

September 3, 2009 United States **Department of** Agriculture **INFORMATIONAL MEMORANDUM: PM-09-044** Risk Management TO: All Approved Insurance Providers Agency All Risk Management Agency Field Offices All Other Interested Parties Beacon Facility Mail Stop 0813 PO Box 419205 FROM: Tim B. Witt /s/Tim B. Witt Kansas City, **Deputy Administrator** MO 64141-6205 SUBJECT: Actual Revenue History Pilot Plan of Insurance - Citrus Policy and Insurance Documents Release

BACKGROUND:

On May 7, 2009 the Federal Crop Insurance Corporation (FCIC) Board of Directors (Board) approved implementation of an Actual Revenue History Citrus Pilot Program (ARH-Citrus) specifically for navel oranges beginning with crop year 2011.

The policy structure for ARH-Citrus is similar to the AZ-CA Actual Production History citrus crop provisions, but under the ARH-Citrus pilot program only navel oranges are insurable. This ARH-Citrus pilot program for navel oranges is offered in four California counties: Fresno, Kern, Madera, and Tulare.

The ARH-Citrus pilot program for navel oranges is designed to protect growers against losses from low yield, low price, low quality, or any combination of these events. The pilot program utilizes individual producer historical revenues as the basis for the guarantee, using "packinghouse door" valuation, i.e., after harvest at the point of first delivery. Revenue to count for the purpose of determining an indemnity is the amount the grower actually receives, plus an assessment for harvest cost not incurred in the event of a production loss.

Producers interested in the ARH-Citrus pilot program for navel oranges will need to contact a crop insurance agent and complete an application. RMA publishes a list of agents on its website at: http://www.rma.usda.gov/tools/agent.html

The sales closing date is November 20, 2009 for the 2011 crop year.



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

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The following 2011 crop year ARH-Citrus pilot program insurance materials will be available by close of business today and may be accessed on the RMA website from the crop policy page at: <u>http://www.rma.usda.gov/pilots/2010pilot.html</u>

<u>Material</u>

- ARH-Citrus Pilot Crop Provisions (2011)
- ARH-Citrus Pilot Underwriting Guide (2011)
- ARH-Citrus Pilot Loss Adjustment Standards Handbook (2011)

DISPOSAL DATE:

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