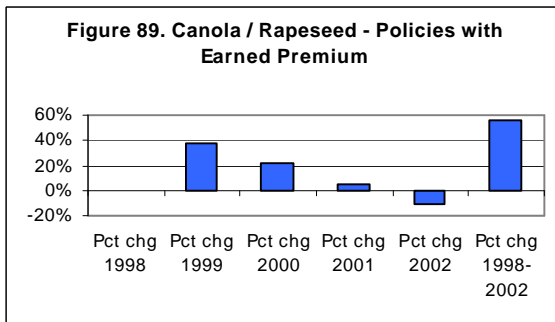
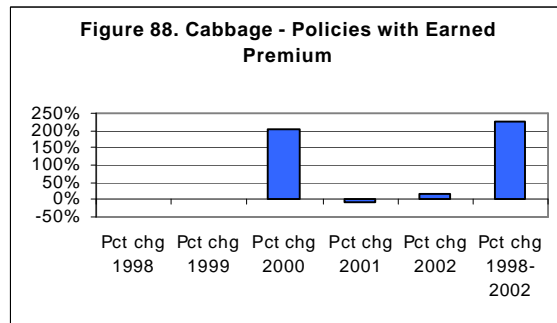
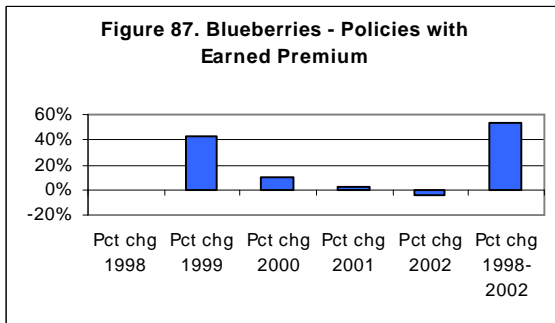
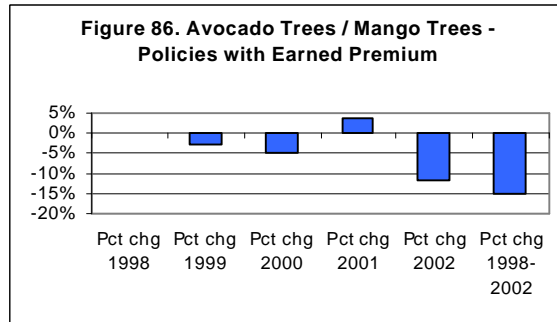
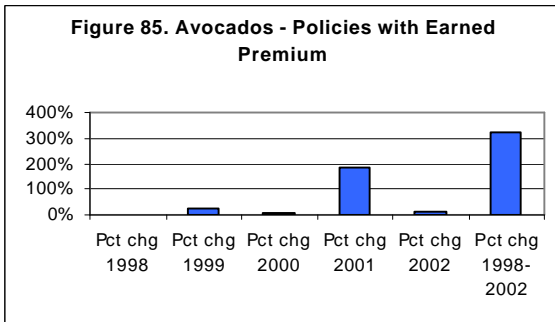
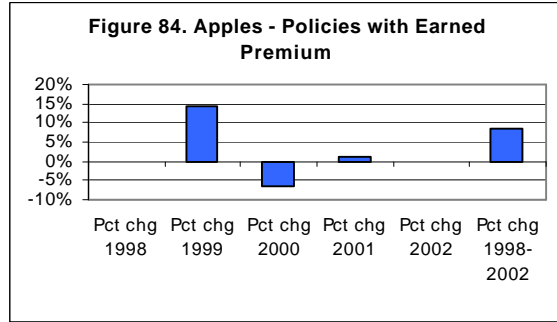
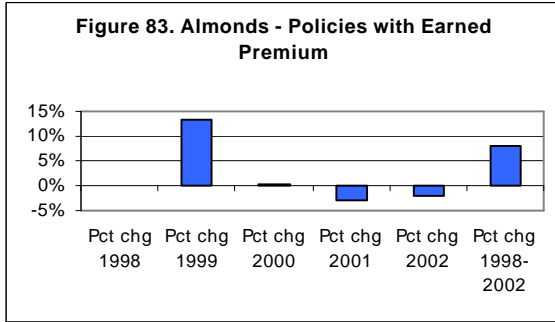
Appendix figures 73-80 -- Specialty Crops Insurance Liabilities, 1998-2002 - Continued



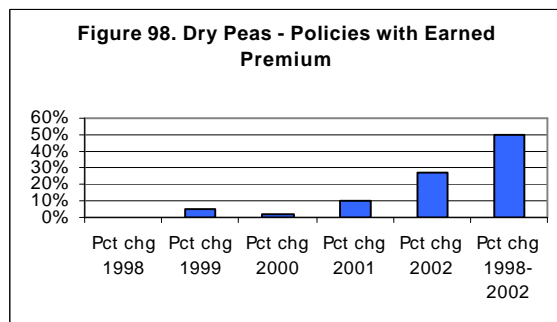
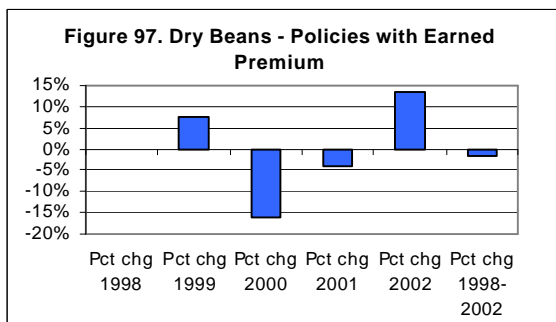
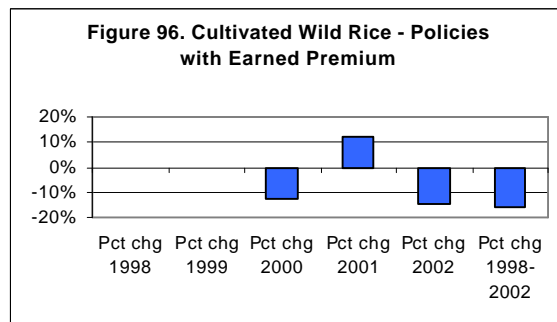
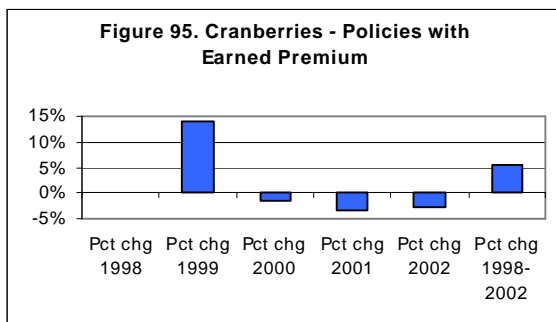
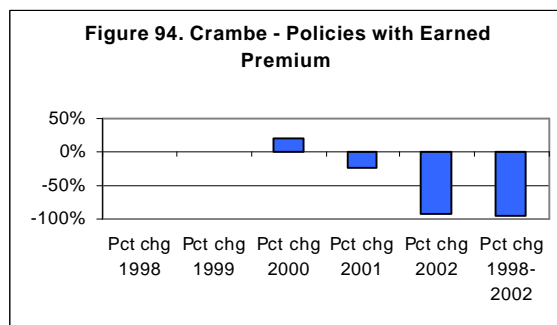
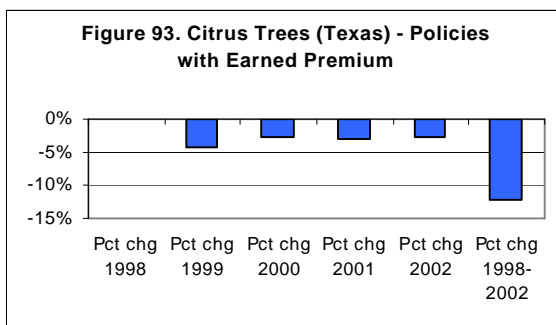
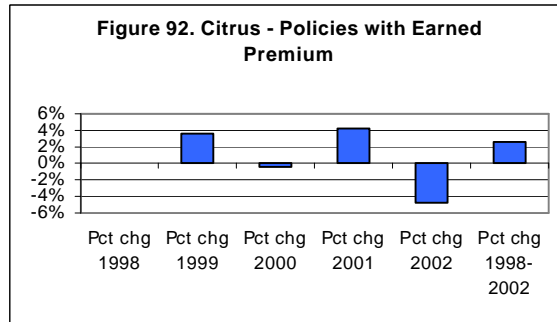
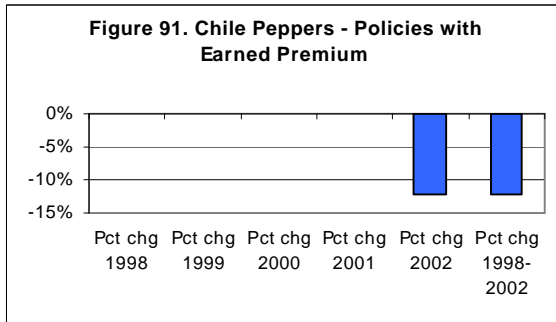
Appendix figures 81-82 -- Specialty Crops Insurance Liabilities, 1998-2002 - Continued



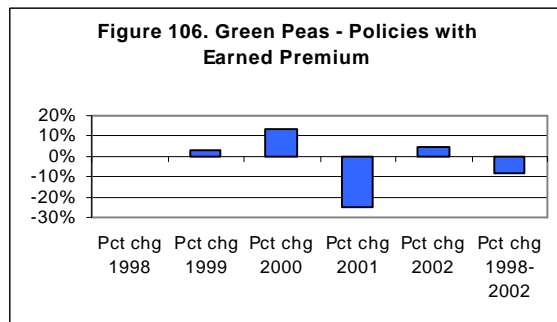
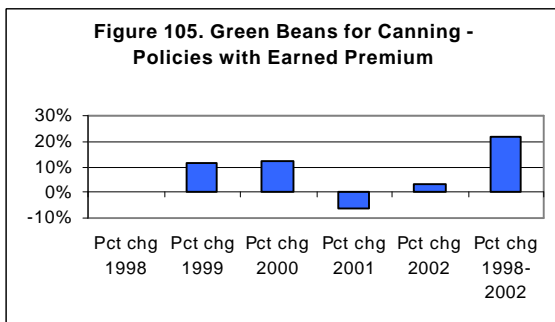
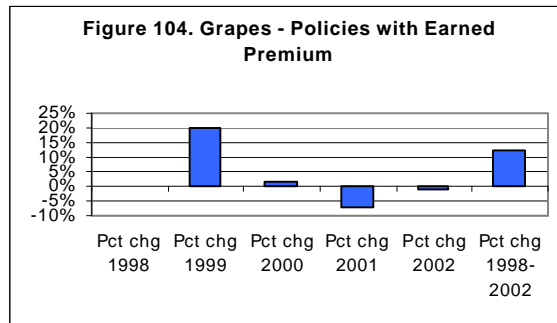
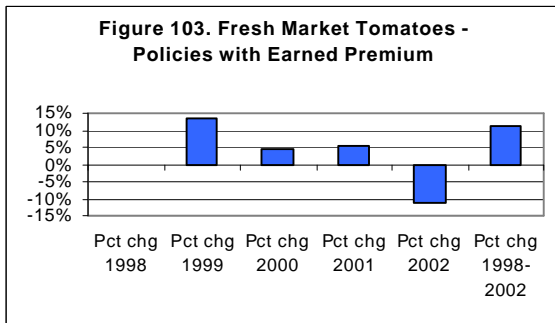
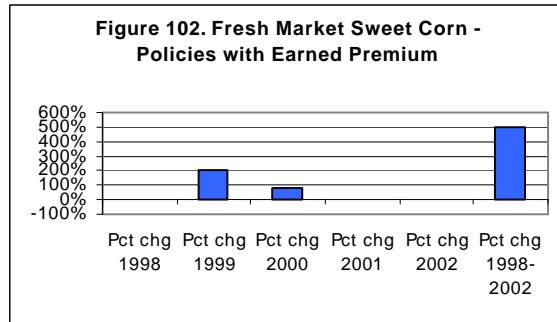
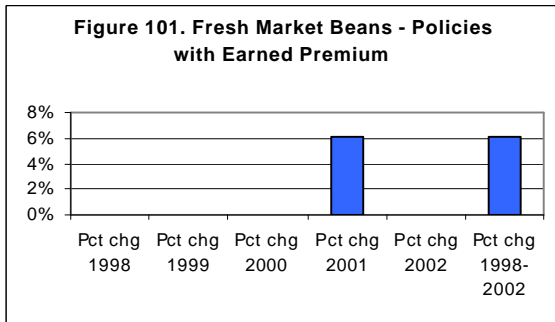
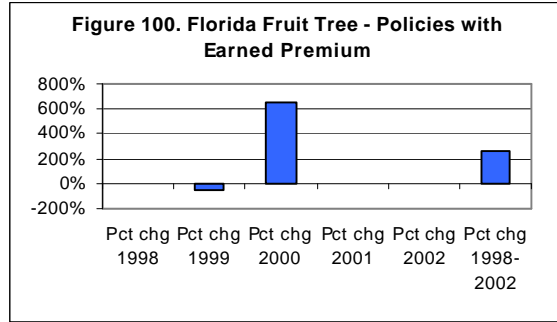
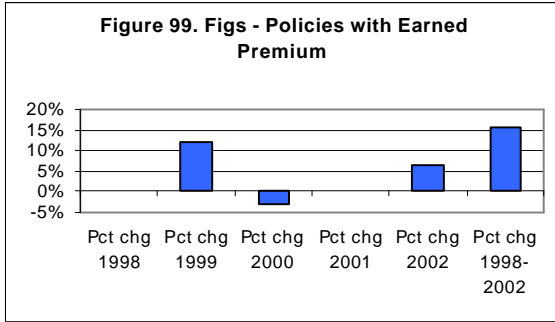
Appendix figures 83-90 -- Specialty Crops Number of Insured Policies, 1998-2002



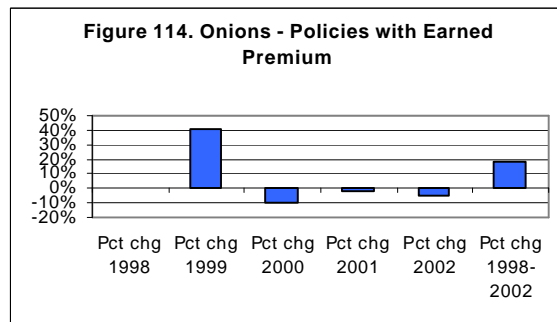
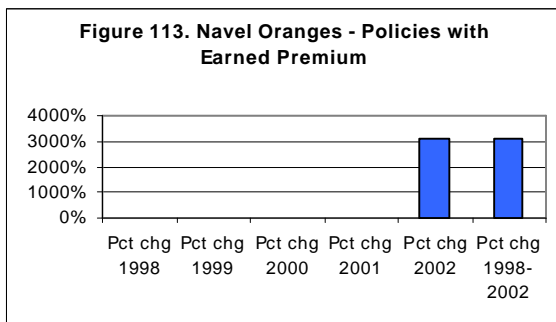
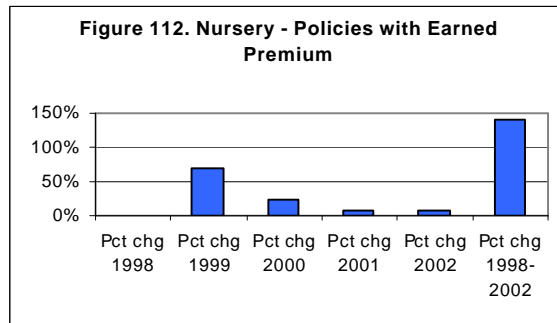
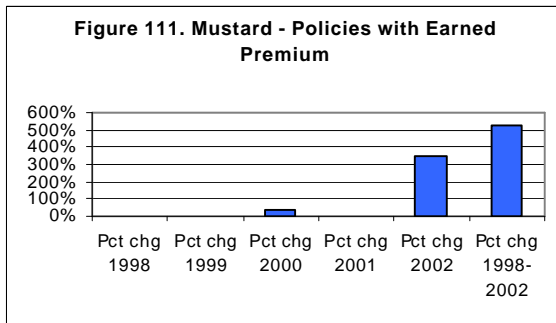
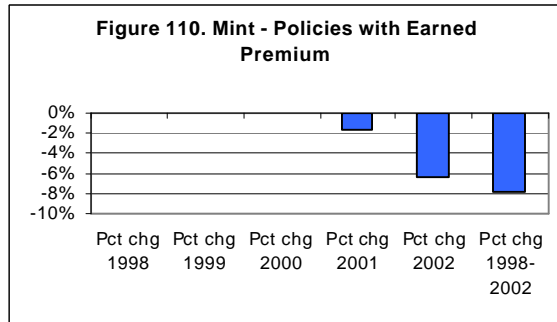
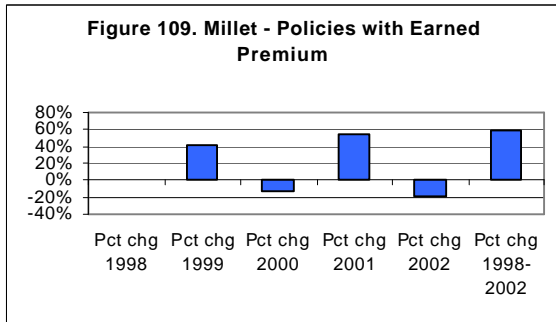
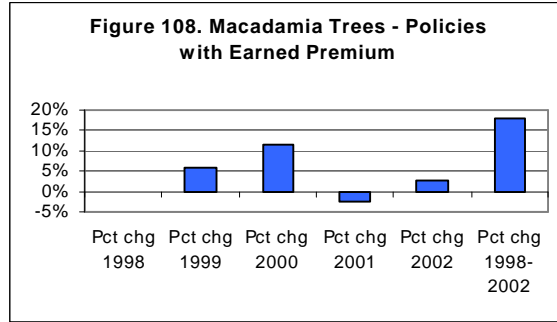
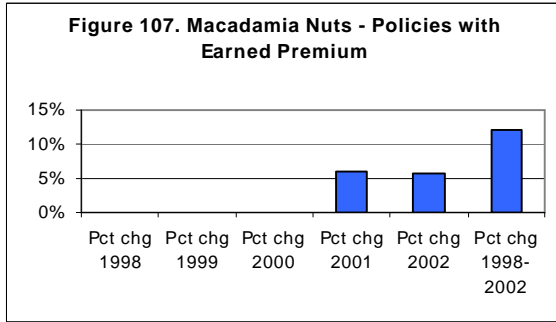
**Appendix figures 91-98 -- Specialty Crops Number of Insured Policies, 1998-2002 -
Continued**



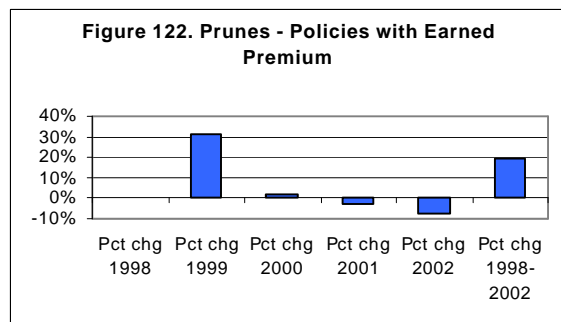
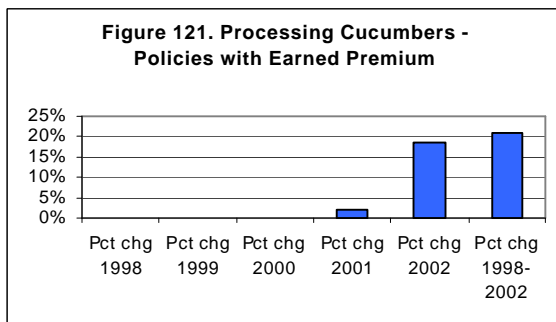
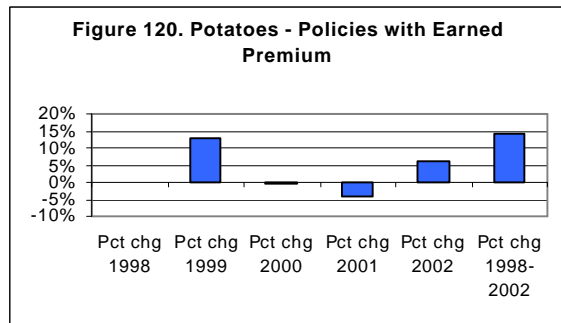
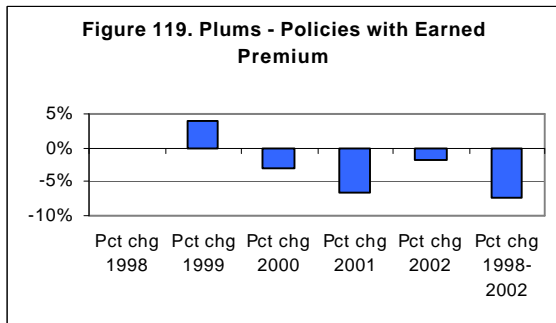
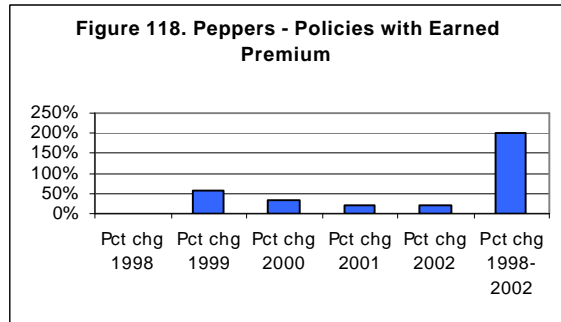
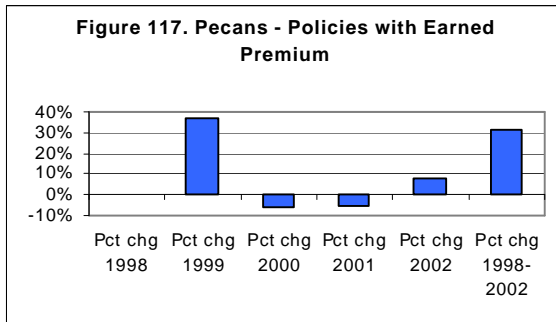
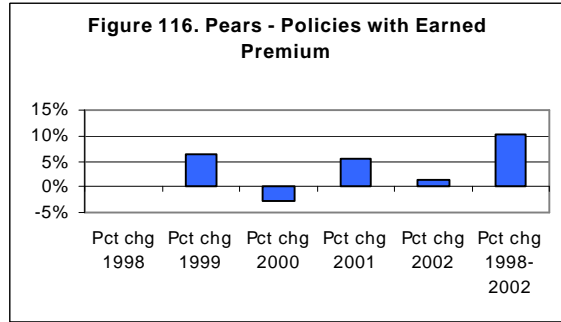
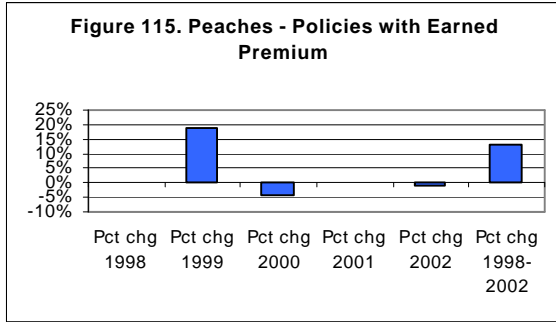
Appendix figures 99-106 -- Specialty Crops Number of Insured Policies, 1998-2002 - Continued



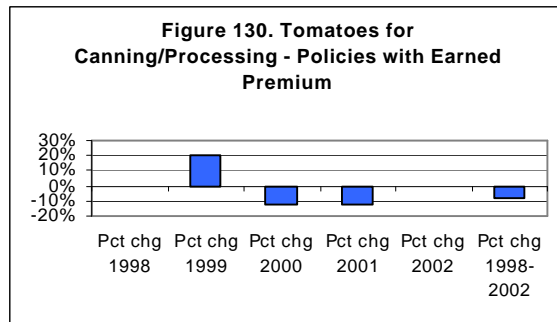
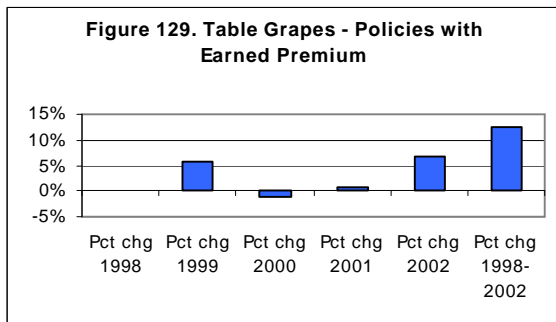
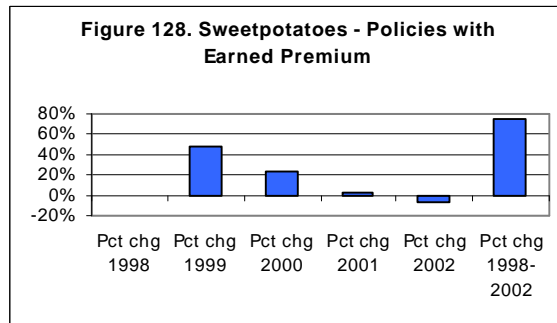
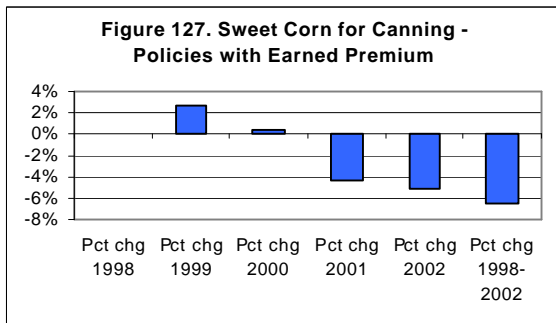
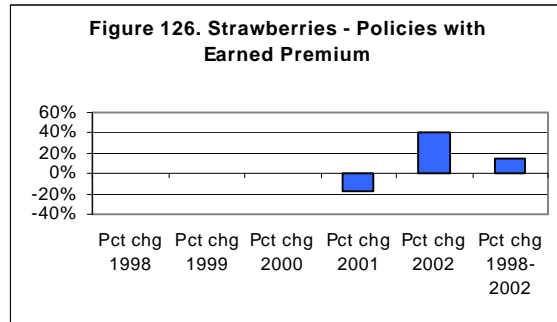
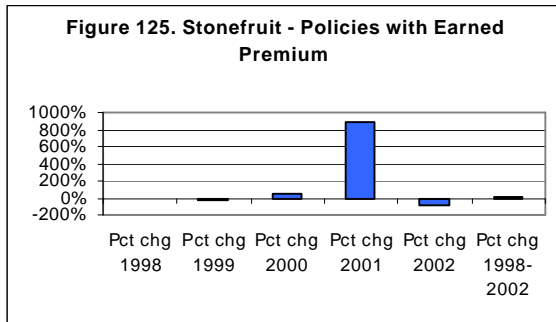
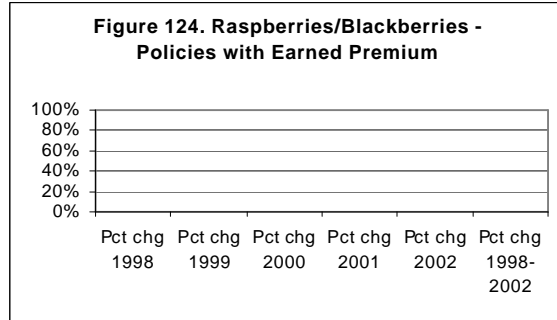
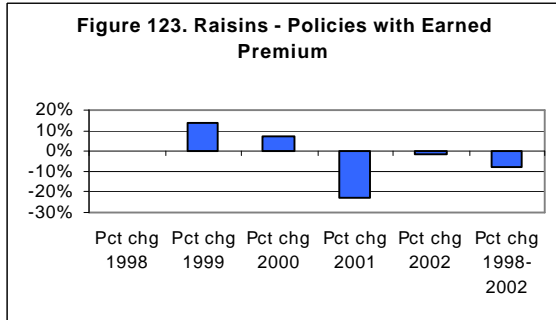
Appendix figures 107-114 -- Specialty Crops Number of Insured Policies, 1998-2002 - Continued



**Appendix figures 115-122 -- Specialty Crops Number of Insured Policies, 1998-2002 -
Continued**



**Appendix figures 123-130 -- Specialty Crops Number of Insured Policies, 1998-2002 -
Continued**



Appendix figures 131-132 -- Specialty Crops Number of Insured Policies, 1998-2002 - Continued

