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**SUPPLEMENTAL INSTRUCTIONS
for the
STRAWBERRY CROP INSURANCE PILOT PROGRAM**

The FCIC 18010 Crop Insurance Handbook (CIH) generally applies to the Strawberry Dollar Plan Pilot. Exceptions, changes, and additions are referenced in this supplement.

Strawberries are a Category D (Dollar Plan) crop. CIH Sections 1 - 3 that apply to Category D crops apply to strawberries.

CIH Section 4 - In addition to Section 4E, Endorsements and Options:

Strawberry Modified Minimum Value Option, as described in section 14 of the Strawberry Crop Provisions.

- (a) Permits the insured to select either Option I or Option II of the Modified Minimum Value Option for types given by the Special Provisions and for which the actuarial table designates premium rates.
- (b) If an option is elected, new insureds must elect the option on their application. If a carryover insured, the option must be elected on a contract change form and submitted on or before the sales closing date for the initial crop year in which the insured wishes the option to be effective. This is a continuous option and may be canceled in accordance to the cancellation provisions in the policy. Cancellation dates are specified in the Strawberry Crop Provisions.
- (c) FCIC approved Strawberry Crop Provisions must be in force and all the terms and conditions of the policy adhered to.
- (d) Option I and II of the Modified 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 pound of strawberries (this result may not be less than the modified minimum value option price contained in the Special Provisions for any pound of strawberries), and multiplying this result by the pounds of strawberries sold;
 - (2) For marketable production that is not sold, the dollar amount obtained by multiplying the pounds of such strawberries on the unit by the minimum value shown on the Special Provisions that applies without regard to the choice of the modified minimum value option. Harvested production that is damaged or defective due to insurable causes and is not marketable will not be counted as production.

CIH Section 5 - Responsibilities

In addition to the applicable insurance provider responsibilities in Section 5A, agents and representatives of the reinsured companies are responsible for:

- (a) Informing insureds of the minimum production requirements, acreage limitation, cultural requirements and that insurance will not be available if all the requirements set forth in Section 6 of the Strawberry Pilot Crop Provisions are not met.

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- (b) Assisting in the completion of the Strawberry Underwriting Worksheet (Exhibit 1) and, if applicable, the Waiver of Acreage Limitation (Exhibit 2).
- (c) Forwarding requests for inspections for all acreage planted before the beginning of the insurance period.
- (d) Providing the Strawberry Underwriting Worksheet, Waiver of Acreage Limitation (if applicable), and Pre-Acceptance Inspection reports (if applicable) to be kept in the insured's official file.

In addition to the producer's responsibilities in Section 5B, insured producers are responsible for:

- (a) Filing a Strawberry Underwriting Worksheet each year.
- (b) Informing the insurance provider if they intend to plant more than 125 percent of the previous year's acreage

In addition to the RMA RSO responsibilities in Section 5D, the RSO is responsible for:

- (a) Approving or disapproving and mailing the Waiver of Acreage Limitation form to the insurance provider no more than 15 calendar days after receiving the form and required documentation.

CIH Section 8 - In addition to section 8B:

Strawberries are a Category D, Dollar Plan Crop with the following requirements:

- (a) Minimum Production Requirements for Insurability:

In accordance with Section 6 (a)(7) of the Strawberry Dollar Plan Crop Provisions, the insured crop will be all strawberries in the county that are produced for commercial sale by a person who in at least one of the three previous crop years produced or managed a farm that produced the minimum amount of strawberries specified in the Special Provisions.

Evidence of management should be a copy of the management contract or written verification from the Farm Service Agency, Cooperative Extension Service, a third-party handler such as a processor or shipper.

- (b) Acceptable Production Records:

- 1 If farm management records are used to support production records, they must be substantiated by records from a marketing outlet, processor, shipper, or other buyer. Records must show the quantities delivered and sold and the dollar amount received for the quantities sold.
- 2 Acceptable records of direct marketed production are: Daily pick records that meet the requirements outlined in the Crop Insurance Handbook (Section 10 C(4)) are acceptable, or as described in the Special Provisions:
 - i. Daily farm log that includes quantity sold and price received on a unit basis; or
 - ii. Pick records with pickers ID# and amount picked daily on a unit basis; or
 - iii. Cash register receipt with quantity sold and price received on a unit basis.

- (c) Annual production reports are not required to QUALIFY for optional units, however,

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the insured must maintain written, verifiable records of strawberry production from each unit in the event there is a loss on the unit(s). Strawberries may be divided into more than one insurance unit if, for each proposed (optional) unit:

1. The acreage of insured strawberries is located in a separate section, section equivalent, or farm serial number, as described in the Basic Provisions section 34(c)(1), or
 2. The acreage of insured strawberries is located on non-contiguous land.
- (d) Growers must complete the *Strawberry Underwriting Worksheet* (Exhibit 1) to certify their prior production, acreage, and cultural practices. The company may then use the form and field inspections, as needed, to determine if all the cultural requirements for insurability given in the Special Provisions are satisfied.
- (e) Inspections are required for the 2000 crop year if acreage is planted before the beginning of the insurance period. Due to the late Sales Closing date the first year of the pilot, in 1999, insurance attaches no earlier than October 1. For subsequent crop years, the insurance period begins on the date the strawberries are transplanted.
1. In counties that have an insurability requirement based on the number of viable plants per acre, field inspections should not be done for at least 3 weeks (21 days) after transplanting.
 2. The Insurance Provider insuring the crop will perform the field inspection.
 - (A) Inspections must be assigned to an inspector within five working days of receipt of the request.
 - (B) Inspections must be completed no later than 30 days after the acreage reporting date.
 3. Inspectors should make appointments with the insureds so the insured can be present to answer any questions and provide authorized access to the unit(s).
 4. The items shown below are required and must be documented on the inspection report along with any other pertinent circumstances observed by the inspector. A form such as the FCI-6 *Statement of Facts* (Exhibit 28 of the CIH) could be used to document this information.
 - (A) Identification information - name of crop, unit number, crop year, contract number, name and address of insured. A copy of the insured's completed Underwriting Worksheet **must** be attached.
 - (B) Acreage and location - planted insurable acreage and location information.
 - (C) Crop Information - overall crop condition.
 - (D) Special hazards - note any hazards (flood, etc.).
 - (E) Management practices - note any improper farming practices (poor weed control, etc.) and comment on overall unit condition.

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- (F) Verify that the cultural practices, field location, and acres specified on the Underwriting Worksheet are accurate.
 - (G) Recommendation - recommend acceptance or rejection.
 - (H) Date of inspection, signature, code number and title of person making the inspection.
5. Distribution: Original - Insurance Provider Verifier,
 First copy - Insured's file,
 Second copy - Inspector's option.
- (f) Acreage Limitation Waiver (Exhibit 2)- The Special Provisions of insurance may have an acreage limitation statement which does not allow insurance to attach if the producer plants more than a specified percent of the previous crop year's acreage. If a producer plants more than the specified percentage, a waiver can be requested from the applicable RMA regional service office. The waiver must be requested at the time of application or for carry-over insureds by the sales closing date.

Exhibit 3 is an example of calculating the strawberry producer premium.

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EXHIBIT 1

STRAWBERRY UNDERWRITING WORKSHEET

Name: _____ **Policy Number:** _____

Crop Year : _____ **Type:** _____ **Unit Number:** _____

PRIOR PRODUCTION

Acres Planted Last Year: _____

Highest Yield: _____ *pounds/acre* **Year:** _____ **Source:** _____

Field Location					
Field Identification					
Soil Salinity Test Date					
Soil Salinity Test Result					
Water Salinity Test Date					
Water Salinity Test Result					
Fumigation Date					
Fumigation Materials and Concentration					
Fumigation Rate					
Height of Bed					
Plant Certification					
Plant Density					
Variety Planted					
Acres Planted					
Date Planted					
Date Plastic Mulch Applied					
Drip Irrigation					
Overhead Sprinklers					

Remarks

I certify that the information I have furnished is complete and accurate for the commodity, unit, and year shown. I understand that the failure to report completely and accurately may result in voidance of my crop insurance contract and may result in criminal or civil false claim penalties (18 U.S.C. 1006 and 1014; 7 U.S.C. 3729 and 3730).

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Signature	<i>IM Insured</i>	Date	<i>8-15-99</i>
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INSTRUCTIONS FOR COMPLETING STRAWBERRY UNDERWRITING WORKSHEET

NOTE: If an item is not applicable in your county, enter NA.

<u>ITEM</u>	<u>EXPLANATION AND/OR EXAMPLE</u>
Name	Identify exactly the Applicant or Insured person (legal entity) to whom the policy is, or will be, issued. <i>Example: IM Insured</i>
Policy Number	The company will enter the insured's assigned policy number.
Crop Year	The year in which harvest of the insured crop will be completed.
Type	Defined by the planting system; initial and final planting dates are in the actuarial documents. <i>Example: summer or winter</i>
Unit Number	The company will enter the 5-digit unit number from the Summary of Coverage after it is verified to be correct. <i>Example: 00100</i>
PRIOR PRODUCTION	
Acres Planted Last Year	Report the number of acres of strawberries planted for the crop year immediately preceding the crop year designated above.
Highest Yield	Report the highest yield (in pounds per acre) you have produced in the three previous crop years.
Year	Report the year in which your highest yield occurred.
Source	Report the source of prior production reported above. <i>Examples: processor records at J.M.Smucker; handler records at Good-Pick; daily pick records maintained by our office manager.</i>
Field Location	Specify section, township, and range numbers. Section equivalent or FSA farm serial numbers may also be used to locate the field. <i>Example: SW1/4 30 22 130</i>
Field Identification	The company will enter the field identification symbol from the Summary of Coverage. <i>Example: 1A, 2B, 3A</i>
Soil Salinity Test Date	The date on the report of the soil test results.
Soil Salinity Test Result	The results of an electrical conductivity test, measured in deciSiemens per meter (dS/m). <i>Example: 1.7 dS/m</i>
Water Salinity Test Date	The date on the report of the irrigation water test results.
Water Salinity Test Result	The results of an electrical conductivity test, measured in deciSiemens per meter (dS/m). <i>Example: 1.2 dS/m</i>

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<u>ITEM</u>	<u>EXPLANATION AND/OR EXAMPLE</u>
Fumigation Date	Date the soil fumigation was completed. If the soil sterilization method did not use fumigants, skip the next two items and describe the method in the <i>Remarks</i> section below.
Fumigation Materials and Concentration	<i>Example: 70% methyl bromide and 30% chloropicrin</i> If concentration is restricted due to the proximity of residential areas, explain in <i>Remarks</i> .
Fumigation Rate	Describe the rate of application. <i>Example: 300 pounds per acre</i>
Height of Bed	Enter the approximate height of the planting beds at the time the strawberries were transplanted.
Plant Certification	Enter YES, if your transplants were certified disease-free by the California Department of Food and Agriculture or other states' agencies; otherwise enter NO.
Plant Density	Report the number of viable transplants per acre. <i>Example: 27,000 p/ac</i>
Variety Planted	Report the variety or varieties planted in the field or unit.
Acres Planted	Number of determined acres, to tenths, in field or unit.
Date Planted	Report the date planting was completed in the field or unit.
Plastic Mulch Applied	Report the date plastic mulch was applied to completely cover the surfaces of raised planting beds in the field or unit.
Drip Irrigation	Enter YES, if drip irrigation is used, otherwise enter NO. If a different irrigation system is used, explain in the "Remarks" section below.
Overhead Sprinklers	Enter YES, if overhead sprinklers are used, otherwise enter NO.
Remarks	Use this space to describe cultural practices that differ from those described in the Special Provisions.
Signature	<i>IM Insured</i>
Date	Enter the date the application for insurance coverage was initiated. As subsequent cultural requirements are satisfied, complete the line item, put your initials and the date by that line item.

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EXHIBIT 2

WAIVER OF ACREAGE LIMITATION

CROP: INTENDED ACRES:

NAME: IDENTIFICATION NUMBER:

CITY: STATE: ZIP CODE: COUNTY:

Has the above crop been planted on this acreage in at least one of the last 3 crop years? _____
What was the most acreage of the above crop that you planted in one of the last 3 crop years? _____

What is the source of your acreage records ? _____
(Acceptable sources of acreage documentation are the Farm Service Agency, Cooperative Extension Service, and third-party handlers such as processors or shippers.)

Specify the market or markets for which the crop is intended. _____% Processing, _____% Fresh Market, _____% U-pick, _____% Farmers Market, _____% Other (specify _____).

I request that the acreage limitation be waived for the acreage of the above listed crop that I intend to plant for the _____ crop year.

PRODUCER'S SIGNATURE: DATE:

INSURANCE PROVIDER'S SIGNATURE: DATE:

The waiver is granted for the intended acreage specified above. If more than the intended acres of the insurable crop are planted, this waiver is invalid and none of the acreage of the crop is insurable.

REQUEST APPROVED BY: DATE:

EXHIBIT 3
PREMIUM CALCULATION EXAMPLE
STRAWBERRY DOLLAR PLAN PILOT PROGRAM

Base Premium:

1. **Enter the Total Amount of Protection** determined by multiplying the Dollar Amount of Insurance Per Acre, selected by the producer, times the net acres insured. 1.
[\$4,500 X 10 acres]

2. **Enter the Coverage Level %** associated with the Dollar Amount of Insurance Per Acre selected by the producer, given by the FCI-35. 2.

3. **Enter the Base Premium Rate** for the selected Coverage Level. 3.

4. **Enter the Base Premium** determined by multiplying answer 1 times answer 3. 4.
[\$45,000 X 0.044]

Producer Premium:

5. **Enter the Producer Premium factor** from the Producer Premium Percentage Table 2.9. Use the factor under the Coverage Level (answer 2). 5.

6. **Enter the Producer Premium** determined by multiplying answer 5 by answer 4. 6.
[\$1,980 X 0.562]

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

PREMIUM CALCULATION EXAMPLE STRAWBERRY DOLLAR PLAN PILOT PROGRAM

Base Premium:

1. **Enter the Total Amount of Protection**, determined by multiplying the Dollar Amount of Insurance Per Acre, selected by the producer, times the net acres insured. 1.

2. **Enter the Coverage Level %**, associated with the Dollar Amount of Insurance Per Acre selected by the producer, given by the FCI-35. 2.

3. **Enter the Base Premium Rate** for the selected Coverage Level. 3.

4. **Enter the Base Premium** determined by multiplying answer 1 times answer 3. 4.

Producer Premium:

5. **Enter the Producer Premium factor** from the Producer Premium Percentage Table 2.9. Use the factor under the applicable coverage level (answer 2). 5.

6. **Enter the Producer Premium**, determined by multiplying answer 5 by answer 4. 6.

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