



United States  
Department of  
Agriculture

April 27, 2011

**INFORMATIONAL MEMORANDUM**

Risk  
Management  
Agency

Spokane Washington  
Regional Office

11707 E Sprague Ave  
Suite 201  
Spokane Valley, WA  
99206-6125

509 228-6320  
FAX 509 228-6321

TO: Pacific Northwest Approved Insurance Providers

FROM: Dave P. Paul /s/ *Dave P. Paul*  
Director

SUBJECT: Fruit and Nut Tree Insurability under the Nursery Crop Insurance Provisions

Included below are recent questions and answers the Spokane RO has received in regards to the insurability of Fruit and Nut Trees under the Nursery Crop Insurance Provisions.

**Question:** Is mother rootstock insurable?

**Answer:** Mother rootstock is not insurable under the Nursery Crop Insurance Provisions because it meets the definition of a stock plant.

**Nursery Crop Insurance Provisions Section 1. Definitions:**

**Stock plants** - Plants used solely for propagation during the insurance period.

**Nursery Crop Insurance Provisions Section 8 Insured Crop and Plants:**

In lieu of the provisions of sections 8 and 9 of the Basic Provisions, the crop insured will be all nursery plants and plant types in each practice, contained on the Eligible Price List, in which you have a share, that you elect to insure, and that:

- (i) Are not stock plants or plants being grown solely for harvest of buds, flowers, or greenery.

**Question:** How is insurability of rootstock, produced using various propagation methods, (i.e. stool beds, mound beds or layered beds) determined?

**Answer:** Rootstock produced using the above listed propagation methods must meet the minimum insurability requirements of the Nursery Crop Insurance Provisions, Nursery Underwriting Guide and published actuarial materials.



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

USDA is an Equal Opportunity Provider and Employer.

**Nursery Underwriting Guide Exhibit 4 lists the Minimum and Maximum Plant Sizes by Plant Type:**

Plant Type		Container Size		Field Grown Caliper (Inches)		Field Grown High/Wide (Inches) (Feet)	
		Min	Max	Min	Max	Min	Max
Fruit & Nut Trees	(FN)	POT 0.08	65 Gal & Up	7/16	4	18 in.	10

**Question:** What can a Written Agreement be issued for under the Nursery Crop Insurance Provisions?

**Answer:** For unrated nursery plant materials. The Nursery Underwriting Guide and the Written Agreement Handbook provide guidance on the issuance of Written Agreements.

**The 2012 Nursery Underwriting Guide in Section 15 specifies:**

For plants not listed in the EPL/PPS, submit a request to the RO for a written agreement. Written agreements are not available for CAT and are not continuous for additional coverage policies.

Written agreements may not be issued for missing plant sizes, to change pricing methods, add practices, change hardiness zone, etc. Refer to the FCIC-24020 Written Agreement Handbook for written agreement procedures and requirements.

**The 2011 FCIC 24020 Written Agreement Handbook specifies:**

Nursery WA renewals must be submitted by the cancellation date preceding the beginning of the insurance period.

**Question:** If the producers nursery catalog lists both “sleeping eye” and “finished” trees as separate production practices are both practices insurable under the Nursery Crop Insurance Provisions?

**Answer:** To be insurable, trees produced under either the “sleeping eye” or “finished” tree practices must meet the minimum plant size requirement of 7/16” for Field Grown Fruit and Nut Trees.

Note: If “sleeping eye” trees and “finished” trees are listed in the producer’s catalog at the same caliper but different prices and one of the listed prices is less than the EPL/PPS price then the lesser of those two prices listed on the catalog will be the insured price. In order to insure the “sleeping eye” trees and “finished” trees of the same size at different prices the producer must elect to take the Nursery Growers Price Endorsement (NGPE).

**Question:** If the producer’s nursery catalog lists plant materials under a single genus e.g., “*Malus sp.*” for apples even though the Nursery Eligible Plant Listing shows genus, genus/species, genus/hybrid, or genus/species/subspecies or variety; how is the correct price determined?

**Answer:** Plants listed at the genus level on a nursery catalog or price list must be compared to the correct taxonomic level of the plant in the EPL/PPS in order to determine the most accurate values for the PIVR.

**The 2012 Nursery Underwriting Guide in Section 7 D specifies:**

**D. ALL PLANT CULTIVARS OF A GENUS, GENUS/SPECIES, GENUS/HYBRID, OR GENUS/SPECIES/SUBSPECIES OR VARIETY** may not be listed in the EPL/PPS. In these cases, the insurable price of each **unlisted cultivar** is determined by comparing the nursery catalog price to the EPL/PPS price for the appropriate genus, genus/species, genus/hybrid, or genus/species/subspecies or variety to determine the —lower of|| price. See the example below.

**EXAMPLE:** The EPL/PPS shows a price of \$4.76 for boxwoods (genus *Buxus*) **at the genus level** in a one-gallon container and a price of \$2.31 for Japanese Littleleaf Boxwood (*Buxus Microphylla* var. *Japonica*) at the **genus/species/variety level** in a one-gallon container. The insured lists in his nursery catalog the one-gallon price for *Buxus* Cultivar X (genus/cultivar) as \$5.00 and a one-gallon price for *Buxus Microphylla* var. *japonica* Cultivar Y (genus/species/variety/cultivar) as \$2.25. Enter the two **unlisted cultivars** of boxwoods on separate lines. The inventory software will apply the "lower of" rule for both unlisted plants and will select the \$4.76 EPL/PPS genus level price for *Buxus* Cultivar X and the \$2.25 catalog price for *Buxus Microphylla* var. *japonica* Cultivar Y.

This material does not change the content or the meaning of current policy provisions, filed actuarial documents or approved procedures. If you have any questions or need further clarification, please do not hesitate to contact our office.

CC: Heyward Baker, Insurance Services

jr/dab/DPaul

S:\7010 - 6 Program General Correspondence\Insurance Company Agent  
Correspondence\FruitandNutTreeMemo\_kc\_Final.docx

Hard copy file located Pro 04

Sent via Email

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

USDA is an Equal Opportunity Provider and Employer.