

United States  
Department of  
Agriculture



Federal Crop  
Insurance  
Corporation



Product  
Administration  
and Standards  
Division

FCIC-25030 (11-2010)  
FCIC-25030-1 (07-2011)

# APPLE LOSS ADJUSTMENT STANDARDS HANDBOOK

**2012 and Succeeding Crop Years**



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

<b>FEDERAL CROP INSURANCE HANDBOOK</b>	<b>NUMBER: 25030 (11-2010) 25030-1 (07-2011)</b>
<b>SUBJECT:</b>  <b>APPLE LOSS ADJUSTMENT STANDARDS HANDBOOK 2012 AND SUCCEEDING CROP YEARS</b>	<b>OPI: Product Administration and Standards Division</b>
	<b>APPROVED:                      DATE:</b>  <b>/s/ Tim B. Witt    6/29/11</b>  Deputy Administrator, Product Management

**THIS HANDBOOK CONTAINS THE OFFICIAL FCIC-ISSUED LOSS ADJUSTMENT STANDARDS FOR THIS CROP FOR THE 2012 AND SUCCEEDING CROP YEARS. ALL REINSURED COMPANIES WILL UTILIZE THESE STANDARDS FOR BOTH LOSS ADJUSTMENT AND LOSS TRAINING.**

**SUMMARY OF CHANGES/CONTROL CHART**

The following list contains significant changes to this handbook, as determined by us. It may not represent all changes made. All changes made to this handbook are applicable regardless of whether or not listed.

Major Changes: Refer to changes or additions in text which have been **highlighted**. Three stars (\*\*\*) identify where information has been removed.

Changes for Crop Year 2012 (FCIC-25030-1):

- A. Page 2, subsection 2 B: Revised definition of “Apple Grader” by removing references to processor and packinghouse graders.
- B. Page 3, subsection 2 B: Inserted “human” in the definition of Fresh Apple Production.
- C. Page 4, subsection 3 A (1) (d): Inserted insurability requirements for fresh apples.
- D. Page 21, subsection 8 C: Revised item entries on the example appraisal worksheet to include sample apples that grade “Processing or better.” Such revision makes example worksheet entries track more closely with actual appraisal scenarios.
- E. Page 25, subsection 9 B (9): Inserted information on denied claims.
- F. Page 26, subsection 9 C 5 “Cause(s) of Damage:” Deleted information on denied claims.
- G. Page 34, subsection 9 C: Inserted instructions for determining the amount of harvested production for units of measure defined in the Apple Crop Provisions.

# APPLE LOSS ADJUSTMENT STANDARDS HANDBOOK

## SUMMARY OF CHANGES/CONTROL CHART (Continued)

- H. Page 43, **EXHIBIT 1**: Deleted “DRAFT” from the left margin.
- I. Throughout the handbook, made syntax and format changes as needed so that this handbook tracks with RMA-approved crop handbook standards formatting.

Control Chart For: Apple Loss Adjustment Standards Handbook						
	SC Page(s)	TC Page(s)	Text Page(s)	References	Date	Directive Number
Remove	1-4	1-2	1-4	43-44	11-2010	FCIC-25030
			21-22		11-2010	FCIC-25030
			25-26		11-2010	FCIC-25030
			33-34		11-2010	FCIC-25030
Insert	1-2	1-2	1-4	43-44	07-2011	FCIC-25030-1
			21-22		07-2011	FCIC-25030-1
			25-26		07-2011	FCIC-25030-1
			33-34		07-2011	FCIC-25030-1
Current Index	1-2	1-2	1-4	41-42 43-44	07-2011	FCIC-25030-1
			5-20		11-2010	FCIC-25030
			21-22		07-2011	FCIC-25030-1
			23-24		11-2010	FCIC-25030
			25-26		07-2011	FCIC-25030-1
			27-32		11-2010	FCIC-25030
			33-34		07-2011	FCIC-25030-1
			35-40		11-2010	FCIC-25030
					07-2011	FCIC-25030-1

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# 1. INTRODUCTION

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## **THIS HANDBOOK MUST BE USED IN CONJUNCTION WITH THE LOSS ADJUSTMENT MANUAL (LAM) STANDARDS HANDBOOK FCIC-25010.**

The FCIC-issued loss adjustment standards for this crop are the official standard requirements for adjusting crop insurance losses in a uniform and timely manner. The FCIC-issued standards for this crop and crop year are in effect as of the signature date for this crop handbook located on the internet at [www.rma.usda.gov/handbooks/25000/index.html](http://www.rma.usda.gov/handbooks/25000/index.html). All Approved Insurance Providers (AIPs) will utilize these standards for both loss adjustment and loss training for the applicable crop year. These standards, which include crop appraisal methods, claims completion instructions, and form standards, supplement the general (not crop-specific) loss adjustment standards identified in the LAM.

# 2. SPECIAL INSTRUCTIONS

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This handbook remains in effect until superseded by reissuance of **either** the entire handbook **or** selected portions (through slipsheets or bulletins). If slipsheets have been issued for a handbook, the original handbook as amended by slipsheet pages shall constitute the handbook. A bulletin can supersede either the original handbook or subsequent slipsheets.

## **A. DISTRIBUTION**

- (1) The following is the minimum distribution of forms completed by the adjuster (and signed by the insured or insured's authorized representative) for the loss adjustment inspection:
  - (a) One legible copy to the insured.
  - (b) The original and all remaining copies as instructed by the AIP.
- (2) It is the AIP's responsibility to maintain original insurance documents relative to policyholder servicing as designated in their approved plan of operations.

## **B. TERMS, ABBREVIATIONS, AND DEFINITIONS**

- (1) Terms, abbreviations, and definitions **general** (not crop-specific) to loss adjustment are identified in the LAM.
- (2) Terms, abbreviations, and definitions **specific** to apple loss adjustment and this handbook, which are not defined in this section, are defined as they appear in the text.
- (3) Abbreviations:

<b>CIH</b>	Crop Insurance Handbook (FCIC-18010)
<b>CP</b>	Crop Provisions
<b>PAIR</b>	Pre-Acceptance Inspection Report
<b>PAW</b>	Producer's Pre-acceptance Worksheet
<b>SP</b>	Special Provisions
<b>USDA</b>	United States Department of Agriculture

(4) Definitions:

<b>Apple Grader</b>	A person or entity acceptable to the AIP who grades appraised and/or harvested apple production for crop insurance purposes using the applicable USDA apple grading standards or other grade(s) listed in the SP. Such persons or entity may be a crop insurance loss adjuster or a licensed State/Federal grader who is a disinterested third party.
<b>Apple Production</b>	All fresh apple production and processing apple production from insurable acreage.
<b>Bin</b>	A container that contains a minimum of 875 pounds of apples or another quantity as designated in the SP.
<b>Block</b>	Trees in an orchard of a single or mixed age and density, separated by applicable practice, type, variety, or other characteristics shown in the actuarial documents.
<b>Box</b>	A container that contains 35 pounds of apples or another quantity as designated in the SP.
<b>Bushel</b>	In all states except Colorado, 42 pounds of apples. In Colorado, 40 pounds of apples.
<b>Damaged Apple Production</b>	(a) With respect to losses calculated under section 12 (of the CP) only, the percentage of fresh or processing apple production that fails to grade U.S. No. 1 Processing or better in accordance with the grade standards, due to insurable causes of loss; or  (b) With respect to losses calculated under section 14 (of the CP), the percentage of fresh apple production that fails to grade U.S. Fancy or better in accordance with the grade standards, due to an insurable cause of loss.
<b>Direct Marketing</b>	Sale of the insured (apple) crop directly to consumers without the intervention of an intermediary such as a wholesaler, retailer, packer, processor, shipper, buyer, or broker. Examples of direct marketing include selling through an on-farm or roadside stand, or a farmer's market, and permitting the general public to enter the field for the purpose of picking all or a portion of the crop.
<b>First Handler</b>	A person or entity who takes possession of, or purchases, the insured crop for the purpose of acting as an intermediary in the marketing/sales process.

**Fresh Apple Production**

- (1) Apples:
- (a) that are sold, or could be sold, for **human** consumption without undergoing any change in its basic form, such as peeling, juicing, crushing, etc.;
  - (b) from acreage that is designated as fresh apples on the acreage report;
  - (c) that follow the recommended cultural practices generally in use for fresh apple acreage in the area in a manner generally recognized by agricultural experts; and
  - (d) from acreage that the insured certifies, and, if requested by the AIP provides verifiable records to support, that at least 50 percent of the production from acreage reported as fresh apple acreage from each unit, was sold as fresh apples in one or more of the four most recent crop years.
- (2) Acreage with production not meeting all the requirements above must be designated as processing apple production on the acreage report.

**Harvest**

The picking of mature apples from the trees or collecting mature apples from the ground. Apples collected from the ground that cannot be sold for human consumption will not be considered harvested.

**Marketable**

Apple production that is not damaged apple production.

**Mature (Apples)**

Apples defined as “mature” under the applicable grade standards.

**Natural Drop Apples**

Individual apples that drop from trees as an ordinary occurrence throughout the growing season.

**Processing Apple Production**

Apples from insurable acreage failing to meet the insurability requirements for fresh apple production that are:

- (1) Sold, or could be sold for the purposes of undergoing a change to its basic structure such as peeling, juicing, crushing, etc.; or
- (2) From acreage designated as processing apples on the acreage report.

**Type**

A category of apples as designated in the SP.

**Uninsured Damaged Apples**

Apples that fail to meet the applicable grade standards due to uninsured causes (e.g., mechanical damage, chemical damage, etc.).

**Verifiable Records**

Contemporaneous records of acreage and production provided by the insured, which may be verified by FCIC through an independent third party source, and which are used to substantiate the acreage and production that have been reported on the production report.

### **3. INSURANCE CONTRACT INFORMATION**

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The AIP is to determine that the insured has complied with all policy provisions of the insurance contract. Apple CP which are to be considered in this determination include (but are not limited to):

#### **A. INSURABILITY**

The following may not be a complete list of insurability requirements. Refer to the Basic Provisions, CP, and SP for a complete list.

- (1) **Insured Crop.** The crop insured will be all apples in the county for which a premium rate is provided by the actuarial table:
  - (a) In which the insured has a share;
  - (b) That are grown on tree varieties that are adapted to the area and have, in at least one of the previous four years, produced:
    - 1 10 bins of apples per acre in area A (a geographic area that includes Montana, Wyoming, Utah, New Mexico, and all states west thereof); or
    - 2 150 bushels of apples per acre in area B (a geographic area that includes all states not included in area A, except Colorado); or
    - 3 200 bushels of apples per acre in area C (Colorado).
  - (c) That are grown in an orchard that, if inspected, is considered acceptable by the AIP;
  - (d) That are grown for fresh apple production in an orchard that is certified as “fresh” and meets the policy requirements with acceptable records that verify that at least 50% of such production was sold as fresh in one or more of the four most recent crop years; or
  - (e)** That are grown for processing apple production.
- (2) **Interplanted Crops.** Apples interplanted with another perennial crop are insurable unless the AIP inspects the acreage and determines that such acreage does not meet the policy’s insurability requirements.

#### **B. PROVISIONS AND PROCEDURES NOT APPLICABLE TO CAT COVERAGE**

- (1) Optional Coverage for Quality Adjustment (herein referred to as Optional Coverage).
- (2) Refer to the CIH and LAM for other provisions and procedures not applicable to CAT.

#### **C. UNIT DIVISION**

Refer to the insurance contract for unit provisions. Unless limited by the Crop or Special Provisions, a basic unit, as defined in the Basic Provisions, may be divided into optional units if for each optional unit all conditions stated in the applicable provisions are met.

**(Company Name) APPLE APPRAISAL WORKSHEET**

For Information Purposes Only

Claim Number: **XXXXXX**

PART I - GENERAL INFORMATION							
1. Insured's Name <b>I. M. Insured</b>	2. Policy No.: <b>XXXXXXX</b>	3. Crop Year: <b>YYYY</b>	4. Unit No.: <b>0001-0001BU</b>	5. Variety Name: <b>Jonathan</b>	6. Type: <b>112</b>	7. Practice: <b>997</b>	8. Block ID: <b>B-2</b>
9. Damage: Cause: <b>Freeze</b> Date: <b>Apr 24</b>	10. Unit Acres: <b>20.0</b>	11. Appraised Acre: <b>3.0</b>	12. No. of Trees/Acres: <b>100</b>	13. Total No. Trees: <b>300</b>	14. Unit of Measure: Boxes <input type="checkbox"/> Bushels <input checked="" type="checkbox"/>		

PART II - AVERAGE NUMBER OF APPLES PER SAMPLE TREE:												
15. No. of Apples per Sample Tree:						16. Total Apples	17. No. of Sample Trees	18. Avg. No. of Apples per Sample Tree (16 ÷ 17)				
<b>60</b>	<b>55</b>	<b>49</b>	<b>52</b>	<b>50</b>		<b>266</b>	<b>5</b>	<b>53.2</b>				
						÷	=					

PART III - AVERAGE NUMBER OF APPLES PER BOX/BUSHEL:												
19. No. of Apples per Box/Bushel per Sample Tree:						20. Total Apples	21. No. of Sample Trees	22. Avg. No. of Apples per Box/Bushel				
<b>72</b>	<b>68</b>	<b>74</b>	<b>66</b>	<b>70</b>		<b>350</b>	<b>5</b>	<b>70.0</b>				
						÷	=					

PART IV - PRODUCTION TO COUNT CALCULATIONS:						
23. Avg. No. of Apples per Sample Tree (from item 18)	24. Avg. No. of Apples per Box/Bushel (from item 22)	25. No. of Boxes/Bushels per Tree (23 ÷ 24)	26. No. of Trees per Acre (from item 12)	27. No. of Boxes/Bushels per Acre (25 x 26)	28. Appraised Acres (from item 11)	29. Appraised Production to Count (27 x 28)
<b>53.2</b>	<b>70.0</b>	<b>0.760</b>	<b>100</b>	<b>76.0</b>	<b>3.0</b>	<b>228.0</b>
÷	=	X	=	X	=	

PART V - REPRESENTATIVE SAMPLES FOR GRADING AND QUALITY ADJUSTMENT:												
Basic Coverage: <input checked="" type="checkbox"/>	30. Sample Number										35. Line Total	
Optional Coverage: <input type="checkbox"/>	1	2	3	4	5	6	7	8	9	10		
31. No. of Apples per Sample:	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>						(a) <b>150</b>	
32. Uninsured Damage:	<b>2</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>1</b>						(b) <b>10</b>	
33. Processing or better:	<b>12</b>	<b>10</b>	<b>8</b>	<b>16</b>	<b>20</b>						(c) <b>66</b>	
34. Fancy or better:											(d)	

PART VI - APPRAISAL CALCULATIONS:							
36. Appraised Production to Count (from item 29)	37. No. of Apples to Count Basic: 35(c) Optional: 35(c)+35(d)	38. Total No. of Apples all Samples (35(a))	39. Percent Processing (37 ÷ 38)	40. APH Yield (36 x 39)	41. Appraised Acres (from item 11)	42. APH Yield per Acre (40 ÷ 41)	
<b>APH Yield:</b>	<b>228.0</b>	<b>66</b>	<b>150</b>	<b>0.44</b>	<b>100.3</b>	<b>3.0</b>	<b>33.4</b>

43. Appraised Production to Count (from item 29)	44. No. Apples to Count Basic: 35(b)+35(c) Optional: 35(b)+35(d) Op Sup: 35(b)+35(c)+35(d)	45. Total No. of Sample Apples (35(a))	46. % Meeting Grade (44 ÷ 45)	47. Actual % Damage (1,000 - item 46)	48. Quality Adj. % (from TABLE C)	49. Undamaged % Optional: (1,000 - 48)	50. Undamaged Production (43 x 49)	51. Appraised Production/A. (50 ÷ 11)
<b>Basic Coverage Appraisals:</b>	<b>228.0</b>	<b>76</b>	<b>150</b>	<b>0.51</b>			<b>116.3</b>	<b>38.8</b>
<b>Optional Coverage Appraisals:</b>								
<b>Optional Coverage Supplement</b>								

**PART VII- REMARKS AND SIGNATURES:**

52 Remarks:

**Basic Coverage Appraisal Example**

This form does not illustrate all required entry items (e.g., signature, etc.).

**(Company Name) APPLE APPRAISAL WORKSHEET**  
For Information Purposes Only

Claim Number: **XXXXXX**

**PART I - GENERAL INFORMATION**

1. Insured's Name <b>I. M. Insured</b>	2. Policy No.: <b>XXXXXXXX</b>	3. Crop Year: <b>YYYY</b>	4. Unit No.: <b>0002-0001BU</b>	5. Variety Name: <b>Fuji</b>	6. Type: <b>111</b>	7. Practice: <b>002</b>	8. Block ID: <b>OC-1</b>
9. Damage: Cause: <b>Hail</b> Date: <b>Aug 10</b>	10. Unit Acres: <b>25.0</b>	11. Appraised Acre: <b>4.5</b>	12. No. of Trees/Acres: <b>110</b>	13. Total No. Trees: <b>495</b>	14. Unit of Measure: Boxes <input type="checkbox"/> Bushels <input checked="" type="checkbox"/>		

**PART II - AVERAGE NUMBER OF APPLES PER SAMPLE TREE:**

15. No. of Apples per Sample Tree:					16. Total Apples	17. No. of Sample Trees	18. Avg. No. of Apples per Sample Tree (16 ÷ 17)
<b>45</b>	<b>49</b>	<b>52</b>	<b>54</b>	<b>50</b>	<b>250</b>	<b>5</b>	<b>50.0</b>
					÷	=	

**PART III - AVERAGE NUMBER OF APPLES PER BOX/BUSHEL:**

19. No. of Apples per Box/Bushel per Sample Tree:					20. Total Apples	21. No. of Sample Trees	22. Avg. No. of Apples per Box/Bushel
<b>80</b>	<b>92</b>	<b>86</b>	<b>79</b>	<b>86</b>	<b>423</b>	<b>5</b>	<b>84.6</b>
					÷	=	

**PART IV - PRODUCTION TO COUNT CALCULATIONS:**

23. Avg. No. of Apples per Sample Tree (from item 18)	24. Avg. No. of Apples per Box/Bushel (from item 22)	25. No. of Boxes/Bushels per Tree (23 ÷ 24)	26. No. of Trees per Acre (from item 12)	27. No. of Boxes/Bushels per Acre (25 x 26)	28. Appraised Acres (from item 11)	29. Appraised Production to Count (27 x 28)
<b>50.0</b>	<b>84.6</b>	<b>0.591</b>	<b>110</b>	<b>65.0</b>	<b>4.5</b>	<b>292.5</b>
÷	=	X	=	X	=	

**PART V - REPRESENTATIVE SAMPLES FOR GRADING AND QUALITY ADJUSTMENT:**

Basic Coverage: <input type="checkbox"/>	30. Sample Number										35. Line Total
Optional Coverage: <input checked="" type="checkbox"/>	1	2	3	4	5	6	7	8	9	10	
31. No. of Apples per Sample:	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>						(a) <b>150</b>
32. Uninsured Damage:	<b>1</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>2</b>						(b) <b>10</b>
33. Processing or better:	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>						(c) <b>5</b>
34. Fancy or better:	<b>20</b>	<b>20</b>	<b>18</b>	<b>25</b>	<b>12</b>						(d) <b>95</b>

**PART VI - APPRAISAL CALCULATIONS:**

36. Appraised Production to Count (from item 29)	37. No. of Apples to Count Basic: 35(c) Optional: 35(c)+35(d)	38. Total No. of Apples all Samples (35(a))	39. Percent Processing (37 ÷ 38)	40. APH Yield (36 x 39)	41. Appraised Acres (from item 11)	42. APH Yield per Acre (40 ÷ 41)			
<b>292.5</b>	<b>100</b>	<b>150</b>	<b>0.67</b>	<b>196.0</b>	<b>4.5</b>	<b>43.6</b>			
<b>APH Yield:</b>									
43. Appraised Production to Count (from item 29)	44. No. Apples to Count Basic: 35(b)+35(c) Optional: 35(b)+35(c)+35(d) Op.Sup: 35(b)+35(c)+35(d)	45. Total No. of Sample Apples (35(a))	46. % Meeting Grade (44 ÷ 45)	47. Actual % Damage (1,000 - item 46)	48. Quality Adj. % (from TABLE C)	49. Undamaged % Optional: (1,000 - 48)	50. Undamaged Production (43 x 49)	51. Appraised Production/A. (50 ÷ 11)	
<b>Basic Coverage Appraisals:</b>									
<b>Optional Coverage Appraisals:</b>	<b>292.5</b>	<b>105</b>	<b>150</b>	<b>0.70</b>	<b>0.30</b>	<b>0.20</b>	<b>0.80</b>	<b>234.0</b>	<b>52.0</b>
<b>Optional Coverage Supplement</b>	<b>292.5</b>	<b>110</b>	<b>150</b>	<b>0.73</b>			<b>0.73</b>	<b>213.5</b>	<b>47.4</b>

**PART VII - REMARKS AND SIGNATURES:**

52. Remarks:

**Unharvested Optional Coverage Supplemental Appraisal Example**

This form does not illustrate all required entry items (e.g., signature, etc.).

- (4) The adjuster is responsible for determining if the insured has complied with all of their requirements under the notice and claim provisions of the policy. If they have not, the adjuster should contact the AIP.
- (5) For insured apple acreage that is harvested after it has been appraised, determine production to count in accordance with subsection 15 (b) of the Basic Provisions.
- (6) As stated in the CP, any apple production not graded prior to the earlier of the time apples are placed in storage, or the date apples are delivered to a packer, processor, or other handler will not be considered damaged apple production and will be considered production to count. For insured apple acreage that is not appraised, refer to the grading instructions in subsection C, items 56, 65, and 66 below.
- (7) As stated in subsection 14 (b) (5) (v) of the fresh fruit option in the CP, if any fresh apple production is sold as U.S. Fancy or better, all such production is included as production to count. Use such records of sold production to determine the amount of production to count for the claim. When such records of sold production are not available by the end of the insurance period, refer to the LAM for information on handling delayed claims.
- (8) Instructions labeled “**PRELIMINARY**” apply to preliminary inspections only. Instructions labeled “**FINAL**” apply to final inspections only. Instructions not labeled apply to ALL inspection.
- (9) If the AIP determines the claim is to be denied, refer to paragraph 67 K of the LAM for Production Worksheet completion instructions.

## C. WORKSHEET ENTRIES AND COMPLETION INFORMATION

Verify or make the following entries:

**Item  
No.**

**Information Required**

1. **Crop/Code #:** Apples/0054.
2. **Unit #:** Unit number from the Summary of Coverage after it is verified to be correct.
3. **Location Description:** Land location that identifies the legal description, if available, and the location of the unit (e.g., section, township, and range; FSA Farm Numbers; FSA Common Land Units (CLU) and tract numbers; GPS identifications; or Grid Identifications) as applicable for the crop.
4. **Date(s) of Damage:** First three letters of the month(s) during which the determined insured damage occurred for the inspection and cause(s) of loss listed in item 5 below. If no entry in item 5 below MAKE NO ENTRY. For progressive damage, enter in chronological order the month that identifies when the majority of the insured damage occurred. Include the SPECIFIC DATE where applicable as in the case of hail damage (e.g., Aug 11, etc.). Enter additional dates of damage in the extra spaces, as needed. If more space is needed, document the additional dates of damage in the Narrative (or on a Special Report). Refer to the illustration in item 6 below.

If there is no insurable cause of loss, and a no indemnity due claim will be completed, MAKE NO ENTRY.

5. **Cause(s) of Damage:** Name of the determined insured cause(s) of damage for this crop as listed in the LAM for the date of damage listed in item 4 above for this inspection. If an insured cause(s) of damage is coded as “Other,” explain in the Narrative. Enter additional causes of damage in the extra spaces, as needed. If more space is needed, document the additional determined insured causes of damage in the Narrative or on a Special Report. Refer to the illustration in item 6 below.

\*\*\* If it is evident that no indemnity is due, enter “NO INDEMNITY DUE” across the columns in item 5 refer to the LAM for more information on no indemnity due claims.

6. **Insured Cause %:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Whole percent of damage for the insured cause of damage listed in item 5 for this inspection. Enter additional “Insured Cause %” in the extra spaces, as needed. If additional space is needed, enter the additional “Insured Cause %” in the Narrative or on a Special Report. The total of all “Insured Cause %” including those entered in the Narrative must equal 100%. If there is no insurable cause of loss, and a no indemnity due claim will be completed, MAKE NO ENTRY.

Example entries for items 4 – 6 and the Narrative, reflecting entries for multiple dates of damage, the corresponding insured causes of damage and insured cause percentages:

4. Date(s) of Damage	<i>MAY</i>	<i>JUN 30</i>	<i>JUN 30</i>	<i>AUG</i>	<i>AUG</i>
5. Cause(s) of Damage	<i>Excess Moisture</i>	<i>Tornado</i>	<i>Hail</i>	<i>Drought</i>	<i>Heat</i>
6. Insured Cause %	<i>10</i>	<i>20</i>	<i>15</i>	<i>25</i>	<i>20</i>
Narrative: <i>Additional date of damage – Sep 5, cause of damage was freeze, insured cause percent = 10%.</i>					

7. **Company/Agency:** Name of the company and agency servicing the contract.
8. **Name of Insured:** Name of the insured that identifies EXACTLY the person (legal entity) to whom the policy is issued.
9. **Claim #:** Claim number as assigned by the AIP.
10. **Policy #:** Insured’s assigned policy number.
11. **Crop Year:** Four-digit crop year, as defined in the policy, for which the claim is filed.
12. **Additional Units:**

**PRELIMINARY:** MAKE NO ENTRY.

**FINAL:** Unit number(s) for all non-loss units for the crop at the time of final inspection. A non-loss unit is any unit for which a Production Worksheet has not been completed. Additional non-loss units may be entered on a single Production Worksheet. If more spaces are needed for non-loss units, enter the unit numbers identified as “Non-loss Units,” in the Narrative or on an attached Special Report.

- h. Explain any commingled production. Refer to the LAM.
- i. Explain any entry for “Production Not to Count” in column 62 and/or any production not included in column 56 entries (e.g., harvested production from uninsured acreage that can be identified separately from the insured acreage in the unit, etc.).
- j. Explain a “No” checked in column 44.
- k. Attach a sketch map or aerial photograph to identify the total unit:
  - (1) If consent is or has been given to put part of the unit to another use;
  - (2) If uninsured causes are present; or
  - (3) For unusual or controversial cases.

Indicate on the aerial photograph or sketch map, the disposition of acreage destroyed or put to other use or without consent.

- l. Explain any differences between date of inspection and signature dates. For an ABSENTEE insured, enter the date of the inspection AND the date of mailing the Production Worksheet for signature.
- m. When any other adjuster or supervisor accompanied the adjuster on the inspection, enter the code number of the other adjuster or supervisor and date of inspection.
- n. Explain the reason for a “No Indemnity Due” claim. “No Indemnity Due” claims are to be distributed in accordance with the AIP’s instructions.
- o. Explain any delayed notices or delayed claims as instructed in the LAM.
- p. Document any authorized estimated acres shown in column 19 as follows: “Line 3 ‘E’ acres authorized by the AIP MM/DD/YYYY.”
- q. Document the method and calculation used to determine acres for the unit. Refer to the LAM.
- r. Specify the type of insects or disease when the insured cause of loss is listed as insects or disease. Explain why control measures did not work.
- s. For production that qualifies for quality adjustment and, as applicable, for production ordered to be destroyed due to presence of injurious substances or conditions, document the following:
  - (1) Explain any “0.000” quality adjustment factor entered in columns 35 and 65 and, as applicable, the name of the Federal or State agency that ordered the destruction of the crop or production and why.
  - (2) As applicable, the date the crop was destroyed and the method of destruction. Attach to the claim the insured’s completed Certification Form, a copy of the destruction order issued by the Federal or State agency and (if applicable) the results of the laboratory test that confirms the presence of injurious substances or conditions.

- (3) As applicable, explain any deficiencies, substances, or conditions that allowed for quality adjustment, as well as any which were not allowed.
  - (4) As applicable, document calculations used to determine quality adjustment factors.
  - (5) Refer to the LAM for additional documentation requirements.
- t. Document the name and address of the charitable organization when gleaned acreage is applicable. Refer to the LAM for more information.
- u. Document any other pertinent information, including any data to support any factors used to calculate the production, etc.

## **SECTION II – DETERMINED HARVESTED PRODUCTION**

### GENERAL INFORMATION:

- (1) When all acreage has been harvested, determine total production from warehouse receipts, packer/processor receipts of delivered production and/or farm management records (refer to the LAM for farm record requirements), as applicable. Records should be verified by the adjuster and supported by written records from the first handler.
- (2) Account for ALL HARVESTED PRODUCTION (for ALL ENTITIES sharing in the crop) except production appraised BEFORE harvest and shown in Section I, herein because the quantity cannot be determined later.
- (3) For production that is sold, enter the name and address of buyer, packing house, or processor as applicable in columns “49” through “52.” For fruit otherwise disposed of, indicate method of disposition.
- (4) If additional lines are necessary, the data may be entered on a continuation sheet. If production has been commingled, refer to the LAM. USE SEPARATE LINES FOR:
  - (a) Separate storage facilities.
  - (b) Different buyers or processors - the insured must have maintained satisfactory records of ALL production.
  - (c) Varying shares; e.g., 50 percent and 75 percent shares on same unit.
  - (d) Harvested production from more than one insured practice (or type) and a separate approved APH yield has been established for each, the harvested production also must be entered on separate lines in columns “47a” through “66” by type. If production has been commingled, refer to the LAM.
- (5) If any of the insured’s harvested production records are not based on standard units of measure as defined in the CP (i.e., bins, boxes, or bushels), convert such harvested production to 35 pound boxes, 42 pound bushels, or 40 pounds bushels, as applicable. Document conversion calculations in the Production Worksheet Narrative or on a Special Report, as applicable.

## EXHIBIT 1

### SUPPLEMENTAL INSTRUCTIONS FOR CALCULATING PRODUCTION TO COUNT UNDER OPTIONAL COVERAGE

#### 1. INTRODUCTION

The CP state: “Notwithstanding sections 14(b)(5)(i) through (iv), if you sell any of your fresh apple production as U.S. Fancy, all such sold production will be included as production to count under this option.” Under this provision, harvested apple production that is sold as U.S. Fancy grade or other grades(s) listed in the SP or better will count as production to count and such production is not subject to the provisions in section 14(b)(5)(i) through (iv) of the CP. Any such production is not reduced. Refer to the following scenario that illustrates how to calculate production to count for Optional Coverage claims.

#### 2. SCENARIO

##### **14 (b) (5) (v) Scenario**

Unit consists of 4.0 acres of fresh Fuji apples. All 4.0 acres gross appraised at 833.3 bu. per acre with 50% actual damage (apples grading less than U.S Fancy or other grade(s) listed in the SP) which adjusts to 70% damage on the sliding scale in **TABLE C**. The net adjusted per acre appraisal was 250.0 bu. (833.3 bu. x 0.30) per acre for a total net unit appraisal of 1,000.0 bu. (250.0 bu. x 4.0 acres). Production from the 4.0 acres was harvested after the end of the insurance period and 1,350.0 bu. were sold as U.S. Fancy or better. In accordance with section 15(b) of the Basic Provisions, use 1,350.0 bu. sold production as production to count for the claim. Enter 1,350.0 bu. in column 56 of the Production Worksheet. Complete all applicable entries on the Production Worksheet (refer to the example Production Worksheet below).

# EXHIBIT 1

## PRODUCTION WORKSHEET

1. Crop/Code # <b>Apples</b>  <b>0054</b>	2. Unit # <b>0001-0002BU</b>	3. Location Description <b>SW1-96N-20W</b>	7. Company Agency <b>Any Company</b> <b>Any Agency</b>	8. Name of Insured  <b>I. M. Insured</b>			
4. Date(s) of Damage <b>Apr. 24</b>	5. Cause(s) of Damage <b>Freeze</b>	6. Insured Cause % <b>100</b>	12. Additional Units	13. Est. Prod. Per Acre	9. Claim # <b>XXXXXXXX</b>	11. Crop Year <b>YYYY</b>	
				10. Policy # <b>XXXXXXXXXX</b>			
				14. Date(s) Notice of Loss <b>MM/DD/YYYY</b>	1st <b>MM/DD/YYYY</b>	2nd	Final <b>MM/DD/YYYY</b>
				15. Companion Policy(s)			

### SECTION I – DETERMINED ACREAGE APPRAISED, PRODUCTION AND ADJUSTMENTS

A. ACTUARIAL															B. POTENTIAL YIELD								
16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32a. 32b.	33.	34.	35.	36.	37.	38.	
Field ID	Multi-Crop Code	Reported Acres	Determined Acres	Interest or Share	Risk	Type	Class	Sub-Class	Intended Use	Irr Practice	Cropping Practice	Organic Practice	Stage	Use of Acres	Appraised Potential	Moisture % Factor	Shell %, Factor, or Value	Production Pre QA	Quality Factor	Production Post QA	Unins. Causes	Total to Count	
<b>A-1</b>			<b>4.0</b>	<b>1.000</b>		<b>111</b>				<b>002</b>			<b>H</b>	<b>H</b>									
39. TOTAL			<b>4.0</b>	40. Quality: TW <input type="checkbox"/> KD <input type="checkbox"/> Aflatoxin <input type="checkbox"/> Vomitoxin <input type="checkbox"/> Fumonisin <input type="checkbox"/> Garlicky <input type="checkbox"/> Dark Roast <input type="checkbox"/> Sclerotinia <input type="checkbox"/> Ergoty <input type="checkbox"/> CoFo <input type="checkbox"/> Other <input type="checkbox"/> None <input type="checkbox"/>												42. TOTALS							
												41. Do any mycotoxins exceed FDA, State or other health organization maximum limits? Yes <input type="checkbox"/>											

NARRATIVE (If more space is needed, attach a Special Report) **Acres measured by GPS. Block A-1 appraised at 1,000 bu. net appraised production to count (see appraisal worksheet entries). Block A-1 was select harvested after such appraisal and 1,350.0 bu. sold as US Fancy. In accordance with section 15(b) of the Basic Provisions, used harvested production as production to count for the claim (column 56 entry).**

### SECTION II – DETERMINED HARVESTED PRODUCTION

43. Date Harvest Completed <b>MM/DD/YYYY</b>						44. Damage similar to other farms in the area? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>						45. Assignment of Indemnity Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>						46. Transfer of Right to Indemnity? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>					
A. MEASUREMENTS						B. GROSS PRODUCTION						C. ADJUSTMENTS TO HARVESTED PRODUCTION											
47a. 47b. Share	48.	49.	50.	51.	52.	53.	54.	55.	56.	57.	58a. 58b.	59a. 59b.	60a. 60b.	61.	62.	63.	64a. 64b.	65.	66.				
Field ID	Multi-Crop Code	Length or Diameter	Width	Depth	Deduction	Net Cubic Feet	Conversion Factor	Gross Prod	Bu. Ton Lbs. CWT	Shell/Sugar Factor	FM % Factor	Moisture % Factor	Test Wt. Factor	Adjusted Production	Prod not to Count	Production Pre-QA	Value Mkt. Price	Quality Factor	Production to Count				
		<b>Acme Fresh Apple Co. Anytown, State</b>							<b>1,350.0</b>					<b>1,350.0</b>		<b>1,350.0</b>			<b>1,350.0</b>				
67. TOTAL																<b>1,350.0</b>	68. Section II Total		<b>1,350.0</b>				
																69. Section I Total							
																70. Unit Total		<b>1,350.0</b>					
																71. Allocated Prod.							
																72. Total APH Prod.		<b>1,350.0</b>					

### OPTIONAL COVERAGE CLAIM

For Illustration Purposes Only

This form example does not illustrate all required entry items (e.g., signatures, etc.).

