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Department of  
Agriculture

Farm and Foreign  
Agricultural  
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Risk  
Management  
Agency

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## INFORMATIONAL MEMORANDUM

**TO:** All Northeast Reinsured Companies

**FROM:** Scott Lucas /s/ *Scott Lucas*  
Director

**SUBJECT:** Reinsurance year 2014 Regional Perennial Underwriting Guidelines for Category C Actual Production History (APH) Crops in the Raleigh RO Region

### **BACKGROUND:**

The 2014 FCIC 18010 Crop Insurance Handbook (CIH) authorizes the Risk Management Agency (RMA) Regional Offices (ROs) to issue underwriting procedures for Category C crops that modify procedure for high variability of yields and provide additional underwriting procedure for regional exceptions.

Paragraph 1562D and E of the CIH provides procedure and formulas designed to identify alternate bearing and downward yield trending for Category C crop yields. In order to expedite the approved yield process and decrease the number of requests for RO determined yields and extension deadlines, the Raleigh RO has issued the following guidelines.

Effective for the 2014 crop year, the following RO Underwriting Guidelines are in effect for Apples, Blueberries, Cranberries, Grapes, Peaches, and Pears in the states of Connecticut, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia.

### **ACTION:**

#### **A. High Variability Requests**

As a result of severe weather related events in 2007, 2011, and 2012, the AIP may approve the yield for alternate bearing and for downward yield trending after removing yields for 2007, 2011, and 2012. Determined yield requests are not required to be submitted to the Raleigh RO if high yield variability **is not** evident after these approved crop years are removed from the AIP's analysis. For example, a five year data base (apples and peaches) would only include 2013, 2010, and 2009, and a ten year APH database (blueberries, cranberries, grapes, and pears) would only include 2013, 2010, 2009, 2008, 2006, 2005, and 2004 in the AIP's test for high variability of actual yields.

## **B. PAIR Requirements**

In addition to the requirement for Perennial Crop Pre-Acceptance Inspection Report (PAIR) outlined in CIH Paragraph 1538, a new PAIR will be required for:

1. Peach trees that are greater than 15 years of age; and
2. Category C crops that exhibit a downward yield trend for the most recent three years of actual yields (2013, 2010, and 2009) within their APH Database.

Please contact the Raleigh Regional Office if you have any additional questions.