

### United States Department of Agriculture

Risk Management Agency

Beacon Facility Mail Stop 0813 PO Box 419205 Kansas City, MO 64141-6205 August 28, 2009

#### **INFORMATIONAL MEMORANDUM: PM-09-041**

TO: All Approved Insurance Providers

All Risk Management Agency Field Offices

All Other Interested Parties

FROM: Tim B. Witt /s/Tim B. Witt

**Deputy Administrator** 

SUBJECT: Quarantine Endorsement and Underwriting Guide Release for the

2011 – 2014 Crop Years

## **BACKGROUND:**

On May 7, 2009 the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) approved implementation of a Quarantine Endorsement Pilot Program beginning with crop year 2011.

The Quarantine Endorsement will be available for purchase on buy-up policies in the state of California for avocados and citrus fruit. The Quarantine Endorsement will be available as an endorsement to the CA-AZ Citrus policy (California only) and for the recently approved Actual Revenue History (ARH) – Navel Orange pilot program. It will also be available for the California Avocado pilot program.

The Quarantine Endorsement Pilot Program will cover certain types of losses due to qualifying quarantines imposed by a duly authorized regulatory body. A qualifying quarantine must either mandate destruction of the crop or the plants upon which it is growing and preclude harvest prior to destruction; or restrict harvest, sale, transportation or transfer from the location where the crop is produced to the location of any buyer for a period of time during which the fruit becomes unmarketable. Only a quarantine that is declared during the insurance period will be covered.

An action taken by an appropriate authority to control a pest that still permits movement of the fruit from the location where it was produced, or that does not require destruction of the insured crop is not a quarantine for the purposes of this endorsement, even if it is designated as a quarantine by an appropriate authority. Additional costs to harvest, pack or transport fruit are not covered under this endorsement.

Producers interested in the Quarantine Endorsement Pilot Program will need to contact their crop insurance agent to elect this endorsement. The sales closing date for eligible



crops is November 20, 2009 for the 2011 crop year. RMA publishes a list of agents on its website at: <a href="http://www.rma.usda.gov/tools/agent.html">http://www.rma.usda.gov/tools/agent.html</a>

# **ACTION:**

The following 2011 crop year Quarantine Endorsement Pilot Program insurance materials may be accessed on the RMA website from the crop policy page at: http://www.rma.usda.gov/pilots/2010pilot.html

## **Material**

- Quarantine Endorsement
- Quarantine Endorsement Underwriting Guide

## **DISPOSAL DATE:**

This Informational Memorandum is for the purpose of transmitting information and its disposal date is December 31, 2009.