

**SUPPLEMENTAL UNDERWRITING INSTRUCTIONS
CITRUS DOLLAR PLAN PILOT PROGRAM**

- 1 The FCIC 18010 Crop Insurance Handbook (CIH) generally applies to Citrus Dollar Plan crops, with the exception of the changes or additions referenced in these guidelines.
- 2 Citrus Dollar Plan crops are Category D. Sections 1 - 3 of the CIH apply to Citrus Dollar Plan crops except where related to APH yield reporting or approval processes for other than Category D crops.

SECTION 4 (NACAT→MINIMUM VALUE OPTIONS

4E The FCIC approved Citrus Minimum Value Option:

- (a) Permits the insured to select either Option I or Option II of the Minimum Value Option for citrus crops given by the Special Provisions and for which the actuarial table designates rates.
 - (b) New insureds must select the option on their application. Carryover insureds select the option on a contract change form submitted on or before the sales closing date of the first crop year in which the option will be in effect. Optional coverage becomes continuous after selection and must be canceled in accordance with the policy provisions. Cancellation dates are given by the Citrus Dollar Plan Crop Provisions.
 - (c) FCIC approved Citrus Dollar Plan Crop Provisions must be in force and all the terms and conditions of the policy adhered to.
 - (d) Option I and II of the Minimum Value Option allow the total value of the harvested production to be determined as follows:
 - (1) For sold production, the dollar amount obtained by subtracting the allowable cost contained in the Special Provisions from the average net price received for each carton of citrus Dollar Plan crops (this result may not be less than the modified minimum value option price contained in the Special Provisions for any carton of citrus fruit), and multiplying this result by the cartons of citrus sold; and
 - (2) For marketable production that is not sold, the dollar amount obtained by multiplying the cartons of such citrus on the unit by the minimum value shown on the Special Provisions that applies without regard to the choice of the minimum value option. Harvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production.←NACAT)
- 3 Procedures for perennial crops in Sections 5 and 7 of the FCIC 18010, Crop Insurance Handbook that refer to establishing and verifying individual yield histories are generally not applicable to Citrus Dollar Plan crops. Differences are itemized below and indicated on the following *APH Procedure Comparison & Reference Guide*. The following procedures are to be used in conjunction with and in addition to the referenced paragraphs contained in the indicated sections of the Crop Insurance Handbook.

10-23-2000

APH PROCEDURE COMPARISON & REFERENCE GUIDE

APH (MPCI)	Citrus Dollar Plan	CIH REFERENCES
Approved Yields	No	Not Applicable (NA)
Preliminary Yields	No	NA
Acreage Determinations	Yes	See CIH Sec 7 D(3)
Base Periods	No	NA
Production Reports by Unit (Basic or Optional)	Yes	NA
Separate APH by P/T/V	No	NA
Separate APH by Map Area	No	NA
“T” Yields (FCI-35)	No	NA
Variable T Yield	No	NA
Assigned Yields	No	NA
Temporary Yields	No	NA
Block Production Worksheets & Unit Summary Worksheets	No	NA
Yield Descriptors	No	NA
Cups, Caps, Yield Floors	No	NA
High-Risk Land Exclusion	No	NA
Added Insurable Acres	No	NA
Added Land	No	NA
Production Reporting Date	Yes	NA
Use of Another Producer’s Records	Yes	See CIH Sec 10 E
Producer’s Pre-Acceptance Worksheet	Yes	See CIH Sec 7E
Pre-Acceptance Perennial Crop Inspection	Yes	See CIH Sec 7F & G
Crop Addendum	Yes	See CIH Sec 7G & Exhibit 16

SECTION 7 CATEGORY C APH CROPS (PERENNIALS)

7E Producers Pre-Acceptance Worksheet (PAW)

- (3) Completion Instructions. All instructions for PAW completion that are not related to APH apply. The following supplemental instructions also apply.

Item No. (10): Instructions relating to the block production worksheet are not applicable to Citrus Dollar Plan crops.

Item No. (20): Insurability requirements are specified on the Special Provisions.

Item No. (21): Enter the highest yield (cartons per acre) during one of the most recent three years.

Item No. (22): Relate this question to the entries in column 21.

Certification Statement: Edit the second sentence by replacing *a recomputation of the approved APH yield* with *a declaration of uninsurability*.

7F Pre-Acceptance Field Inspections

- (1) Required Pre-Acceptance Field Inspections: Inspections are required on ten percent of the Citrus Dollar Plan policies in effect. If less than ten percent satisfy the criteria for inspection, select additional policies beginning with the policy with the largest number of acres. A new inspection is required only if the most recent pre-acceptance inspection is more than 10 years old. Instructions for APH yield determination by the RMA, ROs are not applicable.
- (2) Preacceptance Field Inspection Selection Criteria: (a) and (b) do not apply; (c), (d), and (e) refer to responses to the PAW, and inspections are required if the insured indicates productivity is reduced, an organic or unconventional farming practice is carried out, or the irrigation water supply is not adequate.

7G The Pre-Acceptance Perennial Crop Inspection Report and Crop Addendum Worksheets (FCI-12-P)

- (1) Item No. (29) of the Inspection Report: Refers to the yield shown in Block 21 of the Producers Pre-Acceptance Worksheet (FCI-12 PAW), the highest yield.
- (2) Crop Addendum Worksheets: Use the Almond/Citrus/etc. Crop Addendum Worksheet (Exhibit 16, page 291)

7H - 7L: Not applicable to Citrus Dollar Plan crops.

SECTION 8 CATEGORY D, DOLLAR PLAN CROPS

8 B(1) **Eligible Crops:** California Citrus Dollar Plan crops,

8 B(2) **Plan Description**

2(a) **(NACAT→Insurance Units:** Citrus Dollar Plan crops may be divided into more than one unit if, for each proposed unit:

- (1) the insured maintains written, verifiable records of citrus production for at least the previous crop year; and
- (2) acreage of the insured crop is located on non-contiguous land.←NACAT)

2(b) **Documentation of Production.** Cooperative pool statements, pool summary statements, receipts from packing houses, processors, or other buyers showing quantities (delivered and sold) are acceptable supporting evidence to verify the acreage meets the minimum production requirements for insurability. For direct sales to consumers, a complete daily accounting of harvested production is acceptable to verify the amount of production. Pick records are acceptable only if they meet the criteria as outlined in the CIH in Section 10 C(4).

2(c) **Limits on Insurance:** Since the California Citrus Dollar Crop Provisions for 2002 refer in Section 3 (d) to the reference maximum dollar amount which is no longer printed on the FCI-35, An alternative way of stating the limits on insurance is:

We will limit your amount of insurance based on your prior production. If you have produced at least 600 cartons per acre in one of the most recent three years, you may purchase an amount of insurance equal to any of the fixed dollar amounts shown on the actuarial documents.

If your highest level of production per acre in one of the most recent three years has been less than 600 cartons and at least 300 cartons, your amount of insurance will be equal to the fixed dollar amount you select from the actuarial document times your highest per acre production divided by 600.

For example, if the highest yield was 450 cartons per acre and the prospective insured selected a fixed dollar amount of \$1,734, the amount of insurance would be limited to:
 $\$1,734 \times 450/600 = \$1,301$ per acre.

6 CIH Sections 9, 10, & 14 DO NOT APPLY TO Citrus Dollar Plan crops.

PREMIUM CALCULATION EXAMPLE CITRUS DOLLAR PLAN PILOT PROGRAM

Base Premium:

- | | | |
|---|---|---------|
| <p>1. Enter the Fixed Dollar Amount of Insurance per acre selected by the producer from the amounts given by the FCI-35.</p> | 1. <table border="1" style="width: 100%; height: 30px;"><tr><td style="text-align: center;">\$1,530</td></tr></table> | \$1,530 |
| \$1,530 | | |
| <p>2. Calculate the Production Factor. If the highest yield in the most recent three years was more than 300 and less than 600 cartons per acre, divide the highest yield by 600. If the yield was 600 cartons or more enter 1.000.
[450/600 = 0.750]</p> | 2. <table border="1" style="width: 100%; height: 30px;"><tr><td style="text-align: center;">0.750</td></tr></table> | 0.750 |
| 0.750 | | |
| <p>3. Enter the Total Amount of Insurance, determined by multiplying the Dollar Amount of Insurance per acre, selected by the producer from the amounts given by the FCI-35, times the production factor. [\$1,530 X 0.750 = \$1,148]</p> | 3. <table border="1" style="width: 100%; height: 30px;"><tr><td style="text-align: center;">\$1,148</td></tr></table> | \$1,148 |
| \$1,148 | | |
| <p>4. Enter the Total Guarantee, determined by multiplying the amount of insurance by the acres insured by the share.
[\$1,148 × 10.0 acres × 0.50 = \$5,740]</p> | 4. <table border="1" style="width: 100%; height: 30px;"><tr><td style="text-align: center;">\$5,740</td></tr></table> | \$5,740 |
| \$5,740 | | |
| <p>5. Enter the Base Premium Rate for the Dollar Amount of Insurance selected by the producer (item 1.)</p> | 5. <table border="1" style="width: 100%; height: 30px;"><tr><td style="text-align: center;">0.067</td></tr></table> | 0.067 |
| 0.067 | | |
| <p>6. Enter the Rate Map Area Adjustment Factor, if one is given in the FCI-35 County Actuarial Table, else enter 1.000 [area 003 in Kern County]</p> | 6. <table border="1" style="width: 100%; height: 30px;"><tr><td style="text-align: center;">1.100</td></tr></table> | 1.100 |
| 1.100 | | |
| <p>7. Enter the option factor from the Common Option Factor Table given in the FCI-35 County Actuarial Table that reflects any discounts applicable to the policy and options selected by the producer, else enter 1.000
[basic unit discount/with frost protection/hail fire exclusion/min. value opt. I]</p> | 7. <table border="1" style="width: 100%; height: 30px;"><tr><td style="text-align: center;">0.948</td></tr></table> | 0.948 |
| 0.948 | | |
| <p>8. Enter the Total Premium determined by multiplying item 4, item 5, item 6, and item 7 [\$5,740 × 0.067 x 1.100 x 0.948]</p> | 8. <table border="1" style="width: 100%; height: 30px;"><tr><td style="text-align: center;">\$401</td></tr></table> | \$401 |
| \$401 | | |

Producer Premium:

- | | | |
|--|--|-------|
| <p>9. Enter 1.00 minus the Premium Subsidy Factor from the Subsidies and Fees table in the FCI-35. Use the factor that corresponds to the coverage level associated with the Dollar Amount of Insurance selected (item 1.).</p> | 9. <table border="1" style="width: 100%; height: 30px;"><tr><td style="text-align: center;">0.45</td></tr></table> | 0.45 |
| 0.45 | | |
| <p>10. Enter the Producer Premium, determined by multiplying item 6 by item 7.
[\$401 × 0.45]</p> | 10. <table border="1" style="width: 100%; height: 30px;"><tr><td style="text-align: center;">\$180</td></tr></table> | \$180 |
| \$180 | | |

This worksheet is intended only to assist in estimating Producer Premium.