



United States  
Department of  
Agriculture

Farm and Foreign  
Agricultural  
Services

Risk  
Management  
Agency

Valdosta  
Regional Office

106 S. Patterson St.  
Suite 250  
Valdosta, Georgia  
31601

**AUGUST 31, 2010**

**INFORMATIONAL MEMORANDUM**

**TO:** Reinsured Companies Servicing Alabama, Georgia, and South Carolina

**FROM:** Michael Moore /s/ *Michael Moore*  
Director

**SUBJECT:** 2011 Regional Approved Insurance Provider (AIP) Underwriting Guidelines for Category C Perennial Crops – Apples, Blueberries, & Peaches in Alabama, Florida, Georgia, and South Carolina

**BACKGROUND:**

The 2011 FCIC 18010 (6-10) Crop Insurance Handbook (CIH) Sections 7D(4), 16H(8)(e), and 16I(1) authorize the Risk Management Agency (RMA) Regional Offices (ROs) to issue Perennial Crop Underwriting Guidelines that modify procedure for high variability of yields and provided additional underwriting procedure for regional exceptions. The CIH Section 16H(8)(c) provides procedure and formulas designed to identify and adjust high variability perennial crop yields that indicate patterns of alternate bearing. Widespread damage to perennial crops as a result of severe weather in 2007 combined with excellent crop conditions throughout the region in 2010 may inadvertently identify certain perennial crops for this high variability of yield procedure. To expedite the approved yield process and decrease the number of requests for determined yields received in our office, the Valdosta RO issues the following guidelines.

**ACTION:**

The following 2011 crop year AIP Underwriting Guidelines are in effect for Category C Perennial Crop policies in the Valdosta RO Region.

**1. APPLES, BLUEBERRIES, and PEACHES: Alabama, Georgia, and South Carolina only**

For blocks or units meeting the criteria for high variability of actual yields in CIH Section 16H(8)(b) and (c) for yield variance and alternate bearing, the AIP may approve the yield using the standard Category C APH procedure without adjustment of the approved APH yield by the formula if the AIP verifies the high variability is due to weather related events in 2007, resulting in lower yields, and 2010, resulting in higher



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

USDA is an Equal Opportunity Provider and Employer

## INFORMATIONAL MEMORANDUM

yields. If applicable, yield substitution (YA) is authorized; however, CUP procedure is not applicable for any database identified for high variability of actual yields. The approved APH yield should be reported to the Policy Acceptance and Storage System (PASS) with RMA RO determined yield indicator “F” and no special case yield indicator. Yield limitation code “12” should be reported if any actual yield in the database was substituted using YA procedures; rate yield must equal the average yield prior to the application of YA yields.

A new Perennial Crop Pre-Acceptance Inspection Report (PAIR) is not required for blocks or units meeting the criteria for high variability of actual yields in CIH Section 16H(8)(c) unless the inspection is triggered by other requirements as outlined in CIH Section 16E(1)(a) or (b), or any additional requirement contained in these underwriting guidelines.

These underwriting guidelines do not waive or modify procedures in CIH Section 16H(8)(d) for databases or units that meet the criteria for downward yield trend.

### 2. **ADDITIONAL PROCEDURES AND CLARIFICATION OF PROCEDURES: All States**

In addition to requirements for pre-acceptance field inspections outlined in CIH Sections 16E(1)(a) and (b), unless otherwise waived in these underwriting guidelines, a new inspection will be required in the following situations:

- A. An insured unit that has more than a 10 percent change in acreage from the prior year due to changes in tree/bush age, population (density), or variety requires an updated inspection regardless of the date of the last inspection.
- B. For peaches, any block of trees within an orchard that is greater than 15 years of age or exhibits downward yield trend requires an annual inspection for insurability.

Blueberry acreage with a change in practice from the prior insurance year requires an RO Determined Yield in accordance with CIH Section 16I(2)(a)3. Yield history experience under the previous practice may not be transferred to the database for the new practice.

Procedures in CIH Section 16B(2) are applicable for blueberry and apple acreage when plant stand reduction is equal to or greater than twenty percent based of the original planting pattern.

If you have any questions or if we can be of any assistance, please contact our office.