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Risk  
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Actuarial and  
Product Design  
Division

FCIC 20160U

# ACTUAL PRODUCTION HISTORY (APH)

# OLIVE CROP INSURANCE STANDARDS HANDBOOK

## 2012 and Succeeding Crop Years

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

<b>TITLE: APH OLIVE CROP INSURANCE STANDARDS HANDBOOK</b>	<b>NUMBER: 20160U (11-2011)</b>
<b>EFFECTIVE DATE: 2012 and succeeding crop years</b>	<b>ISSUE DATE: November 30, 2011</b>
<b>SUBJECT:</b>  <b>Provides the underwriting procedures and instructions for administering the olive crop insurance program</b>	<b>OPI: Actuarial and Product Design Division</b> <b>APPROVED: November 30, 2011</b>  <i>/s/ Tim B Witt</i>  <b>Tim B. Witt</b> <b>Deputy Administrator for Product Management</b>

**THIS HANDBOOK CONTAINS THE OFFICIAL FCIC APPROVED UNDERWRITING STANDARDS FOR THE OLIVE CROP INSURANCE PROGRAM FOR 2012 AND SUCCEEDING CROP YEARS. ALL APPROVED INSURANCE PROVIDERS ELECTING TO OFFER THE OLIVE CROP INSURANCE PROGRAM MUST UTILIZE THESE STANDARDS.**

**Effective Date.** The Olive Crop Insurance Program is available beginning with the 2012 crop year and is authorized until cancelled or extended by the FCIC Board of Directors.

**Handbook Distribution.** Risk Management Agency Directors, Branch Chiefs, Washington, D.C., and Kansas City; Regional and Risk Compliance Field Offices; Approved Insurance Providers, National Appeals Division, National Crop Insurance Services, Crop Insurance Research Bureau; and the RMA public website at [www.rma.usda.gov](http://www.rma.usda.gov)

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**OLIVE CROP INSURANCE PROGRAM  
INSURANCE STANDARDS HANDBOOK**

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## Part 1 General Information and Responsibilities

### 1 General Information

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#### A. Purpose

- (a) To provide instructions for establishing crop insurance coverage in accordance with the Olive Crop Provisions (12-OL-0501).
- (b) The Olive Crop Insurance Program is an actual production history (APH) based program. This handbook is a supplement to the FCIC 18010-CIH which applies to the Olive Insurance Program excluding the exceptions, changes, and additions provided in this handbook.
- (c) If a conflict exists between the language of this handbook and the CIH, the language of this handbook will control.

#### B. Source of Authority

The APH-Olive Program is a product based on approval by the FCIC Board of Directors under Section 508(h) of the Federal Crop Insurance Act. This handbook in conjunction with other applicable handbooks provides the FCIC approved procedures for administering the program.

#### C. Duration

The APH-Olive Program is available beginning with the 2012 crop year and is authorized until cancelled or extended by the FCIC Board of Directors.

#### D. AIP Option to Offer

Because this is a 508(h) submission, AIPs are not required to offer the APH Olive Program to producers. Accordingly, each AIP must determine whether they will offer the APH Olive Program in the designated approved area. AIPs that elect to offer the program must offer it to all eligible producers in the approved area and must administer the program according to the procedures in this handbook.

#### E. Approved Area

The APH Olive Program is available where premium rates and other actuarial materials are included in the actuarial documents for the county.

#### F. Applying for the APH Olive Program

AIPs shall use the standard application for the APH Olive Program.

## **2 Responsibilities**

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### **A. AIP Responsibilities**

AIPs must use standards, procedures, methods and instructions as authorized by FCIC in the sale and service of crop insurance contracts. Each AIP is responsible for using RMA approved procedure. AIPs should report any pilot program issues or concerns to the Actuarial and Product Design Division (APDD) of the Risk Management Agency (RMA).

### **B. Insured's Responsibilities**

To be eligible for the APH Olive Program, insureds must comply with all terms and conditions of the Basic Provisions and the Olive Crop Provisions.

**3-20 (Reserved)**

## **Part 2 Insurability**

### **21 Addressing Alternate Bearing in APH Crop Insurance for Olives**

The alternate bearing nature of olive production creates special challenges for an effective crop insurance program. Namely, establishing an approved yield to reflect the expected yield for the next year can be a challenge. Actual Production History (APH) crop insurance programs cover yield losses due to natural causes. When actual yields fall below the approved yield for that crop year, there is an indemnity payout up to the guarantee. For alternate bearing crops, the swings in production are an inherent characteristic of the tree, thus low yields may not be due to an insurable cause of loss.

To address this challenge, the APH Olive Program uses a Variability Index to identify APH production databases which are likely to have “on” versus “off” years and adjusts the approved yield accordingly. If the previous year was high, the approved yield may be lowered for the current crop year. Likewise, when the yield for the previous year was low, the approved yield may be increased for the current crop year. This approach will better align the guarantee in both ‘on’ and ‘off’ years with the true expected yield.

### **22 Insurable Types and Practices**

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#### **A. Types Insurable**

See the APH Olive Program actuarial document for insurable types.

#### **B. Insurable Practices**

- (1) Olives must be irrigated to be insurable unless non-irrigated is allowed by written agreement.
- (2) Organic practices (Transitional and Certified) are also insurable.
- (3) See the APH Olive Program actuarial documents for insurable practices.

### **23 Units and Coverage Levels**

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#### **A. Units**

The Olive Crop Provisions, Section 2, allow units by enterprise unit, if eligible, otherwise basic unit applies.



## **23 Unit and Coverage Levels (Continued)**

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### **B. Coverage Levels**

Coverage is available in 5 percent (5%) increments:

- CAT
- 50 percent (50%);
- 55 percent (55%);
- 60 percent (60%);
- 65 percent (65%);
- 70 percent (70%); and
- 75 percent (75%).

## **24 Reports**

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See subpart 32, Specific Information Regarding the Crop Insurance Handbook.

**25-30 (Reserved)**

## Part 3 Applicability of Handbooks

### 31 General Overview

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This Part identifies information specific to the applicability of the CIH that may require supplemental information with regards to olives. Unless specifically amended, supplemented, or deleted by information in this handbook, all policy and procedure issuances apply to the APH Olive Program.

#### *Key features of the APH Olive Crop Insurance Program:*

Olives are a perennial crop and are classified as a Category C crop. See Sec 16 of the CIH for complete Category C crop procedures.

Some procedures are modified to address alternate bearing which is a special characteristic of olive production. In particular,

- The approved yield for each unit will be determined by adjusting the average APH yield for expected alternate bearing effects. There will be no limitations on year to year changes in Approved APH Yield
- Eligibility for insurance coverage requires a minimum of four actual yields for the crop that are acceptable to us.
- All APH databases will contain at least four years of actual or allowed yield types. There will be no cups and no YA substitutions.

AIPs will be responsible for calculating and documenting the approved yield adjustments as applicable.

### 32 Specific Information Regarding the Crop Insurance Handbook

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The general rules of crop insurance, as provided in the CIH, apply to the APH Olive Crop Insurance Program.

The Olive Crop Insurance Program is an APH based program. This handbook is a supplement to the FCIC 18010-CIH which applies to the Olive Insurance Program excluding the exceptions, changes, and additions provided in this handbook.

#### A. **Olive APH – Two-Year Coverage Period**

##### (1) **Olive Crop Provisions.**

The Olive CP (12-OL-0501) are effective beginning with the 2012 crop year.

(2) **Insurability Requirements.**

- (a) To be eligible for coverage, minimum requirements for insurability of the crop stated in the Olive CP must be met such as a minimum 4-year production record requirement for the crop, minimum age/production requirements (e.g., minimum production of 2.5 tons or a minimum number of growing seasons for the table olives – standard density – see the SP for separate requirements for table and oil olives, stand densities, and associated age/production requirements); trees have reached the 2<sup>nd</sup> growing season after hedging or topping; the 3<sup>rd</sup> growing season after dehorning; or the 4<sup>th</sup> growing season after stumping
- (b) [See Sec. 8 of the CP and SP for complete list of insurability requirements and specifications. Refer to CIH, Sec. 16A.]
- (c) Insurability requirements will be verified through the use of a certification process including the PAW and/or PAIR as performed by the AIP. [See Sec. 16A(1).]

(3) **Approved Yield.** AIPs are required to calculate an approved yield.

(4) **Acreage Determination.** [See CIH, Sec. 16B(1).]

(5) **Base Periods.** The base period for olives is determined by consecutive crop years, not calendar years, and consists of the consecutive crop years immediately preceding the current crop year, with a minimum of four crop years and building to ten crop years.

(6) **Two-year Coverage Period.** A 2-crop-year subset of the continuous history for the olive policy.

- (a) The insured agrees to insure the crop for both years of the two-year coverage period.
- (b) The coverage level, price election percentage, terms and conditions of insurance for each year of the two-year coverage period will remain the same, except for changes allowed by the CP and SP. Circumstances leading to a change in coverage during the coverage period include but are not limited to:
  - 1 Legislatively mandated changes;
  - 2 Updating APH databases to include the most recent crop year's production records;

- 3 Policy terms and conditions are not met including the failure to make timely payment of premium for each year of the two-year coverage period;
- 4 Price election changes resulting from the issuance of a different established price contained in the SP or an addendum;
- 5 Trees are hedged, topped, dehorned, or stumped. Acreage of such trees is uninsurable beginning the crop year following applicable pruning practice. The acreage remains uninsurable for the period specified in the CP unless the minimum production requirement for the acreage is met. [See Sec. 8 of the CP.];
- 6 Changes in tree acreage (percent of stand or number of acres), damaged trees, changes in cultural practices, alternate bearing. [See CIH, Sec. 16B, D, E, and F.];
- 7 [See Part 32G of this handbook for alternate bearing determinations and adjustments.];
- 8 Higher yield requests (for other changes in management practices, i.e. insured under a non-irrigated practice via a written agreement - changes to an irrigated practice, RO determined yields “F” up to the most recent four years may be applicable). [See Part. 32F(5) of this handbook.]; and
- 9 Added land and added insurable acreage [See CIH, Sec. 16H(6) and (7) and Sec. Part 32H and I of this handbook.].

(7) **Unit Division.** For both years of the two-year coverage period, a unit will be:

- (a) An EU if qualified, otherwise
- (b) A BU.

Unless otherwise required in CP or this procedure, records below the BU should not be reported to RMA.

(8) **Yield Adjustment and Limitations.** Yield substitution and limitations are not applicable for olives. [See Sec.17 of CP.]

(9) **Termination and Premium Payments.**

- (a) The AIP will terminate for non-payment of premium for either year of the two-year coverage period.
- (b) Insureds do not have to pay a premium for acreage which the insured no longer operates (has a share) or on acreage where the olive trees have been removed or are no longer insurable (hedged, topped, etc.) prior to insurance attaching for the second year of the two-year coverage period, provided a timely acreage report is filed reporting all of the insured and uninsured acreage of olives.

(10) **Transfers.**

- (a) Insureds may not transfer policies to another AIP until the end of the two-year coverage period (the sales closing date, January 31, of the **second crop year** of the coverage period). [See Sec. 5 of the CP.]
- (b) Transfer of coverage and right to indemnity may be used, in the first or second year of the two-year coverage period, if executed by the ARD. [See CIH, Sec. 6D and Sec. 10(d)(2) of the CP for transfer of coverage and right to indemnity requirements.]

**B. PAW/PAIR (Producer Pre-Acceptance Worksheet/Perennial Crop Pre-Acceptance Inspection Report)**

(1) **PAW.**

- (a) [See CIH, Sec. 16D] for completion requirements.
- (b) In lieu of [Sec. 16D(4)(b)1 and 2], any changes in cultural practices should be reviewed. Tree thinning, even when recommended by agricultural experts in the area is a cultural practice that could reduce the insured crop's production below that of previous crop years used to determine the approved yield.

A PAIR and hard copy production records are required if the applicant answers "Yes" to the following questions on the PAW:

- 1 "Have practices or production methods (e.g. removal or thinning, buckhorning/dehorning, grafting, hedging and topping, transitioning to organic) been performed that will reduce the insured crop's production from previous crop years?"; or

2 “Has damage (e.g., disease, hail, freeze) occurred to Trees/Vines/Bushes/Bog that will reduce the insured crop’s production from previous crop years?”

(2) **PAIR.**

(a) [See CIH, Sec. 16E] for completion requirements.

(b) The PAIR and CAW may be initiated at the AIP’s discretion; however, both must be completed no later than the acreage reporting date:

1 For new applications;

2 For added land;

3 For carryover policies when the insured transfers to a different AIP;

4 When triggered by the PAW, [See Part 32B(1) of this handbook.];

An inspection is required when KNOWN tree damage has occurred or cultural practices have been performed that will reduce the insured crop from previous yields used to determine the approved yield, and when the insured answers “YES” to question 22 on the PAW;

5 When spot checks are completed; or

6 At the discretion of the AIP or RO, when acreage is removed.

(c) [See CIH, Sec. 16F and Exh. 16H] for instructions and the applicable CAW:

1 Evaluate each block to determine if light penetration into the canopy is sufficient to stimulate fruit development. Rate as good, fair or poor based on the Inspector’s review.

2 Determine method of harvesting (e.g., hand vs. machine) and if method has changed.

(d) Key items the Inspector should consider in conducting the PAIR are:

1 Conditions identified in [Part 32B(1)(b) of this handbook.];

2 Age by block;

- 3 Date of any thinning, hedging, topping, dehorning, or stumping including qualifying production (to meet minimum production requirements for insurability) [See Part 32D(5)(b) of this handbook.];
- 4 Whether the orchard/grove is being maintained in a recommended manner with adequate tree spacing, no over-crowding of adjoining tree branches, good orchard/grove floor management practice;
- 5 Review of marketing methods. A review of records may determine whether any direct market of production occurred. Direct marketing is insurable only as provided by the CP or SP;
- 6 Verification of correct practice in counties with separate irrigated and non-irrigated rated practices. If reported as irrigated, an adequate water supply and functional irrigation system must be verified.

The above key items, as well as, other information shown on the PAIR/CAW, and certification by the insured on the PAW, must be considered in completion of the PAIR/CAW.

**C. Production Reporting Requirements [See Sec. 3(b) of the CP.]**

- (1) Insureds must submit at least four (4) years of production records from insurable acreage for the olive crop to be eligible for insurance coverage the initial year of insurance, the year of application (e.g., The producer has two blocks of olives with four years of production records on block 1; block 2 is added land for the current crop year with only two years of production records. Block 1 meets the 4-year insurability requirement for the crop and the APH database would contain four years of production records; the two years of production records and variable T-yields would be entered in the APH database for block 2.).
- (2) Production and acreage must be reported for the most recent four crop years the initial year of insurance and submitted by the PRD. If the production records are not reported by the PRD, the producer will not be eligible for insurance coverage for the crop year.
  - (a) If only four years of records are submitted to meet the 4-year insurability requirement, such records must represent all the olive acreage in the producer's operation during the 4-year record period (e.g., The producer has two blocks of olives that have been in the operation during period for which production reports are being

submitted, each with four years of acceptable production records. The production report for each block must contain four years of records (the producer cannot selectively choose not to report some years for a given block if actual records exist); otherwise the production reports are not acceptable. The producer would not be eligible for insurance coverage for olives.

- (b) If more than four (4) years of production records for the crop are submitted the initial year, they must be submitted in 2-year increments (6, 8, or 10). The producer may not report different 2-year increments for olive acreage that has been in the operation during the period for which production reports are being submitted (e.g., The producer has two separate blocks of olives that have been in the producer's operation for more than ten years; each block has six years of production records that are acceptable. The producer may not submit for the initial year, four years of production records for block 1 and six years of production records for block 2. The producer must either submit four years of production records for both blocks or six years of production records for both blocks. This requirement is limits the insured's capability to potentially manipulate their approved yields through alternative combinations of selectively reporting yields for specific blocks.).
- (3) For each crop year after the initial year, annual production reports must be filed for each applicable APH database by the production reporting date (for olives the ARD is PRD).

The insured may submit a production record(s) for a crop year(s) prior to the crop year period for which records were reported the initial year, provided:

- (a) The 2-year increment requirement (in C(1) above) for the APH database is met;
- (b) Record continuity is maintained; and
- (c) The production record(s) is reported the year immediately following the initial year.

Example: The producer had five years of production records (2007 – 2011) for the initial year but only the most recent four years (2008 – 2011) are permitted to establish the APH database for the block for 2012. When updating the APH database for the 2013 crop year, the producer may report the 2007 production record with the 2012 production record and the APH database would contain six years of production records.).



- (4) If four years of records are not reported (records are not available) for an individual APH database within the unit, by table and oil olives and for irrigated and non-irrigated (if non-irrigated is insurable)(and other conditions required by the CIH), variable T-yields will be used to complete the APH database. The T-yields will be replaced as production reports are submitted for each subsequent crop year. [See Part 32F of this handbook.]

**D. Production Reports**

- (1) **New Producers.** Acceptable production records of the previous owner/operator of the grove may be used to establish eligibility for olive insurance coverage (i.e. 4-year production record requirement for the crop) and for production reporting purposes as provided in Part 32C of this handbook. If the 4-year requirement for the crop is not met, the producer is not eligible for olive insurance.

If a previous owner/operator production records are used and more than four years of records are provided (e.g., seven years of production records or if records for more than one block, i.e. block 1, five years, block 2, seven years, etc.), only those acceptable production records meeting all requirements contained Part 32C(1) and (2) of this handbook may be used to establish the applicable database(s) the initial year of application.

- (2) **Practices.** Olive acreage must be irrigated to be insurable unless a written agreement to insure non-irrigated acreage is approved or the SP allows insurance for non-irrigated olives. If both irrigated and non-irrigated acreage are insurable, separate APH databases for the irrigated and non-irrigated acreage (by tree density level, e.g., standard density irrigated, practice code 250) must be established and maintained. Separate production reports must be submitted. Insureds with commingled production between irrigated and non-irrigated acreage (and density levels) may use the commingled worksheet or other applicable CIH procedure to separate the production (excluding proration) [See Sec. 15C.].
- (3) **High-Risk Land/Map Areas (if applicable).** Separate acceptable production reports must be filed for acreage located on high-risk land or in map areas.
- (4) **Late or Unreported Production.**
  - (a) If production reports are not submitted or submitted timely, for any crop year, an assigned yield will apply for that year. The yield assigned will be not more than 75 percent of the yield used to determine the insured's coverage for the previous crop year.

- 1 If the production report is submitted after the PRD, the approved yield will be adjusted for the next crop year using the reported information. The assigned yield would apply for the current year.
  - 2 [See CIH, Sec.13B(2)(a)3] for temporary yield procedures if production records are not available by the PRD. If a temporary yield is used to complete the APH database, the assigned yield will not apply for the current crop year.
  - (b) The previously reported production records contained in the APH database and any assigned/temporary yields for the most recent crop year will be used to compute the insured's approved yield for the current crop year.
  - (c) If a claim is filed for any year, the harvested and appraised production (excluding uninsured appraisals) and appraised potential production used to determine the indemnity payment will be the production for that year.
- (5) **Uninsurable acreage.**
- (a) Only acreage meeting the terms of the CP may be reported as insurable.
  - (b) Hedged, topped, dehorned, or stumped acreage is uninsurable for a period specified in the CP unless the minimum production requirement contained in the SP for the acreage is met. [See Sec. 8 of the CP.]
  - (c) The CP provides that acreage locations containing fewer than 3 contiguous (physically touching) acres are uninsurable unless allowed on the SP. [See the SP for an exception.]
  - (d) Uninsurable acreage must be reported separately.
  - (e) If production from uninsurable acreage is commingled or not reported separately, acreage and total production will be shown on the production report in determining the approved yield.
- (6) **Excessive Yield Edit Verification.** The term excessive yields means the approved or annual yield submitted to an RMA system that exceeds the level set by RMA [See CIH, Sec. 19C and Exh. 13F(2)(g) and Exh. 15-3 of Appendix III.] and identified with a:

- (a) Yield descriptor “AX”, “GX”, or “VX” if the yield is replaced with a simple average of all actual and assigned yields for the same crop year, P/T/TMA or other characteristics; or
- (b) Yield descriptor “TX” if the yield is replaced using the applicable county yield if there are no other applicable actual/assigned yields for the same crop year, P/T/TMA or other characteristics.

**E. Written Agreements**

To qualify for a written agreement, the following conditions must be met:

- (1) Only written agreements authorized by the CP or SP are allowed. Authorization for written agreements is limited to providing coverage for non-irrigated olives. [See Sec. 8(e) and 16 of the CP.]
- (2) Standard written agreement requirements apply; however, the insurability requirements contained in the CP also apply.

[See Sec. 18 of the BP, CIH, Sec. 2A(2), and the WAH] for a complete list of applicable written agreement rules and requirements.

**F. Completing APH databases**

- (1) **Annual Reporting for Individual APH Databases.** Reports for the base period are completed on an annual basis starting with a minimum of four crop years and building to ten crop years. APH yields are established by P/T/TMA (and other conditions required by the CIH). The variable T-yield (with applicable yield descriptor) will be used to complete any 4-year APH database in the unit if four years of production records are not reported for the database. [Units are by enterprise or basic unit. See the definitions in the CP.]

Establishing individual APH databases as described above does not alter the 4-year production record requirement for the crop. [See Part 32C of this handbook.]

- (2) **Organic APH Database.** Separate APH databases for certified organic (yield descriptor “V”) and transitional acreage (yield descriptor “G”) are required for any insured crop grown using an organic farming practice.
  - (a) Production from certified and transitional organic acreage will be contained in the separate APH databases. Each APH database will include production and acreage from any applicable buffer zone. Production records for the insured crop, by applicable year, from transitional acreage (yield descriptor “G”) for any of the most recent

four years may be used in place of the T-yield provided by the actuarial documents to establish the certified organic approved yield, when such acreage initially qualified as certified organic acreage.

- (b) Separate APH databases must be established for new acreage transitioning under an organic plan, unless the acreage is from the same block or other blocks of the same age, density and variety that are already in transition. The T-yield provided by the actuarial documents will be used to complete the APH database. [See CIH, Exh. 11 for Organic Procedures.]
- (3) **Block Reporting.** As required by the policy or procedure; for example, a block designated with a separate land identifier or by table or oil olives [See Sec. 6(c) of the BP and CIH, Sec. 16G(1).].
- (4) **Yield Descriptors.** Identify each yield entered in APH database with the applicable yield descriptor [See CIH, Exh. 13.].
- (5) **RO Determined Yields.** RO determined yields may be established for requests for higher yields [See Part 32A(6)(b)8] and instances when a producer has separate production records by table and oil for the same block of olives for all or a portion of the base period (up to ten years of production records for the oil and table olives based on actual use for individual crop years; e.g., the olive production is used for oil for 2003-2007 and for table for 2008-2012. Because there is a break in the oil olive records (i.e. 2008-2012), a request may be submitted and the RO may establish the oil olive database and approved yield if the production records are acceptable to the RO.).

The RO may authorize other types of RO Determined Yield requests.

#### G. **Alternate Bearing Determinations**

The CP provides that the approved yield for acreage meeting the definition of alternate bearing may be adjusted [See the CP, Sec. 1 for definitions of alternate bearing, variability adjustment factor, and variability index; and Sec.3(c)(4) for adjustment authority.].

- (1) Any acreage of olives will be considered alternate bearing if the variability index for the APH database for the acreage is:
  - (a) Less than or equal to 75; or
  - (b) Equal to or greater than 125.

If variability index is greater than 75 but less than 125, the acreage will not be considered alternate bearing unless otherwise provided on the SP.

- (2) The factors used to determine the approved yield are determined as follows:
  - (a) If the variability index is less than or equal to 75, the approved yield equals the average yield for the APH database times the variability adjustment factor 1.30.
  - (b) If the variability index is equal to or greater than 125, the approved yield equals the average yield for the APH database times the variability adjustment factor .70.
  - (c) If the variability index is greater than 75 but less than 125, the approved yield equals the average yield for the APH database. (Such acreage is not considered alternate bearing.)

#### **H. Added Land and New Producers**

- (1) Applicable T-yield procedures apply when less than four years of records are provided for an individual APH database. [See CIH, Sec. 16H(7)] for additional added land and new producer instructions.
- (2) [See Part 32D of this handbook] for additional new producer instructions regarding insurability for the crop. If the insurability requirement is met, subpart H(1) above will apply to individual databases as required.
- (3) The number of years of records submitted for added land cannot exceed the number of years of production records applicable for the insured's current APH databases when being added after the initial year. [See Part 32C of the handbook for record requirements the initial year.]
- (4) For acreage added in the second year of the two-year coverage period, reporting for the year with insurance is required and prior producer records are required for the prior years or T-yield provisions apply.

#### **I. Share and Acreage Changes**

For any crop year in the two-year coverage period:

- (1) **Changes in Share.** [See Sec.10(d) of the CP] for changes in share on insurable acreage.
- (2) **Removed or Damaged Acreage.** [See CIH, Sec. 16B(2)] for removal of a contiguous block of trees or damage to trees . If the removed contiguous block of trees or damaged trees is reported on or before the ARD, the

amount of acreage insured will be reduced and the average and approved yield may be revised. When acreage is destroyed or becomes uninsurable, it must be reported on the acreage report by the ARD. When the entire unit is destroyed or removed prior to the ARD, the acreage must be reported as uninsurable acreage or zero acreage.

- (3) **Added Acreage (Previously uninsurable acreage).** Acreage contained in the producer's current operation that meets the minimum age/production requirements and becomes insurable. [Complete the database as provided in [CIH, Sec. 16H(6)].]
- (4) **Increase in Acreage.** [See CIH, Sec. 16B(2)] for an increase in the previous year's insured acreage.

#### **J. Production Guarantee**

The production guarantee (per acre) for the unit will be updated for each crop year based on the most recent crop year's production report including any applicable adjustments or an assigned yield. [See Sec. 3 of the CP.]

#### **K. Acceptable Records**

The record must be verifiable and indicate the weight (in tons for table olives) or volume (gross gallons for the oil olives) of harvested olives, rounded to the nearest tenth of ton for table olives or whole gallon for oil olives, by variety.

- (1) **Table Olives.** Table olives which are size graded under the marketing order, see Form COC 3A or 3C, weight and grade report issued by the California Olive Committee (or such other lot identification form as may be approved by the olive committee) and certified by Federal/State Inspection Service.
- (2) **Oil Olives.** Oil olives, records should establish gross gallons of oil at the time of milling. Records showing the delivery of oil olives on a tonnage basis are acceptable if the gallons of oil can be derived from those records, for example, a record showing the delivered tonnage and gallons of oil per delivered ton based on processor records of average per ton oil recovery for all olive production delivered to the processor or gallons of oil determined using a certified mass meter measurement. In the absence of other acceptable records, tons of oil olives delivered to the processor may be converted to gallons of oil using the applicable conversion factor in SP. A certified mass meter is acceptable for purposes of establishing gallons of oil production.

- (3) **Other Production Records.** Other production records for either table or oil olives include warehouse receipts, packer/processor receipts, sales receipts, final or year-end settlement sheets, farm management records, or pick records. [See CIH, Sec. 14D] for acceptable record requirements.
- (4) **APH Determinations – No Preharvest Appraisal.** If olive acreage is reported for one purpose but the production from that acreage is used for a different purpose (e.g., reported table olives; used for oil or reported oil olives; used for table) and an appraisal is not made before harvest, the insured may submit acceptable production records for the actual use to establish the APH database and approved yield for table or oil olives as reported. The production determinations are made as follows:
- (a) **Reported Table Olives.** Use the delivered ton records (or poundage records that can be converted to tons) if available from the oil processor or other acceptable source.
- (b) **Reported Oil Olives.** The oil conversion factor table contained in the SP may be used to convert the tons of production to gallons of oil using the records from a table processor (e.g., Form COC 3A or 3C) or other acceptable source. The applicable conversion factor will be the conversion factor for the olive variety shown in the SP. Use the factor for All Other Varieties if the variety is not shown.
- Example: Reported a 10 acre block of olives under the oil olives, Manzanillo variety. The olives were harvested for table with a production 83.3 tons as shown on table processor records. The conversion factor for Manzanillo is 30 gallons per ton.
- Production in Gallons = 2,500 (83.3 tons × 30 gallons per ton)
- (c) If acceptable production records are not provided under (a) or (b), the assigned yield will apply.
- (5) **[See CIH, Sec. 14D(6)]** for acceptable pick records and use of pre-harvest appraisal for direct market sales if direct market is allowed by the SP.
- (6) **[See CIH, Sec. 14F]** for acceptable record requirements for vertically integrated operations.
- (7) **See the CIH** for additional guidelines for acceptable records.

## **32 Specific Information Regarding the Crop Insurance Handbook (Continued)**

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### **L. Rounding Rules**

Unit of Measure	Round to						
Table & Oil – Acres	For All Purposes and Forms				Round to 0.10		
Unit of Measure	APH Yields (per Ac.)	Guarantee Per Ac.	Adjusted. Guarantee Per Ac.	Unit Guarantee	Unit Premium & Losses	Interest Share	Production to Count (Farm Unit Deficiency)
	Round to						
Table – Tons	0.10	0.01	0.01	0.10	1.00	0.001	0.10
Oil – Gallons	1.00	0.10	0.10	1.00	1.00	0.001	0.10

### **M. Exhibits**

See Exhibit 1 and 2 for a comparison of the APH program requirements to the requirements applicable for olives and description of the olive crop cycle.

## **33 Prevented Planting Loss Adjustment Standards Handbook**

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The Prevented Planting Loss Adjustment Standards Handbook is not applicable to the APH Olive Program. Prevented planting coverage is not available for olives.

## **34 Loss Adjustment Manual**

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The procedures identified in the LAM are adopted for the APH Olive Program.

## **35 Olive Loss Adjustment Standards Handbook**

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The Olive Crop Insurance Program Loss Adjustment Standard Handbook applies to this program.

## **36-40 (Reserved)**



## Part 4 Other Information

### Exhibit 1

#### Acronyms

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The following table provides approved acronyms used in this handbook.

<b>Approved Acronyms</b>	<b>Term</b>
AIP	Approved Insurance Provider
APDD	Actuarial and Product Design Division
APH	Actual Production History
CAT	Catastrophic Risk Protection
CAW	Crop Addendum Worksheet
CIH	Crop Insurance Handbook
CP	Crop Provisions
DSSH	Document and Supplemental Standards Handbook
FCIC	Federal Crop Insurance Corporation
LAM	Loss Adjustment Manual
NASS	National Agricultural Statistics Service
PAIR	Pre-Acceptance Inspection Report
PASS	Policy Acceptance and Storage System
PAW	Producer's Pre-Acceptance Worksheet
PRD	Production Reporting Date
RMA	Risk Management Agency
SP	Special Provisions

**Olive CIH Procedure Comparison & Reference Guide**

<b>APH (MPCI)</b>	<b>Olives</b>	<b>CIH and Other References</b>
Production Reports by Block or Unit	YES	Sec. 3, CP; Sec.6, BP; and Sec. 16G & H
Separate APH by P/T	YES (Different for Table and Oil; Non-Irrigated allowed by WA)	Sec. 16G & H
Separate APH by Map Area	NO (No T-Yield Maps)	NA
T-Yields	YES	Actuarial Documents
Assigned Yields	YES (75% of approved yield for the prior crop year for the relevant crop year)	Sec. 3(b)(3), CP; Section 16H
Variable T-Yields	YES	Sec. 16H
Yield Descriptors	YES	Exhibit 13
New Producer Procedures, Use of Other Persons Records (Sharing in Crop), Added Land	YES (Category C Crop)	Sec. 16H(7) and Exh. 13
Cups, Yield Floors	Cups – No Yield Floors – NO	Sec 17, CP
Exclude High Risk Land	NO (No High-Risk Land)	Exh. 2
Separate Instructions by Crop	YES	Sec. 16J
Producer Pre-Acceptance Worksheet	YES	Sec. 16D and Instructions Attached
Pre-Acceptance Field Selection Criteria	YES	Sec. 16D and E
Perennial Pre-Acceptance Crop Inspection Report	YES (If Meets Criteria)	Sec.16E; Exh. 16 and Instructions Attached for Addendum Worksheet
Block Production Worksheet	YES	Sec. 16G; Exh. 16L
Yield Substitution	No	Sec. 17, CP

**Flowering, Fruit Set, Fruit Development, and Harvest of Olives**

