



June 9, 2015

United States  
Department of  
Agriculture

**INFORMATIONAL MEMORANDUM**

Risk  
Management  
Agency

TO: Pacific Northwest Approved Insurance Providers  
FROM: Ben Thiel /s/ *Ben Thiel*  
Director

Spokane Washington  
Regional Office

SUBJECT: Loss Adjustment for Apples

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

Storms producing hail have resulted in reports of damage to the apple crop in some of the apple producing regions of Washington State. Insurance providers are preparing for loss adjustment on possible claims. Damaged apples are likely in an early stage of growth and haven't reached maturity. Insurance providers are reminded to follow the apply policy and procedures for damaged apple production when performing early season appraisals.

509 228-6320  
FAX 509 228-6321

The Apple Crop Insurance Provisions defines "**Damaged apple production** –

*(1) With respect to losses calculated under section 12 [basic coverage] only, the percentage of fresh or processing apple production that fails to grade U.S. No. 1 Processing or better in accordance with the grade standards due to an insurable cause of loss; or*

*(2) With respect to losses calculated under section 14 [optional coverage for fresh fruit quality adjustment], the percentage of fresh apple production that fails to grade U.S. Fancy or better in accordance with the grade standards due to an insurable cause of loss."*

The Apple Loss Adjustment Standards Handbook (LASH), Paragraph 21 C (2) states:

"When an insured reports damage, the adjuster shall make arrangements with the insured to inspect/appraise damaged apple production using either early season or near-maturity appraisals, as applicable.

***Early season appraisals***

*Make early-season appraisals when all hand and/or chemical thinning of apples has been completed, after the natural fruit-drop period (June drop period) has passed, and before apples reach harvestable maturity. If both the AIP and insured agree to an early-season appraisal and the apple crop at this stage of development has the potential to meet the applicable grade requirements, complete such early-season appraisal.*

***Near maturity appraisals***

*Make near-maturity appraisals when apples are near harvestable maturity or have reached harvestable maturity, and before any apples are removed from the trees or the ground, as applicable. At this stage of development, apples must be mature enough for grading and/or quality adjustment."*

USDA is an Equal Opportunity Provider and Employer.

Grading of apples occurs when the apples are mature enough to apply applicable grade standards. Therefore, representative sample trees must be maintained for any damaged unit/block in order to properly grade the apples in accordance with the Apple Crop Provisions. See exhibit 5 of the Apple LASH for Representative Sample Requirements.