



United States
Department of
Agriculture

Risk
Management
Agency

1400 Independence
Avenue, SW
Washington, D.C.
20250-0801

BULLETIN NO.: MGR-06-009

TO: All Reinsured Companies
All Risk Management Agency Field Offices
All Other Interested Parties

FROM: Eldon Gould /s/ *James Callan* for 7/20/2006
Administrator

SUBJECT: Termination of the Apple Pilot Quality Option

BACKGROUND:

The Apple Pilot Quality Option (APQO) is currently offered in select counties in six states: California, Michigan, Pennsylvania, New York, Virginia, and Washington. On August 5, 2005, the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) extended the pilot program through the 2006 crop year so that a final pilot program evaluation could be completed. A final evaluation was conducted and the results of the evaluation were presented to the Board on July 13, 2006.

Based on the evaluation findings, the Board voted to terminate the APQO. Information on this decision can be viewed on the Risk Management Agency Website at:
<http://www.rma.usda.gov/fcic/archive.html>

ACTION:

The APQO is terminated effective for the 2007 crop year. To provide policyholders with an opportunity to review alternate risk management options, cancellation notices must be sent to all producers participating in this program no later than October 31, 2006, for California, and August 31, 2006, for all other states. Further, no applications may be accepted for the 2007 crop year. If a reinsured company accepts an application or fails to timely cancel the APQO for the 2007 crop year, no reinsurance will be provided.

Producers who participated in the APQO should be advised that an Optional Coverage for Fresh Fruit Quality Adjustment is available and contained in the Apple Crop Insurance Provisions. This option also provides coverage for quality, U.S. Fancy Apples or better, as did the APQO.

DISPOSAL:

This Manager's Bulletin is for the purpose of transmitting information and the expiration date is December 31, 2006.



The Risk Management Agency Administrators
And Oversees All Programs Authorized Under
The Federal Crop Insurance Corporation

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