



United States
Department of
Agriculture

BULLETIN NO.: MGR-09-004

Risk
Management
Agency

TO: All Approved Insurance Providers
All Risk Management Agency Field Offices
All Other Interested Parties

1400 Independence
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Stop 0801
Washington, DC
20250-0801

FROM: William J. Murphy /s/ *William J. Murphy*
Acting Administrator

6/12/2009

SUBJECT: 2009 Crop Year Fresh Texas Citrus Claims

BACKGROUND:

On July 23, 2008, Hurricane Dolly made landfall in the lower Rio Grande Valley of Texas. Excess rainfall from the hurricane and the subsequent tropical depression inundated many low lying citrus groves for several months. Citrus claims for the 2009 crop year are currently being filed for excessive rainfall damage that occurred in July 2008.

The Texas Citrus Fruit Crop Provisions (00-226) states in section 12. (e), "...citrus fruit that is not marketable as fresh fruit due to insurable causes will be adjusted by: (1) Dividing the value per ton of the damaged citrus by the price of undamaged citrus fruit; and (2) Multiplying the result by the number of tons of such citrus fruit. The applicable price for undamaged citrus fruit will be the local market price the week before damage occurred."

Damage occurred prior to any 2009 crop year fruit being marketed. As a result, approved insurance providers did not have a local market price available for undamaged fresh citrus fruit as stipulated in the Texas Citrus Crop Provisions because area packing houses were not packing 2009 fresh citrus fruit at that time. Consequently, it is impossible to comply with the policy provisions cited and necessary to establish a fair and equitable price so that indemnities may be completed for insurable causes of loss.



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

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ACTION:

With respect to damage for the 2009 crop year caused by excess rainfall from Hurricane Dolly, for the purposes of section 12. (e) above, the local market price per ton for undamaged citrus fruit will be the prices listed below.

2009 Crop Year Texas Fresh Citrus Market Prices per Ton	
Citrus Crop/Code	Market Price per Ton
Early/Mid Oranges (0224)	\$335
Late Oranges (0225)	\$400
Rio Red & Star Ruby Grapefruit (0238)	\$447
Ruby Red Grapefruit (0228)	\$362
All Other Grapefruit (0226)	\$347

Use the market prices above to calculate the quality adjustment factor for fresh citrus fruit damaged by insured causes that is not marketable as fresh fruit. Divide the price of damaged citrus fruit by the applicable market price above to determine the quality adjustment factor. Multiply the quality adjustment factor by the amount of appraised or harvested citrus production to determine appraised or harvested production to count for the claim.

DISPOSAL DATE:

The bulletin will be effective until September 30, 2009.